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NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 12

1930-39

793.94/4081-4270
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.

FE

JS **TELEGRAM RECEIVED**

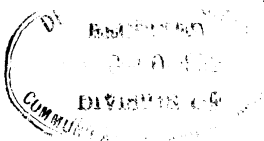
This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

FROM TOKYO

Via Shanghai

Undated

Rec'd February 9, 1932,
11:22 p.m.



Secretary of State,

Washington, D.C.

February 4 via Shanghai.

My telegram No. 39, 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

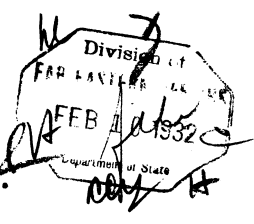
to the Department.

CUNNINGHAM

FW

793.94

See
793.94/3948



F/LS

793.94/4081

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

TELEGRAM RECEIVED

cib

GRAY

Geneva

Dated February 9, 1932

Recd February 10, 1:38 am.

Division of

FAR EASTERN AFFAIRS

FEB 10 1932

Department of State

Secretary of State

Washington.

16, February 9, 11 p.m.

Herewith a memorandum by Sweetser on meeting of the

Twelve called this afternoon on Far Eastern question:

Boncour called a meeting of the Twelve to decide what policy to follow at the public meeting in view of first, receipt of the Shanghai report and second, China's request for a discussion thereof.

Simon gave information on the Shanghai negotiations. He said the Japanese had made no further advance either at Woosung or Chapei and that the International Settlement was comparatively quiet. The situation however was dangerous as well as uncertain. Admiral Nomura who had been given the supreme command had arrived at Shanghai at four o'clock Monday. Simon believed his influence would be moderate and emphasized that the American Government which had dealt with him in recent meetings strongly shared this view. The suggested neutral zone had not been abandoned. One or two projects were being discussed on the spot with important American collaboration and there was reason at least to hope that the efforts set under way by the American Government might succeed. He promised to keep the Council closely in touch

F/LS 793.94/4082

793.94
893.102-5
500.C112

-2- #16 from Geneva

in touch and again stressed that Britain had no purpose except to serve the ideals which the Council itself exists to serve. He recognized that public opinion in all countries was impatiently demanding that the fighting stop and he appreciated that recent events would only cause the most profound anxieties. He feared that at present the Council could not come to an effective decision first, because the Shanghai report covered events only up to January 31 and second, because while the situation remained anxious and difficult efforts were still continuing with important American collaboration to create a neutral zone and stop bloodshed. Boncour stated that the information of the French Government was practically identical with Simon's. He laid emphasis on the impression that the neutral zone had been accepted by the Japanese in principle. Sato had confirmed this impression adding that the discussion was now concentrated on details. Zaleski said the neutral zone applied only to Shanghai and asked if elsewhere the two parties could fight freely. Boncour thought not, that acceptance of the Shanghai settlement would entrain general cessation of hostilities.

Simon said Admirals Kelly and Nomura were now negotiating which could only be effectively done on the spot. In his judgment the original difficulty arose from the fact that the Japanese naval forces had attempted far too much and that it was now necessary that they be rescued from a dangerous

-3- # 16 from Geneva.

dangerous position. Once this emergency were surmounted it would be necessary for the Council to make a declaration to protect the principles of the League. Marinkovitch felt that if all the powers represented at Shanghai were members of the League the situation would be much easier. There were other nations there much more interested than most members of the Council. He asked regarding the declarations of the two parties which was found to be essential under Article 15 before a general debate could be held. To Drummond's reply that he had asked for but not yet received these statements Marinkovitch pointed out that the Council could not then be held responsible for the delay.

Zuluta agreed that the demarche of the powers in Shanghai corresponded with the ideals of the Council but affected only Shanghai whereas the Council had the whole Sino-Japanese affair on its agenda. The events in the Far East were directly contrary to the Covenant and the Council must intervene at the proper moment to save the moral authority of the League. He is very anxious to know when that moment would come.

Simon suggested that after the two parties had spoken the President might point out that as the first Shanghai report ran only to the end of January as statements had not been received from the parties and as negotiations were still

-4- # 16 from Geneva

were still going on, no useful discussion could be held at the moment. Boncour however thought that the Council was in its present position because of the Anglo-American demarche and that it would be proper to explain its abstention by Simon's making a statement on the negotiations. This course was agreed to with the understanding that the President would add that the League was waiting the outcome of these negotiations and would in due course resume its general discussions."

WILSON.

JS

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

TELEGRAM RECEIVED

MET

GRAY

Shanghai via N.R.

Dated February 10, 1932

Rec'd 7:16 a.m.

Secretary of State,

Washington

27, February 10, 4 p.m.

Your February 9, 5 p.m., telegram No. 1111

British Consul General is delaying reply to Mayor's note of February 8th until arrival of British Minister in Shanghai which will probably be within next two or three days. I regard it as highly desirable that British and American replies at least should be similar if possible. Other colleagues have asked for a copy of my reply which I will furnish as soon as Department authorizes such reply. I give below a tentative draft for the Department's consideration which is similar to British draft which I understand British Consul General will submit for consideration of British Minister:

"I have the honor to acknowledge the receipt of your communication dated February 8 with regard to the reported failure of the Shanghai Municipal Council to restrain armed Japanese forces from using the International Settlement as a base of operation. You declare that in these circumstances the Chinese Government will not be responsible for damages to foreign life and property caused by operations of Chinese troops against Japanese forces.

As

F/LS

793.94/4083

FILED

793.94
note
893.102-S
793.94111

Division of
AFR EASTERN AFFAIRS
FEB 10 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

MET

2-#27 from Shanghai via N.R.,
February 10, 4 p.m.

*note
793.94111*
As you are no doubt aware the American Government is
using every endeavor to preserve a correct and neutral
attitude in most difficult circumstances in the dispute
which has unfortunately arisen between China and Japan
but it must continue to hold both together responsible
for any loss or damage which may be inflicted by them on
American lives and property as a result of such dispute".

Does the Department authorize above or reply of
similar wording?

Repeated to the Legation and Nanking for information.

CUNNINGHAM

WSB

1007

DECLASSIFIED: E.O. 11652, 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

Washington,

February 10, 1932.

AMERICAN CONSUL

SHANGHAI (CHINA).

URGENT.

Your 27, February 10, 4 p.m.

The Department approves a reply similar to the tentative draft which you have ^{submitted} ~~prepared~~. For your consideration the Department suggests that in paragraph two, after the words QUOTE between China and Japan UNQUOTE, the note should read QUOTE but it must continue to hold the Governments and authorities of each of the disputants responsible for any loss or damage which may be inflicted by ^{any} armed forces or any agencies thereof ~~on~~ American lives and property as a result of such dispute UNQUOTE.

Repeat to Nanking and ^{inform Tokyo.}

Stimson

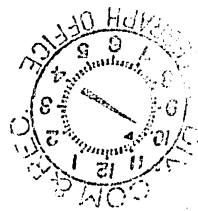
CR
Feb 11 1932

FE: RSM: EJJ

FE

SKH

FEB 10 32



Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE
1-138
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793.94/4083
note
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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



Mr. Kase of the Japanese Embassy called and left with Mr. Hamilton the attached documents which he stated were the texts in Japanese and in English translation of sixteen executive agreements between China and Japan dealing with the non-construction of any main line parallel to the South Manchuria Railway or any branch line which might be prejudicial to the interests of the South Manchuria Railway, and other matters. Mr. Kase left also a personal memorandum prepared by him containing explanatory comment with regard to the sixteen executive agreements.

Mr. Kase stated that these documents were being given the Department by the Japanese Embassy for the information of the Department.

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MMH:AT

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FILED

FEB 9 1932

Munichi Kaise
Second Secretary of the Japanese Embassy

Washington

*"Secret Patrol
of 1905"*

1'S PERSONAL MEMORANDUM

1. The sixteen executive agreements between Japan and China are entered in the minutes of the proceedings of the treaty negotiations between Japan and China in 1905.

2. These sixteen executive agreements dealing with the non-construction of any main line parallel to the South Manchurian Railway or any branch line which might be prejudicial to the interests of the above mentioned railway, and other matters.

3. The English translation of the said sixteen agreements was communicated in February, 1906, to the governments of the United States and Great Britain for their confidential information.

4. In view of the fact that high officials of the Nanking government are denying the existence of the above mentioned sixteen agreements, the Japanese government made public on the 14th of January, 1932, the text of the sixteen executive agreements and transmittal of the English translation of these sixteen agreements to the governments of the United States and Great Britain.

793.94/4084

RECORDED

FEB 9 1932

"Secret Patrol
of 1905"

MR..KASE'S PERSONAL MEMORANDUM

1. The sixteen executive agreements between Japan and China are entered in the minutes of the proceedings of the treaty negotiations between Japan and China in 1905.

2. These sixteen executive agreements dealing with the non-construction of any main line parallel to the South Manchurian Railway or any branch line which might be prejudicial to the interests of the above mentioned railway, and other matters.

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4. In view of the fact that high officials of the Nanking government are denying the existence of the above mentioned sixteen agreements, the Japanese government made public on the 14th of January, 1932, the text of the sixteen executive agreements and transmittal of the English translation of these sixteen agreements to the governments of the United States and Great Britain.

793.94/4084

RECEIVED

FEB 9 1932

The said agreements are included in the MacMurray and Rockhill treaty compilations.

5. It is reported that the Nanking government is going to issue a statement denying the existence of these sixteen agreements. If so, the Tokio government will be compelled to confirm in detail the existence of the sixteen agreements. In confirming the existence of these sixteen agreements the Tokio government may refer to Volume 2 of the Rockhill treaty compilation and the fact that these sixteen agreements are included in the said treaty compilation.

Whereas the protocols of the Conference recently held between the Plenipotentiaries of Japan and China with regard to Manchuria are to be kept strictly secret in deference to the desire of the Chinese Government, only such portions of those Protocols as possess the character of executory agreements are given in the following summary.

1. The railway between Changchun and Kirin will be constructed by China with capital to be raised by herself. She, however, agrees to borrow from Japan the insufficient amount of capital, which amount being about one-half of the total sum required. The contract concerning the loan shall, in due time, be concluded, following, mutatis mutandis, the loan contract entered into between the Board of the Imperial Railways of North China and the Anglo-Chinese Syndicate. The term of the loan shall be twenty five years, redeemable in yearly installments.

2. The military railway constructed by Japan between Mukden and Hsin-min-tun shall be sold to China at a price to be fairly determined in consultation by Commissioners appointed for the purpose by the two Governments. China engages to reconstruct the line, making it her own railway, and to borrow from a Japan-

ese corporation or corporations one half of the capital required for the portion of the line east of Liao-ho for a term of eighteen years repayable in yearly installments, and a contract shall be concluded, for the purpose following, mutatis mutandis, the loan contract entered into between the Board of the Imperial Railways of North China and the Anglo-Chinese Syndicate.

All the other military railways in different localities shall be removed with the evacuation of the regions.

3. The Chinese Government engage, for the purpose of protecting the interest of the South Manchurian Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighbourhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway.

4. China declares that she will adopt sufficient measures for securing Russia's faithful observance of the Russo-Chinese treaties with regard to the railways which Russia continues to possess in the northern part of Manchuria, and that it is her intention, in case Russia acts in contravention of such treaty stipulations, to approach her strongly with a view to have such action fully rectified.

5. When in the future, negotiations are to be

opened between Japan and Russia for regulation of the connecting railway services (Article VIII of the Treaty of Peace between Japan and Russia), Japan shall give China previous notice. China shall communicate to Russia her desire to take part in the negotiations through commissioners to be despatched by her on the occasion, and Russia consenting shall participate in such negotiations.

6. With regard to the mines in the Province of Feng-tien, appertaining to the railway, whether already worked or not, fair and detailed arrangements shall be agreed upon for mutual observance.

7. The affairs relating to the connecting services as well as those of common concern in respect of the telegraph lines in the Province of Feng-tien and the cables between Port Arthur and Yen-tai shall be arranged from time to time as necessity may arise in consultation between the two countries.

8. The regulations respecting the places to be opened in Manchuria, shall be made by China herself, but the Japanese Minister at Peking must be previously consulted regarding the matter.

9. If no objection be offered on the part of Russia respecting to the navigation of the Sungari (by Japanese vessels), China shall consent to such naviga-

tion after negotiations.

10. The Chinese Plenipotentiaries declare that immediately after the withdrawal of the Japanese and Russian troops from Manchuria, China will proceed to take, in virtue of her sovereign right, full administrative measures to guarantee peace in that region and endeavour, by the same right, to promote good and remove evil as well as steadily to restore order, so that the residents of that region, natives and foreigners, may equally enjoy the security of life and occupation under the perfect protection of the Chinese Government. As to the means of restoring order, the Chinese Government are to take by themselves all adequate measures.

11. While relations of intimate friendship subsisted as at the present time between China and Japan, Japan and Russia had unfortunately engaged in war and fought in the territory of China. But peace has now been reestablished and hostilities in Manchuria have ceased.

And while it is undeniable that Japanese troops, before their withdrawal, have the power of exercising the rights accruing from military occupation, the Chinese Government declare that certain Japanese subjects in Manchuria have recently been observed to some-

times interfere with the local Chinese administration and to inflict damage to public and private property of China.

The Japanese Plenipotentiaries, considering that, should such interference and infliction of damage have been carried beyond military necessity, they are not proper acts, declare that they will communicate the purport of the above declaration of the Chinese Government to the Government of Japan, so that proper steps may be taken for controlling Japanese subjects in the Province of Feng-tien and to promote the friendly relations between the two nations, and also for preventing them in future, from interfering with the Chinese administration or inflicting damage to public or private property without military necessity.

12. In regard to any public or private property of China which may have been purposely destroyed or used by Japanese subjects without any military necessity, the Governments of the two countries shall respectively make investigations and cause fair reparation to be made.

13. When the Chinese local authorities intend to despatch troops for the purpose of subduing native bandits in the regions not yet completely evacuated by Japanese troops, they shall not fail to previously consult with the Commander of the Japanese troops sta-

tioned in those regions so that all misunderstanding may be avoided.

14. The Japanese Plenipotentiaries declare that the Railway Guards stationed between Changchun and the boundary line of the leased territory of Port Arthur and Talien, shall not be allowed, before their withdrawal, to unreasonably interfere with the local administration of China or to proceed without permission beyond the limits of the railway.

15. Chinese local authorities, who are to reside at Inkou, shall be allowed, even before the withdrawal of the Japanese troops, to proceed to that place and transact their official business. The date of their departure to be determined, as soon as possible after the definitive conclusion of this Treaty, by the Japanese Minister to China in consultation with the Waiwupu. As there is still in that place a considerable number of Japanese troops, quarantine regulations as well as regulations for the prevention of, contagious diseases, shall be established by the authorities of the two countries in consultation with each other so that epidemics may be avoided.

16. The revenue of the Maritime Customs at Ingkou shall be deposited with the Yokohama Specie Bank and delivered to the Chinese local authorities 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

the time of evacuation. As to the revenue of the native Customs at that place and the taxes and imposts at all other places, which are all to be appropriated for local expenditures, a statement of receipts and expenditures shall be delivered to the Chinese local authorities at the time of evacuation.

(明治三十八年滿洲ニ關スル日清條約及同條約附屬
協定ニ掲載セスシテ滿洲ニ關スル日清交渉會議錄
ニ記入シ置カレタル約束事項十六箇條)

一、長春吉林間鐵道ハ清國自ラ資金ヲ調ヘテ築造スハク不足ノ額ハ
日本國ヨリ借入ルコトヲ承諾ス其金額ハ資金ノ約半額ナリトス
借款辦法ハ時ニ及ンテ清國山海關内外鐵道局ト清英組合トノ借
款契約ニ仿照シテ參酌商訂スハク二十五箇年ヲ以テ年賦完済ノ
期ト爲ス

一、奉天府新民屯間ニ日本國ノ收設セル重用鐵道ハ兩國政府ヨリ委
員ヲ派遣シ公平ニ代價ヲ協議シテ清國ニ賣渡スハシ清國ハ之ヲ
改築シテ自營鐵道トナシ遼河以東ニ要スル資金ハ日本ノ會社ヨ

リ其半額ヲ借入レ十八箇年ヲ以テ年賦完済ノ期トナシ其借款辦法ハ清國山海關内外鐵道局ト清英組合トノ借款契約ニ仿照シ參酌商訂スハキコトヲ承諾ス此他各地ニ於ケル軍用鐵道ハ撤兵ノ際總テ取消クハキモノトス

一、清國政府ハ南滿洲鐵道ノ利益ヲ保護スルノ目的ヲ以テ該鐵道ヲ未タ回收セサル以前ニ於テハ該鐵道附近ニ之ト並行スル幹線又ハ該鐵道ノ利益ヲ害スハキ支線ヲ敷設セサルコトヲ承諾ス

一、清國ハ滿洲北部ニ於テ露國カ引續キ所有スル鐵道ニ關シ露國ヲシテ清露條約ニ照シ努メテ進行セシムルタメ充分ノ措置ヲ執リ若シ露國ニシテ條約ニ違反セル行動ヲナサハ清國ヨリ露國ニ嚴重ニ照會シテ之ヲ匡サシムハキ精神ナルコトヲ聲明ス

一、將來日露兩國ニ於テ接續鐵道業務規定ノ爲商議スル時機ニ至ラ
ハ日本國ハ豫メ之ヲ清國ニ通知スハシ清國ハ其時期ニ至リ委員
ヲ派遣シテ該商議ニ加ハラント欲スルノ意ヲ露國ニ通牒ノ上同
時ニ該商議ニ參與スハシ

一、鐵道ニ附屬スル奉天省内ノ礦物ハ既ニ採掘ニ著手シタルト否ト
ニ拘ハラス公平且詳細ノ章程ヲ取極メ以テ相互遵守ニ便ナラシ
ムハシ

一、奉天省内ニ於ケル陸上電信線及旅順煙臺間海底電信線ニ關スル
接續交渉事務ハ隨時必要ニ從ヒ兩國協議シテ處置スハシ

一、開市場設立ニ關スル規則ハ清國ニ於テ自ラ之ヲ定ムハシ但シ北
京駐在日本公使ト協議スルコトヲ要ス

一、松花江航行ノ件ニ關シ、清國ニ於テ異議ナキトキハ清國ニ於テモ之ヲ商議ノ上承諾スヘシ

一、清國全權委員ハ滿洲ヨリ日露兩國撤兵ノ後直ニ進テ該地方ニ於テ其主權ニヨリ完全ナル經營ヲ爲シ以テ治安ヲ期シ且其主權ニヨリ同地方ニ於テ利ヲ興シ弊ヲ除キ著實ニ整頓ヲ行ヒ内外臣民ヲシテ生活及營業ノ安全ヲ得テ等シク清國政府ヨリ完全ノ保護ヲ享ケシムヘキコトヲ聲明ス其整頓ノ方法ニ就テハ總テ清國政府自カラ適宜ノ措置ヲ行フヘキモノトス

一、清國ト日本國トハ素ヨリ友誼敦厚ナリ今回日露兩國不幸ニシテ和ヲ失ヒ清國領土ニ於テ交戦スルニ至リタルモ今ヤ既ニ平和成立シ滿洲ニ於テハ戦争ナキニ至レリ而シテ撤退以前ノ日本軍隊

ハ依然占領ノ權アリト雖近來日本國臣民力滿洲ニ在リテ時々清
國地方官ノ行政ニ干預シ又ハ清國公私財産ヲ毀損スルコトアル
旨ヲ清國政府ニ於テ聲明ス日本國全權委員モ亦若シ果シテ軍事
必要以外ニ於テ此ノ如キコトアラハ至當ノ行爲ニアラスト認ム
ルヲ以テ此ノ聲明ノ意旨ヲ日本國政府ニ轉達シテ速ニ相當ノ處
置ヲ執リ奉天省ニ在ル日本國臣民ヲ取締リ益々交誼ヲ敦クシ軍
事必要以外ニ於テ再ヒ清國ノ行政ニ干預シ又ハ公私ノ財産ヲ毀
損スルコトナカシムハキ旨ヲ聲明ス

一、
軍事用以外ニ於テ日本國臣民力故意ニ破壞シ若クハ使用セル清
國公私ノ各種財産ニ對シテハ兩國政府ニ於テ夫レ々々調査ノ上
公平ニ償還セシムハシ

一、清國地方官未タ日本軍隊ノ撤退ヲ了セサル地方ニ於テ兵ヲ派シ
土匪ヲ討伐スルトキハ必ス豫メ其地方駐在日本軍司令官ト協議
シ以テ誤解ヲ免レシムヘシ

一、日本國全權委員ハ長春ヨリ旅順大連租借地境界ニ至ル鐵道守備
兵ハ其撤退以前ニ在リテ漫ニ清國地方行政權ニ牽礙セス又擅ニ
鐵道區域外ニ出テサルハキコトヲ聲明ス

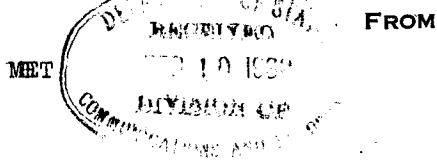
一、營口ニ駐在スハキ清國地方官ハ日本軍隊該地撤退以前ト雖本條
約確定ノ後北京駐在日本國公使清國外務部ト協議シテ可成速ニ
赴任ノ期日ヲ定メ該地ニ赴キ事務ヲ執ラシムヘシ該地ニハ尙多
數ノ日本軍隊アルヲ以テ檢疫及防疫規則ヲ兩國ニ於テ協議制定
シ以テ疫病ノ傳染ヲ免レシムヘシ

一、營口海關收入ハ正金銀行ニ保管シ置キ撤兵ノ時清國地方官ニ交
附スルコト營口常關收入及其他各地ノ收税ハ凡テ地方公共ノ費
用ニ充テラルルモノニシテ撤兵ノ時其收支計算表ヲ清國地方官
ニ交附スルコト

DECLASSIFIED: E.O. 11652, 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.



GRAY

Tokio

Dated February 10, 1932

Rec'd 6:20 a.m.

Division of
FAR EASTERN AFFAIRS

FEB 10 1932

Department of State

Secretary of State,
Washington

58, February 10, 5 p.m.

893.00

The Military Attache has been informed by the General Staff office that it has been decided that the Ninth Division which has been under preparation for departure is to leave for Shanghai. He was further informed that in view of movements of the Chinese fugitive soldiers in the vicinity of Harbin it has been decided that the Second Division remain there for the time being until peace and order are restored, the other troops to return to their original stations as soon as possible.

FORBES

JS-WSB

FILE
793.94/4085

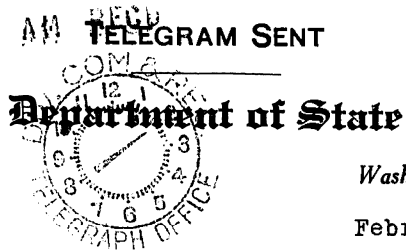
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FEB 17 1932

1027

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

1-138
PREPARING OFFICE
WILL INDICATE WHETHER
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Charge Department
OR
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open
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TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,
February 9, 1932.

*793.94
not
894/1-93*

AMERICAN CONSUL, **FEB 9-32**

NANKING (China).

26
How many Japanese naval vessels, and of what
classes, present at Nanking now?

Simson
474

793.94/4085A

Feb. 9 1932.
can

FEB 9-32



FE:SKH/ZMF

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Enciphered by *X*

Sent by operator *M.*, 19*32*

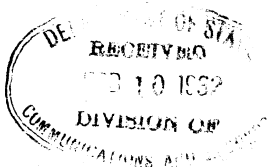
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

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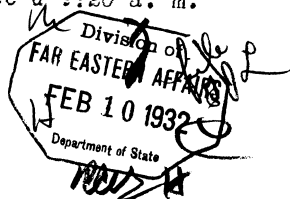
FROM

GRAY

Nanking via N. R.

Dated February 10, 1932

Rec'd 9:20 a. m.



Secretary of State,

Washington.

40, February 10, 3 p. m.

Your 26, February 9, 1 p. m.

Three Japanese cruisers and three Japanese
destroyers are now at Nanking.

PECK

RR

WSB

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

F/LS

793.94/4086

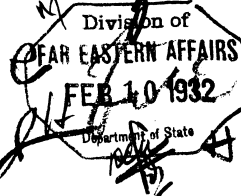
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FEB 17 1932

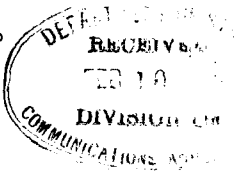
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

TELEGRAM RECEIVED



REP



FROM

GRAY

Shanghai via N. R.

Dated February 9, 1932

Rec'd 5 a. m.

Secretary of State,
Washington.

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

25, February 9, 8 p. m.

Continuing my daily report No. 18, February 8, 7 p.m.

One. Last night 7:30 the Chinese artillery opened on the Japanese positions in Chapei and during the ensuing bombardment some 23 shells exploded in the vicinity of the Dixwell police station which has been evacuated by the police. The Chinese artillery does not seem to have damaged the Japanese positions very materially. Some 20 shells have fallen within the boundaries of the Settlement within the last 24 hours one of which slightly wounded a British woman in North Road district. Intermittent artillery, machine gun and rifle fire continues in the Chapei sector.

Two. The attack of the Japanese across Woosung Creek has met with spirited resistance. The Chinese are entrenched on the north side of the Creek for a distance of about one mile from the Whangpoo River. The Japanese are finding

F/LS

793.94/4087

FILED

FEB 16 1932

793.94
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893.102
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TELEGRAM RECEIVED

793.94
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793.94119
793.94-Comm.
693.9412
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DEFENSE DE L'ETAT
RECEIVED
FEB 10 1932
DIVISION OF
COMMUNICATIONS AND
DEPARTMENT OF STATE
FROM STATE
GENEVA
Dated February 9, 1932
FEB 10 1932
DIVISION OF
WESTERN EUROPEAN AFFAIRS
7:32
Division of
EASTERN AFFAIRS
FEB 10 1932
Department of State

GRAY & GREEN

Secretary of State
Washington

79, February 9, 11 p.m. (SECTION ONE)

At the request of Yen the Council resumed debate in public session following private meeting this afternoon.

One. In opening the discussion Yen recalled the announcement of the British Government at the meeting on February 2 that ^{it} ~~(*)~~, in collaboration with other members of the League and the United States, was taking certain measures to bring about an immediate cessation of hostilities and to prepare the way for a settlement of the whole controversy. He then read extracts from the statement of the British representative particularly that paragraph relating to the gravity of the situation and the paragraph referring to the Pact of Paris and the Nine Power Treaty stating that since that time the fighting has continued and Japanese troops are being sent in increasing numbers to Shanghai while operations in Manchuria are being

F/L/S

793.94/4088

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2- #79, section one, from Geneva,
February 9, 1932

being extended. Yen then read telegrams concerning the number of Japanese troops and ships of war in China.

With reference to the events of the last few days Yen declared that in spite of the acceptance by the Chinese Mayor of Shanghai of most unreasonable Japanese demands the Japanese Admiral was determined to attack Chinese troops no matter what happened. He then read several telegrams giving an account of the destruction of life and property as a result of the Japanese bombardment. He denied the Japanese assertion that the landing of Japanese troops was the outcome of previous arrangements with the commanders of other foreign contingents in Shanghai. In conclusion Yen asserted that China cannot yield further "without compromising her national existence" and that she has been compelled in self-defense to take such measures as possible for her own preservation and that to this end no sacrifices are too great.

Two. Sato, denying the accuracy of Chinese estimates regarding the number of Japanese forces in China stated that his Government had already supplied detailed information as to Japanese operations in China to which documents the

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3- #79, section one, from Geneva,
February 9, 1932

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the Council might refer. He commented upon the impartial-
ity of the Shanghai report and stated that for the most
part it confirmed the information which Japan had previ-
ously given to the Council. Pending arrival of a sup-
plementary report from the Shanghai Commission he re-
served comment on Yen's statement.

With regard to the negotiations taking place at
Shanghai under the good offices of neutral countries Sato
stated that his Government was proposing the establish-
ment of a neutral zone under the control of neutral auth-
orities. In conclusion he stated that this question was
one that could best be settled on the spot rather than in
Geneva and that Japanese authorities in Shanghai were re-
ceiving new instructions which he hoped would lead to a
settlement.

Three. In response to a request of the President for
information concerning the negotiations initiated by
Great Britain and the United States, Simon stated that
although these negotiations had not led to an immediate
agreement he did not regard them as entirely fruitless
and confirmed the Japanese statement with regard to new
instructions to the Japanese representatives at Shanghai
concerning

793.94119

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

MEMO

4- #79, section one, from Geneva,
February 9, 1932

concerning the establishment of a neutral zone. Express-
ing the grave concern of the British Government over the
present situation he referred to the hopeful efforts being
made at Shanghai in collaboration with the United States
to attain, through separate negotiations, the object at
which the Council also aims

(END SECTION ONE)

GILBERT

KLP

FW

(*) apparent omission

13
DECLASSIFIED: E.O. 11652, 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

GREEN & GRAY

Geneva

Dated February 9, 1932

Rec'd 9:10 a.m.

Secretary of State,

Washington

79, February 9, 11 p.m. (SECTION TWO)

Four. Noting the intention of the Council to give careful consideration to the information presented by Yen the President reminded the Chinese that as yet no full statement of the case with all relevant facts and papers as required under Article 15 had been presented. With reference to League action under Article 15 he pointed out that this action had been rapid as the Secretary General had within twenty-four hours constituted a commission of inquiry whose first report giving an account of events to January 31 had been received. This report shows that there may be a misunderstanding at the origin of the dispute which if removed may make it possible to restore better relations.

With regard to the steps taken by Great Britain, the United States and other Governments the President stated that the League "viewed with sympathy the action taken" and that the "Governments entered into this action with the approval of the Council of the League and in association with it". The Council will therefore follow the negotiations with the greatest interest but it is not in any sense abdicating

MET

2-#79 from Geneva, February 9,
11 p.m.
(SECTION TWO)

abdicated the rights it holds under the Covenant. The Council does feel bound, however, to await the result of negotiations already in progress which, while not having an immediate satisfactory result, are still continuing. In conclusion the President stated that at present the essential point was the cessation of hostilities and the establishment of a neutral zone. He found encouragement for this in the remarks of the Japanese representative. Since the Council had associated itself with these negotiations that step should conclude the present state of its procedure. The Council would conscientiously follow all developments but the President suggested that while awaiting supplementary reports from the Shanghai Committee continuation of the discussion today would add nothing.

Five. These last comments of the President did not, however, shut off the debate. Yen then informed the Council that the Chinese delegation would send in tonight a preliminary statement in compliance with paragraph two of Article 15. This preliminary statement will submit that the facts in the case call for the exercise "of the full powers of the League under its Covenant to bring about an immediate cessation of hostile and aggressive action by Japan", a prompt evacuation and a settlement of the entire controversy by peaceful means. Yen also pointed out that

hostilities

MET

3-#79 from Geneva, February 9,
11 p.m. (SECTION TWO)

hostilities are being continued not only in Shanghai but in Manchuria, notably at Harbin.

With regard to the first report of the Shanghai Committee, he found that it corroborated information submitted by the Chinese. Regarding the paragraphs in the report on the boycott, he stated that this was the effect rather than the cause of the dispute since it resulted from Japanese aggression in Manchuria and elsewhere. There was never any special animosity against Japanese products until Japanese aggression took place which is proved by the rapid increase in Japanese trade with China before recent events.

Six. Sato then made a general defense of the Japanese attitude. The feeling of the public in the Council room had been obviously anti-Japanese during this session in Geneva and for the first time yesterday appeared to disturb the Japanese representative. In commenting upon this feeling Sato appealed to the public to judge impartially and fairly what is happening in China and asked that it be remembered that if Japan had withdrawn the marines defending the zones in which her nationals live the consequences might have been disastrous extending perhaps to massacre.

With regard to further Japanese operations in Manchuria Sato declared that he had already given the Council full information which showed that the Japanese Government

had

MET

4-#79 from Geneva, February 9,
11 p.m. (SECTION TWO)

had no choice but to act alone. It did, in view of the
state of disorder at Harbin.

With regard to the question of the boycott Sato could
not regard this as a legitimate reprisal for Japanese
action in Manchuria. The boycott is a weapon that China has
long employed as a political arm not only against the Japanese
but against other nations. The Japanese have a legitimate
right to object even on an economic basis if there is
discrimination against their goods. He declared further
that it was not merely a question of excluding Japanese
goods but that the whole movement had the object of driving
Japanese nationals out of China. The boycott and the anti-
Japanese movement commenced several years ago and not after
the Manchurian difficulty arose.

With regard to Shanghai, Sato reminded the Council
that in that city there are tens of thousands of Japanese
who are suffering from this anti-Japanese movement. If
Japan withdrew her nationals from Shanghai she would admit
the justice of this anti-Japanese movement and no Govern-
ment could assume the responsibility for such action.

Sato then recalled that only four years ago the anti-
foreign movement in China was directed against Great
Britain and the United States. Now it was Japan's turn

and

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693.9412

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893.102-5

MET

5-#79 from Geneva, February 9,
11 p.m. (SECTION TWO)

and it was doing what other nations had done in sending war ships to defend its nationals. Tomorrow some other power will suffer from anti-foreign agitation. In conclusion Sato said quite frankly that if Japan does not succeed in defending its nationals in Shanghai on this occasion and their rights to stay in that city he could not predict the result.

Seven. The President in a statement which was apparently intended to appease the Japanese and to demonstrate the impartiality of the Council then expressed the opinion that a study of the statement of the Japanese delegate and the first report from the Shanghai Committee shows that the "situation is very much more complex and difficult than those who make up public opinion perhaps realize". The advantage of League procedure, slow as it might appear, lies in its impartiality. However, if the Council's action is to be usefully pursued, it is essential that violence should cease. He urged upon the Japanese representative the necessity of setting up the proposed neutral zone to be occupied by neutral forces at Shanghai as rapidly as possible in order to ensure the cessation of hostilities and that restoration of good order which is in the interests of the Japanese as well as other countries concerned

DECLASSIFIED: E.O. 11652, 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

6-#79 from Geneva, February 9,
11 p.m. (SECTION TWO)

concerned at Shanghai. He agreed with Yen that the establishment of a neutral zone would not be a final settlement but recalling the proverb that each day's task must be sufficient for itself ^{he} / • adjourned the meeting.

(END MESSAGE)

GILBERT

KLP-WSB

REP

2- #25, from Shanghai, Feb. 9, 8 p.m.

893.0146
are finding difficulty in throwing pontoons across the Creek on account of the strength of the tide in the face of rifle and machine gun fire. Fairly reliable estimates give the strength of the Japanese in the Woosung area as 2,500 for the army and 600 blue-jackets. The Japanese state that 600 additional army troops were landed on afternoon of February 8th. The Chinese forces in that vicinity are estimated between 5,000 and 6,000. Reinforcements are being brought up. The latest unconfirmed report this afternoon stated that under heavy bombardment Woosung village was on fire and had been taken by the Japanese forces who were advancing on the forts. Japanese destroyers were participating in heavy bombardment of Woosung village. Naval vessels further up river were firing on that section of the country allotted to the new civic center.

893.0146
894.3393
Three. Over Woosung there are reported to be 33 Japanese war craft. Inside the Whangpoo harbor limits there are 11 other Japanese war vessels. The total number of war craft in and around Shanghai is 67. The number of foreign troops in Shanghai excluding approximately 5,000 Japanese is some 10,500. The cruiser IZUMO, flag ship of Vice Admiral Nomura arrived here

REP

3- #25, from Shanghai, Feb. 9, 8p.m.

here at 5 p. m. yesterday, berthing at the N. Y. K. Hongkew wharf. Nomura takes over command of Japanese forces in Shanghai area. Real Admiral Shimottowa remains as Chief of Staff.

893.00B
Four. Otherwise things are fairly quiet. Two hundred and eighty wounded Chinese and two hundred and thirty eight wounded Chinese civilians have been admitted to hospitals in the Settlement and French concession.

A few Communist circulars have been distributed, one advocating the uniting of Chinese policemen, soldiers and the masses, the seizure of arms from Imperialists and the Kuomintang Government and the convening of a general meeting of soldiers, laborers, and peasants for the purpose of organizing their own government. This so far is not serious.

Five. About 20 percent of the stalls in the various markets opened for business. There is sufficient stock of meat and vegetables are plentiful in all markets. Some native banks are refusing foreign drafts. Thought to be saving funds. No reason has been given.

Repeated to the Legation, Nanking and Tokyo, for information.

CUNNINGHAM

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

REP

TELEGRAM RECEIVED

GRAY

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

Tokyo

Dated February 10, 1932

Rec'd 10:30 a. m.

Division of
FAR EASTERN AFFAIRS
FEB 10 1932
Department of State

FROM

Secretary of State,
Washington.

59, February 10, 9 p. m.

The British Ambassador informs me his Consul General in Shanghai telegraphed him that the Japanese have stiffened their position and now will accept nothing less than a 20 mile withdrawal of Chinese troops and that he, the Consul General, believes the situation so menacing it is better that the Japanese should bring a sufficient army to enforce the withdrawal they demand.

From all information we get, the movement of troops is continuing.

I understand the Japanese have suffered a check at Woosung.

McIlroy has information leading him to believe that if Shanghai merchants will pay a required sum the Chinese troops will withdraw.

FORBES

WSB

F/LS

793.94/4089

FILED

FEB 18 1932

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893.1028

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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

REC'D
TELEGRAM SENT

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Collect

Charge Department

Charge to

\$

This cable was sent in code.
It should be carefully paraphrased before
being communicated to anyone.

Department of State

Washington,

February 11, 1932.

AMERICAN EMBASSY

TOKYO (JAPAN).

CONFIDENTIAL FOR THE AMBASSADOR.

Your 51, February 7, 10 p.m., 59 February 10,

9 p.m. (last paragraph) and Department's 50, February 10, 8 p.m.

Considering the serious embarrassment, not only to ourselves but to other governments and agencies vitally interested in the Shanghai situation, which has resulted from the miscarriage of these recent proposals, I would suggest great caution on the part of your staff in relation to any such projects.

I especially desire that, in case at any time another such project or a movement toward formulation of such should develop, I be promptly and fully informed not only regarding the project itself but regarding the source and circumstances of its origin and development.

Stinson

WLG

FE:RSM:EJL

FE

Enciphered by

Feb. 11, 1932

Sent by operator

M.

19

793.94/4089

DECLASSIFIED: E.O. 11652, 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/90 FOR Vol. 977 --

FROM Geneva (Hilbert) DATED Feb. 9, 1933
TO _____ NAME _____ 1-1127 070

REGARDING: text of report received by Council of League from the
Shanghai Commission.

793.94/4090



LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, January 8, 1932.



FEB 10 32

scr - (1354?)

No. 1854

793.94

The Honorable

The Secretary of State,
Washington.

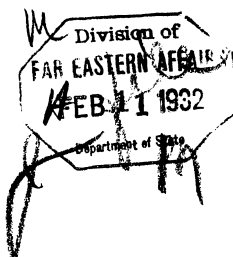
Sir:

793.94/3557

In continuation of the Legation's despatch
No. 1337 of December 22, 1931, I have the honor
1/ to transmit herewith four additional editorials
bearing upon the Manchurian situation, which have
appeared in THE LEADER of Peiping during the past
two weeks.

THE LEADER, it will be recalled, is the only
English language newspaper published in Peiping.
It has a small circulation and, while its opinions
do not necessarily coincide with those held by the
general public, they are of interest inasmuch as
this paper is at present controlled by the Kuomintang.

For the



F/LS 793.94/4091

FILED

FEB 15 1932

- 2 -

For the past year or more THE LEADER has been very prone to publish anti-foreign editorials. The continued advance of Japanese forces in Manchuria in spite of the protests of the League of Nations and the United States has resulted in THE LEADER's adopting a rather bitter and cynical attitude towards foreign nations in its editorials. In its expression of belief that China has been left to her own fate by the Foreign Powers in the present crisis, it is believed that this newspaper reflects an opinion held very widely among the educated classes in China.

Further editorials and news items on the events in Manchuria will be found in the clippings forwarded to the Department by today's pouch.

Respectfully yours,

Nelson Trusler Johnson
NELSON TRUSLER JOHNSON.

✓
Enclosure:

1/ As noted

800.

RLB:MM

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

Enclosure No. _____

Date of Issue _____

THE LEADER, Tuesday, December 29, 1931

REINFORCEMENT OF JAPANESE TIENTSIN GARRISON

The arrival of over five hundred Japanese soldiers in Tientsin on Saturday, followed by one thousand more on Sunday, has naturally aroused the apprehensions of both Chinese and foreigners in the Tientsin-Peiping area. The Japanese troops brought fifteen hundred cases of ammunition, two field guns, eight machine-guns and fifty horses with them on Saturday, while on Sunday they brought in nine carloads of ammunition, fourteen field guns, and one hundred and forty-eight additional horses, according to information from Tientsin. This swells the number of troops in the Japanese concession to over three thousand, since fifteen hundred Japanese soldiers were already stationed in that comparatively small piece of territory before the arrival of the new batch.

Japanese propagandists claim that the military authorities have no intention whatsoever of taking positive action in Tientsin and that the Tientsin garrison was strengthened merely to give protection to the lives and property of Japanese in the port. These propagandists from the Land of the Rising Sun still hand out gallons of eyewash with the fond belief that everyone is deaf and blind. The very fact that the Japanese military men brought more than ten carloads of ammunition, sixteen field guns, about two hundred horses and eight machine-guns does not seem to indicate that they are out for a picnic. The Japanese Legation spokesman admitted to *The Leader* that there was no untoward incident in North China at the present moment involving danger to Japanese lives and property, and the arrival of so many Japanese troops in Tientsin brooks no good for China. If the allegation were true that the troops were for the protection of Japanese subjects in Tientsin, it means that there is one Japanese soldier for every Japanese man, woman and child in the Japanese concession, since the foreign population in that concession is about four thousand including Japanese and other nationalities, and the number of Japanese civilians requiring protection is still further reduced by the fact that the normal Japanese garrison is around six hundred and some of the sons of the Nippon Empire residing there are volunteers.

We have only to recall the Japanese-inspired attack on Chinese policemen and government buildings in the Chinese city of Tientsin, supported by field gun and machine-gun fire from the Japanese concession on November 8th, even when the Japanese garrison was not increased to any great extent. The facts proved the Nipponese planned the capture of the Bureau of Public Safety and various government buildings. But the first surprise attack failed, and the instigators of the plot decided to let the matter drop for another favorable opportunity. The opportunity for another attack and bombardment on the Chinese city may soon come, now that a huge quantity of ammunition has reached Tientsin and the Japanese forces are increased to around three thousand.

The war-mad Japanese militarists are determined to drive the legitimate provincial government of Liaoning out of Chinchow, and in spite

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of the protests of England, France and America, are carrying on an offensive along the Yingkow-Kaopangtze line. The sending of reinforcements to Tientsin and the stationing of warships at Tangku and Chinwangtao can only be interpreted as a carefully-laid plan to create disturbances and disrupt communications in the rear if Chinese soldiers offer any resistance at Chinchow. On Sunday Japanese sentries were posted at the Tientsin station just before the arrival of the Japanese soldiers with their carloads of ammunition, and nobody was allowed to enter. There is no reason to suppose that the Japanese militarists, who have no respect for international agreements dealing with the maintenance of world peace, would hesitate to occupy the station again whenever it suits their fancy in order to disrupt communications between Peiping and Chinchow.

These Japanese soldiers had to land at Tangku and go to Tientsin by train. There is no earthly reason why a Chinese railway should transport enemy troops on Chinese territory—troops whose only mission in China is to massacre the Chinese people whenever they see a chance. If the railway authorities had refused to allow the trains to transport Japanese soldiers, and the drivers had obstinately refused to operate the locomotives, the Japanese soldiers might have commandeered the trains, but this would have created further complications and the world would hear of it. China must put up a stiff resistance against further spoliation of her sovereignty. The Chinese Chinese railway authorities should give orders against the further transportation of Japanese troops on Chinese soil.

E.B.-S.L.

THE LEADER Wednesday, December 23, 1931

JAPANESE ATTACK AGAIN HALTED

For three weeks, after Stimson's statement sent the fear-crazed Japanese military flying back from Tahushan to Mukden, the invaders have gradually been picking up courage, assuring themselves that Washington meant nothing whatever by its statement, and preparing for a new attack on the provincial capital of Liaoning Province, — an attack which according to the Japanese official spokesmen themselves would only be en route to Tientsin and North China.

It will be recalled that the Japanese troops were already under way three and a half weeks ago when Stimson's statement intervened. The invaders had reached Tahushan, and were expected to be at Chinchow within forty-eight hours. But U.S. Secretary of State Stimson issued a statement saying that in view of the assurances given by the Japanese Government that Chinchow would not be occupied, he was "unable to understand" the reports of the drive on the city. Much meaning was read into this statement, and a sharp protest under the Nine-Power Treaty, and perhaps under the Kellogg Pact, was expected to go forward from Washington, but Japan avoided this by at once recalling her advancing troops to Hsinmin, and announcing in hurried complaisance that all troops would be withdrawn to the "railway zone" the following week.

The day after, Stimson issued a statement saying that his previous statement had evidently been misinterpreted, but that the text of the statement he gave out was precisely the same as that transmitted. His meaning, evidently, was that his statement should simply be taken literally, as an expression of perplexity at the extraordinary contrast between the Japanese promise and the Japanese activity. The Japanese papers, which had indulged in furious diatribes against Stimson and the U.S. generally, at once calmed down, and accepted this as an explanation, making much of this "retraction," which in fact was no retraction at all, but seems to have been intended simply as a diplomatic move to maintain friendly relations between the two countries. So long as the Japanese attackers had been withdrawn, and there was a promise that even further withdrawal was intended, Stimson was apparently satisfied to let his statement stand on its own merits, and discard the meanings inevitably read into such a statement from the American Secretary of State. This saved Japanese "face," and made it appear that the Japanese had been subject to no pressure or warning from Washington whatsoever.

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But the Japanese presumed too much upon this, and a week after the frantic flight back to Mukden the Japanese military were already issuing strong hints again about the "Chinese menace" at Chinchow. It was clearly their intention to assure themselves that there would be no outside interference, so for week after week they tried to bolster up their position by propaganda messages about "bandits," by actually presenting a demand to the League of Nations that Chinese troops withdraw from the capital of the Chinese province of Liaoning, by insulting, abusive, and completely libellous statements about the head of the Fengtien armies as the organizer and chief of banditry in Manchuria. In the meantime they were feeling out Western opinion by statements, increasing in definiteness, that if Chinchow were not voluntarily evacuated by the Chinese troops and left to the mercy of the Japanese invaders, the latter would attack.

It took three weeks before they were sure enough of themselves, and last Saturday, exactly three weeks after the hurried withdrawal from the Tahushan district, Tokyo confirmed that the Japanese were "preparing to deliver an ultimatum to Marshal Chang Hsueh-liang to withdraw from Chinchow.... inside the Great Wall within a stipulated time." According to *Nippon Dempo*, an emissary was actually "sent to General Jung Chin, Commander of the Chinese forces at Chinchow.... advising him to withdraw into the inside of the Shanhaikuan Barrier.... General Jung will not, most probably, accept the advice, with the result there will be a general attack on Chinchow about the 25th of this month."

Has anything interfered with this? December 19 there was the official confirmation in Tokyo that an ultimatum was being delivered to Marshal Chang for withdrawal from Chinchow, but on the same date there was, according to a *Reuter* message of that day from Washington, a flat statement from the United States Government to Japan "that the occupation of Chinchow will be viewed in Washington as most unfortunate." The same night (December 19), according to *Nippon Dempo*, the Japanese "War authorities held a conference," following which, at 7 p m., the Chief of the General Staff "wired an instruction of a grave nature to Lieut.-General Honjo, Commander of the Japanese Army in Manchuria." And on December 21 it was announced in Mukden that "the War authorities in Mukden have found it useless to send an emissary to the Chinchow army.... They have accordingly given up their emissary project....."

This would seem clear enough except for one thing,—the fact that on December 18 officials of the State Department at Washington issued a denial of an *Associated Press* report to the effect that Stimson had again "cautioned Japan against drastic military action in Manchuria," and that through "the United States Ambassador to Tokyo, Secretary Stimson had reminded Japan of the concern of the Washington Government regarding the situation in Manchuria." The denial stated that "Secretary Stimson has sent no message of any kind, either direct or through the American Embassy in Tokyo, to the Japanese Government."

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Does this apply to the *Reuter* report of December 19? *Reuter* distributes, out here, the *Associated Press* reports. But the giving up of the "emissary project" by the Japanese at just the time of this report gives it considerable color. The American State Department, of course, is quite capable, for diplomatic reasons, of issuing flat denials of statements made privately to other governments. But at least the announced attack on Chinchow seems to have been postponed, and there are no indications at present that the Japanese invaders will be at the gates of the Liaoning capital on Friday.

F. G.

THE LEADER, Thursday, December 24, 1931

A TASK FOR STUDENTS

What work is there for the young men and women, imbued with the spirit and the ideals of the Chinese Revolution, devoted to a free and sovereign China, who truly want to serve their country and their people? There has been much doubt at times, expressed in these columns as elsewhere, as to the advisability of some of the student activities. But there is no doubt of the noble motives which have led hundreds of these young people forward, and perhaps now they have actually contributed towards a real step forward in the Chinese Revolution.

On the other hand, most of these students unquestionably need more schooling, better grounding in the study and the practice of social and political life. For most of them the task is to prepare themselves for their future life not only in the particular occupations to which they may be aspiring, but in an intelligent and responsible citizenship as well. And for this latter it is necessary that they study the facts of sociology and political science, that they may face the great and difficult problems of revolutionary China with a higher and maturer judgment, and lead our people into paths of permanent well-being.

There are some impatient young people who cannot wait, who feel they must act in some way for the preservation of China and the Chinese Revolution. It might be better if all would go back to their classes, determined to enlighten themselves on all the problems facing China, telling themselves that "Ye shall know the truth, and the truth shall set you free." But if there are some who have not the patience for this there is work open.

Many hundreds of students have volunteered as soldiers, and are already giving their services. But the position of a common soldier, as at present constituted, is not one for these young men of intelligence and character. Soldier's work does not at present befit the keen young minds wishing to devote themselves to the salvation of their country. China has need today, as never before, of all the intelligence and character that it can get. It would be a tragedy to see the flower of young China becoming mere cannon-fodder.

The taking back of Manchuria cannot be accomplished by military force now. The Japanese are too strongly entrenched, and China is too weak in a military sense. But Manchuria can be taken back by other means. It has already been pointed out in these columns that with a campaign of non-cooperation and bitter resistance from the common people, the Japanese military will find their occupation of Manchuria a terrible burden which they will either have to relinquish or face revolution at home. But our

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people in Manchuria have little experience and little understanding of these things. The manner in which they can be bought by the enemy is shown by the thousands of Chinese soldiers who have obeyed Hsi Chia and other traitors. Our people there must be awakened to the fact of their own power, their own ability to resist the invaders.

Here is a task for these young people who cannot wait, these people whose passionate devotion to a free China must find some immediate outlet in action. Go down to our common people in Manchuria and while working with them, teach them to understand the meaning of the Chinese Revolution,—the principles of popular sovereignty, popular democracy and the livelihood of the people. Teach them to understand that a few years' patience, a few years of refusal to sell goods to the invaders or to buy goods from them, will bring a new freedom and a new happiness to the country. And let these devoted young people remember that they are the vanguard of the Chinese Revolution in Manchuria, and that they must deal with traitors as well. Chinese renegades must be made to understand that their lives are uncomfortable and shameful. The Japanese invaders also must be made to understand that they are in enemy country. And every Chinese official who is giving his services to the enemy must be made to understand this still more clearly.

This is serious work and secret work. We doubt if there are many who have so happily gone on excursions to Nanking who are prepared to go into Manchuria and risk their lives in this dangerous work of preparing the people to resist the invaders, to destroy the traitors, and to make the Chinese Revolution triumphant. But if there are some who want this difficult and dangerous work, the task is ready. It may mean death or imprisonment or torture—the Japanese there will not treat revolutionary Chinese students with the leniency and forbearance which Chinese military and police do—but its gains will be permanent and definite, and the men who can achieve this work, whether they live or die in its accomplishment, will go down as glorious names in the history of China and the Chinese Revolution. This is the sort of war which has a chance of victory.

P.C.T.

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

THE LEADER. Sunday. December 27 1931

JAPANESE BANDITS ATTACK "BANDITS"

We had occasion to comment in these columns on Japan's demand at the League session over three weeks ago for "freedom of action" of Japanese military authorities against "brigands". A few days before Christmas the Japanese forces again began their military operations, ostensibly for the purpose of clearing the whole area west of the Liao River of bandits, and had actually taken Tienchuantai, which is about ten miles west of Yingkow along the Yingkow-Kaopangtze line.

The Japanese attacking forces encountered a Chinese armored train, and were said to have brought eight or more field guns into action against the valiant Chinese defenders, who put up a stiff resistance. The Japanese allegation that they were fighting bandits is smashed to the ground by the self-evident fact that bandits do not generally possess armored cars.

The Japanese dream of celebrating the Christmas holidays in Chinchow was given a temporary setback by the joint aide memoire presented to the Tokyo Government by the ambassadors of the United States, Great Britain and France giving possibly a warning against the impending invasion of Chinchow and the whole area inside the Great Wall.

According to the *Nippon Dempo*, the Japanese General Staff replied to the Powers through the medium of the Foreign Office to the effect that the "scope of the military actions started by the Japanese army in Manchuria remains the same as explained and declared by Ambassador Yoshizawa at the League Council." The Japanese General Staff seem to think that Ambassador Yoshizawa's explanations at the League would blindfold the world to the predatory actions of their army in Manchuria. How perfectly mendacious! An examination of the League resolution of September 18th shows that paragraph one, while fixing no definite date, calls upon Japan to see to it that "the withdrawal of the Japanese troops within the railway zone may be effected as speedily as possible," with the understanding that this should be done before the arrival of the Commission of Inquiry. Paragraph two of the resolution states that "the two parties undertake to adopt all the 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." Nothing was mentioned in the League resolution or the presidential declaration concerning a reservation by Japan for fighting "bandits".

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Japan persists in demanding a "free hand" to fight "bandits" in China, but we ask who the real bandits are. The invasion of the three rich provinces of Liaoning, Kirin and Heilungkiang is in itself an act of banditry on a large scale. By robbing private homes of all valuables (confirmed by neutral foreign sources) which is forbidden by international law even in time of war, the invaders have earned the unenviable appellation of thieves. By closing down the Chinese banks in Mukden, preventing depositors from drawing out their money and permitting these banks to open only under the strictest supervision of the Japanese High Command, the Kwantung Army of Occupation should be called the Kwantung Looting Army. By stationing themselves at Huangkutun station and Hsinmin and confiscating money carried on the persons of poor hardworking innocent Chinese refugees—money earned with the sweat of their brows—the Japanese Army which is supposed to fight bandits has descended below the level of common bandits of the worst sort. By changing the title-deeds of land owned by Chinese property-owners in favor of themselves, the Japanese are resorting to methods indulged in by despicable crooks. By seizing over 150 aeroplanes, some of which were not yet paid for, the Japanese brigands have made a big haul with the backing of their government. The seizure of the Mukden Arsenal and the carting away of millions of dollars worth of machinery, and the utilization of arms and ammunition from this Arsenal to fight the Chinese can only be regarded as an act of brigandage.

If the Japanese military brigands are really sincere in their desire to get rid of "bandits," they should immediately fight themselves, for their very acts make it self-evident that THEY are the real bandits.

E.B.-S.L.

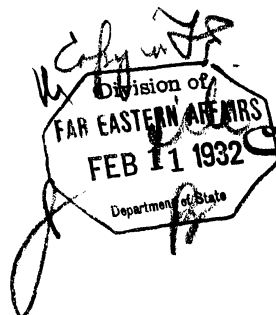
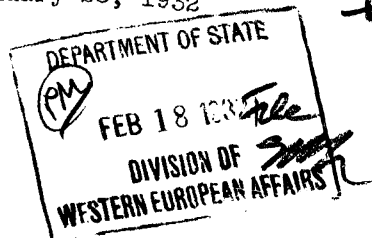
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



LEGATION OF THE
UNITED STATES OF AMERICA

Berne, January 28, 1932

No. 2448



F/LS 793.94/4092

FILED

FEB 19 1932

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to enclose herewith an editorial written by William Martin, political editor of the JOURNAL LE GENEVE, which appeared in that paper on January 26, 1932, on the Manchurian question. The two final paragraphs of this editorial are recommended for the Department's special attention.

Respectfully yours,

Hugh H. Wilson

✓ Enclosure:

Translation of article.

File No. 711

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What will the Council do?

The Manchurian affair is not finished, for China, for Japan or for the League of Nations.

The Council adjourned on December 11, after deciding upon the formation of a Commission to study the situation in Manchuria; it had been understood that this Commission would be rapidly constituted, that it would leave immediately and that on January 25 the members of the Council would have in their hands its first Report. Mr. Briand, President of the Council, had given a moral assurance of this to Doctor Sze.

This assurance has not been lived up to. This certainly is not the fault of Mr. Briand, whom no one will blame. It is nevertheless a fact. Not only has the Commission not yet made its report, but it has not yet started. It should leave on the third of February; it will pass through Washington and arrive at Tokyo about March 15, go from there to Nanking, and will arrive in Manchuria, if all goes well, towards the middle of April. It is close reckoning to say that the Council will be able to have its first report at its May session.

It cannot be said that there has been no change in the situation, since it has actually become more critical. There has been no progress, however, towards a solution. From the beginning, the League of Nations has been faced with a double problem, it has assumed a double duty. Its first preoccupation was to stop the war, the second to settle the dispute. The Commission's mandate concerns the second point. The first is quite a distinct matter. In all its resolutions, ^{that} the Council has insisted/both parties should cease hostilities. Nevertheless hostilities continue.

The

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The Japanese, who are humorists, say, to be sure, that they are fighting bandits. Nothing resembles a bandit so much as an enemy. The Japanese themselves divide bandits into regulars and irregulars! Delightful euphemism! The regular bandits are the Chinese soldiers who are defending their country.

There is attached hereto a map showing that part of Manchuria at present occupied by the Japanese troops. In violation of the most formal engagements, of promises from man to man of the type that gentlemen are accustomed to keep, Chinchow has been taken.

The Japanese are already beginning to invade the province immediately to the west of Manchuria proper, Jehol; they occupy Tsientsin and they are preparing to land troops at Shanghai. China herself is touched, not only the periphery, outside the Great Wall, but at its center, and this war, like all wars, has an irrepressible tendency to expand. This then is what the Council has accomplished by doing nothing.

The only effect of its weakness has been to bring the Japanese military into power and to ruin the liberal influence and the pacifists who have been left without outside support. At the beginning of the conflict, we were told that time must be allowed for the Government to recover control of the military. Unfortunately, it is the military which has taken over the Government.

When Japan had a pacific Government, it had at Geneva a delegate who was at heart with the militarists, and now that it has a nationalistic Government, it sends us a delegate whose pacific sentiments are above suspicion. But of

what

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what use is that to us? The maneuvers continue. Formerly we were told: "Spare Baron Shidehara!" Now we are told: "Spare Monsieur Sato!" The result is always the paralysis of the League of Nations in the fulfillment of its duty.

Nevertheless, the Japanese would be laboring under a serious delusion if they believed that as far as they are concerned the game is finished. They have won the first game, but not the rubber. It is not enough merely to conquer. It is essential to put what has been acquired on a political basis. It is necessary on the basis of conquest to conclude a treaty. This they might perhaps have been able to do, as they were in 1895, 1905, 1915, if China had been left to herself and to her own forces which are not great. Fortunately, the League of Nations, merely by its existence and by the existence of the public opinion which it aroused, gave the Chinese a moral force, a self confidence, a hope for international action, which have permitted them to refuse all direct negotiations.

Four months after their aggression on September 18, the Japanese are still in possession of their conquest. That is the scandal. But they have not been able to acquire a single right of title, and two practically irresistible forces are playing against them. The first is the boycott of their merchandise by the Chinese. That is the only weapon which China has, at present, but it is a terrible one. While the Japanese columns advance, in a temperature well below zero, toward the heart of Mongolia, the factories, in Japan, are gradually closing, the banks are in increasing difficulties, workmen are unemployed, and the peasants are hungry.

It is thus that the Japanese expeditions into China have always been halted. For a long time the Japanese
militarists

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militarists have dreamed of conquering the friendship of the Chinese at the point of the sword. In 1914 they installed themselves at Shantung and they remained eight years; in 1927 they occupied Tsinanfou and remained two years. They have always ended by withdrawing under the pressure of their industrialists and their ruined merchants. It will be the same this time, if only China does not give up and if the League of Nations does not abandon it.

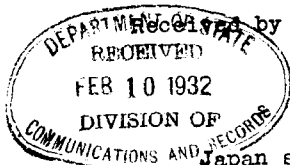
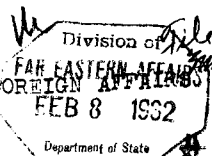
The second force which opposes Japan is the United States. It cannot, under the present circumstances, risk a war with Japan, which, under the direction of its generals, is fully prepared for any folly. But the Government of the United States has indicated with perfect clarity to Tokyo that it would recognize nothing established in Manchuria under the present regime of military occupation. That is to say, the Japanese can conquer, but they will not be able to draw any permanent advantage from their conquest. That is the meaning of the American note, which will assume its full strength when prosperity shall have returned to the world and when the American Government will be free to act.

In other words, time, contrary to appearances, is working for China and against Japan. The League of Nations has rendered a great service to the Chinese in allowing them to gain time. But this is not enough. China is resisting by the boycott. The United States has spoken. What will the Council do?

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

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TRANSLATION OF CABLEGRAM FROM THE MINISTRY OF
NANKING, DATED FEBRUARY 7, 1932.



Received by the Chinese Legation, Washington, February 7, 1932.

Japan sent one division of army to Shanghai. This is
contradictory to the statement of Mr. Debuchi, the Japanese
Ambassador in Washington, to Mr. Stimson, the Secretary of
State, that no Japanese army would be dispatched to
Shanghai.

Chinese Legation,

Washington, February 8, 1932.

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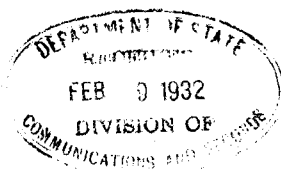
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By Milton O. Gustafson NARS, Date 12-18-75

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



In reply refer to
FE 793.94

DEPARTMENT OF STATE
WASHINGTON



F/DEW

793.94/4094

The receipt is acknowledged of your recent communication in regard to the existing difficulties between China and Japan.

Your interest in this matter is appreciated and you are assured that the many problems presented by and the factors involved in this situation are continuing to receive the earnest and solicitous attention of the Department in the light of the treaties to which the United States is a party and the responsibility of the Government in reference to protecting American lives and property.

Very truly yours,

For the Secretary of State:

Maxwell M. Hamilton,
Assistant Chief,
Division of Far Eastern Affairs.

FEB 9 1932

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Form 2 B

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

Form "B"

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D.C.



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
FE 793.94-

The receipt is acknowledged of your recent communication in regard to the existing dispute between China and Japan.

Your comments have been read with interest and you are assured that the Department, mindful of this Government's engagements under treaties, is giving constant thought and its best effort to the end that the dispute may be settled by peaceful means.

Very truly yours,

For the Secretary of State:

Maxwell M. Hamilton,
Assistant Chief,
Division of Far Eastern Affairs

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FEB 10 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

Form 3AB

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
FE 793.94

793.94/4094

FW 793.94/4094

The receipt is acknowledged of your recent communication and, by reference from The White House, of a similar communication addressed to the President in regard to the existing difficulties between China and Japan.

Your interest in this matter is appreciated and you are assured that the many problems presented by and the factors involved in this situation are continuing to receive the earnest and solicitous attention of the Department in the light of the treaties to which the United States is a party.

Very truly yours,

For the Secretary of State:

Maxwell M. Hamilton,
Assistant Chief,
Division of Far Eastern Affairs.

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FEB 12 1932

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

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



In reply refer to
FE 793.94

DEPARTMENT OF STATE
WASHINGTON

The receipt is acknowledged of your recent communication in regard to the existing difficulties between China and Japan.

Your interest in this matter is appreciated and you are assured that the many problems presented by and the factors involved in this situation are continuing to receive the earnest and solicitous attention of the Department in the light of the treaties to which the United States is a party and to the end that these difficulties may be settled by peaceful means.

Very truly yours,

For the Secretary of State:

Maxwell M. Hamilton
Assistant Chief,
Division of Far Eastern Affairs.

FW 793.94/4094

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

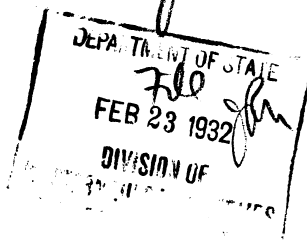


EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2559.

London, February 2, 1932.

FEB 10 32



The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to my telegram No. 44,
February 2, 2 p. m., quoting part of Sir John Simon's
statement in the House of Commons today on the Far
Eastern situation, and to forward herewith the text
of his remarks.

Respectfully yours,

Ray Atherton
Chargé d'Affaires ad interim.

Enclosure:

Statement by Sir John Simon
in House of Commons,
February 2, 1932.

F/LS 793.94/4095

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COPY.

By Private Notice. for Tuesday, the 2nd February 1932.

MR. LANSBURY, - To ask the Secretary of State for Foreign Affairs if he can make any statement on the situation in Shanghai.

Sir John Simon - I regret to state that hostilities of a very serious nature broke out on the night of the 28th of January between the Chinese and Japanese at Shanghai. His Majesty's Government regard these events with grave concern both in the general interests of peace and owing to the proximity of the International Settlement with the consequent danger to the lives and property of British nationals. We have lost no time in making pressing representations, more than once repeated, and have urged the Japanese and Chinese Governments and their Commanders on the spot, to accept a scheme, which has been put forward as a result of the efforts of the British and United States Consuls-General in Shanghai, for the establishment of a neutral zone between the Chinese and Japanese forces. This zone would have to be occupied by troops of the neutral Powers which have forces in the International Settlement. Instructions have been given for British troops to co-operate if the zone can be established. Owing to the efforts of the Consuls-General a truce was arranged on the evening of the 29th January, but I regret to see in the latest press reports that fighting appears to have broken out again.

- 2 -

again. His Majesty's Government have further urged upon both Governments, with the utmost earnestness, to do what lies in and upon them to remedy the existing situation.

As regards the military and naval position, in addition to the three British battalions already at Shanghai, His Majesty's Government decided on Sunday to despatch H.M.S. "Berwick" from Hong Kong, carrying a battalion of infantry and a battery of artillery as a re-inforcement; she is due to arrive to-night. The naval forces, consisting of H.M.S. "Cornwall" and H.M.S. "Sandwich" together with two gunboats, will shortly be re-inforced by H.M.S. "Kent" due to arrive on Friday, while H.M.S. "Suffolk" arrived on Sunday.

His Majesty's Government has throughout acted in closest consultation with the other Powers primarily concerned. This course is being and will be actively maintained. His Majesty's Consul-General is similarly co-operating closely with the representatives of the other Powers at Shanghai.

About eleven p. m. Last night Japanese men-of-war on the river opened fire with several rounds of live shell in the direction of the City of Nanking. Our latest information is that all is quiet for the moment and that all British subjects are safe.

A statement similar to the above is being

made

- 3 -

made this afternoon by the Secretary of State for the Dominions at a specially convened meeting of the Council of the League at Geneva.

I would now add, and this is of great importance, that instructions were sent to His Majesty's Representatives at Tokyo and Nanking to deliver this morning to those Governments the following proposals, and press strongly for their acceptance, indicating that they are being simultaneously urged upon the other party. These proposals have been concerted with the United States Government, and the French and Italian Governments are being asked to act similarly. (I have since received information that those Governments have acted in the sense desired.) These proposals are:-

1. Cessation of all acts of violence on both sides forthwith on the following terms:
2. No further mobilisation or preparation whatever for further hostilities.
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 on the spot.
5. Upon acceptance of these conditions prompt advances to be made in negotiation 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 the 9th of December without ~~prior demand or reservations~~ and with the aid of neutral observers or participants.

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

DOCUMENT FILE

NOTE

SEE 893.77/2834 FOR Despatch # -

FROM Mukden (Myers) DATED Jan. 15, 1932.
TO NAME 1-1197 ***

REGARDING:
E

Copy of despatch to Legation at Peiping,
in connection with the settlement of the
Sino-Japanese controversy over the Shih
Chien Fang plot which began in 1907.

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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 893.00 P.R. Taiwan/45 FOR # 69 and # 71 to Leg'n.

FROM Taiwan (Meinhardt) DATED Jan. 8, 1932.
TO NAME 1-1137 ***

REGARDING:

Attitude toward Japanese invasion of Manchuria. Consensus of opinion clearly that China must submit to superior force, as country not being united has not military strength to repel invader.

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

JAPANESE RELATIONS.

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Interest in the Japanese invasion of Manchuria and hatred of the Japanese have continued unabated, notwithstanding the fact that little has taken place in the way of new developments. Fortunately no incidents have occurred in this area to make matters worse. The consensus of opinion is clearly that China must now submit to a superior force, because the country is not united and because it has not sufficient military strength to repel the invader. Of course, it is hardly to be expected that there should be a full appreciation of Japanese rights in the Northeastern Provinces, nor of how they have been disregarded by the Chinese authorities there.

The anti-Japanese boycott is still very much alive. Yet Japanese trade continues under difficulties. Chinese merchants are working off their supplies of Japanese

goods. ...

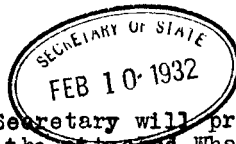
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
Feb. 5, 1932.

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Mr. Cumming:



The Secretary will probably be interested in the attached Whaley-Eaton letter, dated at Paris Feb. 2, 1932, or at least in the summary fastened to the second copy of the letter herewith.

No acknowledgment seems required unless the writer of the endorsement on the top of the first letter is a personal friend of the Secretary. Perhaps you will know about that.

S. K. Hornbeck

JKC

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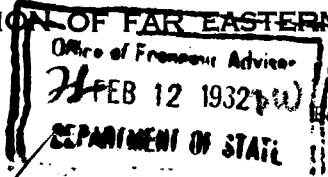
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SECRETARY'S OFFICE

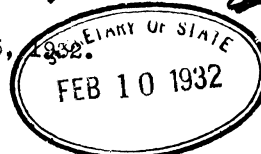
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Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS



February 5, 1932.



WHALEY-EATON FOREIGN LETTER NO. 668

February 2, 1932.

THE UNDER SECRETARY

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DEPARTMENT OF STATE

SECRETARY'S OFFICE

This is a very interesting letter -- worth reading.

Some of the salient statements are:

"European diplomatic opinion is that, with proper handling, the United States need not be drawn into an Asian war" The chief danger lies in another "sinking of the MAINE".

"Chinese antipathy is directed against all foreigners, not the Japanese alone" Chinese text books used in schools emphatically teach anti-foreignism.

"Diplomats in Europe agree that Moscow and Tokio are working under what is, at the least, a gentlemen's agreement."

Europe's delay in taking a strong stand was due to (1) the feeling that Japan was, in a way, fighting Europe's battle and had strong provocation, and (2) a fear that a Japanese maneuver would force European Powers to maintain their positions in China by force of arms.

The present situation in Shanghai is the result of a deliberate plan -- witness Foreign Minister Yoshizawa's statement to the effect that if Japan asked the Chinese to retire from Shanghai they would refuse, but the American, British and French representatives on the spot have greater influence."

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DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

page 2

European protests to Japan are not primarily directed against any treaty-breaking by Japan but are protests against a course which has created the possibility of Chinese action against all foreigners.

"France's holdings in Indo-China are a controlling influence in the making of her policy. A partition of China would give to France, at a minimum, the great province of Yunnan."

"It is an old device, in the face of such unsatisfactory domestic conditions (in Japan), to divert the public attention to foreign fields, to give employment in the army to the idle, to depend on foreign exploitations to pay the cost and actually to enrich the treasury."

"Certain Occidental commercial houses were requested by their Japanese offices, as long ago as last October, to instruct them as to what policies to pursue 'when Japan takes Shanghai' ".

"The immediate situation, it is believed, will end with formal acknowledgment of the Japanese control of Manchuria and the establishment of a quasi-military control along the Yangtse River, possibly international in character, which will separate North from South China."

"Europe is setting a trap for the United States, hoping to get her involved in a great war and thus returning to Europe wealth which flowed to the United States as a result of the Great War'. This statement is ridiculed in diplomatic circles."


RFB

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

~~B~~ Feb. 5
To study &
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appropriate
officers in FE.
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PARIS

WASHINGTON, D. C.

WHALEY-EATON SERVICE

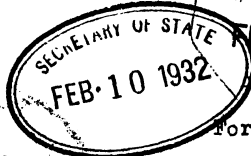
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Division of

FAR EASTERN AFFAIRS

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WHALEY-EATON CORPORATION



FEB 5 1932

Department of State

Foreign Letter No. 668. RECEIVED

February 2, 1932.

FEB 9 - 1932

Dear Sir:

SECRETARY'S OFFICE

1. European diplomatic opinion is that, with proper handling, the United States need not be drawn into an Asian war. The chief danger is thought to be that Chinese elements, in order to involve the United States, might commit some act, comparable to the sinking of the Maine in Havana Harbor, which would be laid to the Japanese and arouse antagonisms that could not be assuaged.
2. CHINA: Chinese antipathy is directed against all foreigners, not the Japanese alone. Chinese textbooks, particularly those used in the lower schools, teach emphatically that China, for the last hundred years, has been the victim of foreign Powers; that these Powers have exploited the vast and rich China and almost swallowed it up "by means of economic pressure, or by force of arms, or by using tricks, or by other insidious methods." The Chinese complaint is against all foreign Powers, without exception.
 - a. There is a bare possibility that the effect of Japanese aggression may be to weld Chinese factions into one unified Government, but it is believed that such a Government would have distinct Communistic leanings.
3. ECONOMIC RESULTS: The long-continued anarchy in China, with the country being ravaged by marauding armed factions, has been distinctly disadvantageous to world trade. The introduction of law and order even into Manchuria alone should have profoundly beneficial effects on Far Eastern business, since the territory should be one of the richest in the world. The exploitation of it under Japanese auspices would call for the investment of huge sums of money, much of it in the form of machinery and supplies to be purchased in the Occident. If, in addition, some sort of order were restored in China also, the

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economic effects should be similarly good.

4. RUSSIA: Only a short time ago, Yoshizawa, now the Japanese Foreign Minister, passed through Moscow and had a long talk with Litvinoff. If, as Europe contends, the Japanese plan with respect to Manchuria and China was then already settled, it is probable that the two men arrived at an understanding. This is not to say that diplomatic incidents between Japan and Russia will not arise, as military commanders, operating over a wide front, cannot be wholly controlled by the authorities at home. It would take much more than a minor incident, however, seriously to disturb Japanese-Russian relations. The foregoing may explain the somewhat unexpectedly passive attitude Moscow has assumed. Additional explanations are:

- a. Peace is vital to Russia just now, since war, whatever else it might do, would seriously interfere with the Five-Year Plan.
- b. It would be almost impossible for Russia successfully to conduct major military operations in the Manchurian sector. Supplies would have to move 3,000 miles over a single-track railway, not in the best of condition.
- c. Russia visions a situation wherein the capitalistic nations may be wrecked on the Chinese rock. She could then "fish in the troubled waters."
- d. Japanese aggression may readily drive all China into the arms of Communism. Moreover, should Japan encounter some real setbacks in her military operations, Tokio itself might not be safe from Communistic elements.

Diplomats in Europe agree that Moscow and Tokio are working under what is, at the least, a gentlemen's agreement.

5. EUROPEAN VIEWS: There were two basic reasons for Europe's delay in taking a strong position in the Sino-Japanese affair. First, it was felt that Japan, (1) in a way, was fighting Europe's battle and had extreme provocation. Secondly, individual European Powers feared a Japanese maneuver that would force them to (4) maintain their positions in China by force of arms.

- a. Even in those European circles professing the greatest sympathy with the Chinese position it was felt that Japan's point in answer to the United States' note of January 7, that when the Nine Power Pact was signed in 1922 no one foresaw the present distracted and

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disorderly condition of China, and that the stipulations of the Pact must be applied with reference to existing facts, was well taken. Without exception, European Governments have taken the position that the Chinese Government is not capable of protecting the important and vital interests of nations in all its territories.

- b. The Japanese maneuver, which Europe feared, has eventuated. Japan's action in using the international settlement at Shanghai as a base of operations against Chinese troops, and the massacre of Chinese non-combatants, has placed European nations in the position of having to protect their property in Shanghai against both Japan's use and possible attack by Chinese forces. That the present situation is part of a deliberate plan, rather than the outcome of a blunder by the Japanese naval command at Shanghai, is evidenced by the statement of the Japanese Foreign Minister, Yoshizawa, to the effect that if Japan asked the Chinese to retire from Shanghai they would refuse, "but the American, British and French representatives on the spot have greater influence."

European protests now being directed at Japan are not primarily with respect to any possible treaty-breaking by her, but are protests against a course which has created the possibility of Chinese action against all foreigners. France joins in this protest, even though she has, in the past, evinced strong pro-Japanese tendencies and the French populace and press still support this view. France has never wanted individual action, preferring that the League handle the matter.

- c. France's holdings in Indo-China are a controlling influence in the making of her policy. A partition of China would give to France, at a minimum, the great province of Yunnan.

6. THE LEAGUE: The League of Nations is in an extraordinarily difficult position. If it acted under Articles 15 and 16, instituting an economic and financial blockade, it would be construed as an act of war. The situation is such that these "sanctions" would have to be taken against Japan, whereas the permanent and real danger, as Europe sees it, lies in a Chinese attack on all Europeans. It is argued that the League, should it act at all, might discover eventually that it was moving against an "ally", Japan, to protect an "enemy", China.
7. JAPAN: The civil Government at Tokio is completely cowed and is under military domination. That military domination may be very actively supported by financial interests.

4.

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- a. The economic position of Japan has been very grave for some time. All of the bad conditions that are evident in the United States, for instance, have taken even more ruinous form in Japan. Farms have been unable to endure the fall in prices and many of them have been taken over under mortgage. Intervention by the Government has not sufficed to prevent bank failures and "mergers" have been resorted to on a somewhat lavish scale. The British went off gold and were able to undersell Japan in Asian markets and the Chinese boycott hurt. The Government found it impossible to continue its policy of rationalization and stabilization, and speculation for the fall in the yen exchange proved too heavy a burden to carry.

It is an old device, in the face of such unsatisfactory domestic conditions, to divert the public attention to foreign fields, to give employment in the army to the idle, to depend on foreign exploitation to pay the cost and actually enrich the treasury. The opportunity offered, therefore, for Japan to kill two birds with one stone, easing her domestic difficulties and at the same time realizing her great ambition on the mainland.

- b. There is abundance of collateral evidence to show that the entire Japanese movement, including the operations at Shanghai, were well planned in advance. Certain Occidental commercial houses were requested by their Japanese offices, as long ago as last October, to instruct them as to what policies to pursue "when Japan takes Shanghai." High financial and commercial interests, therefore, certainly knew more than three months ago that the investment of Shanghai was on the cards.
8. EMPIRE: With due allowance for all the foregoing, European diplomats are convinced that the world is witnessing one of the great moments of history, namely, the building of a great Asian empire, strong enough to rank on at least equal terms with any other nation on the globe. The Chinese hostility to foreigners has been fortified, also, by the Japanese cry of "Asia for the Asians." The difference between a hostile Japan and a hostile China, however, is that the one is an orderly hostility and the other a disorderly hostility. Japan, for instance, would promote trade.
 9. PACIFICATION: The immediate situation, it is believed, will end with formal acknowledgment of the Japanese control of Manchuria and the establishment of a quasi-military control along the Yangtse River, possibly international in character, which will separate North from South China. It is not believed that

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2/2/32.

the Japanese intend, now, permanently to occupy China proper, south of the Great Wall. They will probably insist, however, that any national Government shall be "acceptable" to them. They are committed to the principle of the "open door."

10. WAR MATERIALS: The boom in European war stocks is not convincing. China has not the capacity to carry on a great war. Japanese estimates showed that the operation on the mainland would not be very expensive and many of the supplies required were purchased earlier. Only if the Occidental nations, or the United States alone, challenged Japan would there be any very heavy demand for war equipment.

a. The long view is different. Events are considered as definitely ending whatever chance there may have been for a comprehensive program of international disarmament. Accordingly, the preparedness programs of important Governments are likely to be expanded. It is believed in Europe, for instance, that the United States will now certainly bring her navy up to treaty limits. The British have already announced that the naval base at Singapore will be finished. The American Congress has abandoned the design to reduce the enlisted strength of the army.

11. LOSS OF PRESTIGE: It is an undisputed fact that Occidentals have been continuously losing prestige in the Far East. This is due to two causes, the world war and the movies. In the past, the Occidental set himself up in the East as a superior being, with many of the attributes of a god. The movies have given Asiatics a very different impression.

12. TRAP FOR AMERICA: A good deal of talk is heard along the line that "Europe is setting a trap for the United States, hoping to get her involved in a great war and thus returning to Europe wealth which flowed to the United States as a result of the great war." It has been impossible to find anything to substantiate the foregoing and it is ridiculed in intimate diplomatic circles.

13. The new German party, "Republican Action", is designed to combat Hitlerism and is growing with great rapidity. Its purpose is to protect the Republic and it embraces a military section, the "Iron Front." Reports of Bruening's resignation are to be discredited. Worsening of the German economic position will necessitate a new series of decree laws. British propaganda against gold continues.

WHALEY-EATON SERVICE.

118
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

February 19 1932.

In reply refer to
FE 793.94/4098

Mr. Robert J. Caldwell,
23 East 64th Street,
New York, New York.

Sir:

The receipt is acknowledged with thanks of
Whaley-Eaton Service Foreign Letter No. 668, dated
February 2, 1932, in regard to various factors
involved in and phases of the present situation in
China.

Your courtesy in forwarding this interesting
paper is appreciated.

Very truly yours,

For the Secretary of State:

M. M. H.
Maxwell M. Hamilton,
Assistant Chief,
Division of Far Eastern Affairs.

CR *61*
Feb. 19 1932.

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WASHINGTON, D. C.

Division of
FAR EASTERN AFFAIRS
FEB 5 1932

Foreign Letter No. 668

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2/2/32.

the Japanese intend, now, permanently to occupy China proper, south of the Great Wall. They will probably insist, however, that any national Government shall be "acceptable" to them. They are committed to the principle of the "open door."

10. WAR MATERIALS: The boom in European war stocks is not convincing. China has not the capacity to carry on a great war. Japanese estimates showed that the operation on the mainland would not be very expensive and many of the supplies required were purchased earlier. Only if the Occidental nations, or the United States alone, challenged Japan would there be any very heavy demand for war equipment.

a. The long view is different. Events are considered as definitely ending whatever chance there may have been for a comprehensive program of international disarmament. Accordingly, the preparedness programs of important Governments are likely to be expanded. It is believed in Europe, for instance, that the United States will now certainly bring her navy up to treaty limits. The British have already announced that the naval base at Singapore will be finished. The American Congress has abandoned the design to reduce the enlisted strength of the army.

11. LOSS OF PRESTIGE: It is an undisputed fact that Occidentals have been continuously losing prestige in the Far East. This is due to two causes, the world war and the movies. In the past, the Occidental set himself up in the East as a superior being, with many of the attributes of a god. The movies have given Asiatics a very different impression.

12. TRAP FOR AMERICA: A good deal of talk is heard along the line that "Europe is setting a trap for the United States, hoping to get her involved in a great war and thus returning to Europe wealth which flowed to the United States as a result of the great war." It has been impossible to find anything to substantiate the foregoing and it is ridiculed in intimate diplomatic circles.

13. The new German party, "Republican Action", is designed to combat Hitlerism and is growing with great rapidity. Its purpose is to protect the Republic and it embraces a military section, the "Iron Front." Reports of Bruening's resignation are to be discredited. Worsening of the German economic position will necessitate a new series of decree laws. British propaganda against gold continues.

WHALEY EATON SERVICE.

Utterly disregarding the League Covenant, the Kellogg Pact, and the Nine-Power Treaty, Japan has occupied Manchuria and waged undeclared war on China. Unsatisfied with flouting world's public opinion, she has now perpetrated the Shanghai outrage as the culmination of her unabated acts of aggression and in defiance of the League Resolutions.

In the afternoon of January 28th, the demands of the Japanese Consul-General in Shanghai were accepted by the Mayor of the Greater Shanghai, and the said acceptance was declared satisfactory by the said Consul-General. At eleven twenty-five of the same evening, the local Japanese Naval Commander suddenly notified the Chinese authorities to withdraw their forces from Chapel, and, thirty-five minutes later, proceeded to occupy the Chinese controlled territory. Acting on self-defence, the Chinese forces resisted the advance of the Japanese marines and other armed contingents.

Thus frustrated, the Japanese naval forces have been landing reinforcements in the International Settlement and employing the said Settlement as the base of the belligerent operations against the Chinese troops. Aerial attacks are being maintained daily and Japanese civilians have been permitted to inflict inhuman treatment on Chinese men, women, and children and indulge other forms of frightfulness.

Such aerial attacks cannot be condemned too severely. Characterized by Lord Robert Cecil as the most barbarous form of warfare, what they have accomplished is burning and devastation of the populous city, destruction

-2-

of priceless treasures, valuable life and property, rendering homeless and destitute tens of thousands of innocent noncombatants, paralyzing all industries and commerce, and undermining the entire economic structure of China's commercial metropolis.

Therefore it is self-evident that in seeking to aggravate the situation, Japan is motivated on one hand by passion to strike terror into the Chinese hearts in Shanghai as in Manchuria and elsewhere and coerce China into submission, and on the other hand to secure for herself predominant position in North and Central China to the prejudice of other powers.

The present Shanghai outrage had its origin in the Japanese occupation of Manchuria. Any attempt to liquidate Shanghai outrage as a local, isolated, incident without attempting a settlement for the whole situation arising from the Japanese occupation of Manchuria will inevitably defeat its purpose and encourage Japan to perpetrate similar outrages in other parts of China.

It may be recalled that Japan invaded Manchuria when the League Assembly was in session, she extended such occupation to the threshold of Tsitsihar when the League Council adopted the second resolution, and she planned to capture Chinchow- the last vestige of China's administrative authority- when the League council adopted the third resolution on the subject. Added to the present Shanghai outrage these facts reveal Japan's cynical disregard of the world's public opinion and her contempt

-2-

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-3-

of the League.

The Chinese Government and the people have always reposed confidence in the League Covenant, the Kellogg Pact, and the Nine-Power Treaty to adjust disputes between nations. In face of Japan's unabated aggressions the Chinese people are entitled to ask if China's co-signatories in these international engagements intend to condone Japan's repudiation of her plighted word or undermine the sanctity of International Treaties.

Deeply appreciative of your Government's solicitude and efforts in Chinese people's welfare we earnestly appeal to your Government to stand firm on the five proposals designed by your Government in conjunction with three other friendly Governments for the solution of the crisis between Japan and China. Japan's continued occupation of Manchuria will always be a threat to world's peace if not also to the security of other Powers whose efforts of mediation are magnified into interference to Japan's detriment. We appeal to your Government to counsel Japan to honor her plighted word and collaborate with your Government and other co-signatories in the establishment of durable peace in the Far East or, if she cannot be persuaded to listen to reason, courageously join other friendly Governments and other co-signatories in the application of economic sanctions or other speedy and more effective measures to preserve world's peace. Failure now boldly to do the right thing and insist on doing the just and honorable thing in defence of the sanctity of treaties will expose the League Covenant, the Kellogg Pact, and the

-4-

Nine-Power Treaty to public ridicule and subject the present situation to imminent danger drifting into actuality world catastrophe.

Wong Shao-Lai: Chairman of Shanghai General
Chamber of Commerce.

Li Ming : Chairman of Shanghai Bankers'
Association.

Zing Zung-Ching: Chairman of Shanghai Native
Bankers' Guild.

Yung Chun-Ching: Chairman of Chinese Cotton
Mill Owners' Association.

C.H. Li: Chairman of Shanghai Universi-
ties' Union.

C.S. Lu: Chairman of Shanghai Labor
Union.

Ling Kong-Hou: Chairman of Associated Chambers
of Commerce.

K.P. Chen: Chairman of China Committee of
International Chamber of Commerce.

Yu Ya-Ching: Chairman of Ship-Owners' Associa-
tion.

H.Y. Moh: Chairman of Shanghai Exchanges
Association.

Despatched, Shanghai, February 8th, 1932.

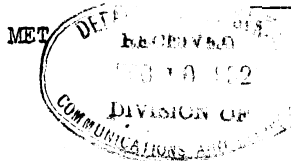
Received, Chinese Legation, Washington, D.C.,
February 9, 1932.

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

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811.5-03193

TELEGRAM RECEIVED



FROM

GRAY

Shanghai via N.R.

Dated February 10, 1932

Rec'd 2 p.m.

Division of
FAR EASTERN AFFAIRS

FEB 10 1932

Department of State

FEB 10 1932

F/LS
793.94/4100

Secretary of State,

Washington

29, February 10, 7 p.m.

Important items.

First. Japanese Consul General has asked that he be given list of American property and investments outside Settlement and north and east of Hongkew contiguous to Japanese Sector. I am to furnish the list tomorrow.

Second. It is learned on reliable authority that Japanese naval authorities have applied to pilot association for sixteen pilots to pilot transports into Shanghai on the 12th.

Repeated to the Legation and Nanking for information.

CUNNINGHAM

WVM

FEB 19 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
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TELEGRAM SENT

Department of State

1-138

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
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February 10, 1932.

AMERICAN CONSUL,
 SHANGHAI (China).

FEB 10 32

PRIORITY.

Your 29, February 10, 7 p. m., first paragraph.

Any list of American property and investments that

you may give Japanese Consul General, in response to his
 request, should be accompanied by statement that list
 cannot be guaranteed as to completeness and that ~~the any~~
 property and investments ^{not repeat not} included ~~in~~ the list are not
 repeat not necessarily of a category different from the
 property and investments listed. You should also be
 careful to safeguard the confidential character of any
 information that you may have covering the ^{value} ~~amount~~ of
 American investments.

793.94/4100

793.94/4100

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Sturges

FE:MMH:REK

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Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

TELEGRAM RECEIVED

REP

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

FROM

SHANGHAI

Dated February 10, 1932

Rec'd 2 p. m.

Secretary of State,
Washington.

31, February 10, 9 p. m.

Referring to Department's February 9, 6 p. m.

Department's February 6, 8 p. m. received and communicated orally to Commander-in-Chief. The British Consul General received similar instructions referring to Department's instruction to me.

Two. Have not been approached by Japanese and do not see any indication of their doing so. Brennan concurs in my belief that Japanese have no peace parley plans. This conclusion is largely based upon ~~the~~ ^{emphatic} ~~dismissive~~ dismissal of Admiral Kelly's proposal on February 8th by the Japanese Minister when the latter indicated that no peace talks were possible until the Chinese retired twenty miles. My instructions as I understand them intend that I be receptive but I am not authorized to approach Japanese.

Three. No progress for cessation of hostilities nor for establishing

F/LS

793.94/4101

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FEB 16 1932

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793.94111

REP

2- #31, from Shanghai, Feb. 10, 9 p.m.

for establishing zone to be controlled by neutrals.

893.0146
Four. It is impossible to answer this question authoritatively. First Hooker informed me that there were 4500 Japanese armed forces in Shanghai on February 1st and a large part of them must have landed in the Settlement before that date. From authoritative quarters I learn that since February 6th Japanese have landed only about 100 gendarmes in Settlement to replace marines. Not repeated (#).

CUNNINGHAM

WSB

(#) Apparent omission.

DECLASSIFIED: E.O. 11652, 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
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Department of State

Collect
Charge Department
OR
Charge to
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Washington,

February 10, 1932.

AMERICAN CONSUL,

SHANGHAI (China)

URGENT

CONFIDENTIAL

Your 31, February 10, 9 p.m.

13
793.94/4101
We concur in your belief that the Japanese have no peace parley plans. We have no longer any reason to think that anything is likely to be accomplished by such move, meaning thereby ^{reliance} ~~reliance~~ on the suggestion which they made as communicated by us to you in Department's February 6, 8 p.m. ^{4014a (cf)} We believe that the Japanese suggestion made last Saturday has either been cancelled without notice or was merely an attempt on their part to gain time. It is our opinion that the position taken, as reported, by the Japanese Admiral in conversation with the British Admiral that the Chinese should retire 20 miles is wholly inadmissible so far as any consideration, ~~of approval~~ ^{our} sanction or participation on ~~that~~ part might be involved. We estimate, on the basis of such information as we have, that the Japanese may be planning a wide turning

Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

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

793.94/4101

CONFIDENTIAL FILE

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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
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Department of State

Washington,

- 2 -

movement against the Chinese forces in and near Chapei.
We visualize the possibility that the Chinese forces may be
driven by the Japanese against the Settlement. We feel
that American effort on the spot should be confined to
the endeavor to protect the International Settlement
by all appropriate means.

We are so informing Tokyo and London.

Inform your British colleague.

SKH

Stimson

SKH

As directed by
and read to
Secretary of State

S:AT

FE:SKH

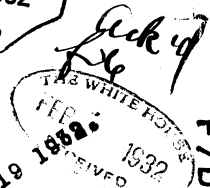
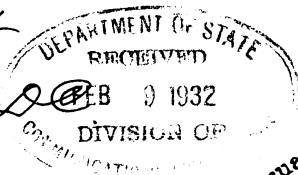
Enciphered by _____

Sent by operator M. SKH, 19_____, _____

San Francisco Calif 2/3/32



Hon. Herbert Hoover
President



723.94
RECEIVED
FEB 10 1932
FOR ASSESSMENT AND
AND OPERATIONS
FEB 10 1932

Dear Mr. Hoover
I have a Japanese friend who
calls at my home at times. He is well
educated and posted on Japanese affairs.

On a recent visit he made
the following statement: "The object of the
large fleet at Shanghai is to take
Hankau". It seems Hankau is about 200
miles up the river and is the largest
manufacturing city in China. Our supply
as well as the world supply of China Nat
Oil comes from Hankau. Many other
important importations are derived from
Hankau. China Nat Oil is the base of our
Varnish industry and this city is the centre of its traffic.

Latest movements of the fleet
indicate the information is correct. I feel
it would be well for you to know this
if you do not know it from any other source.

Kindest regards
Yours

F. B. Raynole

1946 Divisadero St.

F/DEW

793.9474102

FEB 20 1932

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

February 19 1932.

In reply refer to
FE 793.94/4102

Mr. F. B. Raynale,
1946 Divisadero Street,
San Francisco, California.

Sir:

The receipt is acknowledged by reference from the White House of your letter of February 3, 1932, in regard to a conversation which you had recently with a Japanese friend concerning the existing difficulties between China and Japan.

The statements contained in your letter have been noted and your courtesy in informing the Department of your conversation is appreciated.

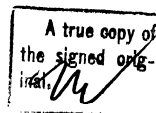
Very truly yours,

For the Secretary of State:

M. M. H.
Maxwell M. Hamilton,
Assistant Chief,
Division of Far Eastern Affairs.

egc.
FE:EC:CS:SS

Feb. 19 1932.



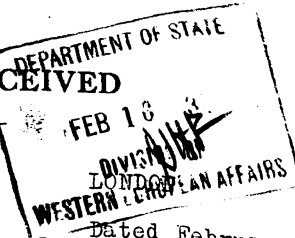
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

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A portion of this telegram must be closely paraphrased before being communicated to anyone.

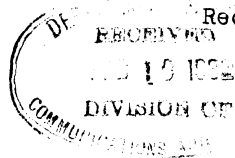
FROM



Dated February 10, 1932

Rec'd 2:30 p. m.

Secretary of State,
Washington.



F/LS 793.94/4103

59, February 10, 6 p. m.

Apparently to forestall questions for necessity of further representations to Tokyo, and yet at the same time to have a clear record before the House of Commons, Mr. Baldwin, in reply to a question stated yesterday (GRAY) "His Majesty's Government have on three occasions made it clear to the Japanese Government that they could not approve of the use of the International Settlement except for defensive purposes". (END GRAY).

In referring to the above statement today Vansittart said the British Consul General at Shanghai favored the creation of a neutral zone since it offered the greatest safety to the International Settlement and the Foreign Office desired for the moment any way to leave attendant matters in the hands of the men on the spot, particularly since the arrival of Admiral Nomura.

ATHERTON

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WSB

FEB 22 1932

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

DOCUMENT FILE

NOTE

SEE 893.1163 P 92/25 FOR letter

FROM Board of Missions (Scott) DATED Feb 9, 1932
TO Presbyterian Church in the U.S. NAME 1-1127 070

REGARDING:

Resume of telegrams from the Mission at Shanghai urging that peaceful settlement be made. Mr Scott requests appointment with Dr. Hornbeck or some one else in F.E.

ek

793.94/4104

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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 15 1932.

In reply refer to
FE 793.94/4105

Mr. Frederic J. Haskin,
21st and O Streets, Northwest,
Washington, D. C.

Sir:

Attention: Mrs. Snow.

The receipt is acknowledged of your letter dated
February 9, 1932, in which you make the following
inquiry:

"What part of the reparations imposed
on China with relation to Shantung have been
paid?"

As the subject matter of your inquiry relates
to a matter directly concerning China and Japan, it
is suggested that the Chinese Legation and/or the
Japanese Embassy in Washington would appear to be
in the best position to furnish information in the
premises.

As of possible assistance in regard to the
general question of Sino-Japanese negotiations
concerning

793.94/4105

2/15/32

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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

FE

- 2 -

concerning Shantung, you might consult THE CHINA YEAR
BOOK for the year 1923 under the title of "Shantung",
and for the year 1931 under the title of "Foreign Loans
in China". It is assumed that you can find these volumes
in the Library of Congress.

Very truly yours,

For the Secretary of State:

M. M. H.
Maxwell M. Hamilton,
Assistant Chief,
Division of Far Eastern Affairs.

F/LS

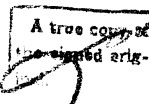
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Feb. 5. 1952. PM

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

6500

Frederic J. Haskin

Correspondent



The Haskin Letter
The Haskin Books
The Haskin Information Service

21st and C Streets N.W.
Washington, D. C.

FEB 10 32

February 9, 1932

February 15 1932

State Department,
Washington, D. C.

Gentlemen:

We have received the following inquiry
from a correspondent and would appreciate
any information you may be able to give us
on this subject:

"What part of the reparations
imposed on China with relation to
Shantung have been paid?"

We wish to thank you in advance for this
information.

Will you please address your answer to the
attention of Mrs. Snow.

Yours truly,

Frederic J. Haskin.

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FEB 15 1932

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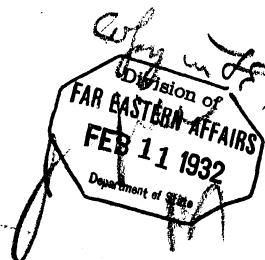
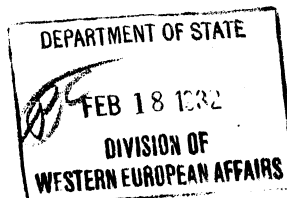
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA
Paris, February 2, 1932.

No. 2244

FEB 10 32



F/LS

793.94/4106

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

Referring to my telegram No. 77 of January 30th/
12 noon, concerning the attitude of the French press in
the Sino-Japanese difficulties, I have the honor to sum-
marize herewith the principal journalistic comment in
that regard. Generally speaking, the right and moderate
press is inclined to sympathize with the Japanese point
of view and by inference, to welcome Japanese policing
under the chaotic conditions existing in China. Anything
approaching intervention by France is, accordingly frowned
upon.....

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upon and it is evidently the further belief that the League of Nations would do well to go slowly before taking an active part in the dispute. A considerably less biased viewpoint exists in the left press where there is a distinct tendency to condemn the League of Nations for its impotency.

To cite only one of the early editorials on the subject, Maurice Ajam, in the issue of January 11th of the DEPÊCHE DE TOULOUSE (the organ of the left wing of the Radical Socialist party), sees Japan as a civilizing instrument in Manchuria. He feels that America would be foolish to give its protection to China as against all other nations, that what is wanted is an "open door" not for one power (presumably the United States) but for all. America is too practical a nation to be manoeuvred into difficulties by the machinations of the unstable regime in China.

Something of the same opinion is evidenced in an editorial in LE TEMPS of the 26th, where it is stated that it is difficult to offer practical objection to the occupation of the forts about Shanghai, when such an action is really forced upon Japan by the systematic boycott. The fact that no signatory of the treaty of 1922 concerning the integrity of China associated itself with the United States in the note recently sent Japan, would seem, in the opinion of LE TEMPS, to indicate that the situation is not regarded very seriously, that the world is too preoccupied with its own difficulties or that it is leaving the affair to the League of Nations for settlement. All of Manchuria, continues this paper, and part of Mongolia...

-3-

Mongolia are passing into Japanese control, while another portion of Mongolia is abandoned to Russian influence. All this is occurring without it being possible to prove that Japan has violated its engagement not to seek territorial aggrandizement. Moreover, were the League asked to invoke Articles 15 and 16, it is doubtful if it could reasonably contemplate so serious a step upon the initiative of a government as little representative as the present regime in China. Finally, the Commission of Investigation has not yet left Europe and meanwhile, any new action on the part of the League would be likely merely to aggravate the present situation.

An article by Edouard Herriot, which appeared in L'ERE NOUVELLE (Moderate Republican and Radical Socialist) of the 28th, merits a somewhat longer digest:

M. Herriot states that M. Paul Boncour is pursuing a careful policy at Geneva and striving to avoid isolation for France by calling Great Britain, Italy and Germany into collaboration. Meanwhile, the situation in Shanghai must be admitted as serious from the international standpoint. The Japanese must find cause for laughter in recalling the decision of December 10th whereby a commission was to be sent but never has arrived - and whereby the Japanese troops were to retire - but are continually advancing. The Pact of Paris has been equally disregarded while the League has shown itself ineffectual. Peace lovers should be humiliated that the League of Nations is rendered impotent by the absence of the United States. America will soon regret this lack of solidarity which isolates....

-4-

isolates it before a remarkably active Japan.

What can China do; what will happen? Perhaps as André Duboscq suggests, the Japanese and Chinese will become reconciled and unite against the whites. "Under such a complicated situation, France, were she as free as the United States is, would easily be able to withdraw. Our interest would have been to remain observers in this affair. I again had that impression yesterday in listening to the statement of M. Paul Renaud (Minister of Colonies) before the two Chamber committees. We are and must remain a friend of the yellow race. However, China has more influence in our Far Eastern colonies than France herself. These are the very words of the Minister. One sees now, if we face the facts, the inconveniences inflicted on countries such as our own which accept international obligations loyally and very often bear the heaviest part, without moreover obtaining any gratitude. We are at the present time neutralized between an international policy, in this case sterile, and a national policy which is impossible for anyone wishing to respect loyalty. M. Paul Boncour finds himself in his turn, after Aristide Briand, in a most difficult position, faced with almost irreconcilable contradictions."

Likewise on the 28th, O. Rosenfeld, writing in the Socialist POPULAIRE, stigmatizes sarcastically the League of Nations and capitalist states. Japan has promised to adhere to the "open door" policy in conformity with the note to the United States. The League accepts all Japan's "perfect"....

-5-

assurances; meanwhile, "in order to put an end to banditry", Japan violates Shanghai as it has previously violated, on the same plea, Manchuria. The League will probably also accept Japan's assurances concerning the "open door" - in other words, if the trade of capitalist nations in Manchuria is not interfered with, Japanese troops may remain. The inviolability of territory and the right of people to dispose of themselves - elemental principles of the Covenant - do not count. It is not, concludes M. Rosenfeld, the question of the rights of China but of the great powers which interests the League.

On the same day, M. Henri Gallien remarked in L'AVENIR (Conservative opposition organ), that he sees in the chaotic situation, a magnificent opportunity for bolshevism which Moscow will not neglect.

FIGARO (Nationalist Coty organ), commenting editorially on the 28th, is severe in its condemnation of the League of Nations. It states that, in response to the October ultimatum, Japan merely smiled politely and continued to extend its lines of troops and cannon. Now Shanghai is menaced but the League, having learned from experience, does not again menace Japan. The sole action of the League is to express the hope that the belligerents will avoid an extension of the conflict.

The following day, January 29th, the ECHO DE PARIS carried an article entitled "The United States is Endeavoring to Drag England into Intervention Against Japan." It is alleged therein that the United States is exercising

very....

-6-

841.93
very strong pressure upon the British Government to bring about a common intervention in the Sino-Japanese dispute. The American Government is said to have addressed a note to the British Government, suggesting concerted action against Japan, the alternative measures to be taken being first an Anglo-American demonstration in Chinese waters, and secondly, the exercise of economic pressure in the form of an embargo on Japanese merchandise. While the British Government has not yet responded, it is understood that it is coming more and more to the firm determination not to associate itself with the United States in such an action. In conclusion, it is stated that the tendency of England not to support the United States is significant in that it is the first time since the war that Great Britain has refused to take America's part. The change in policy is ascribed to resentment over the attitude of Congress as regards the European debt to the United States.

In again reviewing the situation in Shanghai, LE TEMPS, in its issue of January 30th, refers to the rumor that the United States is trying to bring Great Britain into a joint political resistance to Japan which might take the form of concerted economic pressure or of a naval demonstration. For the moment, there would seem no cause to believe that such will take place. The Government at Washington would certainly think twice, according to LE TEMPS, before attempting a move of this nature and as for Great Britain, there are many reasons to dissuade it from deliberately taking a position against Japan in an affair where....

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where its own interests are not at stake. Nor is it at Geneva that the situation may be examined to the possible end of presenting a common front to Tokyo and at the same time, one in accord with the United States, as was done at the time of the Manchurian conflict. This latter experience should be enough to make the League proceed with caution. After all, both the Mukden and Shanghai affairs are local conflicts which may best be settled locally by the parties thereto. We have seen, states LE TEMPS, from the events of recent months, the danger of treating such problems under the general rules of international policy.

The article of Pertinax which appeared in the ultra nationalist ECHO DE PARIS of January 30th and in which he expressed the belief that diplomatic overtures would only serve to aggravate the situation and that Great Britain will not join the United States in any such manoeuver, has already been adequately summarized in my telegram No. 77 of January 30th/12 noon.

LE MATIN of the 30th finds Russians and Chinese as accomplices in provoking Japanese action in China.

Writing on the same day in the independent, Moderate JOURNAL, St. Brice expressed the opinion that it is fortunate that the Chinese member of the League does not represent a genuine power, for if he did, his invoking of the sanctions provided by the Covenant in the case of war, would be very serious. In any case, it is not war. It is anarchy in Shanghai. The Chinese, proceeds St. Brice, have simply lost their heads, provoking the Japanese.

This...

-8-

This should be remembered by the League in its deliberations.

LE JOURNAL DES DEBATS (Conservative) of the 30th intimates that America is more pacifically inclined toward Japan than would appear and that the United States will be satisfied if the international concession at Shanghai is not touched. The paper regards as more serious the new developments between Russia and Japan, arising from the Chinese-Eastern Railway incident and the dilemma of the League of Nations in the face of the invoking by China of Articles 10 and 15.

Albert Milhaud remarks in the Moderate Republican and Radical Socialist ERE NOUVELLE of the same day, that the United States is naturally more interested in Pacific than European affairs. American business and trade is dependent to a considerable extent upon developing a prosperous and tranquil China. The belief may, therefore, be well founded that it would like Great Britain to take common action with it in China. Like the ECHO DE PARIS, L'ERE NOUVELLE believes that Great Britain for many reasons, including its own difficulties in India and the late alliance with Japan, will not accede to the demand of the United States.

M. Rosenfeld is again heard from on the 30th in an article which appeared in the Socialist POPULAIRE, attacking the League, saying that, as an international body, it must at last act or admit its utter impotency. In the meantime, the relations between Japan and Russia are

becoming...

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becoming aggravated. The Soviet railway head has refused to transport Japanese troops on the Eastern Railway and the Japanese, in consequence, will hold Russia responsible for Japanese subjects in Harbin. M. Rosenfeld therefore apprehends a Russo-Japanese war.

It is remarked in LA REPUBLIQUE (organ of Daladier) of the 30th that Japan has certainly committed abuses in China but what, is asked, can be done about it? Answering the question, LA REPUBLIQUE observes that China can do nothing; that the Soviet, occupied with the five-year plan is equally helpless; that England with her empire dislocated can do naught, and that France, alarmed by possible events in Europe, also may not act. America itself might do something, though there are the risks of losing the Philippines and Hawaii and of the blocking of the Panama Canal. While the American fleet is certainly superior, the Japanese would be unbeatable entrenched in their own isles. In any case, and here lies the crux of the editorial, there are two points to be observed; first, that France must avoid embarrassment in Indo-China and stay completely out of the conflict, and second, that America is looking more and more towards the Pacific. With regard to the latter point, LA REPUBLIQUE observes that the opportunity is unique for Europe to settle, once and for all, the debt question "upon the basis of abandonment of all claims on the part of the principal creditor."

By the time that the newspapers of January 31st had gone to press, Europe had learned of the alleged declaration
of....

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of war by the Nanking government. Editorial comment of the day was, in consequence, influenced by the rumor.

Pierre Dominique, contributing to LA REPUBLIQUE (a Daladier organ), analyzes the situation as follows:

- 1) America needs the Chinese market.
- 2) Japanese have need of room to expand and are, moreover, being stifled by the boycott.
- 3) 500 million Chinese in anarchy are incapable of consuming American goods but are entirely capable of boycotting Japan.

The world, therefore, seems to be faced with the situation where two imperialisms and an anarchy are at odds. In consequence, France, although its principal interests lie in Europe, must remember that Indo-China is only a little to the south of the danger zone.

The Moderate Republican and Radical Socialist ERE NOUVELLE remarks that, whether war has actually been declared or not, little matters, since hostilities have broken out. The United States and Great Britain, self-styled guardians of the orient, have been powerless to prevent the Japanese aggression. They had therefore better cease to consider themselves as great powers in the east. What is needed is a potent force, both moral and effective. This force should be found in the League, but the League is emasculated because the United States has refused to join upon the excuse of the danger to the Monroe Doctrine and because Great Britain, although a member, follows the personal instead of the collective policy. The question consequently arises as to who will step into the breach and save the situation.

LE QUOTIDIEN (Moderate Radical Socialist organ) manifests great apprehension at the developments, stating that...

-11-

that old Europe must leave no stone unturned to prevent war.

St. Brice, writing in the Independent, Moderate JOURNAL, affirms that the League cannot listen to the views of one party alone and that the declarations of China cannot furnish sufficient ground upon which it may act in invoking Article 15. Only the word of an impartial board of investigation should be taken into consideration, so that M. Paul Boncour at Geneva is rendering a real service in insisting upon such a course. The duty of the League and of the great powers concerned would seem to lie in doing all that is possible to localize the conflict and find a settlement.

The JOURNAL DES DEBATS (Conservative) carries an editorial by Pierre Bernus, calling attention to the fact that it so happens that the Permanent Court of International Justice is at present presided over by a Japanese, Mr. Adatci. The commission of investigation, not having yet left Europe, the League Council has decided to constitute a commission of inquiry, composed of consuls on the spot. The situation is ironic and the League may seem to have broken down where large powers are concerned but it is necessary to maintain confidence in its ultimate usefulness. More important at the present moment, according to Pierre Bernus, is the attitude of America and Great Britain. The latter, though not entirely committing itself, favorably has responded to American overtures for joint representations. Although England has close ties with Japan, it is even....

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even more fundamental for it not to wound the United States. In this connection, the editorialist takes notice of the article in the LONDON TIMES of the 29th of January, which is alluded to in the Embassy's telegram referred to at the beginning of the present despatch. It is asserted that the TIMES, usually very well informed, indicates that America only addressed to London a note asking cooperation in China because the United States lacks confidence in France due to the belief that this Republic is in some way "tied" to Japan. Such an apprehension is certainly unfounded, the only restraint placed upon France being that of prudence.

"Amiral Docteur" in LE MATIN inquires if the vast American naval manoeuvres in the Pacific have any relation to the Manchurian situation. His conclusion would seem to be in the negative, since in citing the work of the Washington naval disarmament conference, he recalls that the Japanese fleet was at that time reduced in ratio upon the understanding that the United States would abandon its fortification projects in the Phillipines. This would render it difficult for the United States to attack Japan in their far away zone and impossible for the Japanese to dream of risking an attack westward when outflanked by the formidable base at Pearl Harbor.

An editorial by Leon Daudet in the Royalist ACTION FRANCAISE evinces the fact that the writer is greatly impressed with Japan and its manifest destiny. The Japanese are alleged to be following the theories of their own Nietzsche and to believe in force and in using whatever

means...

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means comes to hand, including the League of Nations, which he irreverently characterizes as "a large piece of cheese". M. Daudet believes that Japan represents the same civilizing force in the east as formerly occupied by Great Britain and that that country may be counted on to press steadily on.

The Conservative "INFORMATION" defends the Japanese and states that they wish to respect the property and citizens of other nations. Whether by force they can suppress the Chinese boycott when there is no organized government in China is another question. If the Powers wish to make Japan sheath its sword, INFORMATION suggests that perhaps they can help relieve Japan from the Chinese threat to its trade.

Pierre Lyautey, correspondent for the JOURNAL INDEPENDANT, regrets the circumstance that the disarmament conference is meeting at a time when a conflict rages in the east. It is obvious, therefore, that the armament delegates will have to move sagaciously not to add fuel to the flames.

Again contributing to the ultra Nationalistic ECHO DE PARIS, Pertinax judges that the difficulties at Shanghai cannot, from a judicial point of view, be regarded as constituting a conflict. Moreover, he views as unjustifiable the action of the British Ambassador in Paris, when, on the 29th of January, he invited the French Government to intervene in asking Japan not to violate the statute governing....

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governing their concessions. Equally untenable, according to him, would be the precipitate application of Article 15 of the League. Finally, he characterizes the alleged declaration of war by the Nanking government as only an inexcusable measure to force the hands of the League.

Turning to February 1st, the ensuing commentaries are to be found in the Paris press:

Cudenet, through the medium of the REPUBLIQUE, deplores the passing of Briand from the political arena since he would not have tolerated war and knew how to cope with people such as the Japanese who, under the cloak of legal technicalities, break the law.

The Left Wing Radical Socialist L'OEUVRE carries an article by Henri Hertz summarizing the several factors which tend to provoke war in the east and concluding that, from an economic standpoint, Japan will lose less by stamping out the boycott than by the costs of war.

The ever pacifically inclined Rosenfeld is again heard from in the Socialist POPULAIRE, this time insisting that the bringing about of peace is more important than the protection of foreigners in Shanghai or the endless quibbles over international law. Referring to the article in the LONDON TIMES, intimating that France is prejudiced in favor of Japan, he demands that France act at once and that it join the other nations in preventing further Japanese aggression.

The Independent Moderate JOURNAL defends French policy, asserting that the Republic will defend the
international.....

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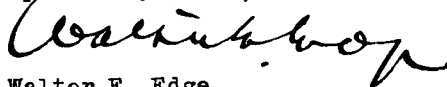
international settlement, that its Consul General will act with the other Consuls on the commission of inquiry, that it has sent a cruiser to the Far East and that it has taken a leading part at Geneva. Nevertheless, it is pointed out that France will always observe a policy of rigorous impartiality.

Coty's "L'AMI DE PEUPLE" says that the United States takes lightly the disarmament conference, as evidenced by the action of the American congress in cutting the credits for the sending of delegates. On the other hand, America is said to take very seriously the situation in the east. The United States ought to know Japanese psychology and now, evidently realizing the inefficacy of notes, it hopes to attain better results from the naval manoeuvres in the Pacific.

The other Coty organ, "FIGARO", ridicules the futility of the League in this as in other important situations and does not forget to lay part of the blame on the United States for failure to become a member. It feels that the plan suggested whereby the League should have at its disposal an armed force would be a further insanity in that the various sections of the international army would only fall upon one another.

LE TEMPS expresses the opinion that in the end, China will do better not to ask the intervention of the League but to face the inevitable and arrange its problems directly with Japan.

Respectfully yours,



Walter E. Edge

In quintuplicate
710.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

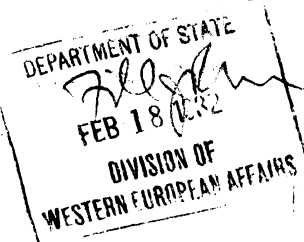
London, January 29, 1932.

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The Honorable

The Secretary of State,
Washington.

Sir:

793.94/3699

Supplementing my telegram No. 29 of January 29th,
1 p.m., I have the honor to enclose clippings contain-
ing the editorial comment which appeared in the local
papers this morning on the Far Eastern situation.

The DAILY EXPRESS observes that the situation in
Shanghai is more serious than the fighting in Manchuria,
/ as foreign interests and nationals are more directly

involved./

FEB 13 1932
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involved. The question now arises whether China can with impunity boycott foreign trade and violate treaties. England cannot "complain if the Japanese are adopting that policy of the strong hand which was once our own."

The DAILY TELEGRAPH states that the action of the Japanese in occupying Shanghai after their demands had been accepted is clearly not upon a par with that taken in Manchuria where Japan has a recognized status, and cannot be regarded without misgiving, as other powers have immense interests to safeguard. It is within its rights to defend the interests of its nationals, "but the consequences may not be easy to control. The keen anxiety felt in Washington is shared by our own Government, though they may feel that any suggestion of applying pressure to Japan is to be deprecated. Her claim to be doing nothing more than any Power is entitled to do cannot be abruptly put aside. All depends upon her ability to keep a dangerous situation in hand and to do so without prejudice to rights and interests as well founded as her own."

The DAILY CHRONICLE observes that the bombardment of Chinese forts followed by the occupation of Shanghai, the sending of Japanese troops to Harbin, and the reported announcement by a spokesman for the Japanese Government that relations with the United States will be broken if economic action is taken by the United States, all seem incredible, but "whom the Gods wish to destroy they first drive mad." This state of

affairs/

-3-

affairs may be attributed to the control which the Japanese military element now exercises over the Government. "The runaway horse may be stopped or stop of itself; but he is a very bold prophet who assumes it."

The DAILY MAIL states that the program of demands by aggressive pacifists for concerted action against Japan is sheer insanity, as "to intervene against her would mean another Great War where no British interest is concerned. Japan has the advantage of being right in this dispute....The people of this country would never permit an attitude of hostility to Japan on the part of their Government. They are determined to enter into no combinations against Japan."

The TIMES observes that although it does not believe that the safety of the International Settlement has been jeopardized by Japanese military action, it is doubtful that it will have the calculated effect on the Nanking Government, and it may only intensify the confusion existing in the Yangtse Valley. After citing the various occasions on which the British and other Governments have sent forces to Shanghai to protect national interests, it admits that the Japanese may have good reason for taking their present action, but nevertheless the situation is delicate and the responsibilities of the other Powers have been vastly increased by the action of the Japanese admiral. The

United/

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United States must be greatly concerned by these events and its proposals must receive the most serious consideration here. . "But the first essential is that the views of both Governments should be united on the actual facts of the situation. British and American estimates of the Far Eastern situation may differ materially, particularly with regard to the capacities of the Chinese and the intentions of the Japanese Government, whose spokesmen deny any wish to extend the scope of the conflict at Shanghai. The information at the disposal of the British Government may suggest another view of the situation and other methods of dealing with it than those which are said to find favour at Washington; and, though a common line of action is extremely important, it can only be reached if the two Governments are agreed on the nature of the problem which confronts them. There is no question at all about our own interests in this matter. The British colony is second only to the Japanese in numbers and excels all others in wealth; the action taken by this country in its defence in 1927 is a guarantee that it will not be neglected, and that its interests and those of the International Settlement will be defended if the need should arise. There is every reason therefore why the Japanese Government, no less than the British and the United States Governments, should continue to use every effort to protect the Settlement, and the vast interests which it

shelters, /

-5-

shelters, from any injury that might arise from military action against the Chinese. They might also be well advised to dispel at once the impression, which is gaining ground in America and elsewhere, that their policy is controlled rather than executed by the General Staffs of the Imperial Army and Navy."

As I had the honor to state in my telegram above mentioned, official sources of information had apparently endeavored to avoid giving the impression that the situation arising out of the Japanese démarche in Shanghai was unduly grave, as presumably the British Government was anxious to prevent public opinion arriving at any definite conclusion until the facts had been definitely ascertained. The Washington correspondents of British papers had, however, been reporting fairly extensively on the plans which the American Government was understood to have in mind for concerted action with Great Britain to deal with the latest developments around Shanghai. Yesterday's papers prominently displayed despatches from Washington intimating that the American Government was considering the application of an economic boycott against Japan, and that it had asked the British Government to join in such action as well as in a naval demonstration at Shanghai. The London TIMES correspondent reported that proposals of such drastic actions were not contemplated, but the public was much confused as to what measures were really being discussed.

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It became evident yesterday that the British Government was somewhat uncertain as to the manner in which it would reply to the proposal - the exact nature of which was not publicly known - that it had received from the American Government. It was clear that in view of the importance of maintaining the closest co-operation with the United States within the entire field of their mutual interests, it did not wish to give the United States the impression that its overtures towards co-operation were being rebuffed. On the other hand it did not appear to be completely informed of the state of affairs in Shanghai, and even if the information which it had in hand from its representatives in China was adequate for an appreciation of the situation, I gather that the British Government was not certain that its views coincided with those of the American Government as regards the effect of Japanese military operations upon other foreign interests in that region. Furthermore, as the Department will have observed from the enclosed editorial comment, there is an appreciable body of opinion in this country which recalls the fact that in 1927 England itself, after consultation with the other interested Powers, sent troops to Shanghai to protect its nationals against the threatened attack of disorganized Chinese troops, and which feels that it would unnecessarily give offense to Japan to

protest/

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protest against the taking of measures which had been resorted to by England itself. The essence of the problem, as I see it, which yesterday faced the British Government was that while it was most anxious to keep in alignment with the United States in this matter, in view of their general mutuality of interests, it did not desire to commit itself to a definite line of concerted action with the United States until it became satisfied that the interests of Great Britain were being prejudiced by Japanese military operations. I gain the definite impression, in short, that since its receipt of the American proposal early this week, the British Government has been carefully studying the possibilities of taking action which would be substantially an affirmative answer to the proposal for collaboration, but which could not be countered by Japan invoking the 1927 precedent and replying with a tu quoque.

Dep. Sec. of State

811.41
There remains very definitely in the background the effect created by recent press despatches from Washington which suggest that the proposal by the United States for concerted action may be interpreted by England as a bid for co-operation in a much wider field. The Washington correspondent of the MORNING POST, for example, baldly said in a telegram published this morning that the co-operation which England may give to the United States in the Far East suggests a

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lead to a more favorable consideration of England's war debts position. The correspondent of the London TIMES makes an intimation of this general nature in a more cautious vein and with a finer touch. He enlarged upon the fact that the United States had addressed itself with regard to Far Eastern policy only to England and not to France, due, he assumes, to the suspicion which has existed in official American quarters of the existence of an understanding between Japan and France - a suspicion which has been strengthened by the attitude of the French Foreign Office, and of the manner in which French public opinion has expressed itself, on the dispute between China and Japan. He then says:

"At this point the question enters a zone too indeterminate and delicate to justify more than this brief allusion. But even so brief a reference to this aspect of the matter will serve to indicate why the American Government believes that Great Britain might well consider the question of Shanghai and of Anglo-American cooperation there, not as an isolated problem but against a background of the development of policy over an infinitely wider field. The situation in some respects recalls President Woodrow Wilson's speech to Congress at the time when the Panama Canal tolls issue was so acute a question of international, and particularly of Anglo-American, debate. He would not know how to act in other matters unless Congress did what he asked in regard to the Canal, he said - and if Hoover is substituted for Wilson, Great Britain for Congress, and Shanghai for Canal, the phrase has meaning to-day.

"It is not only believed in Washington that firm and concerted action by Great Britain

and/

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and the United States is now the only measure which can avert complications at Shanghai, leading possibly to disaster, but that Anglo-American cooperation at this time would be, and should be, interpreted in this country and abroad as the symbol of much more. Without it, it is fair to admit, the movement of American opinion would set more strongly than ever towards that isolationism which Congress is inclined to write into legislation. There have been, of course, exaggerated reports as to the nature of the proposal which has been made to London by Mr. Stimson, and loose references to an "economic boycott" directed against Japan; but these should be accepted as the irresponsible speculations of individual writers. No shadow of support for them can be observed in any official quarter. As far as can be authoritatively learned, no more has been asked than the open reinforcement by Great Britain of American action directed to the protection of their common and predominant interest in the International Settlement of Shanghai.

"A UNITED FRONT"

"And if the effect of a united Anglo-American front at one point should ultimately be felt in a vastly wider circle, the American Government would be deeply content, and - as it believes - the genuine interest of Great Britain would be served.

"Alarming as the news from Shanghai continues to be, it is to London rather than to the coast of China that the attention of the State Department is now directed. The importance in all its implications of the decision the British Government is asked to make is understood, and the necessity for due deliberation is fully recognized. But it is earnestly hoped that a reply will be forthcoming not later than to-morrow, and that it will be of a nature to encourage those here who believe that it may be a turning-point in Anglo-American relations."

The events of the last few hours in Shanghai have doubtless impelled the British Government to

move/

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move rapidly towards a decision. The Foreign Office this morning informed the press that the British Government last night instructed its Embassy at Tokyo to express to the Japanese Government the hope of the British Government that no action inside the International Settlement would be taken by Japan without consulting the other Governments concerned, and that it had requested the Japanese Government to furnish for the consideration of the British Government all the information available regarding the situation in Shanghai. It was also announced that the British Government had requested, as the Department is no doubt aware, that the American Government make similar representations to Japan.

393.41

It is my impression at this moment that the reports of the most serious fighting having taken place within the last few hours on the borders of the International Settlement have persuaded the British Government to feel grave concern over the safety of British interests in Shanghai, and have impelled it to take a less equivocal position than it hoped yesterday might be taken. It would seem to me that the statements issued to the press this morning indicate an intention of aligning itself with the United States, certainly so far as the protection of their respective interests in Shanghai is concerned; and it may be prepared to go even further.

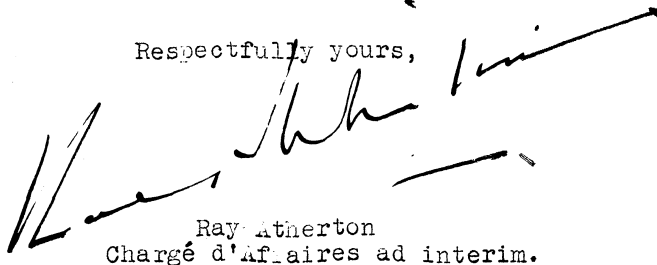
Events in the Far East are taking place with

such/

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such rapidity that no definite forecast of British policy or the future trend of public opinion can be made at this moment. Since dictating the preceding paragraphs, reports of renewed fighting, extending even to the bombing of the native quarter of Shanghai by Japanese airplanes, have been received; and I look for an opportunity tomorrow to see whether this occurrence will turn the weight of English press opinion towards the need of measures of a rigorous nature.

Respectfully yours,


Ray Atherton
Chargé d'affaires ad interim.

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Enclosures:
Articles from:
The DAILY EXPRESS,
The DAILY TELEGRAPH,
The NEWS CHRONICLE,
The DAILY MAIL,
The TIMES, and
The MANCHESTER GUARDIAN,
all of Jan. 29th.

COPY SENT TO E.I.C.

DAILY EXPRESS

LONDON

Jan. 29, 1932.

Japan's Strong Hand.

FIGHTING has begun between Japanese and Chinese troops on the very edge of the International Settlement in Shanghai.

This is a more serious matter than the "sort of war" that has recently been going on in Southern Manchuria, because foreign interests and foreign subjects are more directly involved.

But at bottom the same issue is involved.

What Power—the Chinese themselves being palpably incapable of the task—will prevent China from sinking into irremediable chaos and ruining a multitude of foreign traders and residents?

Is China to be free to proclaim boycotts of foreign trade and to violate Treaty rights with impunity?

These are the basic problems now coming to a head in the famous Treaty port of Shanghai.

They might never have arisen at all had not Great Britain, in recurrent fits of sentimental nervelessness, abdicated her old predominant position in the Far East.

We cannot now complain if the Japanese are adopting that policy of the strong hand which was once our own.

With thousands of disorganised Chinese troops operating on the outskirts of the Settlement, ready to kill and loot, and inflamed not merely by anti-Japanese but by anti-foreign sentiment, action is what is needed, not despatch writing.

Whether that action can be confined to the actual area of trouble is the problem that confronts Japan's leaders at this hour.

PAPER DAILY TELEGRAPH

NUMBER

CITY

LONDON

DATE Jan. 29, 1932.

THE NEW PERIL AT SHANGHAI

SHANGHAI, the principal centre of British and other European interests and activities in China, is once more the focal point of the grave anxiety with which the Governments of the Powers have for four months past been watching the development of the Chino-Japanese imbroglio. The scenes of 1927, when the International Settlement was in daily danger of being invaded and sacked by hordes of demoralised Chinese troops, are being re-enacted. All business is suspended, and the whole area has been hurriedly placed in a state of defence. The actual danger to the great modern city within the Settlement bounds is in substance the same that it was five years ago. Many thousands of undisciplined and aggressive Chinese troops are congregated in the Chinese city, from which their own countrymen are flocking to the Settlement for protection. But to-day a single Power, Japan, is taking separate and drastic military measures in its own interest—a situation which, in recent years, all the resources of diplomacy have been exerted to avoid.

The position in Shanghai has arisen out of that in Manchuria. Chinese resentment at the Japanese action to restore civilised conditions in that territory led, nine days ago, to fierce anti-Japanese rioting in Shanghai, in which a Japanese priest was murdered. Feeling in Japan, already inflamed by the boycott of its trade and the threatening of its nationals in Shanghai, was united in support of its Government's ultimatum demanding apology, amends, and the repression of all anti-Japanese activities. But what has startled European opinion is the action of Admiral SHIOSAWA, after the demands of the ultimatum were conceded yesterday, in proceeding at once to the military occupation of a suburb of the Chinese city. Fighting with the Chinese troops in that area was in progress yesterday, and a river fort, from which a Japanese vessel was said to have been fired upon, was silenced by a naval bombardment.

This action, the outcome of which cannot be foreseen, is clearly not upon a par with that taken in Manchuria, where Japan has a recognised special status and peculiar interests entitled to protection. Those who have admitted the equities of her attitude in Manchuria cannot regard without misgiving this use of force in the highly explosive situation in Shanghai, where other Powers have immense interests to safeguard. Japan still claims to be acting in defence of her own people in the Shanghai region, and disclaims all intention of taking action within the Settlement. This is within her right, with China the barbaric chaos that it is to-day; but the consequences may not be easy to control. The keen anxiety felt in Washington is shared by our own Government, though they may feel that, at this juncture, any suggestion of applying pressure to Japan is to be deprecated. Her claim to be doing no more than any Power is entitled to do cannot be abruptly set aside. All depends upon her ability to keep a dangerous situation in hand, and to do so without prejudice to rights and interests as well founded as her own.

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SHANGHAI, the principal centre of British and other European interests and activities in China, is once more the focal point of the grave anxiety with which the Governments of the Powers have for four months past been watching the development of the Chino-Japanese imbroglio. The scenes of 1927, when the International Settlement was in daily danger of being invaded and sacked by hordes of demoralised Chinese troops, are being re-enacted. All business is suspended, and the whole area has been hurriedly placed in a state of defence. The actual danger to the great modern city within the Settlement bounds is in substance the same that it was five years ago. Many thousands of undisciplined and aggressive Chinese troops are congregated in the Chinese city, from which their own countrymen are flocking to the Settlement for protection. But to-day a single Power, Japan, is taking separate and drastic military measures in its own interest—a situation which, in recent years, all the resources of diplomacy have been exerted to avoid.

The position in Shanghai has arisen out of that in Manchuria. Chinese resentment at the Japanese action to restore civilised conditions in that territory led, nine days ago, to fierce anti-Japanese rioting in Shanghai, in which a Japanese priest was murdered. Feeling in Japan, already inflamed by the boycott of its trade and the threatening of its nationals in Shanghai, was united in support of its Government's ultimatum demanding apology, amends, and the repression of all anti-Japanese activities. But what has startled European opinion is the action of Admiral SHIOSAWA, after the demands of the ultimatum were conceded yesterday, in proceeding at once to the military occupation of a suburb of the Chinese city. Fighting with the Chinese troops in that area was in progress yesterday, and a river fort, from which a Japanese vessel was said to have been fired upon, was silenced by a naval bombardment.

This action, the outcome of which cannot be foreseen, is clearly not upon a par with that taken in Manchuria, where Japan has a recognised special status and peculiar interests entitled to protection. Those who have admitted the equities of her attitude in Manchuria cannot regard without misgiving this use of force in the highly explosive situation in Shanghai, where other Powers have immense interests to safeguard. Japan still claims to be acting in defence of her own people in the Shanghai region, and disclaims all intention of taking action within the Settlement. This is within her right. With China the barbaric chaos that it is to-day; but the consequences may not be easy to control. The keen anxiety felt in Washington is shared by our own Government, though they may feel that, at this juncture, any suggestion of applying pressure to Japan is to be deprecated. Her claim to be doing no more than any Power is entitled to do cannot be abruptly set aside. All depends upon her ability to keep a dangerous situation in hand, and to do so without prejudice to rights and interests as well founded as her own.

NEWS CHRONICLE

LONDON

Jan. 29, 1932.

WHO IS RESPONSIBLE?

Who is responsible for the latest developments of Japanese policy? Despite the prompt and abject submission of the unfortunate Chinese authorities, the Japanese fleet has bombarded the forts of Shanghai. The attack on the native city appears to have already begun; and, as our correspondent in Shanghai remarks, there is no guarantee, except one more Japanese "assurance," that the international settlement also will not be attacked and occupied. In the north meanwhile Japanese troops are stated to be marching on Harbin, a proceeding which the Russians can scarcely regard with indifference, reasonably anxious as they may be to keep out of trouble; while from Tokio itself comes the surprising announcement, alleged to have been made by a spokesman of the Japanese Government, that any economic action by the United States will be followed by the breaking off of relations by the Japanese Government. It seems incredible; but it is only a degree more difficult to believe than the other news; and the Greek proverb that "whom the Gods wish to destroy, they first drive mad," is as true in the modern as it was in the ancient world.

What seems to have happened is that the Japanese military clique, which is as blind, as arrogant and as indifferent to all but military considerations as similar bodies in other countries, has got control of the machine of Japanese government. The generals and admirals are doing what is right in their own eyes. There is nothing gained by attempts to conceal the extraordinary gravity of the resulting situation. The runaway horse may be stopped, or stop of itself, without catastrophe; but he is a very bold prophet who assumes it.

PAPER DAILY MAIL

NUMBER

CITY LONDON

DATE Jan. 29, 1932.

JAPAN— A WARNING

THE difficulties with which Japan is now grappling at Shanghai and in Manchuria have led our aggressive pacifists to put forward renewed demands for combined action by the Powers.

Two months ago these mischievous, if well-meaning, people began a campaign for intervention against her. The Powers were asked to withdraw their Ambassadors from Tokio. If this did not achieve the desired end they were urged to impose a blockade on goods entering and leaving Japan.

A programme such as this would be sheer insanity. Japan is in an impregnable position in Eastern Asia. She is as powerful in that region to-day as was Germany in Central Europe before the war. **To intervene against her would mean another Great War where no British interest is concerned.**

Japan has the advantage of being in the right in this dispute with China. If she were worsted by diplomacy or military action the result would be to restore anarchy in Manchuria and to hand that province over to the bandits and ultimately to the Soviet. Does any sane person desire this?

At Shanghai Japan is simply taking measures to stop the anti-Japanese demonstrations and attacks on Japanese subjects in China. Here again right is on her side. The habit of the Chinese Government is to make promises which it has not the power to keep. Japan this time is determined that her demands shall not be evaded and therefore has now begun operations at Shanghai.

Such being the conditions, the people of this country would never permit an attitude of hostility to Japan on the part of their Government. They are determined to enter into no combinations directed against Japan, who to them represents an old and loyal ally.

They mean that their Ministers shall keep clear of all entanglements.

PAPER THE TIMES

NUMBER

CITY LONDON

DATE Jan. 29, 1932.

ANXIOUS HOURS IN SHANGHAI

Shanghai is passing through anxious hours. In spite of the promise of the Chinese authorities to give satisfaction to the Japanese demands, the islanders have clearly made up their minds to seize their own guarantees. Their marines have occupied the Chinese suburb of Chapei to the north of the river after some sharp fighting, and their warships are reported to have shelled and silenced the fort at Woosung, at the mouth of the Yangtze, which commands the approach to the greatest port and the richest city in the Far East. The International Settlement, an island of peace and order in a sea of political confusion and the centre of American and European commercial interests in China, has suddenly become an armed camp, strong for defence but exposed to all the accidents of a conflict waged almost literally on the other side of the road. In a military sense it runs no serious risk: the British and foreign military and naval contingents, and the international volunteers and police who have been called out to maintain order, are amply sufficient to defend its boundaries against any incursion of disorderly Cantonese troops seeking plunder, or attempting to involve neutral foreigners in their quarrel before their own inevitable flight. But there are other possibilities which may not have occurred to the Japanese Admiral, but which nevertheless have aroused misgivings among the British and foreign communities in Shanghai and must be taken into account by their Governments. Nearly a million Chinese, including some of the worst as well as the best elements in Chinese society, live within the International Settlement, and the mere supervision of these multitudes will seriously tax the energies of its municipality. Moreover it is uncertain whether the action taken by Japan will have the sobering effect on the Government of Nanking that Tokyo seems to expect. It may merely intensify the confusion that reigns in the Yangtze valley both at the capital—where Ministers resign almost weekly and an embarrassed administration holds out with difficulty against demands for a rupture of relations with Japan—and at Hankow, which is threatened by a Communist army. It may equally revive anti-foreign agitation, which at such times makes little distinction between one "foreign devil" and another. There may be no Japanese intention of blockading the mouth of the Yangtze—a measure which would lead to international tension and could only harm Japanese trade with China—but patriotic indignation may provoke something like a Chinese blockade of Shanghai.

Such doubts about the expediency and the efficacy of the measures taken by the Japanese cannot, of course, obscure the fact that they have had serious provocation in the shape of attacks on Japanese subjects and the boycott of Japanese goods. Moreover there has in the recent past been somewhat similar action by other Powers. In 1927 the British Government, after consulting other Powers, sent a strong expeditionary force to Shanghai to defend the International Settlement against attack: Japan, the United States, Italy and other Powers also sent naval contingents and warships: the French protected their own concession; and SIR AUSTEN CHAMBERLAIN, in reply to questions in the House of Commons, made it clear that HIS MAJESTY'S Government considered that they had the right to move troops beyond the limits of the Settlement if the Chinese authorities should prove unable to protect British nationals. In the present case the Japanese authorities on the spot consider the close proximity of a large and notoriously ill-disciplined force of Chinese troops to be a reason—and it is a good *prima facie* reason—for refusing to be satisfied by the promises of the MAYOR of SHANGHAI, for expelling these troops as a precaution from the suburbs of the city, and for seizing the headquarters of the boycotters of their goods. Their Government disclaim any intention of taking military action in the International Settlement, or of interfering with its administration, and there is no reason to fear that they wish to complicate or aggravate the situation any further than they have done already. But when all this is said the situation at Shanghai must remain a delicate and a difficult one, and the responsibilities of the fourteen Powers interested in the

can only be reached if the two Governments are agreed on the nature of the problem which confronts them. There is no question at all about our own interests in this matter. The British colony is second only to the Japanese in numbers and excels all others in wealth; the action taken by this country in its defence in 1927 is a guarantee that it will not be neglected, and that its interests and those of the International Settlement will be defended if the need should arise. There is every reason therefore why the Japanese Government, no less than the British and the United States Governments, should continue to use every effort to protect the Settlement, and the vast interests which it shelters, from any injury that might arise from military action against the Chinese. They might also be well advised to dispel at once the impression, which is gaining ground in America and elsewhere, that their policy is controlled rather than executed by the General Staffs of the Imperial Army and Navy.

PAPER THE TIMES

NUMBER

CITY LONDON

DATE Jan. 29, 1932.

ANXIOUS HOURS IN SHANGHAI

Shanghai is passing through anxious hours. In spite of the promise of the Chinese authorities to give satisfaction to the Japanese demands, the islanders have clearly made up their minds to seize their own guarantees. Their marines have occupied the Chinese suburb of Chapei to the north of the river after some sharp fighting, and their warships are reported to have shelled and silenced the fort at Woosung, at the mouth of the Yangtze, which commands the approach to the greatest port and the richest city in the Far East. The International Settlement, an island of peace and order in a sea of political confusion and the centre of American and European commercial interests in China, has suddenly become an armed camp, strong for defence but exposed to all the accidents of a conflict waged almost literally on the other side of the road. In a military sense it runs no serious risk: the British and foreign military and naval contingents, and the international volunteers and police who have been called out to maintain order, are amply sufficient to defend its boundaries against any incursion of disorderly Cantonese troops seeking plunder, or attempting to involve neutral foreigners in the inevitable fight. The Government disclaim any intention of taking military action in the International Settlement, or of interfering with its administration, and there is no reason to fear that they wish to complicate or aggravate the situation any further than they have done already. But when all this is said the situation at Shanghai must remain a delicate and a difficult one, and the responsibilities of the fourteen Powers interested in the Settlement will be vastly increased by the drastic action of the Japanese Admiral.

It is not at all surprising in the circumstances that the Government of the United States should have addressed proposals for common action to His Majesty's Government. American official opinion is obviously concerned by the dangerous possibilities of a situation which may affect the great commercial interests of the United States in China, and equally by the extension of hostilities from Manchuria to China proper. It goes without saying that the American proposals must receive the most serious consideration at Whitehall—all the more since our Correspondent in Washington is satisfied that talk of an "economic boycott" is mere irresponsible speculation, and that the object of the common action which is desired is the protection of the "common and pre-dominant" interest of the two nations in the International Settlement. But the first essential is that the views of both Governments should be united on the actual facts of the situation. British and American estimates of the Far Eastern situation may differ materially, particularly with regard to the capacities of the Chinese and the intentions of the Japanese Government, whose spokesmen deny any wish to extend the scope of the conflict at Shanghai. The information at the disposal of the British Government may suggest another view of the situation and other methods of dealing with it than those which are said to find favour at Washington; and, though a common line of action is extremely important, it

can only be reached if the two Governments are agreed on the nature of the problem which confronts them. There is no question at all about our own interests in this matter. The British colony is second only to the Japanese in numbers and excels all others in wealth; the action taken by this country in its defence in 1927 is a guarantee that it will not be neglected, and that its interests and those of the International Settlement will be defended if the need should arise. There is every reason therefore why the Japanese Government, no less than the British and the United States Governments, should continue to use every effort to protect the Settlement, and the vast interests which it shelters, from any injury that might arise from military action against the Chinese. They might also be well advised to dispel at once the impression, which is gaining ground in America and elsewhere, that their policy is controlled rather than executed by the General Staffs of the Imperial Army and Navy.

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

MANCHESTER GUARDIAN

LONDON

Jan. 29. 1932.

The War in the East

The Japanese have followed up their demands at Shanghai by a definite occupation of Chinese territory, in spite of the compliance of the Chinese with their ultimatum. The bitterness of public feeling in China has, it seems, led the promoters of the anti-Japanese boycott, in some cases, to seize and destroy Japanese goods. In all the circumstances these reprehensible acts are not to be wondered at. It is true also that the Chinese authorities would have difficulty in stopping the boycott even if they wanted to. The boycott is widespread, and if it affords a legitimate excuse for a Japanese occupation of Shanghai it must equally justify a Japanese invasion of the greater part of China. On the Chinese coast, however, the Western Powers have greater interests at stake than in Manchuria. It is possible that the action which they shirked on a question of principle would be quickly taken if their commerce and investments were seriously and directly threatened. Future developments will depend on how much farther the Japanese will think they can count on the remarkable "patience" already shown by the Western nations. The United States, it is plain, would welcome British co-operation in a more vigorous policy. So far this has not been forthcoming, but a Japanese advance might yet accomplish it. These further troubles in Shanghai would not, probably, have occurred if we had been readier to co-operate with the Americans at an earlier stage of the dispute.

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

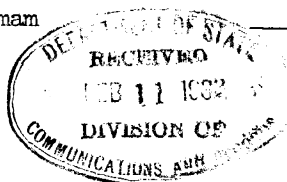
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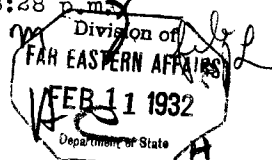


FROM

SHANGHAI

Dated February 10, 1932

Rec'd 8:28 p.m.



Secretary of State

Washington

30, February 10, 8 p.m.

Continuing my daily report No. 25 of February 9, 8 p.m.

One. So far the Woosung forts are still in the hands of the Chinese. The report current yesterday to the effect that Woosung village had practically fallen has not been confirmed. During the day only impetuous exchange of firing has taken place according to eye witnesses at Woosung. The Japanese apparently are bringing up field pieces and strengthening their defenses at Woosung in the expectation of making a new attack. They have apparently met with unexpected resistance. Field telephones are being strung between Shanghai and Woosung by the Japanese. It is estimated that the Japanese have approximately 6,000 soldiers and marines landed for the attack on Woosung. The Japanese are building anti-aircraft dugouts at the new air plane field at the end of Pingliang Road, south of Shanghai

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2- #30, from Shanghai, February 10,
1932

Shanghai Baptist College. These are being prepared for the protection of their airfield. Yesterday a Japanese plane crashed and blew up at this field. Woosung light-house has been badly damaged and appears on the point of collapsing. Two or three lights on buoys have also been extinguished by firing. However no merchant ships are entering or leaving the harbor during the hours of darkness. One American ship, the GOLDEN RIVER, has been delayed in port for eight days resulting in loss of freight, demurrage, et cetera. The present situation has resulted in freight congestion, lack of wharfage and poor postal facilities.

Two. The situation in Chapci sector has remained fairly quiet, only occasional firing taking place. On February 9th the Japanese marines at North Szechuan and Haining Roads interfered with a party of municipal police ~ pushing the Chinese police away with their rifle butts and generally acting in a hostile manner. The Japanese reservists were especially hostile shaking iron bars in the faces of the police. Anti-aircraft shells continue to fall in the Settlement.

Three.

mem

3- #30, from Shanghai, February 10,
1932

393.9423

Three. Yesterday it was reported that a Japanese ship captain while proceeding up river in the vicinity of the arsenal was shot from shore by some unknown parties. To-day newspaper men were interviewing Admiral Nomura when he stated that this captain had been taken ashore and shot by the Chinese authorities at the arsenal. He threatened to take drastic action. He also stated to his interviewers that the Chinese were aggravating the Japanese by their continual attacks and that it would eventually result in drastic action on the part of the Japanese.

893.00

Four. Late yesterday afternoon a motor car fitted with steel protection plates belonging to the Nineteenth Route Army was attacked on Rue du Marche by a crowd of Chinese who evidently mistook the vehicle for a Japanese armored car. The car had recently conveyed the Mayor and two Chinese military officers and was returning to the Mayor's residence when the incident occurred.

Five. According to observers, defense works have been erected on the roof of the toyoda, new mill at Chungshan and Jessfield Road corner, by Japanese forces. These consist of three light field guns and three machine guns in separate

mam

4- #30, from Shanghai, February 10,
1932

separate emplacements. Machine gun fire from this sector
was heard last night.

693.9412
Six. A Chinese Citizen's Federation met on February
9th for the purpose of discussing the question of resum-
ing business on the 10th. After discussion it was decided
to issue a declaration stating that the **BANKS** ~~American companies~~
had come to the decision to continue definitely suspension
of business as long as the Japanese troops remain in Shang-
hai. About 15 per cent of the shops, mostly food shops,
resumed business this morning.

Repeated to the Legation and Nanking and Tokyo for
information.

CUNNINGHAM

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FW

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

JS

This telegram was closely paraphrased before being communicated to anyone.

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JAN 11 1932

DIVISION OF

FROM

Dated February 10, 1932

Rec'd 8:09 p.m.

Secretary of State,

Washington, D.C.

20, February 10, 8 p.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY

I have discussed with Senator Swanson, Davis and Wilson the situation which now exists in Geneva regarding the Far Eastern difficulties, a situation which is giving us concern.

You will note that Simon has been presenting at the private meetings of the twelve both the views of the British Government and to some extent endeavoring to reflect the views of the American Government. And now in private conversations he is also endeavoring to interpret your views. I hasten to add that so far as we are informed his presentation has been both friendly and accurate and it is only natural that in default of more direct information the members of the Council should turn to Simon in view of the joint effort of the two powers. This they will be more prone to do as today's papers contain a Washington despatch that you and he were in direct telephone conversation yesterday on the Far Eastern situation.

There

DEPARTMENT OF STATE
FEB 12 1932
DIVISION OF
WESTERN EUROPEAN AFFAIRS

Division of
FAR EASTERN AFFAIRS
FEB 11 1932
Department of State

F/LS 793.94/4109

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-2-

From Geneva, Feb, 10, #20.

There is indication that some of the powers are taking the position that action by Great Britain and ourselves has relieved the Council of responsibility and that action on its part is now unnecessary and would be useless. They point to the fact that whereas in September Wilson, and later Gilbert, kept Drummond in constant touch with your views this has since been changed and that since the resumption of work in Geneva in January little or no indication of American views has been received from American sources. In other words that direct contact and cooperation with America has ceased. It is a short step from this attitude to a complete shirking of this thorny question on the ground that the United States had undertaken the settlement.

We assume that you and Great Britain would in any event desire the support of the Council for whatever action is taken. To this end we think it important that the procedure of September be resumed of keeping the Council members informed of your action and views. We do not see how this could lessen the cooperation which you have established with Great Britain and it would have the additional advantage of reducing to a minimum possibilities of misunderstanding and efforts on the part of individual members to throw upon us the onus of their failure.

In the

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

-3-

From Geneva Feb. 10, #20

In the light of this constantly changing situation as we see it here we strongly recommend that direct contact through Wilson with the Council members or with Drummond be resumed and maintained in such form as you may deem feasible.

The matter is of considerable importance as the second report of the Shanghai Commission is expected tonight and presumably the Council will have to act on this report within the next few days.

GIBSON

FW

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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

Washington,

February 11, 1932.

WILSON,

BERGUES FEB 11 32

GENEVA (Switzerland).

PRIORITY 9 11
CONFIDENTIAL AND URGENT.

Your 20, February 10, 9 p.m.
FOR WILSON.

Last week the Japanese Government suggested to the

American and several other Ambassadors at Tokyo that negotiations should be held upon Japanese initiative, at Shanghai, to the end that hostilities should be stopped, and a neutral zone be established.

Upon being informed of this, I communicated ^{last Saturday} with Sir John Simon, and we agreed that opportunity should be given, for the Japanese to proceed with such negotiations, and that we would instruct our representatives in China accordingly,

This we did.

However, it is evident that the Japanese authorities have made no serious attempt to negotiate. The fighting in the Chapei area continues, they have sent army forces of unknown numbers, bombarded the fort and village of Woosung, and, by the methods employed in their military operations, they continue to jeopardize the safety of the International Settlement.

Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 60.

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

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CONFIDENTIAL FILE

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

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PLAIN

Department of State

- 2 -

Washington,

Cunningham, at Shanghai, informs me that he and the British Consul General concur in the view that the Japanese have no plans for peace talk at Shanghai and that no progress has been made toward arrangement for cessation of hostilities or establishing a neutral zone.

Reports indicate that the Japanese Admiral demands that the Chinese withdraw to a distance of twenty miles from Shanghai as a condition of withdrawal of Japanese forces to the boundaries of the Settlement and that the Japanese Foreign Office spokesman has stated that the fighting will continue until the Chinese are driven twenty miles from Shanghai.

now, February 10,

In view of all this, I have instructed Shanghai that we concur in the belief that the Japanese have no peace parley plans; we have no longer any reason to think that anything is likely to be accomplished by reliance on that idea; we believe that the Japanese suggestion has either been canceled without notice or is merely an attempt on their part to gain time; in our opinion the demand that the Chinese should retire twenty miles is inadmissible so far as any consideration, sanction or participation on our part might be involved; we estimate that the

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

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

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Department of State

- 3 -

Washington,

P.C.
006-9102

Japanese may be planning a wide turning movement against the Chinese forces in and near Chapei; we visualize the possibility that the Chinese forces may be driven by the Japanese against the Settlement; and we feel that American effort on the spot should be confined to the endeavor to protect the Settlement by all appropriate means. I have so informed Tokyo and London. I have instructed Tokyo to say nothing to the Japanese Foreign Office on the subject. I have instructed London to inform the Foreign Office of the above and to state that I perceive no good ground for further communication with the Japanese at this time on this subject and no reason for any further delay by any government or organization in proceeding with any proposals or plan of action which it may desire to propose or to act upon, this, however, not to affect the suggestion which I made to the British Ambassador on February 9 for consideration in relation to possible future action; and that I requested that the Foreign Office inform Sir John Simon fully at once.

➤ This is for your confidential information. It has been my understanding that Sir John Simon would, in his discretion, make such use of his knowledge of my views

Enciphered by _____

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1962 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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- 4 -

Washington,

and action and the communications between myself and him
as he deemed advisable. You will understand that there
are situations in which considerations of urgency and
practicability make necessary restriction as to the number
of people consulted, together with use of the most expedi-
tious channels of communication. ^{quote} I perceive no warrant
or justification for any ^{unquote} shirking of its responsibilities
by the Council or any assumption by it or by any one that
the American Government has undertaken or will undertake
an exclusive responsibility with regard to action on be-
half of the rights and interests and obligations of the
powers collectively concerned, in relation either to the
Shanghai situation or the general aspects of the Chino-
Japanese dispute. This is a world problem. The rights
and interests of powers members of the League and of the
League itself are involved ^{and must be looked after by them.}
~~even more fully than are those~~
~~of the United States.~~ On these points, you should let
my views be known discreetly to responsible members of
the Council.

As you will perceive from the instruction which I
have sent to Shanghai, it is my view that the situation
at this moment is such as to give no repeat no warrant
for further immediate effort on the part of the American

Enciphered by

Government

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1959 1-138

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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. Lutz NARS, Date 12-18-75

1-138
PREPARING OFFICE
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- 5 -

Washington,

Government in the field of measures of conciliation between the disputants. I shall refrain for the moment at least from such effort. This leaves the field absolutely clear, for those to whom that knowledge is of consequence, to proceed in the light of their own interests and responsibilities.

Since the above was prepared, I have talked with Sir John Simon. I think it would be well for you to inform him at once, orally but in full, of ^{all} ~~the~~ of the above. SKH

For your confidential information I talked with Sir John Simon not only about the matters referred to above in this cable, but also about possible consideration of action under the Nine Power Pact. This, however, is wholly tentative and subject to further consideration. It should not be mentioned to anyone, and would not in any way conflict or hamper any action which may be under consideration by the League of Nations.

Simon
WJH

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1955 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

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DEPARTMENT OF STATE
RECEIVED

Tokyo

JAN 11 1932

FROM

Dated February 11, 1932

DIVISION OF
AND RECORDS

RECEIVED
DIVISION OF
FAH EASTERN AFFAIRS
FEB 11 1932
Department of State

Secretary of State

Washington.

60, February 11, noon.

Only four important editorials on the Shanghai situation appeared in vernacular press yesterday and today all in support of Japan's proposal for the creation of neutral zones in China. The editorials commented on the proposal however only in respect to the wisdom of such a zone at Shanghai. The editorials in the OSAKA MAI NICHII of yesterday and the Tokyo NICHII NICHII of today urged in almost identical language the unavoidable necessity of such a zone expressing the fear that if it is not made, some such affair as the Boxer rebellion may occur with the result that the powers will have to take more severe action in China than ever before. Unless such a zone is created Sino-Japanese ^{armed} clashes will continue. Both the Tokyo ASAHI and JIJI believed that Great Britain is likely to endorse Japan's proposal because of her similar experience in 1927. The JIJI states that United States officials should not

F/LS

793.94/4110

793.94
note
793.1020
793.94111
893.00

741.94

-2- # 60 from Tokyo

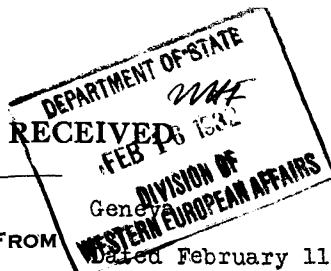
893.00
should not regard the proposal as intending a partition
of China for there will be no infringement of China's
territorial and administrative integrity inasmuch as the
administration of the zone will be entrusted to Chinese.

FORBES.

JS

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

TELEGRAM RECEIVED



MET

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

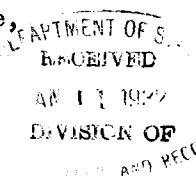
FROM

Dated February 11, 1932

Rec'd 8:20 a.m.

Secretary of State,

Washington



URGENT.

17, February 11, noon.

STRICTLY CONFIDENTIAL AND URGENT.

Paul Boncour spoke to me this morning begging me to obtain from you most urgently news of the negotiations in the Far East and any advice you cared to give. Speaking as President of the Council, he stated that the situation was daily becoming more difficult and painful and that the time was near when the Council must speak vigorously to the Japanese. He added that he spoke to me with interest for the United States with admiration for our interest and the deep desire to do nothing to trouble us in our negotiations but the time was now coming when the Council must act.

WILSON

WSB

793.94
note
500.C.112

F/LS

793.94/4111

FEB 17 1932

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

1-138
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 11, 1932.

4 pm

WILSON,

BERGUES,

GENEVA (Switzerland).

PRIORITY.

URGENT.

Your 17/ February 11, noon. /

Lengthy instruction covering these matters is being /
coded and will reach you shortly. / Meanwhile, inform /
inquirer that negotiations are off and the field is /
free.

Strinson
we

793.94/4111

Confidential File

FE:SKH/ZMF
Enciphered by

Sent by operator M.

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



L Z C5Q PEAT V WICK GR 14

FROM, SM HONOLULU
ACTION, ALL SHIPS & STATIONS (S)



1708 FIFTEEN PEARL ARRIVAL AT NANKING PARROTT DEPARTURES FROM
HONGKONG STEWART FOR AMOY 0730

1350 SB 8FED

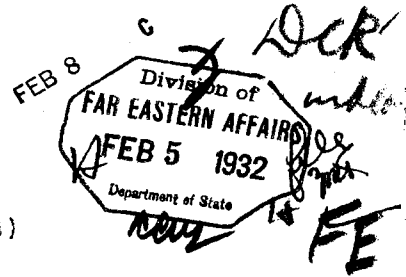
08 ACTION
19

13

THIS COPY FOR STATE DEPARTMENT

793.94/4112
A
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



Z 050 PEAT V WICK BR 45
FROM: SM HONOLULU
ACTION; ALL SHIPS & STATIONS (B)

1700 NINE PEARL ARRIVALS FIFTH AT SHANTHAI POPE CHAUMONT COMD. FOR FIVE
IN WHIRPLE COMDECOIV THIRTEEN IN SMITHYTHOMPSON DECOIV THIRTEEN. 1700
CORIE PERIOD COMDECOIV FIVE SHIFTED BROAD PENWANT TO PAULJONES COMD. 1700
FOURTEEN SHIFTED BRIDGE PENWANT TO WHIRPLE PERIOD SHINDIV THREE 1700
ORIGINAL EIGHTEEN 1700 SEVENTH 1800

38 ACTION
19

1700 1700 5 FEB

10A 11 05 20 20A 13 16 00A

THIS COPY FOR STATE DEPARTMENT

793.94/4112
B

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



AS IS

FROM CINC ASIATIC

TO OPNAV

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

OSD letter, May 3, 1972
NARS Date Mar 19, 1973

0008 BOMBARDING ~~AND~~ BY GUNS AND BOMBS OF CHAPEI SAME AS YESTERDAY.
ABOUT 3000 TROOPS LANDED SOUTH OF WOOSUNG. CRUISERS AND DESTROYERS
BEGAN FIRING AT WOOSUNG 0700. AT 10AM PLANES OPERATED. WOOSUNG AREA
HELD BY CHINESE AFTER THEY BOMBED BRIDGE ACROSS CREEK. BETWEEN SETTLE-
MENT AND WOOSUNG HEAVY JAPANESE INFANTRY AND MACHINE GUN UNITS ENCOUN-
TERED. JAPANESE HAVE ESTABLISHED LANDING FIELD NOT FAR FROM EASTERN END
OF SETTLEMENT. WITH BRIG? GEN. FLEMING AS CHAIRMAN, DEFENSE COMMITTEE
PASSED FOLLOWING UNANIMOUS RESOLUTION: (A) THAT IF ACTIVITY IS INCREASED
AT WOOSUNG BY HEAVIER FORCES THE NEUTRAL ZONE QUESTION WOULD NOT EXIST.
(B) NEUTRAL ZONE MUST SEPARATE FORCES 3000 YDS TO BE EFFECTIVE. (C) THAT
FEASIBLE SOLUTION WOULD BE, IF JAPANESE LAND NO MORE MEN, WOULD BE FOR
NEUTRALS TO OCCUPY HONGKOW SALIENT AND CHINESE WITHDRAW 3000YDS. (D) NO
SOLUTION INVOLVING THE OCCUPATION OF THE NARROW STRIP CONSIDERED
FEASIBLE IN VIEW OF STREET CONGESTION DIRECTLY WEST OF HONGKOW. ADMIRAL
KELLY INFORMED ME AT CONFERENCE WITH BRITISH CONSUL GENERAL THAT A TRUCE
CALLING FOR JAPANESE TO LEAVE HONGKOW PARK DISTRICT HAD BEEN AGREED TO
BY CHINESE. THEY ALSO AGREED TO CONSIDERATION BY A DIPLOMATIC CONFERENCE
OF NEUTRAL QUESTION AND OTHER POINTS. CHINESE TALK OF TRUCE IGNORED BY
JAPANESE UNLESS CHINESE WITHDRAW 20 MILES. ADMIRAL NOMURA WILL ^{CALL} TOMORROW
HAVING ARRIVED SHANGHAI THIS AFTERNOON. 2234

REC'D CODE ROOM AT 1305 8 FEBRUARY 1932

13.....ACTION 10A.....16.....20.....DAILY.....

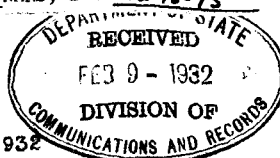
38..... 11.....19.....20A.....FILE.....

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793.94/412

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



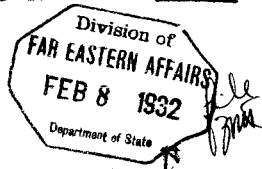
Op-38-A-MW

8 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 - HELINA
MINDANAO

Nanking - SIMPSON
EDSALL

Chingkiang - BULMER

Mopahshih - PANAY

Chungking - GUAM

Pagoda Anchorage - MCCORMICK

Hankow - LUZON
OAHU
TUTUILA

Shanghai - HOUSTON
TRUXTON
BORIE
PAUL JONES
PRARY
J. D. FORD
POPE
WHIPPLE
S. THOMPSON
BARKER
ISABELL
FINCH
BITTERN
EDWARDS
CHAUMONT

HongKong - GOLD STAR
STEWART

Hsinho - TULSA

Ichang - Monocacy

BLACK HAWK departed Manila 3 Feb. due Shanghai 9 Feb.
PALOS " Hankow 5 Feb. due Ichang 11 Feb.
BULMER departed Shanghai, arrived Chingkiang 7 Feb.
PARROTT " " 7 Feb. for Nanking
GOLD STAR " HongKong 7 Feb. due Manila 10 Feb. (0800)

793.94/412
D

1 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

1454 NPG

FROM: NAVAL ATTACHE PEIPING

ACTION: DIRECTOR NAVAL INTELLIGENCE

INFO: C IN C ASIATIC, USS TULSA



Division of
Far Eastern Affairs

FEB 9 1932

Department of State

0008 ALLOCATION MANCHURIAN FORCES SOUTH OF THE WALL BELIEVED FAIR-
LY ACCURATE PERIOD SHAN HAI KUAN LAN CHOU AREA NINTH TWELFTH
NINETEENTH TWENTISTH BRIGADES THIRTY FIVE THOUSAND COMMA
TIENTSIN AREA EIGHTH FIFTEENTH TWENTY NINTH BRIGADES SEVENTH
ARTILLERY EIGHTH HEAVY ARTILLERY BRIGADE FIRST ENGINEER REGIMENT
FOUR REGIMENTS BODY GUARDS TOTALLING THIRTY THOUSAND COMMA
PEIPING TO KALGAN SEVENTH TENTH ELEVENTH BRIGADES TWENTY THOUSAND
PERIOD TIENTSIN FUKOW RAILWAY SOUTH OF TIENTSIN COMMA TSANG
CHOW SIXTH ARTILLERY BRIGADE FOUR THOUSAND PERIOD ON PEIPING
HANKOW RAILWAY COMMA PAO TING FU FOURTEENTH BRIGADE SEVEN THOU-
SAND COMMA AN KUO SIXTH CAVALRY BRIGADE TWENTY FIVE HUNDRED
COMMA EX TING CHOU THIRTEENTH BRIGADE SEVEN THOUSAND COMMA
SHIH CHIA CHUANG FIFTH CAVALRY BRIGADE THREE THOUSAND
SEVENTEENTH BRIGADE SEVEN THOUSAND FIVE HUNDRED PERIOD TOTAL
ONE HUNDRED FORTY FOUR THOUSAND PARAGRAPH REUTER MESSAGES
EXANATING NANKING STATE CHANG COMMA YEN AND FENG DECLARE READY
INASS LEAD NORTHERN FORCES IN AN ATTEMPT TO RECOVER MANCHURIA
HOWEVER GENERALLY DISBELIEVED HERE AND ONLY MINOR TROOP MOVE-
MENTS SOUTHWARD FROM LAN CHOU YAST FEW DAYS 1600

Received in Service Cipher in CodeeRoom at 0915

16 ACTION 13 104 11 19 20 204 05 1110

793.94/4112
E

FILED

AUG 4 1932

Date (4pm)
Transmission Feb. 8th

CONFIDENTIAL



Division of
DEPARTMENT OF STATE EASTERN AFFAIRS
FEB 11 1932
Department of State

February 9, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON AND
THE BRITISH AMBASSADOR, THE HONORABLE SIR RONALD LINDSAY.

Shanghai.

I sent for Sir Ronald Lindsay and told him that I had done so for the purpose of keeping his Government entirely acquainted with our views and thoughts. I then reviewed the history of what had happened since I last saw him, including the two views of his Government and our Government as to what replies should be sent to the Japanese reply, if any. I told him I talked with Sir John Simon on Saturday about the new Japanese proposal to the three Ambassadors, and I read him my cable to London sent Saturday night, February 6, containing my instructions to Mr. Cunningham in regard to any negotiations arising out of the Japanese proposal. I said that I was surprised that we had not heard anything more about the Japanese proposals and asked him whether he had heard anything about them or whether he knew anything about the truth of the press report that Admiral Kelly had made some negotiations. He said he had heard nothing.

I then told him that while this situation was
nebulous and uncertain and I did not wish to do anything

which

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793.94/4113

FEB 12 1932

FILED

Confidential File

DEPARTMENT OF STATE

THE SECRETARY

- 2 -

which might imperil the dangerous situation of the International Settlement, I recognized that something might happen any day which would reveal a further extension of Japanese activities; that under these circumstances I was thinking over the possible action that might be taken by us, either alone or in conjunction with Great Britain and possibly the other powers, which would have as its purpose the summing up of the situation in Shanghai, including the unjustified bombing of Chapei, the attack on the Woosung Forts (which, so far as I knew, was also indefensible in law) and possibly giving notice, as I had done with regard to Manchuria on January 7, that we should not recognize any treaties or agreements growing out of such a situation of force. I referred to the feeling in this country at the time of the German invasion of Belgium, to which I rather likened the present attack on the Native City of Shanghai by airplanes, and I told the Ambassador that the Nine Power Treaty seemed to offer ample foothold in Article VII thereof for making such a statement as to this attack on Chinese sovereignty and independence. He was very much interested and listened intently and commented in a way to show he understood and sympathized.

note
500. A4d

DEPARTMENT OF STATE

THE SECRETARY

- 3 -

I warned him that I was stating this not for immediate action, but to prepare his Government as to the way we were thinking, in order to see whether they would go along with us, and I pointed out to him that any morning we might wake up to find a crisis upon us arising out of the landing of new Japanese troops and a new encircling movement.

HLS.

S HLS:EMS

DECLASSIFIED: E.O. 11652, 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 11, 1932.

Mr. Secretary:

I note that "the Admiral had given orders that greater care should be taken that no bombing planes should pass over the Settlement" but "he qualified this by stating that it was exceedingly difficult to prevent these accidents"

I feel that, in the local situation, a policy of constant protesting would have merit.

I therefore submit the draft herewith, for consideration.

FE:SKH/ZMF

SKH

HS

CORRECTED COPY

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

TELEGRAM RECEIVED

GRAY

AT

Shanghai via N.R.

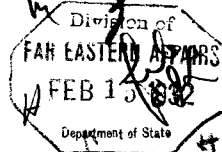
FROM

Dated February 11, 1932

Rec'd 8:40 a.m.

Secretary of State

Washington



33, February 11, 4 p.m.

Japanese aeroplane number 606 - D at 11 o'clock
this morning dropped a bomb near Markham road 100 yards
within International Settlement and in the American sector,
destroying part of Wingon mill and killing at least 5
persons. A number of American Marines were near at hand
but none was injured. Preceding the bombing a Japanese
plane using a machine gun fired from over the Settlement
at Chinese forces in a manner which would provoke the
Chinese to fire into the Settlement. This seems to be
condemned as much as the dropping of the bomb.

Two. At 2 o'clock Consul General Murai called to
express his regrets and stated that the bombing was an
accident, that it was intended for Chinese forces outside
the Settlement and that the Admiral had given orders that
greater care should be given and no bombing planes should
pass over

793.94/4114

FILED

FEB 20 1932

HS 2-#33 from Shanghai via N.R., February 11, 1932,
4 p.m.

pass over the Settlement. He qualified this, however, by stating that it was exceedingly difficult to prevent these accidents inasmuch as the Chinese military forces were hugging the Settlement and it would be impossible to dislodge them by a frontal attack. The only way would be by bombing and it was feared that corners of the Settlement might be crossed by mistake. I told Consul General Muzai that I was glad he appreciated the responsibility of the position and that his expression of regret would be transmitted to Admiral Taylor, Colonel Hooper and the Department.

Repeated to the Legation and Nanking for information.

WSB

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

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TELEGRAM RECEIVED

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

MET

GRAY

RECEIVED

FROM

Shanghai via N.R.

DIVISION OF

Dated February 11, 1932

Rec'd 8:40

Division of
FAR EASTERN AFFAIRS

FEB 11 1932

Department of State

Secretary of State,

Washington

33, February 11, 4 p.m.

Japanese aeroplane number 606 - D at 11 o'clock this morning dropped a bomb near Markham road 100 yards within International Settlement and in the American sector, destroying part of wing on mill and killing at least 5 persons. A number of American Marines were near at hand but none was injured. Preceding the bombing a Japanese plane using a machine gun fired from over the Settlement at Chinese forces in a manner which would provoke the Chinese to fire into the Settlement. (?) condition of affairs accounts for the dropping of the bomb.

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pass over

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793.94/4114

FILED

FEB 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

MET

2-#33 from Shanghai via N.R.,
February 11, 1932, 4 pm

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Repeated to the Legation and Nanking for information.

CUNNINGHAM

WSB

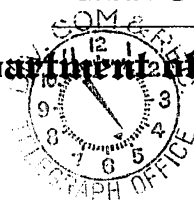
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

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AM. REC'D
TELEGRAM SENT

Department of State



1-128
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,

February 11, 1932.

AMERICAN CONSUL,

FEB 11 32

SHANGHAI (China).

15 Your 33, February 11, 4 p.m.

I authorize you, in your discretion, to protest, as
from your Government, against all flying of any airplanes,
whether Chinese or Japanese, in military service, over
the International Settlement and again to protest against
any use whatever, by either disputant, of any part of
the Settlement as a base or channel in connection with
military operations.

Stinson

FE:SKH/ZMF

Enciphered by

Sent by operator

M.,

19

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-128

793.94/4114

793.94/4114 15
note
893.102-S
894.70643

DECLASSIFIED: E.O. 11652, 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./216 FOR Despatch #2546

FROM Great Britain (Atherton) DATED Jan. 25, 1952
TO NAME 1-1127 ...

REGARDING: Sino- Japanese Relations. Latest developments in,-.

fp

793.94/ 4115

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

Sino-Japanese Relations.

On January 21st, Lord Lytton, the British representative, was formally elected President of the League's Commission to the Far East. The European members of the Commission will leave France on February 3rd for the United States, where they will be joined by General McCoy, the American member, and proceed in a body to the Far East.

In the meantime alarming developments are taking place in a new area. About 1,000 Japanese marines with field guns and machine guns were landed at Shanghai under the protection of cruisers, an aircraft carrier and destroyers, with the purpose of

enforcing/

-15-

enforcing the Japanese demand for the suppression of the anti-Japanese propaganda and the boycott of Japanese goods throughout China. Various demands have been made upon the Chinese Government, which shows signs of demurring against the extravagance of certain Japanese requirements; and no little anxiety is felt in England over any eventualities which may involve injury to the extensive British interests in Shanghai.

The reply of the Japanese Government to the note of the United States in which the United States reserved all its rights as stipulated in various treaties respecting China, has not passed entirely unnoticed. The London TIMES considers the Japanese note to be reassuring in tone, and expresses a certain degree of sympathy with the view that although the Nine-Power Treaty is admittedly binding, it should be applied to conditions in China as they exist today. It believes that the note has great value in that it conveys the definite assurance of the Japanese Government that it harbors no territorial ambitions in China, and that it reaffirms the adhesion of Japan to the policy of the open door.

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

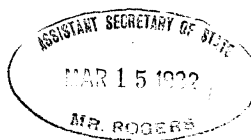
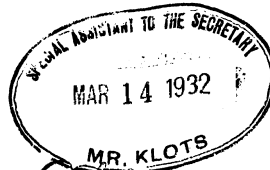


EMBASSY OF THE
UNITED STATES OF AMERICA

London, February 2, 1932.

No. 2558

FEB 10 32



STRICTLY CONFIDENTIAL.

RECEIVED

MAY 28 1932

SECRETARY'S OFFICE

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

In continuation of my despatch No. 2549 of January 29, 1932, with regard to the situation in the Far East, I have the honor to inform the Department that on Friday afternoon, (January 29th) I was summoned to the Foreign Office where I saw Sir Robert Vansittart, the Under Secretary. Sir Robert, after referring to the nature of the conversations of the early part of last week at Washington between the Secretary of State and the British Ambassador, said that the Foreign Office had been searching for some method of collaborating with the United States in the way of protesting to the Japanese Government against the landing of armed forces in Shanghai; but that it was keenly sensitive of the fact that Great

Britain/

FILES . 793.94/4116

CONFIDENTIAL

-2-

Britain itself had sent a detachment of troops to Shanghai in 1927. He remarked that little good would be done by a British protest which was certain to be answered by an invocation of the precedent which Great Britain had established. By a fortunate circumstance, he continued, the dilemma was solved by the Japanese Chargé d'Affaires (the Ambassador is now at Geneva), who called on Sir John Simon on Thursday afternoon (January 28th), to convey the message that his Government was determined to suppress the centers of anti-Japanese propaganda and of the boycott of Japanese goods at Shanghai, and that it was prepared to take drastic action. The Secretary asked what measures the term "drastic" action involved, and the Chargé d'Affaires answered that he understood the introduction of Japanese forces into the International Settlement was contemplated.

As set forth in my telegram No. 30 of January 29, 6 p.m., this statement of the Japanese line of procedure placed the British Government in a favorable position to act, as in 1927 it had consulted the other interested Governments before landing forces at Shanghai. Accordingly, instructions were immediately sent to the British Ambassador at Tokyo to consult with his American colleague and to protest to the Japanese Government against the sending of forces within the International Settlement. Sir Robert said that the Ambassadors at Rome and Paris were given copies of these instructions and directed to invite the Italian and French Governments to take similar action, while the Ambassador at Washington was, of course/

-3-

course, instructed to notify the Department of the British representations at Tokyo. Since the receipt Friday morning of reports of renewed fighting in the Chinese quarter of Chapei, Sir Robert said that the Foreign Office was compelled to take the gravest view of the situation, as the relatively small detachment which the Japanese had in Shanghai had proved inadequate to suppress the Chinese forces, which were being constantly reinforced, and the contingency must be faced of the use of the International Settlement as a Japanese base leading to an assault upon the Settlement by the Chinese forces. He was not at all confident that the boundaries could be held by the forces actually in the Settlement if it were attacked by the Chinese troops and the thousands of frightened and infuriated Chinese. The British Government had, therefore, directed the British Ambassador at Tokyo that morning to make a further protest against the use of force in Chapei, as endangering foreign interests in the International Settlement. He pointed out that the railway station is British property. Another protest was made yesterday morning by Sir Francis Lindley in the most vigorous language.

In the meantime, the British Government decided, as reported in my telegram No. 39 of January 31, 7 p.m., to reinforce its forces at Shanghai with a battalion of infantry and a battery of artillery from Hongkong, and to send two cruisers to augment the cruiser CORNWALL, sloop SANDWICH and two gunboats already at that port. Full authority has been given the British civil and military authorities to cooperate in the defense/

-4-

defense of the International Settlement, and this authority has been used in an attempt to establish a neutral zone between the Japanese and Chinese forces, which unfortunately to date proved fruitless. The Foreign Office has been very anxious to know the disposition of American forces in Shanghai, and, as reported in my various telegrams of the last few days, I have given it all the information communicated to me in the Department's telegram No. 49, February 1st, regarding the actual American forces at Shanghai and the detachments and vessels being sent to augment them.

The trend in British opinion as reflected in the press is worthy of comment. As I had the honor to state in my previous despatch (No. 2549), the amount of attention given by the papers here during the early part of last week seemed entirely disproportionate with the importance and gravity of the question. The press was almost painfully careful to "carry" only facts; there was practically no editorial comment and there was no public discussion of American reports as to instituting an economic boycott against Japan. I understand that American correspondents in London and sections of the American press had interpreted the reluctance of English papers to consider the application of an economic boycott, combined with the obvious anxiety of the Foreign Office to "play down" the Far Eastern crisis reporting only established "facts" as a disinclination to cooperate with the United States.

I believe that this is a misinterpretation of the way in which the English press has handled the question. A great deal of the/

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of the news coming out of the Orient was conflicting, and considerable care was exercised to use only those reports which were clearly marked as credible and reliable. The accumulation of such reports from press as well as official sources have so clearly indicated the cruel and extravagant measures taken by the Japanese forces that the very holding in of judgment has given momentum to the rapidity with which British public opinion is making up its mind.

I cite, for example, the Sunday OBSERVER, which, from the beginning of the dispute between Japan and China last September, has been consistently sympathetic with the Japanese point of view until ^{at} 1st Sunday (January 30th) when, referring to the fighting in Chapel, it stated that "another inch" by Japan would alienate the friendship of its supporters. The Conservative DAILY TELEGRAPH, referring to "the bombing and burning of a defenseless city", observes that there is no friend of Japan who does not feel himself affected by this blow to the reputation of a civilized State. The TIMES, which has with qualifications advocated patience with Japan, urged "firm and united effort to separate the entangled combatant nations"; and in a further editorial this morning it declares that "the British Government expressed the feelings of this country in making further strong representations in Tokyo", as "the provocative action of the naval authorities has ... alienated foreign sympathies." There are, of course, the extremists at either end, such as the DAILY MAIL, which declares that "the British people are determined not to be entangled in any intervention/

-6-

intervention, diplomatic or military, against Japan in the Far East", on the one side, and the NEWS CHRONICLE, which has been in the minority in favoring an economic blockade, on the other.

Today there is a clearly marked convergence from all quarters towards the proposition that united action with the United States is essential. The importance of this cannot to my mind be exaggerated, and must be my excuse, even if it become wearisome, to quote further from the press. The DAILY MAIL, I notice is silent this morning, but its arch-rival, the Liberal NEWS CHRONICLE, devoted yesterday's and today's leaders to the maintenance of a united Anglo-American front; and the Manchester GUARDIAN stated as early as last Saturday that,

"We ought to make a common front with the United States and with such of the League Council Powers as will join with us in an exercise of passive resistance to international brigandage."

The most recent reports from the Far East serve only to increase anxiety over the future. A press despatch from Shanghai states that further fighting took place early this morning, with Japanese headquarters claiming complete victory. Reuter telegraphed from Tokyo that the Japanese Minister for Foreign Affairs informed the American and British Ambassadors that the Japanese action had not exceeded the minimum necessary, and that the protests appeared to be based on misinformation of a propagandist nature. I understand that the reply was received in London last night, and that a suggestion is being made to Washington for a joint protest in which France and Italy should be invited to participate.

Respectfully yours,

Ray Atherton
Chargé d'Affaires ad interim.

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PAPER DAILY TELEGRAPH

NUMBER

CITY LONDON

DATE Feb. 1, 1932.

JAPAN'S DANGEROUS ACTION

WHEN last week Japanese forces were marched into Chapei to occupy that crowded area of Shanghai it was pointed out that the consequences of such action, at the principal danger-point of the Chinese situation, might be difficult to control. The proof of this is apparent to-day in the existence of a state of things worse even than the worst that the commercial capital of China knew five years ago, when the dwellers in the International Settlement looked down from their roofs upon the sacking and burning of Chapei by a rabble of demoralised Chinese soldiery. This time Chapei has been invaded by the disciplined troops of a great Power, and on their meeting with resistance an aerial bombardment of the quarter has reduced a large part of it to blazing ruins. There is no friend of Japan who does not feel himself affected by this blow to the reputation of a civilised State.

The declared object of Japanese action in Shanghai was the protection of Japanese nationals and their rights, and the repression of anti-Japanese activities and propaganda. Those objects were legitimate; for the so-called Government in Nanking could give no protection even if it would, and the anti-Japanese boycott had been enforced by wholesale destruction of Japanese goods. But does such provocation justify the bombing and burning of a defenceless city by the forces of a Power that is a pillar of the League of Nations on the eve of the Disarmament Conference? Many British subjects have been murdered in China of late years, and British trade has suffered for a long period the full intensity of a boycott; but none of us who called for stronger handling of the Chinese situation imagined anything in the nature of stark terrorism. This action has administered a staggering shock to the League of Nations and all it stands for; and it bids fair, as to-day's news shows, to effect what seemed impossible in uniting the distracted factions of China in denial of all consideration to Japan's just claims.

There are other consequences. Yesterday's decision by the Cabinet to hurry reinforcements to Shanghai was in response to the urgent request of Brigadier FLEMING. In the Settlement he is facing a double danger, with the whole area packed with terrified and desperate refugees, and threatened by growing swarms of Chinese troops inflamed against "foreign devils" in general. There will be protection for our own people and others, as in 1927; there will be maintenance of legitimate British rights and interests. There is for us, or any of the Treaty Powers, no question of war. The answer made in Tokio to the "protests" from London and Washington on Saturday suggests that the Japanese Government is conscious that the limit has been overstepped by its agents, and that to "restore normal conditions at the earliest possible moment" is not less its interest than its duty. But until action in that sense has been taken, the situation in Shanghai may re-explode at any moment.

PAPER DAILY TELEGRAPH

NUMBER

CITY

LONDON

DATE Feb. 2, 1932.

JAPAN'S HEADLONG COURSE

ANOTHER day of nerve-racking tension has passed in Shanghai without further eruption of violence on the scale of which the whole population, both Chinese and foreign, are living in hourly dread. Within the International Settlement, however, there is the reassuring knowledge that the British and other reinforcements now hastening to the port will soon remove all danger of the defences being rushed from without, or of outbreaks of violence among the hordes of demoralised Chinese refugees who have poured into the area. Their presence creates administrative difficulties of the gravest nature. European lives and property, however, will soon be reasonably secure. This is the main immediate concern of Britain and the other Powers involved in the threat to the Settlement.

But at Nanking, 150 miles farther up the Yangtse, the Chino-Japanese situation has gone from bad to worse. Yesterday that city, for some years past the capital of China, was shelled by Japanese cruisers; the fire was returned by the Chinese forts, and Japanese forces landed from the warships met with a determined resistance. The purpose of the attack, it is stated, was to prevent the passage of the river by Chinese troops en route for Shanghai, the nominal Chinese Government having transferred itself to the distant city of Loyang three days ago.

The friends of Japan are asking themselves in growing bewilderment to what end such measures as the bombing of Chapei and the shelling of Nanking are expected to lead. Japan is a great nation, jealous of its good name as a civilised Power. Its economic future is bound up with the development of the vast Chinese market. On Friday last all the points of the Japanese ultimatum, aiming at the security of Japanese and their rights in Shanghai, were conceded by the local authority, the only one in a position to exercise any control. How are those legitimate interests advanced by what has happened since? The other Powers can but remain astounded spectators of this clash of arms between two members of the League. Mediation may be attempted; the lives and rights of Europeans will be protected at all costs. With a "state of war" raging in and around Shanghai that will be a sufficiently anxious task. For any Power to become actually involved would be the ultimate tragedy for the cause with which to-day's opening ceremony in Geneva is concerned.

THE TIMES

LONDON

Jan. 30, 1932.

SHANGHAI

The British Government yesterday cordially associated itself with the United States in making representations in Tokyo upon the penultimate phase of Japanese policy in Shanghai. Penultimate—for it is important to remember that the latest phase was not known when the form of the British *démarche* was determined, and when the reply to the original American suggestions was dispatched to Washington, expressing full concurrence with the American point of view. It may confidently be stated that if the action taken by the Japanese armed forces in Shanghai during the night of the 28th-29th and yesterday morning had been known beforehand, the notification of British concurrence would have been even more prompt and more emphatic than it was. And the terms of the representations made in Tokyo might have been rather more severe. As it is, SIR FRANCIS LINDLEY has been instructed to express the hope to the Japanese Government that it will take no action inside the boundaries of the International Settlement in Shanghai without previous consultation with the other Governments concerned; and the AMBASSADOR was also to ask the Japanese Government "for information regarding the recent developments" in that city. The inquiry must obviously be made to cover the proceedings of the last thirty-six hours, which were not known here when the instructions were sent; for the action of the Japanese sailors and airmen has been even more violent than their warnings to the Chinese authorities had indicated. In any case it may be hoped that the Anglo-American collaboration, now happily established, will be continued; and the British Government has also very properly informed the French and Italian Governments of the step it has taken. Any further action it may contemplate will be similarly communicated to the Governments concerned, unless indeed it becomes merged in the policy of the League Council, which has been apprised of the Japanese aggression by the Chinese representative at Geneva. Even in that event the collaboration with the Government of the United States retains of course the whole of its importance.

The doubt expressed in these columns yesterday as to the ability of the Tokyo Government properly to control its military agents has been more than confirmed by the latest events. Against the proposed policy of the Japanese Government there could be no reasonable objection. Anti-Japanese associations in Shanghai and in many other places were not merely boycotting the product of Japanese industry; they were deliberately destroying all Japanese goods in China or appropriating them wholesale without any compensation to the owner. The movement was encouraged by a Government which has since ceased to exist, but which nevertheless thereby put China in the position of waging an economic war upon Japan. The Tokyo Government accordingly announced that, unless these associations were suppressed, it would be forced to authorize the occupation by armed forces of certain places in Greater Shanghai—notably the Headquarters of the Kuomintang, the Kiangnan Arsenal, and the premises of the anti-Japanese Association itself. There were some other demands, such as the arrest and punishment of those responsible for the killing of a Japanese monk about a week before. The Mayor of Shanghai, to whom these demands were made, was obviously embarrassed by the complete absence of any direction or support from the shadow Government in Nanking, and by his fear of the Chinese mob if he yielded. He hesitated for two days; and then complied unconditionally with all the Japanese demands. The Japanese Consul-General accepted his compliance. But the Admiral commanding the Japanese warships was not satisfied. He had heard that during the hesitations of the Mayor some two or three thousand Chinese soldiers had entered the suburb of Chapei, and he decided that it must be cleared. Accordingly Japanese naval contingents were run into Chapei in motor-lorries just before midnight on

equally firm and united effort to separate the entangled combatant nations. China, in the person of a distinguished Chinese diplomatist at Geneva, has already appealed to the League of Nations, and, with all its limitations, the League at least possesses convenient machinery for concerting international policy. It is also the proper organ through which an international inquiry can be carried out. There is, in fact, at this moment in existence an international Commission of Inquiry which is about to investigate Sino-Japanese relations under the chairmanship of LORD LYTTON, and is due to start for Manchuria in a few days' time. It was to have travelled *via* Tokyo and Nanking to Manchuria; but a prompt investigation into the situation in Shanghai might at the present moment be more immediately useful than a necessarily rather belated one into the Manchurian situation. To provide an impartial statement of the facts is one of the services which the League can perform, and in this case the opportunity is offered of performing it without a moment's unnecessary delay.

THE TIMES

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The British Government yesterday cordially associated itself with the United States in making representations in Tokyo upon the penultimate phase of Japanese policy in Shanghai. Penultimate—for it is important to remember that the latest phase was not known when the form of the British *démarche* was determined, and when the reply to the original American suggestions was dispatched to Washington, expressing full concurrence with the American point of view. It may confidently be stated that if the action taken by the Japanese armed forces in Shanghai during the night of the 28th-29th and yesterday morning had been known beforehand, the notification of British concurrence would have been even more prompt and more emphatic than it was. And the terms of the representations made in Tokyo might have been rather more severe. As it is, SIR FRANCIS LINDLEY has been instructed to express the hope to the Japanese Government that it will take no action inside the boundaries of the International Settlement in Shanghai without previous consultation with the other Governments concerned; and the AMBASSADOR was also to ask the Japanese Government "for information regarding the recent developments" in that city. The inquiry must obviously be made to cover the proceedings of the last thirty-six hours, which were not known here when the instructions were sent; for the action of the Japanese sailors and airmen has been even more violent than their warnings to the Chinese authorities had indicated. In any case it may be hoped that the Anglo-American collaboration, now happily established, will be continued; and the British Government has also very properly informed the French and Italian Governments of the step it has taken. Any further action it may

decided that it must be cleared. Accordingly Japanese naval contingents were run into Chapei in motor-lorries just before midnight on the 28th. They became heavily involved during the subsequent hours of darkness, and no doubt communicated their peril to naval headquarters. Aeroplanes were thereupon dispatched to Chapei, and dropped bombs at regular intervals for the rest of the night and during the small hours of yesterday morning. They exploded on the ramshackle and crowded houses of the Chinese town, and are estimated to have killed some hundreds of non-combatants. In response to a request by the Mayor the British and American Consuls-General met the Japanese Admiral yesterday evening and arranged an armistice that began at 8 p.m. Some sporadic firing continues, but according to the latest news the armistice is in the main being observed.

Collective international action of a more vigorous kind than has recently characterized affairs in the Far East will be required if order is to be restored in Shanghai, which is definitely an international town, and if the combatants on either side are to be restrained from wreaking further destruction on life and property. It is of the first importance that the two countries should not proceed to a state of formal war with one another. A foolish act of defiance by some irresponsible and transitory office-holder in Nanking might be made an adequate excuse by the Japanese to blockade the whole coast of China, with disastrous consequences for the large foreign communities and especially for the great trading centre of Shanghai. There must be a firm defence of foreign interests, and an

equally firm and united effort to separate the entangled combatant nations. China, in the person of a distinguished Chinese diplomatist at Geneva, has already appealed to the League of Nations, and, with all its limitations, the League at least possesses convenient machinery for concerting international policy. It is also the proper organ through which an international inquiry can be carried out. There is, in fact, at this moment in existence an international Commission of Inquiry which is about to investigate Sino-Japanese relations under the chairmanship of LORD LYTTON, and is due to start for Manchuria in a few days' time. It was to have travelled *via* Tokyo and Nanking to Manchuria; but a prompt investigation into the situation in Shanghai might at the present moment be more immediately useful than a necessarily rather belated one into the Manchurian situation. To provide an impartial statement of the facts is one of the services which the League can perform, and in this case the opportunity is offered of performing it without a moment's unnecessary delay.

PAPER THE TIMES

CITY LONDON

Feb. 1, 1932.

A LULL TO BE UTILIZED

The report, current on Saturday, that the Nanking Government intended to declare war upon Japan on Sunday has happily proved unfounded. While ordering their troops to oppose Japanese aggressive movements—an order which any Government would have given in the circumstances—the Chinese authorities have so far avoided an official rupture with Japan and have ordered their commanders to confine themselves to defensive measures. Troops are certainly being entrained at Nanking for Shanghai, and the transfer of part of the Chinese Government to Loyang from the exposed capital on the banks of the Yangtze is reported by our Correspondent in China. But these rather obvious precautions do not necessarily mean that the new Chinese Government have yet decided to take the desperate decision of declaring war upon Japan, in the hope, not of a military success, which must seem impossible, but of embroiling other Powers in the struggle. It goes without saying that the British and American representatives at Nanking, whose close cooperation is happily assured, have been counselling moderation and prudence at least as energetically as their colleagues and the French Ambassador have done at Tokyo. The influence of the Western nations cannot be too strongly exerted at this critical moment. And happily the situation in Shanghai itself does not appear to have changed for the worse during the last twenty-four hours. The truce between the contending forces which was arranged under the auspices of the Foreign Consular Body on Friday has not been broken by any large bodies of Chinese or Japanese troops, although sporadic outbursts of firing still occur. Again, although the proposal made by the British Consul-General yesterday for the establishment of a neutral zone, policed and occupied by the forces of the neutral Powers which have troops or warships at Shanghai, has not yet been accepted either by the Japanese or by the Chinese commanders on the spot, both have agreed to refer similar proposals to their respective Governments. In the meanwhile British military and naval reinforcements are being hurried to Shanghai; American warships are on the way from Manila; the French Government contemplate the dispatch of contingents from Indo-China; and altogether there seems reason to hope that at least the International Settlement will soon be better protected against sudden risks than it was on Thursday, when Chinese soldiers and Japanese marines were fighting in the Chapei suburb.

But the fact that there has been a lull over the week-end cannot render the Shanghai situation anything but extraordinarily delicate and dangerous. The Japanese Government will not order the withdrawal of their marines into the International Settlement unless the Chinese, who have presumably been reinforced from the interior, retire from such positions as they are still holding; the temper of the Chinese outside is so bitter that their leaders may well be unwilling to retire; and inside the Settlement the excitement and indignation of the Chinese population, augmented by swarms of refugees, are such that the municipal authorities will be hard put to it to control them. Their resentment is natural enough. Whether the Japanese marines who entered the Chinese city from the Settlement on Wednesday night invited or provoked attack, as the Chinese assert, or whether the Chinese themselves first opened fire is a question of minor importance. The fact remains that the Japanese Admiral sanctioned the occupation of a rabbit-warren of lanes and alleys with an insufficient force of sailors and marines; that their advance was held up; and that the Japanese Air Force, without giving notice of their intentions, proceeded to bomb points in this crowded district for several hours from a height that prevented any accuracy of fire, and must have caused a heavy loss of non-combatant lives and great destruction of property. From the military point of view this aerial attack seems to have been ineffective. Politically it

and sailors before it causes even worse complications.

The essential point now is that a temporary lull should be utilized to the uttermost. The events of the last few days have proved the urgent need of more rapid international action than could be set in motion by the League of Nations, and it is a good omen that the British response to the American appeal for cooperation has been followed by a cordial assurance from Paris that French diplomacy will assist the English-speaking Powers in the urgent task of restoring peace and protecting international interests. The action of the Powers must naturally be concentrated first and foremost on the protection of their interests in Shanghai, both against the consequences of intemperate zeal on the part of the Japanese Navy and against any studied attempt by the Chinese Government to involve the Settlement in any official or unofficial hostilities which may follow the movement of large Chinese forces in the Shanghai direction. The larger question of the general relations between China and Japan must ultimately be a matter for the League of Nations, to which they both belong; but there is no reason why, if international interests at Shanghai can be relieved from their present danger, the Governments most interested in Far Eastern peace should not add their joint efforts to those of the League. The protraction of the present crisis, besides being a deplorable overture to the Disarmament Conference, is exposing European and American interests in the Far East to perpetual jeopardy.

PAPER THE TIMES

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and sailors before it causes even worse complications.

The essential point now is that a temporary lull should be utilized to the uttermost. The events of the last few days have proved the urgent need of more rapid international action than could be set in motion by the League of Nations, and it is a good omen that the British response to the American appeal for cooperation has been followed by a cordial assurance from Paris that French diplomacy will assist the English-speaking Powers in the urgent task of restoring peace and protecting international interests. The action of the Powers must naturally be concentrated first and foremost on the protection of their interests in Shanghai, both against the consequences of intemperate zeal on the part of the Japanese Navy and against any studied attempt by the Chinese Government to involve the Settlement in any official or unofficial hostilities which may follow the movement of large Chinese forces in the Shanghai direction. The larger question of the general relations between China and Japan must ultimately be a matter for the League of Nations, to which they both belong; but there is no reason why, if international interests at Shanghai can be relieved from their present danger, the Governments most interested in Far Eastern peace should not add their joint efforts to those of the League. The protraction of the present crisis, besides being a deplorable overture to the Disarmament Conference, is exposing European and American interests in the Far East to perpetual jeopardy.

PAPER THE TIMES

NUMBER

CITY LONDON

DATE Feb. 2, 1932.

Critical Hours in Shanghai

The notable muster of armed restraining forces assembled in and around Shanghai offers, by its mere presence, the best hope that formal war between Japan and China will yet be prevented; but that hope would be very materially strengthened if more confidence could be placed in the intentions of the Japanese Navy. The savage bombing operations ordered by ADMIRAL SHIOZAWA last week have very greatly estranged foreign sentiment, which was at first inclined to sympathize with the Japanese Government; and the British Government expressed the feelings of this country in making further strong representations on the subject in Tokyo yesterday. The difficulty of obtaining satisfaction for the best-grounded claims is well understood by all foreign Governments and individuals having dealings with the Chinese, and the habitual procrastination and evasions have been rendered more vexatious than ever by the lack of any authoritative Chinese Government. In such circumstances some display of force by Japan was not condemned by reasonably minded persons; but, legitimate demands having been met, the provocative action of the naval authorities has both alienated foreign sympathies and exasperated almost uncontrollably the local Chinese troops and population. It has become absolutely imperative that the civil element in the Tokyo Government should assert itself and regain control over its own forces, which last night were reported to be bombarding Nanking, about 200 miles up the Yangtze River. In the meantime some satisfaction may be derived from the assurance given by the Japanese Government yesterday that it would not send troops to Shanghai unless asked to do so by foreign Powers—it hardly seems likely that the request will be made—or unless the position of the five thousand marines already landed becomes desperate.

The warships in the mouth of the Yangtze River and the foreign troops in Shanghai—the disposition of which is shown in a map published on the opposite page this morning—constitute in fact, if not in name, an international police force; and it is worth considering whether it might not be advisable to establish some sort of unity of command, so that quick joint decisions might be taken in the event of a new and sudden emergency. Conditions may be created at any moment in which instantaneous action alone could save the situation. In any case the immediate difficulties can only be met at short range by the men on the spot; an ultimate settlement between the two adversary States must be pursued at long range by the interested Governments and the League of Nations. The Council of the League seems to have expected local representatives of its member-States to begin an inquiry at once. But all Consular agents in Shanghai must certainly be working overtime already to safeguard the lives and the interests of their nationals, and anything like an impartial inquiry must be impossible for the moment. That may best be carried out when the local position is less strained, and may in the proper time contribute to a final satisfactory settlement. LORD LYTTON's Manchurian Commission, which leaves Europe to-morrow and should reach the Far East within the month, may arrive opportunely to render useful service in that respect. But in the present temper of the Japanese and Chinese people, and with forces of the two nations confronting one another just outside Shanghai, and also in Nanking, the prevention of hostilities cannot be effected by inquiries or by Notes. The immediate need is to give the utmost support to local officials and to the commanders of ships and battalions. They must be trusted to act with circumspection always; to be alert to check aggressive action by either party; and to be strong in the defence of foreign interests.

PAPER DAILY MAIL

CITY

LONDON

DATE

Feb. 1, 1932.

NO ANTI-JAPANESE INTERVENTION

THE latest news from Shanghai represents the situation there as growing worse. Fighting has continued for hours within the International Settlement between Chinese snipers and Japanese Marines, aided by volunteers from the Settlement and men from the international forces on the spot.

Meanwhile large, unruly, and ill-paid Chinese forces are concentrating near Shanghai. To avoid fresh fighting about or in the Settlement the British and American Consuls-General in Shanghai have held a conference with the Japanese and Chinese commanders for the purpose of establishing a neutral zone, between the two combatants, to be occupied by neutral troops now on the spot.

Our old friends the Japanese had previously given an undertaking to respect British interests, and they will no doubt do their best to protect the Settlement. The attitude of the Chinese forces is less certain.

It is a time for cool thinking in this country. Our jingo pacifists are demanding what they call "action by the Powers," more vehemently than ever. They want to push Great Britain into such crazy measures as a boycott or a blockade of Japan, whom they have condemned unheard as the aggressor. **Such a programme would inevitably mean war.**

Keep Out!

Therefore it is of the utmost importance that it should be understood that **the British people are determined not to be entangled in any intervention, diplomatic or military, against Japan in the Far East.**

If our pacifists were realists, they would recognise that a British force of some 2,500 to 3,000 men at Shanghai, backed by three cruisers, a sloop, and two gunboats, would be helpless against the large fleet and a million and a half of first-line troops which Japan could mobilise.

In this case no vital British interest is at stake. There is no reason whatever why we should spend millions on defending the right of Chinese mobs to kill Japanese subjects and plunder Japanese property.

China has brought these troubles upon herself. Yet she appears to expect other countries to rush in and save her from the consequences of her folly. A few years ago she decided that it was no longer worth her while to pay her contribution to the League of Nations. She is at this moment £374,899 in arrears. But with surprising audacity she has now demanded that the League shall intervene under Articles 10 and 15 of the Covenant. She is chas-

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Let China stop the operations of her bandits and mobs and give Japan satisfaction. And let the League of Nations and its well-wishers cease to encourage China in defying Japan by vague promises of international support.

For us in this country the watchword must be "Keep Out." So long as Chinese administration is as rotten and corrupt as it is today, Japanese influence on the mainland will be beneficial as making for order and good government where it prevails in the midst of China's chaos.

PAPER NEWS CHRONICLE

NUMBER

CITY LONDON

DATE Feb. 1, 1932.

THE DANGER IN THE EAST

The gravity of a situation which requires meetings of the British Cabinet on Sundays and the issue of urgent orders for the dispatch of troops and warships is plain. As yet, however, the preoccupation of the British Government is plainly with the protection of our own nationals.

China and Japan are not as yet at war. Japan has not declared war, and neither has China. The mysterious telegram which declared on Saturday that she had, is, however it may have obtained circulation, unfounded in fact.

The first duty of every responsible person in this extremely dangerous situation is to avoid any comment that may make it worse. Not to strike matches in a powder magazine, however great may be one's eagerness for light, is not a matter of morality only; it is a counsel of common sense and self preservation.

The American Press has displayed, in a very difficult situation, an admirable sense of the restraint which the occasion demands; and its example should not merely be praised but copied in other countries.

JAPAN'S CASE

It would be natural, in normal circumstances, to appeal first to Japan to end a situation which her statesmen must realise is as full of danger to her as to the rest of the world. In normal circumstances, the appeal would certainly not be in vain. No first-class Power in the world has shown in the past greater self-restraint, a firmer grip of realities or a more intelligent sense of the importance of conciliating world opinion.

For reasons which are still unexplained, however, Japan has on this occasion broken with her own tradition. She has been led into a course of action which has culminated in a position that nobody can really defend. As a critic certainly not unfriendly to her cause has said, she has "gone too far." The immediate problem is to find some means of enabling her to retire from this position.

The duty of restating the international position must fall upon the League of Nations. The League handled the original dispute in Manchuria feebly and ineffectively. But it is absurd to say that the League's action (or rather inaction) was in any sense even a contributory cause to this dispute.

On the other hand, if order is to be restored out of the present chaos it must be through the League. It is as the final arbiter on international law that the League exists. There is no other.

BRITAIN AND AMERICA

For the moment the best hopes of avoiding the tremendous dangers that threaten the whole world lie in the close co-operation of Britain and America and such other Powers as are willing to join them in maintaining the peace. Half the difficulty of the situation

PAPER NEWS CHRONICLE

NUMBER

CITY LONDON

DATE Feb. 1, 1932.

THE DANGER IN THE EAST

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For reasons which are still unexplained, however, Japan has on other Powers as are willing to join them in maintaining the peace. Half the difficulty of the situation arises, of course, from the fact, which no succession of obstinate denials can alter, that all the Powers have interests in China. Our chief interest is the maintenance of peace; and it is no less the chief interest of the United States. War in China means enormous losses to both of us, quite apart from the larger questions involved. If the two Governments can act together firmly and coolly for this clear aim, they ought not to fail of success. To assure this co-operation should for the time being be the key-note of our policy; and it should not be difficult to persuade Washington that joint action, even if it involves some delay, is likely to be infinitely more effective than any isolated intervention.

PAPER NEWS CHRONICLE

NUMBER

CITY

LONDON

DATE Feb. 2, 1932.

WHERE ARE THE WORLD'S STATESMEN?

No doubt can be entertained of the effect upon British opinion of the latest developments at Shanghai. It may have been doubtful at one time. It is not now.

"The Observer" on Sunday, while protesting staunch friendship to Japan, stated: "At Shanghai Japan has gone too far. If she went an inch further she would definitely alienate the sympathies of the whole world—Russia included." Since Sunday Japan has gone considerably more than the inch.

The provocation of Chinese attacks upon Japanese nationals is fully admitted by the "Daily Telegraph." But it goes on to ask: "Does such provocation justify the bombing and burning of a defenceless city by the forces of a Power that is a pillar of the League of Nations on the eve of the Disarmament Conference?"

The Japanese Cabinet has tried to shelter behind the notorious independence of the military and naval authorities, but the "Times" refuses to admit the excuse. "Japanese statesmen will inevitably be held responsible by the public opinion of the world if they cannot curb the ardour of their soldiers and sailors." These extracts show the unanimity of sane judgment on the situation. The action which this unanimity implies is put into words by the "Manchester Guardian," which declares that there is no hope of a peaceful solution "unless the chief Powers, notably ourselves and the United States, are willing to present a stronger front to the Japanese than they have yet done."

THE UNITED FRONT

Every hour that passes shows the necessity of this united front more clearly. The latest news, as we write, is that the Japanese command at Shanghai has coolly refused to consider the suggestion of the British and United States Governments for the establishment of a neutral zone there; that Japanese land forces are being sent to Shanghai; and that Japanese cruisers are bombarding Nanking. It is perfectly clear that the protests of individual Powers are no longer regarded by whatever authority is now in control in Tokio. It is equally clear that the situation which is arising affects profoundly all the chief Powers, and that at any moment an incident may occur which will cause an inevitable explosion. A Japanese bomb may fall among the British nurses in the Isolation Hospital, whose heroism in sticking to their posts has excited the just admiration of their countrymen; a Japanese shell may strike an American cruiser.

DANGERS AHEAD

If nothing whatever is done, a "regrettable incident" of this kind is almost certain to occur sooner or later; and then it may be too late to do anything. If the statesmanship of the world is not to confess itself bankrupt, means must

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Meanwhile, the main question remains unanswered. The world is threatened with a disaster of the first magnitude, from which it is the business of the world's statesmen to save it. Where are they?

PER MANCHESTER GUARDIAN

NUMBER

LONDON

DATE

Jan. 30, 1932.

Is It a War?

The Japanese troops are still defending themselves on Chinese soil with great vigour. The precise nature of the threat to which they are exposed has never been made quite clear. The trouble began, according to the Japanese, by the tearing up of some railway sleepers in South Manchuria, and this, they said, was the final act in a long sequence of outrages which they could no longer endure. So they marched in and "took" Manchuria in the time-honoured way. They were so prompt (it has been asserted on the other side that the occupation began some days before the accident to the railway line occurred) that there was little bloodshed, nothing certainly that by modern standards could be called a battle, and members of the League of Nations Council were thereby enabled to argue that there was obviously no war. This was lucky, since it also enabled them to accept Japan's assurances that she was only entering Manchuria as an emissary of good government and the guardian of treaties. From this point of view it was, no doubt, unfortunate that, in order to pursue her meritorious aims, Japan had herself to break several treaties, and that the disorders multiplied as a result of her action. After all, it is difficult to seize a province the size of a large European State without causing some sort of commotion among the inhabitants either of the province or of the State to which the province rightfully belongs. The commotion thus caused has been, under the circumstances, astonishingly slight, but it has given the Japanese the excuse to consolidate their occupation week by week. And, more recently, the trouble has spread to Shanghai. The Chinese weapon is not the sword but, as British merchants know only too well, the boycott. And a boycott in Shanghai, the bottle-neck entrance to all trade with Central China, is a serious thing. How far it was the boycott and how far the alleged danger to Japanese lives and property which is said to have accompanied the boycott that troubled the Japanese it is impossible to say. But at least their method of dealing with the Chinese town of Shanghai has been no less thorough than was their method of dealing with the Chinese province of Manchuria. In spite of the fact that the Chinese had complied with all their demands the Japanese entered the town, bombed and machine-gunned the mainly civilian population, and, according to the first report to hand, succeeded in slaughtering some thousands of Chinese. Again it is difficult to speak of a battle or of war. It seems to have been more of a shambles. But perhaps the League of Nations Council will find the appropriate word.

Nothing could show greater contempt for the League of Nations Council than the fact that the Japanese have not hesitated to commit this outrage while the Council was actually sitting. No doubt the Council has not done much to suggest to the Japanese that they risk very much by flouting the League. But one wonders whether at last the Japanese have not gone a little too far even for the long-suffering Council. Shanghai is not quite the same thing as Manchuria. It comes a little nearer to the interests of the Powers represented on the Council, especially Great Britain's. Indeed, the Council will be almost forced to act. China has invoked clauses 10 and 15 of the Covenant. Under clause 10 members of the League undertake to "respect and preserve as against external aggression" the territorial integrity and existing "political independence of all members of the League." Clause 15 defines the procedure by which disputes are to be dealt with by the Council, without necessary regard to the wishes of the parties to the dispute. Hitherto the Council has sheltered behind the plea that it could, under article 11, only act

assertion of authority by the League. At least let us begin modestly. Until we have tried we cannot tell whether even a moderate display of moral firmness might not have sufficient effect. We have, greatly daring, asked the Japanese not to run amok in the International Settlement at Shanghai. We might go a stage farther and agree with the Americans in declaring (it ought not to need declaring, since we are bound to it by both the Washington Treaty and the League Covenant) that we shall not recognise treaties exacted by force by the Japanese which impair the sovereignty and independence of China. We ought to make a common front with the United States and with such of the League Council Powers as will join with us in an exercise of passive resistance to international brigandage. That would at least be a beginning.

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"of the League." Clause 15 defines the procedure by which disputes are to be dealt with by the Council, without necessary regard to the wishes of the parties to the dispute. Hitherto the Council has sheltered behind the plea that it could, under article 11, only act by agreement with the disputants. Naturally the Japanese could not be persuaded to recommend action which would have really prevented them from carrying out their designs upon Manchuria. Their consent will no longer be necessary. Still, however much some members of the Council may now desire to intervene, it remains to be considered what action they could most appropriately take and how many of their number could be persuaded to take it.

No policy would be likely to succeed which did not take into account the attitude of the United States, the Power which, after Great Britain, is most keenly interested, both economically and politically, in the Far East. The United States are not members of the League, but have given every indication of wishing to act with it in this matter. And to America belongs the credit of having taken the only positive step to check the Japanese invasion. She has at least declared that she will not recognise any forcible possession of Chinese territory. On the other hand, she is strongly opposed to measures of force whether against Japan or any other country, even in order to preserve peace. She does not believe in the method of "sanctions," so beloved, in theory, by the French. Indeed, if it had been the Treaty of Versailles that had been in question instead of the Washington Treaty, and Germany instead of Japan, we may be sure that we should have heard much from the French of the armoury of weapons that are nominally at the disposal of the League for the effective taming of peace-breakers. But in the Far East the principle of sanctions has less appeal to the French. Everything, therefore, depends upon Great Britain. The situation does not call now, any more than at the earlier stages of the dispute, for a dramatic

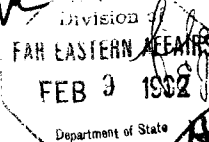
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



~~CONFIDENTIAL~~

DEPARTMENT OF STATE
THE SECRETARY



February 9, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON AND
THE CHARGE D'AFFAIRES OF CHINA, DR. HAWKLING YEN.

Shanghai.

793.94
note
873.102-S

Dr. Hawkling Yen came to bring me the annexed copy of an appeal from ten of the Chambers of Commerce and other guilds and labor associations of Shanghai. He told me that these were the ten most important of such associations in Shanghai and that they controlled Chinese opinion there; that he would not have ventured to submit it to me if it were not for the fact that its tenor coincided with the policy of his own Government.

I asked whether there had been any new negotiations between China and Japan within the last two or three days and he replied that he had not heard of any. He asked me about a rumor that the Japanese were going to demand that China get out by February 11, and I told him that there was no truth in any such rumors so far as we were concerned.

HLS.

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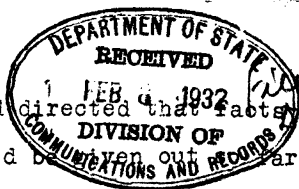
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FEB 12 1932

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

SINO-JAPANESE SITUATION



Press Release
1/29/32

The Secretary said he had directed that facts concerning the Manchurian situation should be given out as far as possible, but he had a statement of his own which he wished to give the correspondents concerning the matters they had been so vigorously speculating about in the last two days.

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793.94
FOR ATTRIBUTION, the Secretary said that several days ago when the situation became acute he consulted with the British Ambassador in regard to the crisis at Shanghai and asked him to confer with his Government. The Secretary discussed with the Ambassador the making of representations to Japan to the effect that, in view of the efficient police force and other sources of protection already available in the International Settlement, there should be no military occupation of the Settlement by Japan unless the Municipal Council 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 China would not be interfered with. The Secretary said he had learned this morning from the British Ambassador that his Government had 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.

FOR BACKGROUND, the Secretary added that the correspondents could readily see that that action simply covered what he had already told the press by way of background, that is, to protect, so far as possible, the status in the International Settlement so long as the local authorities there deemed themselves able to protect life and property. The communication the Secretary spoke of is the only one that has been suggested, discussed or made, and that has been promptly acquiesced in.

A correspondent enquired whether the Secretary knew anything about the attitude of France and Italy. The Secretary replied in the negative and added that, so far as he was concerned, he had told the French and Italian Ambassadors when they called to see him yesterday what action we had taken and they could take

793.94/4117

FEB 19 1932

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such action as they chose, without requesting them to do so. The British have made the same suggestion apparently.

A correspondent asked if the Secretary felt that what the Japanese said in reply to the Secretary had more or less settled the situation for the time being. The Secretary said he thought that would come within the subject which he could not discuss. He added that he wished it understood that whatever questions were asked would be treated as BACKGROUND.

A correspondent enquired why four additional destroyers were ordered to Shanghai. The Secretary replied that we had received requests for additional destroyers from points up the River. However, that matter has been handled by the Commander of the Asiatic Squadron in his discretion and directions to proceed up the River were not from us. The Commander has full authority to do it when he thinks it is needed. A correspondent asked if Admiral Taylor was going to the scene. In reply, the Secretary said he knew the Admiral had not suggested going and there was no indication that he would.

A correspondent enquired if the destroyers were sent up the River to protect Americans attacked by Chinese. The Secretary replied in the negative and explained that our Consuls at cities up the River, either Nanking or Hankow, suggested that, if the attack eventuated at Shanghai, it was likely to make trouble up there and that the destroyers ought to be up there in order to take off refugees in case trouble occurred; they merely anticipated trouble. So far as we have heard no attacks by Chinese on Americans up the River have occurred. A correspondent asked if the information just given was for background. The Secretary replied that there was no secret about that. He added that the correspondents might say NOT FOR QUOTATION, BUT FOR ATTRIBUTION, that those destroyers had been sent, as we understand it, in answer to calls which have come from our

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Consuls that additional vessels would be needed to take off refugees in case the trouble spread.

A correspondent asked if the sole function of the Navy was to protect American lives. The Secretary replied in the affirmative. He added that there already were several gunboats and at least one or two destroyers lying in the River, and the additional vessels were sent up to supplement the vessels already there.

A correspondent asked whether, as a result of the discussion with the British, any understanding was arrived at about joint action to protect life and property in the Far East. The Secretary said he had intended to cover that in his statement that no other proposals had been made other than those described.

A correspondent said that reports from Shanghai indicated that the foreign consuls in the International Settlement told the Japanese that they should not use the International Settlement as a base of operation against the Chinese. The Secretary said that had not been confirmed to him and he, therefore, declined to comment on it.

A correspondent enquired whether the Secretary had received any official report about the Japanese dropping five bombs in the International Settlement. The Secretary replied in the negative. A correspondent reported that one bomb struck the American Mission and that another was directed at the radio station nearby. The Secretary said he had not heard that. Another correspondent reported that the Texas Oil Plant at Woosung Forts was on fire. The Secretary said he had not heard that report. A correspondent asked if the Secretary had heard of the bombing at Harbin. The Secretary replied that he had received a good many reports concerning Harbin lately, but he did not remember whether the bombing of Harbin was one of them. He added that all the reports were from outside sources.

A correspondent enquired whether the general situation at Shanghai appeared to be better or worse. The Secretary replied

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that he should not want to characterize it as either better or worse. He added that it was a bad situation, certainly, and he would rather not speculate on it.

A correspondent asked if the Japanese had shown any signs of lessening their activities in reply to representations that had been made. The Secretary replied that the suggestions had come from the press. He added that one story from the morning press was to the effect that the British and American Consuls had made certain truce arrangements. The correspondent interrupted to say that was done before the bombing. The Secretary continued by saying he would let the correspondents make their own comments. He had no confirmation of any of those things and preferred to confine himself to official sources.

M. J. McDermott.

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

Department of State
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, WEDNESDAY, FEBRUARY 3, 1932

At the press conference this afternoon Secretary Stimson announced the release of information received from Foochow, Swatow, Nanking and Shanghai.

The Secretary announced the release of information in the case of Consul Culver B. Chamberlain.

In the case of the attack on Minister Southard in Ethiopia, the Secretary announced the release of information concerning a request by this Government that the fine imposed on the offenders be remitted.

The Secretary announced the release of information concerning the earthquake in Cuba.

The Secretary also announced the release of information concerning the revolution which occurred in Ecuador and was suppressed.

MR. MELLON

A correspondent asked whether the Secretary cared to say what Mr. Mellon discussed during his visit. The Secretary replied this morning. The Secretary replied in the negative.

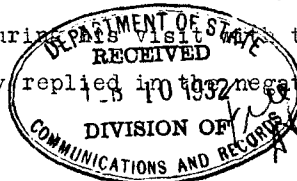
SINO-JAPANESE SITUATION

A correspondent enquired whether a report had been received from Ambassador Forbes concerning the Japanese reply to the proposals of the powers of February 2. The Secretary replied in the negative. He added that a reply had been received from China, which fact had been given to the press. Referring to the rapidity with which notes had been exchanged, a correspondent asked if any new notes were being despatched. FOR BACKGROUND AND NOT FOR ATTRIBUTION, the Secretary said the situation in Shanghai is, of course, a very difficult one, for the reasons which were pointed out at the press conference yesterday. There

793.94/4118

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FEB 11 1932



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are a great many very poorly controlled men and groups of men with weapons patrolling and shooting, and the situation is complicated by their getting into our sector with the consequent risk of either drawing fire upon our people or clashing with our patrols. Then there is going on today, apparently, some artillery firing by Japanese vessels. The Secretary has not received definite news on that latest complication, but it seems to be imperiling, or running the risk of imperiling, some of our people and property and even some of our naval vessels. The situation is very ticklish and we are trying to do our best. The protests are all aimed at minimizing the situation there and to prevent trouble. They are not made for the purpose of making protests, but to try to prevent further trouble.

A correspondent referred to reports from Japan to the effect that the first four points in the proposals made by the powers were satisfactory, but the fifth was unacceptable. The Secretary interrupted to say that he had not been so officially advised, and, until he was, he would not comment on it.

A correspondent said press despatches from Geneva today indicated that Japan was likely to withdraw from the Nine Power Treaty, the Washington Treaty and the London Naval Treaty in 1936. He added that it seemed apparent that Japan would announce her intention at the Disarmament Conference and enquired whether the Secretary had heard anything about it. The Secretary replied in the negative.

A correspondent referred to the stories appearing frequently in the press regarding our cooperation with the League of Nations in the Far Eastern situation and asked whether the Secretary had any comment to make. The Secretary replied that there had been a good deal of perfectly unnecessary and unfounded discussion about that. The American Minister to Switzerland has been the medium for sending the Secretary information about what goes on in the different meetings from time to time which is of

-3-

public interest. The reports of the Secretariat are collected by the Minister and sent to the Secretary. When the meeting of last Autumn was held, in which the Manchurian matter came up, Mr. Wilson was on leave in Washington. Mr. Gilbert, our Consul, took those duties over. Now all that has been done is to direct Mr. Wilson to take up again the same duties he has had for years past. He is not sitting in with the League, not doing anything he has not done in former years, and the stories or intimations that he was doing more are based simply on the fact that he has resumed his old position. The correspondent asked if Mr. Wilson might be regarded as an unofficial observer. The Secretary replied in the negative. He explained that Mr. Wilson is the American Minister in that country and makes it his business, as a Minister does in every country, to forward to his Chief various matters of interest.

PANAMA

A correspondent asked if the Secretary would comment on the statement by a Panamanian lawyer that the United States had no right to make laws in the Canal Zone. The Secretary replied that his only present comment was that he had not seen it and did not know of it.

DIPLOMATIC SERVICE

A correspondent enquired whether any recommendation had been made by the State Department for the appointment of an Ambassador to Great Britain. The Secretary replied in the negative.

DEBTS AND REPARATIONS

A correspondent asked if the Secretary had any comment to make on Chamberlain's speech yesterday in the House of Commons on war debts and reparations. The Secretary replied in the negative. He added that someone told him he saw something in the press. That was the extent to which the Secretary had heard of it.

M. J. McDermott.

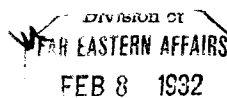
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



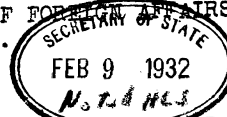
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FEB 8 - 1932



SECRETARY'S OFFICE

TRANSLATION OF CABLEGRAM FROM THE MINISTRY OF FOREIGN AFFAIRS
NANKING, DATED FEBRUARY 6, 1932.



Received by the Chinese Legation, Washington, February 7, 1932

793.94
note
893.102-S

According to a telegram dated February 4, from the Municipal Government of Greater Shanghai, the Japanese had resumed bombardment on Chapei, while the Chinese troops put up a strong resistance, resulting in very fierce fighting. The Consular Corps in Shanghai, in consideration of the safety of the International Settlement, unanimously agreed to lodge a strong protest to the Japanese Consul-General. In view of the grave attitude of the neutral Powers, the Japanese troops gradually evacuated their occupied zone in Honkew.

But at 1 o'clock A.M. February 5, the fighting in Chapei was again resumed with increasing intensity, with the Chinese troops in more favorable positions. One of the Japanese armored cars was captured by the Chinese.

At Chenju the Japanese airplanes dropped several bombs, killing numerous civilians. The Chinese airplanes participated in the fighting, and successfully brought down one Japanese machine.

The Woosung Forts were still in the hands of the Chinese defenders.

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FEB 10 1932

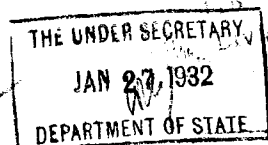
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From reliable information, one division of the Japanese army was dispatched to Shanghai on February 5. Upon its arrival at Shanghai, the troops would be landing in the neighborhood of Woosung, presumably with the object of enveloping the Chinese troops near the International Settlement.

Chinese Legation,

Washington, February 8, 1932.

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS



January 26, 1932.

File
72

SEE:

This article entitled "United States Invokes the Kellogg Pact" (LA UNION, Valparaiso, Chile, January 11, 1932) is written in the bombastic sarcastic style which so often typifies Chilean writings. It treats of the Manchuria situation in general and probably adds nothing to the knowledge of the subject which FE already has. The following are quotations, translated:

"While Monsieur Briand was raising one hand as though threatening Japan through the person of its Ambassador in Geneva and with the other hand was seemingly decorating the Ambassador with the highest French decorations, the men of Geneva were active in seeking excuses and explanations, which nobody has accepted. It is not a question of being for or against Japan -- a matter of secondary interest in this case. It is rather a question of the absolute ineffectiveness of all of the apparatus of the League of Nations to avoid any conflict involving a great power, and if that had not already been demonstrated in numerous cases which proved the rule without a single exception, in this Manchurian conflict the thesis has again been proven."

"The Kellogg Pact condemns every war of aggression and authorizes all wars of defense. Very well. Has there ever been a single people in the world which has confessed the role of the aggressor? In every war each party shouts that the other is the attacker, the aggressor and the provoker. There is no exception in human history from Artaxerxes until 1914. Therefore the Pact cannot avoid any war, because it says textually that the character of aggressor is to be determined by each of the parties."

"Instigated"

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

- 2 -

"Instigated by the Chinese Ambassador that France invoke the Franco-Japanese Treaty of 1907, by which the Japanese obligated themselves to respect the integrity of Chinese territory, the Quaid'Orsay refused to do it because 'French interests in that region do not seem to be endangered at present'. And now, after the American note reminding Japan of the useless Kellogg Pact, the French Ministry of Foreign Relations has declared that France will not adhere to that American note."

If you desire a translation of the whole article I shall be pleased to make it, but I do not consider it worth while.


RPB:LM

Valparaíso, Chile.

LA UNION, LUNES 11 DE ENERO DE 1932

LA SEMANA INTERNACIONAL

1. EL JAPON ANTE EL PACTO KELLOGG

a) La captura de Chinchou (1) hubiera constituido un suceso rutinario, de acontecer en días más tranquilos. La atención mundial está como embotada a fuerza de golpes y porrazos que se nos promanan por todos lados, como por arte de encantamiento. Y ha de resaltar como uno de los mejores aciertos psicológicos del Japon, el haber sabido escoger la ocasión precisa para esa ofensiva manchuriana en general, y en especial para la conquista de la capital del mediodía manchuriano.

La vigilia de Navidad, el secretario de Estado norteamericano enviaba a Tokio una advertencia tan ingenua, que debía poner en los labios japoneses un pequeño rictus de sonrisa. Decía ese sencillote de Mr. Stimson, cuya ingenuidad ha sido demostrada en tantos otros problemas: «Nuestro Embajador en Tokio, Mr. Forbes, ha recibido instrucciones en el sentido de expresar al Ministerio de Relaciones Exteriores nipón, que el Gobierno de Estados Unidos se halla preocupado en vista de las informaciones sobre que el ejército japonés está contemplando un movimiento en dirección a Chinchou. Además, se pidió al Embajador Forbes que llamara la atención hacia las informaciones de los observadores militares que se hallan en Chinchou, según las cuales ellos no notan evidencias de que las fuerzas militares chinas están ocupadas en una ofensiva o en prepararla».

Habría podido penetrar en el fondo del problema, o siquiera, leer detenidamente lo que telegrafiaba a su diario, desde el Asia, el correspondiente del «New York Times», y habría podido ahorrarse el telegrama, por inútil.

Que los japoneses hablen de «bandidos chinos que hay que exterminar», se comprende. No hay razón que no tenga necesidad de presentes aparentes, y esto bien lo sabe la cancillería norteamericana, que ha inventado la palabra «bandidos» para justificar sus correrías político-comerciales por los países de Centro América. Mas, en el fondo estudiada la cuestión, nada tiene que ver esa gesta nipona con el bandidoje más o menos inventado. Decíamos en críticas anteriores que la razón íntima de esa conquista japonesa estaba en la necesidad demográfica de aquella raza, asistida entre los límites estrechísimos de sus islas, tan bellas como débilmente productivas. Es la fase que lanzaba a Estados Unidos, ochenta años atrás, hacia su oeste, buscando pretextos por todos lados, y que, «mutatis mutandis», se ha presentado en la historia de todos los pueblos encerrados en suelos no proporcionales, por su pequeñez o por su esterilidad, a la multiplicación volumétrica o energética de la raza.

En este sentido telegrafiaba a Nueva York el correspondiente antes aludido:

«Los funcionarios japoneses han abandonado hace tiempo la pretensión de que la campaña que actualmente realizan en Manchuria, tiene por objeto extirpar el bandidismo de la región. Confiesan ahora francamente que su fin propuesto es eliminar los últimos vestigios de la influencia china en la parte de Manchuria, aun no sometida al Japon».

¿Qué tenía que ver, luego, ese párrafo final, según el cual «eventualmente las fuerzas militares chinas no preparaban una ofensiva contra los japoneses»? De tal observación parecería deducirse que un país invadido no tiene derecho claro a organizar todas las ofensivas que la patazan.

Mientras el secretario de Estado norteamericano se quedaba tranquilo por esa su indicación a los japoneses, hecha a nombre de Mr. Hoover, los soldados nipones atravesaban el Laho, corrían vía férrea abajo, y entraban tranquilamente en Chinchou no sin antes dejar fuera de combate (según Comunicado chino), a no menos de mil soldados manchurianos.

b) Se ha hablado, durante el largo desarrollo de esa conquista japonesa de la Manchuria, de los Tratados existentes, por los cuales se comprometían los dos países ahora en disputa a no hacer uso de las armas. El Pacto de la Sociedad de Naciones, el Tratado de las Nueve Potencias, el Pacto Kellogg, han sido traídos y llevados al tratar esta cuestión, y el último de ellos ha sido invocado en esta

1. Estados Unidos reclama el Cumplimiento del Pacto Kellogg.—2. El enorme volcán hindú, en erupción nuevamente.

En el Pacto Kellogg posterior, se convino en que el arriendo de Port Arthur al Japon durase 99 años (hasta el año 2.014) igualmente que la concesión del ferrocarril citado.

Esos Tratados son los que regulan lo que podríamos llamar las circunstancias del Japon en la Manchuria. Por el lado de los deberes del Japon ante los derechos de China a la integridad de su territorio, se aducen varios otros Tratados, de los cuales nombraremos siquiera los tres más importantes:

a) El de Versalles, en el cual existen varios artículos por los cuales sus firmantes se comprometen a no declararse la guerra más que después de una serie de procedimientos de conciliación que allí se detallan. Japon y China están entre los firmantes.

b) El Tratado de las 9 Potencias, celebrado en Washington en 1922, cuyo nombre impropio es el de «Conferencia de Desarme Naval». Nos ha ocupado en distintas ocasiones ese Pacto, cuya totalidad casi versó sobre el Extremo Oriente, y uno de cuyos artículos garantizaba a la China la integridad de sus territorios. Entre las nueve potencias firmaron Estados Unidos, Gran Bretaña, Japon, Italia y Francia.

c) El Pacto Kellogg, rubricado tres años atrás por la casi totalidad de naciones, por el cual se comprometerían los firmantes a no echar mano, bajo pretexto alguno, de la guerra ofensiva como instrumento de derecho nacional.

d) El primero de esos tres Pactos que rechazan la guerra como instrumento para uno hacerse justicia a sí mismo sin antes haber tentado medios de conciliación ante la Liga de Naciones, es el que han invocado—extraoficialmente—los hombres de Ginebra para ver de decir algo ante la gravedad de ese conflicto oriental. Los chinos han llamado repetidas veces a la puerta de la Liga, y ésta ha tenido que montar algún aparato verbal para responder a las demandas de Nankin.

Mas, ¿quién no podía predecir, ya desde el primer día, que ese verbalismo ginebrino eran puros papeles mojados? Desde estas columnas hemos venido esfumando toda esperanza por este lado, en la seguridad de que los hechos hablan de confirmación toda predicción en este sentido. Lo único que no podía predecirse es que los resultados fuesen tan nulos y la torpeza en esconder la inhabilidad tan consumada.

Mientras M. Briand, con una mano hacia cómo que amenazaba en Ginebra al Japon en la persona de su Embajador, y con la otra mano condecoraba a ese Embajador con la más alta condecoración francesa, los hombres de Ginebra se esforzaban buscando disculpas y explicaciones, que nadie ha aceptado. No se trata de ponerse al lado o contra del Japon, cuestión secundaria en este caso. Se trata de la absoluta inutilidad de todo el aparato de la Sociedad de Naciones para evitar cualquier conflicto en que entre una gran potencia. Y si ello estaba ya demostrado en numerosos casos, que sentaban regla sin una sola excepción, en este conflicto manchuriano, la tesis ha quedado nuevamente probada.

DOLLARS

Libras, Francos, Liras (Billetes o Letras) Oro, compramos vendemos.

BLANCO 1199, Esq. Melgarejo AMERICAN EXPRESS Co. 3235-h. av.

Es interesante constatar las contradicciones en que incurrían los miembros de la Sociedad de Naciones para torcer el juicio de las gentes. Queremos traer aquí una de esas contradicciones, que patentizan la incoherencia y desorientación del organismo ginebrino.

Lord Cecil nos explicaba, días atrás, que la Liga no había podido hacer nada serio (confesaba, por lo mismo el fracaso), porque en ese singular conflicto manchuriano no se trataba de una guerra, pues ni China ni el Japon la habían declarado. «Es lastimoso», decía—que esa

lancia, renazabamos absolutamente ese Pacto como causa de paz. Recordemos no más que, mientras la crítica, con unanimidad que no comprendemos, cantaba los más calurosos elogios a ese Contrato, nosotros lo encontrábamos vacío e inútil. Y lo declaramos francamente contra viento y marea.

Para quedar solos ante el ejército enorme de críticos, habíamos de dar razones. Y entre las que aportábamos, una queremos traer aquí, porque cerraba sin remedio toda esperanza. Decíamos: «el Pacto condena toda guerra de agresión y autoriza todas las guerras de defensa. Ahora bien: ¿ha habido jamás un solo pueblo en el mundo que confiese ser el agresor? En cualquier guerra, cada parte grita que la otra es la atacante, la agresiva, la provocadora. No hay excepción en la historia humana, desde Artajerjes hasta 1914. De ahí que el Pacto no pueda evitar guerra alguna, pues dice «ce taxativamente que el carácter de agresor lo ha de determinar cada una de las partes».

Ese argumento, que es concluyente, nada decía a Mr. Kellogg ni a los eminentes ciegos que cantaban a gran orquesta un himno a ese Pacto que no era tal cosa. Se convencieron ahora—si es que ciertas mentes petrificadas guardan un cierto índice de convencibilidad—con el caso japonés, en el cual ambas partes, China y Japon, acusa a la otra de haber sido la agresora, limitándose la contraria a rechazar los ataques y a defenderse. En un folleto de defensa que circula en estos instantes, el Japon, escrito por el abogado Dr. Sakamoto, no se cita otro argumento en su favor. Todo el artículo rebosa de declaraciones según las cuales China no hace otra cosa que atacar por todos lados al Japon. Uno de sus capítulos está dedicado expresamente a este punto: «Los ataques antijaponeses de los chinos».

El Pacto Kellogg dice claramente que sólo se renuncia a la «guerra de agresión o de ataque». Añade que cada país es el único juez para saber si él es el atacante o el atacado. Pues bien: el Japon considera, conforme a su derecho, dado expresamente por el Pacto, que el atacante es la China. No estaba obligado, por lo mismo, a atenerse a esa cláusula de renuncia a la guerra, establecida en el Pacto Kellogg sólo condicionalmente.

No vamos con esto a abonar la ofensiva militar japonesa. Racionalizamos fuera de ese juicio. Queremos demostrar, y no más, que, según el mismo Pacto Kellogg, el Japon no lo ha violado. Lo cual prueba—y ahora con hechos a la vista—la soberana inutilidad de aquel famoso Pacto, que no valía la pena de ser firmado siquiera.

Podríamos aducir un verdadero ejército de otras consideraciones personales a este respecto. Limitémonos a una. Cuando se firmó ese Pacto, Gran Bretaña lo hizo con una sola salvaded: que ella no renunciaba ni aun a la guerra de agresión en países en que ella tuviese intereses. Estados Unidos salvaba la Doctrina Monroe que equivale a la misma reserva británica: tener el derecho de hacer la guerra aun de agresión en países con intereses norteamericanos. Y ¿no es éste precisamente el caso japonés en la Manchuria? Y ¿no prueban aquellas reservas que el citado Pacto fué una verdadera simulación y un engaño, desde el momento en que sólo se hace la guerra cuando hay intereses propios de por medio?

Estados Unidos nada sacará, por lo mismo, con haber recordado al Japon el Pacto Kellogg, que está del todo en favor del Japon mismo, desgraciadamente para la China atacada.

Es interesante, además, conocer el porqué de esa actual invocación norteamericana al Pacto. Hace más de tres meses que la guerra es un hecho; que la independencia de la China está en discusión en la Manchuria. Y nada habían declarado Estados Unidos ni las demás potencias respecto al Pacto. Es necesario que se atropelle a un Consul norteamericano; que los intereses norteamericanos en Manchuria sean molestados (2), para que el famoso Pacto que no pacta nada sea invocado, en alas, no de ideales, sino de intereses.

Francia ha procedido más claramente por el camino de sus propios intereses, a pesar de todas las apa-

Mas, la situación económica ha empeorado ese estado de agitación social con la desocupación, la pobreza del pueblo y el hambre. La industria japonesa va encontrando cada día más barrera al invadir los mercados exteriores. La de la seda, considerada por las aduanas extranjeras como cosa de lujo, ha amenguado peligrosamente, dejando a millones de hombres sin trabajo. De este modo la producción ha sido afectada en su misma base vendedora, y con su debilitación, al problema político de las masas se ha unido un problema económico todavía más peligroso.

De ahí la inestabilidad en las esferas gubernamentales, en las cuales, si arrojar una bomba al Emperador es cosa verdaderamente rara (aunque delatadora del peligroso estado de la cuestión coreana) en cambio, la efervescencia partidista es mucha. En el parlamento la oposición libra verdaderas batallas, de las cuales, las Agencias noticiosas no tienen a bien informarnos, quien sabe por qué laya de incompreensión. Surgen en los escanones de los diputados, no ya tintos por el aire y sillas que vuelan sin alas, sino también, en ocasión reciente, el siniestro relucir de los puñales, debiendo entrar la policía para meter un poco de orden en las exaltadas filas de los muy honorables representantes de un pueblo bastante convulsionado.

Los gobiernos se suceden uno tras otro, al vaivén de esa política inestable en cuya base están las masas obreras exaltadas. En Abril asumirá el mando el que caía un mes atrás. Lo reemplazaba el que ahora presenta la renuncia al Emperador. En tanto, los tres grandes grupos políticos (obreros, Minseito, Siyukai), andan tirándose de las greñas y sacándose mutuamente al sol las respectivas debilidades.

En tanto, la economía nacional no se entona. Un mes atrás tuvo que suspenderse el patrón oro, y con ello la estabilidad monetaria. El yen ha bajado. Con ello, los víveres van subiendo sus precios, el hambre acreciendo y el hervor popular intensificándose.

Fué debido a consideraciones de este orden que preguntábamos, dos o tres semanas atrás, si esa invasión japonesa de la Manchuria no tendría por causa principal el reanimar el patriotismo de los ciudadanos y unir a tanta gente discordante alrededor de un ideal de conquista. España inventó la guerra contra Marruecos para salvar el trono de Isabel II. Francia fué a la guerra contra Alemania (lo ha confesado la Emperatriz Eugenia) para unir a los franceses alrededor del trono imperial. Es un recurso ese de invadir un país débil para salvar la política nacional, que cada cual juzgará a su modo, pero que brilla a través de la historia como hecho constante. Si la causa de esa guerra manchuriana está ahí, habrán de decirnoslo hechos posteriores.

Entre tanto, llueven notas, críticas y comentarios sobre el triángulo Tokio - Mukden - Chinchou. Y el japonés, callado como estingo que avanza, sonríe mestisofóticamente, mirando a lo lejos la silueta tentadora de Peiping.

2. NUEVA EDICION

Valparaíso, Chile.

LA UNION, LUNES 11 DE ENERO DE 1933

LA SEMANA INTERNACIONAL

EL JAPON ANTE EL PACTO KELLOGG

a) La captura de Chinchou (1) hubiera constituido un suceso ruidoso, de acontecer en días más tranquilos. La atención mundial está como embotada a fuerza de golpes y porrazos que se nos proponen por todos lados, como por arte de encantamiento. Y ha de resaltar como uno de los mejores aciertos psicológicos del Japon, el haber sabido escoger la ocasión precisa para esa ofensiva manchuriana en general, y en especial para la conquista de la capital del mediodía manchuriano.

La vigilia de Navidad, el secretario de Estado norteamericano enviaba a Tokio una advertencia tan ingenua, que debía poner en los labios japoneses un pequeño rictus de sonrisa. Decía ese sencillote de Mr. Stimson, cuya ingenuidad ha sido demostrada en tantos otros problemas: «Nuestro Embajador en Tokio, Mr. Forbes, ha recibido instrucciones en el sentido de expresar al Ministerio de Relaciones Exteriores japonés, que el Gobierno de Estados Unidos se halla preocupado en vista de las informaciones sobre que el ejército japonés está contemplando un movimiento en dirección a Chinchou, Ardenas, de los soldados manchurianos.

b) Se ha hablado, durante el ya largo desarrollo de esa conquista japonesa de la Manchuria, de los Tratados existentes, por los cuales se comprometen los dos países ahora en disputa a no hacer uso de las armas. El Pacto de la Sociedad de Naciones, el Tratado de las Nueve Potencias, el Pacto Kellogg, han sido traídos y llevados al tratar esta cuestión, y el último de ellos ha sido invocado en esta misma semana, formalmente, por la Cancillería norteamericana contra uno de los dos litigantes.

Existen, acerca de este problema, varios Pactos, formando dos hileras paralelas: unos, por los cuales la China concede ciertos derechos al Japon respecto de la Manchuria; otros, por los cuales China y Japon se ligan a otras potencias para no hacer uso mutuamente la guerra. Ambos grupos de Tratados tienen importancia extraordinaria.

En el primer grupo forman, principalmente, dos Tratados que los japoneses citan a menudo. La China había concedido a Rusia (1896) el derecho de construir un ferrocarril en Manchuria, y dos años después (1898) la misma China concedió a la Rusia Imperial, por 25 años, una especie de protectorado sobre la península de Liaotung, más conocida por el nombre de la ciudad principal que la pueblo: Port Arthur. Datán de entonces las enemistades entre Rusia y el Japon respecto de la Manchuria. La Rusia, enorme en extensiones despoñadas y primitivas en su propio país, gozaba de este modo de grandes derechos territoriales y comerciales, fuera de casa, en la Manchuria. El Japon, estrechado y repleto dentro de sus límites, no alcanzaba ventaja alguna de expansión en el vecino suelo manchú. Las cosas se agriaron por diversos detalles—que las ganas de bochinche sabe provocar, si no se presentan espontáneamente—y explotaba la guerra ruso-japonesa, que concluyó con la victoria decisiva del Japon y el Tratado de Portsmouth (Sept. 1905). Por él, Rusia cedía al Japon (bajo reserva de que la China consintiese en ello) sus derechos en la Manchuria, es decir, el arriendo de la península de Port Arthur y firmes derechos al ferrocarril Sud-Manchuriano. China consentía en esas cesiones en Diciembre del mismo año, facultando al Japon para que apostara tropas niponas a lo largo de la línea.

Son interesantes esos recuerdos, especialmente el que nos dice que la terrible guerra ruso-japonesa de 1905 fué precisamente por la Man-

1. Estados Unidos reclama el Cumplimiento del Pacto Kellogg.—2. El enorme volcán hindú, en erupción nuevamente.

El nuevo Tratado posterior, se convino en que el arriendo de Port Arthur al Japon durase 99 años (hasta el año 2.014) igualmente que la concesión del ferrocarril citado.

Esos Tratados son los que regulan lo que podríamos llamar los deberes del Japon ante los derechos de China a la integridad de su territorio, se aducen varios otros Tratados, de los cuales nombraremos siquiera los tres más importantes:

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b) El Tratado de las 9 Potencias, celebrado en Washington en 1922, cuyo nombre impropio es el de Conferencia de las 9 Potencias. Los miembros de la Sociedad de Naciones para ejercer el juicio de las gentes. Queremos traer aquí una de esas contradicciones, que patentizan la incoherencia y desorientación del organismo ginebrino.

Lord Cecil nos explicaba, días atrás, que la Liga no había podido hacer nada serio (confesaba, por lo mismo el fracaso), porque en ese singular conflicto manchuriano no se trataba de una guerra, pues ni China ni el Japon la habían declarado. «Es lastimoso—decía—que esa «no declaración de guerra no haya hecho posible aplicar las sanciones de que nos habla nuestro «Pacto de la Liga». Más, Lord Cecil tiene una memoria tardía, ya que no queremos decir una comprensión mediocre. El artículo 11 del Pacto de la Liga no habla de guerra, sino de posibilidad de guerra: «Se declara expresamente que toda «guerra o amenaza de guerra, afecte o no directamente a alguno de «los miembros de la Sociedad, interese a la Sociedad entera, la «cual deberá tomar las medidas «necesarias para...» El artículo 12 comienza así: «Todos los miembros «de la Sociedad convienen en que, «si surge entre ellos algún des- «acuerdo capaz de ocasionar rup- «tura, lo someterán al procedi- «miento de arbitraje...»

Más, mientras ese eminente fanático de la Sociedad de Naciones deplo- «ra (aunque a falsa base), que no se haya declarado la guerra para poder con ello pegar duro al atacante, el secretario general de la Liga lo celebra francamente y es- «pera que esa guerra no se declare. «Espero—dice—que el retiro de «las fuerzas chinas del mariscal «Chang tras la gran batalla y, por lo «mismo, una abierta declaración «de guerra...»

Por un lado, se deplora que la no existencia de declaración de guerra formal no permita a la Liga operar contra el que se considere atacan- «te. Por otra parte, se ansia en que esa declaración de guerra no se produ- «zca...

d) El viernes pasado, Estados Unidos pasaba una nota al Japon en el sentido de que estaba violando el Pacto Kellogg que había suscrito en 1928, obligándose él a renunciar a la guerra. Esa nota norteamericana al Japon tiene una importancia extraordinaria, y opinan algunos correspondientes, puede hacer torcer todo el curso de ese ya tan largo conflicto.

Efectivamente, nada más hermoso, pero nada más ilógico e ineficaz que esa nota norteamericana.

Nada más hermoso. Comprometerse a renunciar a toda clase de agresiones por amor a la paz; apartar, con ello, en numerosas ocasiones, el fantasma de la guerra, es algo que bien merece un largo y lírico ditirambo. La intención norteamericana al redactar esta nota, puede ser enjuiciada, pues, con largas alabanzas.

Pero, ¿decía esto el Pacto Kellogg? ¿Es verdad que se comprometan con él los pueblos a no hacerse la guerra? Nada más inexacto. Y es por esto que en su día (y no queremos aquí traer nuestras mismas palabras de tres años atrás para huir de toda sombra de lac-

ancia) reñazábamos absolutamente ese Pacto como causa de paz. Recordemos no más que, mientras la crítica, con unanimidad que no comprendemos, cantaba los más calurosos elogios a ese Contrato, nosotros lo encontrábamos vacío e inútil. Y lo declaramos francamente contra viento y marea.

Para quedar solos ante el ejército enorme de críticos, habíamos de dar razones. Y entre las que aportábamos, una queremos traer aquí, porque cerraba sin remedio toda esperanza. Decíamos: «El Pacto condena toda guerra de agresión y «autoriza todas las guerras de de- «fensa. Ahora bien: ¿ha habido «jamás un solo pueblo en el mun- «do que confiese ser el agresor? «En cualquier guerra, cada parte «grita que la otra es la atacante, «la agresiva, la provocadora. No «hay excepción en la historia hu- «mana, desde Artajerjes hasta «1914. De ahí que el Pacto no pue- «da evitar guerra alguna, pues di- «ce taxativamente que el carácter «de agresor lo ha de determinar «...»

China está en discusión en la Man- «churia. Y nada habían declarado «Estados Unidos ni las demás poten- «cias respecto al Pacto. Es necesario «que se atropelle a un Cónsul norte- «americano; que los intereses nortea- «mericanos en Manchuria sean mo- «lestados (2), para que el famoso «Pacto que no pacta nada sea invo- «cado, en alas, no de ideales, sino de intereses.

Francia ha procedido más clara- «mente por el camino de sus propios intereses, a pesar de todas las apa- «riencias de ese gran actor que es Briand actuando dramáticamente en las cuevas de Ginebra. Instigado por el Embajador chino a que «que Francia obligase al Japon a la aplicación del Tratado franco- «japonés de 1907, por el cual los ni- «poneses se obligan a respetar la in- «tegridad del territorio chino, el «Qual d'Orsay se negó a hacerlo, «pues «no veía amenazados por el «momento los intereses franceses «en aquella región». Y ahora mis- «mo, después de la nota norteameri- «cana al Japon recordándole ese va- «cío Pacto Kellogg, el Ministerio de «Relaciones de París ha declarado «que Francia no se adherirá a esa no- «ta estadounidense.

e) Apenas era recibida en Tokio la Nota norteamericana, el gobier- «no japonés presentaba su renuncia al Emperador y se producía una crisis.

Más, si tenemos en cuenta con cuánta facilidad puede contestar el Japon a esa llamada estadounidense, podremos sospechar que la causa de esas crisis es muy otra, y que sólo se ha aprovechado la Nota norteamericana para tapar las apa- «riencias.

El Japon anda interiormente mal. Ese país, que nos quieren presen- «tar algunos ilusos como una espe- «cie de edén asiático, está minado por las mismas dificultades de nues- «tros países de occidente.

Los problemas sociales son tan graves, que las asonadas son dia- «rias, estando aquellas masas sorda- «mente rezongando contra el estado actual de la sociedad nipona. Los obreros forman un partido densísi- «mo, con enormes masas asatariadas bien organizadas, que sólo en los últimos años, a fuerza de amenazas de huelga, han obtenido el voto electoral. Y gritan continuamente, desecadas de escalar el poder y rea- «lizar allá sus ideales societa- «rios.

2) Telegrama de la U. P. desde Washington: «Con referencia a las numerosas quejas de comerciantes norteamericanos en contra de la intervención de los japoneses en la Manchuria, recibidas por el Departamento de Estado, se consideraba que durante la ocupación militar japonesa eran inevitables ciertas in- «terferencias en el comercio manchu- «riano; pero ahora se espera que los japoneses indemnicen en forma ra- «zonable cualquier perjuicio que cau- «sen a las firmas norteamericanas, las que se espera procedan por interme- «dio del Cónsul norteamericano en Mukden, a pedir reparaciones, por dichos perjuicios.

«Las quejas de mayor importan- «cia recibidas se refieren a supuestas detenciones por los japoneses de em- «barques de mercaderías a firmas y «puestos norteamericanos, como tam- «bién a haber suprimido las facilitades bancarias...»

Más, la situación económica ha empeorado ese estado de agitación social con la desocupación, la pobreza del pueblo y el hambre. La industria japonesa va encontrando cada día más barrera al invadir los mercados exteriores. La de la seda, considerada por las aduanas ex- «tranjeras como cosa de lujo, ha amenguado peligrosamente, dejan- «do a millares de hombres sin tra- «bajo. De este modo la producción ha sido afectada en su misma base vendedora, y con su debilitación, al problema político de las masas se ha unido un problema económico todavía más peligroso.

De ahí la inestabilidad en las es- «feras gubernamentales, en las cua- «les, si arrojar una bomba al Empe- «rador es cosa verdaderamente rara (aunque delatadora del peligroso estado de la cuestión coreana) en cambio, la efervescencia partidista es mucha. En el parlamento la oposición libra verdaderas bata- «llas, de las cuales, las Agencias no- «ticiosas no tienen a bien informa- «nos, quien sabe por qué laya de in- «comprensión. Surgen en los esca- «ños por el aire y sillas que vuelan por alas, sino también, en ocasión reciente, el siniestro relucir de los puñales, debiendo entrar la policía para meter un poco de orden en las exaltadas filas de los muy honora- «bles representantes de un pueblo bastante convulsionado.

Los gobiernos se suceden uno tras otro, al vaivén de esa política inestable en cuya base están las masas obreras exaltadas. En Abril asumía el mando el que caía un mes atrás.

El Emperador. En la recepción...

La recepción...

DECLASSIFIED: E.O. 11652, 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
RECEIVED

February 2, 1932.

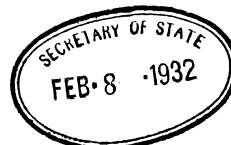
FEB 5 - 1932

Conversation. SECRETARY'S OFFICE

The Secretary of State,

Mr. Chester Rowell.

(Present - Mr. Hornbeck).



Subject: The China Situation - Especially Manchuria

At the beginning and at the end of this conversation, the Secretary said that he was very glad for the opportunity to hear Mr. Rowell's account of his observations and deductions and to talk with an old friend.

Mr. Rowell gave a lengthy account of things which he had seen and heard while recently in the Far East and his own deductions and views. At the conclusion, the Secretary asked Mr. Rowell whether he would be so good as to take time to dictate a memorandum covering the points which he had discussed. Mr. Rowell said that he would be glad to do so.

February 3, 1932.

Mr. Rowell came to Mr. Hornbeck's office and produced a hand-written manuscript which he said he had written after his conversation with the Secretary reported above. He wished that this be taken as his memorandum. He then talked for some time and answered a number of questions which Mr. Hornbeck asked.

A copy of Mr. Rowell's memorandum is attached.

SKH/REK

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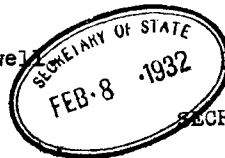
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Memorandum to the Secretary of State
on the Manchurian Situation

by
Chester H. Rowell

RECEIVED



FEB 5 - 1932

SECRETARY'S OFFICE

The earlier background leading up to the Manchurian "incident" of September 18, 1931, was found in part in the internal politics of Japan. The Kenseikai Government, under Premier Wakatsuki, Foreign Minister Shidehara and Finance Minister Inouye was carrying out a program more statesmanlike than popular. Inouye was trying to liquidate the losses of the depression and still keep the country on the gold standard. This involved drastic economies and a policy of devaluation. As high a financial authority as T. W. Lamont has said to me within the past few days, that if Inouye could have had two weeks longer he could have accomplished his purpose and saved the financial structure of Japan. Shidehara was pursuing a policy of patience and conciliation with China, which the adherents of the old Tanaka "positive policy" stigmatized as "weak". Among the proposed economies was a cut of ¥30,000,000 in the military budget. The army insisted that the maximum possible cut was ¥10,000,000, and that even this would jeopardize the safety

793.94/4121

- 2 -

safety of the Empire. Some coup, to show the need of the army, was evidently in order. The military faction, in addition, was conducting a violent campaign against the alleged "weak" policy of the Government, in which it was naturally joined by all the political "outs", eager to ride "in" on the jingo wave. In this they were joined, for once, by the great commercial interests, centering in Osaka, which contribute much of the huge permanent campaign funds of the two major political parties. They had been habitually on the side of peace, because peace was profitable, but with the beginnings of the Chinese boycott (which was already partially effective some time before the "incident" --this is what the Japanese always call it--or September 18) they found that peace no longer paid, and were for the moment on the war side. The militarists, knowing that war would not pay either, were in a hurry to get the nation committed before the merchants should find this out, and therefore go back to their normal place on the peace side.

Those who criticised the "weak" policy found much to support them in the characteristically evasive and dilatory tactics of the Chinese Government. In Manchuria itself, these accumulated in a long series of grievances,

- 3 -

grievances, ranging from pebbles on the track to the building of parallel railroads and the development of the competing port of Hulutao. Whatever the policy of the home Government, there were only two factions in Japanese military and railway circles in Manchuria. One was for taking military action at once; the other for waiting for one more provocation, however slight, and then taking action.

The fulminations of the South Manchuria Daily News (the absurdest and worst-edited paper in the world) as well as the official utterances of General Honjo, abundantly confirm this statement. Nobody at all conversant with the situation had any doubt about what was coming.

My friend, Motosada Zumoto, who appears to be the unofficial eyes and ears of the Foreign Office, made a trip to Manchuria. Besides the other signs, he noted a large influx of Japanese "ronin" (political gangsters) who, he said, "always rush in troubled waters". He came back and told Shidehara that unless he took prompt and vigorous steps, through legitimate diplomatic channels, even to the extent of sending a pretty stiff semi-ultimatum to the Chinese buck-passers, the army in Manchuria would soon take things out of his hands, to the embarrassment

- 4 -

ment of his diplomacy and or Japan throughout the world. Shidehara did not follow his advice. Then Zumoto made a speech before the Rotary Club in Tokyo (a more representative body there than some such organizations are in this country) in which he said that the only escape from a military coup was a reorganization of the Government, with a man at the head of it more resolute, even if less intelligent, than Wakatsuki, who would support the Foreign Minister in a more vigorous policy, but would at the same time hold down the army. The reception of the speech, he said, indicated that the business men agreed with him. But this speech was made at noon, on September 18! The next day they knew it was too late. Zumoto told me all this in Tokyo, in November.

The militarists in Manchuria had finally dramatized the whole 300 "incidents" on the single "Nakamura case", on which they rested the honor of the army of Japan. Suddenly the critical Nakamura case ceased to be critical, and the awaited additional "incident" had to happen at once, if at all. After long and exasperating evasions, the Chinese had suddenly concluded that someone was guilty, and brought to Mukden, on September 16, the Colonel and eleven men of the accused regiment. On September 17, it was

- 5 -

was given out that they were guilty, and it was generally understood that they were to be shot at sunrise, on September 19. The "incident", therefore, had to happen on the 18th, or never.

The coincidence was as remarkable in space as in time. Not only did it happen at 10:30 p.m., on September 18, but it happened in the exact place where the Japanese railway guard was conducting "practice maneuvers", to know how to meet it if it should happen right then and there. General Honjo's orders (I have seen them) issued some days before, were to show "no quarter", if any Chinese soldiers should injure the railroad. Just then it did happen. A small bomb, placed against the junction of two rails, exploded. It cracked the fish plate, cracked the flange of the rails for about two feet on each side of the juncture, and loosened some splinters on the tie. I have been told (but did not verify) that an express train passed over the injured place before it was repaired, with no more than a slight jolt. Certainly it could have done so. This was the explosion that nearly blew up the world.

With a speed of mobilization which the Kaiser would have regarded as miraculous, the Japanese assembled 674 troops. These stormed the fortified barracks and drove out the 12,000 Chinese soldiers, with losses to them of

- 6 -

300 dead--no wounded. The Japanese losses were 2 dead, 19 wounded. Simultaneously certain unobtrusive-looking corrugated-iron warehouses in Mukden suddenly shed their roofs and fronts, and heavy artillery, on fixed emplacements, with ranges already trigonometrically determined, began dropping bombs with accurate placing and timing on the Chinese positions. The great arsenal in Mukden was stormed by three waves of attacking parties, the first of reservists, in civilian clothes, armed with hand grenades, and the others of soldiers in uniform. You know the rest of the story of the occupation.

I was, I think, the first outsider to reach Chinchow, after the bombing. I sent out a report of the physical facts, which was afterward confirmed by the reports of the American and British (and I suppose other) military observers. These physical facts, verified by personal eyesight, were totally at variance with the Japanese official report. The Japanese military censor cut out of a despatch, giving an interview with me, my statement that the bombing was of the civil government offices, and substituted a sentence quoting me as saying that it was of the military establishment. The Japanese Foreign Office afterward twice formally apologized to me for this "stupidity".

I was

- 7 -

I was in Mukden on the first "evacuation day", when the League of Nations, having hastily fixed a time limit for evacuation, was meeting in Geneva to hear the report. Messrs. Hanson and Salisbury, your "observers", had arrived in Mukden the day before, to go to Chinchow that day. They reported to the Japanese Consul General, who showed them every courtesy. He arranged for a special car for them, to take them to Chinchow on the morning train. In the morning the Japanese Vice Consul went to the station to see them off. To his astonishment, he found the Chinese station and railway in the possession of the Japanese army, and all traffic stopped. They were out after 5000 Chinese "bandits" (i.e. fugitive soldiers of the Mukden garrison) who were trying to reach the railroad, so as to get to Chinchow. Messrs. Hanson and Salisbury never did get to Chinchow. They took a copy of my report, which I had made to the American Minister, Nelson Johnson.

When the newspaper correspondents asked Major Watari, the Japanese army spokesman, about this, he said, "It is very unfortunate that the military authorities were not notified". When it was explained that the observers, being diplomatic representatives, had naturally reported to the Consul General, he merely repeated, several times,

"It

- 8 -

"It is very unfortunate that the military authorities were not notified." He said that they had been ordered to extend to the observers every courtesy. "Besides", he added, "what better service could we render than to clear the way of bandits, so that they might make the journey later in safety?"

The Consul General and the army authorities were not on speaking terms. When I said this afterward, to the Foreign Office in Tokyo, they agreed, but said that they had since sent a liason officer who had improved the situation.

I will not weary you with a multitude of details in Mukden, showing that the occupying force regarded themselves as acting under the laws of war, but if this point should ever become important, I can supply much information on it.

There was neither concealment or doubt about the policy of the occupying forces in Manchuria. It was to present the Government in Tokyo with a fait accompli, first military and then political. The Government in Tokyo, unless it was more ignorant than I was, must have known what was likely to happen, but it certainly did not know that it was to happen just when and where it did, and the orders did not come from the Government.

If

- 9 -

If its permission had been asked, it would have been refused. The orders for the specific act probably did not come even from the military high command in Tokyo, but the policy which led to it had its full approval. However, a responsible Japanese Liberal, who went to Manchuria, came back in despair with this report, "The army is in mutiny; its senior officers, even in Manchuria, have lost control; the junior officers, and in some cases even the privates, are in control". I repeat this, third hand, for what it is worth. There was nothing in my own observations to confirm it.

In the beginning the lack of harmony between the Premier and Foreign Minister, on the one side, and Minister of War Minami, on the other, was open and notorious, and loudly advertised by both. When I talked to Vice Minister Nagai he acknowledged that this had been the case in the beginning, but pretended that harmony had since been established. However, in the same conversation, he said that the action at Tsitsihar, then going on, was "against our will", thus showing that harmony did not yet exist.

The military fait accompli was of course at once established. The political fait accompli followed. This was to eject from Manchuria every vestige of authority, military or civil, responsive to the Government of China,

- 10 -

China, and to set up, instead, a Government of Manchuria, at most nominally under the sovereignty of China, but in no way under the control of the Chinese Government. Then Shidehara, who was still insisting on dealing with Nanking, would have the choice of dealing at Nanking with a government which had no Manchuria to dispose of, or at Mukden with a government which had.

All the circumstances at Mukden bore out this conclusion (as has the subsequent course of events) and I can also, if desired, adduce a great deal of direct evidence, not inferential or circumstantial, to the same effect.

Besides this Manchurian evidence, both circumstantial and direct, I had afterward the direct word of the Japanese Foreign Office, who made no bones of it. I did not see Baron Shidehara (whom I know) because I had to catch a boat, but I saw Vice Minister Nagai and Mr. Shiratori. I discussed with both of them the steps that would be necessary toward evacuation, it being obvious that a mere withdrawal of troops, without arrangements for Chinese forces to take their place, would mean chaos. Both said that they would not tolerate the troops of "any Chinese war lord", and specifically not those of Chang Hsueh-liang. Asked about the troops
of

- 11 -

of Chiang Kai-shek, who was, after all, President of China, they gave different but not inconsistent answers. Mr. Nagai said that Chiang Kai-shek could not spare any troops for the purpose. His few good troops--like the Shantung army, which Mr. Nagai said was a good one--were needed where they are. Mr. Shiratori said bluntly that they would have nothing to do with "warlord" Chiang Kai-shek anyway. I said, "Then, what Chinese troops would you permit? Surely you do not want the permanent job of a military government with 200,000 Japanese troops, all over Manchuria, yourselves?" "Of course not", he said. "For my part, the new Chinese forces may very well be the present bandits, if they will act under the Government of Manchuria." But he made it emphatically plain that he would not tolerate even disciplined troops, if they acted under any authority south of the Wall.

As to the present effort to suppress the boycott by armed force, an interesting remark by Mr. Kanai, representative in China of the Japanese Government Railways, is to the point. Besides his railway position, Mr. Kanai has, I understand, the rank of Brigadier General on the General Staff. I have always suspected that, in addition,

he

- 12 -

he is the head of the Japanese Secret Service in China. At any rate he is a hard-boiled militarist, and close to sources of information. In September, soon after the "incident", he said to me: "You may as well understand the situation. China has, in the boycott, a weapon against which we are powerless. We have, therefore, no choice but to use against the Chinese our weapon against which they are powerless--armed force. This thing has to be fought to a finish some time, and it might as well be now."

Both in the Chinese and the Japanese Governments I noticed that the action of the League of Nations, or of anybody else, was regarded as important in precise proportions as America was understood to be backing it.

In Japan I also noticed this attitude:-Each action or utterance, from America or anywhere, was considered with reference, not to the ostensible situation, but to its effect on strengthening or weakening the Nanking Government. When you were misquoted as taking the Japanese side or the controversy then raging as to "direct" negotiations between the Chinese and Japanese Government, that was welcomed, not particularly as strengthening the Japanese cause (they did not want any help from anywhere) but as weakening Chinese resistance. The

same

- 13 -

same happened to every other utterance attributed (usually mistaken) to you. Just before the Paris meeting of the League, Mr. Nagai said to me that if the League should continue its stiff pro-Chinese attitude, it would stiffen Chiang Kai-shek's resistance, but if it would veer at all toward Japan, as it turned out it did, it would weaken him. It was evident in the entire conversation, that the weakening of the Nanking Government was a major object of the entire strategy.

Another part of the same conversation, throwing light on the character of Eugene Chen, is covered in another memorandum, which you already have.

The Chinese Government is, of course, at present in chaos. The Japanese claim that this justifies their course. The fact is that they have produced most of the chaos. For the past two years, before they interferred, China had, by Chinese standards, the beginnings of what they would call real government. There was comparative peace. Except for the Canton "revolution", which was rather a bargaining for jobs than a real secession, and the Communist provinces in the West, there was no civil war. Chang Hsueh-liang's government in Manchuria was at least better than his rather's, and was rather better after he moved to Peking than before.

His

- 14 -

His move to Peking also made for peace in North China. It was, however, a major offense to the Japanese, as had been the similar move of his father's, because it tended to integrate Manchuria with China. That is the one thing Japanese policy (in spite of the Nine Power Treaty) will not tolerate in China. This, and not any "misgovernment", was Chang's offense, in the eyes of Japan.

Even the "bandit" evil had been getting less, in Manchuria, until Japan multiplied it at least ten-fold, by "suppressing" it. Chang Hsueh-liang had an interesting Chinese way with the bandits. Whenever any of them became particularly troublesome, he simply invited them into his army and paid them regular wages. That made his army grow to unwieldy proportions, but it was at least cheaper to tax the people out of half their substance, to feed the bandits in camp, than to turn them loose to rob the people of all their substance. This was the situation when the Japanese started their "bandit suppression" campaign. What is it now?

By Japanese figures, there were 1300 bandits in the Chinchow region before their "suppression", and there are 30,000 now! The new ones are the regular soldiers, whom the Japanese scattered and would not permit to reconcentrate at Chinchow. They are now far too numerous to kill.

Chang

- 15 -

Chang Hsueh-liang knows how to deal with them. The Japanese method only increases the evil.

I have talked to many pro-Japanese, both Japanese and foreign. The honest ones all make the same argument, and it is exactly the reverse of the official Japanese defense. They say that China is helpless and hopeless, and that Japan should therefore take forcible possession, to run the country in the interest of law, order and progress (meaning "business"). That is an idea which the human mind can contain. Mr. Neville, in Tokyo, has it emphatically. The official version is not.

I have given practically everything in this memorandum on Japanese authority. I had many more contacts with Chinese than with Japanese, but I thought the Japanese part more to your present purpose.

Respectfully submitted,

Chester H. Rowell.

Washington,

February 3, 1932.

CHR: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

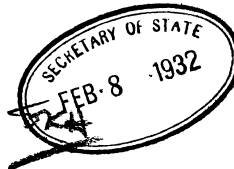
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 3, 1932.

Mr. Secretary:

Herewith a statement by
Mr. Chester Rowell, in response
to your request made to him
yesterday.



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



THE SECRETARY OF THE INTERIOR
WASHINGTON

January 18, 1932.

793.94

PERSONAL



January 21 1932

F/LS

793.94/4122

My dear Mr. Secretary:

When you are through with that letter from Chester Rowell which I sent you a while ago, I would be glad to have you return it to me.

Faithfully yours,

Raymond M. Belmont

Hon. Henry L. Stimson,
Secretary of State.

RECORDED
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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



THE SECRETARY OF THE INTERIOR
WASHINGTON

January 18, 1932.

793.94

PERSONAL



January 21 1932.

F/LS 793.94/4122

My dear Mr. Secretary:

When you are through with that letter from Chester Rowell which I sent you a while ago, I would be glad to have you return it to me.

Faithfully yours,

Rogers

Hon. Henry L. Stimson,
Secretary of State.

FILED
FEB 12 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

January 21 1982.

My dear Mr. Secretary:

Referring to your personal letter of
 January 18, I am returning herewith, as requested,
 Mr. Rowell's letter to you of January 1, and its
 enclosures, and I again wish to thank you for
 giving me the benefit of perusal of this material.

Sincerely yours,

HENRY L. STANSON

Enclosure:

Letter from Mr.
 Chester Harvey Rowell,
 dated January 1, with
 enclosures.

The Honorable

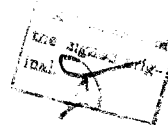
Ray Lyman Wilbur,

Secretary of the Interior.

JAN 20 1982
 JAN 21 1982

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793.94/4122

DECLASSIFIED: E.O. 11652, 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

RECEIVED

GRAY & PLAIN

FROM Shanghai via N.R.

Dated February 11, 1932

Rec'd 10:25 a.m.

Secretary of State,

Washington

34, February 11, 5 p.m.

Following is translation of letter dated February 10th from Mayor Shanghai Municipality to Senior Consul in reply to representations by Consular Body regarding military aeroplanes over Settlement. These representations were quoted in three final paragraphs of my telegram 19 of February 9, 10 p.m., introductory paragraph of Mayor's reply is omitted: (END GRAY)

"In reply I would observe that aerial sovereignty within the Settlement is China's innate right which has never been abandoned. It follows, therefore, that the flight of Chinese airplanes over the Settlement cannot be subjected to interference of any nature. In view of the fact, however, that I am also deeply concerned about the safety of the lives and property of the residents of this city as a whole, I shall, out of respect for the views expressed in your letter under acknowledgment, convey the same to the Chinese military authorities for their consideration and action. Furthermore, I must emphatically state that, in the event of the Settlement authorities permitting Japanese airplanes to continue flight over the Settlement or to pass through the Settlement or in event of their failure to prevent them from doing so;

my

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

Division of
FAR EASTERN AFFAIRS
FEB 11 1932
Department of State

F/LS

793.94/4123

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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

MET

2-#34 from Shanghai via N.R.,
February 11, 5 p.m.

my Government could not assume responsibility for
anything that may occur as a result of the shooting
aimed threat by the Chinese forces in self-defense.
Wu T. Chen, Mayor".

(GRAY) Repeated to the Legation and Nanking for
information.

CUNNINGHAM

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 793.94-O.N.I. Reports FOR O.N.I. Reports

FROM Navy Department (- - - - -) DATED subsequent to Oct.
27th, 1931
~~xxx~~ NAME 1-11-31

REGARDING: Sino-Japanese relations.

dew

793.94/4124

DECLASSIFIED: E.O. 11652, 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-M.I.D. Reports FOR M.I.D. reports
FROM War Department (----) DATED subsequent to Oct.
26th, 1931
NAME -----

REGARDING: Sino-Japanese relations.

793.94/4125

dew

DECLASSIFIED: E.O. 11652, 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

~~Confidential File~~

SEE 093.652/582 FOR Memorandum

FROM State Department (Stimson) DATED February 9, 1932.
TO Secretary NAME 1-1127 070

REGARDING: Situation at Shanghai. Exchange of remarks during conversation between Italian Ambassador and the Secretary when the former called at Department, - and present war between China and Japan.

793.94 / 4126

DECLASSIFIED: E.O. 11652, 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. 74

AMERICAN CONSULATE,

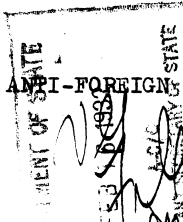
Foochow, China, January 8, 1932.

Handwritten initials: FE, a-c/c

Handwritten notes:
 793.94
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FEB 10 1932

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

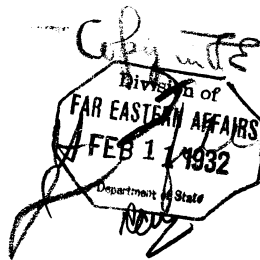


SUBJECT: ANTI-FOREIGN POSTER AT FOOCHOW, CHINA.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.



F/LS 793.94/4127

SIR:

I have the honor to report the display at one of the most prominent points in the city of Foochow of a large anti-foreign poster, and to enclose the following correspondence on the subject:

1. Memorandum, dated December 4, 1931, sent to the Fukien Provincial Government, by the Consular Body.
2. Note No. 1492, dated December 25, 1931, sent in reply to the Senior Consul by the Provincial Government.
3. Aide-Memoire read by the French Consul during a call which the French Consul, British Consul and the writer made on Commissioners Ch'en P'ei-k'un (陳培銳) and Lin Chih-yuan (林知淵) on January 4, 1932.
4. Notes of the foregoing interview at the Fukien Provincial Government made by the French Consul.
5. Picture of the anti-foreign poster in question, which was taken by an American citizen.

The above-described picture contains three posters. The poster on the left is the one concerning which the Consular Body made its protest. The small

characters

FEB 18 1932

FILED

-2-

characters at the bottom of the poster show that it was put up by the Publicity Department of the Directing Committee of the Fukien Provincial Party Affairs of the Chinese Kuomintang (中國國民黨福建省黨務指導委員會宣傳部). The middle poster, which is anti-Japanese, bears the following characters: The Anti-Japanese and National Salvation Society of the Various Classes in the Fukien Provincial Capital (福建省會各界反日救國會製). The poster on the right is anti-communist and bears the following characters: The Committee for Formulating Plans for Propaganda for the Suppression of Communists in Fukien Province (福建省勒赤宣傳設計委員會製). In the lower right hand corner of the picture stands the wooden cage in which Chinese guilty of selling Japanese goods are placed for the edification of the passers-by. Three women are seen passing in front of this cage. The writer has on several occasions seen the posters and cage.


The anti-foreign poster was first brought to the attention of this Consulate by an American missionary. The writer then called up the Fourth Department (handling Foreign Affairs) of the Provincial Government and stated that he wished to make a friendly request that the poster be removed. The indifference of the Provincial authorities to this request resulted in the action by the Consular Body described in this despatch.

Commissioner

-3-

Commissioner Ch'en P'ei-k'un assured the French Consul, the British Consul, and the writer during our call on January 4, 1932 that the obnoxious poster would be removed that day. It was extremely easy for Commission Ch'en to give us this assurance, as the Japanese Consul General had on the previous day informed the Provincial Government that if all anti-Japanese posters had not been removed by January 5, 1932, 10 a.m., he would himself take the necessary action to cause their removal. The writer is reliably informed that the poster in question has been removed.

Respectfully yours,


Gordon L. Burke,
American Vice Consul.

Enclosures:

As stated above.

700

GLB:HCY

In quintuplicate.
Copy to Legation, Peiping.

P.S. The poster in question depicts the foreign cultural invasion of China.

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

Enclosure No. 1 to despatch No. 74 of Gordon L. Burke, American vice consul at Foochow, China, dated January 8, 1932, on the subject "Anti-Foreign Poster at Foochow, China."

MEMORANDUM.

The Japanese Consul General, the French Consul, the British Consul and the Consul for the United States of America present their compliments to the Fukien Provincial Government and have the honour to bring to the attention of the Fukien Provincial Government the fact that for some days past a large wooden poster has been displayed on the wall at Ku Lou Chien depicting a scene calculated to cause hatred of and ill-will towards foreigners in the minds of Chinese citizens.

The picture shows an unfortunate Chinese in the hands of three foreigners, one obviously intended to represent a Japanese and the others as obviously intended to represent Westerners, who on the one hand are drawing off blood issuing from a knife wound into a receptacle, while on the other hand they are injecting a liquid, probably intended to represent poison, into his body. Part of the inscriptions are illegible but the prostrate Chinese is labelled "China," and one foreigner is holding a cross bearing the characters "wen Hua." 文化

The picture must convey to Chinese citizens the idea that China is being brutally treated by foreign nations, and must cause such hatred of foreigners as may result in attacks on them.

The Provincial Government is showing much solicitude for the safety of foreigners, and it is strange that it

should

-2-

should allow such pictures to be displayed.

The foreign Consuls feel confident that they have only to call the attention of the Provincial Government to this inopportune attempt on the part of bad characters to foment ill-feeling and discord, to ensure its removal and destruction.

December 4, 1931.

Foochow.

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Enclosure No. 2 to despatch No. 74 of Gordon L. Burke,
American Vice Consul at Foochow, China, dated January
8, 1932, on the subject "Anti-Foreign Poster at Foochow,
China.

Note Min Tzu (閩字) No. 1492 from Fukien Provincial
Government, Foochow, to Japanese Consul General and
Senior Consul at Foochow.

Dated December 25, 1931. Received December 28, 1931.
Trans. WYT January 7, 1932. Checked GLB January 8, 1932.

Sir:

This Provincial Government has the honor to
acknowledge the receipt of your communication in which
you state that recently there has been found at Ku
Lou Ch'ien (鼓楼前) an anti-foreign picture hung
in a wooden frame on the wall. As this is propaganda
which will give rise to animosity and unfriendly
feeling (towards foreigners), it is requested that this
Provincial Government give attention to the matter and
remove it.

In reply you are informed that this picture
was made by the Publicity Department of the Directing
Committee of the Provincial Party Affairs. This
Provincial Government is now consulting with the
said department and taking action on this subject.
It now becomes the duty of this Provincial Government
to send this note for the information of you, Mr.
Senior Consul, with the request that you advise
(the other consuls) separately.

(Seal) FUKIEN PROVINCIAL GOVERNMENT.

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

Enclosure No. 3 to despatch No. 74 of Gordon L. Burke,
 American vice consul at Foochow, China, dated January
 8, 1932, on the subject "Anti-Foreign Poster at Foo-
 chow, China."

AIDE-MEMOIRE

Some time ago, the French, British and American
 Consuls sent you under their seals an urgent
 Memorandum on the subject of an anti-foreign poster
 appearing in the city.

I have no need to explain about the poster
 itself, you know it.

An answer was received from your Government
 only after a delay of a fortnight. This answer
 was totally unsatisfactory. It was one more case
 of procrastination and the insulting poster is still
 standing now.

We have come to-day to have this poster immedi-
 ately removed. We want deeds and not words.

The reasons for our action are that we can
 see the results brought about through allowing such
 propaganda to take place without restriction. In
 permitting such anti-foreign propaganda to take
 place the minds of the mobs are poisoned, with
 disastrous results, and the Government fails in its
 duty of protection.

We have repeatedly warned your Government on
 this subject in the past, but without any result.

This failure of your Government to carry out
 its duty of protection, from the very beginning,
 in preventing the minds of the mobs being poisoned
 has culminated in several outrages in the past and
 two new recent ones.

They are:

The capture in Tsiang-lo of a Catholic Missionary;

The capture at the very door of Pagoda of a Protestant
 Missionary.

Moreover the general condition of the province
 has never been worse.

There is a popular rising in Tchong-lo, 25 miles
 from Foochow, another one in Futsing where some of
 our nationals are in imminent danger, as you have
 been informed already. There are bandits all over

the

124
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

the Province and travelling is hardly possible.

These facts and the general conditions existing now in Foochow, as well as in the province, have made us extremely anxious.

We have now the honour to ask the Government to take urgent and energetic steps to stop any propaganda against our countries and nationals and to give effective protection to those in actual danger.

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

Enclosure No. 4 to despatch No. 74 of Gordon L. Burke, American vice consul at Foochow, China, dated January 8, 1932, on the subject "Anti-Foreign Poster at Foochow, China."

Interview at the Fukien Government
on the 4th January, 1932.

Present: Mr. Ch'en P'ei-k'un - Mr. Ling Tse Yuan -
 Mr. Wei Tze Yuan - Mr. Cheng Wei King -
 The French Consul - The British Consul -
 The American Consul - Mr. J. Ma.

When the French Consul had finished explaining the three consuls' views, grievances and anxieties, as per Aide-Memoire annexed, Mr. Ch'en P'ei-k'un replied that he would order the offensive poster to be removed at once. He further indicated that the Government had been hampered in its action by opposition of the local Tang-Pou.

The French Consul having said that the Tang-Pou should be kept within limits by the Government, Mr. Ling Tse Yuan embarked in a lengthy explanation of what he said to be the respective positions of the local Tang-Pou and the Government.

He explained that the Tang-Pou is superior to the local Government, that he can direct the Government and give what amounts to instructions, but that it has no executive power, this being in the hands of the local Government. These advises or instructions given by the local Tang-Pou are always said to come from the Central Tang-Pou in Nanking. The result is that when there is a difference of opinion between the Tang-Pou and the Government, it must be adjusted by compromise or they have each to fight their case in Nanking for final instructions before any thing can be done.

The whole explanation left no doubt in the minds of the Consuls of the amount of pressure which can be put on the Government by the local Tang-Pou.

The American Consul said that in these circumstances he had means of ascertaining whether cases of interference by the Tang-Pou were really coming from the Central Tang-Pou and that he would like to have the names of the actual members of the local Tang-Pou, as they are constantly changing.

Mr. Ch'en P'ei-k'un answered that he would send them the names of the members of the Government together with those of the members of the local Tang-Pou.

The

-2-

The French Consul remarked that in the case of the offending poster the attitude of the Tang-Pou was promoting disorder in the streets and the attitude of the Government was to prevent the said disorder.

On the general situation and insecurity in the province as well as in Foochow, Mr. Lin Tse Yuan said that they would do their best to protect foreigners and that in particular 300 soldiers would be stationed in the foreign residential district of Foochow.

The British Consul remarked that no amount of soldiers would prevent accidents happening as long as poisonous propaganda is allowed free display.

He then enquired if his nationals, stationed in Kao Shan Shi, were thought to be in safety.

Mr. Ling Tse Yuan answered that he believed so and went in an explanation to minimise the popular uprising in Futsing, saying that the nationals concerned were speaking the local dialect and were well considered by the population.

The French Consul remarked that he had received the previous day a telegram from his nationals stationed in Loong Tien, 12 miles from Futsing, saying that they were in actual and pressing danger.

Mr. Ch'en P'ei-k'un answered that instructions had been sent for their protection.

At this point of the interview Mr. Ling Tse Yuan desired to furnish the Consuls with the Chinese version of the sino-Japanese incidents of January 2nd of the murder committed on two Japanese subjects on January 3rd.

This overture was received in complete silence by the three consuls and despite this Mr. Ling Tse Yuan went through a lengthy speech.

At the end of it complete silence was maintained by the Consuls with the exception of the French Consul who remarked, in passing, that Mr. Ling Tse Yuan should not forget that for the incidents of January 2nd there might have been in the crowd other eye-witnesses than Chinese Police or officials.

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

Enclosure No. 5 to despatch No. 74 of Gordon L.
 Burke, American vice consul at Foochow, China,
 dated January 8, 1932, on the subject "Anti-Foreign
 Poster at Foochow, China."



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



LEGATION OF THE
UNITED STATES OF AMERICA

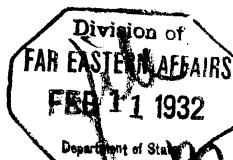
Caracas, Venezuela.

February 5, 1932.

No. 701

FEB 11 32

DIVISION OF
LATIN AMERICAN AFFAIRS
FEB 13 1932
DEPARTMENT OF STATE



F/LS 793.94/4128

SA DISTRIBUTION - 100000

TO THE

100. S. A.

The Honorable

The Secretary of State,
Washington.

Sir:

1/ I have the honor to enclose herewith a translation
of an editorial dealing with the situation in the Far
East which appeared in EL IMPULSO of January 31, 1932.

Respectfully yours,

George T. Summerlin
George T. Summerlin.

Enclosure:

1. Editorial as stated.

FEB 16 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

ENCLOSURE NO. / WITH DESPATCH NO. 701 FEBRUARY 5, 1932.

(Translation of editorial in EL IMPULSO,
 January 31, 1932).

FIRE IN THE FAR EAST

Japan's attitude in the Far East has caused strong feelings of disapprobation and pessimism in international diplomatic circles, in the World's press, and in every channel of public opinion. This state of things dates from the last three months of the preceding year, and was brought about in open violation of all agreements, and in violent opposition to the Covenant of the League of Nations and the Briand-Kellogg Pact, which not only outlaw all wars, but all violence, as a principle of international politics.

The Manchurian conflict is a grave assault inflicted upon the faith which the world might otherwise have in the society for international understanding and the loyalty of peoples for the cause of peace, albeit a blind optimism or a complacent vision of actual events may try to excuse or attenuate the meaning of Japan's war-like action in the Far East.

The counsels, admonitions and even energetic protests which the League of Nations and the United States have sent to Japan as a condemnation of its actions in Manchuria, which openly violate international law and may provoke a conflict whose dismal consequences it is not possible to foresee, have served no purpose, even though we may be sure of the grave complications which may involve all peoples.

Under a pretext of chasing Chinese bandits, whose behavior, in opposition to civilization and public order, pretends to seriously affect Japanese interests, the "samurai" country has found no other remedy or recourse but the strength of its army, turning away from all possible

- 2 -

possible admonitions.

Unfortunately, the League of Nations has not been able to do anything, for reasons which are but too well known, in the way of bringing back peace and the status quo, much less to chastise a people who believe that they are strong enough to challenge civilization and the entire world, propped upon their guns and cannon. The League has demonstrated that it is but the instrument of the Great Powers. And these Powers, weighed down by the gravity of the economic crisis, are not ready to bind themselves to a far-away conflict in spite of all pacts and international agreements.

The action of the League has been irresolute, devoid of energy, despite the momentary aid which it received from the United States; it has been limited to theoretical investigations, academic discussions and a dilatory solution, such as formation of an international commission appointed by the League to investigate the Manchurian affair.

We all know that this is not the way to check Japan and its cravings for expansion in Asia, for the Japanese people, proud of their strength, do not admit of any reasons but those which their dreadnoughts are able to enforce. Thus, while in Geneva they discussed very calmly the Far Eastern situation, and while the United States sent more or less trying notes, Japan completed the occupation of Manchuria, put up its tent in Chinchow, and rapidly approached the confines of the zone of Russian influence in Harbin, the principal city of Northern Manchuria. It thus served notice to the world that it had no intention of letting go the coveted morsel which was already in its conquering hands.

It

- 3 -

It has served no purpose that the United States should emphatically inform Japan that it will in no way recognize any change in the territorial situation as guaranteed by the Nine-Power Treaty, nor admit Japan's right to the occupied region, nor recognize any international agreement emerging from violations of the Covenant of the League of Nations and the Pact of Paris. Japan, resolute in its purpose, not only did occupy Manchuria, a territory of thirty million souls under the nominal sovereignty of China (although in reality it is an orb of common influence of said country, Russia and Japan), but pushed the occupation into the territory of China proper, by advancing beyond the limits of the famous Great Wall, which was the traditional frontier of the old Celestial Empire.

Nevertheless, optimistic spirits were looking forward to a satisfactory, though belated arrangement, when the situation became extraordinarily aggravated, threatening a conflict of great proportions, with doleful consequences for humanity. The Chinese port of Shanghai has been violently attacked by the Japanese fleet, for the ostensible reason that there have been anti-Japanese demonstrations in the Chinese sector of the City. (It would be well to remember that Shanghai was one of the first ports to be opened by the cannon of Western nations when they forced China to emerge from her traditional isolation. The international zones are established there under the laws of the Great Powers occupying them, the Consuls of which are supreme Administrators under the immediate orders from their respective governments).

The cannon of Japan's fleet, its warplanes and
marines

- 4 -

marines, have taken things in their own hands, turning part of the city into ashes, in violation of all treaties which forbid aerial bombardment of unfortified cities. Thousands of persons have perished, and the greatest confusion is rampant there, where there is fear that a fresh incident will serve to augment the tension of the situation created by Japan.

The attack on Shanghai is not, like the occupation of Manchuria, an incident which is without interest for the Great Powers, above all for the United States and England, for it cuts deep into the interests and rights which they represent. Now it concerns a zone of international influence which is under the watch and ward of the fleet and marines of those nations which are as yet on the lookout for developments. The tension, in fact, becomes more aggravated every moment.

It is no exaggeration to state that the Japanese aggression on the very limits of international zones is an open challenge to the nations protecting part of the city, even though the military occupation has not been extended to include the zones themselves. Hence the alarm of the various governments and the tone of the cable despatches, which clearly indicate that there is great danger of the situation assuming unexpected proportions, and forcing the countries of the Pacific into an armed conflict.

We should not forget that the United States has announced its naval manoeuvres for next month in Pacific waters, near Hawaii. All its naval forces will be assembled there, those of the Atlantic as well as those of the Pacific. It will probably not be possible for the United States, without encouraging Japan more, to postpone these manoeuvres. And the presence of the whole American fleet
in the

- 5 -

in the Pacific may provoke fresh incidents and intensify the already existing jealousies.

In order to complete the picture we should not forget possible voluntary or accidental occurrences in the American or English zones in Shanghai which forms, to a certain extent, part of the territory under their direct control. If such an event should take place it is not improbable that the Pacific affair will become more dangerous and tense.

Will there be a general Conflict in the Pacific, or at least, will there be a Japanese-American war? We hope that, in the face of actual conditions in the universe, neither of the two things will come to chastise an already sick world, but that the combined efforts of justice and politics will succeed in assuaging the struggle, by seeking moderate solutions to harmonize conflicting interests and avoid harmful conclusions among peoples.

The League of Nations, although low in prestige, has not been slow to act, and the United States and England are acting in concert in an effort to protect the international zones from all dangerous provocation. We do not believe, on the other hand, that Japan will carry its war-like fury as far as openly attacking its Pacific rival. It is true, also, that the United States are not ready to accept all the eventualities and sacrifices of a conflict if they are not obliged by some violent action, impossible to overlook.

There is room, then, for moderate and prudent optimism in spite of the systematic outcries against any possible solution of the Far Eastern conflict, although the gravity of the situation is not to be minimized.

TELEGRAM RECEIVED

REP

FROM

A portion of this telegram must be closely paraphrased before being communicated to anyone.

TOKIO

Dated February 11, 1932

Rec'd 11:45 a. m.

Secretary of State,
Washington.

61, February 11, 10 p. m.

Referring to your telegram 50, February 10, 9 p. m., while it is entirely possible the Japanese proposition of February 6 was made to gain time, my impression is, from all the evidence I can get, very strong that they now honestly want to end hostilities in the vicinity of Shanghai, although my British colleague is convinced they intend to establish the 20-mile zone by force if necessary, and expect to have to use it. Their policy here is not to show any sign of lessening activity until the Chinese come to terms, in the belief that any withdrawal or indication of yielding to outside influence merely stiffens Chinese resistance and renders negotiations impossible.

There is no doubt the Japanese are moving troops rapidly towards Shanghai. They think it extremely dangerous to stop this movement as the Chinese armies are out of control and might move in and overwhelm the Japanese



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REP

2- #61, from Tokio, Feb. 11, 10p.m.

Japanese population outside the Settlement, and possibly endanger the Settlement itself; and, until a basis of terms is reached, an adequate force of Japanese troops protects the whole situation. I think there is some force in this contention and this is opinion also of the British Ambassador.

711.94
At the Emperor's luncheon today the Minister of the Navy made a special point of cordially approaching me, and stated that he had sent Nomura to Shanghai with the expectation of friendly cooperation and indicated his desire to bring hostilities to an end very soon.

Yoshizawa also was very ~~aggravating~~ ^{cordial} and stated that while they were demanding the 20-mile zone, he was disposed to make concessions as to distance in the interest of peace and would endeavor to get his colleagues of the Army and Navy to agree to this. ~~X~~

Baron Kato has indicated that the internal situation in Japan is very dangerous, but he believes the conservative elements are forging to the front and will emerge victorious if Japan is not held together by pressure from the outside.

I am convinced our best policy is no move ^{at} ~~to~~ present.

Nagai has been sick in bed but he assured Neville that Cunningham

rep

3- #61, from Tokio, Feb.11,10p.m.

that Cunningham would be invited to assist.

I think it very possible the Japanese demands, that look extreme, will prove to have been made in part for trading purposes. I hope they will presently make concessions that are satisfactory but will not confidently predict any such event.

(GRAY). This evening a representative of the Navy Department informed Captain Johnson that a bomb had been dropped in the American settlement through the error of a Japanese aviator, reporting five Chinese killed and fifteen wounded. There were no foreign casualties. They were profuse in their apologies.

FORBES

WSB

HPD

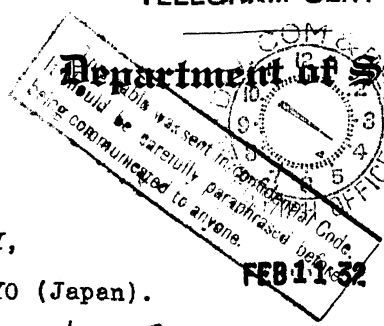
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN



Department of State

Washington,
February 11, 1932.

5/11

AMEMBASSY,
TOKYO (Japan).

52 Your 61, February 11, 10 p.m., second paragraph.

Please inquire of the Foreign Office how many Japanese civilians there are at Shanghai now outside of the International Settlement. *Report reply as soon as possible.*

793.94/4129

Gustafson

F/H3

793.94/4129

FE:SKH/ZMF

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FE
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Enciphered by

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

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

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
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TELEGRAM SENT

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TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

February 9, 1932.

AMERICAN CONSUL,
SHANGHAI (China).

URGENT.

Department's February 6, 8 p.m.

One. Please acknowledge receipt immediately.

Two. Have you been approached by Japanese authorities

in regard to this matter?

Three. What progress, if any, is being made toward
agreement (a) for cessation of hostilities and (b) establish-
ment of a neutral zone controlled by neutrals?

Four. Have any portion of Japanese armed forces
landed within International Settlement? Give date,
approximate hour, approximate number, and destination
and use made of such troops.

Stinson
Wdy

FE:SKH/ZMF

FE

Enciphered by

SKH

Sent by operator M., 19

Index Bu.—No. 50.

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

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1257

DECLASSIFIED: E.O. 11652, 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
 \$

This cable was sent in confidence. It should be carefully handled and not be being communicated to anyone.

Department of State

Washington,
 February 10, 1932.

gpm

AMERICAN EMBASSY
 LONDON (ENGLAND)

59

CONFIDENTIAL.

Department 56 February 6, 8 p.m.
 The following telegram has been received from the

American Consul General at Shanghai under date
 February 10, 9 p.m.

793.94/A

QUOTE Department's February 6, 8 p.m. received and
 communicated orally to Commander-in-Chief. The British
 Consul General received similar instructions referring
 to Department's instruction to me.

Two. Have not been approached by Japanese and do
 not see any indication of their doing so. Brennan con-
 curs in my belief that Japanese have no peace parley
 plans. This conclusion is largely based upon the
~~emphatic~~ *emphatic* dismissal of Admiral Kelly's proposal on
 February 8th by the Japanese ~~Minister~~ when the latter
 indicated that no peace talks were possible until the
 Chinese retired twenty miles. My instructions as I
 understand them intend that I be receptive but I am
 not authorized to approach Japanese.

Three. No progress for cessation of hostilities
 nor for establishing zone to be controlled by neutrals. UN QUOTE.

Enciphered by _____

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

793.94/4129B

CONFIDENTIAL FILE

5/1

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

1-138
 PREPARING OFFICE
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 OR

Charge to
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TELEGRAM SENT

1-138
 TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Department of State

Washington,

February 10, 1932.

Page Two.

Am 'informing Shanghai' as follows: ^{Quote} We concur in your belief that the Japanese have no peace parley plans. We have no longer any reason to think that anything is likely to be accomplished by such move, meaning thereby ^{reliance} ~~remarks~~ on the suggestion which they made as communicated by us to you in Department's February 6, 8 p.m. We believe that the Japanese suggestion made last Saturday has either been cancelled without notice or was merely an attempt on their part to gain time. It is our opinion that the position taken, as reported, by the Japanese Admiral in conversation with the British Admiral that the Chinese should retire ^{twenty} ~~20~~ miles is wholly inadmissible so far as any consideration, sanction or participation on our part might be involved. We estimate, on the basis of such information as we have, that the Japanese may be planning a wide turning movement against the Chinese forces in and near Chapei. We visualize the possibility that the Chinese forces may be driven by the Japanese against the Settlement. We feel that American effort on the spot should be confined to the endeavor to protect the International Settlement by all appropriate means. ^{Sign} ~~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

Collect
 Charge Department
 OR

Charge to
 \$

TELEGRAM SENT

Department of State

1-138

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Washington,

Page Three.

Please inform the Foreign Office of the above. State
 to them that I perceive no good ground for attempting at
 this time further communication with the Japanese on this
 subject and no reason for any further delay by any Govern-
 ment or organization in proceeding with any proposals or
 plan of action which it may desire to propose or to act
 upon. This does not repeat not affect the suggestion
 which I made to the British Ambassador yesterday for con-
 sideration in relation to possible future action. Request
 that they inform Sir John Simon ^{rely} immediately.

As directed by
 and need to
 S:
 FE: SKH: FGH

Stinson
 SKH

SKH

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

TELEGRAM SENT

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

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TO BE TRANSMITTED

CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PLAIN

Department of State

Collect
Charge Department

Charge to
\$

Washington,

February 10, 1932.

Span

793.94/4129C

AMERICAN AMBASSADOR,

TOKYO, (JAPAN).

URGENT AND CONFIDENTIAL.

Department's 45, February 6, 8 p.m.

Last week the Japanese Government suggested to the American and several other ambassadors at Tokyo that negotiations should be held upon Japanese initiative at Shanghai to the end that hostilities should be stopped and a neutral zone be established. Nevertheless, five days having gone by, the fighting in the Chapei area continues, Japan sends army forces, bombards the fort and village of Woosung, and by the methods employed in her military operations, continue to jeopardize the safety of the International Settlement.

According to the best information available to the Department, Admiral Nomura has stated to Admiral Kelly that he will withdraw the Japanese forces to Hongkew if the Chinese will withdraw to a distance of twenty miles from Shanghai; and the Japanese Foreign Office spokesman has stated that the fighting will continue until the Chinese are driven twenty miles from Shanghai.

Enciphered by

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

Index Bu.—No. 50.

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

CONFIDENTIAL FILE

50
793.94/A

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

DECLASSIFIED: E.O. 11652, 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 -

I am informed by the Consul General at Shanghai, that he has not been approached by the Japanese, and sees no indication of intention on their part, to proceed with this plan, and that he, and the British Consul General, believe that the Japanese have no plans for peace negotiations.

In view of all the above, I am instructing Shanghai as follows.

QUOTE We concur in your belief that the Japanese have no peace parley plans. We have no longer any reason to think that anything is likely to be accomplished by such move, meaning thereby ^{reliance} ~~reliance~~ on the suggestion which they made as communicated by us to you in Department's February 6, 8 p.m. ^{4014a (cf)} We believe that the Japanese suggestion made last Saturday has either been cancelled without notice or was merely an attempt on their part to gain time. It is our opinion that the position taken, as reported, by the Japanese Admiral in conversation with the British Admiral that the Chinese should retire 20 miles is wholly inadmissible so far as any consideration, ~~plan of approval~~ ^{San} sanction or participation on our part might be involved. We

Enciphered by _____

Sent by operator _____ M., _____, 19____

1262

DECLASSIFIED: E.O. 11652, 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

Department of State

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,

- 3 -

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that the Japanese may be planning a wide turning movement
against the Chinese forces in and near Chapei. We
visualize the possibility that the Chinese forces may be
driven by the Japanese against the Settlement. We feel
that American effort on the spot should be confined to
the endeavor to protect the International Settlement
by all appropriate means.

We are so informing Tokyo and London. END QUOTE. ✓

The above is for your information. You may inform,
the British Ambassador, orally, and at your discretion,
the French, and the Italian Ambassadors. You should make,
no repeat, no communication to the Japanese authorities.

Stimson

Tracy

*As directed by
and read to
Secy of State.*

S
SKH:AT

Enciphered by *SKH*

Sent by operator *M.*, 19____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1955 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

DOCUMENT FILE

NOTE

SEE 125.3974/99 FOR Tel. #39, 5 pm

FROM _____ (_____) DATED Feb. 9, 1932

TO Geneva NAME _____ 1-1172 ***

REGARDING: Sino-Japanese dispute
Charge telegrams regarding -- to regular contingent allotment

793.94/4129 1/2

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

man

TELEGRAM SENT

GRAY

February 9, 1932

5 p.m.

AMCONSUL

GENEVA (SWITZERLAND)

39

Your No. 3, February 3, 1 p.m.

Charge telegrams to regular contingent allotment.

See Department's telegrams November 4 and February 4
granting total increase of \$11,000 for this item.

STIMSON

FA:RL FE WE BA

HCH

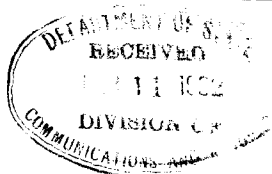
793.94/3917

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

FE

TELEGRAM RECEIVED

REP



FROM

GRAY

SHANGHAI VIA N. R.

Dated February 11, 1932

Rec'd 2:20 p. m.

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

F/DEW

793.94/4130

Secretary of State,
Washington.

26, February 11, 7 p. m.

Continuing my daily report 30, February 10, 4 p. m.

One. Except for occasional rifle, machine gun and artillery fire the Chapei sector has been relatively quiet. Fires, one of which was observed to have been started by Japanese incendiary shells, have been started in Chapei Sector.

Two. Japanese state that Chinese troops at Nantao fired upon the Japanese destroyer anchored at Pootung. Admiral Nomura is reported to have stated that he had moved his destroyers to obviate any collision. Chinese Mayor's office reported that the Chinese troops had received strict instructions not to create disturbance at Nantao. This alleged incident may be due to the fact that a rumor was current yesterday to the effect that the Japanese would attack Nantao.

Three. Japanese ship captain reported to have been shot in paragraph No. Three of my 30, February 10th, died
last



FEB 17 1932

FILED

793.94
note
893, 1025

894.9332

REP

2- #36, from Shanghai, Feb. 11, 7p.m.

last night. Japanese authorities state that they are filing vigorous protest.

Four. The situation at Woosung has remained comparatively quiet. Sixteen Japanese transports are reported to have arrived off Woosung. The latest information is to the effect that they are landing troops ^{this afternoon} ~~(?)~~ preparatory to an attack.

Five. The Japanese defense force on the roofs of the Toyoda new mill, mentioned in paragraph five of my yesterday's telegram, have been withdrawn. They were replaced by twenty armed sailors.

Six. Chinese native banks, although they have resumed business, are proceeding cautiously. Checks and ~~are~~ ~~(#)~~ still being presented for deposit in native banks only. This precaution is one of several instituted in order to prevent the flight of money to foreign banks.

Seven. ^{There is congestion} ~~(?)~~ ~~(?)~~ of goods on wharves and in warehouses principally because of the arrival of relief grain shipments and heavy cotton arrivals. Shippers are finding it difficult to send relief shipments up river. Also many native importers are failing ~~(?)~~ ^{to take delivery} ~~demoralization~~ of cotton.

Repeated to the Legation and Nanking for information.

CUNNINGHAM

(#) Apparent omission,
WSB - KLP

TELEGRAM RECEIVED

REP

CORRECTED COPY
~~FROM~~

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

NANKING

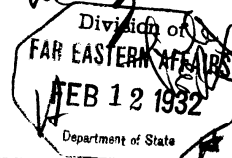
Dated February 11, 1932

Rec'd 4:03 p.m.

Secretary of State,
Washington

45, February 11, 10 a.m.

One. On February 9, 4 p.m. the Japanese Consul
General, who is still living on a commercial steamer in
the harbor, called and told me that important persons
in the Chinese Government had made informal approaches
to him to discover whether the possibility existed that
an agreement might be come to which would stop the
fighting at Shanghai; he thought that the Chinese Foreign
Office was probably ignorant of these tentative investiga-
tions. He refused to state who his correspondents had
been but he expressed the opinion that the 19th Route
Army which is now fighting the Japanese at Shanghai is not
under effective control by the Nanking Government. The
Japanese Consul referred several times to the difficulties,
Caused by
factional differences among the Chinese and was clearly
under the impression that an influential section of the
Chinese Government would be glad to come to terms with the
Japanese at



F/TFV

793.94/4131

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FEB 18 1932

REP

2- #45, from Nanking, Feb.11,10a.m.

Japanese at Shanghai if it were not prevented by Cantonese troops at Shanghai who insist on fighting to the bitter end.

Two. Later on the same day I received a call from a Chinese who is not an officer of the Government but is in close touch with politics and has hitherto been generally reliable. This informant stated that the Chinese Government would gladly welcome mediation by foreign powers at Shanghai and would agree to any proposal practically feasible. He said that the Government is unable itself to initiate negotiations with the Japanese (firstly) because it would then have no course but to yield on all points and (secondly) because the Chinese public would universally condemn so obviously futile a procedure. In regard to the rumored indifference of the Cantonese troops at Shanghai to the authority of the Nanking Government, the informant said that it is not quite probable that under normal conditions Sun Fo and Eugene Chen might be able to utilize these troops against the Chiang Kai Shek following in the government but he insisted that Government is secretly supporting the troops in their struggle with the Japanese with reenforcements and munitions. He stated that it was necessary to conceal this support from the Japanese because

REP

793.94/4131
CORRECTED THIRD PAGE

3- #45, from Nanking, Feb. 11, 10 a.m.

because the latter might seize on it as a pretext for taking military measures at Nanking.

Three. The Japanese Consul told me recently that he had protested to the Chinese Government against the passage of one contingent of troops from the north to the bank of Yangtze and had been satisfied by the explanation that it was merely a replacement of local guards. From these and other evidences it seems clear that the Chinese Government both because of its own conviction and of internal political necessity is publicly maintaining its announced policy of resistance to Japanese aggression at Shanghai while it is informally and secretly giving the Japanese the impression that it is not assisting the Chinese troops at Shanghai and is willing to enter into direct negotiations. Known political alignments assist the Chinese Government in creating this impression. Presence of many Japanese naval vessels at Nanking and elsewhere on the Yangtze show that the Japanese are ready to prevent assistance from reaching Shanghai and the Chinese Government apparently hopes by creating impression above described to forestall military action in Yangtze region. The American Minister concurs in these views.

793.94/4131

Repeated to Tokyo and Peiping for information.

PECK

WSB

REP

3- #45, from Nanking, Feb. 11, 10a.m.

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Repeated to Tokyo and Peiping for information.

PECK

WSB

TELEGRAM RECEIVED

MET

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

Nanking

Dated February 11, 1932

FROM

Rec'd 4:03 p.m.

Secretary of State,

Washington

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stop the fighting at Shanghai; he thought that the

Chinese Foreign Office was probably ignorant of these

tentative (?). He refused to state who his corres-

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19th Route Army which is now fighting the Japanese at

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Government. The Japanese Consul referred several times

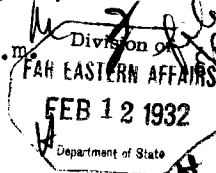
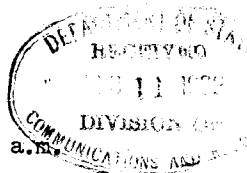
to the (?) factional differences among the Chinese and

was clearly under the impression that an influential

section

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893.00



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793.94/4131

FILED

REP

2-#45 from Nanking, February 11,
10 a. m.

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note
793.94119

REP

3- #45 from Nanking, February 11,
10 a. m.

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naval

REP

4-- #45 from Nanking, February 11,
10 a. m.

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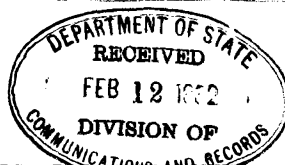
Repeated to Tokyo and Peiping for information.

WSB

PECK

(*) Apparent omission

A full and corrected copy will be issued later.



MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN
SECRETARY STIMSON AND SIR JOHN SIMON, AT GENEVA, THURSDAY,
FEBRUARY 11, 1932, AT 10:45 A.M. Long Wave Circuit.

SECRETARY: Hello, is that you, Sir John?

SIR JOHN: Hello, Mr. Stimson.

SECRETARY: I have a good deal to say to you if I may.

SIR JOHN: Yes, I will just repeat it to be sure I get it right.

SECRETARY: I will go back to our last conversation last Saturday when there was being proposed or suggested that the Japanese had a proposal for us. I heard of that from Tokyo as I told you. Apparently that has not eventualized.

SIR JOHN: No, I made inquiries and we didn't receive at London anything such as you had spoken of.

SECRETARY: The occurrences since have indicated that no such suggestion is being made or likely to be made. In fact, the Japanese have made a suggestion which would be contrary to an ordinary truce. They have made a suggestion that the Chinese should retire twenty miles while they stood still.

SIR JOHN: I will tell you about my information. I heard the same suggestion and I told the Japanese delegate here, who is the Japanese Ambassador in London, an hour ago that it appeared to me that that was not a reasonable proposal at all.

SECRETARY: We have so telegraphed our representatives in China - in Shanghai.

SIR JOHN: The American Consul General?

SECRETARY: Yes, telling him that that was so far from a fair proposal that we could not afford to participate in it or in urging it upon the Chinese.

SIR JOHN: Yes, I think so too.

The

793.94/4131 1/2

Confidential File

- 2 -

The Japanese Ambassador an hour ago, when I said that I thought it was rather unreasonable, suggested to me that possibly the representatives of the powers in Shanghai would themselves make a suggestion as to what would be reasonable.

SECRETARY: For my part, I should be unwilling to do so. I do not think that the actual occurrences in Shanghai indicate that any such proposal is being asked for by the Japanese Government or is desired by it in good faith.

SIR JOHN: You don't think they are in good faith?

SECRETARY: They are making all arrangements for a large battle.

SIR JOHN: Your idea is like mine, that they had a quite unexpected set back.

SECRETARY: Yes, and they are landing a large expeditionary force and are making every evidence of an intention to go through with it. I have come to the conclusion, reluctantly, that there is no further opportunity -----

SIR JOHN: Up to the present, they have landed four thousand military forces - soldiers - at Woosung. They are not making much progress.

SECRETARY: No, but the evidence is pretty clear that a very large force is on its way from Japan.

SIR JOHN: Having put their marines into this difficulty and being held up by the Chinese, I have no doubt that the Japanese feel that they can't leave things as they are.

SECRETARY: I think that is the case and they have made up their minds to go on and punish the Chinese until they recover their prestige.

SIR JOHN: It would be very dangerous for a settlement if the Chinese came rushing after them.

SECRETARY:

- 3 -

SECRETARY: Yes, but there are other ways of stopping the Chinese, provided the Japanese did not provoke them, but let us not go into that.

SIR JOHN: Yes, I see what you mean.

SECRETARY: That situation, in my opinion, no longer exists. I think there is no further opportunity for conciliation. I think that a battle is going on. That, I think, is probably the situation in the very immediate future.

SIR JOHN: Well, of course, your inference is right about the truce and I certainly believe with you that Japan would never leave things as they are. Probably it would not be safe for her to do so for her marines are not in a very good situation, don't you think so?

SECRETARY: Yes, I do. I think she has, however, shown herself in the wrong in doing so.

SIR JOHN: She is in the wrong in putting herself in that position. Her first step was wrong and, the taking of a second step on the other hand, I am advised from Shanghai that certainly if the Chinese would push these Japanese back there might be a very grave situation in the Settlement.

SECRETARY: I think that is probably under the influence of local conditions. There is a very difficult situation there, I think.

SIR JOHN: Have you any information from your man there?

SECRETARY: No, I have not heard any evidences of cold feet from our people. They recognize that there is a difficult situation, a very difficult one full of danger.

SIR JOHN: Now, how many American marines are there at Shanghai?

SECRETARY: About three thousand.

SIR JOHN:

- 4 -

SIR JOHN: Yes, I see. We have got a very considerable force there and there is ten thousand ---

SECRETARY: What's that?

SIR JOHN: I think our international force is about ten thousand; the French have at least five thousand and the Italians have a few, but I should say it was a little over ten thousand.

SECRETARY: I have heard of the advice that you received from your local authorities and I have been rather inclined to think it was a little bit influenced either by pro-Japanese argument or by a little timidity of the situation which was confronting them.

SIR JOHN: You may be right. We have our Ambassador going down to Shanghai as I want to have the best man on the spot.

SECRETARY: Mine arrives there from Nanking. He is arriving at the same time that Lampson is.

SIR JOHN: That is good. I am sending a message to our Ambassador to give me an explanation of the situation at Shanghai as soon as he gets there and I will communicate with you in order to give you his views so that we can both deal with them.

SECRETARY: Well, now, I am very anxious to communicate with you and see how our minds are working now. We think there is no use of any further steps for immediate peace making, so far as we can see, between the two forces. Therefore, if anybody else wants to go ahead on that line we don't want to interfere with them.

SIR JOHN: But you don't think there is much opportunity now.

SECRETARY: Well, what I was going on to say is that I think

- 5 -

think it is time to think very carefully about the long distant future.

SIR JOHN: I quite agree with you; I have been thinking about it all the time.

SECRETARY: That is exactly what I want to see whether your opinion is along the same line as mine. Our view now is that there is being made a very serious attack upon the treaty policy in respect to China, which we all agreed upon ten years ago in the Nine-Power Treaty. We think that not only are the present acts which are taking place in Shanghai a direct attack on Chinese sovereignty and that they create a situation of very great danger in China by that attack, but there have been -----

SIR JOHN: Are you thinking of Article 7?

SECRETARY: Yes, but let me go on. In addition to these acts of force, there have come from the Japanese Foreign Office direct suggestions that the treaty is obsolete and should be amended or abolished, and that China should be begun to be dismembered again by creating demilitarized zones, as they call it, around all of the commercial cities of China.

SIR JOHN: Let me see if I got that right. You say there has come to your ears -----

SECRETARY: It has come directly from the Foreign Office in Tokyo by a statement made to the press from that office.

SIR JOHN: You regard that as indicating that Japan desires to change the régime.

SECRETARY: He said so to me. Now one further thing. The refusal of our point five in our good offices to allow any neutral nation to participate in any matter concerning Manchuria, even if that nation was a member of the Five-Power Treaty,

- 6 -

Treaty, is in itself a violation of the Nine-Power Treaty which gives to all of the nine powers a right to communicate and to discuss matters of that sort which relate to China. I mean, in other words, all of these points do not stand alone, but they indicate a consecutive and deliberate purpose which is in direct contradiction with the purpose of the Nine-Power Treaty.

SIR JOHN: Yes.

SECRETARY: Now, I am considering carefully and I want you to consider carefully, because as we have said right along we want to act step by step with you, whether the time hasn't come for your nation and mine, and such others as may wish to join us, to make a record of these facts and make a frank statement in the language of Article 7 of that Treaty, and our idea would be to wind up by a statement somewhat such as I made in regard to Manchuria on January 7th, that, for ourselves, we do not propose to recognize or rather to change our view as to the treaty or to recognize any steps which are an infringement on the policy which we then agreed to.

SIR JOHN: I see. I have heard from London that Sir Ronald Lindsey told our people that you had this in mind but, of course, I did not get it so fully as I have it in mind now with reference to the present proceedings at Shanghai.

SECRETARY: I can perhaps make it clearer to you by telling you what I am hearing from our Minister in Nanking, on the way to Shanghai now. Our Minister has telegraphed me very fully about the effect which this whole situation, including the purpose for these demilitarized zones, - this dismemberment proposition which I call it - is having in China.

SIR JOHN: That is your Minister, is it?

SECRETARY:

- 7 -

SECRETARY: That is our Minister in China. I will read you a couple of sentences from what he has cabled me. Will you listen? He said that the situation of Americans in China would be made dangerous in the extreme should the Chinese army get it into their heads that we were assisting the Japanese in their attacks upon it.

SIR JOHN: Would you mind repeating that?

SECRETARY: Well, I shall give you the sense of it. He telegraphed me that the situation of Americans in China is being made very dangerous by the fear that America may be joining with Japan in these attacks and he says he thinks the time is getting ripe for another disaster like the Boxer Rebellion, unless we go very carefully in regard to the situation, and he points out these suggestions coming from Japan in regard to the Nine-Power Treaty as conditions which are making trouble in China. Do you see?

SIR JOHN: I haven't quite got that last?

SECRETARY: Our Minister suggests that all of these successive steps which Japan has taken are producing a very dubious frame of mind on the part of the Chinese people and that if we should not protest against it and should do anything which led the Chinese to think we were in sympathy with Japan, it would be likely to make a rebellion in China against all foreigners, like the Boxer Rebellion. Therefore, there is that direct advice as to the propriety of taking such steps as I have brought to your consideration.

SIR JOHN: I see that.

SECRETARY: Now, when are you going to London?

SIR JOHN: I am not going to London until Saturday. Lampson will be in Shanghai tomorrow.

As

- 8 -

As you agree, I will communicate that in principle to London, Mr. Stimson, subject to thinking it over. You will find, I believe, that the British Government will be glad to stand side by side with you. Our interests are essentially the same and ----

SECRETARY: Yes, our interests are essentially the same and, in any case, we desire to remain firm on the Nine-Power Treaty. That is the situation. That is my first impression, you understand?

SIR JOHN: I understand and I am not asking for any more than your first impression because that is the point I am interested in. The reason I am really anxious is because the first step taken by Japan in Shanghai ought to be called a wrong step and I really can't see, now that she has taken it, how she can avoid taking the second step and, at present, I don't believe she is in a position to take any other course than to bring in troops in order to correct the very bad mistake she has made.

SECRETARY: Yes. Well, now, just let me make a suggestion to think over in consideration with that. Before you decide that that is really so, remember that China accepted our offer of good offices entirely and we have no evidence to make us believe that, if Japan had accepted it also, we could not have produced a cessation of hostilities at that time and place which would have extricated Japanese marines.

SIR JOHN: I am particularly anxious, for many reasons, that our two Governments should go hand in hand about this. I am very anxious that it be so. I will, therefore, communicate as I told you. Shall I ring you up or will you ring me up?

SECRETARY:

- 9 -

SECRETARY: Suppose you ring me up. We are here altogether and we will be going on with our views. As soon as you make up your mind in regard to it, if you look upon it favorably, we can go into the details and telegraph the details on paper.

SIR JOHN: You see here, at Geneva, the Council of the League is very much concerned as to what to do. There was a meeting of the Council yesterday, when the Chinese and Japanese first made statements. There is no point in going on adjourning and adjourning, and I have told the Council that effort was being made by the British Government to take action to stop this and that we have tried, as far as we could, in the Shanghai business to act with America. It is, of course, a very grave situation to the Council there because they have not got America in their discussions.

SECRETARY: That is the reason, Sir John, I told you in the very beginning that I had reached the conclusion that every step that we have taken towards conciliation is ended now and I cannot see any particular use in taking any new one, but I did not want to be in any way intentionally or unintentionally a stumbling block in the path of anybody else, like the League, who might want to do something else.

SIR JOHN: I understand perfectly and I shall let you know what takes place. It is an extremely anxious situation from the foreign point of view to British interests because the main British interest in the East is peace.

SECRETARY: The step which I am now thinking of, and which I have brought to your consideration, is a step which in no way

- 10 -

way would interfere with any proceeding by the Council of the League.

SIR JOHN: They, on the contrary, would be extremely grateful I am sure.

SECRETARY: It would not interfere in any way at all so far as I can see.

SIR JOHN: I shall communicate with my own people in London and will ring you up. Shall I ring you up at this time tomorrow?

SECRETARY: Yes, this is a good time.

SIR JOHN: It is five o'clock here but I suppose it is about eleven or twelve your time.

SECRETARY: Either hour is a perfectly good time.

SIR JOHN: Supposing I say I will call you up at five o'clock tomorrow?

SECRETARY: All right.

123-

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

SCR

On February 11, 1932, in trans-Atlantic telephone conversation, Stimson to Simon, latter at Geneva, Stimson inquired whether the time had not come for Great Britain and the United States "and such others as may wish to join us" to make a record of facts and make a frank statement in the language of Article 7 of the Nine Power Treaty, this statement to conclude with a statement in regard to Manchuria on the lines of the American Government's notes of January 7, 1932.

793.94/3439a

500.04 D / 1971/8

See page 6

793.94 / 4121 1/2

mam

TELEGRAM RECEIVED

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

GENEVA

Dated February 11, 1932

Secretary of State

Washington

Rec'd 5:35 p.m. *2-12-32*

Division of
FAR EASTERN AFFAIRS

FEB 12 1932

Department of State

18, February 11, 7 p.m.

Drummond requested me to call this afternoon and
stated that his obligations under Article 15 provided
for the submission by him to the Council of a report
using all available material. He asked whether it would
be embarrassing to you if he wrote me a letter stating
that in the preparation of this report he would be grate-
ful for any material which the American Government could
supply which might throw light on the situation. Of
course, he added, it would be better still from his point
of view if the American Government were willing to furnish
a memorandum for the information of the Council as to the
events both military and diplomatic which have taken place.

I would appreciate being informed of the answer you
would desire me to make to Drummond in this connection.

Drummond then discussed informally and confidentially
the next procedure. He was turning over in his mind the
possibility

793.94
note
500.C112
500.C111

793.94/4132

FT 413

man

2- #18, from Geneva, February 11,
1932

*note
500.C111*

possibility of summoning the Assembly which, since the Disarmament Conference is now sitting, would be simple to do mechanically. One could not be sure that this would not turn into a public condemnation of Japan but he thought that this danger might be avoided by careful preparation.

He was also considering whether it would be advisable for the Council to make an appeal to Japan pointing out that Japan's force was incontestably greater than that of China and appealing to it in the interests of peace, justice and chivalry not to utilize this force. There seemed to be some thought in Drummond's mind that this action might have a favorable effect on the Japanese elections on February 20th.

(END FIRST OF TWO SECTIONS)

OX

WILSON

FW

mam

TELEGRAM RECEIVED

This telegram must be _____ GENEVA
closely paraphrased be-
fore being communicated **FROM** Dated February 11, 1932
to anyone.

Rec'd 5:50 p.m.

Secretary of State

Washington

18, February 11, 7 p.m. (SECTION TWO)

He then discussed, but not as if he were contemplating action thereon, the possibility of economic sanctions. He pointed out that there was a legal difficulty in that under the Covenant economic sanctions are provided for only in case of an outbreak of war and not as one of the measures in prevention thereof. Even if one could avoid this difficulty, there remained the grave question of whether Japan would not reply to the severance of economic relations either by a general declaration of war against all powers involved or by the establishment of a blockade of Chinese ports which in turn led to a grave risk of war.

VERY CONFIDENTIAL. There are signs of a growing desire to have the Council make a categorical indorsement of our note of January 7. If you feel that it would be advantageous to have that or other action taken it would seem

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

man

2- #18, section two, from Geneva,
February 11, 1932

seem probable that our influence, carefully exerted at
this time, would contribute to aid the Council members
to come out of their present bewilderment with definite
action.

WILSON

OX FW

1291

DECLASSIFIED: E.O. 11652, 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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PM BERG
 TELEGRAM SENT

1-138
 TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Department of State

Washington,

February 12, 1932.

WILSON

BERGUES

GENEVA (SWITZERLAND).

PRIORITY.

CONFIDENTIAL AND URGENT!

Department's 10/February 12, 1 p.m. With
 further reference to your 18/February 11, 7 p.m.

One. You may tell Drummond that the
 question of sending a memorandum on the Shanghai
 situation for the information of the Council is being
 considered. ~~that the Department would like to~~
~~know whether the Secretariat of the League has made~~
~~any intensive study of economic sanctions from point~~
~~of view both of the political and diplomatic action~~
~~which would be required to bring about an arrangement~~
~~to put them into effect and point of view of the~~
~~effects, immediate and remote, which their imposition~~
~~would have.~~

Two. On the general situation and our views in
 regard to our responsibilities and the responsibili-
 ties of the Council, you may inform Drummond

Enciphered by

discreetly

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

793.94/4132 12
 note
 500.C/112

793.94/4132

This cable was sent in confidential code
 it should be carefully paraphrased
 being communicated to anyone.

FEB 12 32

4 p.m.

1291

DECLASSIFIED: E.O. 11652, 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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OR
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PM REC'D
TELEGRAM SENT

Department of State

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,

February 12, 1932.

WILSON

BERGUES

GENEVA (SWITZERLAND).

PRIORITY.

CONFIDENTIAL AND URGENT!

Department's 10/4132 February 12, 1 p.m. With
further reference to your 18/132 February 11, 7 p.m.

One. 'You may tell Drummond' that the
question of 'sending' a memorandum 'on the Shanghai'
situation 'for the information of the Council' is being
considered. ~~(b) that the Department would like to~~
~~know whether the Secretariat of the League has made~~
~~any intensive study of economic sanctions, from point~~
~~of view both of the political and diplomatic action~~
~~which would be required to bring about an arrangement~~
~~to put them into effect and point of view of the~~
~~effects, immediate and remote, which their imposition~~
~~would have.~~

Two. 'On the general situation and our views in
regard to our ~~own~~ responsibilities and the responsibili-
ties of the Council, you may inform Drummond'

Enciphered by

discreetly

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

793.94/4132 12
note
500.C112

793.94/4132

5/1

4 p.m.

This cable was sent in confidential code
It should be carefully paraphrased
being communicated to anyone.



TELEGRAM SENT

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
or

Department of State

Charge to
\$

- 2 - Washington,

discreetly of facts and position outlined in the
Department's No. 9 of February 11, 3 p.m. ^{to the American Delegation RSM.} I perceive
no objection to the Council's making a special and
strong appeal to Japan. Any effort which any agency
may make at this time toward the objective of bringing
the hostilities to an end will have my approval in
principle and will in no way conflict with the line of
action which I have under consideration.

Three. In view of apparent doubt at Geneva with
regard to the American Government's continuing interest
and solicitude with regard to this situation, you may
say that suspension of my effort in relation to
recently advanced proposals of conciliation in no
repeat no way means that my general concern and my
efforts with regard to the whole situation and the
problems in general which it presents are abated. Also,
state that my desire to cooperate with the League in
reference to this whole matter and to take steps where
possible concurrently with and parallel to the steps
which it takes continues.

Four. Also inform Drummond in accordance with
Department's 32, ³⁶⁵⁵ January 30, 5 p.m. ^{to the Consulate RSM.}

Enciphered by RSM
FE:RSM:EJL FE

Sent by operator M. ¹²⁻¹⁸⁻⁷⁵

Index Bu.—No. 50.

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

1-128
 PREPARING OFFICE
 WILL INDICATE WHETHER

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 OR
 Charge to
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TELEGRAM SENT

1-128

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Department of State

Washington,

February 13, 1932.

WILSON

BERGUES

GENEVA (SWITZERLAND).

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

2 pm

CONFIDENTIAL.

13
 793.94/4132
 Your 18, February 11, 7 p. m., first two paragraphs,
 and Department's No. 12, February 12, 4 p. m., paragraph one.

Please inform Drummond orally that, while we wish to do all we properly can to be helpful, as stated in the Department's telegram under reference, it appears to us, upon consideration, that we do not have available any essential facts relating to the Shanghai situation which are not also available to the League's Shanghai Committee, with which our representative is fully cooperating; and that it seems to us that the reports of the Shanghai Committee and other materials available to the League from member governments should afford all the factual data needed for the Council's present consideration of the questions involved under the Covenant.

793.94/4132

Confidential
 code. For your confidential information and, in your discretion, for guarded comment to Drummond, We have a feeling that the Shanghai report, as communicated to us,

is

Enciphered by

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

1294

DECLASSIFIED: E.O. 11652, 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

Washington,

- 2 -

*End
 Confidential
 Code*

as to details, (NY)
 is easily open to controversial attack, but that the really
 outstanding and essential facts regarding what has occurred
 and is occurring at and around Shanghai, especially as to
 military operations and methods, are matters of general and
 common knowledge, adequately known to all governments and
 to the Council, and not controvertible.

Thurston

281332

FE:SKH:REK

FE

SKH



Enciphered by _____

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

Index Bu.—No. 50.

1-138

1295

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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

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TO BE TRANSMITTED
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PLAIN

Collect
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\$

Department of State

Washington,
February 12, 1932.

1 pm

WILSON,
BERGUES,
GENEVA (Switzerland).

793.94/4132
10 min

Your 18/February 11, 7 p.m., last paragraph.
Please see Department's 32/3655 January 30, 5 p.m.
to Consulate.

Further reply will follow.

Stinson
SKH

793.94/4132

FE
FEB 12 1932

FEB 12 32

AM

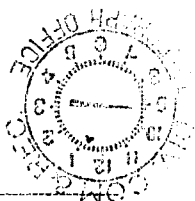
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FE

Enciphered by

Sent by operator M., 19

Index Bu.—No. 50.



AM-RECD FEB 12 1932 U. S. GOVERNMENT PRINTING OFFICE: 1929 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 RECEIVED

FROM

Tokio

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

Dated February 12, 1932

Rec'd 5:32 a.m.

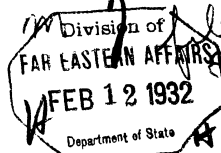
Secretary of State,

Washington

RECEIVED
DIVISION OF
FAR EASTERN AFFAIRS

63, February 12, 3 p.m.

Department's 52, February 11, 5 p.m.



Foreign Office states orally that there are altogether
slightly more than 10,000 Japanese residents in the Shang-
hai area outside the Settlement limits.

FORBES

WSB

FEB 12 1932

FILED

F/LS 793.94/4133

793.94
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893.1028
393.94

4 F/E

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 13, 1932.

~~ADM.~~

~~SEC.~~

~~ASM.~~

WAM

The editorials (attached to this despatch from Caracas, Venezuela) on the possibility of war between Japan and the United States are interesting as they give a Latin American point of view.

[Signature]

JEJ

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



LEGATION OF THE
UNITED STATES OF AMERICA

Caracas, Venezuela.

February 1, 1932.

No. 697

FEB 11 32

DIVISION OF
LATIN AMERICAN AFFAIRS
FEB 19 1932
DEPARTMENT OF STATE

DIVISION OF
FAR EASTERN AFFAIRS
FEB 12 1932
Department of State

F/LS
793.94/4134

The Honorable

The Secretary of State,
Washington.

Sir:

1/2/

I have the honor to enclose herewith translations of two articles recently published in EL HERALDO of Caracas and furnished that newspaper by the "Plus Ultra" Press Agency. One of these appears to be in the nature of and similar to such propaganda articles as have appeared in the past few years both in Europe and Latin America for the purpose of giving an impression that the United States and Japan were headed towards a conflict.

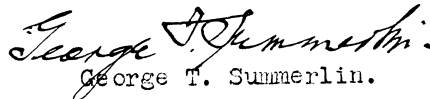
The second article appears to be friendly to the United States but is perhaps written and published here for

-2-

for the same purpose.

The only Caracas newspaper which has gone in for scare head lines is EL HERALDO which, while not precisely anti-American, is very pro-Spanish and favors the European point of view. It has used it's first page on a dozen different occasions to call attention to the possibility of war between Japan and the United States.

Respectfully yours,


George T. Summerlin.

✓
Enclosures:

1. Article as stated.
2. " " " "

WWW/CEA
820.02

ENCLOSURE NO. 1

WITH DESPATCH NO. 697 Feb. 1 ~~JANUARY 26, 1932~~

(Translation of article from the "Plus
Ultra" Press Agency, published in EL
HERALDO, January 26, 1932).

THE ORIENTAL COLOSSUS

It is a fact that the "White West" who thought itself to be formidable, has retreated on the Manchurian question before Japan, a "yellow and Oriental nation who was not thought to be so strong and bold." This Japan, who every time it has received despatches from the League of Nations and the Department of State of the American Nation, has smiled quite gracefully and answered, with exquisite finesse, "that she is not at war with China, that she only makes war against Chinese bandits; that she doesn't want the Manchurian region even though she is made a present of it; that she desires to maintain the most cordial relations with China; that she wants the whole world to have peace; that she will take part with all her heart" in the Disarmament Conference, scheduled to take place next February; this Japan, graceful and insinuating, "a partisan" of restrictions of armaments (on paper only), and even of their suppression (on paper only), actually has, according to the trustworthy report of two great English newspapers, the following powerful fleet: ten (10) super-dreadnoughts with 112 cannon of 14 inches which, when fired, —according to the statement of a Spanish writer— launch out every two minutes a veritable hell of grenades and explosives in which nitroglycerin enters as an essential component, leaving far behind the powers of dynamite as a destructive weapon;" eight (8) cruisers of ten thousand tons; four (4) cruisers of seven thousand one hundred tons, every one of them being equipped with anti-aircraft cannon, supplemented by ten

- 2 -

by ten torpedo-launching channels each; there are two more cruisers of the first class with a capacity for ten thousand tons which have not as yet incorporated with her standing fleet; one hundred and twentyfive (125) destroyers; seventy-two (72) submarines; let us now add (12) second class modern cruisers of five thousand tons each; three (3) aircraft carriers with a capacity for one thousand planes, and a group of mine-sweepers and wire-trucks to be used against enemy submarines and tanks. This very potent squadron is manned by a crew whose watchword is "efficiency and readiness" according to Mr. Julian Bonzon, who is the Spanish writer to whom we refer.

Japan has mobilized her war-fleet in order to have it ready for contingencies as may arise in the face of the Manchurian conflict. The news is of paramount importance, and very serious for the world. It was given out to the public in their preferential pages, by the "Daily Telegraph" and "The Times", of London, the two English newspapers who pay particular attention to the trustworthiness of their news-columns.

Against whom is the Mikado arranging for war? China has no fleet: she has only six antiquated cruisers constructed in various countries of Europe; ten torpedo-boats in the face of an organized enemy, and forty gun-boats for coast and fluvial service. And Russia is scarcely better off in that particular.

"Against whom has the Oriental Empire prepared so admirably? Who is that unknown enemy?" the Spanish expert asks again. "Military and naval China does not threaten the Oriental giant. Neither is it concerned with the military and naval non-entity of Russia. Germany has been shelved as a power. Italy is not to be feared. France fears for Indo-China

- 3 -

for Indo-China where revolutionary skirmishes are constant, according to 'Le Monde'; England visualizes the massive Hindu nationalism rise in a body against her. Against whom, then, is the empire of the Rising Sun preparing so terribly? Everything points to the belief that it is against the United States, who have barred immigration of yellow people, who have thwarted Japan in her effort to realize "colonizing endeavors" in Latin America, who occupy the Philippines, who want to monopolize the Chinese market, and have protected her political and administrative integrity since the days of Mr. Hay, Secretary of State.... There is, then, great danger ahead for the powerful American Union: it can be attacked, "without war being declared", by Japan, that Oriental "stripling" which very quietly, smoothly and ingrately, has made for itself an army like that of Imperial Germany or Republican France, and a fleet like England's." However, North American pacifists shut their eyes in order not to see the tremendous preparations made by Japan, and stop up their ears in order not to hear the broadsides which she launches against the Chinese, as an answer to the "inoffensive notes" from the State Department in Washington and the League of Nations.

GASTON MORA.

130

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

ENCLOSURE NO. 2 WITH DESPATCH NO. 677 ^{FEB 1.} ~~JANUARY 26,~~ 1932.

(Translation of despatch from the "Plus Ultra" Press Agency to EL HERALDO, published January 27, 1932).

THE UNITED STATES AND JAPAN

A conflict between the United States and Japan seems "improbable" as a result of this formidable insular empire having seized control of Manchuria, a vast and rich Asiatic region which, juridically speaking, belongs to China, of which it is an integral part. It is clear that the United States cannot behold with untroubled eyes Japan's new coup: a veritable mutilation of China, whose political and administrative integrity has always been upheld by the Washington State Department. With the occupation of Manchuria Japan becomes a "continental power." And this will make it all-powerful in its relations with China. It is possible that the gigantic market of this vast country will some day be monopolized by Japan. There is also room for the possibility of this powerful nation ending by controlling the internal and foreign affairs of China, which country is not prepared, or is insufficiently prepared, to resist the invasion and the talons of Japan. It is not likely that England will come out to meet the invader lest, perhaps, she might herself be attacked through India; neither is France likely to meet the situation, for she fears for Indo-China, nor Russia, which country is itself vulnerable through Siberia. Japan's presence in Manchuria must be quite disagreeable to the United States. Disagreeable and even hurtful. As is known, or at least there are presentiments of the fact, there is no cordiality between the two countries, and there are between them mutual grievances or jealousies, and as it is also known that any incident might contribute to disturb these relations

still more

- 2 -

still more, it is feared by many that at any moment a great crisis may spring up between Washington and Tokyo, which crisis might affect Cuba, as this island was affected when the United States entered the World War of 1914/1918. If the great Anglo American republic, to which Cuba is linked by reasons which everybody knows, had been defeated in that war, what would have been the fate of this island? That danger disappeared with the victory of the allied powers. Could it not spring up anew if Cuba were involved or "implicated" in a conflict between Japan and the United States? The relations between Japan and Cuba are good, and even friendly, so much so that a commercial and colonization treaty which is now in force, was signed between the two countries; it is true that the effects of this treaty have been "on paper only", because neither Japan is an appreciable market for Cuba's products, nor is ours for those of Japan. We don't have to speak of Japanese immigration in Cuba, or of Cuban immigration in Japan. But if a conflict should arise between Washington and Tokyo, and the results favor the latter, what fate would be reserved for Cuba, our country?

Let us not be pessimistic. Let us go easy. There will be no war between the Northern and Asiatic Colossi. The former has everything aplenty in this Western hemisphere, which is the pivot of its natural influence. It has here a vast field for its enterprises, its business. Everything that is great and essential for it is here in America. In Asia it has only small and sporadic interests. Japan, kowtowing before the Monroe Doctrine, seeks no lands in Latin America, which would be quite weak from a military standpoint. Perhaps it might seek them "if there were " no such a doctrine, which is a shield for Latin American countries, a true and efficient "palladium, protection and guard" of their independence. Japan, for its economic,

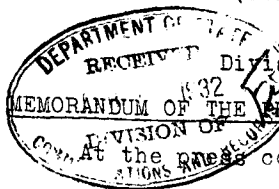
- 3 -

for its economic, racial and political expansion, seeks lands in Asia. It craves them from China, from which it has detached Manchuria, actually and pitilessly. China fights and defends herself. She does what she can. That is her right. And in that right she has the sympathy of all countries "which are not imperialists." Japan wants to be in Asia what the United States are in America, "all-powerful: a political and economic hegemony." They want the prominent position which Germany occupied until 1914 in continental Europe, a position which is now France's. In Asia there is no country as powerful and rich as Japan. Hence the reason why she wants to be all. China resists it. She does well. That the United States should help her (economically) to come out of the conflict as best she can, is quite laudable, but the North American people will not estrange themselves from their pacific ways, having such a horror for wars, above all, when they do not "regard them as necessary."

GASTON MORA.

Havana, January 1932.

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



Department of State
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, SATURDAY, JANUARY 30, 1932

At the press conference this morning Secretary Stimson announced that Mr. McDermott had several items for release to the press.

793.94 The Secretary said that information had been received from our Consul General at Shanghai to the effect that the Chairman of the Municipal Council of Shanghai had filed with the Senior Consul a protest against the operations of the Japanese military force ashore, in substance, as follows:

1. A general protest against the violation of the neutrality of the Settlement;
2. A protest against the use of the Settlement as a base of operations by Japanese forces against the Chinese forces;
3. Protest against the interference and sending of Japanese troops into the sector set apart for other nations in the defense scheme which was agreed to by the Japanese. This protest is made with special reference to the sector occupied by American forces. Also, in addition to that, with particular reference to the area of the International Settlement bounded by the Honan Road, Range Road and Hongkew Creek.

NOT FOR QUOTATION, BUT FOR ATTRIBUTION TO THE STATE DEPARTMENT, the Secretary said that on the basis of the reports which have been received by our Consul General at Shanghai to the effect that after the Mayor of Shanghai had made a favorable reply to the demands presented by the Japanese Consul General and after the Japanese Consul General had announced to the consular body that this reply was favorable, the Japanese naval troops, without warning, forcibly occupied the Chinese suburb Chapei and attacked civilians not only with landing forces but with airplanes, this Government has made a protest to the Japanese Government at Tokyo, and the British Government has made a similar

793.94/4135

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protest. The Secretary warned the correspondents that he did not wish the above information quoted, but that it might be handled as authoritative information learned from the State Department.

A correspondent said he understood the Navy had sent to the State Department, for publication at its discretion, a number of factual despatches concerning the situation at Shanghai. He asked if they would be made available to the press later. The Secretary replied that he himself had not tried to sort out what could and what could not be made public. He added that he was ready, subject to the pressure on everyone in the Department, that that should be done and the information given to the press as soon as possible. He said he understood it was being done. Mr. McDermott said it was being done with everything except Navy despatches, which, it was understood, the Navy was releasing. The Secretary instructed that the matter should be taken up with the Navy so that the press might have the information. A correspondent enquired whether the Chairman of the Municipal Council was American or English. The Secretary replied that he did not know, but was under the impression the Chairman was an Englishman named MacNaghten.

A correspondent said he understood Admiral Pratt had conferred with the Secretary. He added that according to press reports the British were sending five war vessels to Shanghai. He gathered that we were taking similar steps. FOR BACKGROUND, NOT FOR QUOTATION OR ATTRIBUTION, the Secretary said that matter, as he told the correspondents the other day, is left with the Commander out there, and he was informed that four destroyers were on their way. Admiral Pratt discussed that information with the Secretary. A correspondent asked if consideration was being given to sending more than four destroyers. He added that Manila despatches said there were eight more standing by. The Secretary said the only thing he could say was that the matter was being handled by the Navy. We communicate to them requests that

-3-

come for help. They pass upon the number of destroyers to be sent. We have not dictated or attempted to prescribe the number the Navy should send. A correspondent asked if the Secretary understood Admiral Taylor was going to Shanghai. The Secretary replied that he did not. The correspondent called attention to the absence of the Admirals of each of the powers from Shanghai. The Secretary observed that he had seen the photograph in the papers of the commander of the Yangtze Patrol. The correspondent remarked that the commander of the Yangtze Patrol was a junior Admiral, while the Japanese have a senior Admiral there.

A correspondent asked when the protests were made by Great Britain and the United States. The Secretary replied that they were made yesterday.

A correspondent referred to the report that there is a growing food shortage in the International Settlement and enquired whether the Secretary had heard anything. The Secretary replied that he had seen rumors to that effect, but could not recall whether they were in a press despatch. Another correspondent remarked that the Navy despatch said that this morning.

A correspondent asked if the Secretary had any confirmation of the report that China had declared war. The Secretary replied in the negative.

A correspondent enquired whether the protests were in the form of a note. The Secretary replied that they were made verbally through the two Ambassadors at Tokyo. A correspondent asked if it would be proper to say, in a speculative sense, that the protests were strongly phrased. The Secretary remarked that the correspondent might send a special telegram of enquiry to Mr. Forbes.

A correspondent said that the Japanese Ambassador called at the State Department during the morning and he understood the Ambassador gave the Secretary assurance that the integrity of the International Settlement would be observed. He enquired

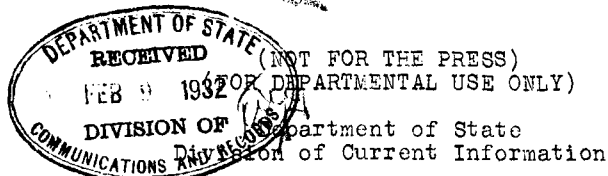
-4-

whether that might be regarded as a reply to the protest made yesterday. The Secretary replied that he would rather not say what passed between himself and the Ambassador. The correspondent said the Japanese Ambassador had already informed the press what took place, but he wanted to know whether it was a reply to the protest or whether it was an assurance without any specific reference to the protest. The Secretary again said he would make no statement regarding the matter.

In reply to further questions concerning the protest, the Secretary explained that it was against action which endangered the whole port of Shanghai, including the International Settlement, and particularly the manner in which the action was taken. He added that the protest was made on the basis of reports received, which indicate that the action was taken after a favorable reply had been made by the Chinese. A correspondent asked if a protest was not also made against the lack of adequate warning. The Secretary agreed that it was against the lack of adequate warning which had been promised. A correspondent asked if the protest required that the action cease. The Secretary declined to comment further.

A correspondent referred to reports that the heads of diplomatic missions, acting under the League Covenant, should investigate the situation at Shanghai, and enquired whether we were cooperating with the League. The Secretary declined to comment.

M. J. McDermott.



MEMORANDUM OF THE PRESS CONFERENCE, THURSDAY, FEBRUARY 4, 1932

793.94
At the special press conference at 4:30 this afternoon, Under Secretary Castle said that Ambassador Forbes had informed the Department by telegraph of the substance of the Japanese reply to the peace proposals. The exact text of the Japanese reply has not been received by the Department. Mr. Forbes said that the Japanese Foreign Minister met the American, British and French Ministers at 6 p.m., today, Tokio time.

With regard to point number one of the peace proposals, the Foreign Minister said the Japanese forces would cease hostile acts if assured that the Chinese forces would immediately and completely stop menacing and disturbing activities. If, on the contrary, the Chinese, including regular and plain clothes soldiers, insist on activities, the Japanese must also continue full activities.

Referring to point number two of the proposals, the Foreign Minister said that in view of the unreliability of the Chinese in the past and the gravity of the present situation, the Japanese Government found it impossible to renounce mobilization or preparation for hostilities.

With reference to points numbers three and four of our proposal, the Japanese Government says that it has no objection to their consular officers and the commanders 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 Chapei district.

Referring to point number five of our proposal, the Foreign Minister said he presumed that "all outstanding controversies" between the Japanese and the Chinese included the Manchurian question. The Japanese Government regards this matter as entirely separate from the Shanghai affair. Moreover, the

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FEB 12 1932

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Manchurian question is covered by the resolution of the League of December 10. Furthermore, it is the 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, point number five of our proposal is not acceptable to the Japanese Government.

Mr. Castle here reminded the correspondents of the Secretary's recent statement that our proposal was merely the offering of good offices. The Japanese Foreign Minister at the end of his talk with the Ambassador said that the Japanese Government would welcome any other suggestions that the Powers cared to make. Naturally we are not going to try to answer the Japanese communication tonight or, perhaps, tomorrow, as it is a thing which requires thought. We shall very likely want to consult the other nations which joined with us in making the proposal to Japan. We are glad, of course, that the Foreign Minister made the suggestion that Japan would welcome other suggestions, because it does not close the door. On the other hand, we do not know what, if any, other suggestions we may want to make. China accepted the proposals in toto and we are, of course, disappointed that Japan did not do likewise. If Japan had also accepted the proposals it would have pretty well stopped the trouble or would have enormously relieved the tension.

Narrowing this to the situation in Shanghai and without regard to the broader Far Eastern problem, a correspondent asked if the Under Secretary felt that what Japan had accepted would make it possible to relieve the tension in Shanghai. Mr. Castle replied that such was conceivable, but that we do not know what the local authorities at Shanghai will do about the matter.

Mr. McDermott, the chief of the Division of Current Information, here said that it was the understanding that THIS CONFERENCE IS FOR BACKGROUND AND THAT THE INFORMATION IS NOT TO BE ATTRIBUTED TO ANYBODY.

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A correspondent then said that the fact that the Department feels that the Japanese have left the door open for further suggestions and that the Department would like to consult with the other Powers was news. The correspondent was then informed that he might say that it was LEARNED AUTHORITATIVELY here that the Japanese Government invited further suggestions.

A correspondent asked if the Under Secretary could say whether the meeting today with Admiral Pratt and General MacArthur was for the purpose of deciding on some turn which military movements might take. Mr. Castle replied in the negative and added FOR BACKGROUND ONLY that the meeting was held merely for the purpose of studying maps of Shanghai to determine what later Japanese or Chinese movements might mean.

A correspondent asked if any official confirmation had been received of press reports to the effect that Japanese soldiers had landed in the Shanghai zone. The Under Secretary replied in the negative.

M. J. McDermott.



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

Department of State
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, TUESDAY, FEBRUARY 2, 1932

A special conference was held at 3:30 this afternoon by the Secretary of State.

793.94
The entire conference was for BACKGROUND ONLY AND NOT FOR ATTRIBUTION TO THE SECRETARY OF STATE, TO THE DEPARTMENT OF STATE, OR TO ANY OTHER GOVERNMENT OFFICIAL OR DEPARTMENT.

006. Good Offices
The Secretary said he desired to assist the correspondents by giving a balanced sketch of the situation in Shanghai. In the first place, the step that was taken in Tokyo and Nanking today is what is known in international practice as the extension of good offices. This was explained simply because of some statements which emanated from the other side of the Atlantic giving a false impression of the move. The essence of good offices is that something is done with the consent of both parties to a controversy for the purpose of helping them out of a difficult situation and is done either on their request or in accordance with their desire. It is in no sense an intrusion of the person who extends good offices into their trouble with a demand or an ultimatum or anything like an intrusion which the parties do not want. The whole purpose is to assist the parties, with their consent, in the accomplishment of their desire. That is exactly what has happened in the present instance. During the end of last week and the beginning of the present week both China and Japan expressed a request for our help to assist them in a difficult situation. We are of course very seriously interested in the situation at Shanghai because of the danger to our people, but we are not thrusting ourselves into the situation against their wishes and neither are we imposing our wishes or views upon them. We are there, so far as this step is concerned, trying to help them and we are there at their request. It is essentially a move of peace and is not in any sense a threat or a move of war. Mr. Stimson said that he was making

793.94/4137

FILED

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-2-

that clear because some despatches from Geneva and other places in Europe are saying that he issued a demand or a threat of force, while the reverse is true. On the other hand, the move does not in the slightest degree minimize the very serious situation which existed yesterday, the day before and some days before that and which still exists today. The situation is critical in the extreme and it is critical mainly because there are a lot of excited people of both nations, Chinese and Japanese, wandering around in close proximity with deadly weapons in their possession. They are likely to do injury with those weapons not only to each other but to Americans and the people of many other nations who may be unfortunate enough to be in the line of fire. We have a very direct interest to do anything we can to help terminate that situation. The Secretary said that from a careful study of the cables regarding the situation and the conflicting and contradictory messages which we received, and which are contained chiefly in the press reports, the principal danger appeared to be due at the present moment to the large number of civilians of both China and Japan who are armed and who, not being regulars, are under very imperfect, if any, control. According to press despatches, some of which have been confirmed by Consul General Cunningham, most of the firing, since the British and American consuls negotiated a truce, has been from that class of people. Shanghai is full of such irresponsible civilians who take pot-shots at anything they see. The situation is very difficult therefore and is going to be a very difficult one to gain complete control of.

The movements during the last forty-eight hours illustrate how quickly neutral nations can act with modern conveniences. Of course, everybody from the President down has been watching the whole situation very anxiously and there has not been anything which gave us an opportunity to take a step until Sunday afternoon when a news report was received to the effect that

-3-

Mr. Yoshizawa had an interview with the American, British and French Ambassadors in Tokyo during which interview he used the term "good offices." That appeared in the papers of yesterday but it was so covered up with other news items that the ordinary reader probably had some difficulty in finding it, but it was there and it did not escape the rather vigilant eye of a number of people, including the President of the United States. The Secretary said the first news he had of the use of the term "good offices" by the Japanese Minister of Foreign Affairs was from President Hoover who is rather quick at seeing things of that sort.

In order to show the rapidity with which the Department worked, the Secretary said that yesterday morning before breakfast he sent up to the code room of the State Department to see whether there was a cablegram to bear out the news item above-mentioned. The cablegram had arrived and confirmed the news report. The Chinese expressed themselves in the same manner the day before, but their action was not surprising as they have done it quite often. However, by eight o'clock yesterday morning both nations had requested our good offices. At nine o'clock the Secretary saw the President, talked the matter over with him and worked out what they thought would be a fair proposition to put up to both China and Japan. By ten o'clock in the morning the Secretary had the Prime Minister of Great Britain on the telephone to see how the British felt about it and by eleven o'clock he knew the British position. By twelve o'clock noon the outlines were agreed upon, talked over and messages were on their way to France and Italy to see how they felt about it. At six o'clock this morning, which was six p.m., Tokyo time, the American and British Ambassadors in Tokyo and the American and British representatives in Nanking were making the suggestion to the two nations and before they got through the French representative came in with his proposal. All of that happened within the space of twenty-four hours.

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Asked if the British and American Ambassadors at Tokyo called together or separately, the Secretary said they called concurrently and each submitted the proposal on behalf of his nation. A joint proposal was not submitted. A joint proposal generally means an association of nations acting together but that did not occur in the present instance. We conferred in order to act quickly and along the same line, but each acted separately and on his own responsibility.

The Secretary said he wanted the correspondents to understand that it was just an opportunity to do our bit to help and that the movement is a long way off from stopping the trouble. He said he did not want anyone to get the idea that the representatives of this country are thumping their chests and saying they accomplished something wonderful. They are simply trying to do their bit to assist in ending the difficulties. There is nothing dramatic or novel or intrusive about these proposals. In the first four proposals we have tried to follow out as far as we can what we understand has been the plan of the local representatives of the nations on the spot and they have been giving support in this direct way by their Governments at home. The first four proposals, in substance, particularly the ones about the withdrawal of the combatants from all points of mutual contact in the Shanghai area and the establishment of neutral zones, was what both the consuls and the military authorities in Shanghai have been trying to do and have been working on to a certain extent in the last three or four days. We are merely taking up and endeavoring to help the proposition. The fifth proposition is what the nations themselves have been trying to do in attempting negotiations thus far. The suggestion about neutral observers was put in simply because there is a very outstanding precedent in the case of both China and Japan where that suggestion worked very satisfactorily for both nations ten or eleven years ago at the time when they settled the long-

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standing controversy in Shantung. There is therefore nothing in the nature of trying to force any of our ideas in the present situation but merely to do a friendly act at a time when the two nations cannot do it themselves. If the correspondents give that flavor to their stories they will tell not only the exact truth but they will be helping to produce a favorable result, if a favorable result is attainable.

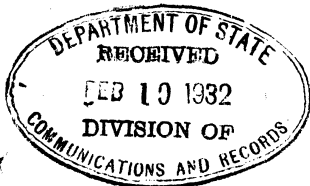
A correspondent said that as the peace proposal referred to the Kellogg Pact and the resolution of the League of December 3, he assumed that the proposal threw us back to our stand of January 7. Mr. Stimson in reply said that our stand of January 7 had nothing whatever to do with this situation. That was a statement of this country on behalf of our own nationals, stating our views at the end of the long controversy in Manchuria. The peace proposal does not follow from that and is not related to it. The stand of January 7 stands by itself and the present situation has come up on the request of both China and Japan. A correspondent then said he presumed that this peace proposal applied really to Shanghai. The Secretary, in reply, said that if the correspondents would go through the proposal and analyze the different propositions they would find that some relate to machinery designed to solve that immediate problem. It would not do any good, however, to solve the situation in Shanghai if hostilities in other places were not stopped. The first proposition is a suggestion for the cessation of all acts of violence between the two nations. The fifth proposition offers a solution which, if they decide to negotiate, would naturally apply to all. The other four apply mainly to China apart from Manchuria, but in a situation as wide spread as the present one it is well to take up the question of one part separately from those in other parts, while you try to cover the whole problem. There may be a different remedy for each situation. For example, the matter of neutral zones applies only to the

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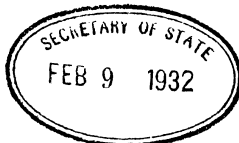
situation in Shanghai. The fifth proposition is a suggestion of the way we think they could solve the difficulties between them.

A correspondent asked if any replies had yet been received from Tokyo and Nanking and, if not, if that was why the Secretary remarked that the situation was still extremely critical. In reply Mr. Stimson said that we had not had time to receive the replies but that even if we had received favorable replies from both Governments we would still regard the situation as critical so long as there are several thousand civilians wandering about the streets of Shanghai with guns in their possession. It is one of those instances where one must bear in mind the difference between good intentions even if they fructify into agreements and the carrying out of those intentions. It takes a long time to eliminate such an unfavorable situation and there may be a great many dangerous situations before the trouble is ended. In other words, the danger arises from the tremendous state of inflammation not only in Shanghai but in other cities. This inflammation of the minds of the peoples of those two great countries has been produced by the events of the last four months.

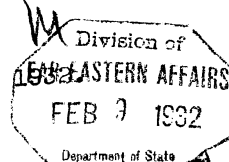
M. J. McDermott.



DEPARTMENT OF STATE
THE UNDER SECRETARY



February 5, 1932



Memorandum of conversation with the Japanese Ambassador,
February 5, 1932.

The Japanese Ambassador came in to say that he was very much disturbed at the reports which were evidently true of the despatch of a division to Shanghai. He said that he had told the Secretary he did not think this would be done and intimated that he was afraid we would feel he had been trying to mislead us. I told him that we had no such idea, that we knew that he was not being kept closely informed and that, in any case, the military movements were generally kept secret. I told him that, under no circumstances, to get the idea that we thought he was trying intentionally to mislead us.

He then asked if I knew from where the Division was supposed to embark. I told him that apparently it had already embarked as some soldiers, it was reported, had reached Woosung and the rest were to arrive on Saturday morning, that I supposed they had embarked from Kyushu. He said he hoped this was the case as this meant only 24 hours from Shanghai and meant no troops had embarked at the time Mr. Yoshizawa saw the Ambassadors, but that he still found it impossible

to

WILLIAM

FEB 10 1932

793.94/4138

DEPARTMENT OF STATE
THE UNDER SECRETARY

2

to believe that his Government would actually have sent troops after asking for good offices. The Ambassador then went on to say that he had seen a story in the evening papers that the Emperor had ordered general mobilization. He asked me whether we had heard anything about this as he had had no suggestion of it. I told him we had not had any definite news, but that we had heard rumors and this disturbed him greatly because he said he could see no possible reason for such a tremendous move. He asked whether I had any idea why if this was being done it should be done. I told him that naturally I had no idea, but that I had been forced to jump to the conclusion that it might mean a very serious condition in Japan and that mobilization was considered necessary to prevent revolution. He said that this had been his own idea and that he was very greatly worried. He said that the situation in Japan was tense, that the elections were coming, that a tremendous amount of propaganda of all kinds was going on and that he felt that such a move could only mean the situation was far more serious than he had thought.


The Ambassador was very pathetic and for the first time spoke of my own interest in Japan and said that he hoped I would not lose all confidence in the people of his country. I

told

DEPARTMENT OF STATE
THE UNDER SECRETARY

3

told him that I had many friends in Japan, friends for whom I had the highest respect and admiration, that the present situation as it was developing made me very sad in that I felt something must be seriously wrong when the military could be permitted to act in the totally indefensible manner they had been acting recently. He said he knew this must be my answer and that, of course, he had no excuses to offer.


W. R. Castle, Jr.

U WRC/AB

2 EE

TELEGRAM RECEIVED

MET

GRAY

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

FROM

Shanghai via N.R.

Dated February 12, 1932

Rec'd 8:20 a.m.



Secretary of State,

Washington

38, February 12, 4 p.m.

A four hour truce was arranged last night for purpose of evacuating wounded and non-combatants from Chapei area. This truce lasted from 8 a.m. to 12 noon today and was arranged by the British Consul General and myself at request of Major Hayley-Bell Shanghai volunteer corps, and Father Jacquinot. A Red Cross party ^{entered} ~~will~~ (*) the district for purpose above named. Non-combatant and wounded being evacuated to Settlement and French concession where I understand they will be cared for by Catholic Fathers if necessary. A tentative attempt was made from the Chinese side to prolong the truce for six hours but this did not meet with favor from Japanese naval authorities.

Repeated to the Legation and Nanking.

CUNNINGHAM

WSB-HPD

(*) apparent omission.

793.94
note
893.1025
793.94119

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FEB 12 1932

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

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Charge to
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TELEGRAM SENT

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

February 11, 1932.

58

AMERICAN CONSUL,

SHANGHAI (China).

Department is informed from Tokyo as follows:

QUOTE There is no doubt the Japanese are moving troops rapidly towards Shanghai. They think it extremely dangerous to stop this movement as the Chinese armies are out of control and might move in and overwhelm the Japanese population outside the Settlement, and possibly endanger the Settlement itself; and, until a basis of terms is reached, an adequate force of Japanese troops protects the whole situation. I think there is some force in this contention and this is opinion also of the British Ambassador. UNQUOTE

Department desires your comments; also desires that you inquire of Japanese authorities how many Japanese civilians there are now at Shanghai outside of the Settlement. Please report promptly.

We find it difficult to subscribe to the proposition that the safety of our nationals will be best conserved by further Japanese aggression but we

also the comments of the Minutes

FE:SKH/ZMF

FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.-No. 50.

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

793.94/4139A

793.94/A 14

1324

DECLASSIFIED: E.O. 11652, 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
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Charge to
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OM. RECD
TELEGRAM SENT

Department of State



Washington,

February 11, 1932.

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

AMERICAN LEGATION

PEIPING (China).

793.94/A 51 Instruct Mukden and Harbin to keep the Department promptly informed, through the Legation, by telegraph and/or radio, of any ^{important} developments as they may occur in the so-called bandit suppression campaign of the Japanese in Manchuria. *Substantiated accounts should be given in reports by mail.*

Stinson

~~FE:AEJ/VQM~~

Ram
FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

793.94/4139B

DECLASSIFIED: E.O. 11652, 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

man

FROM

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

GENEVA

Dated February 18 1932

Rec'd 7:50 P.M. FEB 18 1932

Secretary of State

Washington

24, February 11, 11 p.m.

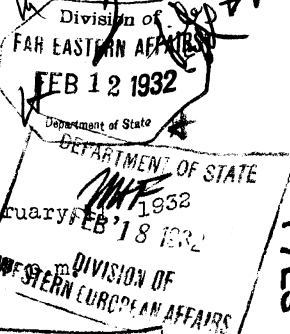
CONFIDENTIAL

Reference my 20, February 10, 9 p.m., part of article

→ by Clarence Streit in TIMES sent February 10 contains
thoughts similar to my telegram. This is complete coin-
cidence as no one of us had seen Streit.

JHR

GIBSON



THE UNDER SECRETARY

FEB 15 1932

DEPARTMENT OF STATE

FILED
793.94/4140

FILED
FEB 23 1932

793.94
notes
893.1025

F/E

TELEGRAM RECEIVED

REP

FROM

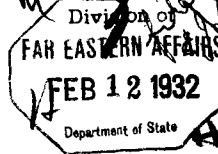
This telegram must be closely paraphrased before being communicated to anyone.

TOKYO

Dated February 12, 1932

Rec'd 9 a.m.

DIVISION OF



Secretary of State,
Washington.

64, February 12, 6 p. m.

Replying to your telegram No. 51, February 11, 4 p.m., the only details I can add to my telegram No. 51, February 7, 10 p.m., are that ⁱⁿ (~~2~~) endeavoring to work out a formula for some sort of basis for adopting your points in your telegram 34, February 1, 3 p.m., to the objections raised by the Foreign Minister, I had Neville talk the thing *matter* over with the British Ambassador and endeavor to ascertain from his, Neville's, contacts in the Foreign Office whether in their opinion any suggestions for a new basis had better originate apparently from Shanghai or from a concert of powers. All this was done solely with the idea of submitting the recommendations to Washington. I asked McIlroy to develop the same idea through his contacts and with the same purpose. In doing this they made no proposition and said they were acting solely as individuals. Both Neville and McIlroy in talking merely urged most favorable consideration by the Japanese of the proposition

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FEB 27 1932

793.94
note
893.1025
793.94111

793.94119

REP

2- #64, from Tokyo, Feb.12,6p.m.

the proposition submitted by you in your telegram 34,
February 1, 3 p. m. Although received coldly at first,
they were asked to come back later and the propositions
submitted to you were given to them orally as what the
Japanese felt they could do.

793.94111
The net result of this proposition is that the
Japanese are now willing to have the neutral zone,
suggested in your telegram 46, February 6, 8 p. m.,
patrolled by neutrals and have abandoned their former
position that they must participate in policing this zone.
This was their principal concession and we do not
understand they have receded from this.

I regret extremely if this has proved a position
embarrassing to you. Our contacts here are now much
more cordial and satisfactory, both in Army quarters and
in the Navy where we learn Johnson reports a complete
change in their attitude; and we are not conscious here
of any change for the worse in the situation. The
British Ambassador concurs in this.

The local situation is distinctly better in that the
tension noted in our telegram No. 34, February 2, 9 p.m.
seems to have died down. There is less uneasiness. In
all our conversations with the Government and with
individuals a more conciliatory tone is evident. February
12, 7 p. m.

FORBES

WSB - RR

1328

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

TELEGRAM SENT

1-138 TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Department of State

Washington,

February 12, 1932.

AMEMBASSY

TOKYO (JAPAN)

54 PERSONAL FOR THE AMBASSADOR FROM THE SECRETARY

Your 61/⁴¹²⁹ February 11, 10:00 p.m., 64/⁴¹⁴¹ February 12,

6:00 p.m. The information which has come to me from many sources has convinced me that since their initial repulse at Shanghai, the Japanese ^{military authorities} have at no time considered any ^{cessation} ~~suspension~~ of hostilities upon any fair basis but have throughout been determined to force a military decision ^{in the hope of} ~~which will~~ restore their prestige. I, therefore, cannot credit the statements and actions enumerated in your 61/⁴¹²⁹ as in fact indicating any possibility of a settlement except on terms so humiliating to the Chinese that we could not possibly participate in securing them. For the above reason, I prefer not to have any of your staff ^{in Tokyo take any initiative} ~~engage themselves in any steps~~, however indirect, looking towards such efforts. In my opinion it is likely to lead to ^{misinterpretation and} ~~humiliating~~ rebuff. The feeling is very strong in this country that we have done everything consistent with our dignity towards conciliating ~~with~~ Japan.

Enciphered by S HLS:CBSSent by operator M., 19

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

793.94/4141

Stinson

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 12, 1932.

February 14 in Shanghai will be February 13, tomorrow, here.

Notwithstanding General MacArthur's estimate as to the military odds, I shall be surprised if the Japanese do not attempt as soon as they have landed their 20,000 soldiers to sweep the Chinese army away from Shanghai before the process of entrenching has gone any further.

With regard to the Chinese plea, made to the British Counselor (Ingram) and our Counselor (Peck) and Lo Wen Kan's expression of the hope "that Great Britain and France would succeed in inducing the Japanese to withdraw from Chinese territory", I am inclined to believe that British representatives at Shanghai will continue efforts on the subject of termination of hostilities

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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

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hostilities and creation of neutral zone. If
so, they will have the credit, notwithstanding
failure, of having persisted in the effort.

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. Hunt NARS, Date 12-18-75

M FE

TELEGRAM RECEIVED

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

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notes
893.1025

REP

FROM

DEPARTMENT OF STATE
RECEIVED
JAN 13 1932
DIVISION OF
RECORDS

GRAY

Nanking via N. R.

Dated February 12, 1932

Rec'd 10:25 a.m.
Division of

FAR EASTERN AFFAIRS

FEB 12 1932

Department of State

Secretary of State,
Washington.

48, February 12, 5 p. m.

893.0146

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One. At noon today Lo Wen Kan, Minister for Foreign
Affairs, sent for British ~~Counselor~~ *Counselor* and me and showed
us message he had received dated February 11, midnight,
from his intelligence officer in Shanghai reporting that
the Japanese Admiral had informed foreign military
commanders that by February 14 he would have 20,000
soldiers, 7,000 marines and 40 naval vessels taking
part in the battle with the Chinese at Shanghai. Lo
asked Ingram and me to telegraph to our respective
Ministers requesting that they do their utmost to prevent
this accretion in strength from resulting in intensified
hostilities. He said, however, that the Chinese forces
would resist when the attack was launched and he
informed us privately that the 19th Route Army had
telephoned the Government again that they would never
surrender to Japanese attack. It was arranged that
Ingram should telegraph Lo's message to the British

Minister

F/LS 793.94/4142

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FEB 17 1932

REP

2-#48, from Nanking, Feb. 12, 5p.m.

Minister and ask that it be communicated to the American Minister.

Two. Lo also expressed the hope that if intensified hostilities took place the International Settlement would not be involved but he observed that if this unfortunately occurred the Chinese could not be held accountable while they were engaged in defending their own territory. He said the Government earnestly hoped that Great Britain and France would succeed in inducing the Japanese to withdraw from Chinese territory.

Three. Wang Ching Wei has left Puchen for Hsuehowfu in North Kiangsu where he will meet Chiang Kai Shek in conference.

Four. Nanking is superficially quiet but there is an undercurrent of anxiety lest a decisive defeat of the Chinese forces at Shanghai may demoralize the troops forming the Nanking garrison. This anxiety is apart from the constant menace of the six Japanese naval vessels anchored here.

Repeated to Peiping, Shanghai and Tokyo.

PECK

WSB

KLP

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN
SECRETARY STIMSON AND SIR JOHN SIMSON, AT GENEVA, FRIDAY,
FEBRUARY 12, 1932, AT 11:00 A.M. Long Wave Circuit.

SECRETARY: Good-morning, Sir John, this is Stimson.

SIR JOHN: This is Simon, how are you?

SECRETARY: First rate, how are you?

SIR JOHN: We are all very well here.

Well, now, from my end I have been thinking over what you said and I am anxious that we should keep in touch as regards a possible statement or declaration. A good deal would depend upon the time of it and in the contents of the proposal because we feel, with you, that there still are left some possible ways of approach. I got a telegram - a telegram this morning from our Minister which makes me hope it may be so. Anyhow he is only reaching Shanghai today.

SECRETARY: Well, now, what I wanted to know was are you in the same situation we are. If I should send you over a draft of what I propose that we should say, all of us, would it help you in the consideration of it?

SIR JOHN: Well, yes. My movements are these. I am going to be here at Geneva until Saturday and I am leaving here at two o'clock.

SECRETARY: Saturday, at two o'clock.

SIR JOHN: Saturday, two o'clock Geneva time. It is five o'clock here now, you know. I am going to Paris where I shall be that night. I have got to see Laval and I am going on to London on Sunday, arriving Sunday evening. I shall be able to see anything in London on that evening and could do anything you like after that. I am doubtful if I could get anything before that.

SECRETARY: I could send it to London. I think matters
will

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Confidential File

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will probably hold until that long, but I am, of course, anxious that you and I should get together as quickly as possible because I then want to take it up with the French. I have a draft already now - just a tentative draft - that I could send you now so that you would get it at Geneva probably.

SIR JOHN: Well, I shall be in Geneva, as I say, until that time.

SECRETARY: It would give you time to study it on the train.

SIR JOHN: I am in constant touch with your man.

SECRETARY: I could send it through Mr. Wilson. It would be understood, of course, that it is only tentative and subject to discussion with you.

SIR JOHN: I quite understand, I shall not speak to anybody about it. But would you mind my making two observations now before you actually send your draft?

SECRETARY: Very much. I don't want to send it if you have made up your mind entirely against the wisdom of any such move at all.

SIR JOHN: Oh no, it depends actually upon its contents but it also depends on the situation of the time when it is done. We should like very much, the British Government, to discuss that with you and we will do the very best to agree with you, but we have a slight difference there; not only are we members of the League of Nations, which is trying to deal with it so that I have to consider that point, but more than that. We take a more hopeful view of the possibility of things being stopped than I think you are inclined at the moment to do. This is based on a message
from

- 3 -

from our Minister within the last day. I am not saying that with any desire to fail to cooperate with you, very much the contrary, because we are most anxious to do so. But I do think a great deal will depend on the statement in regard to reserving rights and calling attention to the Nine-Power agreement is a thing which is an absolute

of the judgment in a matter which after all the Council of the League is considering. I mean I ^{not} must/get myself into that position, but I desire to say that the British Government, a member of the League, is unable to pronounce judgment itself alone right away.

SECRETARY: I have foreseen this difficulty. I have tried to avoid passing judgment on the facts, and such facts as I have mentioned are intended to be facts beyond dispute and without any apportionment of the original blame.

SIR JOHN: Yes, that is your intention. Have you seen the report, at least the first part of the report, which was made with the help of a member of the Shanghai Commission?

SECRETARY: I have seen that and I have been doing my work with that before me and with the intention of avoiding ---- I have intended not to go into the nature of the boycott.

SIR JOHN: It really is a matter of great importance so I should like to see your document as soon as you can get it to me. You will appreciate that I can't give you an answer until I get to London on Sunday because I must speak to Mr. MacDonald about it. I really don't quite see at the moment, from your point of view, that delay is serious for you. I don't see why it is because they are not actually going to stop immediate operations.

SECRETARY: I agree with you perfectly. I think it is safe,

so

- 4 -

so far as I can see. My only fear would be some turn for the worse or some situation involving the Settlement or some other change which I do not anticipate now.

SIR JOHN: If you remember, we have sent our best man down and he is in Shanghai today, and we have especially asked him to send us an appreciation of his views, and he takes a very good view and he is a very wise man. We shall, undoubtedly, get from him at the end of the week his own appreciation and I will do my best to let you know what he says.

SECRETARY: I should be very glad.

SIR JOHN: He has very good judgment and he knows the Chinese people very well, their reactions, et cetera, so, of course, the British Government would want to decide with that before them.

SECRETARY: I want to say that I am also waiting for my Minister to come there and to hear from him - he is there now. I am expecting word from him but I want to be perfectly satisfied that you want me to communicate with you as to this paper in Geneva, or shall I send it to London?

SIR JOHN: Well, is it ready or are you waiting for a day or two?

SECRETARY: It is ready now - the first draft - I can get it to you.

SIR JOHN: I think, Mr. Stimson, to save time, if I could have it sent to me here, I should be glad, although I shall not attempt to deal with it until I get to London. I should like it if I might send a message to our Minister at Shanghai and tell him to keep in as close touch as he can with your Minister to take their position together. Do you propose to do the same thing with your man?

SECRETARY:

- 5 -

SECRETARY: Yes.

SIR JOHN: Well, I shall send a message to say to him that I understand that the American Minister has arrived and as he is making an appreciation of the situation for me I wish he would keep as closely as possible in touch with the American Minister and we should be very glad to have a close consultation.

SECRETARY: I have already asked my Minister to make an appreciation and I shall now ask him to consult with yours.

SIR JOHN: Of course it is not directly concerning America, but you might like to know that the Chinese representative here at Geneva has asked that the dispute may be referred from the Council of the fourteenth to the Assembly.

SECRETARY: Yes, I have heard that already.

SIR JOHN: And you might like to know that we are having a meeting in a few minutes time of the Council without the Chinese and Japanese members and we are going to consider how we shall deal with that. They asked for it. That is the situation here.

SECRETARY: Well, now, just let me say this to help you with your work today in the meeting of the League. There is nothing in my proposition which is intended to forestall the judgment by the League. I do not intend to go into a judgment on the facts.

SIR JOHN: Would you agree that I might say to them in their private meeting that I was in touch with you and I was quite sure that the United States was continuing to take an interest in the situation. It would be a great encouragement to them to feel that that is so.

SECRETARY: Yes, that is absolutely true.

SIR JOHN: I will not repeat or suggest that you and I are engaged

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

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engaged now in negotiations for a neutral zone because it isn't true.

SECRETARY: It isn't anything of the kind. We are not doing that at all.

SIR JOHN: I am in close communication with you and I am able to assure them that the United States is keeping in close touch with the situation.

SECRETARY: That is absolutely true and furthermore I have been encouraged to believe from what I have heard that the League has shown that it is not at all adverse to any work that we may do under the Nine-Power Pact.

SIR JOHN: You got that view from Mr. Wilson, probably.

SECRETARY: Yes, I get reports from him frequently.

SIR JOHN: I want to come back to London because I want to impress upon my colleagues the very great importance of our acting together. The only difficulty is the nature of the declaration, or if not that, the time of it is bound to be very difficult for us, especially as we are members of the League, but I don't expect that because I imagine your draft is in the sort of form which would not get us into difficulty.

SECRETARY: Yes.

SIR JOHN: Unless there is something you want to say to me especially I shan't try to ring you up tomorrow but may I tell Wilson I am expecting him to communicate your draft to me?

SECRETARY: Yes, but if by any chance some unforeseen accident should prevent me I will send it to you in London.

SIR JOHN: No doubt, of course, you are communicating this to me through Wilson but for the moment it is only for me.

SECRETARY:

- 7 -

SECRETARY: Yes, Wilson is not familiar with the proposition in detail at all.

SIR JOHN: I thought so. He was most helpful in a conversation I had with him but I did not think that on this point he appeared to be dealing with it, so I said nothing.

SECRETARY: Well, the one purpose that I wanted to make clear to you and the thing I wanted to find out from you was whether you saw any obstacle now, assuming that the situation in Shanghai does not change, to our cooperation.

SIR JOHN: We have to go carefully because we are in very exclusive areas.

SECRETARY: You see no reason why, on the general sharp issue of keeping alive the Nine-Power Treaty, your country should not stand with us.

SIR JOHN: I do not see any at all.

SECRETARY: That is exactly what I wanted to know. My whole proposition, provided you agree with that, is to make the rest of the paper agreeable to you.

SIR JOHN: I hope to be able to communicate with you on Monday.

SECRETARY: Thank you so much, good-bye.

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

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN
 SECRETARY STIMSON AND HUGH WILSON, AMERICAN MINISTER AT
 GENEVA, FRIDAY, FEBRUARY 12, 1932, AT 3:55 p.m. Long Wave
 Circuit.

MR. WILSON: Hello, Mr. Secretary. Sir John Simon attended a luncheon today with the Anglo-American Press Association from Paris meeting in Geneva and I want to read to you what he said to those men. He said, "he thought that the Chinese had very admirably brought and defended their case before the Council but he wondered if they were in as close touch with their central government as the British would be, for example, in similar circumstances." It seems to me and Sir John Simon that the Covenant of the League was drawn up with the League as a separate entity capable of governing itself and at the same time guaranteeing the peaceful safety of their own citizens, as well as the lives of foreigners on their soil, as is the case with China. "It also would seem that the Covenant was drawn up without considering the ultimate necessity of the expansion of any certain nation; without the consideration that history has shown us that boundaries are never stable and bound to change from time to time. If all the present expansion taking place is quite along similar lines to those followed out in China by our own country one hundred years ago -----

SECRETARY: You mean their attitude in India.

MR. WILSON: "We are inclined to regard China as a country or is it rather a geographical phrase. Is it wise for China to invoke the Assembly. As a lawyer I should point out that when one takes a case away from a lower court, before that court hands out a decision, it may or may not be a wise thing to do." Did you hear that?

SECRETARY: Yes, I hear that.

MR. WILSON: That is causing a good deal of commotion among
 the

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

- 2 -

the press here and I thought you might later hear stories based on that. This was given not for quotation but as background for the press.

SECRETARY: To what press did he make this statement?

MR. WILSON: To the members of the Anglo-American Press Association who are now in Geneva.

SECRETARY: I am much obliged to you for letting me know.

MR. WILSON: Yen has written a letter to the Council requesting that the Assembly be convoked as is his right under Article 15 of the Covenant. This afternoon a private meeting of the twelve was held. This morning on the strength of your No. 10 of February 11, 4:00 p.m., I informed Boncour of its contents. Later in the day, on the strength of your No. 9 of February 11, 3:00 p.m., I informed Sir Eric Drummond and Sir John Simon of its contents. At the meeting of the twelve - I am afraid I have to read again some notes as to what took place -

SECRETARY: What happened at the Council of the private meeting this afternoon?

MR. WILSON: For more than an hour discussions centered about all the various legal complications and whether such an Assembly should be called by the Council under Article 15 at the request of the Chinese, or should be called by the Council itself under Article 15 as suggested alternatively in the Chinese letter, or should be called by a majority under the regular rules of the Assembly. During this time practically no reference was made to substance of the dispute, to the negotiations at Shanghai, or to any information from the United States.

Finally,

- 3 -

Finally, however, Boncour suggested a hasty draft of a resolution which the Council in response to the Chinese initiative. This was to the effect that in the absence of news as to the negotiations undertaken by the powers at Shanghai, and in view of the incompleteness of the Council's own investigation, the Council felt unable at the moment to decide whether to call a special Assembly or definitely to renounce its right to invoke its moral authority in case of need. I have, of course, left entirely to China the question whether it would be opportune to do so.

After several other interventions, Simon said that he thought perhaps the opening phrase regarding the negotiations of the powers might be undesirable. The reference at this moment to negotiations now going on would give more knowledge than he actually possessed. His Government had recently told the Council that negotiations were going on on the spot in collaboration with the United States. His Government was in close touch with the United States and had indeed a communication from them today. He was not, however, able to say precisely that negotiations were going on, though he knew that the United States were still interested. He did not want to assert more than he actually knew. His information for the last two days was not precise enough to justify the phraseology proposed.

Boncour urged that the Council could hardly fail to speak of the negotiations. If they were continuing they would justify the Council's abstention; if they were terminated, a new situation would be created; the hostilities continued. The Council would have to consider what to do.

After

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

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After several other speakers, Boncour returned to this question with a somewhat altered phraseology, with the phrase, "While awaiting final results of the negotiations of the powers brought to the attention of the Council".

Simon again quickly intervened to say that he could not feel justified in assenting to a resolution, putting in the very forefront that to his knowledge no negotiations in any strict sense were going on. He said, however, he did know, as he was in close touch with the American Government, that that Government continued its interest in the matter; that the American Minister had reached Shanghai today as had the British Minister and they were discussing the situation, but he felt unable to assert that negotiations in any sense were going on with the Japanese or Chinese because he did not have positive knowledge that they were.

Boncour at once replied that the Council had actually proportionated its work to these negotiations. It must have constantly in mind the intense public emotion now existing. He thereupon recalled the satisfaction which the Council felt on being informed on February 2nd of the démarche of the powers. He thought it would be quite impossible to allow all that to disappear from a resolution adopted in public. It would not be necessary to emphasize that these negotiations were active but they had been "the most excuse." You see he made use of the words for the Council's abstention, and they must now be kept in the picture.

Drummond then wondered if it were really necessary to bring all these matters into the reply to the Chinese. After all it would be quite enough to meet their letter to use some general phrase as the Council was proceeding actively with its work. Now the rest of this, Mr. Secretary,

- 5 -

I need not read to you. That, I think, is the essential part as relating to the question of whether or not we are continuing our negotiations.

SECRETARY: Well, we are not engaged in any negotiations as I informed you yesterday.

MR. WILSON: It is being said at the Council in spite of the fact that I gave them your message.

SECRETARY: I told you to tell them that we were doing nothing which would keep them from going on with whatever they wanted to do.

MR. WILSON: And I did so, distinctly and definitely. I want to ask you a couple of questions, Mr. Secretary. The decision is put off until the private meeting Monday. May I advise here again that the negotiations, so far as we are concerned, are no longer continuing?

SECRETARY: Yes.

MR. WILSON: May I advise Drummond by writing confirming my conversation with him today stating that the negotiations, so far as we are concerned, are no longer continuing and the field is free.

SECRETARY: Well, I hesitate to put anything in writing of that sort for the effect of the publicity outside. I don't think that it is necessary.

MR. WILSON: What do you recommend?

SECRETARY: I recommend that if the question is put to you, as you indicate it may be, you can say that there are no negotiations going on so far as we are concerned.

MR. WILSON: I shall answer any question in that way then.

SECRETARY: Yes. I don't think there is any reason to get excited over that; it is a problem of the League of Nations and they are trying to find a reason for taking a little

more

- 6 -

more time perhaps over a difficult obstacle that lies in front of them. But our situation is as I have told you in that cable of yesterday. That put it about as plainly and as flatly as I could put it in language.

MR. WILSON: As I explained it to them, nothing could be more clear.

SECRETARY: I have sent you a cable today to the effect that an urgent communication is coming to you now for delivery to Simon tomorrow morning before he leaves. That has nothing to do with any negotiations at Shanghai and has nothing to do with any answer to the question which you have now asked me and should not in any way interfere with the League's performance in any way whatever. There has been so much communication back and forth that the air is full of dust and I don't want any more dust to be excited. There is nothing that I know of in the air which will prevent the League from going on and doing whatever it wants to do and I should think that if you have any occasion to repeat that message to the members of the League tomorrow, you had better tell Simon at the same time what you have done so that there will be no cross wires between you and him. Tell him you had this talk with me. Tomorrow you can give him the instructions I gave you.

MR. WILSON: Yes.

SECRETARY: The meeting of his Minister and my Minister in Shanghai today is not intended for the renewal on our part of any negotiations there at all.

MR. WILSON: That is of interest.

SECRETARY: But merely, so far as I am concerned, to give me any information that my Minister may get from the British
Minister

- 7 -

Minister or from anybody else. It is not intended to renew any good offices between the two contesting nations or to set on foot any new negotiations. Our Minister, Nelson Johnson, has gone down to Shanghai - I am very glad to have him on the spot - but he is not authorized to undertake any negotiations between China and Japan. Is that entirely clear?

MR. WILSON: Yes, that is clear.

SECRETARY: Don't let that fact start any new rumors.

MR. WILSON: I won't - I will be very definite about it.

SECRETARY: Be sure that you get that message to Simon. If by any chance you fail to get it to him tomorrow, for any reason whatever, I want it sent to him in London wherever you can reach him.

MR. WILSON: Yes, I understand.

SECRETARY: Good-bye.

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

TELEGRAM RECEIVED DEPARTMENT OF STATE

REP

FROM

DEPARTMENT OF STATE
RECEIVED

FEB 13 1932

DIVISION OF

FEB 18 1932

GRAY DIVISION OF
WESTERN EUROPEAN AFFAIRS
Geneva

Dated February 12, 1932

Rec'd noon

Secretary of State,
Washington.

URGENT.

81. February 12, 4 p. m.

The Secretary General has just made public the following text of a letter from Yen bearing today's date:

"With regard to the Sino-Japanese dispute of which the Council has been seized under Articles 10, 11 and 15 of the Covenant of the League of Nations, I have the honor to observe that according to Article 15, paragraph 9, of the said Covenant it is within the competence of the Council to refer the case to the Assembly. At the same time it is also provided that the dispute shall be so referred provided that such request be made within fourteen days after the submission of the dispute to the Council. In view of the time limit imposed the Chinese Government is constrained hereby to request that the said dispute be referred to the Assembly. If, however, it should be the pleasure and intention of the Council to refer the said dispute at its own initiative to the Assembly

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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

MET

2-#81 from Geneva, February 12,
4 p.m.

Assembly or in virtue of the general powers vested in it to summon the Assembly for consideration of the dispute, the Chinese Government will then be prepared to withdraw the request on its part".

The situation created by this action on the part of the Chinese is not yet clear. It is being studied and the committee of twelve is meeting this afternoon to consider it.

GILBERT

WSB-KLP

TELEGRAM RECEIVED

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

REP

FROM

GRAY

Shanghai via N. R.

Dated February 12, 1932

Division of

FAR EASTERN AFFAIRS
FEB 12 1932

Department of State

Secretary of State,
Washington.

40, February 12, 6 p. m.

Continuing my daily report 36, February 11th.

One. On the Chapei sector the truce was supposed to prevail from 8 a. m. to noon for the purpose of bringing out women and children. It is roughly estimated that about 5,000 refugees with their belongings were brought into the International Settlement. The Japanese refused to extend the truce because, as they stated, it would only enable the Chinese to strengthen their position. Foreign observers state that the Chinese did not observe the truce but kept shooting at the Japanese front lines. The Chinese, however, deny this. We undertook to secure six hours extension as many refugees still remain within the lines but the Japanese would not consent. Bombers are still up in the air attempting to spot Chinese gun positions. Artillery duel was still in progress at 3:30 p.m.

Two. On the Woosung front things are relatively quiet only desultory rifle and machine gun fire taking place. It is said that the Japanese expect to be ready for a final

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

REP

2- #40, from Shanghai, Feb.12,6p.m.

final drive at Woosung on or about the 14th.

Repeated to the Legation and Nanking for information.

CUNNINGHAM

WSB

KLP

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

1-138
PREPARING OFFICE
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Department of State

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Washington,

February 12, 1932.

793.94/A

WILSON,

BERGUES,

GENEVA (Switzerland).

noon

9

Be prepared to receive tonight an urgent communication
for delivery to Sir John Simon tomorrow morning before he
leaves at noon.

793.94/4144 A

Stimson
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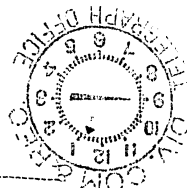
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Enciphered by _____

Sent by operator _____ M., _____, 19____

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MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN
SECRETARY STIMSON AND RAY ATHERTON, AMERICAN CHARGÉ AT
LONDON, SATURDAY, FEBRUARY 13, 1932, AT 11:15 A.M.

SECRETARY: Hello, Mr. Atherton.

MR. ATHERTON: Mr. MacDonald wants to know if you want
him to see Sir John before ---- he brings him the draft.

SECRETARY: No.

MR. ATHERTON: All right. He wanted me to give you a
personal message to thank you very much for your inquiry.
He is coming along very well but, between you and me, Sir,
they are going to have an examination of his outer eye
and they don't know what they will find.

SECRETARY: What is the trouble?

MR. ATHERTON: It is an inflammation back of the eye.
They will have to cut it out.

SECRETARY: Have you given him my private letter?

MR. ATHERTON: I gave it to him on Friday evening.

SECRETARY: I see. Thank you very much.

MR. ATHERTON: Good-bye, Sir.

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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

CONFIDENTIAL

CONFIDENTIAL

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN
 SECRETARY STIMSON AND SIR JOHN SIMON, AT LONDON, MONDAY,
FEBRUARY 18, 1932, AT 1:30 P.M. FOUR RADIO CIRCUIT PRIVATE.

should be
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SECRETARY: Hello, Sir John.

SIR JOHN: I am sorry you are being kept from your lunch. I have had my conversation, since we spoke last, with the Prime Minister in his sick room with three or four of my other colleagues. We are all of one mind - that we want to take the course which will be in accordance with your country's general scheme and we think that we shall probably have to do it in the way I told you, in connection with the League of Nations, and I am prepared to go over to Geneva to get the whole thing in shape as quickly as possible. I have some comments to make on your first draft and I propose to give them to Atherton if you agree and he will transmit them to you. Will that be all right?

SECRETARY: Yes, that will be all right. May I say something after you get through in general on what you told me this morning?

SIR JOHN: It will probably take some hours to get these suggestions through to Mr. Atherton, but you will get them in the course of eight or nine hours. Meanwhile, we have been preparing something to suggest to the League at Geneva, putting it in the same way as yours exactly. It brings in the Nine-Power Pact and the Kellogg Pact and the whole thing. We wanted to say two things to you. You will find that one of our suggestions to you is not at all to give up the reference to Manchuria but not to put it in in the way you do because we think that the representations which have been laid down should be made immediately under Shanghai and the International Settlement. We don't want to give up the other part but we don't want to put it in the forefront. The other thing

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Confidential File

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thing is this. I don't know how your information stands but we here are very much concerned to see that the tone and the substance of our communications enlarged the area of fighting rather than stop^{ped}/it. Because we have to ask ourselves the answer to our representations, it is very unpleasant. No doubt you are thinking of the same thing.

SECRETARY: I was thinking on that point. My note was not addressed primarily to Japan, it was addressed to the other members of the Nine-Power group.

SIR JOHN: Which would include Japan.

SECRETARY: Which would include Japan, but it was for the purpose of serving a notice as to the future rather than getting any immediate reply.

SIR JOHN: Quite so, we agree with you about that. That is the scheme we have in mind. I will let Atherton have one or two suggestions of ours. I will give him also an outline of what I have proposed for Geneva and after our conference on Wednesday morning, I will start for Geneva at once and I will be able to get a definite conclusion there quite quickly.

SECRETARY: I think, if I understand you clearly, that is all right, except I want to say something now if you are through. What I wanted particularly to say to you while I have you here is this. I should feel very badly if you did not accept the broad statements as to the policy of the Nine-Power Treaty which I put in primarily for the purpose of an appeal to China.

SIR JOHN: I follow you entirely, Mr. Stimson, about that.

SECRETARY: There are these dangers that we must look out for. If we served a declaration which did not, at least by implication, cover the full scope of the Nine-Power Pact and, therefore,

- 3 -

therefore, the Manchurian issue, every journalist in the world would at once, the next morning, say that Britain and America had yielded the Manchurian issue to Japan.

SIR JOHN: I don't mean to do that.

SECRETARY: I could not accept that. We should also lose the moral issue in it and we should arouse the nationalists to probable aggression against foreigners in China. There is a very real direct cash value to all of us in the policy towards China which I endeavored to put out in the introductory two or three articles in that representation.

SIR JOHN: That part of it we liked very much.

SECRETARY: I mean, if on the real issue that is presented by Japanese action, she says that you are too idealistic and we have to take a different attitude towards China - If we do that we lose the faith which China, to this point, has shown in us and that would imperil our own people in China and would do us unmeasured harm in the future, so that is what I am primarily fighting for. Then, in the next place, I wanted to say this. I think any arrangement of the way in which we submitted notes which did not present a united front of Britain and America at least, and, if possible, the other members of the four powers standing together on the Nine-Power Treaty, would lose great force in China. We cannot disguise the fact, though I very greatly regret it, that the League does not inspire fear at present in the Japanese. Japan is much more afraid of a union between you and us than she is of the whole League.

SIR JOHN: I quite see that. That is why I wanted whatever we do to use much the same language in the declarations.

SECRETARY: I am doing my best to support the League. I have no prejudice against it but every prejudice for it, but

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I am trying, at the same time, to save the immense momentum that goes with an action between Britain and America on this subject.

SIR JOHN: Yes, but we are very anxious about what the outcome of all this may be. Did you get a message from your Ambassador in Tokyo a few days ago that we had which said that the Ambassadors there all held a strong opinion that several representations would be most unwise.

SECRETARY: Yes, I have received that and it did not make the impression it would have made on me two months ago. I don't think they really know, as well as we do, what Japan is really doing.

SIR JOHN: I only wanted to know if you had it. We got a message from our Ambassador saying that the Italian, German and French were all of that opinion.

SECRETARY: Yes, I have had the same message and I have had it in mind most carefully, but I have also weighed it in comparison with information which I get elsewhere and I have compared it with the record of similar prophesies made in the past and which have been uniformly disappointing.

SIR JOHN: Yes, it is that no doubt.

SECRETARY: I followed that for some four months. Now, I think what you tell me is very satisfactory.

SIR JOHN: It is the best we can do at the moment. Tomorrow morning I will give to Atherton one or two suggestions on your document. I am not decided whether we can actually join you on the same piece of paper or not. We should like to do so and it would be much more effective no doubt as you say, but, on the other hand, I must remember the position of the Council of the League and I must go back there and do my best

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best to get them to work on a similar line and we will speak again before I go. It ought to be possible to carry the thing through, as we both wish it, at any rate by Friday.

SECRETARY: I do not see how the League can as a League make a protest on the Nine-Power Treaty and I think there has got to be a separate piece of paper, in other words, you have a separate duty to perform as a signatory of the Nine-Power Treaty and the Pact of Paris, than you have on the League Covenant.

SIR JOHN: I will mention it to the Prime Minister, because several of us here think that if we could be parties to both documents, it would be the best way.

SECRETARY: I think you should because otherwise it will lose all the force.

SIR JOHN: But I warn you we should lean against the modifications of the way some of your suggestions are put.

SECRETARY: All right, let me see them, and I will be very open minded on them. I do not see how the League of Nations can make a protest on the Nine-Power Treaty and, to a less extent, I don't see how it can do it on the Pact of Paris. Now, it is on those two treaties we are making new and very encouraging progress. We think that we are implementing those treaties by what we did in our January 7th note and, if the other powers now to that, we think it will be a long step forward in making effective progress in this entire group of peace treaties. I don't see how the League can take that step at all and I really think that is the vital point of the whole situation. I think you will have to sign two papers. I think it is very vital.

SIR JOHN:

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SIR JOHN: I told you about the other powers to the Nine-Power Treaty because I shall be seeing some of them actually in Geneva.

SECRETARY: That will be very helpful. Let me ask you about one more thing. Did you make any progress in regard to a note on the present situation of the International Settlement?

SIR JOHN: We think you ought to include it in your document, as well as the principal grounds, for an immediate restoration. It is intimately connected there. That is the situation.

SECRETARY: In addition to that - that is true - I think that should be included too - but there is this. There will be a delay in your final action on both of these matters until you make your trip to Geneva and, in the meanwhile, this battle will be fought.

SIR JOHN: I will send suggestions on your document before I start for Geneva anyway.

SECRETARY: Well then, we cannot expect to have that ready or to do anything against it until you have also rounded up the League.

SIR JOHN: I can do that in twenty-four hours.

SECRETARY: I had this in mind. I wanted to get this across to you although it is a minor matter. The protests which have been made heretofore have all been verbal protests. They have not had any publicity and also we have not made the claim that I think we are entitled to make of pointing out to Japan by using the International Settlement as a base causes damage either directly or by provoking Chinese firing. I think she is making herself liable for the damages to every person

- 7 -

person of the International Settlement who is injured or who loses property. That would be out of place.

SIR JOHN: The powers who are interested in the International Settlement might make at once a separate representation on that thought.

SECRETARY: That is exactly my point and that subject would be out of place in our general note, as it is on a higher plane. We should at once protest calling their attention to the damage.

SIR JOHN: To those who are members of the International Settlement by the firing that she is provoking from the Chinese and by the firing she is doing herself.

SECRETARY: Of course, we have got to look at it with the problem of 1927 in mind when your forces, as well as ours, were sent there to protect the International Settlement. We will say that she is doing something like that now. Of course, it isn't really the same. What I mean, Sir John, is that some time or other we are going to have a big arbitration case over those damages and I think we ought to lay the foundation for that now.

SIR JOHN: I am quite prepared to help you. Do you mean to draft something about that?

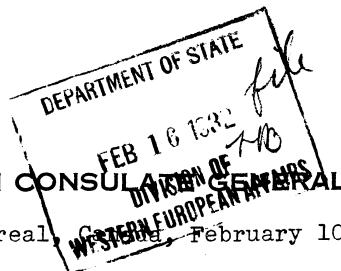
SECRETARY: I am just drafting that now. I can telegraph it to you tonight. In an hour or two probably.

SIR JOHN: You will hear from me tomorrow.

SECRETARY: Good-bye.

PM RECD

No. 1652



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SUBJECT: FEB 12 32 Transmitting Japanese Propaganda Received at Montreal.

F/HS

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.



793.94/4145

SIR:

I have the honor to transmit herewith a letter addressed by a Japanese business man named K. Kaga, under date of January 11, 1932, to Mr. D. W. Oliver, Manager of a branch of the Bank of Montreal in this city, together with an enclosure which accompanied Mr. Kaga's letter.

It is possible that these enclosures may be of interest to the Department, as indicating the type of private propaganda conducted by the Japanese merchants at the present juncture.

Respectfully yours,


Wesley Frost,
American Consul General.

FEB 16 1932

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Enclosure: Copy of Letter and
its enclosure.
Sent in duplicate.

Osaka, 11th January 1932.

D. W. Oliver, Esq.,
c/o Bank of Montreal,
Canada.

My dear Oliver:

Your letter wishing me a happy Christmas and New Year, duly to my hand for which I thank you very much and wish the same to you.

I am quite agree with what you say about the War but the recent occurrence in Manchuria is quite different from what you think about. It is not one to be said War in the present case. Our army is not fighting with Chinese regular army but with Mob, so called Bazoku or a rogue to protect the peace and welfare of the residents there and our rights recognized by the treaties.

Our army is rather acting on the defensive with small number of soldiers to clear up them.

Japan has old and delicate relations in Manchuria since the end of Russo Japanese War as explained by the Short Statement of Japan Economic Federation recently issued by them which is enclosed herewith.

You will remember that China is not yet administrated by a reliable government, as you see in Europe and America, since the revolution of Chinese Empire. Power of their administration is divided into several local rulers as to be seen under ancient feudal system. Concentration of administration is very hard in China so far the present condition is concerned.

So called Nanking Government is always taking a mean and dirty tricks against our nation. Most detestable one is their education of children in public school by using the text book in which contents they explain Japan wrongfully by the false facts as to arouse hostility towards Japan.

Why China is doing such things towards our nation. Chinese political mongers are intending internally to concentrate their nation's spirit by arousing hostility towards Japan. (Sometime other country in Europe).

Recently their action became more rude and open as to break peace and welfare of Japanese residents in Manchuria, Mongolia and China proper. Rather to challenge war from their side. Lives of Japanese residents in China became unsafe and risky by their instigation of villian or mob.

The conditions made Japan unavoidable to increase the number of soldiers in Manchuria to protect our position and interest recognized by the existing treaties between Japan and China.

As declared by our Government several times, Japan never intends to get the possession of land or injure

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

- 2 -

Chinese sovereignty or retard an equal opportunity of trade and commerce of every nation in China.

It is a great favor to our nation if you would kindly explain the real position of Japan to your friends if the case may be.

I apologize for delay of my return post as I have been very busy every day since the end of the last year and I read Sir John Power's opinion about "The World Crisis" with much interest.

Always wishing your prosperity and good health,

I remain,

Yours sincerely,

(SIGNED) K. KAGA.

STATEMENT ON THE SITUATION OF MANCHURIA
AND MONGOLIA.

Indisputable is the right of Japan to insist upon China's observance of treaty engagements and particularly upon preservation of her rights and interests in Manchuria and Mongolia. So apparent is this that no comment should be needed. It is equally obvious that Japan and China should be united and loyal in the maintenance of peace in the Far East and in the promotion of their mutual interests and welfare. Japan has always held to this ideal and been confident her sincerity would be appreciated by China. To her deep regret, this confidence has been betrayed.

In contrast with Japan's persistent patience in dealing with China in every possible conciliatory manner, hoping she would realize and abandon her destructive policies, China's anti-Japanese campaign has been steadily increasing in scope and virulence in recent years, particularly in Manchuria.

To understand the present status of Japan in Manchuria, it is necessary to review her economic development of the past few years.

In 1907, the first normal year after the Russo-Japanese war, the foreign trade totalled 52,727,475 Haiwan taels, and imports exceeded exports by 8,642,928 taels. Within three years trade tripled, and the trade balance turned. The increase has been steady. The trade in 1929 reached 755,225,360 taels, nearly 15 times greater than in 1907; exports exceeded imports by 96,047,622 taels. Not since 1919 has the balance of trade been unfavorable. To take advantage of this prosperity, immigrants poured in from China proper, Korea and Japan. Of today's population, estimated at about 29,000,000, only a few more than 1,000,000 are Japanese nationals, including some 800,000 Koreans. It is the Chinese who have benefitted most by Japan's constructive labors in Manchuria. Japan's investments of 2,000,000,000 yen have created the commercial and industrial machinery which enables the population, predominantly Chinese, to make good use of land and energy.

This development, it is important to remember, has encountered handicap unknown in other frontier regions in modern times. China itself has not flourished. Where Civil War is frequent, where warlords maintain poorly disciplined armies with wealth wrested from the people, where no improvement prevents floods, famines and epidemics, development is impossible. Japan was for a time able to minimize handicaps of this nature in Manchuria because of one fortunate privilege, that of maintaining an armed guard along the railway zone. These guards were needed when the treaty which sanctioned them was signed in 1905. The need has never ceased. As Manchuria gained wealth, the Chinese warlord gouged more and more of it from the people, lavishing it on themselves and on armies numerically larger than the region needed or could afford. Normal taxes would have yielded abundant revenues for such social essentials as good government, schools and highways. Instead there was appalling waste, always leading to more impoverishing extortion of money from the people by devious methods. As though to kill the goose that laid the golden egg, envy centered on Japan's investments. These were legitimate investments, based on treaties. China not only consistently refused to recognize the validity of the treaties, but persistently ignored the hundreds of

protests/

- 2 -

protests officially lodged by the Japanese Government. The attacks were amplified into attempts to even ruin the Japanese vested rights by forceful interference with the railway, with other Japanese concerns and even with peaceful Japanese residents. The movement became a national phobia, spreading to all parts of China and finding an ally in the unwarranted belief that foreigners, especially Japanese, are exploiting and persecuting the Chinese. To stimulate this propaganda even the text books in Chinese schools were mobilized. China's oppressive policy towards Japanese within her border particularly made manifest in recent years in the boycotting and confiscating of Japanese goods under the instigation of national leaders, in unjust taxation, in illegal arrests and in slights and insults of various descriptions. Often, the Japanese are even prevented from obtaining the daily necessities of life. Such persecution is indeed of a nature warranted at best only in time of war.

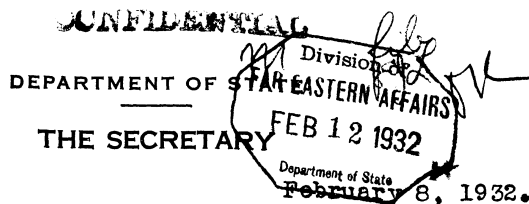
The railway guards in Manchuria no longer protected Japanese lives and interests solely by their presence. Japan's conciliatory policy and patience and diplomatic quest for a remedy seemed futile. China's disease of unlawfulness and violence grew worse and was taking advantage as she usually resort to gainst a party whom she considers impotent to take a decisive action. Because Japan's interests in Manchuria had become vital to her own economic existence, it was out of the question to relinquish them and withdraw. The only alternative was to openly defend her rights.

Japan's sole desire in Manchuria is to create the peaceful conditions needed to assure the prosperity of her interests and the existence of a sane and healthy neighbor able to cooperate toward the ideal of world welfare. In doing this, she sees nothing wrong. Rather, there has been disappointment here that the world has not fully understood the situation and has not given moral support.

It is sincerely hoped that circumstances will permit military operations to be confined within the smallest possible limits, so that a fair and equitable settlement may be brought about through direct negotiations between Japan and China at an early moment. Such a settlement, however, will be possible only when there have emerged conditions ensuring the security of Japan's rights and interests in Manchuria and Mongolia, and above all, when, China's Leaders have abandoned their misconceptions of Japan's motives and their present mistaken policy. Baron Takuma Dan, President, Japan Economic Federation.

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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



MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON AND
THE JAPANESE AMBASSADOR, MR. KATSUJI DEBUCHI.

Shanghai.

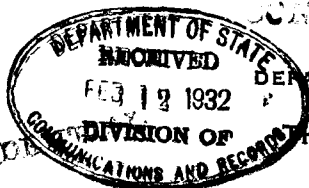
I met the Japanese Ambassador at 3:30 this afternoon as I was coming into the building and as he was coming out from a conference with the Under Secretary. The Ambassador told me of the report he had made to the Under Secretary and referred to negotiations which he understood were going on at Shanghai.

I told him that I understood that some negotiations were going on there, but so far as we were concerned, they must be considered entirely as a proposal coming from the Japanese; that I did not wish to have any misunderstanding on the part of his Government as to that; that the four powers had made a balanced proposal which we considered fair for both sides; that the Japanese had rejected one of the elements which was considered in favor of the Chinese. The Ambassador nodded his head and said, "You mean the fifth point, ". I said, "Yes. Our proposal having been thus rejected, we have not renewed it, and whatever proposals are now made can be understood as coming from the Japanese." He asked me whether we were going to make any further proposals. I told him I did not know.

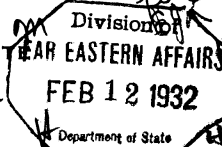
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DEPARTMENT OF STATE
THE SECRETARY



February 8, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON AND
THE FRENCH AMBASSADOR, MR. PAUL CLAUDEL.

Shanghai.

The French Ambassador called and communicated to me the copy of a telegram which was sent by the Foreign Office at Paris to London; this telegram begins by reciting the proposal made by the Vice Minister in Tokyo to the three Ambassadors there from France, Britain and America, respectively. The Vice Minister made the following proposal:

"(1) The Japanese should not advance further than the lines now actually occupied by them, provided the Chinese withdrew.

(2) The Japanese Admiral should receive an order from home to cooperate to this effect with the foreign Commanders and the Consuls and Chinese authorities.

(3) The neutral zone thus created should be occupied by the police force of a third power.

(4) The practical details of this agreement should be arranged for locally.

(5) The Japanese Minister and the General Consul of Japan (at Shanghai) shall be directed to participate and help in these negotiations.

"The

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DEPARTMENT OF STATE

THE SECRETARY

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"The first detachment of the land forces, three thousand in number, are to arrive on the seventh of February at Shanghai to relieve the tired sailors. If the remainder of the division of which these three thousand are a part are landed at all, they will not leave the International Settlement. The Ambassador of the United States and the Ambassador of Great Britain have received the same communications as the French Ambassador, who has received the foregoing. All three of these gentlemen believe that the démarche of the three governments on February 2 and the feelings excited by the subsequent events at Shanghai have enabled the moderate elements in the Japanese Government to get control of and hold in the military orders. They think it is desirable, under these conditions, to avoid any diplomatic action which would give the appearance of pressure on Japan.

"Please communicate with the Government to which you are accredited (that is, the British and American Governments) and ask them to make known what their views are.

"For my own part (says the Prime Minister of France, M. Laval), I think it is desirable that the powers take note and pin down this acceptance by Japan of the proposed principle

DEPARTMENT OF STATE

THE SECRETARY

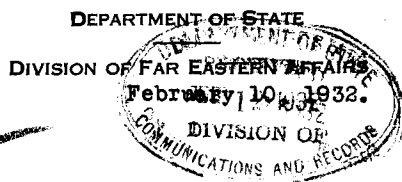
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principle of a neutral zone, in order that we may proceed to carry out the details of this principle so that we may as quickly as possible put an end to the conflict in Shanghai."

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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. Huntigton NARS, Date 12-18-75



With regard to the Japanese Army's
"bandit chasing activities" in Manchuria,
there have been no reports from Manchuria
since the first of the year.

The only important developments
which have been reported to the Depart-
ment from Manchuria concern the Harbin
situation, in regard to which Jacobs
is preparing a memorandum.

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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NA

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Have you had anything for
memoranda recently on
Japanese army's "bandit"
clearing activities?

⇒ Should we not have?

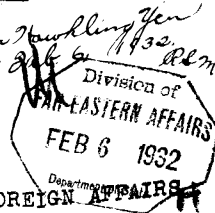
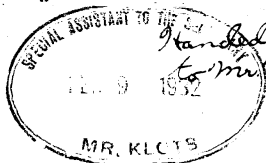
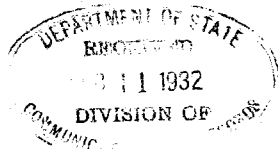
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



TRANSLATION OF CABLEGRAM FROM THE MINISTRY OF FOREIGN AFFAIRS
NANKING, DATED FEBRUARY 5, 1932.

Received by the Chinese Legation, Washington, February 5, 1932

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According to a report dated February 3, from the Municipal Government of Greater Shanghai, the Japanese were still using the International Settlement as a base for their military operations against the Chinese. During the past few days, fully equipped Japanese troops marched through the International Settlement to West Shanghai and other points, which rendered the position of the Chinese troops very dangerous. On January 31, the Chinese National Government already protested with the British and American Ministers with a view to preventing the Japanese from using the International Settlement as a base of operations; and now upon the receipt of the above report, a further protest was made to the same Ministers, requesting them to take immediate effective action to end the unjustifiable action of the Japanese troops.

It has been further reported that the inhuman cruelty of the Japanese towards Chinese civilians was horrible. In the International Settlement, the area along the settlement extension roads, Chapei, and the neighborhood, numerous Chinese civilians have been illegally arrested, and subsequently tortured or killed on false charges. Up to the time

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- 2 -

of this report, several hundred Chinese civilians have still been held as prisoners by the Japanese. The Ministry of Foreign Affairs of the Chinese Government has made a strong protest to the Japanese Minister about this matter.

The Greater Shanghai Municipal Government reported on February 4, that all the Chinese banks, money exchange shops, and rice stores had opened for business, and other stores and shops would follow very soon.

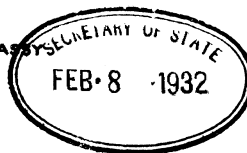
Chinese Legation,

Washington, February 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



NAVAL ATTACHE
IMPERIAL JAPANESE EMBASSY
WASHINGTON, D. C.



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The following official explanation by the Japanese Navy Department has been received by the Naval Attache at Washington at 8 o'clock, A.M., February 3:

At 3:15 o'clock on the afternoon of January 28th the Chinese authorities at Shanghai accepted our demands which had been presented to them. At the same time, however, conditions in the Chapei district and the adjoining section of the International Settlement had become so alarming that at 4 o'clock on the same afternoon the Municipal Government of the settlement declared a state of emergency.

Accordingly, it was decided that the respective garrisons of the various nations should immediately be placed on duty, each taking an assigned section in conformity with the agreement which had been made between the commanders of those garrisons.

In accordance with the above arrangement, at 6:15 o'clock on the same afternoon, the Japanese Consul General and Rear Admiral Shiozawa notified the Chinese authorities of the measure which we had decided to take in cooperation with the garrisons of the other nations. At 12 o'clock of that night, in pursuance of the above notification, our sailors proceeded to the section assigned to them, when they were suddenly fired upon by the Chinese troops. Consequently, our sailors were forced to return fire in self-defense.

At 8 o'clock on the evening of the 29th a truce was agreed upon between the Chinese authorities and our commander. But while our sailors were on duty within the assigned section, the Chinese troops, disregarding the truce agreement, continued to fire upon them

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FEB 10 1932

NAVAL ATTACHE
IMPERIAL JAPANESE EMBASSY
WASHINGTON, D. C.

-2-

both with rifles and guns. The firing continued intermittently for three days and nights. While these frontal attacks were going on, Chinese snipers in mufti were extensively employed to create disturbance within the section assigned to us for protection.

The dispatch of the necessary naval forces to Shanghai and the measures taken have no other purpose than to reinforce the small force of our sailors who have been besieged by the Chinese troops estimated at 30,000, and to protect the 25,000 Japanese residents whose lives and property have been in eminent danger of destruction.

Note: The above letter was handed me in person by Capt Shimomura Japanese Naval attache at 3:40 pm 3 Feb. Capt Shimomura stated he had been directed to deliver this letter to the US Navy Department as coming from the Japanese Navy Department - He further stated that they (the Japanese) had no objection to its being released to the press.
Hayne Ellis -

Copy of letter sent to Mr. Ellis 10 Feb. 1942. (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

Rev 3378 (Burns)

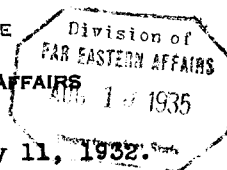
130-620 Johnson

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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 11, 1935.

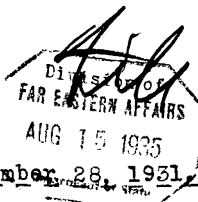
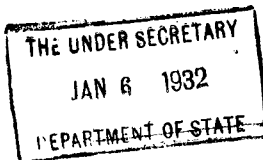
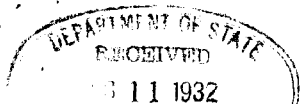
Manchuria Situation

The attached item is a memorandum prepared by Professor Blakeslee of a conversation between the Chinese Minister and Professor Blakeslee, held at the Chinese Legation on December 28, 1931.

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



DIVISION OF COMMUNICATIONS Conversation with Dr. W. W. Yen, December 28, 1931

Chinese feel that the United States has not taken a strong attitude toward Japan; some even say that the United States and Japan have an understanding; some Chinese believe that the United States is anxious to avoid offending Japan in order to make the Conference on Limitation of Armaments a success. Statements are made that the League failed, on some occasions, to take definite action due to a feeling that the United States was opposed to it.

As to war, he said that war would be extremely unfortunate for China, since Japan could then take Manchuria by conquest. So China would not declare war; even the young element would not force the Government to declare war.

The Japanese military party had a definite plan to conquer Manchuria, as they had conquered Korea -- they might not do it to-day, but they plan to do it sometime, even if they should have to wait 10 years or 20 years.

In another part of the conversation he said with emphasis, there must be some permanent settlement. Saburi formerly had a plan, and others of the Japanese liberals desired a fair settlement. Then he added that some of the Chinese were thinking that some understanding might be reached as a bi-product of the coming Conference on the Limitation of Armaments. He repeated this suggestion.

He

793.94/4151

- 2 -

He urged, by indirection, a greater interest -- or activity -- by the American Government in re Manchuria. For some decades China had looked to the United States as its natural friend and adviser; and it would be unfortunate should the United States drop into the background and cause China to feel that the League had taken our place. China was like a person terribly wounded who called the nearest physician in an emergency, but who would naturally turn to the family physician as soon as possible.

South Manchuria railway had been losing money, but the cause was not primarily the competition of the Chinese roads, but the fall in the value of silver. The South Manchuria had to charge more for carrying freight than did the Chinese roads.

The boycott was very severe, but the Japanese military had apparently calculated upon that. It could be carried on for sometime yet, some months. He gave illustrations: the Chinese stewards on his steamer had decided not to go ashore while in Japan in order not to spend a cent in that country. So Yen stayed on board. Japanese steamers on the Yangtse were laid up.

The burden of his talk was that the Chinese were perplexed over the attitude of the American Government; but since coming here, he felt that he understood better the difficulties in the situation.

As

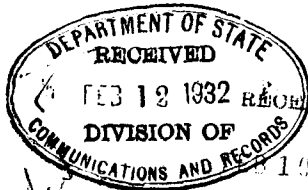
- 3 -

As to the alleged 300 unsettled cases which the Japanese stressed, he said he had talked to the Young Marshal, and had asked him why he didn't settle them. Marshal Chang replied that the great majority of them related to land leases and that to accede to the Japanese claims would be to give Japan the country.

Yen thought that American public opinion did not at first understand the situation, and was misled by the stories of the attack upon the South Manchuria Railway, but that a better understanding of the real situation was developing, due, among other reasons to the work of Carter and Chester Rowell, who had recently returned. Rowell is speaking frankly in California.

The attitude of the United States has a great influence in Japan. He was told that when Secretary Stimson's strong statement in re Chinchow was reported in Japan, the Japanese sent instant word countermanding the order for the advance on Chinchow.

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



DEPARTMENT OF STATE

THE UNDER SECRETARY



SECRETARY'S OFFICE

February 8, 1932.

Memorandum of conversation with the Japanese Ambassador,
February 8.

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The Japanese Ambassador called to say that he had news that the first Japanese land forces had landed at Woosung at six last night, consisting of 3,000 of a mixed brigade. They found the bridge across the Woosung Creek destroyed and did not attempt to cross it to take the Woosung forts. Instead they proceeded directly to Chapei. He said the distance was only about 15 miles and that there was a good road so they probably have already reached there. He said that they were part of the Twelfth Division coming from Kokura. The Ambassador said that the further troops which were to be sent, making apparently something like a division, were coming from Kanazawa, which is near Tsuruga.

The Ambassador asked me whether we had heard anything about what seemed to him a foolish story of the attempt to establish neutral zones around certain Chinese cities. I told him that we had merely heard the story and that the Secretary had told the press that he did not think there could be anything in it, since Japan had so distinctly

793.94/4152

FEB 12 1932

RECEIVED

DEPARTMENT OF STATE
THE UNDER SECRETARY


2

distinctly stated on December 9th that they stood with England and this country in defending the territorial and administrative integrity of China. Mr. Debuchi said that he believed the story must be completely false, but admitted that he was becoming very careful as to the statements he made. He said he hoped the situation was becoming quieter in Shanghai as he understood the Japanese Government had proposed the establishment of neutral zones. I said this was so and that, in addition, they had proposed the immediate cessation of hostilities. He said that, under these circumstances, he supposed nothing more would be done by the powers at the moment. I told him this was true as to Shanghai for the time being, on condition, of course, that the fighting stopped and that Japan did not send another division, for example, to take Nanking. He asked me whether there was any possible fear in the United States that Japan would do such a thing. I told him that Japanese actions had been so unpredictable and un-understandable all along that we naturally were afraid of everything. He said he could not see how any move on Nanking would

DEPARTMENT OF STATE
THE UNDER SECRETARY

3

would be possible, but again reiterated that he would not be foolish enough to make any definite statements without instructions. I told him that so long as there were Japanese warships stationed at Nanking it could only look like a threat and that a threatening attitude was likely to cause trouble at any moment.

W. R.  Castle, Jr.

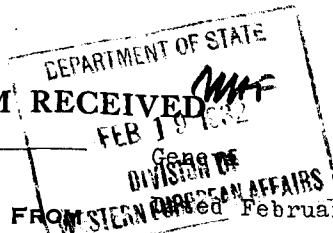
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

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

TELEGRAM RECEIVED



FE
WE

February 12, 1932

Recd 10:51 p.m.

Secretary of State

Washington.



19, February 12, midnight.

Continuing the memorandum concerning the private
meeting of the twelve this afternoon the first section
of which I read over the telephone the evening of February
12 Sweetser's memorandum continues.

Boncour then said that the long discussion showed
that all agreed that the Council itself could not for
the moment summon the Assembly, that similarly it would
not renounce its right of subsequent appeal to this more
formal moral authority but that the Chinese themselves
were undoubtedly free to take this action if they so
desired. The only question then was one of the exact
form, which Drummond suggested might be submitted to a
meeting of the twelve on Monday in anticipating a full
session either public or private on Tuesday. Zulueta
then with obvious embarrassment at the end of the meeting
urged that he himself was greatly preoccupied with the
substance of the affair whereas the discussion had borne
only on the juridical complexities. However important
these were the great problem itself was always present.
He did not want to embarrass the negotiations in the
slightest

F/LS 793.94/4153

FILED

FEB 23 1932

-2- #19 from Geneva.

slightest degree; on the contrary they should have the Council's whole moral support. If the activities of the powers do not succeed at least in preventing hostilities the Council must take action of some sort or other. The Council has had a great moral authority. Indeed that is all it has and it must exercise it. He feared that authority had already been seriously compromised and begged his colleagues not to forget the substance of the affair. Two members of the League were practically at war; the moment was coming when the Council must respond to a movement of World opinion which is thoroughly sound and right. At this moment at the end of the meeting Zaleski rose to leave. Colban said that in order that the silence should not be misinterpreted he wanted to express his cordial agreement with Zulueta with which Simon also concurred.

The balance of the memorandum which contains an analysis of the legal argument regarding the transfer of the question from the Council to the Assembly I am forwarding by mail with the exception of one paragraph in which Drummond outlines the Chinese point of view as explained by Yen. This paragraph follows:

"Drummond then explained that Yen's purpose seemed to be to reserve his right to refer the matter to the Assembly which otherwise would have lapsed today. It was noticeable that his letter did not suggest a date for the

-3- # 19 from Geneva.

for the convocation; indeed he had specifically added that he did not want to fix a date and in any case did not want an immediate meeting. He had no idea of pressing the matter but merely wanted an assurance that his right would not lapse. The question of voting he did not think very serious as the Council itself would have to have unanimity except for the parties and the only added difficulty would be the necessity of having a majority of the other members of the Assembly."

WILSON

JS
CIB

TELEGRAM RECEIVED

fw

Gray

Shanghai

Dated Feb 12, 1932,

Recd 10.30 pm.

FROM

Secretary of State,
Washington.

37, February 12, 3 pm.

My telegram No. 33, February 11, 4 pm.

Admiral Taylor informs me that he sent by the pouch yesterday a written report of the two Japanese actions related in paragraph one to Vice Admiral Nomura and requested him to prevent a recurrence of flying over the American sector. Admiral Taylor's Chief of Staff was informed that orders had already been given to stop flying over the Settlement and he was assured that steps would be taken to see that such orders were strictly carried out.

Repeated to the Legation and Nanking for information.

CUNNINGHAM

FW.

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



F/LS 793.94/4154

FILED
FEB 18 1932

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TELEGRAM RECEIVED

FROM

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

MET

GRAY

Shanghai via N.R.

Dated February 13, 1932

Rec'd 5:20

RECEIVED
FEB 13 1932
DIVISION OF
COMMUNICATIONS
U.S. DEPARTMENT OF STATE
FEB 13 1932
Department of State

Secretary of State,

Washington

44, February 13, 2 p.m.

My telegram No. 37, February 12, 3 p.m.

Notwithstanding assurance given Admiral Taylor I
am informed by telephone by Colonel Hooker that Japanese
bombing planes numbers 342 and 343 passed over American
sector three times about 9 o'clock today.

Repeated to the Legation and Nanking.

KLP-RR

CUNNINGHAM

F/L/S
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FEB 18 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. Lustig NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

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Grant
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Collect
Charge Department
OR

Department of State

Charge to
\$

Washington,

February 13, 1932.

1 PM

AMERICAN CONSUL,

SHANGHAI (China).

21 urgent (Confidential)
Your 44, February 13, 2 p. m., and Department's 15, 4/14
February 11, 6 p. m.)

Have you made any further protest?

In view of the fact that previous protests have been made by our naval authorities and replied to by Japanese naval authorities only and have apparently related to the American sector only, Department suggests that you protest as authorized in specific and broad terms as outlined in Department's 15, and further suggests that you endeavor to do this jointly or in concurrence with your British colleague.
Stimson
Please inform Department of any action taken.

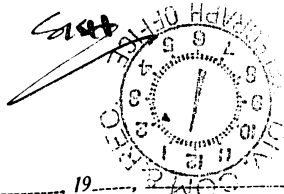
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FEB 13 1932



Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

AM RECD

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

Katsuji Debuchi
Japanese Ambassador

*Left at my home
Feb 7.*
JAPANESE EMBASSY
WASHINGTON

FEB 11 1932

DIVISION OF



STATEMENT OF THE JAPANESE GOVERNMENT
FEBRUARY 7, 1932

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RECEIVED
FEB 9 - 1932
SECRETARY'S OFFICE

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FEB 10 1932

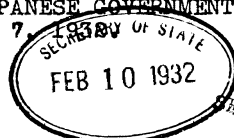
It is the immutable policy of the Japanese

Government to ensure by all means in their power
the tranquillity in the Far East and to contri-
bute to the peaceful progress of the world.
Unfortunately in late years the internal dis-
cord and unsettled political conditions prevail-
ing in China, coupled with rampant anti-foreign
agitation, have given cause for serious concern
to all the other powers, especially Japan, which,
because of her geographical proximity and vast
interests there which are involved, has been
made to suffer in far greater degree 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

*Left at my house
Jan 7.*
JAPANESE EMBASSY
WASHINGTON
FEB 11 1932
DIVISION OF



STATEMENT OF THE JAPANESE GOVERNMENT
FEBRUARY 7, 1932



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FEB 9 - 1932
SECRETARY'S OFFICE

793.94/4156

It is the immutable policy of the Japanese Government to ensure by all means in their power the tranquillity 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 the other powers, especially Japan, which, because of her geographical proximity and vast interests there which are involved, has been made to suffer in far greater degree 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

FEB 11 1932

frequent infringements of our rights and interests, to various acts of violence towards Japanese residents, and to intensifying the vicious anti-Japanese movement which is without parallel elsewhere as it is under the direct or indirect guidance of the Nationalist Party which is identified with the Nationalist Government itself.

2. It is under these circumstances that the Shanghai incident has broken out. It is similar to 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 Japanese and by acts of physical violence. The Shanghai incident only happened to be a most flagrant case. On the 9th of January last, the vernacular journal "Minkuo Daily News" published an article insulting the honor of our Imperial house. Shortly afterwards, on the 18th, a party of Japanese priests and their companions of five persons in all were the subjects of an unprovoked attack by Chinese desperados. As a result, three of the victims were severely wounded and one was killed. The shock of these

events was sufficient to explode the long pent up indignation felt by the Japanese residents in Shanghai who had suffered for many years past and had exercised the utmost restraint in the face of increasing Chinese atrocities and affronts.

3. Noting the extreme gravity of the situation, the Japanese Consul General, under instructions of his Government and in order to do all that was possible to prevent, by local solution, any aggravation of the case, presented to the Mayor of Shanghai on January 21 a set of four demands including one for the dissolution of anti-Japanese societies. At three o'clock on the afternoon of January 28, the Mayor's reply, acceding to the above demands, was received. The Japanese authorities, hoping that the 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 19th army then concentrated in the vicinity of Shanghai began, for reasons connected with internal politics, to display signs of recalcitrance towards the 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 rumors were in circulation and residents were plunged into an agony of terror, the police of the Chapei District having taken flight. Thereupon, on the 28th at 4 o'clock the authorities of the settlement proclaimed a state of siege and armed forces of the Powers were ordered out to duty in accordance with 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 a conflict between the Chinese and Japanese armed forces of which the present situation is the outcome.

4. As is clear from what has been said the incident of the Chinese assault upon Japanese priests and the incident of the armed Sino-Japanese conflict were entirely separate affairs. With regard to the armed collision as it was entirely contrary to every intention of ours and as the British

and American Consuls General offered the tender of their good offices, the Japanese authorities sought to effect a cessation of hostilities and, in fact, succeeded on the 29th in arriving at an agreement for a truce. But, on the following day, the Chinese,, in contravention of their pledge, opened fire once more. At a conference summoned on the 31st it was agreed that the opposing forces should cease from all hostile action during the progress of negotiations for the establishment of a neutral zone. However, the Chinese resuming their offensive are continuing concentration of their 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 spreading news of Japanese defeats are manifesting even greater vehemence in their actions.

5. In the existing state of affairs in China uncontrolled and in view of historical precedents in such cases we can have no assurance as to the possible behavior of vast armies congregated in

and American Consuls General offered the tender of their good offices, the Japanese authorities sought to effect a cessation of hostilities and, in fact, succeeded on the 29th in arriving at an agreement for a truce. But, on the following day, the Chinese,, in contravention of their pledge, opened fire once more. At a conference summoned on the 31st it was agreed that the opposing forces should cease from all hostile action during the progress of negotiations for the establishment of a neutral zone. However, the Chinese resuming their offensive are continuing concentration of their 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 spreading news of Japanese defeats are manifesting even greater vehemence in their actions.

5. In the existing state of affairs in China uncontrolled and in view of historical precedents in such cases we can have no assurance as to the possible behavior of vast armies congregated in

the Shanghai area, should unscrupulous politicians care to incite them. Our marines opposed to the 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 the Chinese armies, to restore Shanghai to normal conditions, and to relieve the inhabitants of all nationalities from the strain of fear and disquiet, decision was taken to order the necessary military forces to Shanghai.

6. It should be stated that this despatch of military force carries no more significance than the despatch of marines in accordance with the practice on several 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 Japanese property worth many hundreds of millions involved in the affair.

The expeditionary force has been therefore

limited to the strength absolutely required for the above purposes and its action will be guided solely by a policy of protecting the common interests of all the powers. Unless the Chinese, by continuing hostilities or by obstructing our army in attaining the above ends, compels it to take necessary action, there is, of course, no intention whatever that it should enter upon an 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 the other powers and mutual assistance and so to contribute to the peace and well being of the Far East.

TELEGRAM RECEIVED

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

REP

FROM

GRAY

Shanghai via N. R.

Dated February 13, 1932

Rec'd 7 a. m.

Secretary of State,
Washington.

42, February 13, 9 a. m.

Following from Mayer for Military Attache:

Troops in Shanghai: American marines 1700; army 1200;
British army 3200; French army 1700; Italian army 160;
Shanghai volunteer force 2100; Japanese estimated navy
troops 6,000; army 4,000 under Major Generals Doita and
Shimamoto; Chinese 60th, 61st and 78th Divisions plus
detachments from First and Second National Guard Divisions
totaling about 35,000. Japanese army operating against
Woosung forts while badly battered and probably
ineffective against shipping still in possession of
Chinese. Morale of 19th Route Army exceedingly high.
Air fighting greatly exaggerated; no planes here yet.
Reliable sources predict landing of 20,000 additional ^{Japanese}
troops including 9th Division about February 13th and
14th.

JOHNSON

KLP
HPD

F/LS 793.94/4157

FILED

FEB 19 1932

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



February 26 1932

RECEIVED

FEB 13 1932

SECRETARY'S OFFICE

Hon. H. L. Stimson
Secretary of State
Washington, D. C.

My dear Mr. Secretary:-

I enclose you a telegram from the Chinese
Chamber of Commerce for your information.
Of course, I shall not answer it.

I am watching the papers with great interest
and considerable anxiety. I hope some
basis can be found for the adjustment before
the whole East is involved in a War.

Sincerely yours

FBK:R

Frank B. McCoy

F/LS 793.94/4158

FEB 24 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

CLASS OF SERVICE
 This is a full-rate Telegram or Cablegram unless its character is indicated by a symbol in the check or in the address.

WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

Form 1204

SYMBOLS	
DL	Day Letter
NITE	Night Message
NL	Night Letter
LCO	Deferred
CLT	Cable Letter
WLT	Week End Letter

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at Main Office, 26 S. Raymond Ave., Pasadena, Calif.

55 H 35 DL 3 EXTRA Telephone—Colorado 4321

CA WASHINGTON DC VIA STPAUL MINN FEB 9 1932

HON FRANK B KELLOGG

HUNTINGTON HOTEL PASADENA CALIF

QUOTE MR KELLOGG JAPAN WAGES UNDECLARED WAR ON CHINA DEFIES POWERS
 PEACE PROPOSALS WE APPEAL TO YOU AS AUTHOR ANTIWAR PACT FOR EFFECTIVE
 MEASURES ENFORCING PEACE SHANGHAI CHAMBER OF COMMERCE UNQUOTE
 RELAYED

HAWKLING YEN CHINESE CHARGE DAFFAIRES

943A

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

793.94/4158

February 17, 1932.

793.94/4158

Dear Mr. Kellogg:

I acknowledge with thanks the receipt of your letter of February 10, 1932, enclosing a telegram from the Shanghai Chamber of Commerce, communicated to you through the Chinese Legation here, in regard to the existing trouble in the Far East.

We are all anxious with regard to the situation and I can assure you that the Administration is continuing to put forth its best efforts to the end that there may be reached by peaceful means solution of the many problems presented.

Sincerely yours,

H. L. STIMSON

The Honorable

Frank B. Kellogg,

The Huntington,

Pasadena, California.



FEB. 16 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

TELEGRAM RECEIVED

REP

FROM

GRAY

Shanghai via N. R.

Dated February 13, 1932

Rec'd 5:20 a. m.

Secretary of State,
Washington.

43, February 13, 1 p. m.

Department's February 4, 1945, 2 p. m. concerning sale by American and British oil companies of aviation gasoline to Chinese military.

This Consulate General has decided after careful consideration not to request American companies to refrain from selling gasoline to either Chinese or Japanese. The Japanese can easily obtain gasoline from Japan, buying it from the same companies which sell it here and a refusal to sell to either side in Shanghai would in reality constitute outright discrimination against the Chinese. Furthermore, a refusal on the part of American companies to sell gasoline to the Chinese authorities would undoubtedly have serious repercussions on the business of the companies up country. Unless, therefore, future developments disclose more cogent objections to the sale of aviation gasoline, I do not propose to request American companies to refrain from its sale.

Minister

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F/LS 793.94/4159

ETIM

REP

2- #43, from Shanghai, Feb.13, 1p.m.

Minister Johnson concurs in the views of this Consulate General.

The British Consulate General referred the matter to British Foreign Office and on February 8th informed this Consulate General that Foreign Office instructed that it would be advisable not to sell aviation gasoline to either Chinese or Japanese. British Consulate General thereupon requested Asiatic Petroleum Company not to sell to either side and Company agreed to act accordingly.

I informed British Consul General yesterday of the decision of this office, and it is possible that he may now again refer the matter to the higher British authorities.

Admiral Taylor has been informed.

CUNNINGHAM

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

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,

This message is sent in confidential Code.
It should not be divulged before
being communicated to anyone.

February 15, 1932.

11 am

AMERICAN CONSUL

SHANGHAI (CHINA).

29

For the confidential information and guidance of
the Minister and the Consul General.

Your 43, February 13, 1 p.m., in regard to
aviation gasoline.

Department approves your position in the matter.

Department emphasizes again, however, the desirability
of cooperating with your British colleague in reference
to all such matters ^{and} endeavoring to work out with him,
where practicable and possible, a common course.

793.94/4159

Stinson

SKH

Sum by Secretary
4-14-32

FE:SKH:EJL

FE

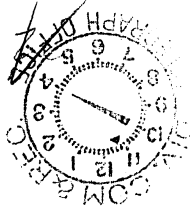
Feb. 15 1932.

Enciphered by

Sent by operator M., 19

Index Bu.—No. 50.

78-51854



U. S. GOVERNMENT PRINTING OFFICE: 1928

TELEGRAM RECEIVED

REP

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

TOKYO

Dated February 13, 1932

Rec'd 5:15 p.m.
FAR EASTERN AFFAIRS
FEB 13 1932
Department of State

Secretary of State,
Washington.

65, February 13, 1 p. m.

From various sources I have heard that Minister of
War Araki, the leader of what might be called the
"ultra military faction", has been conservative to an
extent that his former followers feel he is now no
longer supporting them.

This conservative attitude is attributed in part to
the influence of Minister of Finance Takahashi who has
pointed out that Japan is headed directly for financial
ruin if the operations in China continue. There is also
a large conservative element in the community who make
no secret of their concern over the present policies,
and their influence is all for peace.

Baron Kato has again urged upon me the importance
of patience and inactivity on our part for the present,
in the belief that the conservative elements, in the
absence of outside pressure, are forming to assert them-
selves. Popular sentiment, once the war psychology has
passed, will be in favor of peaceable methods.

FORBES

HPD - RR

F/LS 793.94/4160

FILED

FEB 27 1932

793.94
894.00
711.94

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 16, 1932.

Mr. Hamilton:

The writer of the attached letter, Captain K.M. Zau, is a captain in the Chinese Army. He is attending the Field Artillery School at Fort Sill, Oklahoma, in accordance with arrangements made by the War Department at the request of the Chinese Legation here. See note from Mr. Yung Kwai of August 11, 1931, file 811.22793/149. Inasmuch as the appropriate channel for foreign officials to communicate with the Secretary of State is through their legation or embassy, I suggest that this letter be filed without acknowledgment.

The letter, although not meant, I think, to be offensive, is decidedly critical and not complimentary and certainly in bad taste coming from a person who is enjoying a privilege granted him as a favor by a branch of this Government. Would it be worth while to mention the incident informally to the Chinese Chargé some time when he is here and intimate that letters of this character are to be discouraged.

E.g.C.

O.K. e.g.C.

793.94/4161

EGC

If we get another letter from him, yes. I think we might file this letter without acknowledgment.

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

E. S. C.

Please see
whether this is
an officer
whose attendance
at U. S. A.
school was
arranged by
Legation here
thru Dept. H.

-1-

PM RECD



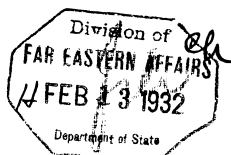
793.94

FEB 13 32

to The Excellency of Stimson,
Secretary of
State Department.
Washington,
D. C.

Box 195

Field Artillery School, file
Fort Sill, Oklahoma, ^{m.m.p.}
February, 9, 1932.



F/LS

793.94

Dear Sir,

I have very much appreciated about
what your Excellency did for the justice and
righteousness towards the present controversy between
China and Japan. And I know your Excellency
would not stop your peace-making policy between
these two hostile countries.

As ~~a~~ I am the Captain of Chinese
Army and was sent up here to attend the B. O.
Class of U. S. Field Artillery School since the
last fall, I am so glad to have this chance
to write to your Excellency.

As to the present war at Shanghai,
I could not help to blame those authorities of
the International Settlement that they let the
Japanese use the Settlement as a base to
fire upon Chinese troops with heavy guns and
Chinese troops can not fire their heavy
artillery upon them as to make a retaliation.
This makes the Chinese troops unable to get
an equal chance to fire upon their furious
enemies; this throws millions of Chinese people

-2-

who live in the International Settlement to their unpredictable fate under the Japanese bayonets; This endangers the whole properties and lives of the Chinese people within the settlement and this gives the Japanese a chance to kill millions of our non-combatants, rob our properties of thousands millions dollars worth and let our helpless brothers and sisters drop their blood to dying the ground under the Japanese pistol and bayonets!

Is not the Japanese use this settlement as a gun-emplacement to fire upon Chinese troops? Is not the Japanese killed thousands of non-combatants within this same settlement? The authorities of this settlement allowed the Japanese to use it as a gun-emplacement, why Chinese ^{troops} do not have the right to even step into it to protect their people's properties and lives which are ^{amounted} many thousand times as big as that of any other countries?

I do not blame the existence of this International Settlement so long as it remains as a pure neutral zone between the two belligerent countries and so long as it renders a equal safety to the properties and lives of Chinese people as well as other peoples. But

-3-

When once it is silently allowed by its authorities to our enemies to use it as a base, then it is no longer to be an International Settlement but it becomes undoubtful a gun-emplacment of our enemy. So we have the entitled right to fire upon it to neutralize our enemy's forces, to throw bombs upon it to silent our enemy's fire or disable their personals and materiel under Camouflages or covers and further, the Chinese troops have the full right to drive into it, to pursue the enemies, to take over their positions and most of all to rescue the survivals of our helpless people within.

For nearly a whole month of desperate fighting, we, Chinese troops preferred to stand in an inferior position to hold the enemies and were instructed by our commanders not to fire into the International Settlement nor even towards it thus we waited for the authorities of the Settlement to let the Japanese out and so equalize the Chinese chance of fighting and restore the safety of lives and properties of our people within this so-called Settlement. But our repeated petitions to the said authorities were answered only by a kind of undescriptive silence and it seems certain that the continuing of using this Settlement as a base by the Japanese was totally approved!

- 4 -

During this past one month, 15% of our people within this settlement already suffered a kind of unknown fate under the Japanese bayonet! If the war is just like this going on, and if the Japanese were continuing to use this settlement as a base, for the next two months the lives of our whole people within this settlement will be totally perished! Is this called justice? Is this how the said authorities deal with the matter? Can China stand this for an endless period? Or can any other human race in the world could do so?

Two reasons might conduct the said authorities to let the Japanese to continue to use this settlement as a base: one is this that they already frankly allowed Japan to use it for some unknown mutual understandings; another is this that they are scared by Japanese cruel bayonets or have no enough force to compell Japan to do so. By the first reason, we, Chinese gain the full right to fire upon the settlement ^{if} we fire upon our enemies; By the second reason we, Chinese troops will be glad to step into the settlement and drive out their Japanese occupants and restore their safe neutral zone for them! For either

reason, we, Chinese troops ought to be welcome into the settlement for the guarantee of security of all mankind at that area.

Japan bears the whole responsibility of this war. It was Japan who first invaded Mukden, the capital of our Liaoning Province, and it was Japan who fired the first gun toward Chinese troops at Shanghai! The disturbance of the whole world should hold Japan for a compensation.

For so many days' fighting, the Chinese troops didn't use any heavy artillery fire nor any air force to retaliate that of Japanese, only because we realize our responsibility to protect the security of the lives and properties of our friendly countries' people over there. So trench-mortars were the only weapons we put into our use as to apply their curve trajectories to avoid the hitting of the places where there is no enemy. But by clinging to this, we have lost many chances to apply our heavy fire to drive our enemies back to their warship or further back to their three pieces of volcanic rocks. Our soldiers hold their lines not by fire power, nor by ground organization, nor by deep covers,

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

- 6 -

but by "patriotism" — "die where they are but no retreat!" When they heard the crying of their fellowmen's babes under the Japanese dagger within the Settlement, Who in the world could imagine how they feel? and what they are going so willing to do?

So here I write to your Excellency and hope you could notify the said authorities at Shanghai that two ways only are opening to them to choose: one is to make this Settlement a battlefield of China and Japan if they continue to let the Japanese use it as a base; another is to force the Japanese troops to quit the Settlement within a definite hours and to not allow either Chinese troops nor Japanese troops to step into that part of soil and both countries' people and properties within that area will subject to the protection of Authorities of International Settlements. This is the justice, and righteousness and also this is the only way by which they could continue to guarantee the existence of this so-called International Settlement.

For the final solution of the problem of this war will be the independence of Korea, which ^{only} will reduce the friction between China and Japan just as the

- 7 -

doing of the independence of Poland between Germany and France. Manchuria is our three provinces—namely Liaoning, Kirin, Heilungkiang—just as you have your three states—New York, ^{Pennsylvania} Philadelphia, and Maryland. It has been China's integral parts for 1032 years. And it is a place populated all by Chinese and no one manchurian tribe there. Manchurians had been a ruling class in China for 200 years and scattered themselves all over the country of China as officers. So till now, they have been totally neutralized. Japan forged the name "Manchuria" to cheat the whole world! Now Japan drives out the Chinese authorities from these three provinces and put some new ones there, who are all pro-Japan! By this alone, China as a whole will fight to the last man!

I get so much honor to write to your Excellency and here I look forward for your all-mighty hand to operate the peace-machine of this world!

I remained;

Most Truly,

Zan K. M.

Captain, Chinese Army.

DECLASSIFIED: E.O. 11652, 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

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 **MET**
\$

Washington,
GRAY

February 12, 1932

2 p.m.

WILSON,

BERGUES,

GENEVA (Switzerland).

11

Reference Department's 9, February 12, noon.

There follows the text of a draft concerning which
[Handwritten: (Munich)]
I have just talked with Sir John Simon. Please deliver
a copy to Sir John before he leaves Geneva, explaining
that this is merely a rough draft; that I shall be work-
ing further on it; that I shall welcome his comments and
suggestions.

QUOTE. To the nations who are either signatories or
adherents of the so-called Nine Power Treaty "regarding
principles and policies to be followed in matters con-
cerning China":

The (blank) Governments, signatories of the Nine-Power
Enciphered by Treaty, pursuant to Article seventh thereof, desire to

Sent by operator M., 1932, communicate

Index Bu.—No. 50.

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

793.94/4161A

793.94/A

note
500A4d
893/102-S

793/4119
893/0146
711.00

P.C. ✓
726.500A4d

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

1-138
 PREPARING OFFICE
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1-138 TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Collect
 Charge Department
 Charge to
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Department of State

3-11 to Wilson, Bergues, Geneva,
 February 12, 2 p.m.
 Washington,

people of China the fullest possible opportunity of developing, without molestation, their sovereignty and independence among the nations of the world, according to the modern and enlightened standards believed now to maintain among the peoples of this earth. It was known that China was in the process of developing the free institutions of a self-governing Republic after her recent revolution from an autocratic form of government; that she would require many years of both economic and political effort to that end, and that the process would necessarily be a very long one. The Treaty was thus a deliberate covenant of self-denial among the signatory powers of all acts of aggression which were calculated to interfere with that development. But it was believed, and a study of the Treaty reveals that faith, that only by such a process of development could the fullest interests, not only of China but of all nations having intercourse with her, best be served.

II. Six years later the general policy upon which

the Nine-Power Treaty was based received a powerful reinforcement in the execution, by substantially all the

Enciphered by

Sent by operator

M.

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nations

U. S. GOVERNMENT PRINTING OFFICE: 1916

793.94/4161a

DECLASSIFIED: E.O. 11652, 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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1-138

TO BE TRANSMITTED
 CONFIDENTIAL CODE

Collect
 Charge Department
 OR

4-#11 to Wilson, Bergues, Geneva,
 Department of State January 12, 2 p.m.

PLAIN

Charge to
 \$

Washington,

nations of the world, of the Pact of Paris. These two treaties represent successive steps taken for the purpose of aligning the conscience and public opinion of the world in favor of a system of orderly development by the law of nations, including the settlement of all controversies by the methods of justice and peace instead of by arbitrary force. The program for the protection of China from outside aggression is an essential part of any such development. The signatories and the adherents of the Nine-Power Treaty rightly felt that the orderly and peaceful development of the four hundred millions of people inhabiting China was necessary to the peaceful welfare of the people of the entire world and that no program for the welfare of the world as a whole could afford to neglect the protection of the development of China.

III. Although they have withheld adverse judgment pending the investigation which is to be made by the commission appointed by the League of Nations under the resolution of December 9, the nations of the world have watched with apprehension the events in Manchuria which have taken place during recent months. This apprehension was based

Enciphered by _____

Sent by operator _____ M., _____, 19____

upon

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

793.94/4161a

DECLASSIFIED: E.O. 11652, 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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Charge Department
Charge to ^{OR} MET
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TELEGRAM SENT

1-138 TO BE TRANSMITTED
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NONCONFIDENTIAL CODE
PLAIN

Department of State

5-#11 to Wilson, Bergues, Geneva,
Feb 11/12, 2 p.m.

upon the tragic experience of the last two decades which have made manifest the fact that in case of war no nation is immune from the danger of becoming involved in the conflict, however remote in its inception. The recent spread of these disturbances in Manchuria to the area of Shanghai, involving as it does the direct threat of danger to the interests of many nations, is further powerful evidence of this fact.

IV. The rapid development of events in Shanghai seems to the (blank) Governments to give full cause for the deepest apprehension of all nations who have been interested in the policy of the two treaties to which we have referred. It is unnecessary to attempt to analyze the origin of the controversy or to apportion the blame between the two nations which unhappily are involved. For it is clear beyond peradventure that a situation has now developed which can not under any circumstances be reconciled with the covenants and the obligations of these two treaties and which is wholly abhorrent to the enlightened purpose for which they were conceived. There is now assembled in the port of Shanghai a Japanese force including over forty vessels of war and reenforced by a large expeditionary force of land troops.

Enciphered by
Sent by operator
Index Bu.
The very size of such an expedition is not only disproportionate to its avowed objective of protecting life and property

note
893.102-2

note
893.0146

793.94/41612

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
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NONCONFIDENTIAL CODE
PLAIN

Department of State

Collect
Charge Department
OR
Charge to
\$ MET

6-#11 to Wilson, Bergues, Geneva,
Washington,
February 12, 2 p.m.

property in the city of Shanghai but is in itself provoca-
tive of counter-violence. Military airplanes have been
bombing areas densely populated by helpless civilians of
a nation with whom their operators are not ostensibly at
war. Many miles away from the city where the alleged
violence against Japanese nationals occurred, the Japanese
Government is now engaged in military operations on a
large scale. It is inconceivable that if the leaders of
these two nations had been fully and equally imbued with
the purpose underlying these treaties and had been adequately
mindful of the covenants therein such a situation could
have been allowed to develop or that at some stage a solu-
tion of their controversies could not have been otherwise
achieved.

V. The effect of this development of violence has
been to threaten the very existence of the treaties them-
selves. This has been shown by the following occurrences
which have greatly accentuated the concern of the (blank)
Governments:

note
793.94119

(1) In rejecting a recent proffer of good offices

Enciphered by ~~from the British, the American and the French Governments~~

Sent by operator M., 19 submitted

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1969 1-138

793.94/41612

DECLASSIFIED: E.O. 11652, 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
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Collect
 Charge Department
 OR
 Charge to

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TELEGRAM SENT

2-11 to Wilson, Bergues, Geneva,
 February 12, 2 p.m.

Department of State

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 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

communicate to their fellow signatories and adherents to
 this Treaty their views as to certain matters which have
 recently occurred within the territory of the Republic of
 China.

I. This Treaty was concluded in 1922 in the city of
 Washington at a conference, participated in by many powers,
 at which the policy of these powers towards the Republic
 of China was fully discussed and the attitude which they
 should hereafter adopt towards the Republic of China was
 set forth in this treaty. The treaty represented the
 culmination of a policy towards China which had been
 developed between these powers for many years, known as
 the Open Door policy. In the first article of that Treaty
 the Contracting Powers, other than China, agreed:

"1. To respect the sovereignty, the inde-
 pendence, and the territorial and administrative
 integrity of China.

"2. To provide the fullest and most un-
 embarrassed opportunity to China to develop and
 maintain for herself and effective and stable govern-
 ment."

The Treaty thus represents a carefully developed and
 matured international policy intended to afford to the
 people

Enciphered by

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

79374/41612

DECLASSIFIED: E.O. 11652, 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
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NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,
9-#11 to Wilson, Bergues, Geneva,
February 12, 2 p.m.

*note
7/11/70 re Anti-War*

their belief that if the covenants and policies of the
Nine-Power Treaty and the Pact of Paris be allowed to
be repudiated or ~~repeated~~ ^{repealed}, the loss to all the nations
of the world will be immeasurable. For this reason they
further notify their fellow signatories and adherents to
those treaties that they for themselves and each of them
do not propose to recognize as valid any treaty, agreement,
arrangement or situation which may be entered into or
created in China by means of acts or policies which are in
violation of the covenants of those treaties.

Den.

793.94/4161a

STIMSON

S:

SKH *SKH*

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

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 PREPARING OFFICE
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TO BE TRANSMITTED
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Collect
 Charge Department
 OR
 Charge to
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Department of State

Washington,

MET

7-#11 to Wilson, Bergues, Geneva,
 February 12, 2 p.m.

submitted at the request of Japan, the Japanese Government has taken the position that it would not consent to the participation even as observers of any third nations in the discussions of questions arising between Japan and China in regard to that portion of China known as Manchuria. This would seem to deny to ^{any} other power even a signatory of the Nine-Power Treaty the right to participate even as an observer in negotiations involving rights and obligations comprised within that Treaty.

(2) Again on February 8, 1932, the Foreign Office of the Japanese Government at Tokyo issued to the press of the world a suggested proposal that there should be created a system of "demilitarized zones" around the principal commercial cities of China, out of which the forces of the Government of China should be excluded. The representative of the Japanese Foreign Office in advancing this proposal frankly affirmed that it was contrary to the Nine-Power Treaty but asserted that ten years' trial had proved that treaty to be ineffective.

Enciphered by (blank)

Sent by operator VI. M. The Government do not concede that the Nine-Power

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1945

Treaty

793.94/4161A

DEM.

DECLASSIFIED: E.O. 11652, 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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 NONCONFIDENTIAL CODE
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Department of State

Collect
 Charge Department
 OR

Charge to
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MET

Washington,

8-#11 to Wilson, Bergues, Geneva,
 February 12, 2 p.m.

P.C.
 0061500A4d

Treaty is ineffective or inoperative or that it is to be discarded. They do not concede that such a situation as has arisen in Shanghai is inevitable, provided the covenants of the Nine-Power Treaty and the Pact of Paris are faithfully observed by those who have covenanted to observe them. They are unwilling to consent that the enlightened policy which has heretofore marked the efforts of the nations of the earth towards China and towards each other should be repudiated or abandoned without their most earnest reprobation. They do not intend to forego their legitimate prerogative, in view of their treaty rights and obligations, to participate together with the other powers concerned in any negotiations whereby those rights and obligations and the policies which they represent may be affected. They take this occasion to express these views in order that there may be no misunderstanding. They avail themselves of the opportunity afforded by the terms of Article seven of the Nine-Power Treaty to express frankly and without reserve their views upon these occurrences at Shanghai and

793.74/4161a

Enciphered by

their

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1955 1-138

1424

DECLASSIFIED: E.O. 11652, 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

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Charge Department
OR
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,

February 12, 1932.

2 pm

WILSON,

BERGUES,

GENEVA (Switzerland).

Reference Department's

Feb 12, 1932
noon

There follows the text of a draft concerning which I have just talked with Sir John Simon. Please deliver a copy to Sir John before he leaves Geneva, explaining that this is merely a rough draft, that I shall be working further on it, that I shall welcome his comments and suggestions.

(Telegraph Room quote text attached.)

FE:SKH/ZMF

FE

Enciphered by

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-738

793.94/4161a

1425

DECLASSIFIED: E.O. 11652, 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
 2-#11 to Wilson, Bergue ~~CONFIDENTIAL~~ CODE
 February 12, 2pm NONCONFIDENTIAL CODE
 PLAIN

Department of State

Washington,

Handwritten signature

Quote. To the 'nations' who are 'either signatories' or 'adherents' of the 'so-called Nine-Power Treaty' regarding principles and policies to be followed in matters concerning China":

11/2

~~The Governments of the United States and Great~~

(blank)

~~Britain, both of whom are~~ signatories of the Nine-Power Treaty, pursuant to Article seventh thereof, desire to communicate to their fellow signatories and adherents to this Treaty their views as to certain matters which have recently occurred within the territory of the Republic of China.

concluded 2
 I, This Treaty was negotiated in 1922, in the city of Washington at a conference, participated in by many powers, at which the policy of these powers towards the Republic of China was fully discussed, and the attitude which they should hereafter adopt towards the Republic of China set forth in this treaty. The treaty represented the culmination of a policy towards China which had been developed between these powers for many years, known as the Open Door policy. In the first article of that Treaty the Contracting Powers, other than China, agreed:

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

1-128
 PREPARING OFFICE
 WILL INDICATE WHETHER

Collect

Charge Department
 OR

Charge to
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TELEGRAM SENT

3-11 to Wilson, Bergues, Geneva
 February 12, 2pm.

1-138

TO BE TRANSMITTED

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PLAIN

Department of State

Washington,

1. To respect the sovereignty, the independence, and the territorial and administrative integrity of China,

2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government,"

3

The Treaty thus represents a carefully developed and matured international policy intended to afford to the people of China the fullest possible opportunity of developing, without molestation, their sovereignty and independence among the nations of the world, according to the modern and enlightened standards believed now to maintain among the peoples of this earth. It was known that China was in the process of developing the free institutions of a self-governing Republic after her recent revolution from an autocratic form of government; that she would require many years of both economic and political effort to that end, and that the process would necessarily be a very long one. The Treaty was thus a deliberate covenant of self-denial among the signatory powers of all acts of aggression which were calculated to interfere with that development. But it was believed, and a study of the Treaty reveals that faith, that only by such a process of development could the fullest interests, not only of China but of all nations having intercourse with her, best be served.

DECLASSIFIED: E.O. 11652, 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

4-11 to Wilson, Bergues, Geneva
 February 12, 2pm.

Department of State

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Washington,

Paragraph II. Six years later the general ~~unintentional~~ policy upon which the Nine-Power Treaty was based received a powerful reinforcement in the execution, by substantially all the nations of the world, of the Pact of Paris. These two treaties represent successive steps taken for the purpose of aligning the conscience and public opinion of the world in favor of a system of orderly development by the law of nations, including the settlement of all controversies by the methods of justice and peace instead of by arbitrary force. The program for the protection of

outside
 China from selfish aggression is a part, and an essential part of any such development. The signatories and the adherents of the Nine-Power Treaty rightly felt that the orderly and peaceful development of the four hundred millions of people inhabiting China was necessary to the peaceful welfare of the people of the entire world and that no program for the welfare of the world as a whole could afford to neglect the protection of the development of China.

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. Dunstons NARS, Date 12-18-75

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TELEGRAM SENT

5-11 to Wilson, Bergues, Gerns,
 February 12, 2pm.

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Washington.

III. Although they have withheld adverse judgment pending, the investigation which is to be made by the commission appointed by the League of Nations under the resolution of December 9, the nations of the world have watched with apprehension the events in Manchuria which have taken place during ^{recent} ~~the fall and winter months of this year~~. This apprehension was based upon the tragic experience of the last two decades which have made manifest the fact that, in case of war no nation is immune from the danger of ^{becoming} ~~implication~~ in the conflict, however remote in its inception. The recent spread of these disturbances in Manchuria to the area of Shanghai, involving as it does the direct threat of danger to the interests of many nations, is further powerful evidence of this fact.

IV. The rapid development of events in Shanghai, seems to ^{the (blank)} ~~the~~ Governments to give full cause for the deepest apprehension of all nations who have been interested in the policy of the two treaties to which we have referred. It is unnecessary to attempt to analyze

the origin of the controversy or to apportion the blame between the two nations which unhappily are involved. For it is clear beyond peradventure that a situation has now developed which can not under any circumstances be

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

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7
reconciled with the covenants and the obligations of these two treaties and which is wholly abhorrent to the enlightened purpose for which they were conceived. There is now assembled in the port of Shanghai a Japanese force including over forty vessels of war and reinforced by a large expeditionary force of land troops. The very size of such an expedition is not only disproportionate to its avowed objective of protecting life and property in the city of Shanghai but is in itself provocative of counter-violence on a large scale. Military airplanes have been deliberately bombing densely populated sections of helpless civilians of a nation with whom these operators were not ostensibly at war. Many miles away from the city where the alleged provocative violence against Japanese nationals occurred, the Japanese Government is now engaged in military operations on a large scale. It is inconceivable that if the leaders of these two nations had been imbued with the purpose underlying these treaties and had been faithful to the covenants therein such a situation could have been allowed to develop or that at some stage a solution of their controversies could not have been otherwise achieved.

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

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

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V. The effect of this development of violence has
been to threaten the very existence of the treaties them-
selves. This has been shown by the following occurrences
which have greatly accentuated the concern of ~~the~~ ^{the (6) (b) (1)} ~~our two~~
Governments: #

- 5 -

Governments:

(1) In rejecting a recent proffer of good offices
from the ~~American~~ ^(the American and the) British and French Governments sub-
mitted at the request of Japan, the Japanese Government
has taken the position that ~~she~~ ^{it} would not consent to
the participation even as observers of any third ~~nation~~
nations in the discussions of questions arising between
~~Japan~~ ^{Japan} and China in ~~respect~~ ^{regard} to that portion of China known
as Manchuria. This would ~~deny~~ ^{seem to} to any other power even
a signatory of the Nine-Power Treaty the right to parti-
cipate even as an observer in negotiations involving
rights and obligations comprised within that Treaty.

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Sent by operator _____ M., _____, 19 _____

Index Bu.—No. 80.

U. S. GOVERNMENT PRINTING OFFICE: 1968 1-128

1431

DECLASSIFIED: E.O. 11652, 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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Washington,

(2) Again on February 8, 1932, the Foreign Office of the Japanese Government at Tokyo issued to the press of the world a suggested proposal that there should be ~~formally~~ created a system of "demilitarized zones" around the principal commercial cities of China, out of which the forces of the Government of China should be excluded. The representative of the Japanese Foreign Office ~~making~~ ^{affirmed} this proposal frankly ~~admitted~~ that it was contrary to the Nine-Power Treaty but asserted that ten years' trial had proved that treaty to be ineffective.

VI. ~~The Governments of Great Britain and the United States~~ do not concede that the Nine-Power Treaty is ineffective or inoperative or that it is to be discarded. They do not concede that such a situation as has arisen in Shanghai is inevitable, provided ~~only~~ the covenants

of

(Blank)

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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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TELEGRAM SENT

9-#11 to Wilson, Bergues, Geneva,
 February 12, 2pm.

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Washington,

of the Nine-Power Treaty and the Pact of Paris, are faithfully observed by those who have covenanted to observe them. They are unwilling to consent that the enlightened policy which has heretofore marked the efforts of the nations of the earth, towards China and towards each other, should be repudiated or abandoned without their most earnest reprobation.

~~They~~ 6

~~No further~~ They do not intend to forego their legitimate prerogative, in view of their treaty rights and obligations, to participate together with the other powers concerned, in any negotiations whereby those rights and obligations and the policies which they represent may be affected,

~~den~~ They take this occasion to express these views, in order that there may be no misunderstanding.

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. Lustig NARS, Date 12-18-75

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 February 12, 2pm.

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Washington,

They
 avail themselves of the opportunity afforded by the terms
 of Article seven of the Nine-Power Treaty to express frankly
 and without reserve their views upon these occurrences at
 Shanghai and their belief that if the covenants and policies
 of the Nine-Power Treaty and the Pact of Paris be allowed
 to be repudiated ^{or repealed} and broken, the loss to all the nations
 of the world will be immeasurable. For this reason they
 further notify their fellow signatories and adherents ^{to} under
 those treaties that they for themselves and each of them
 do not propose to recognize as valid any treaty, agreement,
 arrangement or situation which may be entered into or
 created in China by means of acts or policies which are in
 violation of the covenants of those treaties.

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

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

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FEB 21 1932 THE UNDER SECRETARY

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SECRETARY'S OFFICE

FEB 13 1932

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FROM DEPARTMENT OF STATE
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FEB 13 1932

DIVISION OF

fb. New York, N Y Feb 12-32

Division of
FAR EASTERN AFFAIRS
FEB 12 1932
Department of State

Dr Stanley K Hornbeck

Following cablegram dated Shanghai tenth seven twenty
three p.m. quote

Inform Washington 128 Christian Missionaries resident
Shanghai protest undeclared war China involving terror peril
civilians all nations urge immediate positive moral judgment
action under nine power treaty Kellogg Pact preserve faith
international guarantees assist responsible elements China
stabilize economic social order avert threat internal disaster
unquote

A L Warnshuis

12.35pm

F/LS

793.94/4162

FILED

FEB 18 1932

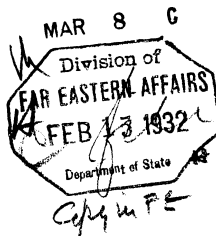


EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, January 29, 1932.

No. 470.

SECRET.



F/LS

793.94/4163

See
793.94 / 3731
3732

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith a memo-

1/. randum regarding the Manchurian situation. This memorandum was submitted to a conference, such as called for by Department regulations to be held periodically. At this conference were present the Counselor, Secretaries Salisbury and Turner, the Military Attaché and his Assistant, the Naval Attaché and his Assistant, the Commercial Attaché and

APR 13 1932
F/LS

Confidential File

- 2 -

and his Assistant, Consul General Garrels, Consul Sturgeon, and Consul De Vault of Yokohama.

The accompanying memorandum was submitted to this group and was unanimously approved, both as to substance and form, so that this memorandum has the sanction of what is fair to call the entire staff.

As mentioned in my telegram No. 27, of January 29th, 11 a.m., it is designed to supersede my letter of similar import forwarded January 16th. /3731

Yours respectfully,

W. Cameron Forbes

W. Cameron Forbes,
Ambassador.

12/14/75
copy in 800-
Enclosure:
1. As stated.

Embassy File No. 800-MANCHURIA.

WCF/SR

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4-14-32-27

Enclosure No. 1
Despatch No. 470
From American Embassy
Tokyo.

MEMORANDUM.

This whole Manchurian situation contains a great deal of food for thought and it seems appropriate to summarize some aspects of it:

(1) The situation had become intolerable and had to be rectified. It was medieval and chaotic in regard to (a) public order; (b) finance; and (c) the irresponsibility of the administrative officers of the government, among other things.

(2) The Japanese had succeeded in bring^{ing} about a really constructive development of Manchuria, evidenced by (a) the construction of admirable railroads and successfully operated industries, aggregating a billion dollars in value; and (b) the maintenance of a degree of order which induced a large immigration of Chinese, running into many millions.

(3) It is beyond question that Japan looked upon the continuance of its Manchurian connection as an economic necessity for the empire.

(4) The Japanese were uneasy about the status of their treaties with the Chinese in respect to their rights in Manchuria. The only clauses of the so-called "Twenty-one Demands" upon which they are now insisting are three that bear on Manchuria, and they are troubled by the fact that the Chinese do not admit the validity of the treaty of 1915, by which their lease of Manchurian properties is extended to ninety-nine years.

(5) The Chinese National Government was weak, changeable, and utterly unable to cope with the Manchurian situation.

(6)

- 2 -

(6) The bandits were becoming an increasing menace to the continued proper development of Manchuria, and were utterly out of the control exercised by the young Marshal Chang who held the reins of power in Manchuria. These bandits are roughly divisible into two classes: those that were habitual bandits and who had a certain code and hence were not so destructive, and the occasional bandits, usually soldiers, often regularly enrolled, who had not received their pay and proposed to levy what they wanted for themselves and generally took too much. The increase of bandit raids within the zone of the South Manchuria Railway from nine a year in 1906 to one a day in 1928 is sufficient proof, if proof were needed, of the need of some vigorous and drastic action.

(7) The only way to establish order and maintain it in Manchuria was by the exceptional exercise of force of some kind. Under existing circumstances it could not be done by the police or other usual agencies of peace as at that time organized there.

(8) If these premises are admitted, the question arises as to how this force was to be exerted. The obvious answer is that it should have been done by the Chinese, or at least by Chinese initiative, and by Chinese consent, if possible. The question then arises as to how this action should have been obtained.

(9) In approaching this problem, the Japanese made their serious strategic error. They should have
invoked

- 3 -

invoked the agencies of peace, and called upon them to bring pressure to bear upon the Chinese: (a) either to suppress banditry, reach a solution of the questions at issue, and live up to the terms of their agreements, or (b) to get some other agency to accomplish these ends, such as an international police force; or (c) in the event of the matter being taken up by the League of Nations, to consent to a mandate to Japan to restore order in Manchuria within a definite period. Some such action would have directed international attention to conditions in Manchuria. The Japanese would have appeared in a more favorable light before the world, and would be in a position of having taken action only after due notice had been given.

(10) Japan has, however, elected to jump in, without a mandate, without the presentation of her list of grievances, and is trying to settle things by direct military action.

(11) The Japanese military authorities have not made any effort to conceal the fact that it was their deliberate and unalterable intention to break up the control, wherever exercised, of the young Marshal, Chang Hsueh-liang, who has been the governing force of Manchuria ever since the death of his father in 1928. With the advance of their armies, it is the Japanese claim that the local Chinese officials deserted their posts and fled, leaving Manchuria in most regions without government.

While the Japanese Army claim they have not interfered with civil functions and have left the local government to be organized locally, they have as a matter of fact

- 4 -

fact definitely mixed in in regard to (a) operation of railroads; (b) operation of banks; (c) operation of public utilities; (d) construction, some of which was under contract; and (e) supplies and materials, including airplanes, gasoline and oil, building materials, trucks, among other things. In connection with all of these activities and businesses Japanese advisers have been installed without whose approval executive action could not be taken.

So-called "defence Committees" have been set up, the personnel of which are subject to the approval by the Japanese before being allowed to function. And the Japanese make no secret that Chinese known to be hostile to Japanese activities are not permitted to serve on these defense committees. Chinese governors have now been placed in power in the three provinces; these are holding office and organizing governments with Japanese advisers and, according to common press reports, substantiated by the Minister of Foreign Affairs, Mr. Yoshizawa, they are proposing some sort of federation to create an independent Manchurian Government. Minister Yoshizawa squares this movement with Japan's declarations guaranteeing the integrity of Chinese territory by stating that the territory will still be Chinese although the Government will be independent, as it was in the days of Chang Tso-lin.

(12) If Japan had served notice on the League of Nations that the situation had reached a point that could

not

- 5 -

not be tolerated further, and that unless remedial action were taken before a certain time, she would be obliged to do it on her own initiative, there can be little doubt that all that the League would have met in endeavoring to arrange remedial action by China would have been procrastination, promises without fulfilment, and probably without power of fulfilment, because there seems to be no agency in China strong enough to carry out its undertakings, particularly where they involve vigorous, constructive, and perhaps costly, executive action.

(13) The League of Nations has neither the armed force, the money, nor the political structure necessary to bring about the forcible restoration of order in a place like Manchuria. The League, therefore, could only have brought about a settlement of the problem in one of the ways indicated above, namely: inducing action by China- which events are proving China was in no position to take- ; international co-operation, or a mandate to Japan with China's consent.

(14) With the present strong trend among nations for the avoidance of the use of force, it is improbable that Japan could have got sanction to send her armies into Manchuria, either of the League of Nations or of the signatories to the various treaties and pacts which bear upon the situation, but she would at least have been in a position before doing so of having exhausted the resources already made available by all the agencies of peace. This would have left her comparatively free-handed to have undertaken this work upon a scale calculated to accomplish it

with

- 6 -

with the minimum of time, of suffering and of expenditure of treasure.

(15) By initiating a resort to force without first invoking the agencies of peace, Japan has put herself squarely in the wrong, and yet it seems clear that what Japan is doing is necessary and, as above indicated, it could only have been done by force. So that, to put it tersely, Japan is doing the right thing in the wrong way; that is, without adequate sanction.

(16) The objections possibly held by Japan's military officers to the preliminary action of serving notice on China and on the world that on a certain date she would take matters into her own hands, could be: that, given advance notice of a proposed movement, the Chinese might make preparations of defense that would make operations much more formidable and costly. On the other hand, had Japan prepared the mind of the world and satisfied the signatories to the Nine Power and Kellogg Pacts that she had exhausted the agencies of peace before resorting to force, it would, in large measure, have offset the disadvantage due to such preparation as China would have made, which, in her disorganized state, would have been necessarily inadequate.

(17) Having exhausted the agencies of peace, Japan could probably then have sent her armies and police into Manchuria without being hampered as she has been by the disapproval, repeatedly expressed by the American, British and French Governments and by the Council of the League of Nations. She has been further handicapped by feeling the necessity of keeping up the semblance or pretense of peaceful penetration

- 7 -

penetration while really performing acts of actual warfare.

(18) The task Japan has undertaken in Manchuria, in spite of the handicaps mentioned above, has been really herculean. With a force supposed to be only 15,000 she has successfully dispersed Chinese forces ten times that number in a region of vast spaces and with a resident population overwhelmingly Chinese and hence presumably hostile, in the winter time when the thermometer ran as low as thirty below zero; and, although constantly adding to the number of troops sent in, still the number is woefully inadequate to meet the situation thus created- of scattered armies preying upon a defenseless populace.

(19) General Wood, while serving in the Philippines, made the significant remark that it always paid at the beginning of a period of disorder to send in three times the number of men you thought you were going to want, or enough to " smother the situation". If the Japanese had felt free to adopt this policy, and sent in enough men at the start to have forced the capitulation and disarmament, and the sequestration, of all these armies, instead of merely scattering them to become almost of necessity bandits, they might have cleaned up the situation as they went along instead of creating a condition that is going to take years of expenditure of blood and treasure to rectify.

(20) The weight of evidence leads inevitably to the conclusion, however, that the whole Manchurian episode has been brought about by a rather high-handed series of actions taken by the Army without prior consideration by the high civil authorities of the Imperial Government, the Prime Minister and his Cabinet and without due regard to

its

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

- 8 -

its effect on foreign relations as directed by the Minister for Foreign Affairs, or upon the finance of the Government as directed by the Minister of Finance.

(21) The Japanese Army officials seem to have brought about a condition which is going to take a very long time to remedy, due to their unwise methods. They have intensified a feeling of hatred against Japan in the minds of thinking Chinese citizens wherever situated, a feeling which is going to prejudice the good relations between Japan and China for a long time to come. Instead of arranging by negotiations for the disarmament and employment of the Chinese armies, the Japanese have broken up the Chinese headquarters, sequestered Chinese Government funds, and left the Chinese soldiers no alternative except to prey upon the people. And then, having forced these soldiers to become bandits, the Japanese Army is now, to use its own expression, engaged in "annihilating" them, i.e., killing them by means of aerial bombs, guns from the air, and shooting them up wherever met. The Japanese records give no roster of the dead Chinese and only report the number of Japanese killed; but it is probable that the proportion is something like twenty Chinese to every Japanese killed, more or less.

(22) The Japanese Army has made the mistake of failing to pay attention to the Open Door Policy. While foreign firms are nominally invited to operate in Manchuria; practically, things are made difficult for them. Instances have come to light of obstacles put in the way of concerns whose business competes with that of Japanese and Japanese-owned ventures. It is only fair, however, to state that many

- 9 -

that many Japanese concerns are complaining of their treatment by their own Army.

(23) It is claimed that this condition of partially-closed door is incident merely to the Military Regime and will be wholly changed once public order is restored and civil administration established. Of that we wait to be convinced.

(24) Japanese officials have abstained from indicating the exact boundaries of what they consider Manchuria; and it is evident that they are keeping this indeterminate with the idea of extending these boundaries as fast as it suits their convenience and interests to do so. They will undoubtedly want to build railroads, establish industries, and encourage immigration of Chinese, and then will, in all probability, extend the boundaries of what they regard as Manchuria into Mongolia and perhaps into other parts of China, whenever it serves their purposes to do so. There are no definite official maps that really set forth any authentic boundaries between Manchuria and the neighboring province on the west. Mongolia is similarly indeterminate as to the boundary. In recent years new administrative areas referred to as Jehol and Chahar have taken over parts of what previously was referred to as "Mongolia".

(25) Their military activities have made the Japanese position in Manchuria much more difficult, and it is important for them to reach some sort of an agreement with China, or perhaps the Chinese residents in Manchuria, otherwise their position both as to cost and as to the administrative problems may become unbearable.

(26) The crux of the whole matter seems to be that:
If England, France and the United States do not want to see
Japanese

- 10 -

Japanese control penetrate further into China some diplomatic negotiation should be undertaken to see if China will agree to the organization of an international police to restore order, disarm the predatory armies which now ravage the whole of China, and which would be strong enough to keep in power the more competent authorities so that the country would cease being subjected to internal revolution. Such international action might assist China to enjoy adequate police protection. A precedent for this can be found in the Chinese Customs Service which has maintained an international personnel of officers. A properly organized and adequately manned international police force would prevent the forcible seizure or misuse of Government funds and insure the construction and protection of useful public works. With settled conditions and assured measures of transport, work would be provided for men who otherwise would be in the Chinese armies. Famine areas would be quickly relieved. The creation and maintenance of this force should not present practical difficulties for men trained in constabulary work. Incidentally, an orderly China would be a tremendous field for foreign salesmanship-bringing back to the world, perhaps, good times.

....

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

793.94/4163 (c.f.)

March 30, 1933.

Dear Mr. Forbes:

I am sending herewith, as you requested, the
 793.94/4163cc
 despatch (No. 470 of January 29, 1932), with en-
 closed memorandum, which you wrote with regard to
 the Manchuria situation and a possible solution of
 that problem.

I regret that we have been unable to locate
 on such short notice the personal letter which you
 wrote to the Secretary on January 16, 1932.

Yours cordially,

793.94/4163

HA

[Handwritten signature]

March 30, 1933.

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

March 30, 1933.

My dear Mr. Howe:

The Honorable W. Cameron Forbes, former Ambassador to Japan, has informed me that he will dine with the President this evening and that he wishes to discuss with the President a subject with which he dealt in a despatch to the Department while he was Ambassador. He has requested me to have the despatch delivered to him in order that he may refer to it during the discussion.

As we cannot send to a private citizen a part of the archives of the Government, I should be grateful if you would place at his disposal while he is at the White House, and subsequently have returned to me, the despatch which is enclosed herewith with a covering letter.

Yours sincerely,

Enclosure:
 Despatch No. 470
 from Tokyo.

The Honorable
 Louis McH. Howe,
 Secretary to the President,
 The White House.

FE:LL:CLS

793.94/4163

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

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COMMUNICATIONS SECTION
WASHINGTON, D.C.
FEB 13 1932

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Washington,
February 13, 1932.
5p

AMERICAN CONSUL, **FEB 13 32**
SHANGHAI (China).

793.94/A

24 Department's 14, February 11, 5 p. m., last paragraph.
Department urgently requests your comments, Minister's
comments, and the reply to the ~~question~~ ^{inquiry} ~~of the~~.

Stimson
Sikat

793.94/4163A

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

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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

February 12, 1932.

This message is sent in confidence.
It should be carefully paraphrased before
being communicated to any other person.
FEB 12 32

AMERICAN CONSUL,

SHANGHAI (China).

PRIORITY.

For the Minister, For your information and guidance.

Reference Department's telegram to the American
Consul, Shanghai, No. 13 of February 10, 8 p. m.

The Department has today telegraphed Minister Wilson
at Geneva, for discreet communication to Drummond, in part
as follows: QUOTE Any effort which any agency may make at
this time toward the objective of bringing the hostilities
to an end will have my approval in principle UNQUOTE.

P. Tinsman
WY

FE:MMH:REK

RAM
FE

FEB. 12, 1932. P.M.

Enciphered by

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

Index Bu.—No. 50.

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

793.94/4163B

MET

TELEGRAM RECEIVED

GRAY

Shanghai via N.R.

Dated February 13, 1932

FROM

Rec'd 10:45 a.m.

Secretary of State,

Washington

45, February 13, 4 p.m.

Continuing my daily report No. 40 of February 12,
6 p.m.

One. So far the situation both along the Chapei
sector and along the Woosung front remains unchanged.
Last night a heavy bombardment of the Chinese lines took
place during the early part of the evening. Early this
morning Japanese planes in reconnoitring the Chinese
artillery positions dropped about 8 bombs.

Two. I was informed by the Japanese Consulate
General that Japanese troops are on the way from Japan.
Five transports are scheduled to arrive tomorrow or
Monday with seven transports to follow. Some of these
troops are to be landed at the Nippon Yusen Kaisha way-
side wharf in the International Settlement. It is esti-
mated that this force will number anywhere from ten to
fifteen

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

Division of
FAR EASTERN AFFAIRS
FEB 13 1932
Department of State

F/LS

793.94/4164

FILED

FEB 14 1932

793.94
notes
893.1028
398.11

MET

2-#45 from Shanghai via N.R.,
February 13, 4 p.m.

fifteen thousand.

Three. I have been reliably informed that out of 33,000 Japanese who were in Shanghai at the beginning of the trouble some 20,000 have left for Japan and other ~~(=)~~ parts. 16.

Four. Generally speaking during the past sixteen days Shanghai residents in the foreign areas have never experienced such a tense period intermittently broken by the crash of artillery fire and the detonation of aerial bombs. While residents in the Settlement and the French concession are in comparative safety, it cannot be denied that many shells have fallen within the Settlement. Outside the immediate Settlement boundaries American residents living in the areas controlled by the Chinese under its command are being treated with every consideration. It is in striking contrast to the situation that existed in 1925 and 27.

393.11

Five. It was recognized from the beginning that the danger to the foreign administered areas was due to the Sino-Japanese conflict brought on by Chinese folly. Two
unsuccessful

MET

3-#45 from Shanghai via N.R.,
February 13, 4 p.m.

unsuccessful attempts have been made locally to arrange peace between the Chinese and Japanese, but this conflict still continues to be a very serious menace to the Settlement. Except that the Japanese have landed, reinforcements near Woosung and have augmented their military, naval and aerial forces, there has been very little change in the last sixteen days in the situation which threatens the Settlement. The Chinese military are constantly being reinforced and their entrenchments are being strengthened but no one can furnish any reasonably accurate estimate of the Chinese troops in the vicinity. These reinforcements by each side are by no means reassuring to the Settlement, as the more strong the resistance the more determined the offensive. The Settlement Defense Committee realizes that their work is most difficult but they are awaiting (*) which all fear are inevitable. Local foreign officials are directing their efforts towards the defense of the Settlement and their nationals. While refugees are crowding into the Settlement it is also true that with the arrival of Chinese New Year and the consequent closing down of factories and shops
thousands

MET

4-#45 from Shanghai via N.R.,
February 13, 4 p.m.

thousands of laborers have proceeded to their country
homes throughout this and adjacent provinces. This has
acted as a safety valve in what otherwise might have
eventually developed into a serious labor ^{crisis.} ~~crisis.~~ This ^{HS.}
latter factor is an element which has not previously
entered into the troubles in the Settlement. Ordinarily
it would be regarded as a serious matter by employers.

Repeated to the Legation and Nanking.

CUNNINGHAM

HPD_RR

~~(*) apparent omissions.~~

DECLASSIFIED: E.O. 11652, 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 13, 1932.

AMERICAN CONSUL,

SHANGHAI (CHINA).

22
Urgent. (Confidential)
 Your 45/4164 February 13, 4 p. m. /

I have just received this telegram. /

note 793.94/4164
893.102-5
 Referring to paragraph two, I desire that you endeavor
 at once to enlist the support of your British colleagues *and French* in
 joint or concurrent protest against the proposed landing of
 any of these troops in the International Settlement.

Stinson

793.94/4164

FE:SKH:REK

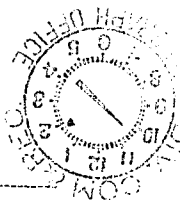
FE

SKH

Enciphered by _____

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

Index Bu.—No. 50.



AM REC'D

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

ASST. SEC. TARY OF ST.

DEPARTMENT OF STATE MAR 14 1932

DIVISION OF FAR EASTERN AFFAIRS MR. ROGERS
 February 23, 1932.

~~MR.~~
~~SEN.~~
~~SEN.~~
~~SEN.~~

~~MR.~~
~~SEN.~~
 FE

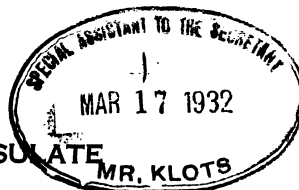
In the attached despatch the Consul General at Mukden reports as confidential some information given to him by a German newspaper correspondent in regard to atrocities perpetrated by the Japanese military authorities upon Chinese.

These atrocities consist in (1) burning three Chinese bandits alive at Tahushan; (2) burying five Chinese alive in rice sacks at Tungliac; and (3) bombing the principal market place of Tungliac.

~~W~~

Wichita and Tulsa

No. 428



AMERICAN CONSULATE
GENERAL
Mukden, China, January 18, 1932.

FEB 13 32

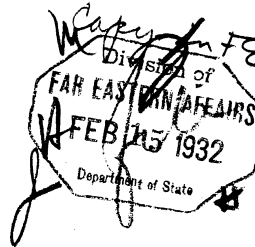
SUBJECT: Japanese Military Atrocities During Recent Engagements in Manchuria.

STRICTLY CONFIDENTIAL.

THE HONORABLE

THE SECRETARY OF STATE,
MAR 16 1932
WASHINGTON.

SIR:



I have the honor to submit for the information of the Department the following account of alleged atrocities committed by the Japanese Army during its recent engagements in western Liaoning province. The incidents were reported to the Consulate General by Herr Bosshart, international correspondent for the Ullstein Press of Germany. Herr Bosshart informed Mr. Vincent of the incidents in confidence and requested that the source of the information not be disclosed.

Immediately following the taking of Tahushan late in December by the Japanese Army, three Chinese described as bandits were burned alive in Tahushan. Other Chinese captured at the same time were forced to witness the burning in the hope that they would be frightened into disclosing certain information which the army authorities were desirous of obtaining. Members of the families of the Chinese witnessing the execution were allowed to bring them food and in this way the story was made known to Herr Bosshart.

Also

F/LS

793.94/4165

MAR 22 1932

FILED

CONFIDENTIAL FILE

793.94
note
793.94116

- 2 -

Also immediately following the capture of Tahushan, approximately sixty Chinese from the outlying villages, not knowing of the capture, came into Tahushan to attend the market. They were captured by the Japanese and guarantees of good character were demanded of them. Forty-one of them were able to produce satisfactory evidence of good character and were released. The remaining nineteen or more, being unable to obtain satisfactory guarantees were executed by a Japanese firing squad.

In Tungliao on November 4th when the Japanese army was temporarily in occupation of the city, five Chinese were buried alive in rice sacks. The bodies were later exhumed by the Chinese and were shown to Herr Bosshart when he was in Tungliao in the original sacks in which they were buried.

On January 4th, ten days prior to the capture of Tungliao by the Japanese army, the city was bombed by Japanese aeroplanes. Contrary to the Japanese reports of the bombing which stated that military positions only were attacked, the bombs were dropped in the principal market district killing over twenty civilian Chinese and causing large property damage. Herr Bosshart is in possession of photographs taken of the damaged district just after the bombing.

The above information was obtained by Herr Bosshart during the course of a trip which he recently made from Mukden to Tungliao via Tahushan. He states that he had


no

DECLASSIFIED: E.O. 11652, 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 -


no intimation of the occurrence of these atrocities prior to his departure from Mukden and was inclined to disbelieve the reports until evidence presented to him convinced him of their essential correctness.

Respectfully yours,

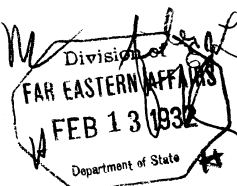

 M. S. Myers.
 American Consul General.

Original and four copies to Department.
 Copy to Legation, Peiping.

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 800.

4 Carbon CO.
 Received F. P.
 2 carbon
 destroyed
 3-22-82 

CONFIDENTIAL
DEPARTMENT OF STATE
THE SECRETARY



February 11, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON AND
THE FRENCH AMBASSADOR, MR. PAUL CLAUDEL.

Shanghai.

The French Ambassador called and read me certain
cables, of which the following is a summary:

The first cable was from Tokyo, dated February 6,
relating a conversation between the British and the French
Ambassadors. The British Ambassador, Sir Francis Lindley,
expressed his concern as to the steps said to be under
consideration in the League of Nations for sanctions. He
said that he felt this would so irritate Japan that she
was likely to make a coup de main or sudden attack on
Hong Kong and that the British were in no condition to de-
fend this. The French say that they were a little dis-
appointed but they feel that there is no use to make a
threat unless it can be made good. Sir Francis Lindley
said that he had had a talk with Makino, one of the most
influential men in Japan, practically a genro, and that
Makino told him that he was anxious about the situation
and expressed his fear that Mr. Inukai, the present Prime
Minister, was showing inexperience in government towards
the

793.94/4166

CONFIDENTIAL

DEPARTMENT OF STATE

THE SECRETARY

- 2 -

the exuberant activity of the military elements. He expressed the hope that the moderate elements could make prudence and moderate aims prevail, but he said it was not entirely beyond possibility that there might be a Cabinet crisis, out of which the jingō element would get control and establish a dictatorship. The French Ambassador in commenting on this said (in substance) that he did not quite know what to think. He was uncertain whether Japan was trying to intimidate by these statements or whether they represented the real facts. He said further that it indicated that there was a lack of harmony in the Japanese Government, which was a new element in their history.

The second cable, dated February 8, represents a conversation between M. Tardieu and Mr. Sato. Sato said that he was very much troubled over the pessimism which he found in Geneva, particularly in the British Delegation. He said that he was perfectly certain that Japan had not intended to develop the Shanghai affair; that that would be madness and would lead nowhere; but that it was absolutely necessary for them to relieve their force of sailors. The French answer to this was that it was very unfortunate that

Japan

DEPARTMENT OF STATE

THE SECRETARY

- 3 -

Japan could not have accepted the proposal of the four powers.

CONFIDENTIAL

On February 9, the French Ambassador in Tokyo, M. Martel, telegraphs that the British Ambassador has told the Japanese Government that Britain was not prepared to join in any sanctions under Article 16 of the Covenant of the League.

A telegram dated February 10, from Shanghai, relates to the different kinds of mediation that have been tried in a rather confused manner through different channels. The French Minister complains of this lack of unity. He enumerates the different attempts which have been made: (1) Consul General Ciano di Cortellasso (son-in-law of Mussolini) made a proposal to Shigemitsu, the Japanese Minister, for a neutral zone; (2) the British Admiral, Howard Kelly, who arrived only three days ago, has been very active. He had interviews with the Japanese and Chinese. All that was of no result. In the conversation with the French Minister, Mr. Wilden, the Admiral said there was nothing to be done for the present; (3) the bankers

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

DEPARTMENT OF STATE

THE SECRETARY

- 4 -

bankers of Shanghai made an approach to the British and American Consuls General, which had been related in a former telegram; (4) the defense committee of Shanghai sent two propositions to Admiral Kelly, the first one proposing a neutral zone between the Chinese and Japanese troops, agreeing to the following principles: (a) that such an attempt would be impossible unless the Japanese refrain from bringing up any further troops; (b) if those conditions were fulfilled, a practical result could be reached, resulting in the evacuation of the salient ("the tongue") of Hongkew by the Japanese, occupation of this tongue by a neutral force, the withdrawal of the Chinese troops for three kilometers west of the Railway; (c) it is not possible, owing to the labyrinth of crooked streets, to have an occupation by neutral troops in the area west of the tongue. The second resolution pointed out the danger of having international troops become implicated in the conflict. The only way to avoid this would be to have the Japanese troops evacuate the International Settlement. The defense committee does not explain how to accomplish this. The French Minister says he does not see how any local negotiations can be successful because the Japanese are evidently resolved to have a decisive

DEPARTMENT OF STATE

THE SECRETARY

- 5 -

decisive success before they listen seriously to any negotiations. The Minister says that the Chinese have been able to organize a resistance which, with little cost and small loss, has wounded to the quick the Japanese pride and, at the same time, has destroyed the prestige of Chiang Kai Shek. The foregoing message, which may be one either from the French Minister or the French Consul General, ends up by saying that he is keeping in close contact with his British and American colleagues.

Another telegram the Ambassador summarized as stating that Mr. Yosuke Matsuoka, former Director of the South Manchurian Railway, ^{who} has come to Shanghai evidently to watch eventualities, has the full confidence of the Japanese army and navy.

In respect to the confusion of counsels which the French representatives had reported from Shanghai, I begged the Ambassador to notice that none of these confusing proposals had been made by an American, and I then read him the substance of the telegram which I sent last night to Shanghai to the effect that we did not think any
peace

DEPARTMENT OF STATE

THE SECRETARY

- 6 -

peace parley was under contemplation by the Japanese, nor could we see any hope for doing anything ourselves in that direction and that the American effort should be confined to the endeavor to protect the International Settlement by all appropriate means. I told the Ambassador that this summed up my views; that I believed, as evidently his Minister did, that the Japanese had made up their minds to fight this thing out until they had made a sufficient success to wipe out the disgrace of the set-back they had suffered. I then told him that my thoughts were going on a different line; that I was hearing very alarming news from my Minister in China as to the effect the Japanese attack on the sovereignty of China was having on the people in China, and the imminent danger which Americans and other foreigners in China would be subjected to in case the Chinese people became suspicious that we were either sympathetic with or assisting the Japanese efforts to dismember China. I summed up the actions which were attributed to Japan against the Nine-Power Treaty, as well as the announcements which had been made against it by the spokesman of the Foreign Office, and I told him that I had under consideration an action under the Nine-Power Treaty to offset this danger which had been suggested by

our

DEPARTMENT OF STATE

THE SECRETARY

- 7 -

our Minister. He at once grasped the idea and said, "In other words you are thinking of a démarche by the four powers under the Nine-Power Treaty." I replied that I had not reached the point of suggesting that, but I should think of it and I should like his Government to think of it.

The Ambassador then brought up the question of the protection of the Settlement. He told me he had lived in Shanghai and he knew the very grave danger which would exist in case the Chinese were forced to attack the Settlement or were driven into it by the Japanese. He said it was intolerable that the Japanese should use the Settlement for a base of operations against China; that there was plenty of room in China for them to fight elsewhere; that the Settlement was not intended for such purposes; and that their use of it both for means of landing forces and as a base of supplies was a complete violation of the purpose and charter of the Settlement. I told him that I realized all that; that we had protested from the beginning against using the Settlement as a base; that the British had supported us and I supposed the French also supported us. He said he supposed they had, but he thought now that a great battle was imminent and that the danger was extremely great; that another protest should

DEPARTMENT OF STATE

THE SECRETARY

- 8 -

should be made in public against the use of the Settlement as a base. He thought the Japanese should retire from it and leave the protection of the Japanese element to the other nations; that that was the only way in which the Settlement could be protected from the danger of reprisals by the Chinese. I told the Ambassador I would consider it.

HLS.

S HLS:EMS

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

TELEGRAM RECEIVED
CORRECTED COPY

MET

FROM
GRAY

Shanghai via N.R.

Dated February 13, 1932

Rec'd 11:55 a.m.

Secretary of State,

Washington

46, February 13, 7 p.m.

One. Japanese Consulate General informs me that Japanese troops are arriving tonight and tomorrow and will land tomorrow at Nippon Yusen Kaisha wayside wharf within the Settlement.

Two. Following is statement given to the Chairman Municipal Council by the Japanese Consulate General this afternoon.

First. The Japanese military forces in principle will not be quartered within the Settlement if possible, but immediately after their arrival here, part of these troops will be compelled to be billeted in some sections of the Settlement for the time being. Japanese residences and Japanese owned buildings located in the Settlement area to the north of the wayside wharf will be used for that purpose.

Second. During the period these military units are being billeted in the Settlement it is necessary for them (a) to have sentries posted at the entrance of their quarters, (b) to make patrols go their rounds in order to maintain military discipline, (c) to take self-defensive steps as may be necessitated by circumstances, in case Chinese snipers or armed plain clothesmen are on the rampage.

Three.

793.94/4167

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

CORRECTED COPY

2-#46 from Shanghai via
N.R., Feb. 13, 7 p.m.

Three. The points above mentioned are hereby notified to the Settlement authorities for their information in advance. In the meantime the Japanese military authorities wish to declare that they have no intention whatsoever either to interfere with or to obstruct the functioning of the Municipal police, but that on the contrary, they are "to cooperate with the Municipal police authorities in such cases where the searching or arresting of Chinese armed plain clothes men or shippers is needed".

Repeated Legation, Tokyo and Nanking.

CUNNINGHAM

RR-HPD

MET

GRAY

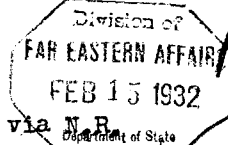
TELEGRAM RECEIVED

Shanghai via N.R.

Dated February 13, 1932

FROM

Rec'd 11:55 a.m.



FE

Secretary of State,

Washington

46, February 13, 7 p.m.

One. Japanese Consulate General informs me that Japanese troops are arriving tonight and tomorrow and will land tomorrow at Nippon Yusen Kaisha wayside wharf within the Settlement.

Two. Following is statement given to the Chairman Municipal Council by the Japanese Consulate General this afternoon.

First. The Japanese military forces in principle will not be quartered within the Settlement as much as possible, but immediately after their arrival here, part of these troops will be compelled to be billeted in some sections of the Settlement for the time being. Japanese residences and Japanese owned buildings located in the Settlement area to the north of the wayside wharf will be used for that purpose.

Second. During the period these military units are being billeted in the Settlement it is necessary for them (a) (*), (b) to make patrols go their rounds in order to maintain military discipline, (c) to take self-defensive steps as may be necessitated by circumstances, in case Chinese snipers or armed plain clothesmen are on the rampage.

Three. The points above mentioned are hereby notified

See Corrected Copy

F/DEW

793.94/4167

note
893.102-S

MET

2-#46 from Shanghai via N.R.,
February 13, 7 p.m.

notified to the Settlement authorities for their information in advance. In the meantime, the Japanese military authorities wish to declare that they have no intention whatsoever either to interfere with or to obstruct the functioning of the Municipal police, but that on the contrary, they are "to cooperate with the Municipal police authorities in such cases where the severe penalty or arresting of Chinese armed plain clothes men or snipers is needed".

Repeated Legation, Tokyo and Nanking.

CUNNINGHAM

RR

HPD

(*) apparent omission

MP

TELEGRAM RECEIVED

Part of this telegram
must be closely para-
phrased before being
communicated to anyone FROM

Geneva

Dated February 13, 1932

Rec'd 8:27 p.m.

Secretary of State
Washington, D. C.

20, February 13, 10 p.m.

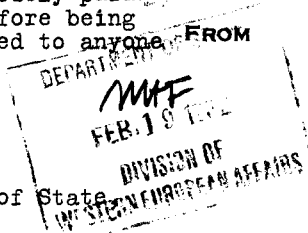
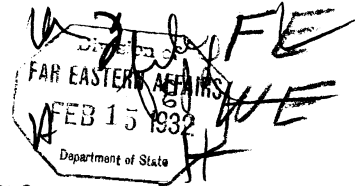
CONFIDENTIAL

Your 11, February 12, 2 p.m.

I delivered draft to Simon this morning who
told me that it was this matter which had determined
him to proceed home at once in order to discuss it
with the Cabinet.

He asked me if I had heard of the discussion
at the meeting of the twelve last Friday. When I
replied in the affirmative he stated that he desired
that there should be no mistake as to our attitude;
he was leaving for London; he was sending a private
letter to the members of the Council; he showed me the
text which follows:

(Gray) I feel that it is my duty to my
colleagues on the Council of the League, in view of
the announcement made to them by the representative of
the



F/HS

793.94/4168

FILED

793.94
note
500.C112
500.C111

MP

2-#20 From Geneva February 13, 1932

the British Government on February second, to inform them that according to my information the demarche of the four powers to which he referred has not produced the results which were hoped for and that there are not, so far as I know, negotiations now actually going on to which the United States are a party. We may be sure, however, that the United States have not ceased to take interest in the grave and menacing situation which exists and are still desirous of co-operating for peace. Inasmuch as the British Minister to China has just reached Shanghai, I am personally in hopes that news of some further efforts, when the moment is opportune, may reach us. The British Minister now in Shanghai informs me that he is keeping in close touch with his United States colleagues. Yours very cordially.

John Simon. (END GRAY)

I have conveyed to Drummond the gist of your 12/4/32 February 12, 4 p.m. In general the attitude of the States members of the Council is confused and it is hard to fortell^c what action, if any, they may reach.

Regarding the Chinese appeal to call an Assembly, newspaper men report that there is speculation in the

Secretariat

note
510.2111

MP

3-#20 From Geneva February 13, 1932

Secretariat whether the Assembly should not call a special commission to consider this matter and invite the United States to sit thereon, such a commission having the same relation to the Assembly as the League commissions which function normally during September. This idea has not yet assumed such form that it is necessary to consider it seriously.

The second report of the Shanghai Commission is now being decoded in the Secretariat.

WILSON

KLP

FW

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

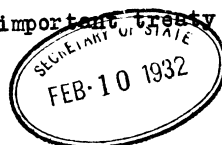
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
February 10, 1932.

Mr. Secretary:

Herewith a memorandum on the
reported proposal of the Japanese
Foreign Office for establishing of
demilitarized zones around the
larger and more important treaty
ports in China.

RECEIVED



JEJ

FEB 11 1932

RECEIVED 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 10, 1932



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JCR
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RECEIVED

FEB 10 1932

Subject: Proposal to Establish Demilitarized
Zones Around the Principal Treaty
Ports in China.

SECRETARY'S OFFICE



Reference: Peiping's Telegram No. 211, February 9,
9 a.m., and Minister Johnson's Telegram
from Nanking, February 9, 9 a.m.

F/DEW

793.94/4169

793.94
note
893.102
793.003
793.94119
711.93
P.C. 006.8182

According to information contained in the telegrams
above referred to (also according to the press), Japanese
diplomatic representatives abroad have been instructed
to sound out the opinion of various governments in regard
to a proposed plan for the establishment of demilitarized
zones fifteen or twenty miles around the principal treaty
ports in China, notably Shanghai, Hankow, Tientsin, Canton
and Tsingtao. The same plan contemplates the demilitari-
zation of Manchuria, which would then be policed by the
best disciplined Chinese forces. Regardless of whatever
merit the proposed plan may have, it is probably inevitable
that the reaction to it will be unfavorable because of the
circumstances under which it is being put forward by Japan.

Minister Johnson in his comment (paragraphs two, three
and four of the Minister's telegram February 9, 9 a.m., from
Nanking) states that the powers will do well to consider very
carefully the effect that such a proposal will have in China
before permitting it to be understood at this time that they
are giving consideration to the proposal itself. He feels

that

FEB 12 1932

-2-

that the Chinese might get it into their heads that we are assisting the Japanese, which would produce a situation dangerous to Americans in China. He feels that the sorely exasperated Chinese might be led to commit another Boxer outrage. He states that it is absurd to consider the demilitarization of areas around the great ports of China unless the powers intend to maintain garrisons in each port sufficient to protect the port against attempts of the Chinese military to intrude. Minister Johnson finally recommends that we keep clear in the present Sino-Japanese quarrel and that we rebuff the proposed plan by a statement in favor of upholding the principles and policies of the Nine Power Treaty. (NOTE: Just how the proposed plan would violate the Nine Power Treaty is not stated. It is believed that it need not do so.)

Before it would be possible to give serious consideration to the proposed plan which the Japanese Government appears to have in mind, it would be necessary to know exactly what is meant by a "demilitarized zone". The principal treaty ports in China are places where substantial accretions of the wealth of China are centered. In or near each of these ports, the Chinese authorities, who benefit by the revenues derived in these areas, maintain military forces, and these military forces are so intimately connected with the police forces of the areas that

-2-

that the Chinese might get it into their heads that we are assisting the Japanese, which would produce a situation dangerous to Americans in China. He feels that the sorely exasperated Chinese might be led to commit another Boxer outrage. He states that it is absurd to consider the demilitarization of areas around the great ports of China unless the powers intend to maintain garrisons in each port sufficient to protect the port against attempts of the Chinese military to intrude. Minister Johnson finally recommends that we keep clear in the present Sino-Japanese quarrel and that we rebuff the proposed plan by a statement in favor of upholding the principles and policies of the Nine Power Treaty. (NOTE: Just how the proposed plan would violate the Nine Power Treaty is not stated. It is believed that it need not do so.)

Before it would be possible to give serious consideration to the proposed plan which the Japanese Government appears to have in mind, it would be necessary to know exactly what is meant by a "demilitarized zone". The principal treaty ports in China are places where substantial accretions of the wealth of China are centered. In or near each of these ports, the Chinese authorities, who benefit by the revenues derived in these areas, maintain military forces, and these military forces are so intimately connected with the police forces of the areas that

- 3 -

that the two are almost one and inseparable. If, therefore, these areas are demilitarized, the problem of organizing an adequate non-military police force will arise. This in turn will involve such questions as the character and control of this force, whether national or international. Also, once the military forces are removed, the question will arise: how are they to be prevented from entering during the chaotic periods through which China must yet pass before a stable government is established in that country.

If, however, the proposed plan to establish demilitarized zones is also intended to cover the establishment within these zones of enlarged, special municipalities under joint Sino-foreign control or supervision, there is much merit in such a proposal. Probably the term "demilitarized zone" is not the proper name for such an area; "neutralized zone" or "internationalized zone" would be better.

The root idea that there be established such zones at the principal treaty ports is not a new one; it has existed from the earliest days of intercourse between the western powers and China, although the areas or zones actually set aside in the treaty ports for foreign residence and trade have never been completely satisfactory. Prior to the signing in 1842 of treaties between China and the western powers, foreigners were compelled to live in a special

area

- 4 -

area at Canton. Since 1842, foreigners have been permitted to reside and to trade in certain treaty ports. It was contemplated in the early treaties that foreigners should be permitted to go short distances into the surrounding area for the purpose of recreation. It was also understood that certain definite areas should be designated in these treaty ports for foreign residence and trade. In some ports, areas were set aside in the form of Concessions; in others in the form of Settlements; while in still other ports no definite areas were set aside.

From the very beginning of these treaty port areas, the Chinese attempted to restrict the foreign residents as much as possible, both as regards the extent of the areas and as regards foreign rights in these areas. As foreign interests in these areas grew and as Chinese came into these areas for protection, new problems, never contemplated in the original treaties, were created. Hence, at Shanghai for instance, foreign interests have become extended beyond the original limits of the Settlement and the limits later agreed to by the Chinese as additions to the Settlement. These problems have created friction between the Chinese and foreigners, as the Chinese would interpret the treaty provisions in regard to these areas in one way and the foreigners in another; naturally each to his own advantage. A readjustment, therefore, by the establishment

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establishment of "neutralized" or "internationalized" areas would solve many delicate and complicated problems which now are sources of irritation between the Chinese and the foreign colonies in China.

In 1927 when the Nationalist forces of China were making their drive northward from Canton, the American Government proposed to the various Chinese factions that the area constituting the International Settlement of Shanghai be excluded from the area of armed conflict in order that American citizens and other foreigners residing therein might not be endangered. This proposal, however, was not accepted; and the result was the bringing to Shanghai of large foreign armed forces to protect that area and necessitated the setting up of the defense plan which has again been invoked in the recent Shanghai incident. Had the Chinese accepted the American proposal referred to in 1927, and had that proposal been extended to the French Concession and possibly to the Chinese area surrounding the foreign areas referred to, the present situation at Shanghai would probably not have arisen.

Another question to be carefully considered in connection with this proposed plan is the question of extraterritoriality. It is to be remembered that on May 6, 1931, the British and Chinese negotiators initialed a draft treaty and that last summer the Department and
representatives

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representatives of the Chinese Legation here in Washington were on the verge of reaching an accord in regard to a similar draft treaty. The Sino-British draft provides for the virtual relinquishment of extraterritoriality by Great Britain in all parts of China, under safeguards, except in certain areas at Shanghai and at Tientsin, to be designated on a map, for period of ten and five years respectively. This map has not actually been drawn up but it has been more or less understood that at Shanghai the area would include the International Settlement, the French Concession, and the extra-Settlement Chinese Municipality, while at Tientsin the area contemplated would be than in which most foreign interests are situated. To a certain extent, therefore, the areas referred to in this draft treaty were to be "internationalized" zones in which foreigners would continue to enjoy their extraterritorial rights. Although in the Sino-British draft treaty, the foreign rights were restricted to the two areas referred to, the Department in its negotiations has contended all along that, as far as our interests are concerned, such areas should be set aside in four treaty ports, Shanghai, Tientsin, Hankow and Canton. Naturally, our negotiations and those of the British did not give special consideration to Japanese interests in Manchuria or to French interests in Yunnan. If, therefore, a proposal to establish "neutralized" or "internationalized" zones

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

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zones in all the principal treaty ports could be put into effect, the question of extraterritoriality would be susceptible of a more easy solution, as the continued exercise of extraterritorial rights might be restricted to very definitely defined areas.

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It is realized, however, that it will be prejudicial to the proposal itself to align ourselves at this time with the Japanese as sponsors for it or as favoring it even in principle. Such action on the part of the United States might make us appear to the Chinese as siding with Japan, and result in crystallization of opposition on their part to that idea. Furthermore, as there is practically no government in China at the present time which could give its consent to such a proposal, it is believed that the proposal has not at this time any real practical value. However, we should be careful not to commit ourselves to a complete rejection of the idea, as the proposal has merit and it might some day afford a basis for a solution to some of our outstanding problems with China. If we definitely and completely condemn such a proposal, we may later find ourselves estopped from using or supporting it at a time when we might like to do so.

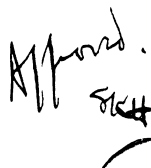
It is believed, therefore, that the position which we should take in regard to this proposal should be that it is not applicable or practicable in relation to

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the present situation of critical emergency. We might take this position by stating (if and when the proposal is actually brought to the Department's attention officially by the Japanese) that we do not feel that the present is an appropriate time to raise this question with the Chinese.


JEU/VDM


skt

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

February 12, 1932.

RECEIVED

SHANGHAI SITUATION.

FEB 21 1932

Reference the marked items ⁱⁿ ~~and~~ ^{SECRETARY'S OFFICE} Geneva's 18, February 11, 7 p.m. ⁴¹³²

1. It seems odd that, with information available to it from all the member governments, the Council should ask for a data memorandum from the American Government. However, this Division has the material ready.

2. This Division does not believe that Japan would reply to severance of economic relations by "a general declaration of war against all powers involved."

3. It is interesting to note that "there are signs of a growing desire to have the Council make a categorical endorsement of our note of January 7". It will be remembered that on January 30 we telegraphed to Gilbert, in reply to an inquiry by him, stating that, if "called upon to answer a responsible inquiry", he might "reply in confidence that your Government would without doubt view with satisfaction a declaration by the Council or by governments of any of the states represented thereon, which are also parties to the Nine-Power Treaty, in definite support of the position taken in the American Government's identic notes of January 7." (Copy attached.)

4. Draft of outgoing telegram attached.

FE:SKH/ZMF

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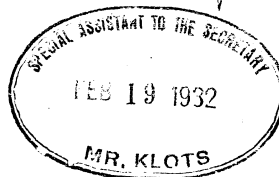


No. 465.

EMBASSY OF THE
UNITED STATES OF AMERICA
Tokyo, January 23, 1932.



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FEB 26 1932

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to refer to my despatch No. 461
of January 16, 1932, transmitting a copy of Foreign
Office note No. 2/A1 of January 16, 1932 in trans-
lation, and to transmit herewith a translation of
1/. the same note prepared at the Embassy by a member of
my staff.

Although this translation does not materially
differ from that prepared by the Foreign Office, it
is possible that the changed phrasing may assist in
comprehending

DECLASSIFIED: E.O. 11652, 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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comprehending the meaning conveyed by the Japanese original.

The chief point of interest disclosed by this translation is the use in the Japanese original of the compound word "Mammo", composed of the initial characters of the words for Manchuria and Mongolia, and represented in the Foreign Office's translation by the word "Manchuria". This compound should more properly be translated "Manchuria and Mongolia". I have referred in my despatch No. 456 of January 14, 1932, to the Prime Minister's statement, that when the Japanese speak of Manchuria, they commonly use a compound word which includes Mongolia. The Japanese are accustomed to link the two words together to represent a territory with no certain boundaries, but which, to their minds, includes vaguely Eastern Inner Mongolia, or more particularly that part of Eastern Mongolia not under Russian influence.

Editorial comment which appeared in three leading vernacular papers was briefly described in my telegram No. 16 of January 18, 5 P.M. Subsequently editorial comment appeared only in the Osaka ASAHI. This paper stated that " we feel great dissatisfaction at the American note in that it does not pay the least attention to or take into consideration the extremely and indescribably disturbed conditions obtaining in China". In its opinion the conditions that existed in China compelled Japan to resort to the measures which it has taken.

3,4,5/. Copies in translation of this editorial and of
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the three which were reported in the above-mentioned
telegram are enclosed.

Respectfully yours,



Enclosures:

W. Cameron Forbes.

Copy in translation
of Foreign Office Note
No. 2/A 1.

Editorial comment-Tokyo ASAHI
" " -Tokyo NICHINICHI
" " -Tokyo JIJI
" " -Osaka ASAHI.

Embassy's File No. 800.-Manchuria.

WTT/SR

Enclosure No. 1
Despatch No. 465
FROM AMERICAN Embassy
Tokyo.

Translation.

No. 2/A1

Tokyo, January 16, 1932.

Monsieur l'Ambassadeur:

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 Imperial Government desires the complete performance of the Treaties of Washington and the Kellogg Treaty for the Outlawry of War, and having always relied on the complete support of the United States to Japan's efforts (in that direction), is gratified to have it again verified at this time that it has not been deceived in this reliance.

As regards the " open door policy" which Your Excellency specifically mentions, the Imperial Government, as has frequently been stated, regards it as the cardinal feature of policies relating to the Far East, and only regrets that on account of unsettled conditions throughout China, the effectiveness of this policy has been seriously diminished. However, the Imperial Government, as far as its own power extends, desires the maintenance of the open door policy in Manchuria and Mongolia, as in China Proper.

The Imperial Government notes the statement in Your communication, that 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, 1928, can not be recognized. From the standpoint of pure reason, there

is

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is room for doubt as to whether or not the impropriety of the action taken in a given case must always and necessarily render invalid (null and void) the end secured. However, as Japan has certainly no intention of resorting to improper action, the question does not practically arise.

I wish to interject the remark that with regard to the application of the Treaties which relate to China, it is always necessary to give due consideration to the changing conditions in that country. This is particularly true in view of the fact that the present unsettled and distracted state of China was not contemplated by the Powers at the time of the signing of the Washington Treaty. China's condition was of course unsatisfactory at that time, but did not display the dissension and disunion which it does today. Of course this has no effect upon the binding force or the stipulations of all treaties involved, but since application of these treaties must certainly be based on the existing state of affairs in China, this state of affairs in China requires the most deliberate consideration in relation to this matter (of application of treaties).

The Imperial Government further desires to point out that changes which have occurred in the administrative authorities of Manchuria and Mongolia have been entirely the unavoidable acts of the local populations carried out voluntarily by them. Even in the case of war-time occupation, which differs in nature from the present Japanese military action, it is customary for ordinary local officials to remain in the exercise of their functions.

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functions. But in the present case the Chinese officials in Manchuria and Mongolia for the most part either fled or resigned. This caused, as a consequence, the collapse of the machinery of government. The Japanese Government cannot believe that the Chinese people, unlike all others, lack the power of self-determination, and, when deserted by their officials, are not able to organize political power for the maintenance of order.

While it is not necessary to repeat that Japan entertains in Manchuria and Mongolia no territorial aims or ambitions, yet as Your Excellency knows, the maintenance of peace and safety in Manchuria and Mongolia and the opening of this country to general trade, are matters of the greatest interest and gravest importance to Japan. That the American Government does not overlook the important nature of Far Eastern questions has been made evident on many occasions in the past. The Japanese Government is gratified to know that at the present juncture, when a grave crisis affecting the very existence of the nation is involved, the American Government is 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 of this occasion to renew to Your Excellency, Monsieur l'Ambassadeur, the assurances of my highest consideration.

Kenkichi Yoshizawa

Minister for Foreign Affairs
(SEAL)

His Excellency

William Cameron Forbes,

Ambassador Extraordinary and

Plenipotentiary of the United States

of America.

Translation.

JAPAN'S REPLY TO THE UNITED STATES

Tokyo ASAHI Editorial,
January 17, 1932.

Mr. Yoshizawa, the newly appointed Minister for Foreign Affairs, on January 16 handed over to Ambassador Forbes the formal reply of the Japanese Government to the note of the United States Government of January 8, thereby making clear Japan's standpoint regarding Manchuria. In this reply, the Japanese Government announced that it is determined to carry out faithfully various treaties signed at Washington and the War Outlawry Treaty, that it has no territorial ambition whatever in Manchuria and Mongolia, and that it would maintain the policy of the open door in those regions. In fact, the Japanese Government simply reiterated what it has been pronouncing on ordinary occasions in the past. Compared with official documents of the kind published up to the present, the Japanese reply this time contains somewhat new points, stating that China today is in a state of unrest and shows a lack of unity, both unanticipated at the time of the Washington Conference several years ago. The reply further sets forth that in view of the above facts the application of the above Treaties may be modified, since they must necessarily be applied with reference to the state of facts as they exist, and that Chinese officials under the direction of Chang Hsueh-liang in Manchuria and Mongolia have either fled or resigned

-2-

resigned office with the result that the Chinese people in those regions were necessarily obliged to replace them with new officials for administrative purposes; this was only natural in the execution of the right of the people's self-determination.

We do not see any necessity to comment on the above point at the present time. But we avail ourselves of this opportunity to express our opinion regarding America's view of the Manchurian incident. In the recent American note and in views expressed by a section of Americans, it is noticeable that they hint that the employment of Japanese arms in Manchuria may mean a violation of the War Outlawry Treaty, although they do not clearly declare so. Such a view is mistaken. In April, 1928, when the United States approached other Powers with a proposal to conclude the Kellogg Pact for the Outlawry of War, Great Britain in her reply to the United States under date of May 19, 1928, announced a reservation as a self-protective measure in certain regions where she has special rights and interests and then gave her consent to the Pact. "The certain regions" signify Egypt and other zones adjacent to the Suez Canal. At the same time, Great Britain pointed out that the United States Government has also similar interests and announced that if any other countries should ignore those interests she would regard such an attitude as an unfriendly action. By this means, Great Britain called attention to America's insistence respecting Nicaragua and Panama. The United States, in her reply to Great Britain, admitted the above
fact

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We would then ask Americans whether there is any reason why Japan's similar insistence respecting Manchuria, where she has special rights and interests, should be rejected. Speaking candidly, the Japanese in official and private circles have regarded the military operations in Manchuria as necessary and justifiable simply because Japan enjoys special rights and interests in that region. Otherwise, Japan would not have started military operations under any circumstances. This is a point which we wish to call the world's attention to. The Japanese people have common sense and are well aware how to act as a civilized country. They are a signatory of the War Outlawry Treaty and have no intention whatever of ignoring it so easily. This is because the Japanese are most anxious to live up to their sense of responsibility as a great nation and are keenly alive to conscience, and not because they are afraid of other Powers. Manchuria where Japan has special rights and interests is now in a state of unrest as stated in Japan's reply this time. We hope, therefore, that the United States and other Powers will understand that the Treaties must necessarily be applied with reference to the state of facts as they exist.

As to whether Japan will be loyal to the principle of the Open Door and whether she has no territorial ambition, the various Powers should give Japan a reasonable time and then form their judgment. To maintain peace and order in Manchuria and Mongolia, and to render these regions prosperous and a safe zone for investments of capital of
all

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We would then ask Americans whether there is any reason why Japan's similar insistence respecting Manchuria, where she has special rights and interests, should be rejected. Speaking candidly, the Japanese in official and private circles have regarded the military operations in Manchuria as necessary and justifiable simply because Japan enjoys special rights and interests in that region. Otherwise, Japan would not have started military operations under any circumstances. This is a point which we wish to call the world's attention to. The Japanese people have common sense and are well aware how to act as a civilized country. They are a signatory of the War Outlawry Treaty and have no intention whatever of ignoring it so easily. This is because the Japanese are most anxious to live up to their sense of responsibility as a great nation and are keenly alive to conscience, and not because they are afraid of other Powers. Manchuria where Japan has special rights and interests is now in a state of unrest as stated in Japan's reply this time. We hope, therefore, that the United States and other Powers will understand that the Treaties must necessarily be applied with reference to the state of facts as they exist.

As to whether Japan will be loyal to the principle of the Open Door and whether she has no territorial ambition, the various Powers should give Japan a reasonable time and then form their judgment. To maintain peace and order in Manchuria and Mongolia, and to render these regions prosperous and a safe zone for investments of capital of

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all nationals, is Japan's fundamental aim . Japan's advance upon Chinchow is in no way intended to drive American and European capital from the Peiping-Mukden Railway, the Hulutao Harbor plan, et cetera. It is hardly necessary to point out that Manchuria is so vast a region that without cooperation of other Powers in economic activities it is well-nigh impossible for Japan to develop that region. Administrative organs in Manchuria should be established and worked on the basis of the people there. The Japanese people are satisfied if they are given opportunities to attain economic development by maintaining treaty rights. In view of the fact that Manchuria is now in a state of unrest and that a new administrative authority is about to be inaugurated there, it is deemed imperative to improve everything step by step. The various Powers, with sympathy and full understanding, should be indulgent and magnanimous enough to see Manchuria developing gradually in view of the difficult situation existing there. Availing ourselves of the present opportunity, we eagerly hope that the United States and other Powers will reconsider the above facts.

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Translation:

JAPAN'S REPLY QUITE REASONABLE.

(Editorial) Tokyo NICHINICHI,
January 17, 1932.

The reply of the Japanese Government to the American note, which was delayed on account of the change in Foreign Minister, is quite a reasonable one and indicates to a considerable degree amicable feeling toward the United States Government, and we believe that, though somewhat unusually delayed, the note will be received by the American Government with anything but unpleasant feeling. The American note was not sent with any unfriendly intention toward Japan and the contents of the note was quite acceptable to the Japanese nation because the American Government must have taken this step in order to make clear America's stand as to the future development of the situation in Manchuria to which Japan quite agrees. Japan's reply to the note is to be taken as Japan's approval of the fundamental principles set forth in the American note regarding Manchuria and Mongolia.

The Japanese reply states that the policy of the Open Door in Manchuria and Mongolia is the axle around which Japan's Far Eastern policy revolves, because, as frequently stated in these columns, the Japanese nation was and is anxious to have Manchuria and Mongolia equally open to all nations as in the case of China Proper, and to see that each nation has its rightful share in the
economic

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economic development of that region. It is needless to say that Japan, which, geographically, is most closely related to the region, would derive the greatest benefit from the opening up of China, and the Japanese nation, which is well cognizant of the necessity of large capital and engineering facilities for the economic exploitation of the country, is rather anxious to have this capital and these engineering facilities supplied by a third country in order to promote the desired development of the country, which at present is still far below the level of that attained by the majority of other countries. Whether or not Japan is bound by Treaty to do so, Japan is putting forth her best efforts to realize the Open Door in Manchuria and Mongolia, even with her own limited capacity, and in that respect the American Government and the American nation need entertain no apprehension. That the American Government called the attention of the Japanese Government to that point is a support to Japan's own aims at this time .

The American note further stated that it cannot admit the legality of any situation de facto which will injure the treaty rights of America or American citizens, and, again, the American Government cannot recognize any treaty or agreement to be concluded between Japan and China which may violate such treaty rights. In this connection, the Japanese reply does not refer to America's treaty rights, about which the reply shows there is no doubt. The reply only states that it is a question whether, in

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some particular cases, inadequate measures taken may produce insufficient results, but then, the Japanese Government explicitly states that it has no intention whatever to resort to such inadequate or improper measures, so that there can be no ground for question in this connection.

The American note, as we take it, implies that America cannot permit Japan to take selfish action in Manchuria, and the latter half of the reply is apparently intended to assure America that it is unnecessary to entertain any apprehension regarding this, as it points out the difficulties in the way of recognizing China as a unified state and the necessity of taking action on the basis of the status quo in dealing with that country. There is a good deal of discussion abroad as to whether China has qualifications for membership in the League of Nations as a unified state, and in this connection Sir Edward Grey, in his speech made recently, said "the Chinese nation is not master of her own house and as the League of Nations is an organization composed of only masters of their respective houses, it was natural that the League's Council came to a deadlock over the Manchurian issue". This remark of Sir Edward Grey may have been responsible for awakening a section of the American States to the delicateness of the Manchurian situation. Again, the Japanese reply refers to the establishment of a new administration now being formed in Manchuria and Mongolia, which is not specifically mentioned in the American note, and in that respect we had the occasion to

state

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state that the people of Manchuria had the right to decide for themselves regarding the political administration of their country, and no other country had any right to interfere in this. The Japanese reply states that the Japanese Government does not see any reason why the people of Manchuria alone cannot enjoy the right of self-determination and take upon themselves the responsibility of conducting the administration of the country and attending to the maintenance of peace and order in the region. The principle of self determination was advocated by the late President Wilson and is the iron rule for assuring world peace, as recognized at the Paris Conference, and no country can object to this principle being followed by the people of Manchuria. Such is the situation obtaining in Manchuria and the people of Manchuria are acting on their own volition as to the establishment of a new administration, so that it is quite clear that Japan has no hand in the political movement at this time in Manchuria.

We believe that Japan's reply will give entire satisfaction to America. It was rumored that, when sending the note to Japan, the American Government had expected other signatory parties to the Nine Power Treaty would follow suite, but so far no similar note has come from any other Power. Possibly, on receipt of Japan's candid and upright reply to its note, the American Government may be impressed with the wisdom of the other Powers in not following her lead, but we have had no ill feeling regarding America's note and the thing to which we would like to call the American Government's attention is that a note of this kind will further encourage China in her present

DECLASSIFIED: E.O. 11652, 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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present illusion. What is necessary for China is to be awakened, and any country which wants to be friendly to China must try to save her from her illusions. We should, therefore, like to have America exert herself in that direction .

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Translation.

JAPAN'S REPLY TO THE

AMERICAN NOTE.

(Editorial) Tokyo JIJII,
January 17, 1932.

The note of the American Government under date of January 8th notifies the Japanese Government that America cannot admit the legality of a situation de facto which may impair the sovereignty of the Republic of China, its territorial and administrative integrity, as well as the treaty rights in Manchuria of America and American citizens including those international policies generally known as the Open Door and equal opportunity in China, and also any treaty or agreement to be concluded between the Governments of Japan and China or their agents, which may impair the aforementioned rights of America and American citizens. Further, the note states that the American Government cannot admit the legality of such a situation de facto or treaty or agreement to be concluded between the Japanese and Chinese Governments or their agents in a manner contradictory to the Kellogg Pact. It is right and but natural that the American Government wants to have its treaty rights and those of American citizens regarding China assured, and in view of the fact that the American Government had tried to induce other signatory parties to the Nine Power Treaty to send to Japan similar identic notes it is evident that it had entertained very grave concern about the desire to check further aggravation of the situation by means of a joint diplomatic action of the Powers concerned. Mr.

Simons,

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Simons, British Foreign Minister, who had received America's proposal beforehand, in an interview with the Japanese Ambassador, Mr. Matsudaira, on January 8th., declared that it sufficed the British Government to ask the Japanese Government for a reassurance of the policy of Open Door in Manchuria which Japan had frequently declared. Thus the British Government did not take the trouble of presenting any formal note to Japan in that respect. While we must appreciate and respect the action taken by America, which as the chief promoter of the Washington Conference for arranging the Nine Power Treaty and also as the original advocate of the Non-War Pact feels the greatest concern as to the ruling of those pacts, we cannot fail to note particularly the difference in the attitude of the two countries toward the situation in Manchuria.

Following the presentation of a message for Japan's reassurance of her respect of the policy of the Open Door in Manchuria, which was verbally conveyed to the British Government through the Japanese Ambassador on January 14, the reply of the Japanese Government to the American note was handed to the American Ambassador by Foreign Minister Yoshizawa on Saturday (January 16). In the reply, the Japanese Government has clarified its attitude and intention toward Manchuria, assuring the United States that it is acting sincerely in accordance with the spirit of the treaties arranged at the Washington Conference and the Non-War Treaty as well as the principle of the Open Door, which forms the backbone of Japan's Far Eastern

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Eastern policy, in the meantime appreciating the American proposal relating to the assurance of the respect of treaty rights of America and American citizens in China. Thus, Japan will in no case and under no circumstances whatever violate any rights in Manchuria of foreign countries or nationals nor will Japan act in contradiction of her obligations under the Non-War Pact, and America need not entertain any doubt or apprehension about this point. One thing, which is regrettable not only to Japan but also to all other countries concerned, is the unstable and unsettled political state existing in China. We must call to the attention and appeal to the sympathy of the Powers with regard to the great difficulties experienced by Japan in safeguarding her rights and interests in China in such uneasy and disjointed condition as the country finds itself at present and particularly Japan's painstaking efforts for maintaining peace and order in Manchuria where Japan possesses vital interests. We must also draw the attention of the Powers concerned to the actual aspect of the situation in Manchuria, where^{as} the result of the taking to flight of the officials in charge of local administrations the Chinese people of the region have organized a new administrative system among themselves and are making efforts for the maintenance of peace and order there. The new political movement, namely, the establishment of a new administration in the region, is a departure made by the local Chinese inhabitants to meet the requirement of the moment and is nothing but their lawful right based on the principle of the people's self-determination. It is needless to say that Japan has no right to interfere in such matters.

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The reply of the Japanese Government to the American note is an explanation of the situation de facto in Manchuria and Japan's intention regarding Manchuria. Apparently America is seriously concerned as to how Japan will adjust the recent trouble in Manchuria and has called the attention of Japan beforehand in anticipation of possible cases in which the measures taken by Japan may affect American interests in Manchuria. In this respect, it is expected that the fair and candid declaration of Japan's true intention clarified in her reply will perhaps be fully understood and appreciated by America. Judging from the state of mind of the American Government which even tried to induce other Powers which are signatories to the Nine Power Treaty to send identic notes to Japan, however, it is presumed America is very gravely concerned about the future development of the situation in Manchuria. Such being the case, it is very important to Japan that she take this opportunity to make further headway in laying before the eyes of the world nations her policy towards Manchuria, in more definite and candid form, and on her own initiative, which will go a long way in removing any and all doubts concerning Japan's intention and will prove more effective by far in making other nations place full trust in Japan's sincerity and determination regarding Manchuria. We commend this to our new Foreign Minister, Mr. Yoshizawa.

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Translation.

JAPAN'S REPLY TO THE AMERICAN NOTE.

(Editorial) Osaka ASAHI,
January 17, 1932.

The formal reply of the Imperial Japanese Government to the note of the American Government, which was presented to the American Ambassador, Mr. Forbes, on the 16th, is an assurance of Japan's pledge to fulfil her obligations to observe the stipulations of the Nine Power Treaty and other Washington treaties, as well as the Kellogg Non-War Pact of 1928, and at the same time it expresses the great satisfaction of the Japanese Government with the note of the American Government, which has convinced the Japanese Government that the Washington Administration supports the policy pursued by the Japanese Government vis-a-vis Manchuria. In other words, the principle of the Open Door in China, which is warmly advocated by America, is nothing but the nucleus of Japan's Far Eastern policy, and there is no difference in view between Japan and America on that point. As regards the operation of the treaties concerning China, however, Japan holds the necessity of taking into consideration the changed internal situation in that country, and the Japanese Government, pointing out in its reply to the American note the fact that such uneasy and turbulent conditions as exist in China at present had not been anticipated by the Powers concerned at the time of the Washington Conference, calls the special attention of the
American

-2-

American Government to that point. This is quite a reasonable step.

We feel great dissatisfaction at the American note in that it does not pay the least attention to or take into consideration the extremely and indescribably disturbed and disjointed condition obtaining in China. Public opinion in those countries which justifies Japan's military operations in Manchuria unanimously points out the utter disorder which is ever existent in China in recent years, the incapability of its central government to control the perpetually disturbed situation and to maintain peace and order, and support with one accord the military action taken by Japan in Manchuria as a measure of sheer necessity and the lawful use of her right of self-defence in the region. Had the situation in Manchuria been otherwise, the measures taken by Japan would have been made the cause of loud censure and vehement attack by the public opinion of the nations of the world and Japan would have had to submit to them. Japan's action was never prompted by any ambitious motive, but Japan was compelled to resort to the measures by the extreme injustice and abuse indulged in by the anti-Japanese Chinese officials and people at the expense of Japan. Should perfect peace and order be established in the region and the safety of the lives and property of Japanese residents there be ensured, Japan will at once withdraw her troops within the railway zone, true to her repeated declarations, since Japan has no territorial design or any such ambition in Manchuria and Mongolia. We trust that the reply of the Japanese Government will not fail to satisfy the American Government and will serve to remove any doubts and apprehensions about Japan's attitude.

.....

PM RECD

No. D-1892

AMERICAN CONSULATE GENERAL,
Nanking, China.

January 9, 1932.

FEB 13 32

Subject: Sino-Japanese Controversy.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose herewith a Memorandum of a conversation held by me on January 7, 1932, with Mr. Yeh Kung-cho, Minister of Railways. The conversation was unofficial and general in nature, but the present Memorandum relates only to the Sino-Japanese controversy in regard to Manchuria.

The Department will note that Mr. Yeh believed that the United States, because of its strong economic position in the world, would be able to moderate Japan's military activities in Manchuria by a simple indication of its opposition thereto. This belief has been expressed repeatedly by Chinese political leaders of late, men representing all political factions.

Mr. Yeh, although a Cantonese, has in the last few years been identified with the Manchurian clique, as well as with the Cantonese faction.

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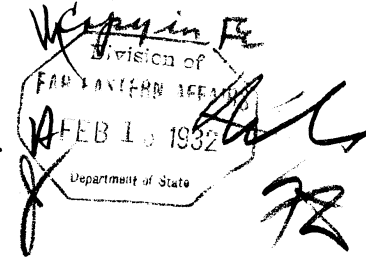
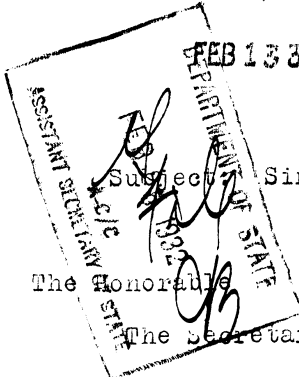
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It is important to bear in mind that this conversation was held before the presentation and publication of the American Government's identic Note to Japan and China.

Respectfully yours,


Willys R. Peck,
American Consul General.

Enclosure:

- 1/ Memorandum of Conversation dated January 7, 1932, regarding Sino-Japanese Controversy.

In quintuplicate to the Department
In duplicate to the Legation at Peiping.

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WRP:MCL

Enclosure No. 1 to despatch to the Department No. 189
of Willys R. Peck, American Consul General at Nanking,
China, dated January 9, 1932, entitled "Sino-Japanese
Controversy".

Memorandum of Conversation.

January 7, 1932.

Mr. Yeh Kang-cho, Minister of Railways.
Mr. Willys R. Peck, Counselor of Legation.

Subject: Sino-Japanese Controversy.

Mr. Yeh said that since he had no official responsibility in connection with diplomatic matters, perhaps he should not discuss them, even in the purely personal and unofficial conversation he was having with Mr. Peck, but in view of their being old friends he would like to ask why it was that the United States was showing such caution in its attitude toward Japan in respect of Japan's actions in Manchuria.

Mr. Peck said that he was by no means fully informed in regard to what had passed between the American and Japanese Governments in regard to Manchuria, but he pointed out that there seemed to be a general lack of means whereby other Powers could influence Japan and dissuade Japan from the course she had taken in Manchuria. Many persons had suggested that the League of Nations make use of economic sanctions, but economic conditions throughout the world were so bad that no nation wanted to take action which would make business worse.

Mr. Yeh expounded the view, which seems to be held

universally

-2-

universally by Chinese today, that the Japanese Government is entirely under the domination of the Japanese military party, a party which even the Emperor does not dare to oppose, lest disorders be created in Japan which would endanger the Throne itself. He dwelt on the utter indefensibility of the Japanese military invasion of Manchuria and the baselessness of the Japanese claim that Japan was acting in legitimate self-defence, to serve as a bulwark against a Communist military threat against Asia. He pointed out that if the Soviet Republic wished to expand eastward it would not be so likely to do so through Manchuria, as elsewhere along the Chinese frontier, and that, in any event, the danger to China from the Soviet side was not so much from armed force as from propaganda, which had increased as the result of Japan's military invasion.

Mr. Yeh said he by no means advocated that the United States declare war against Japan, but he thought the United States might easily utilize its economic power, and that a mere indication of such an intention would be sufficient to checkmate Japan.

Mr. Peck inquired whether Mr. Yeh saw any way to solve the Manchurian dispute with Japan except by negotiation between the two countries. Mr. Yeh said that with Japan in control of Manchuria it would not be possible for China to hold direct negotiations with Japan, unless there were neutral observers on the sidelines, as there were during the Washington Conference discussions in regard to Shantung. He instanced, also,

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the fact that the United States had been the host to the peace negotiations between Russia and Japan at the end of the Russo-Japanese War, when the Portsmouth Treaty was concluded. He thought that if foreign powers would interest themselves to the extent of promoting negotiations of this sort, in the presence of disinterested third parties, progress could be made toward a proper solution of the dispute between China and Japan. Otherwise the Chinese public was so aroused against Japan that the Chinese Government could not venture to enter into negotiations with Japan.

WRP:MCL



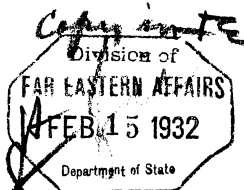
PM RECD

LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, January 21, 1932.

No. 1378

FEB 13 32



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793.94/4173

The Honorable

The Secretary of State,
Washington.

Sir:

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Referring to Nanking's telegram to the Department, No. 10, of January 13, 7 p.m., I have the honor
1/ to transmit herewith the text of the Note from the Chinese Foreign Office, dated January 12, 1932, in reply to the Legation's Note of January 8, 1932, based upon the Department's telegram to Nanking, No. 2, of January 7, 12 noon. /34376

The Chinese text of the Foreign Office Note has been carefully compared with the English translation transmitted to the Department in the above mentioned telegram from Nanking, and the latter has been found to be accurate.

FEB 24 1932

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Referring

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Referring to Nanking's telegram No. 12 of January 16, 9 a.m., the corrections suggested by the Chinese Foreign Office in the translation made at the Consulate General in Nanking do not appear to be warranted by the Chinese text, with the possible exception of the sentence in the third paragraph which was translated as "More recently Japan has occupied Suichung and Shanhaikwan and has" etc., and which might perhaps more correctly be rendered as "More recently Japan has occupied Suichung and has advanced on Shanhaikwan".

Respectfully yours,

Nelson Trusler Johnson

NELSON TRUSLER JOHNSON

✓
Enclosure:

1/ As stated

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CVHE:MM

Enclosure No. 1378
Despatch No. 1378

L-398

Translation of a formal note addressed by His
Excellency Mr. Eugene Chen, Minister for Foreign
Affairs of the Republic of China, to the Honorable
Nelson T. Johnson, Envoy Extraordinary and Minister
Plenipotentiary of the United States of America to
China.

(Trans. WRP)

(Dated: January 12, 1932.)

(Received at Nanking Office
of the Legation, January
13, 1932.)

(Recd.: January 18, 1932.)

Excellency:

I have the honor to acknowledge the receipt of
Your Excellency's Note of January 8, 1932, stating that
the recent military operations about Chinchow have
destroyed the last remaining administrative authority
of the Republic of China in South Manchuria as it
existed before September 18, 1931; that the American
Government is still confident that the Neutral Committee
of Investigation recently appointed by the Council of
the League of Nations will facilitate the final solution of
the difficulties now existing between China and Japan; but
that the American Government in view of the present
situation and of its own rights and obligations deems
that it is its duty to make the following notification to
the Governments of China and Japan: that is, that the
American Government cannot recognize as legal any

situation

The Honorable
Nelson T. Johnson,
Envoy Extraordinary and
Minister Plenipotentiary of
the United States of America
to China.

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situation de facto and that it does not intend to recognize any treaty or agreement concluded by the Chinese and Japanese Governments, or their representatives, which may impair treaty rights of the United States or its citizens in China, or which may impair the sovereignty, the independence, or the territorial and administrative integrity of China, or which may violate the international policy relative to China commonly known as the Open Door Policy; and also that the American Government does not intend to recognize any situation, treaty, or agreement which may be brought about by means violative of the Pact against War signed by China, Japan and the United States at Paris on August 27, 1928.

It is amply evident that the American Government takes the most serious view of the lawless acts of the Japanese military forces in the Eastern Provinces and that it upholds, also, the dignity of international covenants and of the Pact Against War. The Chinese Government from the time that the present events in the North-east 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 procedures set forth in existing international covenants, asked that the 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 of September 30, 1931, and the meeting of the Council on October 24, 1931, have still continuously extended the field of their invasions and even after the passing

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

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passing of the League's Resolution of December 10, 1931, have openly invaded and seized Chinchow the seat of the Chinese local government. More recently Japan has occupied Suichung and Shanhaikwan and has increased the numbers of Japanese naval vessels and troops at Chinwangtao, Tientsin, and other places. In addition to this there are indications of an 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 the 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. This is all matter of record.

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.

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It is the sincere hope of the Chinese Government that Your Excellency's Government will continue to promote the effectiveness of 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 to express the hope that you will transmit it to Your Excellency's Government for its information and action.

(Signed) Eugene Chen
(Ch'ên Yu-jên,)
Minister for Foreign Affairs
of the Republic of China.

-SEAL OF THE MINISTRY OF FOREIGN AFFAIRS-

January 12, 1932.

WRP:T



LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, January 20, 1932.

No. 1375

FEB 13 32

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EASTERN AFFAIRS
FEB 19 1932
Department of State

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The Honorable
The Secretary of State,
Washington.

Sir:

In continuation of the Legation's despatch
No. 1354 of January 8, 1932, I have the honor to
transmit herewith three additional editorials bear-
ing upon the Manchurian situation, which have
appeared in THE LEADER of Peiping during the past
two weeks.

Respectfully yours,

Nelson Trusler Johnson
NELSON TRUSLER JOHNSON.

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FEB 24 1932

Enclosure:
1/ As noted.

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

Enclosure No. 1375
 Despatch No. 1375

THE LEADER, Tuesday, January 12, 1932

REVISION OF BOXER PROTOCOL NECESSARY

One can very well remember that at a time when the plainclothes army suddenly emerged from the Japanese Concession at Tientsin and attacked the Chinese city without provocation or warning, the Japanese militarists insisted that all Chinese troops should be withdrawn twenty li (almost 7 miles) outside the limits of the city of Tientsin, and so the burden of defending the city from Japanese artillery, machine-guns and surprise attacks during the middle of the night rested entirely upon the shoulders of the Chinese police. Indeed, were it not for the vigilance and bravery of the police, the municipal government offices would have been taken by the attacking plainclothes army and the Japanese flag might now be floating over the Chinese city of Tientsin, just as it did over the number six police station of the Second Special area which was captured on the very first day of the surprise attack. Basing their contention upon the strength of an obsolete clause in the note addressed by the representatives of the Powers on July 5, 1902 in connection with the dissolution of the Provisional Government of Tientsin and other matters connected with the Boxer Uprising, the Japanese militarists insist upon the withdrawal of Chinese troops twenty li outside the limits of the city of Tientsin. This clause follows:

"It is desirable, however, to avoid as far as possible occasions of collision between the foreign troops and those of China. I propose, therefore, that with this object the Chinese Government shall undertake not to station nor march any troops within 20 Chinese li of the city or of the troops stationed at Tientsin; further, in correspondence exchanged between the foreign representatives.....previous to the signature of the Protocol, it was agreed that the jurisdiction of the commanders of the posts to be established along the line of communications should extend to a distance of two miles on either side of the railway, and this arrangement ought to be maintained as long as the line of posts specified in Article IX of the Protocol continue to be occupied."

The unfairness of the clause can at once be seen, and should be immediately revised. While the Japanese-inspired plainclothes army supported by Japanese artillery fire and machine guns attacked Tientsin, Chinese soldiers had to look on, unable to help defend the Chinese city from attack for fear of violating this supplementary note from the Powers. The war-mad Japanese militarists landed ten carloads of ammunition and fifteen hundred additional soldiers besides a huge quantity of field guns, machine-guns and horses, barely two weeks ago. We do not know under what clause of the Boxer Protocol the Japanese militarists base their contention for landing more death-dealing devices which will be

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used at the first opportunity to massacre the Chinese people and seize more territory. We have editorially commented on the fact that the P. M. R. should refuse to transport Japanese troops or ammunition, and the Maritime Customs should go one step further and seize all Japanese ammunition that passes through Taku. We have pointed out before that according to a resolution issued by the diplomatic body on January 26, 1912, "any attempts permanently to damage important parts of the line, such as stations, depots, machinery, bridges, etc., will be resisted by the combined forces of the six Powers cooperating in the defense of the railway." The Japanese have torn up the tracks in many sections, blown up the bridges, cut telegraph and telephone wires, and bombed stations along the Peiping-Mukden line. If great Powers are really sincere; if they have not arrived at an understanding with the Japanese to allow them to despatch as many troops and as much ammunition as they liked, if they do not agree to a possible Japanese seizure of Tientsin and Peiping, they should at once protest against the landing of further Japanese troops to Tientsin and "resist with their combined forces" against the wrecking of various parts of the Peiping-Mukden Railway by the Japanese military brigands.

Another clause in the Boxer Protocol which should be immediately altered to suit the changing circumstances is the provision for the razing of the forts at Taku which "implies the obligation upon China not to reconstruct them, and the same obligation applies to the walls of Tientsin city, which during the troubles of 1900, were made use of as a fortification directed against the security of the foreign settlements. We (the Powers) cannot consent that the Chinese Government establish maritime defenses at the mouth of the Peiho at Chinwangtao or at Shanhaikwan." The operation of this clause has worked to the detriment of China. While the Japanese invaders can send warships along the coast of China and even in the inland waters at will, China is not permitted by treaty to erect fortifications and is powerless to withstand attack from an unscrupulous invader like rapacious Japan. The Powers, who station soldiers here for the declared purpose of protecting the Peiping-Mukden Railway, look on with apathy while bridges and stations are bombed, tracks blown up and communications cut.

To prevent the whole of North China from coming under the Japanese flag, the Boxer Protocol should be revised immediately to allow China to erect fortifications and defend herself from attack by criminal Japan. It is unjust that a whole nation should be permanently paralyzed and rendered powerless to defend herself from being overrun by savage invaders merely because of the mistakes of a few fanatics. Germany demanded the revision of the Versailles Treaty because she was unable to pay. There is no reason why China should not demand the

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

immediate and complete revision of the Boxer Protocol in view of the fact that the provisions of this unequal treaty denies her the right to erect adequate defences for the preservation of the Chinese race from subjugation by an invader whose aim is the annexation of China.

E.B.-S.L.

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

THE LEADER, Friday, January 15, 1932

JAPANESE ROWDIES IN TSINGTAO

In Tsingtao a Chinese newspaper, in printing the story of the attack upon the Japanese emperor by a Korean patriot, used this same expression in the caption. There are two versions of the exact wording, but they do not differ materially. The Chinese news agency *Kuo Wen* renders the heading as "Korea is Not Dead. Attempt of Patriot Li Feng-chang to bomb Mikado fails." The Japanese news agency *Nippon Dempo* gives it as "Korea Not Yet Perished; Bomb Thrown to the Emperor of Japan by a Patriot." The only difference is that the *Kuo Wen* is in better English and gives less impression of a game of catch, and that the Chinese report says that the assailant's name appeared in the caption. The meaning is essentially the same.

From what meager information we have received here of the attack upon the Japanese Emperor, it would appear that his assailant was indeed a Korean patriot. This was certainly a fair assumption to make, once it was known that the bomb-thrower was of Korean nationality. There is no doubt whatsoever that scores of newspapers in America and Europe have reported the attack under similar headlines. As for the expression that Korea was not yet dead, this was clearly an expression of editorial opinion, which it might have been better to leave out of a headline. But a thing like this was properly up to the editor of the newspaper in question. It was certainly not up to a gang of Japanese rowdies to stage wild demonstrations, attack a Chinese newspaper office, and burn down a Party headquarters, on the basis of a caption of this kind.

We ourselves are inclined to think, from the activities of Korean nationalists from time to time, that Korea is not dead. And we say so quite frankly. And in view of such reports as we have about the young Korean who threw a bomb at the Japanese emperor, we are inclined to believe that the young man was a patriot.

There is no report that any of the Japanese criminals who assaulted the two Kuomintang workers, Messrs. Chin and Li, were put under arrest by the Japanese authorities in Tsingtao. There is no report that the incendiaries who burned down the district Kuomintang headquarters there have been jailed for arson. There is, indeed, a report that Japanese blue-jackets were landed, but no indication whatsoever that they did anything to check the criminal activities of these Japanese hooligans there. Presumably they simply protected these ruffians in their nefarious activities. And after the assaults and arson by Japanese criminals the Japanese Consul at Tsingtao, apparently siding with and abetting the criminals, has actually presented demands that the Tsingtao municipal authorities apologize, and that the Chinese paper printing the caption referred to be severely disciplined.

If there are, among our readers, any Japanese who believe in law and order, we are sure they will agree with us in heartily condemning these furious outbreaks by which certain countrymen of theirs bring their country into disrepute in the eyes of the civilized world. Japanese in other countries than China will certainly not stage any such ugly demonstrations on

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

account of newspaper headlines of the kind quoted. If they do they will be promptly dealt with by the police, regardless of their "patriotic" mouthings. And it is most regrettable that the Chinese police of Tsingtao did not handle these ruffians as they deserved,—as they would have been handled in America or England or France or Italy.

One striking thing about the situation is the relative calmness and dignity which the Chinese newspapers, and Chinese official statements, have maintained, with regard to the Japanese ruler, as contrasted with the vile insults and vicious lies appearing in Japanese newspapers and officially circulated by Japanese officialdom with regard to China's rulers. Official statements have again and again been given out at Tokyo by members of the Emperor's Government, for circulation abroad, declaring that the legitimate head of the Chinese Government in Manchuria as it existed before the invasion, Marshal Chang Hsueh-liang, was the organizer and instigator of bandits and banditry in Manchuria. Such statements have been made not once, but many times, and the reports in Japanese newspapers are even worse. No insults are too vile, no slanders too outrageous, no billingsgate too low, for them to throw at the "Prince," as the Young Marshal is known. There can be no possible denial of this.

But contrast with this the restraint and dignity of the Chinese press. The Japanese troops in Manchuria have seized both public and private property, have killed, imprisoned, looted, burned, and done about everything else which comes under the general heading of banditry. That this banditry was carried out with the approval of the Emperor there is no doubt. In fact, more than one message has made this clear, and as recently as last Friday the Emperor "granted an edict to the (Japanese) army in Manchuria, giving expression to his appreciation of the loyalty and labor of the officers and men fighting on the front." And yet we have not seen a single Chinese newspaper with a caption referring to the Japanese Emperor as chief of the bandits in Manchuria. There has not been a single Chinese Government statement referring to the Mikado as the organizer and instigator of banditry in Manchuria. And yet it must be admitted that there is far more reason to make such statements about the titular ruler of Japan than about the legitimate head of the Fengtien government. And if it be argued that the Japanese emperor is a hereditary ruler, it can be replied that the young marshal is also one.

If there are any of our readers who believe that our presentation of the situation, as above, is unfair or inaccurate, we would appreciate hearing from them. Any honest expression of opinion, couched in dignified language, will, as always, be given due publicity. We have always endeavored to be scrupulously fair to our Japanese neighbors, to remember some of their prejudices and limitations, to utilize Japanese news agencies and present Japanese viewpoints together with other news agencies and other viewpoints. Because of these things we consider we have the right to speak frankly now. The Japanese outrage in Tsingtao was an intolerable thing, and so long as Japanese officialdom and the Japanese press speak in terms of

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such unmeasured insult of China and China's rulers and China's army, they have only reason to be grateful that China's response is such a mild one. We hope that there will be no apology from Chinese officialdom until there is a far more sweeping apology from the Japanese Government. And we hope that the Japanese Government will show that it has some sense of law and order by meting out due punishment to the criminals who assaulted Chinese citizens and burned down Chinese property in Tsingtao.

But though we hope for it, we cannot say that we expect it. There is nothing whatever to show that the Emperor's Government has any sense whatsoever of law and order, or even of common decency, in relation to China and the Chinese.

F. G.

THE LEADER, Wednesday, January 20, 1932
ACTION AT LAST

At last, after terrible months of inaction, the Chinese Government is preparing to act against the invaders of Manchuria. There is no need for a pessimistic attitude of "It's too late now." There is no reason whatever to assume that Manchuria was the only aim of the Japanese military, and now that they control the main arteries of this territory they will be satisfied. They are pushing into North Manchuria, extending their occupation west to Jehol in Inner Mongolia, into territory which until the recent creation of new provinces was a part of Chihli, our own province. When they control Jehol they will be but a day's march from Peiping, and with their troops at Tientsin this city will be hemmed in. They have declared flatly that they will not stop until China is prepared to accept the provisions of the Twenty-One Demands of 1915.

Can China stop the invasion? China can at least try to do so. During the past week the invaders have had harder and bitterer fighting than ever before. Along the railways they have a certain advantage, with their armored trains and artillery, but away from the lines, up in the hills, they are having harder sledding. They must advance in force or not advance at all. Detachments sent out are being cut to pieces,—and will be cut to pieces. The invaders are learning what it means to be in enemy territory, with every man's hand against them. They are learning what it means to fight men who are not mercenaries, not soldiers fighting under orders for their daily rice-bowl, but volunteers fighting for their homes and their homeland. And they are already calling for new divisions. Three new divisions they want, to cope with the guerilla bands which harrass them on all sides, interfere with their every effort to bring the interior under their iron heel.

But China and Japan are not alone in the world. Both are members of the League of Nations. China's delegate to the League has month after month confined himself to making reports and protests, reports and protests, while the Japanese military were extending their occupation further and further. But now, at last, there is to be a halt to this. China's delegate has at last received the instructions he should have received four months ago—to demand that the League take action against the outlaw who has violated its Covenant and broken the peace of the world.

It seems incredible that months should have gone by and China never have called upon loyal members of the League to take a decisive step against a criminal and treacherous member. And yet this is the case. Foreign reports again and again stated that China was expected to invoke Article XVI of the Covenant, but China never did,—to the amazement and perplexity of the world. And the League would not take action on its own account. But now Nanking, at long last, is going to demand action under Article XVI of the League Covenant, as follows:

1. Should any Member of the League resort to war in disregard of its covenants under Articles 12, 13 or 15, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a Member of the League or not.

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

2. It shall be the duty of the Council in such case to recommend to the several Governments concerned what effective military, naval or air force the Members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

3. The Members of the League agree, further, that they will mutually support one another in the financial and economic measures which are taken under this Article, in order to minimise the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State, and that they will take the necessary steps to afford passage through their territory to the forces of any of the Members of the League which are co-operating to protect the covenants of the League.

4. Any Member of the League which has violated any covenant of the League may be declared to be no longer a Member of the League by a vote of the Council concurred in by the Representatives of all the other Members of the League represented thereon.

It is late, of course, but far better late than never. The League must answer yes or no. And in the meantime, by guerilla warfare, by the intensification of the boycott, by refusal of any support or any co-operation whatsoever with the invaders, loyal Chinese will struggle against the conquest of their homeland.

F. G.

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

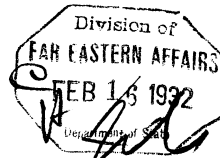


EMBASSY OF THE
UNITED STATES OF AMERICA
Tokyo, January 18, 1932.

No. 462.

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

FEB 13 32



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793.94/4175

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to report that the Japanese newspapers of January 15 carry a statement purporting to come from the Japanese Government in regard to the alleged secret understandings between Japan and China additional to the treaty of December 22, 1905. The treaty was designed to implement the Treaty of Portsmouth.

1/. The text of the Government statement is enclosed as it appeared in the JAPAN TIMES. The text of the unpublished

FEB 24 1932

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"unpublished understandings" is the same as that contained in "MacMurray's Treaties and Agreements", Vol. I pages 554,555. The text referred to as supplied to the United States in confidence in 1906 was transmitted in confidential despatch from Tokyo, No. 391, of February 16, 1906.

Respectfully yours,



W. Cameron Forbes.

✓
Enclosure:
Text of statement from
the JAPAN TIMES.

Embassy's File No.- 800. Manchuria

ELN/SR

The Japan Times,

Tokyo, Friday, January 15, 1932.

GOVERNMENT ISSUES TREATY STATEMENT

Minutes of China-Japan 1905 Agreement Conference Are Published in Full

With regard to the Chinese Government's violation of its promise to refrain from constructing parallel railway lines in Manchuria and in refutation of Wellington Koo's recent assertion that no such pledge was ever given, the Japanese Government yesterday published in full the recorded minutes of the conference at which the Sino-Japanese agreement of 1905 was signed, the minutes being tantamount to a secret annex to the agreement itself. The full text of the statement is as follows:

In 1905, when the Treaty concerning Manchuria and the supplementary agreement to it were concluded Japanese Government insisted on the insertion in the text of the Treaty definite engagements on certain matters. Since, however, the Chinese Government found it difficult for internal political reasons to consent to the publication of such engagements, it was agreed that these should be merely recorded in the Minutes of the Conference, which were drawn up both in Japanese and Chinese and signed by the Japanese and Chinese plenipotentiaries. These unpublished understandings totalled sixteen in number. An English version summarising these provisions was submitted, in February, 1906, to the British and the United States Governments in strict confidence by the Japanese Government.

Inasmuch as there seems to be some doubt as to the existence of these understandings in the Minutes of the Conference and as people even in positions of influence in China have openly denied it this Government think the present a fit occasion to publish the above-mentioned communication made to the Governments of Great Britain and the United States.

Whereas the protocols of the Conference recently held between the Plenipotentiaries of Japan and China with regard to Manchuria are to be kept strictly secret in deference to the desire of the Chinese Government, only such portions of those Protocols as possess the character of executive agreements are given in the following summary:

1. The railway between Changchun and Kirin will be constructed by China with capital to be raised by herself. She, however, agrees to borrow from Japan the insufficient amount of capital, which amount being about one-half of the total sum required. The contract concerning the loan shall, in due time, be concluded, following mutatis mutandis, the loan contract entered into between the board of the Imperial Railways of North China and the Anglo-Chinese Syndicate. The term of the loan shall be twenty-five years, redeemable in yearly instalments.

2. The military railway constructed by Japan between Mukden and Hsinmintun shall be sold to China at a price to be fairly determined in consultation by Commissioners ap-

pointed for the purpose by the two Governments. China engages to reconstruct the line, making it her own railway, and to borrow from a Japanese corporation or corporations one-half of the capital required for the portion of the line east of Liao-ho for a term of eighteen years repayable in yearly instalments, and a contract shall be concluded, for the purpose following, mutatis mutandis, the loan contract entered into between the Board of the Imperial Railways of North China and the Anglo-Chinese Syndicate.

All the other military railways in different localities shall be removed with the evacuation of the regions.

3. The Chinese Government engage, for the purpose of protecting the interest of the South Manchurian Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway.

4. China declares that she will adopt sufficient measures for securing Russia's faithful observance of the Russo-Chinese treaties with regard to the railways which Russia continues to possess in the northern part of Manchuria, and that it is her intention, in case Russia acts in contravention of such treaty stipulations, to approach her strongly with a view to have such action fully rectified.

5. When in the future, negotiations are to be opened between Japan and Russia for regulation of the connecting railway services (Article VIII of the Treaty of Peace between Japan and Russia), Japan shall give China previous notice. China shall communicate to Russia her desire to take part in the negotiations through commissioners to be despatched by her on the occasion, and Russia consenting shall participate in such negotiations.

6. With regard to the mines in the Province of Fengtien, appertaining to the railway, whether already worked or not, fair and detailed arrangements shall be agreed upon for mutual observance.

7. The affairs relating to the connecting services as well as those of common concern in respect of the telegraph lines in the Province of Fengtien and the cables between Port Arthur and Yentai shall be arranged from time to time as necessity may arise in consultation between the two countries.

8. The regulations respecting the places to be opened in Manchuria, shall be made by China herself, but the Japanese Minister at Peking must be previously consulted regarding the matter.

9. If no objection be offered on the part of Russia respecting the navigation of the Sungari (by Japanese vessels), China shall consent to such navigation after negotiations.

10. The Chinese Plenipotentiaries declare that immediately after the withdrawal of the Japanese and Russian troops from Manchuria China will proceed to take, in virtue of her sovereign right, full-administrative measures to guarantee peace in that region and endeavor, by the same right, to promote good and remove evil as well as steadily to restore order, so that the residents of that region, natives and foreigners, may equally enjoy the security of life and occupation under the perfect protection of the Chinese Government. As to the means of restoring

order, the Chinese Government are to take by themselves all adequate measures.

11. While relations of intimate friendship subsisted as at the present time between China and Japan, Japan and Russia had unfortunately engaged in war and fought in the territory of China. But peace has now been reestablished and hostilities in Manchuria have ceased. And while it is undeniable that Japanese troops, before their withdrawal, have the power of exercising the right accruing from military occupation, the Chinese Government declare that certain Japanese subjects in Manchuria have recently been observed to sometimes interfere with the local Chinese administration and to inflict damage to public and private property of China.

The Japanese Plenipotentiaries, considering that, should such interference and infliction of damage have been carried beyond military necessity, they are not proper acts, declare that they will communicate the purport of the above declaration of the Chinese Government to the Government of Japan, so that proper steps may be taken for controlling Japanese subjects in the Province of Fengtien and promote the friendly relations between the two nations, and also for preventing them in future, from interfering with the Chinese administration or inflicting damage to public or private property without military necessity.

12. In regard to any public or private property of China which may have been purposely destroyed or used by Japanese subjects without any military necessity, the Governments of the two countries shall respectively make investigations and cause fair reparation to be made.

13. When the Chinese local authorities intend to despatch troops for the purpose of subduing native bandits in the regions not yet completely evacuated by Japanese troops, they shall not fail to previously consult with the Commander of the Japanese troops stationed in those regions so that all misunderstandings, may be avoided.

14. The Japanese Plenipotentiaries declare that the Railway Guards stationed between Changchun and the boundary line of the leased territory of Port Arthur and Talien, shall not be allowed, before their withdrawal, to unreasonably interfere with the local administration of China or to proceed without permission beyond the limits of the railway.

15. Chinese local authorities, who are to reside at Inkou, shall be allowed, even before the withdrawal of the Japanese troops, to proceed to that place and transact their official business. The date of their departure is to be determined, as soon as possible after the definite conclusion of this Treaty, by the Japanese Minister to China in consultation with the Waiwupu. As there is still in that place a considerable number of Japanese troops, quarantine regulations as well as regulations for the prevention of contagious diseases, shall be established by the authorities of the two countries in consultation with each other so that epidemics may be avoided.

16. The revenue of the Maritime Customs at Yingkou shall be deposited with the Yokohama Specie Bank and delivered to the Chinese local authorities at the time of evacuation. As to the revenue of the native Customs at that place and the taxes and imposts at all other places, which are to be appropriated for local expenditures, a statement of receipts and expenditures shall be delivered to the Chinese local authorities at the time of evacuation.

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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. Gutzgum NARS, Date 12-18-75

No. 8075

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, January 12, 1932.
FEB 15 1932

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

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a/c
FIDEM 793.94/4176

Subject: Shanghai Press Comments on American
Note to China and Japan.

THE HONORABLE

THE SECRETARY OF STATE,
WASHINGTON.

W. C. C. 12
Division of
Far Eastern Affairs
FEB 15 1932
Department of State

Sir:

I have the honor to state that the press in Shanghai, both foreign and Chinese, has commented extensively on the recent American note to the Governments of China and Japan. The substance of this note was published in the local papers on January 9, 1932.

One of the leading papers in Shanghai, the SHUN PAO, in a leading article states that since the Great War the center of international politics has shifted from the Atlantic to the Pacific and that Manchuria is at present the "Balkans" of the Far East. It goes on to say that the Sino-Japanese conflict has taken on an American-Japanese angle with the delivery of the note of the United States Government to the Tokyo Government, invoking the Nine-Power Treaty in connection with the Manchurian problem. It also states that if the American note has the desired effect, the result will be the replacement of one power by another in Manchuria.

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1/2/ There are enclosed translations of two editorials from other leading Chinese newspapers of January 9, 1932, one from THE CHINA TIMES and the other from the SIN WAN PAO. The CHINA TIMES, after attempting an analysis of the note, states that the attitude of the United States, which is adopted with a view to the preservation of its national prestige, is nothing unusual but that coming at this time, after the inability of the League of Nations to deal with the question, it may be described as "The sound of men marching out of a deserted dale."

— The editorial concludes with the remark that the American note will do much to restore confidence in the League of Nations, which is already tottering to its fall.

The editorial from the SIN WAN PAO states that the note seems to attach importance to that part of Manchuria west of Chinchow and inquires whether, if the Japanese troops did not advance west of Chinchow, the United States would have taken their action as not being contrary to international agreement.

3/ There is also enclosed an editorial from THE NORTH CHINA DAILY NEWS (British) of January 11, 1932. Quite evidently this is written from the British point of view. It begins with the statement that there would have been no necessity for the American note if the United States had been a member of the League of Nations, because then it could have relied upon its membership in the League to place its views before Japan. The editorial expresses surprise that since the United States is to be represented on the Commission of Inquiry, the State Department should feel it necessary to issue this warning at this time.

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THE CHINA PRESS (American incorporated, alien owned) in an editorial on January 9, 1932, states that China's policy of placing reliance upon the nations pledged to see that right no longer prevails over right in international differences shows signs at last of being rewarded. It goes on to say that the fact that the initiative in this matter has been taken by the United States is probably hailed with profound relief by the League of Nations, since the League is thus able, without having to jeopardize its relations with Japan, to support action by a power very closely associated with the League but which is not actually a member.

- 4/ There is enclosed an editorial from THE SHANGHAI TIMES (Japanese controlled, published in English language) of January 9, 1932, in regard to the note. As might have been expected, this editorial is an attempted defense of Japan's action in Manchuria. It states that the Nine-Power Treaty was an attempt to consolidate the Open Door policy in China and cannot be construed as a blanket protection of China against the consequences of a failure to honor its word. The editorial goes on to say that Japan's rights have been deliberately flouted or ignored by China and that valuable property was exposed to the mercy of bandits; that Japan's losses through banditry and official obstruction had reached enormous proportions, and that it came to the point where Japan either had to take action or suffer serious conditions to go from bad to worse. The editor states that Japan took action, as everyone knows, and so far it has not been proved that it has

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has violated any treaty in so doing; that Japan's obvious reply to the points raised in the American note is that she does not wish, nor has she tried, to destroy the authority of the Chinese Government in South Manchuria. The editor reiterates Japan's declaration that she seeks no territorial expansion and that she desires only a strong and stable Chinese administration which will be able to govern the country and keep lawless elements in check, while paying due regard to Japan's treaty rights.

5/6/

There are also enclosed two excerpts from THE SHANGHAI EVENING POST AND MERCURY (American) of January 12, 1932, containing independent comments by a British and a Chinese writer. The first of these is by Mr. H. G. W. Woodhead, formerly editor of the PEKING & TIENTSIN TIMES. He refers to the American note as "a damp squib" in that, coming as it does, it will not alarm Japan nor be likely to cause any change in its policy. Mr. Woodhead states that there was good reason to believe that events were developing in the direction of early negotiations between Tokyo and Nanking, and that any power friendly to both governments ought to be very chary of taking action calculated to raise false hopes among the Chinese and to delay the opening of negotiations. Mr. Woodhead also brings in a number of comments which the writer had seen as published reports from Tokyo, namely, that the American note is very similar to the American note despatched to the Tokyo and Peking Governments in connection with the Twenty-

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one Demands. He inquires if the United States is so concerned over China's administrative and territorial integrity, why it has passed without protest the annexation of Outer Mongolia by the Soviets. If the writer is not mistaken, this argument was originally put forth by a spokesman of the Japanese Foreign Office.

The second comment in the SHANGHAI EVENING POST AND MERCURY is by Mr. Kwei Chung-shu, a Chinese contributor and the editor of the CHINA CRITIC. He states that the Chinese people are frankly disappointed at Great Britain's refusal to join America in this action and declares that if the American action does nothing else it has at least made clear where Great Britain stands. He states that in some quarters Great Britain's disinclination to support China is attributed to Nanking's "unhappy" choice of its Foreign Minister. He, however, discredits this belief. He devotes some space to criticism of recent British press comment and declares that it has been common knowledge that British publicists have spared no effort to exploit certain unfavorable conditions in China, being actuated by a desire to retain extraterritorial privileges in this country. He goes on to say that the greatest danger from the present conflict is that anti-foreign sentiment in China will grow and that the flagrant abuse of treaty rights by Japan will only spur the Chinese to a greater struggle for freedom. He inquires why China should scrupulously respect treaties when other nations


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have deliberately violated them or refused to uphold them.

In this connection it is interesting to note that according to press reports from Nanking, dated January 9, 1932, both official circles and the press in Nanking were up to that time entirely silent in regard to the American note.

Respectfully yours,


Edwin S. Cunningham,
American Consul General.

Enclosures:

- 1/- Translation from THE CHINA TIMES of January 9, 1932.
- 2/- Translation from SIN WAN PAO of January 9, 1932.
- 3/- Editorial from NORTH CHINA DAILY NEWS of January 11, 1932.
- 4/- Editorial from THE SHANGHAI TIMES of January 9, 1932.
- 5/- Excerpt from THE SHANGHAI EVENING POST AND MERCURY of January 12, 1932.
- 6/- Excerpt from THE SHANGHAI EVENING POST AND MERCURY of January 12, 1932.

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In Duplicate to Legation.

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

Enclosure No. 1 to despatch No. 8075 of Edwin S. Cunningham, American Consul General at Shanghai, China, dated January 12, 1932, on the subject: "Shanghai Press Comments on American Note to China and Japan."

(Copy of Translation).

On January 7, 1932, Secretary Stimson of the United States of America issued an emphatic note to China and Japan, distributed copies thereof among the Ambassadors of nine powers to Washington and released the text to newspaper correspondents. Since September 18, 1931, when China was invaded by outrageous Japanese, the League of Nations to which more than fifty countries entrust their life has been subjected to the fire of ordeal. At times, it was almost doomed to death while diplomats running between Geneva and Paris had to get along with tactics calculated to deceive others as well as themselves. With the League of Nations' Covenant, the Nine-Power Pact and the Anti-war Treaty shattered to pieces and reduced to ashes by the gunfire of outrageous Japan, the guaranty for world peace and for the welfare of mankind may be likened to duckweed floating on troubled waters and rushes whirled along by angry waves. What pervades the universe is nothing but dark cloud and gloomy atmosphere. Now that the United States has manifested her attitude, we see something out of the lowering sky that may hold back the threatening tempest.

The contents of the American note are as published in the news column. It is a clear-cut, strong and blunt statement. A perusal of the whole text would bring conspicuously before our eyes what is therein implied. (The document may be analyzed as follows:)

1. It is declared that the United States Government cannot recognize the legality of any situation *de facto*. While posing as champions of justice, the Powers, regardless of justice, often tolerate facts contrary to the principle of fair dealing once they are accomplished. Japan ventures to incur the displeasure of the world regardless of consequences because she is anxious to accomplish facts. The Powers, making the best of a bad bargain, deal with Japan because they are indulgent in connection with a *fait accompli*. To say that the United States will not recognize facts is to declare that she will repudiate the outcome and validity of any outrageous conduct.

2. It is also announced that the United States does not intend to recognize any treaty or agreement concluded between the governments of China and Japan or between the agents thereof that may impair the treaty rights of the United States or her citizens in China including those that affect the sovereignty of the Chinese Republic as an independent nation and her territorial or administrative integrity. The note under review does not clearly indicate the validity of the Nine-Power Pact but in these very few words is found the spirit of that agreement. To amplify the note, the United States does not intend to recognize any humiliating treaty that Japan may force China to conclude even at the point of the bayonet.

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3. The so-called Paris Treaty of 1928 is the treaty outlawing war as a means of settlement of international disputes. By a reference to the anti-war treaty, it is meant to remedy the situation by peaceful and effective measures.

Of the above, paragraph (1) is based on the principle of international justice while (2) and (3) rest on the pedestal of treaty stipulations. Speaking from the standpoint of duty and responsibility which every nation has to undertake for maintenance of justice and treaty rights, we would observe that the present attitude of the United States, adopted with a view to preservation of her national prestige, is a natural sequence and that not only the United States but every other power must adhere to such an attitude and endeavor to carry out the indicated purposes to the fullest possible extent. There is nothing unusual in the contents of the American note; but, in view of the result of the three sessions held by the Council of the League of Nations and the considerable length of time that has elapsed since the present episode occurred, the American note issued all of a sudden in these days of monotony and incertitude may be described as "the sound of men marching out of a deserted dale."

The American note was issued on the 7th but it is on the 5th when Colonel Stimson held a confab with the British and French Ambassadors. It is naturally imagined that, in her sudden adoption of stern attitude, the United States had secured previous consent of Britain and France. Up to the time of writing, nothing has been heard in regard to the re-echo expected of Britain, France and other powers; but, in view of the principle involved and its possible consequence upon world peace and the welfare of mankind, it behooves us to anticipate that they will be only too glad to join hands with Uncle Sam. The point on which interest should be focused in future is not the League of Nations but Japan. The Japanese premier resigned yesterday allegedly because of the attempt made by a Korean on the Japanese Emperor's life but it is not out of place to suppose that his resignation is an outcome of the American note for a domestic rehabilitation is necessary whether Japan will withdraw where she is at present or carry on further depredations to the detriment of world peace. At this parting of the ways, it is presumed that a reply to the American note will be transmitted in no distant future.

Since the European war, the United States has been virtually the leader of the family of nations. Although placing herself outside the League of Nations, the United States clings to the Anti-war Treaty and the Nine-power Pact which are identical in tone to the League of Nations' Covenant. That, instead of protesting in those days when the Council of the League of Nations was in session, the United States acted independently at a time when

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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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the Sino-Japanese embroglio began to assume a graver aspect, is a fact to which considerable significance is attached. The American note opens with a remark to the effect that the United States continues to believe that the activity of the neutral commission of inquiry recently instituted by the Council of the League of Nations will facilitate an ultimate solution of the present controversy between China and Japan. This formal expression of confidence on the part of the United States will result not only in an expansion of the scope of the elastic mission of the board of inquiry above referred to but also in a resurrection of the League of Nations which is already tottering to its fall.

Translated from THE CHINA TIMES (SHIH SHIH HSIN PAO) of January 9, 1932.

Copied by MB *B*
Compared with NLH *HA*

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

Enclosure No. 2 to despatch No. 8075 of Edwin S. Cunningham, American Consul General at Shanghai, China, dated January 12, 1932, on the subject: "Shanghai Press Comments on American Note to China and Japan."

(Copy of Translation).

The long-expected and much-talked-about American note in regard to the Manchurian incident has finally been issued. As an expression of the attitude of the United States, the note is in the nature of a mere manifesto or statement. It is, however, strongly worded. The refusal to recognize the legality of accomplished fact and the declaration of an intention to disavow any treaty that may be concluded in contravention of international pledges or to the detriment of American interests are measures of no little consequence. Japanese machinators are in the habit of white-washing illegal acts by using fait accompli as a pretext. By laying bare such a design at the very beginning, the American note suffices to preclude the possibility of much quibbling on their part. And what Japan expects at present is that, by virtue of tolerated facts, she may be able to coerce China into the conclusion of a humiliating treaty or to enter into treaties independently with the other Powers in the name of the open door policy. Now that the United States has formally declared its intention to deny such facts and treaties, the Japanese will find it at least doubly difficult to attempt at robbery in the face of treaty stipulations. In the American note, however, there is one point open to question. The note dwells on the importance of respecting the Anti-war Treaty and the Nine-power Pact as well as on the importance of preserving the territorial integrity of the Chinese Republic. While there is no denying to the fact that the action of Japan on September 18, 1931, was a deliberate attempt to break international promises and to destroy the Chinese territorial integrity, the note seems to attach importance only to that part of Manchuria west of Chinchow. If the Japanese troops do not advance further toward the west of Chinchow, would the United States take their action (of September 18, 1931) as one not contrary to international agreement?

As a matter of course, the effect of such a manifesto will be keenly watched by the whole of the world. The effect depends, however, upon future developments which are possibly as follows:

1st. Japan will no doubt continue to prevaricate ably in connection with the note under review. According to information from Japanese sources, she has already decided upon several points as the framework of a reply. Besides describing the Chinese authorities at Chinchow as bandits which description is preposterous in the extreme, she will revive the old tactics of secret dealings and say that Japan is willing to maintain the principle of equal opportunities. If that is the tenor of

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the reply, would the United States recognize the Japanese action as one conformable to justice and rectitude?



2nd. The American note is a sort of statement. If, instead of transmitting a definite reply, Japan endeavors to becloud the issue by idle talk or vague statement, what else would the United States do?

3rd. The American note contains an expression of the hope that the other Powers may adopt a similar attitude. But what the real attitude of the other Powers is and whether or not a conference is to be called of the Powers signatory to the Nine-power Pact, we have to wait and see.

In short, the most important question is whether or not the United States is going to take her own note as the resolution of the League of Nations in connection with which there were 13 votes against 1. If she makes the same mistake as the League of Nations, the American note would be nothing more than a scrap of paper. In case she is determined to uphold the sanctity of international agreement, something more along this line must be accomplished.

As to the attitude of China, I would say that she must make every possible exertion to save herself while keeping a close watch for developments. In the event of China's ability to save herself, the American note might be made valid although regarded as a scrap of paper. If that is not the case, the result would be of little avail to us even though the United States should do all in her power to extend the validity of that document.

Translated from SIN WAN PAO of January 9, 1932.

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Enclosure No. 3 to despatch No. 8075 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated January
12, 1932, on the subject: "Shanghai Press Comments on
American Note to China and Japan."

Editorial from THE NORTH CHINA DAILY NEWS (British)
of January 11, 1932.

North-China Daily News

IMPARTIAL NOT NEUTRAL

SHANGHAI, JANUARY 11, 1932

A FRIENDLY HINT

The difficulty of America's continued abstention from membership of the League of Nations receives pointed illustration in the situation which has arisen over the Manchurian issue. No doubt Washington's intention is not as extravagant as some exponents would suggest. The State Department is as well-informed as other Foreign Offices on the actual facts of the Japanese position. The relations between Japan and the United States of America have been of the friendliest description. It may be assumed therefore that the cumbrous procedure of a formal Note drawing attention to the Nine-Power Treaty would not have been employed had America been in the same fortunate state as France and Great Britain who, apart from their ordinary diplomatic understandings with Japan and China, can rely on their membership of the League, to which Japan also belongs, for suitable enforcement of their views. Naturally the flamboyant interpretation placed on the Note in some quarters has aroused feeling in Japan, where the ill-advised attempt to associate America with the proceedings of the Council of the League a few weeks ago was rightly and vehemently criticised. At the same time it is curious that, as America is to be represented on the Commission of Inquiry, the State Department should feel it necessary to issue what, on the mildest construction, must be regarded as a warning. It is quite understandable that the Powers should desire to be fully advised on the trend of Japan's policy in Manchuria. As this journal has pointed out, the apparent incompatibility of the pronouncements of the Japanese Government with some of the claims put forward from less responsible but hardly negligible Japanese sources, particularly those in close touch with the Army in Manchuria, invites inquiry. From the statements of the Foreign Offices at Whitehall and the Quai d'Orsay, it would seem that inquiry has been made and satisfied, with the reservation that such moderating influence as is required will be exercised through the League. The United States of America evidently considers that she is differently situated. It will be recalled that President Hoover's Message to Congress, on December 10, affirmed, in regard to Manchuria, a responsibility for maintaining the integrity of China but, in indicating a conviction that the wise and appropriate course seemed to be

"rather to aid and advise with the League, and thus have unity of effort to maintain peace than to take independent action," it emphasised the consistent preservation by the State Department of

"complete freedom of judgment and action as to participation in any measures which might finally be determined upon."

Recourse now to independent action derives its sanction plainly from that statement of American policy. It is permissible to suggest that the special position

of the Japanese Army cannot solve the Manchurian problem is plain. How soon the Japanese Government can impress that point on its policy is a disturbing question to answer. It may be assumed however that, having regard to the general position in China, Great Britain and France are content to believe that Japanese assurances will be forthcoming at the appropriate time. Here again the League's usefulness is revealed. It acts as a lightning conductor. Last month Sir John Simon stated that British policy was based on loyal co-operation with the League. Both Great Britain and France have thus rallied to support of the League at a time when, owing to the complexity of the Manchurian issue and to the errors of inexperience discernible in certain aspects of the League's handling of the subject, its prestige required something of a tonic. Moreover it is recognised by Great Britain that Japan's specific statements at Geneva on October 13 and, through the mouth of Mr. Inukai on December 28, require only confirmation by the ordinary diplomatic channels for present satisfaction of anxieties over recent Manchurian developments. It will be recognised that, in some degree, this conveys a friendly hint to Tokyo. In view of the close identification of British with Japanese policy in China and, especially, in the light of the welcome announcement by the Foreign Office on the subject of the observance of Chinese treaty obligations—the firmest statement made by any Government for many a long day—it may be confidently expected that the hint will be taken in the spirit in which it is offered. At this critical moment it is essential that British and

Seven Seas: Foreign Affairs

FRAGILE ALLIES

fragile constitution. However much Japan's action of September 18 is deplored or, even, condemned, it must be recognised that she was faced with a most difficult decision. In the light of subsequent events it may be argued that she acted with unnecessary precipitancy. It can hardly be pretended that she did not in a great measure ensure the extrication of Manchuria from the plight of being involved in a yet further dislocation of China's administrative fabric. That the Japanese Army cannot solve the Manchurian problem is plain. How soon the Japanese Government can impress that point on its policy is a disturbing question to answer. It may be assumed however that, having regard to the general position in China, Great Britain and France are content to believe that Japanese assurances will be forthcoming at the appropriate time. Here again the League's usefulness is revealed. It acts as a lightning conductor. Last month Sir John Simon stated that British policy was based on loyal co-operation with the League. Both Great Britain and France have thus rallied to support of the League at a time when, owing to the complexity of the Manchurian issue and to the errors of inexperience discernible in certain aspects of the League's handling of the subject, its prestige required something of a tonic. Moreover it is recognised by Great Britain that Japan's specific statements at Geneva on October 13 and, through the mouth of Mr. Inukai on December 28, require only confirmation by the ordinary diplomatic channels for present satisfaction of anxieties over recent Manchurian developments. It will be recognised that, in some degree, this conveys a friendly hint to Tokyo. In view of the close identification of British with Japanese policy in China and, especially, in the light of the welcome announcement by the Foreign Office on the subject of the observance of Chinese treaty obligations—the firmest statement made by any Government for many a long day—it may be confidently expected that the hint will be taken in the spirit in which it is offered. At this critical moment it is essential that British and

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Editorial from THE NORTH C
of Jan

North-China Daily News

IMPARTIAL NOT NEUTRAL.

SHANGHAI, JANUARY 11, 1932.

A FRIENDLY HINT

The difficulty of America's continued abstention from membership of the League of Nations receives pointed illustration in the situation which has arisen over the Manchurian issue. No doubt Washington's intention is not as extravagant as some exponents would suggest. The State Department is as well-informed as other Foreign Offices on the actual facts of the Japanese position. The relations between Japan and the United States of America have been of the friendliest description. It may be assumed therefore that the cumbersome procedure of a formal Note drawing attention to the Nine-Power Treaty would not have been employed had America been in the same fortunate state as France and Great Britain who, apart from their ordinary diplomatic understandings with Japan and China, can rely on their membership of the League, to which Japan also belongs, for suitable enforcement of their views. Naturally the flamboyant interpretation placed on the Note in some quarters has aroused feeling in Japan, where the ill-advised attempt to associate America with the proceedings of the Council of the League a few weeks ago was rightly and vehemently criticised. At the same time it is curious that, as America is to be represented on the Commission of Inquiry, the State Department should feel it necessary to issue what, on the mildest construction, must be regarded as a warning. It is quite understandable that the Powers should desire to be fully advised on the trend of Japan's policy in Manchuria. As this journal has pointed out, the apparent incompatibility of the pronouncements of the Japanese Government with some of the claims put forward from less responsible but hardly negligible Japanese sources, particularly those in close touch with the Army in Manchuria, invites inquiry. From the statements of the Foreign Offices at Whitehall and the Quai d'Orsay, it would seem that inquiry has been made and satisfied, with the reservation that such moderating influence as is required will be exercised through the League. The United States of America evidently considers that she is differently situated. It will be recalled that President Hoover's Message to Congress, on December 10, affirmed, in regard to Manchuria, a responsibility for maintaining the integrity of China but, in indicating a conviction that the wise and appropriate course seemed to be

"rather to aid and advise with the League, and thus have unity of effort to maintain peace than to take independent action," it emphasised the consistent

of Nations, cannot be allowed to have a preponderating influence on assessments of the situation. Let it be conceded that the Army in Manchuria has definitely led where it should have been directed, that Japanese propaganda has been singularly inept and unwise in certain aspects, and that the Government at Tokyo has allowed its case to be prejudiced by conflicting statements of policy, there still must remain the spectacle of Manchuria grossly misgoverned, bled white by reckless depreciation of currency to the point of imposing the servitude of a cruel, invisible taxation, and helplessly caught up in the web of a system of administration which, by the circumlocutory methods of its neophytes, put a premium on irresponsibility and complete negligence. That is why the Council of the League of Nations, after the case had been brought to its cognisance, realised the danger of an out-of-hand judgment.

Since the agreed resolution was passed in Paris the situation has lost none of those complicating characteristics. The Government of China which refused to read the writing on the wall in the earlier months of 1931 when its own Minister at Tokyo warned it of the seriousness of delay in attending to Japanese representations and the Manchurian authorities themselves, for all their incapacity, were trying to convince Nanking that provocation of Japanese indignation was impolitic, to use no stronger term, has fallen. Whatever claim it may have had to be able to fulfil the functions of a central administration has not yet been fully established in favour of its successor. Indeed recent reports indicate that the head of the new Government looks to the man whom he helped to eject for guidance in the present grave crisis. Manchuria seems far away in this gathering of the storm clouds over the Yangtze. If the League had taken the headlong course of looking exclusively to events in Mukden—or now in Chinchow—it would have found itself in the embarrassing position of having expended its energies on the support of an entity which, to say the least of it, had a most fragile constitution. However much Japan's action of September 18 is deplored or, even, condemned, it must be recognised that she was faced with a most difficult decision. In the light of subsequent events it may be argued that she acted with unnecessary precipitancy. It can hardly be pretended that she did not in a great measure ensure the extrication of Manchuria from the plight of being involved in a yet further dislocation of China's administrative fabric. That the Japanese Army cannot solve the Manchurian problem is plain. How soon the Japanese Government can impress that point on its policy is a disturbing question to answer. It may be assumed however that, having regard to the general position in China, Great Britain and France are content to believe that Japanese assurances will be forthcoming at the appropriate time. Here again the League's usefulness is revealed. It acts as a lightning conductor. Last month Sir John Simon stated that British policy was based on loyal co-operation with the League. Both Great Britain and France have thus rallied to support of the League at a time when, owing to the complexity of the Manchurian issue and to the errors of inexperience discernible in certain aspects of the League's handling of the subject, its prestige required something of a tonic. Moreover it is recognised by Great Britain that Japan's specific statements at Geneva on October 13 and, through the mouth of Mr. Inukai on December 28, require only confirmation by the ordinary diplomatic channels for present satisfaction of anxieties over recent Manchurian developments. It will be recognised that, in some degree, this conveys a friendly hint to Tokyo. In view of the close identification of British with Japanese policy in China and, especially, in the light of the wel-

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January
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Editorial from THE NORTH CHINA DAILY NEWS (British)
of January 11, 1932.

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IMPARTIAL NOT NEUTRAL

SHANGHAI, JANUARY 11, 1932

A FRIENDLY HINT

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"rather to aid and advise with the League, and thus have unity of effort to maintain peace than to take independent action," it emphasised the consistent preservation by the State Department of

"complete freedom of judgment and action as to participation in any measures which might finally be determined upon."

Recourse now to independent action derives its sanction plainly from that statement of American policy. It is permissible to suggest that the special position of America inspires this revision of the attitude originally adopted by President Hoover—or rather this invocation of the saving clause of his declaration.

Great Britain and France are under no such disadvantages. If their full contact with the League had been ignored and an attempt been made by them to treat the Manchurian issue at this stage on more portentous lines, they would have raised most delicate questions. At a time when China's integrity is most menaced by the inherent defects of the internal administration of the country, it would be invidious to throw on one particular signatory of the Nine Power Treaty special responsibilities for preserving that elusive quality. Japan has agreed, in due course, to assist the League's Commission of Inquiry in establishing the facts of recent events in Manchuria. The admittedly awkward circumstance that certain Japanese actions, in precipitation of those events, were *prima facie* out of accord with the principles underlying membership of the League

Better rub up your geography families. Soldiering often runs in London. It's all old stuff to Dad, though. of bazaars and Pyramids. Perhaps "Old Pot and Pan" wondrous tales Cockneys coming home to tell the boys on a Crusade—a peaceful one: Colchester (via the Soudan). Cock- Colchester to Palestine, India to The "Die Hards" are on the move counts as a home station. a trick of the trade, for "Gib" Rock and another at Bateilly. That's D.C.L.I.—with a battalion at The away. Yet here's a regiment—the well System—one home and one For that, of course, is the Card- complete. Normally a regiment never parades breathing space after it was over. time to reorganise together in the ings, and some of them even had viduals. The War gave them meet- ing and going of drafts and indi- homes. There is a constant com- sant, old-fashioned regimental

Seven Seas: Foreign A Serious Affair

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9, 1932.

A TREATY INVOKED

LAST WEEK		Thursday Morning		Jan. Feb.	
MS	1520	1520	1520	1520	1520
MS	160	160	160	160	160
MS	29	29	29	29	29
MS	10.60	10.60	10.60	10.60	10.60
MS	6.85	6.85	6.85	6.85	6.85
MS	3.75	3.75	3.75	3.75	3.75
MS	24	24	24	24	24
MS	400	400	400	400	400
MS	83	83	83	83	83
MS	36.10	36.10	36.10	36.10	36.10
MS	97	97	97	97	97
MS	82	82	82	82	82
MS	4.82 1/2	4.82 1/2	4.82 1/2	4.82 1/2	4.82 1/2
MS	31	31	31	31	31
MS	155	155	155	155	155
MS	102	102	102	102	102
MS	97.50	97.50	97.50	97.50	97.50
MS	12.90	12.90	12.90	12.90	12.90
MS	12.85	12.85	12.85	12.85	12.85
MS	112	112	112	112	112

The Nine Power Treaty was a successful attempt to consolidate the "Open Door" policy in China. It was not and could never be construed as a blanket protection of China against the consequences of a failure to honour her bonded word. It was an agreement among the Powers not to act prejudicially to the interests of China, but it was not an agreement surrendering the right of any Power to take action if necessary to protect legitimate rights. Non-aggression against China was not made paramount to the equally important condition that there would be no discrimination by China or in China against any of the signatory States. The Powers agreed to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government; to use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China; and to refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states. China

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paramount there has been what a very well-known Japanese writer has characterized as "contempt and insolence" on the part of China; and although Japan, after Chang Hsueh-liang's declaration of allegiance to Nanking, hoped that the Central Government of China would do something to improve conditions and relationships she has had to suffer the greatest disappointment.

The Nationalist regime at Nanking has been powerless, even if it wished, to alter the policy of the *de facto* Chinese authorities in Manchuria from one of anti-Japanese discrimination. The writ of Nanking has not run in that territory, and the "Young Marshal" has failed to follow in the footsteps of his father insofar as the latter, although bleeding the country white to maintain a huge and costly army, did make some small attempt to recognize Japan's treaty rights. It came to the point, as we all know, where Japan had either to take action or suffer serious conditions to go from bad to worse. Japan took action, and, so far, it has not been proved against her that she has violated any treaty in so doing, although there has been much loose talk about the Paris Peace Pact, the Covenant of the League of Nations, and the Nine Power Treaty. It is now suggested, however, that in carrying on her campaign beyond Chinchow towards China Proper, Japan is likely to acquire special privileges either in Manchuria or China to the detriment of other Powers. If such were proved to be the case, there would be a violation of the Nine Power Treaty, but it has yet to be proved that Japan's action is prejudicial. Japan's leading spokesmen have repeatedly declared that they do not intend to violate the Open Door policy, that they seek no special privileges, but only the general right to maintain unimpaired their recognized interests. Under Article VII of the Treaty, the parties agree to full and frank communication in the event of a situation arising which involves the application of the Treaty or renders discussion desirable, and it is possible that that will now take place.

Japan's obvious reply to the points raised in the American Note is that she does not wish, nor has she tried, to destroy the authority of the Chinese Government in South Manchuria. If a little more of that authority had existed Japan would have had an effective Government with which to negotiate. When one speaks of the "authority of the Chinese Government" it is presumed that the authority is a real and active one—that it functions. We can leave Japan, who has suffered so greatly because of the absence of authority in Manchuria, to answer that point more fully. Regarding the legality of any *de facto* situation, Japan has repeatedly declared that she seeks no territorial expansion, that she is not going to annex Manchuria, nor does she desire anything but a strong and stable Chinese administration which will be able to govern the country and keep lawless elements in check, while paying due regard to Japan's treaty rights. It is difficult to see how America can reasonably fear that any agreement or treaty between China and Japan will be made which will impair the treaty rights of the United States or of its citizens, and when America declares that she will not recognize any such agreement she merely refers to a remote contingency which Japan will be the first to avoid. There is much force in Japan's contention that the cleaning-up action in Manchuria will confer far greater trading benefits on all nations than they have hitherto enjoyed. As we see it to-day, Japan has a clear cut answer to the questions raised, though it is likely she will consent to a meeting of the Powers if it is felt that discussion would help to clear the air. For this development we shall have to wait.

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Shanghai Stock

Buyers	Sellers	Noninal	Cash	Jan.	Feb.
112	9	12.90	12.50	13.25	13.25
90	102	97.50	90	29	145
155	3	200	276	3	200
31	31	31.20	31	31	31
4.82	92	97	36.10	85	400
80	80	80	24	3.75	6.70
6.95	4.70	10.20	150	150	150
30	30	30	30	30	30
150	150	150	150	150	150

LAST WEEK
Business Done on
Thursday Morning

It is conceded, even by those who do not agree with Japan's tactics, that she had every cause for action. Her rights were deliberately flouted or ignored by China and valuable property was exposed to the mercy of bandits, and the losses through theft and obstruction reached enormous proportions. In face of repeated declarations that Japan considers her treaty rights in Manchuria to be

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EXCERPT from THE SHANGHAI EVENING POST AND MERCURY
(American) of January 12, 1932.

ONE MAN'S COMMENT FOR TODAY

THE AMERICAN NOTE. A DAMP SQUIB.

By H. G. W. WOODHEAD, C.B.E.

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THE American Note says very little more than the communication despatched to Tokyo and Peking on May 13, 1915, following upon the delivery of the Japanese ultimatum to China. On that occasion, also, both governments were warned that America would not recognize any agreement or undertaking entered into which might impair the treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China, or the Open Door policy.

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WHEN it is insinuated that Japan has designs upon the Open Door policy, it is strange to read a United Press cable from Mukden to the effect that

"Ninety per cent of the foreign business men in Manchuria, North and South, are now completely reconciled to the prospect of permanent Japanese influence in this potentially rich region. After what has happened since last September, they agree that renewed dominance by any Chinese military clique would be fatal."

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The wisdom and timeliness of the present communication are open to grave doubt, and it is difficult to believe that America would have taken independent action had she, like France and Great Britain, been a member of the League of Nations. There was good reason to believe that events were developing in the direction of early negotiations between Tokyo and Nanking with a view to a diplomatic settlement of the Manchuria question. As that is the only practical method of settling the problem, any Power friendly to both Governments ought to be very chary of taking action calculated to raise false hopes among the Chinese, and to delay the opening of negotiations.

False Hopes

NO one for a moment imagines that America intends to fight Japan for the independence of Manchuria, but the Note despatched to Nanking and Tokyo last week is, nevertheless calculated to lead the Chinese to believe that America is opposed to a diplomatic settlement, and will give China her moral support in refusing to negotiate. But as publication of the text of the Note was followed by an official statement to the effect that America did not intend to interfere in the slightest degree with Japan's legitimate Treaty rights in Manchuria, or to intrude on any settlement that Japan might make, provided nothing was done to impair her rights or to violate the Kellogg Pact, that can hardly be the purpose of Mr. Stimson's communication.

America, and the other signatories of the Kellogg Pact and the Nine Power Treaty, would, as a matter of fact, welcome the substitution of diplomacy for armed force in the solution of the Manchurian question.

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America, and the other signatories of the Kellogg Pact and the Nine Power Treaty, would, as a matter of fact, welcome the substitution of diplomacy for armed force in the solution of the Manchurian question, and the worst service that could be done to China at this juncture would be to encourage her to believe that an intransigent uncompromising attitude had the approval of any of the Great Powers.

Japan maintains—and the League Council seems to be by no means convinced that her contention is not well founded—that her legitimate Treaty rights in Manchuria can only be upheld by force. She has had strenuous for a settlement by negotiation over a long period, without obtaining the slightest satisfaction. Had America been subjected to similar continuous obstruction and provocation by, say, the Republic of Panama, her patience would long ago have been exhausted. And she would not have been very tolerant towards well-meant efforts at mediation on the part of the Kellogg Pact signatories, or individual warnings, such as she has just addressed to China and Japan.

Japan's Assurances

JAPAN has repeatedly announced that she has no territorial designs in Manchuria, and that she has no intention of interfering with the Open Door policy. Her actions may not always be easy to reconcile with her words. But if a caveat is to be entered by the United States the obvious time to do it is when negotiations between China and Japan have actually been agreed upon, and there can be no suggestion that America desires to prevent a diplomatic settlement.

The first effect of the American Note was to encourage the Chinese to believe that "sweeping and unmistakable action" in China's favour was to be taken by the other Powers with interests in the Far East. Inspired reports even talked of a possible severance of diplomatic relations between China and Japan.

Now that it is plain that America's Note is not to receive the endorsement of France or Great Britain, matters revert to much the same position as they were in previous to its despatch. It is generally recognized that the Note is merely a damp squib. It has

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ENGLAND'S REFUSAL TO SUPPORT AMERICA

By KWEI CHUNGSHU

WHILE deeply appreciative of America's renewed assertion of the "open door" policy in China, and her stern warning against further aggression on Japan's part, the Chinese people are frankly disappointed at England's refusal to follow suit.

The British attitude has been the subject of much speculation, and at length it is made unmistakably clear. If the recent step taken by America can accomplish nothing else, it has at least clarified the international atmosphere which for four months has remained most obscure.

Officially it has been declared that England, like France, will take the necessary action through the League of Nations. Whatever that means is quite uncertain, and it may mean practically nothing.

England's disinclination to support China in the present Sino-Japanese dispute is attributed, in certain quarters, to Nanking's unhappy choice of its foreign minister. That personal sentiment should be permitted to influence a state's policy is unthinkable, and it should prefer to discredit such an assumption.

Action Was Belated

A SECOND explanation is that the United States should have taken the present step at the outbreak of the conflict or at the latest with the League's first warning to China and Japan. Since America has preferred to make her own decision at the belated hour, she may as well assume the singular responsibility for carrying it into effect. In other words, as she did not co-operate with England and France, they need not co-operate with her.

But if press comments in England counted for anything at all, the British attitude would seem to be the natural outcome of the anti-Chinese propaganda which has been for long carried on by certain interests. It is frankly the victory of the "die-hards" in this country.

The English press does not stop to argue whether Japan has violated the Kellogg Pact on which America's latest note is based or the Nine Power treaty, the invocation of which is implied. It does not even attempt to display concern over the violation of these international engagements. The Daily Mail goes so far as to declare that "it would be a calamity for civilization if the Japanese withdrew from Manchuria." It appears clear that Japan's action in Manchuria is regarded as a blessing to humanity even though it has shown the greatest contempt for the guarantee to China for the respect of her territorial integrity.

That the British government should be unduly prejudiced in the present case, especially in view of the original statesmanship displayed by Lord Cecil at the League, is most unfortunate. The picture it seems to have of China must be highly distorted.

It has been common knowledge that actuated by a desire to retain extraterritorial privileges in China, British publicists have spared no effort to exploit certain unfavorable conditions in this country. The amount of anti-Chinese propaganda on the Thorburn case alone is sufficient to prove their unfriendly attitude and bias.

Attitude Of The Press

I DARE say that if the American consul, who was recently man-handled in Mukden by a Japanese soldier, had been similarly treated by a Chinese, the local press would not have overlooked the incident. Telegrams of protest and adverse criticism would have lasted for days on end. If any one should doubt my statement, he has only to refer to the agitation over the incident in which a foreign lady in Hankow was alleged to have been insulted by a Chinese policeman in the course of her dispute over ricksha fare.

To these pro-extrality agents the decision of the British government must be highly gratifying. Their labors have actually borne fruit. The first bite may be sweet, but the after-taste is likely to be bitter.

It is presumed that as soon as order is restored in Manchuria foreign firms would enjoy greater

propagandists who believe that Japan has taught China a lesson will find themselves deceived. The Chinese will not relax but reinforce their efforts to end restrictions upon their inherent rights as a sovereign people.

It is apparent that if the Japanese had not enjoyed the privilege of stationing troops in China she would have been able to invade Manchuria overnight. If she had not maintained concessions, she would not have had an opportunity to create disorder in this country. If her nationals had not been protected by extraterritorial privileges, they would not have been free to engage in subversive activities.

The flagrant abuse of treaty rights by Japan would only spur the Chinese to a greater struggle for freedom from foreign yoke. The crushing terms imposed on China after the Boxers' Uprising have not frightened them into eternal submission, neither has the British rule in India for more than a century killed the desire for independence on the part of her masses.

It is all very beautiful for a certain power to remind China of her obligations to respect the treaty rights of her nationals, but that reminder or implied warning loses much of its force when China's own rights guaranteed by several international treaties have been outraged by Japan with impunity and with apparent connivance, if not open approval, of that very power which is so insistent upon the observance of treaties by China.

At the first opportunity China will avail herself of the precedents now established of the violation of treaty rights. Why indeed should China scrupulously respect treaties when other nations have deliberately violated them or refused to uphold them? Unless ready to stand the cost of permanent military occupation, Japan or any other power would have to bow to the ultimate will of the Chinese people. Her victory, however glamorous at the moment, can be only ephemeral. The "die-hards" who now rejoice over China's misfortune may regret it in the end.

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Let us grant that Japan will keep her word and maintain the equality of opportunity in Manchuria, still, the adverse effect of her open defiance of international law is bound to be felt in growing measure within the Great Wall.

Japan's success in the present military venture may encourage her jingoists to embark upon a more ambitious program and invade China Proper. The consequent disorder and dislocation of trade would affect all foreign firms immediately and in a most disastrous manner.

China's failure to stem the tide of Japanese intrusion would discredit the national government. It may lead to renewed civil strife and the retention of revenues by regional chieftains. Her financial structure would be so shaken, as it has already been shaken, that she may have to default in her international obligations. It would be the foreigners as well as the Chinese who would suffer the consequences.

A Bird In The Hand

IT MAY be argued that the foreign firms would rather stand the immediate losses in the hope for better days under Japanese domination. The answer is that the present trade depression is so acute all over the world that further disturbance of the balance sheet could not be long borne. A bird in hand is better than nine in the bush. A little business in China now is far more worthwhile than none at all.

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It is presumed that as soon as order is restored in Manchuria foreign firms would enjoy greater volume of trade with the Japanese. As long the door is open, it matters little to them who is on guard at the gate.

These enthusiasts are obviously ignorant of conditions existing in Formosa and Korea, where non-Japanese interests are rapidly being weeded out. In Japan herself discrimination against foreigners has become legion, and the

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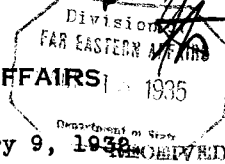
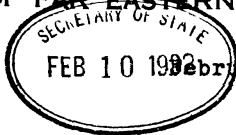
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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS



SHANGHAI SITUATION

FEB 9 - 1932

SECRETARY'S OFFICE

F/DEW

793.94/4177

793.94
note
893.102-S
894.23

It is noted that the Japanese Government's statement of February 7 contains no specification with regard to numbers in connection with its mention (pages 6-7) of the "expeditionary force". It states:

"The expeditionary force has been therefore limited to the strength absolutely required for the above purposes and its action will be guided solely by a policy of protecting the common interests of all the powers".

A In a report of February 6, Colonel McIlroy says:

"A total force of about 1 and 1/3 division consisting of the whole of the 9th Division and part of the 12th Division will leave Hiroshima on receipt of orders February 7th; advance troops will arrive Shanghai on or about February 8th or February 9th; total number troops about 10,000;"

In his next following report, of same date, Colonel McIlroy says: "Above information sent for what it may be worth".

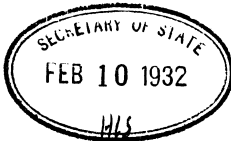
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DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS



February 6, 1932.

Major Crane

FEB 8 - 1932

Mr. Miller

SECRETARY'S OFFICE

F/DEW

793.94/4178

Major Crane, M.I.D., telephoned that he had had a call from Colonel Washizu, Military Attaché of the Japanese Embassy, who stated that he had been instructed to keep in close touch with the War Department on the Shanghai situation. According to Colonel Washizu's statement the number of troops which have left Japan is about 3,000; the number ready to go is approximately 10,000 (i.e., a division on peace footing and not the 20,000 on a war footing, as gathered from Colonel McIlroy's report. He stated that there was no truth at all of reports of a general mobilization in Japan.

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AM REC'D
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Department of State



1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
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February 12, 1932.

FEB 12 32

5pm

AMERICAN CONSUL,
SHANGHAI (China).

17 FOR THE MINISTER.

I desire that you keep in close ~~possible~~ touch
with the British Minister and that you keep me promptly
and fully informed of your views in reference to current
developments and estimated possibilities.

Stinson

793.94/4178A

Stinson
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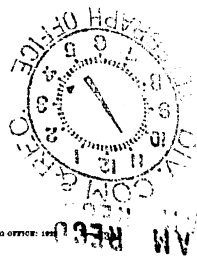
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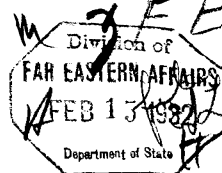
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U. S. GOVERNMENT PRINTING OFFICE: 1932

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TELEGRAM RECEIVED



HS

FROM

Shanghai

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

Dated February 13, 1932

Rec'd 5:20 a.m., Feb 14.

Secretary of State

Washington

DOUBLE PRIORITY

February 13, 8 p.m.

Your February 12, 5 p.m. to Shanghai.

I and British Minister are conferring daily and
canvassing probabilities here for cessation of hostilities.
We both believe that both sides are ready to take advantage
of an opportunity to lay down arms at Shanghai. Chinese
are apparently willing to withdraw voluntarily provided
Japanese will not enter territory from which they have
withdrawn. Japanese are apparently prepared to withdraw
their forces to lines as of December 31, 1931, if Chinese
will withdraw. Question now of getting them together which
we will try to do in order that proposals will come from
participants and not us. We are both anxious not to be
saddled with responsibility of settlement.

KLP

JOHNSON

F/DEW

793.94/4179

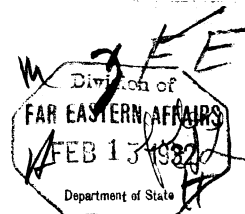
FILED

FEB 29 1932

793.94
note
893.102-S

DECLASSIFIED: E.O. 11652, 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



HS

FROM

Shanghai

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

Dated February 13, 1932

Rec'd 5:20 a.m., Feb 14.

Secretary of State

Washington

DOUBLE PRIORITY

February 13, 8 p.m.

Your February 12, 5 p.m. to Shanghai.

I and British Minister are conferring daily and canvassing probabilities here for cessation of hostilities. We both believe that both sides are ready to take advantage of an opportunity to lay down arms at Shanghai. Chinese are apparently willing to withdraw voluntarily provided Japanese will not enter territory from which they have withdrawn. Japanese are apparently prepared to withdraw their forces to lines as of December 31, 1931, if Chinese will withdraw. Question now of getting them together which we will try to do in order that proposals will come from participants and not us. We are both anxious not to be saddled with responsibility of settlement.

KLP

JOHNSON

F/DEW

793.94/4179

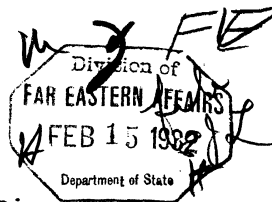
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FEB 29 1932

793.94
note
893.102-S

DECLASSIFIED: E.O. 11652, 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



HS

FROM

Shanghai

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

Dated February 14, 1932

Rec'd 5:07 a.m.

F / DEW

Secretary of State

Washington

47.

February 14, 11 a.m.

Department's February 11, 5 p.m. *4139a*

*793.94
note
893.102-S*

The safety of American nationals and the Settlement would best be conserved for the moment by the complete withdrawal of the Japanese forces. Their presence is one of the serious provocations that threatens the Settlement which is the haven for foreigners. To attempt to secure this withdrawal would be both impossible and impracticable. The present Japanese force could not advance without military reinforcements. The Chinese military are not out of control but acknowledge no authority, national, other than their commanders. The Chinese army is continually being reenforced and also is strengthening its defense entanglements. Defeat or victory of the Chinese judging the future by the past, will demoralize them; in defeat their retirement will be a very definite menace to the Settlement

793.94/4180

FILED

FEB 29 1932

HS 2-#47 from Shanghai, February 14, 1932, 5:07 a.m.
the Settlement while victory will intoxicate them until
they might attempt the conquest of the Settlement. Either
would require all the effort of foreign civil and military
authorities in defense. A Japanese victory will undoubtedly
afford greater protection immediately thereafter than
a Chinese although it would be a sacrifice of principle
which is exceedingly repulsive. During the conflict the
Settlement must suffer much loss of property and possibly
life. I realize that the foregoing is an unsatisfactory
comment but it presents the case as clearly as I am able
to do.

Two. I am informed by the Japanese Consul General that there are no Japanese civilians outside the limits
of the defense force, that is the Settlement and the
tongue. Repeated to Paiping, copy to Minister.

KLP

CUNNINGHAM

1562

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

148
 PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

1-138

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Collect
 Charge Department
 OR

Department of State

Washington,

February 14, 1932.

793.94/4180
 note
 893.1025

AMERICAN CONSUL

SHANGHAI (CHINA)

26

14/4139a
 Department's February 11, 5 p.m. / and your 47, /
 February 14, 11 a.m. / paragraph two.

Please inform the Department, as requested, how
 many Japanese ^{there are} now at Shanghai / ~~are~~ outside of the /
 boundaries of the International Settlement and the French /
 Concession areas. / The so called Quote / tongue / Unquote /
 to which you refer is outside of these areas.

FEB 14 1932



AM REC

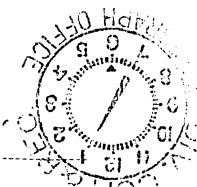
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Stinson
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2631031



Enciphered by

Sent by operator

M., 19

Index Bu.—No. 50.

AM REC

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

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

TELEGRAM RECEIVED

HS

FROM

GRAY

Shanghai, Via N.R.

Dated February 14, 1932

Rec'd 3 a.m.

Secretary of State

Washington

PRIORITY

48, February 14, noon.

Your telegram No. 22, February 13, 2 p.m.

Following protest dated February 13 was made to
Japanese Consul General on the basis of Department's
February 11, 6 p.m.

"I have the honor to refer to a telephone communication from your Consulate General at 3:20 o'clock this afternoon informing me that Japanese troops were expected to land at the Nippon Yusen Kaisha wayside wharf in the International Settlement tomorrow, February 14.

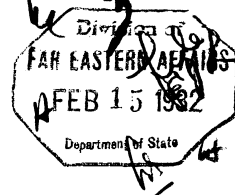
In connection therewith, I have to state that on behalf of the American Government I protest against any use whatever by either of the disputants of any part of the International Settlement as a base or channel in connection with military operations."

British Consul General informs me that he is today making

F/DEW 793.94/4181

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FEB 20 1932



793.94
note
893.102-S

P.C.
006.8102

DECLASSIFIED: E.O. 11652, 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

2-#48 from Shanghai via N.R., Feb. 14, 1932
3 a.m.

making similar protest under the direction of his Minister
against the use of the Settlement as a base for military
operations unconnected with the defense of the Settlement.
I am taking up question with my French colleague and will
telegraph his attitude later.

Repeated to the Legation, Nanking, Tokyo, for
information.

KLP

CUNNINGHAM

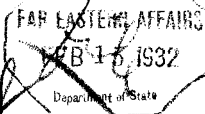
DAS

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

Forwarded to Department without
 copy retained in the
 files of the American Legation at Peking.

Translation of an editorial appearing in *Capeer in Fe*
 the SHIH CHIEH JIH PAO of January 9, 1932.

(Trans. EFS)



FEB 13 32

CAN THE UNITED STATES ACTUALLY HELP CHINA?

F/DEW

793.94/4182

793.94/4182
 711.93

The League of Nations lacks resources to deal with cruel Japan's encroachment. Diplomacy has reached the end of its resources. The Chinese authorities who are accustomed to rely upon others are suffering from lack of self reliance and look agitated and vexed. They are at a loss what to do. The American Government suddenly addressed formal notes on the 7th to China and Japan and made a more serious statement in regard to the Northeastern question. According to the interpretation of the Chinese authorities, the nature of this formal note is indistinguishable from bringing pressure to bear on Japan in favor of China. While the League of Nations cannot be relied upon, China may again depend upon the United States of America. In response to the question raised by the people regarding the reliance policy, they may say "The reliance policy indeed has not failed". It may be said that the American Government is able to raise the siege on behalf of the Chinese authorities.

Can this act of the American Government actually stop Japan's violent conduct and benefit China? We really feel pessimistic and doubt the results.

According to information obtained last night, the gist of the American note is as follows:

1. With the occupation of Chinchow, the last remaining administrative authority of the government

of

-2-

of China in Manchuria has also been destroyed.

2. The American Government feels confident that the inquiry commission of the League of Nations will facilitate an ultimate solution of the Manchurian question. But in view of its own rights and obligations therein, the American Government is constrained to issue a warning to China and Japan.

3. The American Government cannot admit the legality of the situation now existing in Manchuria, nor does it intend to recognize any treaty or agreement entered into between China and Japan which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, independence or territorial and administrative integrity of the Republic of China or "open door policy", and it does not intend to recognize any agreement which may be brought about by means contrary to the Treaty for the Renunciation of War.

The following points in connection with the contents of this formal note should be noted by us:

1. The United States continues to feel confident that the League of Nations will settle the Manchurian question. Prior to the relinquishment by the League of Nations of its power and duty, the United States most certainly will not take active measures to deal with Japan.

2. The American attitude has merely been negatively indicated. The points which she cannot recognize are merely reservations in connection with future negotiations, and do not represent the beginning of interference in the Sino-Japanese controversy.

3. The American note was sent separately to China

and

-3-

and Japan, and was not a protest filed with Japan solely. The motive is to prevent the conclusion of any treaty between China and Japan which may impair the treaties advantageous to the United States. She is not really helping China and bringing pressure to bear on Japan.

4. What the United States does not recognize is any injury to American interests and any violation of the Nine Power Treaty and the Anti-War Pact. Nevertheless, Article 1 of the Anti-War Pact outlaws the employment of war to settle international disputes. Article 2 provides that only pacific means may be employed to solve an international controversy. The Japanese have never admitted their warlike activities and have invoked the excuse of self-defense and banditry suppression to carry on military operations. They will by no means feel satisfied with a verdict that the Anti-War Pact has been violated. As regards the provisions of Article 1 of the Nine Power Treaty relating to the respect of China's sovereignty and territorial or administrative integrity and the provisions of Article 3 concerning the principles of "open door policy" and "equal opportunity", Japan has repeatedly declared that she has absolutely kept faith, and has alleged that the measures taken by her have not violated these provisions. Article 16 of the League Covenant clearly provides for the method of control over arbitrary military operations thereby destroying the Covenant. However, the League of Nations has failed to carry out the provisions. Who will believe that Japan can be subjugated by the Anti-War Pact and the Nine Power Treaty which have no provisions relating to control?

|| In view of the above, it can be seen that there will

be

-4-

be absolutely no material result if we merely relied upon a piece of paper such as is the formal note of the American Government. Whether or not this note will take effect does not concern the legal interpretation and application of the Anti-War Pact and the Nine Power Treaty, but depends upon whether or not Japan impairs American rights and how the United States will exert her power. As regards the former point, Japan is already aware of this matter and will certainly compromise with the United States. This has been indicated in her repeated statements. As regards the latter point, the United States has on the basis of the Nine Power Treaty asked the Signatory Powers to make an identical statement, but meantime the American authorities have declared that the United States is not inclined to prevent Japan enjoying her legal rights or to interfere in the Sino-Japanese dispute. Thus the United States will by no means immediately exercise her power to bring pressure upon Japan. An agreement between the United States and Japan is possible. In short, this statement of the American Government is just an international trick. The Chinese authorities who are accustomed to rely upon others will inevitably feel disappointed in the long run.

EFS:T

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

RECD

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

No. _____

AMERICAN CONSULATE

GENERAL,

Mukden, China, January 25, 1932.

SUBJECT: Proposed Independent Government for
Manchuria and Mongolia.

Office of Economic Adviser
BUREAU 23 1002
DEPARTMENT OF STATE

THE HONORABLE
THE SECRETARY OF STATE,

WASHINGTON.

SIR:

Copy in FE
Division of
FOR EASTERN AFFAIRS
FEB 15 1932
Department of State

793.94/4183

I have the honor to enclose herewith a copy of
my despatch No. 524 to the Legation at Peiping, China,
dated January 22, 1932, on the above subject.

Respectfully yours,

M. S. Myers
American Consul General.

MAR 2 1932

FILED

Enclosure:

Copy of despatch No. 524
to the Legation at Peiping.

800
HTW

793.94
note
893.01
893.5011

No. 524

AMERICAN CONSULATE GENERAL

Mukden, China.

January 22, 1932.

SUBJECT: Proposed Independent Government for
Manchuria and Mongolia.

The Honorable

Nelson Trusler Johnson,

American Legation,

Peiping, China.

Sir:

Referring to my telegrams of January 19, ³⁵⁸¹ 4 p.m.
and January 20, ³⁵⁹⁰ 5 p.m., I have the honor to enclose
1/ herewith a translation of the report which appeared
in The Hoten Mainichi of January 19, 1932, in regard
to the formation of the new government of Manchuria
and Mongolia. It should be noted that the name of one
of the proposed committees was incorrectly given in my
telegram as finance; it should have read resources com-
mittee. It may be observed that the creation of high
ranking committees to control the communications and the
resources of the whole territory is significant of their
importance to the Japanese.

The personnel of the so-called "new state" based
on "hearsay" according to an extra on the same day,
will be as follows:

President

- 2 -

President
 Head of Administrative Department
 Judicial Department
 Inspectorate Department
 Chief of the Resources Committee
 Communications Committee
 Governor of Szechuan Province
 Yunnan Province
 Heilungkiang Province

Tsang Shih-yi
 Chao Hsin-po
 Chang Ching-hui
 Yu Chung-han
 Ting Chien-hsin
 Tsang Shih-yi
 Hsi Chia
 Ku Chen-shan

藏式教
 廷手
 廷手
 廷手
 廷手
 廷手
 廷手
 廷手

The position of resident it will be noted has been left vacant. For some weeks the names of Tsang Shih-yi, Chang Ching-hui, Yu Yi and Chang Tao-hsiang have been mentioned in connection with this post. Latterly, it seems that Yu Yi has been referred to as the most likely choice. Reports are to the effect that he is willing to accept - it will be remembered that Tsang Shih-yi was induced to become governor of the province after one hundred days detention. Even the name of Chang Tao-hsiang has been coupled with this honor. This rumor was probably occasioned by the sending of a delegate to Peiping by Governor Tsang a short time ago, whose mission, it is reliably reported, was unsuccessful.

In October and November last there was a movement for restoring the Manchu monarchy in Manchuria and for placing Yu Yi on the throne at Mukden. The young emperor was brought to Manchuria and remained at Tang-kangtzu, a Japanese hot springs resort about half way between Dairen and Mukden, for a few days but when the movement was definitely frowned upon by the military he was escorted to the Kuantung leased Territory where he is still residing under the "protection" of the Japanese.

The

note
 893.0011

- 3 -

The present movement seems to be of a somewhat different character and although less tangible is probably better sponsored. In fact, there is reason to believe that it is the work of the Japanese advisers to the local government or the military; probably both. Reports concerning the proposed establishment of a new state have appeared in the press from time to time and recently they indicated that the matter would be decided at a conference of the leading Chinese officials of Manchuria at Mukden during the current week. These officials have not yet arrived and a report of yesterday stated that the governor of Kirin was unable to leave his post and would be represented by a delegate. As most of these officials were inducted into their positions under circumstances which clearly show that they were not free agents and as in their several capacities they are merely the mouthpieces of Japanese advisers, it is inconceivable that the conference was called for any other purpose than to give "window-dressing" for a fully prepared Japanese program.

Indications are not wanting now that the Japanese attitude toward the establishment of a new state has recently undergone a change. Possibly the government at Tokyo has more fully weighed this question and decided to postpone it for further consideration. Concerning the proposed Japanese policy toward Manchuria and Mongolia which has been submitted by the Foreign and War Ministries to the Cabinet, a Tokyo press report of January 19 reads

in

- 4 -

in part as follows: (Manchuria Daily News, Jan. 20, 1932).

"The Open Door policy will be materialized. To all appearances, as to Japan's attitude to the proposed establishment of a new State in the Northeast by the Chinese people on the principle of self-decision of the racial destiny, the authorities concerned think further consideration necessary and accordingly this item is unlikely to be included in the general principles."

Local observers state that they have sensed a different attitude toward this question during the past few days.

As being possibly related to this subject, there may be mentioned that a number of Japanese experts on various subjects, economic and political, have recently arrived from Japan. There are, according to the press, a number of Imperial University professors besides other persons interested and well-informed in Manchurian and Mongolian affairs. One report states that the conference is to be held to discuss (1) legislation, (2) military and banking systems, (3) customs, taxation and monopoly systems and (4) industrial matters. The news item states that it is thought that plans for the new Manchuria and Mongolia will be worked out at this conference.

This office has been unsuccessful in its efforts to obtain more definite information on this subject. The general impression which one obtains from well informed Japanese is that the movement had been gaining ground and that it was expected to come to a head about

February

- 5 -

February 11, 1932. However, the situation in this respect seems to have changed and possibly the Japanese will be content for some time with a loose association of the provinces under Tsang Shih-yi as the senior governor and thereby avoid raising troublesome international questions at this juncture.

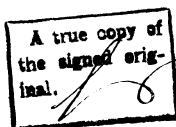
Respectfully yours,

M. S. Myers.
American Consul General.

1/ Enclosure: Newspaper Article dated January 19, 1932.

Original and one copy to Legation.
Five copies to Department.
Copy to Embassy, Tokyo.

MSW:ABG
800.



Enclosure No. 1, to despatch No. 524, of M. S. Myers,
American Consul General, Mukden, China, to the Legation,
Peiping, dated January 22, 1932, entitled "Proposed
Independent Government for Manchuria and Mongolia."

FORMATION OF NEW GOVERNMENT OF MANCHURIA AND MONGOLIA
NEARLY COMPLETED.

From The Hoten Meinichi, January 19, 1932.

Concerning the formation of a new state in Manchuria and Mongolia, the main points agreed upon between important persons connected with the Mukden Provincial Government seem to be as follows:

I. TERRITORY. The New State shall include the provinces of Fengtien, Kirin, Heilungkiang, Jehol and the Self-Governing territory of Mongolia. But in view of the present situation, for the time being, the territory shall include Fengtien, Kirin, and Heilungkiang Provinces only.

II. PEOPLE. The people of the New State shall be called "Kung-min" (citizens). To acquire citizenship, residence in the territory for certain period is necessary. (There are no limitations in regard to races). All have equal rights and obligations. But foreign officers and officials employed in the present Chinese government offices shall not be citizens.

III. SOVEREIGNTY. Sovereignty rests with the people. The government shall be as follows: Under the President chosen by the people, there shall be three departments, namely, Administrative, Judicial and Inspectorate. The Administrative Department shall be divided into five sections, viz, Military, Foreign Affairs, Civil Administration, Industry and Education. (The sections may be increased or decreased in the future as needed). Fengtien, Kirin and Heilungkiang Provinces shall be under the Administrative Department. The organization of these provinces shall for the time being be the same as at present. Besides these, in order to supervise the resources and communications for the defence of the state, two committees, a Communications Committee and a Resources Committee, shall be established directly under the President.

Concerning the selection of a President, there have been many opinions, but it seems that this question will be decided in the following manner: As the three governors of Fengtien, Kirin, and Heilungkiang Provinces have been chosen by the people, the three governors who are the representatives of the people shall install the President. It, therefore, seems that the person installed by the three governors will be the President.

DECLASSIFIED: E.O. 11652, 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. 703

AMERICAN CONSULAR SERVICE
American Consulate

Tsingtao, China, January 19, 1932.

FEB 18 1932

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

Japanese Mob Vengeance on Tangpu.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D. C.

SIR:

1/-

I have the honor to transmit herewith, copy
of the Consulate's despatch to the Legation at Pei-
ping, China, No. 511, dated January 18, entitled as
above.

Respectfully yours,

A. S. Chase

A. S. Chase,
American Consul.

Enclosure:
1/- as stated.

Original and four copies to Department.

800.
ASC/FP

F/DEW

793.94/4185

FEB 26 1932

No. 511

AMERICAN CONSULAR SERVICE
American Consulate
Tsingtao, China, January 18, 1932.

SUBJECT: Japanese Mob Vengeance on Tangpu.

Honorable Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to refer to this Consulate's
telegrams of January 13^{/3515} and 14^{/3514}, 1932, relative to
civilian Japanese attacks on the local Kuomintang
buildings and the landing of Japanese marines, and
to submit the following report on the matter.

On January 9th the MIN KUO JIH PAO, local Kuo-
mintang news organ, published a news item concerning
the recent attempted assassination of the Japanese
Emperor under a caption which may be translated:

"Korea does not forget! Herce Li!"

This article stirred the local Japanese popula-
tion to immediate indignation. The next day, Janu-
ary 10th, the Japanese Consul General protested the
matter verbally to Mayor Shen, demanding that the
paper be severely reprimanded and warned and that
appropriate apologies be made. The Mayor assented
to.....

- 2 -

to the demands and it was agreed that the apologies should be formally made and accepted on the 12th.

During the weekend the matter was agitated among the Japanese community with growing excitement, and violent sentiment in favor of more rigorous action developed.

On the morning of January 12th the Japanese Consul General made the following three demands on the Mayor: 1) that he apologize in person to the Japanese Consular authorities for the article; 2) that the Tsingtao Kuomintang branch be dissolved; and 3) that the MIN KUO newspaper be permanently closed. The Mayor agreed to the first demand. With respect to the other points, he stated that power to dissolve the Tangpu and its newspaper organ vested with the National Government alone, and that the most he himself could undertake would be the suspension of the paper for ten days. It is reported that the Japanese Consul General finally accepted this offer and that arrangements were then made for its fulfillment.

911

Meanwhile, Japanese civilian residents, dissatisfied with the results attained by the negotiations, decided to take matters into their own hands. In recording the following incidents which occurred that day, January 12th, two versions are submitted, the Chinese version, which is substantiated by numerous impartial sources of information, and the Japanese, in support of which, so far as this Consulate has been able to ascertain from extensive inquiries, there is none other than Japanese.

Chinese.....

- 3 -

Chinese Version.

At about 9:00 A. M. two Japanese, dressed in western style civilian clothes, appeared at the office of the MIN KUO newspaper. One of them remained at the entrance and drew a revolver. The other asked to see the chief editor. The office staff became panic-stricken, and the Japanese who had entered thereupon took a bottle of inflammable liquid which he was carrying on his person and threw it into the lighted office stove, setting fire to the interior furnishings. After discharging a few random revolver shots, both Japanese left the premises, remained in the vicinity for a minute or so and then departed in different directions. No attempt was made to arrest them and no police were near the scene at the time. The blaze was extinguished quickly, before the fire brigade arrived.

At 3:00 P. M. the Japanese Residents' Association held a special mass meeting at their headquarters building on Chungshan Road to discuss plans for action to obtain fuller redress of the newspaper's insult. At least one thousand attended the meeting. It was decided to insist on obtaining the permanent dissolution of the local Tangpu and its paper, and punishment of the responsible editors, and to send delegations to the Mayor, Japanese Consul General and Tangpu in the matter. After electing executive committees, the meeting as a whole broke up, and the majority present, leaving the committees to their work, paraded en masse to the Japanese shrine for a brief ceremony.

During....

- 4 -

During the afternoon committee members set out to call on the Mayor, but they apparently did not succeed in seeing him.

At about 4:00 P. M. from eight to twelve Japanese, dressed in civilian clothes and armed with sword canes, drove in two sedan automobiles to the Kuomintang headquarters, which they found empty; and did some damage to the interior furnishings. They then drove to the MIN KUO newspaper office, rushed into that building shouting and brandishing their drawn cane swords, and finding the place sufficiently desolate and damaged, ran back to their cars and departed.

At approximately 8:30 P. M. a large crowd of Japanese civilians, at least two hundred in number, mostly armed with sticks or sword canes, assembled in front of the Japanese Residents Association and started off down Chungshan Road in the direction of the Bund. Coming opposite the MIN KUO newspaper office, they staged a considerable demonstration, throwing missiles about and further damaging the premises. A Russian onlooker was struck accidentally by a missile and was immediately rushed by Japanese to a hospital where his wounds, of light nature, were attended to.

The crowd, now swelled to some 500 strong, then proceeded to the Bund, reaching the Kuomintang headquarters at about 9:00 P. M. in great disorder and high pitch of mob enthusiasm. Many appeared drunk, though probably the majority of such were more under the influence of excitement than that of liquor. They
pushed....

- 5 -

pushed into the building- an imposing four story edifice of substantial stone construction- and found it completely deserted of occupants. One or more explosions were heard, resembling revolver shots, apparently coming from the court below. Some of the mob were seen deliberately to set fire to the Chinese Kuomintang flag on the front of the building. Fire quickly broke out on the top floor, which spread gradually down through the edifice, the heavy non-inflammable nature of the flooring rendering its progress so slow that portions of the interior were still ablaze the next morning. Not satisfied with this, the rioters continued the morning's destructive work with a vengeance, smashing windows and destroying or burning all furnishings, books, papers, etcetera, which they could find.

Both the Chinese and Japanese fire brigades arrived soon on the scene. The former were forcibly prevented by the mob from doing their work and compelled to leave. The Japanese firemen subsequently brought their hoses into play for a time, but their efforts were noticeably half-hearted and had little effect on the fire. At about 10:30 P. M. the majority of the rioters had departed from the field of their achievements.

From the time of the crowd's arrival to that of its departure, no police- either Chinese or Japanese- were visible (with the exception, as reported by several foreigners, of one lone representative of the Chinese forces, who sat unmolested on a nearby wall and idly sounded a bugle). Onlookers to the affair were

composed....

- 6 -

composed chiefly of foreigners, few Chinese venturing near the scene of action and none apparently attempting to obstruct the proceedings. Casualties were confined to minor injuries, and only one foreigner, the Russian already referred to, suffered during the evening's mêlée.

At 11:00 P. M. two companies of Japanese marines, numbering approximately 500 men, with a machine gun detachment, were landed from the Cruisers, YAKUMO and IZUMO (erroneously reported as KUMA in Consulate's telegram of January 13th). About half of these were marched to the Japanese Consulate General, which is situated on the Bund very near the Kuomintang headquarters and posted on and around the Consular premises. The remainder were concentrated at the Japanese Residents' Association Building. During the night and the next morning Japanese civilian reservists, armed with canes, presumably of the sword variety- patrolled the vicinity. Chinese police did not resume their posts in the area until morning.

Japanese Version.

With respect to the morning attack on the KUO MIN newspaper office, the Japanese version claims that the offenders were Chinese students. In other points the two versions agree.

Regarding the afternoon raid on the Kuomintang headquarters, Japanese reports are very vague, merely passing off the incident as some mysterious visit made on the Kuomintang, also by Chinese students.

The.....

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

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The apparent attitude of the Japanese community- or at any rate of the Japanese Residents' Association- towards the evening affair is most interesting and original. On January 13th the TSINGTAO TIMES, British owned English daily newspaper, of no particular bias with respect to Sino-Japanese disputes, published a story of the preceding evening's incidents which was substantially the same as the Chinese version given above. The next morning a representative of the Japanese Residents' Association telephoned the paper and demanded a retraction of the article as being a false version of the affair. He was told that the chief editor had been an eye witness to the scene and knew his version to be true. According to information given directly to the undersigned by the chief editor, the Association's spokesman then made the naive retort that while it might be unofficially true, it could not be officially true. The chief editor then requested a communication in writing in the matter. This was furnished and published the next day in the English paper. It is quoted below:

"THE TSINGTAO TIMES EXTRA, issued on the night of 12th inst., regarding the City Kuomintang and "Ming Kuo Yi Pao" incidents is quite contrary to actual facts, the terms used in it being couched in a most absurd form offensive to the Japanese residents so that they are much angered about it.

We therefore demand that you revoke the information contained in the Extra and hope that you will insert the following correct information in your newspaper:-

The Shantung Japanese Residents Association Mass Meeting Committee formed an executive committee to negotiate over the disrespectful article published by the "Ming Kuo Yi Pao" Twenty of the committee went to the "Ming Kuo" and the Kuomintang

Tsingtao...

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
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 By Milton O. Gustafson NARS, Date 12-18-75

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Tsingtao Headquarters to interview responsible persons of those direct-
 rates, but were unable to do so at
 either. At the "Ming Kuo" office a
 slight dispute occurred, and from
 thence the party proceeded to Kuo-
 mintang Headquarters. Someone in-
 side that building opened fire upon
 the committee which occasioned a
 clash with the Japanese followers
 of the committee and there was an
 uncertain atmosphere. The Kuomintang
 members within the building, as if
 they feared further serious trouble
 from the enraged Japanese followers
 outside, made off secretly from the
 building. Prior to their running
 off they set fire to the top floor
 of the building.

The origin of this fire is now
 under careful investigation. The Ja-
 panese and Chinese firebrigades hur-
 ried at once to the scene to extin-
 guish the fire. The fire was still
 burning at midnight. At the same
 time the marine corps from the Japa-
 nese cruisers "Yakumo" and "Izumo"
 lent men to go on duty to preserve
 the public welfare. The throngs of
 Japanese followers gradually dispersed
 after about 9 P. M. that night.

One Russian was injured during
 this incident, but otherwise no cas-
 ualties occurred to anyone at all.
 (Stamped)

Shantung Residents
 Mass Meeting
 (Stamped) Mr. Ogawa.
 Jan. 14th, 7th Year of
 Showa."

Impartial Evidence Supports Chinese Version.

As stated previously, all impartial evidence ob-
 tained regarding the related disgraceful incidents of
 January 12th substantiates the Chinese version in all
 important respects. Among the numerous neutral foreign
 observers of the events, the Consulate has not yet found
 one who does not feel certain that Japanese were alone
 guilty of the acts of gutting and firing the two Kuomin-
 tang buildings.

With.....

DECLASSIFIED: E.O. 11652, 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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With respect to the morning attack on the newspaper office, the undersigned has personally interviewed three reputable European tradespeople who were eye-witnesses to the affair- so far as it could be observed from the street. As to the one vital point at issue- the nationality of the offenders- all three state that they were without question Japanese.

Concerning the afternoon raid on the Kuomintang headquarters, the writer has also personally interviewed three reputable European tradespeople and has their oral testimony to the effect that the occupants of the automobiles involved in the incident were most certainly Japanese.

As to the evening affair, there is an abundance of evidence in support of the Chinese version. The undersigned and Vice Consul Hawthorne have personally interviewed ten impartial foreign eye-witnesses of the proceedings, the number including several of the most prominent members of the community, and the testimony of several others has been indirectly ascertained. All agree that the crowd of Japanese concerned were rioters in the full sense of the word, who were out for trouble and who behaved disgracefully, allowing free vent to their mob instincts; that they met with no opposition from any Chinese-Kuomintang members or other; and that they deliberately fired as well as gutted the Kuomintang headquarters edifice. All agree that the charge of Chinese having started the fire must be considered ridiculous. While none actually witnessed the original firing of the top story, several report having seen containers
 of.....

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

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of benzine being carried into the building by the mob and all state that they later saw the rioters deliberately smashing and burning moveable furnishings, books, etcetera. One witness reports that some time after the fire had started on the top floor he noticed a Japanese drag a wooden table over a blazing kerosene burner. All agree, moreover, that there were no Chinese in the building at the time the fire first broke out. Finally, it is generally stated that the Japanese firemen were obviously under instructions to make no real effort to extinguish the blaze- that they could have extinguished it readily if they had wished.

Subsequent Developments.

Since the exciting hours of the 12th, the port has remained outwardly peaceful, though the situation has been distinctly uneasy, with general fears of further excesses by Japanese elements or reprisals by Chinese pervading the atmosphere.

Evidently not content with their endeavors of the previous evening, representatives of the Japanese Residents' Association called on the Mayor on the 13th and presented their demands, formulated in mass meeting as already described. It is reported, though not confirmed, that when the Mayor temporized and intimated that the Japanese had been responsible for the fire, the delegates became incensed and demanded his resignation as mayor. In line with this, other reports, from fairly reliable sources, state that Chao Chi, one time chief executive officer of this area, was visited by influential Japanese residents, who did their best to

encourage.....

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

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encourage him to try for the Mayoralty. While Chao's reply is not known, it is presumed that he would be unwilling to comply with their suggestion, since he is friendly to Shen in the first place, and, in the second place, is understood to consider the present time as inopportune for a return to public life.

Meanwhile, official negotiations between the Mayor and the Japanese Consul General were continued, which give promise of reaching a satisfactory settlement, provided mob elements do not again usurp the dictation of events. The newspaper's insult was apparently liquidated on the following basis: written apology by the Municipality for the article; suspension of the paper for ten days; removal of the offending editor; and published apologies by the paper and its president.

On the evening of the 13th the Japanese landing force returned to their ships, with the exception of a small contingent, and it is reported that two days later the latter contingent was also withdrawn.

For his part, the Mayor has formally protested the Japanese mob performances to the Japanese Consul General and is understood to have demanded an apology by the latter, punishment of the offenders, indemnity for destruction of the buildings, and guarantee against similar incidents in the future. It is reported that the Japanese Consul General is withholding final reply to these demands pending further investigation.

Ambiguous Role of Japanese Consular Authorities.

The role played by the Japanese Consular Authorities during the past ten day's proceedings may be best described.....

- 12 -

described by the word elusive. So far as has been ascertained, their attitude has consisted chiefly of an official mild and somewhat paternal disapproval of its citizens' deportment and a reluctance to take any positive action towards restraining them which must be explained as resulting from either deliberate policy, weakness, or fear of consequences.

According to available information, the Japanese Consulate General did not even have a representative at the mass meeting of its community on the 12th. One foreign eye-witness of the incidents of the evening of the 12th states that a few Japanese Consular police were in evidence when the crowd assembled in front of their Association building and that they made slight efforts to prevent the mob's starting off on its mad march. With this exception, there is no evidence that the Consular staff made any attempt to check the disgraceful proceedings or that they even ventured near the scene of the fire.

In this connection, it is interesting to note that the present Japanese Consul General has not been popular with a large element of his community, for the reported reason that he has not been considered active enough in championing Japanese interests in the area. The landing of the marines was even believed by some to have been for the purpose of safeguarding the Japanese Consulate General from assault by Japanese rather than Chinese elements. This theory would seem by no means beyond the realm of possibility, for in 1923, as will.....

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will be recalled, a mob of Japanese actually did attack their own Consulate.

The writer took occasion to call at the Japanese Consulate General on January 13th, and had an interesting interview with an English speaking member of the Consular staff. While not denying the possibility that his fellow-citizens were guilty as regards the previous day's events, the latter reserved final comment pending investigations which he said were being made in regard to all the incidents in question. He stated that the Japanese Consular Police numbered but 40 men, a large number of whom were stationed at the mills at Tsangkou and Sau-fang, and that it was accordingly impossible for them to make a serious attempt to restrain the crowd. The Japanese Consular Authorities, he said, had no complaint against the Mayor, who appeared to be giving them his sincere cooperation. He called attention, however, to what he considered the very provocative nature of the MIN KUO newspaper's report of the attempt on the Japanese Emperor; and stated that Japanese residents of Tsingtao generally hated the Kuomintang, feeling that it was the cause of practically all their grievances.

Future of Tsingtao Kuomintang.

The officers of the Tsingtao Tangpu are reported to have left the city or otherwise disappeared from public view. Whether the organization will survive the shock of the past few days remains to be seen. It has few friends in the port, even among the Chinese. Students condemn it as too conservative. The majority

of.....

- 14 -

of the merchants disapprove its activities, and several prominent local Chinese are known to have intimated confidentially that they contemplate its extermination here with satisfaction, though regret that the initiative for its expulsion should come from Japanese quarters. The Mayor himself is known to have a strong antipathy to the organization, and it is reported on fairly good authority that he is negotiating for its permanent withdrawal from the port.

Position of Mayor Shen.

It is generally considered that Mayor Shen has handled the situation in a very creditable manner, meeting the demands of the Japanese Consular Authorities in a reasonable and cooperative spirit, and doing his best to preserve peace. His withdrawal of the Chinese police from the area of the mob's activities was undoubtedly a wise move. It seemed for a time that developments might compel his resignation, but according to present indications, such action will not be necessary.

Conclusion.

Summing up briefly, one may say that the incidents of January 18th constitute a shameful exhibition of mob violence by a considerable element of the Tsingtao Japanese community, which was quite inexcusable and entirely out of proportion to the alleged act of provocation. The fact that the events were not attended by serious casualties can be attributed only to the fortunate circumstance that no Chinese opposition was forthcoming.

It is not believed that the Japanese Consular Authorities were guilty of any active participation in the matter,...

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

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matter, but it is considered that they are to blame for not having made greater efforts to prevent the trouble which they had both time and reason to anticipate.

There is no evidence that other Japanese Governmental agencies were involved, though it may be mentioned that, according to one rumor, agitators sent from some source in Japan were responsible for the strong attitude taken by the Japanese Residents' Association.

Provided that the incidents do not lead to worse exhibitions of violence, their ultimate result may very likely be beneficial to the port, since the removal or even temporary discouragement of the Tangpu should have a distinctly quieting effect.

Respectfully yours,

A. S. Chase,
American Consul.

Original and one copy to Legation,
Five copies to Department of State,
Copy to Consulate, Tainan,
Copy to Consulate, Chefoo.

800.
ASC/FP



DECLASSIFIED: E.O. 11652, 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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TELEGRAM RECEIVED

AT

HS

FROM

GRAY
Shanghai, via N.R.
Dated February 14, 1932

Rec'd 10:25 a.m.

Secretary of State
Washington

50, February 14, 6 p.m.

Continuing my daily report Number 45 of February
13, 4 p.m.

One. In keeping with the day the situation along
both the Chapei and Woosung fronts have remained compara-
tively quiet. Twelve/Japanese troops reported to have
landed at the NYK wayside wharf in the International
Settlement.

Repeated to Legation, repeated to Nanking.

WVM

CUNNINGHAM

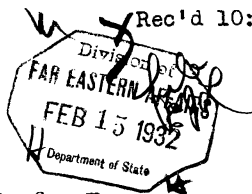
KLP

F/DEW 793.94/4186

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FEB 20 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

TELEGRAM RECEIVED

HS

FROM

DEPARTMENT OF STATE
DIVISION OF
WESTERN EUROPEAN AFFAIRS
FEB 14 1932
7:57 a.m.
FEB 1 1932

F/DEW

793.94/4187

Secretary of State

Washington

21, February 14, 11 a.m.

URGENT.

I shall deliver the message contained in your
number 13, February 13, 2 p.m., tomorrow morning, Monday.

In this connection we had thought you might care
to consider the advisability of allowing Drummond to make
a request for information from us, and to reply with a
memorandum for the information of the Council giving the
history of the negotiations which you initiated in callab-
oration with the British Government. Not only would this
furnish Drummond with information regarding the only gap
in Foochow story but would also be a striking answer to
the persistent stories which are being put about as to our
failure to cooperate with the Council.

WVM

WILSON

RPF

FEB 2 0 1932

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

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

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Charge Department
OR
Charge to
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TELEGRAM SENT



Department of State

Washington,

February 16, 1932.

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

WILSON,

BERGUES

GENEVA (Switzerland).

Your February 14, 11 a.m., second paragraph.

You may give him the following as an informal memorandum.

On January 20th, the Japanese Consul General at Shanghai presented to the Mayor certain demands. At the same time the Japanese Admiral announced that, in case the Chinese failed to give a satisfactory reply to the demands, he would take necessary measures to protect Japanese rights and interests. On the afternoon of January 28th, the Mayor accepted the Japanese demands in their entirety.

On the morning of January 28th, the Municipal Council of the International Settlement at Shanghai had declared a state of emergency, to be effective from four o'clock that afternoon. The defense forces of various powers began taking position in their defense areas. A Japanese force was already on garrison duty in the normal Japanese defense area. On the night of twenty-eighth, the Japanese mobilized additional forces

Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

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

793.94/4187
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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

1-138
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Department of State

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Washington,

and having given ^{definite} notice at eleven p.m., moved at midnight, from their normal defense sector westward into the Chinese district of Chapei east of the railway line. There they met resistance from Chinese troops. This clash developed into the phase of serious combat which still continues.

The course of the subsequent efforts at conciliation may be sketched briefly as follows:

Toward the end of January the American Government was informed from Nanking and Tokyo that the Chinese and the Japanese Governments respectively had asked for the good offices of the American and other Governments toward the prevention of further hostilities.

The American Government, the British, the French and the Italian Governments immediately conferred with regard to the matter. As a result, representatives of these four Governments, under instructions, on February second presented concurrently at Tokyo and at Nanking proposals, in five articles, for cessation of conflict.

The Chinese Government replied almost immediately, accepting the proposals in their entirety. The Japanese Government replied, on February fourth, favorably, with regard to two articles (the third and fourth),

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

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Department of State

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Washington,

somewhat inconclusively with regard to one other (the first) and in definite rejection of two (the second and fifth); and they stated that they would be willing to consider any further suggestions the powers might desire to present.

While these replies were being given consideration, ^{officials of} the Japanese Foreign Office on February sixth informed ^{officials} of the American, British and French ^{Embassy} ~~representatives~~ at Tokyo that ^{they} ~~it~~ had a project for negotiations to be initiated at Shanghai toward effecting a cessation of hostilities and the creation of a neutral zone to be patrolled by neutrals. The powers, taking ^{as a} this proposal in good faith, gave appropriate instructions to their representatives in Shanghai to expect such an initiative when such proposal was made from the Japanese authorities and to cooperate. The powers in the meantime desisted from further consideration of the Japanese reply to the proposals which they had made in tender of good offices and awaited the development of this proposal of the Japanese Government.

During the next four days it became apparent that the Japanese armed forces at Shanghai were being substantially augmented and there appeared no repeat no

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Sent by operator M., 19

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

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Washington,

no

evidence, that, any serious effort was being made by the, Japanese authorities, there, toward proceeding with negotiations, such as, had been, outlined, at Tokyo, to the, foreign ambassadors. Japanese authorities at Shanghai, and at Tokyo, declared that the Chinese, armed forces, must be withdrawn, to a distance, of, twenty miles from Shanghai, and that fighting, would be continued, until they had been so, withdrawn. At the same time, the Japanese forces, notwithstanding protests, which had been, made, repeatedly, by several governments, and by the, International Municipal Council, continued to use the International Settlement, in various respects as a, base, for their operations, and to jeopardize its safety, by various acts, connected with those operations.

By February 11, it had become clear that the Japanese were continuing and increasing the scope of their military operations, and were sending to Shanghai large bodies of troops and considerable equipment, from which it could only be concluded that they intended to make a more substantial military effort.

Under these circumstances, the American Government, felt it necessary, to refrain for the time being from any renewal of initiative on its part, in efforts of

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

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

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Washington,

conciliation, but informed its representatives that it would look with approval upon any impartial efforts which might be made toward bringing about a cessation of violence and prevention of further hostilities.

The American Government has throughout this period frequently communicated with other governments concerned and endeavored to make its views known to them; it has assumed that through other governments members of the League of Nations its position would be made known to the Council of the League, and it has given careful consideration to the information supplied to it regarding the views of other governments and the proceedings of the Council.

As the matter stands today, the American Government is not repeat not actively participating in any express effort on behalf of any "peace proposals" or project. Its representatives at Shanghai are cooperating with representatives of other countries in relation to the problem of maintaining the rights, fulfilling the obligations and insuring the safety of the lives and property of their nationals at Shanghai and are ready at any time, if and when so requested by the disputants, to participate in efforts to conclude arrangements.

Enciphered by _____

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

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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

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Washington,

whereby the hostilities there, both actual and impending, may on terms fair to both of the disputants be brought to an end." The American Government remains ready, if and when asked by the disputants to do so, again to exercise, in cooperation with other governments, good offices." It is also prepared to give solicitous consideration to any project in the nature of a peace proposal for ^{intended} possible consideration by or submission to the disputants which may be brought seriously to its attention.

SKH

Strinson
WH

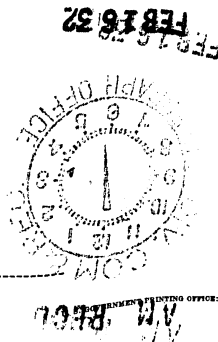
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Feb. 16

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Sent by operator M., 19

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

DEPARTMENT OF STATE
TELEGRAM RECEIVED
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FEB '5 1932
HS DIVISION OF
COMMUNICATIONS
FROM
This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

Shanghai

Dated February 14, 1932

Rec'd 11:30 a.m.

Secretary of State

Washington

February 14, 10 a.m.

CONFIDENTIAL. FOR THE SECRETARY.

In a conversation yesterday Wellington Koo ex-

pressed personal desire to sound us out as to possibility
of a meeting of representatives of the interested Powers
to settle the Shanghai question and at the same time to
work out an agenda for a conference of all interested Powers
on all questions affecting the Far East to stabilize the
situation and ensure peace in the Far East. His idea is
a Conference that would cover all questions outstanding,
including Manchuria. He wondered whether all avenues of
approach, along lines of powers proposals of February 2nd.
have been eliminated, specifically whether the United States
has dropped all effort along that line.

KLP

JOHNSON

DAS



F/DEW 793.94/4188

FILED

FEB 28 1932

note
893.102-8

TELEGRAM RECEIVED

HS

A portion of this telegram
must be closely paraphrased
before being communicated to
anyone.

Shanghai

Dated February 13, 1932

Rec'd 6:46 a.m., Feb. 14

Secretary of State

Washington

(GRAY)

February 13, 2 p.m.

One. I have the following estimate to make of
the situation of Shanghai.

Two. Area known as Chapei, which has grown up
around terminal of the Shanghai-Nanking Railway, is
surrounded southeast and west by the International Settle-
ment. North Szechuan Road which bounds it on the East
connects the Settlement with Hongkew Park, a Settlement
public park. (End Gray)

Three. This area has been the object of difficulty
between Settlement and Chinese authorities because elements
in the Settlement have long wished to add it to area of
Settlement. Perhaps a third of the property in Chapei is
(owned by),
foreign owned.

Four. Chapei is where most of the young nation-
ally minded Chinese have gone to live. They have taken
pride in it, built the mills and factories there, have
their



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FEB 22 1932

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893.102-5

HS 2-from Shanghai, Feb. 13, 1932, 6:46 a.m.
Feb. 14, 1932

their own electric power plant and their own water.
Cantonese predominate.

(GRAY) Five. Chapei and North Szechuan Road
have been areas where Japanese have settled and prior to
January 28th perhaps most of Japanese refugees from up
country and Japanese unemployed lived there. (End Gray)

Six. There is reason to suspect that Japanese
people ambitious to acquire Chapei and North Szechuan Road
area as a Japanese concession, although Japanese authori-
ties deny this.

Seven. In the beginning Settlement opinion may
have been favorable to such a move by Japanese.

Eight. From their experience in Manchuria, Jap-
anese evidently were convinced that they would make short
and swift ~~work~~ ^(work) of the move.

Nine. Declaration of emergency as of 4 p.m. on
afternoon the 28th not only shows Japan sought for oppor-
tunity as North Szechuan road projecting like a tongue
into Chapei and policed by Settlement police was assigned
to the patrols of their landing party under defense scheme
put into effect by declaration of existence of emergency.

Ten. Japanese Navy was anxious to perform a
deed of heroism in emulation of army activities in
Manchuria.

HS

3—from Shanghai, Feb. 13, 1932, 6:46 a.m.
Feb. 14, 1932

Manchuria.

(GRAY) Eleven. Chinese, unlike situation in Manchuria, had had an opportunity to prepare. They had plenty of cover in streets of Chapei which was unexplored field for Japanese Marines. (End Gray)

Twelve. Ever confident Japanese met with a severe defeat and their defeat continues sixteen days after initial attack.

Thirteen. Japanese armed civilian volunteers were guilty of all manner of excesses before they were finally removed from field of action. Their work was paralleled by that of Chinese gunmen.

Fourteen. Having been checked in their advance Japanese turned loose everything they had and began systematic destruction of Chapei by aerial bombs, cannonade and incendiarism. This is still going on with increasing vigor and Japanese have gained little beyond the destruction of an enormous amount of valuable property, Chinese and foreign.

Fifteen. Every day situation has become worse for Japanese who have suffered a wound to their pride from which they can not soon recover. According to our views, prestige

HS

4--from Shanghai, Feb. 13, 1932, 6:46
a.m. Feb. 14.

prestige in Asia is at stake, their position as a world power is even at stake.

Sixteen. Japanese are now making preparations on a very large scale to batter away here at Shanghai until they have driven Chinese forces from the field.

Seventeen. Chinese Nineteenth Army which is composed of Cantonese has made a great name for itself. It has defeated a foreign force, they are heroes of the Cantonese political faction and of nationalistically minded youth who have fostered the Anti-Japanese movement, they are heroes of the purest patriotism China has so far known.

Eighteen. Other Chinese political factions which have counselled conversation and passiveness are jealous of prestige which it and its political Cantonese adherents are achieving but are forced to support it with men and money.

Nineteen. Question is, can the Cantonese troops now retire without loss of prestige.

Twenty. Chinese leaders, including leaders of the army, foresee inevitableness of defeat and are anxious to receive advice. They dare not act on their own initiative.

Twenty-one

DECLASSIFIED: E.O. 11652, 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 5-from Shanghai, Feb. 13, 1932, 6:46
a.m., Feb. 14.

Twenty-one. It is dangerous for foreigners to
advise lest they will be held responsible for odium at-
tached to retirement of Chinese. February 14, 11 a.m.

KLP

JOHNSON

DAS

RPF

TELEGRAM RECEIVED

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

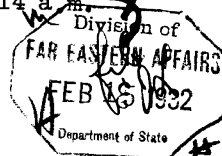
Shanghai

Dated February 15, 1932

Rec'd 6:14 a.m.

Secretary of State,

Washington



52, February 15, 2 p.m.

STRICTLY CONFIDENTIAL FOR THE DEPARTMENT'S USE ONLY.

The stubborn resistance of the Chinese military has
been a matter of great surprise to many local residents.
I have learned from a source which is believed to be entire-
ly trustworthy that there are three German ex-army offi-
cers, wearing civilian clothes, continually at the front
directing the Chinese plans. These officers are military
experts and direct the operations and plans of the avia-
tion, infantry and engineering branches. The aviation
plans are made by Bloedhorn, infantry by Schaumburg and
the engineering by Weber. These men are at the front
in the vicinity of Shanghai but rarely visit the Settle-
ment, carry no arms and wear no uniforms. I am told that
a Swiss by name of Wahllen is attached to the Chinese
forces but is not believed to be in Shanghai.

Not repeated to the Legation.

CUNNINGHAM

WSB-HPD

F/LS 793.94/4190

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

TELEGRAM RECEIVED

cib

PLAIN

Peiping

Dated February 15, 1932

Recd 1:10 a.m.

Secretary of State

Washington.

824, February 15, noon.

Following from Transoceanic Asiatic Moscow

February 10th:

"Acting Foreign Commissioner M. Karakhan

officially informed the Japanese Ambassador Mr. Hirota
that an occupation of Harbin by Japanese forces could
not be viewed with equanimity by the Soviet Union and
would evoke strong protest from her.

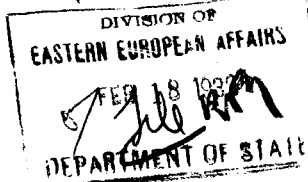
At the same time it was officially announced
that there was no truth in the rumors and reports
circulating abroad that traffic over the Siberian
Railway had been interrupted or suspended.

It was emphatically stated that all the trains
including the expressses were running on schedule as
far as Changchun and that all reports to the contrary
were baseless inventions."

For the Minister.

CIB-JS

PERKINS.



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

F/LS . 793.94/4191

FEB 19 1932
RECEIVED

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

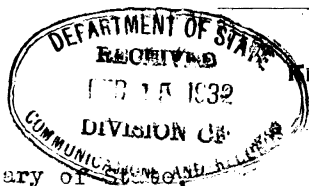
CJH

TELEGRAM RECEIVED

GRAY
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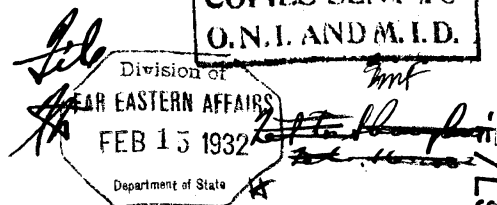
Dated February 15, 1932

Rec'd. Feb. 14 5:30 p.m.



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

Secretary of State
Washington.



FEBRUARY 15, noon.

Your ⁵¹~~23~~, February 6, 8 p.m.

Following is my translation of a note from the
Minister of Foreign Affairs to the American Minister
dated February 14th and received February 14, 11 p.m.,
excluding introduction which quotes the note of
February 10th from the American Minister:

"However, according to reports which have been
received on the morning of February 14, ten thousand
and more Japanese troops landed on various wharves
in the International Settlement and another large
contingent of Japanese troops will arrive on February
15. This is unmistakable evidence that the Japanese
Government regards slightly sincere representations
made by Your Excellency's Government and that International
Settlement is still affording protection to the Japanese
Forces and permits them to use Settlement as a base of
operations for the launching of attacks on Chinese forces.
/ The Chinese Government therefore, again asserts with the
utmost earnestness that if the Japanese troops at Shanghai

continue

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793.94/4192

JUL 9 1936
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CJH

continue their attacks on Chinese controlled territory and, if through properly conducted defense measures taken by the Chinese troops against such attacks, life and property in the International Settlement receive injury, the Chinese Government will accept no responsibility of any sort in connection therewith. I have the honor to state that a communication has likewise been addressed to the British Minister and I take this opportunity to lodge a decided protest and to request that Your Excellency, on the basis of the serious attention given by Your Excellency's Government in this matter and with reference to the repeated communications from this Ministry already referred to, will with all speed put an end to the use of the International Settlement by the Japanese troops as a base of operations for attacks on Chinese forces, as well as forbid the Japanese forces to effect landings on wharves in the International Settlement, in order to lend emphasis to the assurance given by Your Excellency. I hope that I may receive the favor of a reply. Signed Lo Wen Kan. (seal of the Ministry of Foreign Affairs)".

Translator's note: The assurance referred to was contained in the last sentence of the note of the American Minister of February 10, which sentence read as follows: "I have the honor to assure Your Excellency that the matter forming the subject of your communications under reply is receiving continuous and solicitous consideration from the American Government, together with the other

interested

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

CJH

Page 3 - from Nanking
dated Feb. 15, rec'd.
Feb. 14, 5:30 p.m.

interested Governments".

Repeated to Shanghai and the Legation.

PECK

JHR

RFF

161-

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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 PREPARING OFFICE
 WILL INDICATE WHETHER

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 CONFIDENTIAL CODE
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Department of State

ect
 ge Department
 OR
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Washington,

February 16, 1932.

AMERICAN CONSUL

SHANGHAI (CHINA).

For the Minister. Reference Nanking's
 February 15, noon, to the Department.

In your reply to the note from the Minister of
 Foreign Affairs dated February 14 you may renew the
 assurance contained in the last sentence of your note
 of February 10 and add that the American Government
 QUOTE must continue to hold the Governments and
 authorities of each of the disputants responsible for
 any loss or damage which may be inflicted by any armed
 forces or any agencies thereof to American lives and
 property as a result of such dispute UNQUOTE. (See
 Department's No. 10 to Shanghai, February 10, 11 a.m.)

Repeat to Nanking and Peiping.

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not sent
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U. S. GOVERNMENT PRINTING OFFICE: 1925 1-138

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN
SECRETARY STIMSON AND SIR JOHN SIMON, AT LONDON, MONDAY,
FEBRUARY 15, 1932, AT 11:00 A.M. Private Radio Channel.

SIR JOHN: Hello, Mr. Stimson, this is Sir John speaking from London.

SECRETARY: Hello, Sir John.

SIR JOHN: I saw the Prime Minister this morning. I sent him your document and he studied it. As I told you when I spoke last with you we want to keep step by step with you all the time.

SECRETARY: This document was intended merely to indicate to you how our minds were working on this Nine-Power Pact.

SIR JOHN: I want to say this first. I am going to see the Prime Minister again this afternoon, after this first talk, with several others of our Cabinet and I rang you up tonight to learn your present view so that I might, if you agreed, have another talk with you later in the day because we want to report to you our own view after we have heard your view.

SECRETARY: Yes.

SIR JOHN: There is just this I might say at once. We are quite resolved to go hand in hand with you if you take this step but we rather think that the best hope will be for us to get the League of Nations to take a similar sort of step at about the same time.

SECRETARY: Yes.

SIR JOHN: Because that will make a world statement.

SECRETARY: Yes.

SIR JOHN: That is how we feel about it at the moment.

Would you like to tell me your present state of mind?

SECRETARY: I would like to know first, if I may, when you say this step-you are speaking now of the lines which we suggested in this paper which I sent you.

SIR JOHN: Yes. Recalling the nature of the international obligations

793.94/4192 1/2

Confidential File

- 2 -

obligations as time goes on and putting on record that we will not accept changes which are brought about in defiance of those obligations.

SECRETARY: That is precisely what I wanted to know. That is what the President and I and all my staff here think that it is very important that such a notice should be given that we do not accept these changes. The President feels very strongly that that is a significant advance in the international situation made by our new peace treaties. That it is, in other words, one of the best things that we can do in the absence of force. Do you see?

SIR JOHN: That is right.

SECRETARY: And he regards it, that particular point, namely, the giving notice that we shall not accept in the future changes which come from a violation of that treaty or of the treaties in question, the two treaties in this case.

SIR JOHN: The Nine-Power Treaty and the Kellogg Pact.

SECRETARY: He thinks that is of great importance.

SIR JOHN: Might I break in here? I can take the same line as a member of the League under Article X. Article X says that every member of the League undertakes to preserve against external aggression the territorial integrity and existing political independence of all other members of the League. So in the same way we can say that it is our friendly right to direct attention to that Article, and the territorial integrity or no change in the political independence of any member of the League, ought to be recognized as valid and effectual by the League of Nations.

SECRETARY: That would not prevent you from taking the same position under the Nine-Power Pact and the Pact of Paris.

SIR JOHN:

- 3 -

SIR JOHN: The Council of the League has something such as I suggested to you - it is side by side with what you are saying.

SECRETARY: But you can also join with what we are saying.

SIR JOHN: That is what I would like to do if it is about the same time.

SECRETARY: I see, but what I mean is your protest or declaration will be based upon the same legal treaties that ours will.

SIR JOHN: Exactly.

SECRETARY: However, you will, either in your paper or in another one which you execute with the League, take the additional position in regard to Article X.

SIR JOHN: That is the idea.

SECRETARY: I see no objection to that.

SIR JOHN: Whether or not we actually join you in your declaration or press on the members of the League to make a League declaration won't matter so much as long as we do it together.

SECRETARY: So long as in your declaration you also cover the Nine-Power Treaty.

SIR JOHN: I don't mind doing that at all.

SECRETARY: Well, may I just say one thing. I think that my own first reaction to this is that it would be better for you to join in the two separate actions taken at the same time.

SIR JOHN: To do both.

SECRETARY: To do both, provided we do it at the same time.

SIR JOHN: I will discuss that with my colleagues later in the day.

SECRETARY: I think there is a great advantage in having
you

- 4 -

you side by side with us as well as side by side with the League.

SIR JOHN: The only thing I have to be careful of is I must not seem to desert the Council of the League, but I don't mind doing it so far as I am concerned.

SECRETARY: That is exactly what I am driving at and on my part I don't mind holding back a little while in order to give you time to get the League in action with us.

SIR JOHN: That is what I was going to say next. Of course, I have to see what my colleagues have to say about it.

SECRETARY: Yes.

SIR JOHN: I will go back to Geneva quite soon to try and get this done if our general arrangements were agreed.

SECRETARY: The only danger that I see is in the length of time that it might take to get it through the League.

SIR JOHN: I don't think it would take very long after I got there. It is very probable that we could get something done this week.

SECRETARY: You think you could?

SIR JOHN: I think I could, yes.

SECRETARY: Well, I think it is very important.

SIR JOHN: So do I because my information is, since the landing of these additional troops in the Settlement, the situation is distinctly hard.

SECRETARY: It has hardened here in that respect and I was going to speak to you about that. I was going to suggest an additional point to the declaration which we made and of which I send you a draft. I was going to suggest that we might insert in that in addition to the general interest in which we all have in the Nine-Power Pact and the Pact of Paris

which

- 5 -

which is set out in the present paper. We might add a paragraph showing how we have a special interest which is being violated at the present time as a result of the violation of the other two treaties, namely, the war measures which have been produced during the present Shanghai trouble has resulted in bringing into danger all our special rights and interests in the International Settlement by the fact that that has been used as a base.

SIR JOHN: There is one point. I would like you, if you will, to keep just a little open because I am not sure that we think the method is quite the same as you do.

SECRETARY: I am ready to keep an open mind on that.

SIR JOHN: This is the point on which I should like you to reserve your judgment a bit. We want to produce the maximum influence on Japan to get the best results. Some of my colleagues think we might produce very great results if we direct ourselves to the Shanghai and Yangtze Valley question but if we tie this all up with Manchuria we shall get no satisfaction in Shanghai because of the view of Japan about Manchuria. I am not overlooking Manchuria as we have made protests to Japan the same as you, only in a different way, but if we want to produce the best results quickly in Shanghai, is it not a good plan to tell them that it depends on Manchuria?

SECRETARY: I didn't intend to tell them that. What I wanted to do was to take a position which would not waive Manchuria. I don't think we ought to allow ourselves to get into a position which would give anybody the right to say that we had accepted the Japanese contention that Manchuria was entirely different from the Nine-Power Treaty.

SIR JOHN:

- 6 -

SIR JOHN: American has already made reservations about that and I have already spoken to the Japanese Ambassador in the same sense. I suggest making the present document one which deals especially with the developments which have followed not excepting the other, but especially directed to the Shanghai situation.

SECRETARY: All I can say is that I will approach with a perfectly fair and open mind whatever you want to suggest on that.

SIR JOHN: I see. We have been in touch with Atherton. Will you send to him any revised draft?

SECRETARY: Not yet, I wanted your reaction on that.

SIR JOHN: I will see the Prime Minister and my colleagues in about an hour's time. When may I ring up again conveniently for you? How many hours from now? Would it be convenient if I rang you up two hours and a quarter from now, about 6:30?

SECRETARY: I will make it convenient, it will be 1:30 here.

SIR JOHN: I will ring you up and tell you what is the result of our consultation and if you think it a good plan, I am quite prepared to try to arrange to go back to Geneva say on Wednesday and get hold of these people and try to carry something on by the end of the week.

SECRETARY: The only things that occur to me are these that I would like you to consider. These people are on the brink, the possible brink, of a big battle.

SIR JOHN: That is a good reason for getting it out quickly.

SECRETARY: Yes, that battle is going to be fought from the International Settlement as a base.

SIR JOHN: I am afraid so.

SECRETARY: And if there is, there will be a great possibility

of

- 7 -

of trouble both during the battle and in the after effects.
Do you think that our legal position as to protest is
sufficiently clear now?

SIR JOHN: I don't quite get that.

SECRETARY: I mean that protests have been made. I am
just thinking aloud. Now we have made a protest in Shanghai,
several of them, and a long time ago in the very beginning
you made a protest in Tokyo and we followed it up.

SIR JOHN: Three times.

SECRETARY: Yes, three times. I think that so far as the
legal point is concerned it is clear, but there is no
doubt that they have greatly accentuated the situation by
their disregard of our protests since. They have been as
flagrantly violative of our rights as they very well could
be.

SIR JOHN: They have not paid the slightest attention to
them. But I feel with you that there is going to be more
trouble and perhaps fighting and if we made our protest
with the League of Nations and yourself we ought to do it
pretty quickly.

SECRETARY: Well, the only thing that came into my mind
while we were speaking was this. You are going to delay for
four or five days before anything is done. I wondered
whether the situation might not be helped if a joint pro-
test might be made on the subject of the Settlement as a
base by the four powers interested there.

SIR JOHN: I am thoroughly prepared, if you like, to go into
this.

SECRETARY: I don't want to press it myself but I would like
to have it considered and I don't want to take the initiative
if it requires much initiative on the part of this country.

SIR JOHN:

- 8 -

SIR JOHN: We have made protests countless times so it would merely be in the nature of a repetition but I am not disagreeing.

SECRETARY: I suggest you talk that over with your colleagues and report to me two hours from now what you think.

SIR JOHN: What do you think you will do - do you think you will send a revised copy of your document to Atherton?

SECRETARY: Suppose you send me your views. Take my draft and make a draft of your own upon the lines that you now think and send it to me.

SIR JOHN: Shall I send it to Mr. Atherton and have him send it to you?

SECRETARY: Either through him or through your Ambassador here.

SIR JOHN: I am extremely pleased that we are in such good touch. The Prime Minister from his bed this morning sent you a message to say how much he appreciated your last letter. He is feeling better but will have to take three weeks complete holiday.

SECRETARY: Atherton told me about that, and I was very much worried. I am glad to have him have the holiday but I wanted him to feel all right.

SIR JOHN: If you would like to speak to Atherton, he is here at my side.

SECRETARY: No, that is all right. Is it understood then that you will make a draft indicating your present ideas?

SIR JOHN: That is right, and if we have any comments you will hear the results. If we can get the League of Nations to do the same, I will let you know.

SECRETARY:

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

- 9 -

SECRETARY: You will start this draft before you go away to Geneva Wednesday?

SIR JOHN: Oh, Yes.

SECRETARY: Because I think we ought to work very fast and I hope - let me say this in all the confidence of the telephone - that your draft won't be too damned friendly.

~~CONFIDENTIAL~~

advisedly

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN
SECRETARY STIMSON AND RAY ATHERTON, CHARGE' AT LONDON,
MONDAY, FEBRUARY 15, 1932, AT 7:00 P.M.

Atherton said that he had just been told by Sir John Simon that the latter had received a telegram from Geneva stating that several members of the Council of the League of Nations were calling a meeting of the Council for tomorrow morning, Tuesday, to draft an appeal to Japan to exercise forbearance and restraint towards a fellow-member of the League of Nations and to point out that China had from the very first left her case in the hands of the League; and finally to invoke Article X of the League Covenant against any infringement on the territory of China and to point out to Japan that any settlement made contrary to the treaties applying to the situation would not be recognized by the League of Nations.

Sir John Simon sent word that this was the first he had heard of this. It came to him entirely as a surprise, and he wanted to know whether I had any suggestion. Sir John said that this meeting at Geneva was to take place tomorrow at eleven, Geneva time. He, himself, did not think that this action by the League would interfere with the draft which we are considering of our action under the Nine Power Treaty at all.

Then Atherton went on to tell me what the situation was in the British Cabinet in regard to our draft. The British Government were ready to urge the League to make this protest and to take this action. It was also ready to agree

793.94/4192 3/4

Confidential File

~~CONFIDENTIAL~~

"advising"

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN
SECRETARY STIMSON AND RAY ATHERTON, CHARGE' AT LONDON,
MONDAY, FEBRUARY 15, 1932, AT 7:00 P.M.

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793.94/4192 3/4

Confidential File

-2-

to agree to sign the Nine Power paper provided that all the other signatories of the Nine Power Treaty would take the same action. There are members in the Cabinet who rather opposed signing the paper bilaterally, with England and America alone. Sir John Simon thought that this action by the League would encourage the others of the nine powers to go into the movement with us on our draft.

I told Atherton in answer to Sir John's inquiry that I saw no objection to this action by the League; that on the contrary they were following our program and seemed to me to be offering encouragement to it. Simon had told Atherton that he was going to Geneva at once, after he had had a Cabinet Meeting here on the subject, with the purpose of trying to round up the members of the Nine Power Treaty to go into this action with us. He was going over, as I understood it over the telephone, on Wednesday, reaching Geneva Thursday. I told Atherton that, of course, the important thing to us was whether Great Britain would go in with us separately on our paper; that it would not meet our difficulty if she simply went in with the League action under Article X; that I did not see how the League could act on the Nine Power Treaty, as the League was not a party. I, therefore, felt that it was extremely important that Great Britain, whatever she did with the League, should also sign their representation with us.

FE

TELEGRAM RECEIVED

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

REP

FROM

GRAY

Peiping via N. R.

Dated February 15, 1932

Received 6:45 a.m.

FAR EASTERN DEPT.

FEB 15 1932

Department of State

RECEIVED

INVASION OF

Secretary of State,
Washington.

225, February 15, 1 p. m.

Following from American Consul General at Shanghai:

"February 14, 7 p. m. Following from Mayer for
Military Attache:

The Japanese unloading nine transports February 15th.
Estimate total Japanese army here February 15th will be
20,000. Only light artillery unloaded so far. Believe
units to be 9th division and balance of 12th part of
which has been operating against Woosung. Japanese land
aeroplanes consist of 9 pursuit and 18 bombers.
Woosung Creek crossed and forts should be captured soon.

FOR THE MINISTER
PERKINS

WSB - KLP

F/LS 793.94/4193

FILED

FEB 20 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

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

TELEGRAM RECEIVED

FROM

MET

GRAY

Shanghai via N.R.

Dated February 15, 1932

Rec'd 9:10 a.m.

Secretary of State,

Washington

February 15, 2 p.m.

Four Japanese transports arrived this morning, two full of troops and two with heavy material. They passed Woosung under protection of sixteen Japanese destroyers firing on forts. Forts still in hands of Chinese replying to bombardment feebly. Planes bombing forts since eight a.m. Japanese meeting resistance between Woosung Creek and forts. Rumor that Japanese will begin advance through Chapei tomorrow.

JHR-HPD

JOHNSON

F/LS

793.94/4194

FILED

FEB 20 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

TELEGRAM RECEIVED

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

MET

PLAIN

FROM

Peiping via N.R.

Dated February 15, 1932

Rec'd 9 a.m.

Secretary of State,

Washington

232, February 15, 8 p.m.

Following from Reuter, Shanghai, February fifteenth:

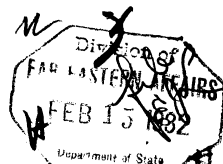
"The lull in the fighting here continues and is expected to last a few days while the Japanese landing forces are organized and General Uyeda draws up his plans for the campaign.

Heavy continuous shelling by the Japanese last evening proved very dangerous for the Shanghai Volunteer Corps and for the American lines around the International Settlement. Eleven shells fell in the vicinity of the Shanghai Volunteer Corps Company not far from the North Station. The company was ordered by Colonel Thoms to evacuate the position until the shelling was finished which order unquestionably saved lives as shells fell only a dozen yards from their posts.

Later the same evening shells landed near the

United

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F/LS

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FILED

FEB 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

MET

2-#332 from Peiping via N.R.,
February 15, 8 p.m.

United States Marines who immediately protested and the
shelling stopped".

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

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TELEGRAM RECEIVED

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PLAIN

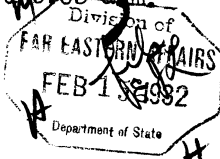
AT

Peking via N.R.

FROM

Dated February 15, 1932

Rec'd 9:05 a.m.



Secretary of State,

Washington

228, February 15, 4 p.m.

Following from Reuter, Shanghai, February 14th:

"Lieutenant General Uyeda, Commander of the newly arrived Ninth Division from Japan, which totals approximately 12,000 men, was interviewed by Reuter's Shanghai correspondent today. He stated that he had no intention of taking an immediate offensive against the Chinese forces but he hoped that negotiations would result in the Chinese troops withdrawing far enough from Shanghai to render 'the security and safety of the International Settlement assured'.

It is learned that the Ninth Japanese Division which is disembarking today will be billeted at Hongkew outside the limits of the Settlement.

General Uyeda was for some years commander of the Japanese garrison at Tientsin".

For the Minister,
PERKINS

KLP-HPD

F/LS

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FILED

FEB 20 1932

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TELEGRAM RECEIVED

AT

FROM

REP

RECEIVED

SECTION OF

PLAIN

Peiping via N. R.

Dated February 15, 1932

Rec'd 7:47 a. m.

Secretary of State,
Washington.

227, February 15, 3 p. m.

Following from Reuter, Tokyo, February fourteenth:

"A spectacular development assisting stabilize the situation in Manchuria is anticipated shortly according to a Japanese press despatch from Changchun which reports that the Chinese leaders in Manchuria are assembling for the purpose of arranging final details for the formation of a new independent state.

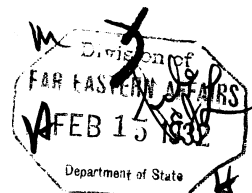
The despatch states that General Hsi the Governor of Kirin (who is supported by the Japanese) has already passed through Changchun for Mukden and that General Chan Shan is leaving Harbin on February sixteenth for Mukden."

FOR THE MINISTER

PERKINS

WSB

793.94
note
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F/LS 793.94/4197

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

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TELEGRAM RECEIVED

REP

PLAIN

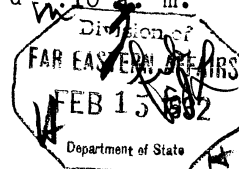
FROM

Peiping via N. R.

Dated February 15, 1932

Rec'd 9:10 a. m.

Secretary of State,
Washington.



229, February 15, 5 p. m.

Following from Reuter, Mukden, February 10th:

"The office for preparing self-government for Manchuria has several times announced the inauguration of its force for February 1st, then for the 6th, then the 11th which latest date has also been cancelled.

The White Russians in Manchuria are stated to have been very sympathetic towards the Japanese and it is now learned that probably as some kind of reward for their attitude a movement is on foot to organize special law courts for Russians in Manchuria independent of Chinese jurisdiction. A meeting was recently held in Mukden by the Russian community which elected a committee to discuss this matter with the Japanese authorities. It is understood that similar discussion will very shortly be held in Harbin.

It is persistently rumored here that the Chinese post office will shortly be taken over by the Japanese."

FOR THE MINISTER
PERKINS

KLP - HPD

F/LS
793.94/4198

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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

This is from Japanese Embassy

SECRETARY OF STATE
FEB 10 1932

Military Attache
IMPERIAL JAPANESE EMBASSY
Washington, D.C.

Division of
FAH EASTERN AFFAIRS
FEB 12 1932
Department of State

The situation in Shanghai.

Feb. 8

1. Chinese artillery bombarded Japanese residential section intermittently all day.

The damages were slight.

at 9:30 P.M. our marine position was assaulted by 100 Chinese troops, repulsing them immediately.

2. Situation around Woosung not much changed.

Feb. 9

1. Bombardment continued all day around Chapel. Chinese shells were mostly aimed Hongkew and north Szechuan road with slight damage.

At noon, about 200 Chinese assaulted twice from north along Kiangwan road, all being repulsed by 3 P.M.

2. Situation in Woosung, owing to unfordable condition of creeks and ditches in the section, our troops are marking time until bridging materials arrive.

DEPARTMENT OF STATE
RECEIVED
FEB 15 1932
DIVISION OF
COMMUNICATIONS AND RECORDS

793.94

From Conversation with Japanese M.H.

793.94/4199

NOTED

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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

elmu

REP

FROM

GRAY

Shanghai via N. R.

Dated February 15, 1932

Rec'd 10:05 a. m.

Secretary of State,
Washington.

55, February 15, 5 p. m.

Your telegram No. 21, / 4155 February 13, 1 p. m.

On February 13th Senior Consul sent the following
communication to Japanese Consul General:

"I have the honor to refer to my communication dated
February 8th concerning the danger to life and property
in the International Settlement occasioned by the flight
of Japanese military airplanes. My colleagues desire
that I supplement these representations by citing an
occurrence in the American sector on February 11th.

According to information received from a reliable
source at about 9:40 a. m. on February 11th Japanese
airplanes used machine guns to fire on Chinese emplacements
north of Soochow Creek, such firing being at about 45
degrees from position within the American sector. From
the same source it is learned that at 10:35 a. m. on
February 11th two Japanese planes flew over the American
sector from south to north, dropping a bomb which struck
the wing

F/LS 793.94/4200

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FEB 20 1932

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REP

2- #55, from Shanghai, Feb. 15, 5p.m.

the wing on cotton mill at number 55 Markham Road killing 5 and wounding 15 Chinese and doing much material damage. As you are positively aware this mill is within the American sector. In it are billeted United States Marines none of whom were hurt.

It is in view of these two occurrences that I am desired by my colleagues strongly to renew the representations made in my letter of February 8th and to express their earnest hope that the Japanese naval and military authorities will refrain from all flights of military airplanes over the International Settlement in the future."

In view of the foregoing I am of the opinion that no further protest at this time is desirous.

CUNNINGHAM

WSB
KLP

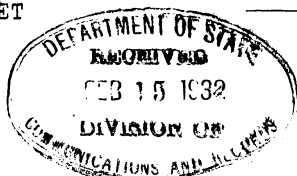
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

W E E

TELEGRAM RECEIVED

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GRAY



FROM

Tokio

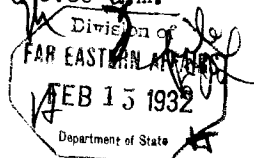
Dated February 15, 1932

Rec'd 9:30 a.m.

Secretary of State,

Washington

67, February 15, 6 p.m.



The Foreign Minister received five Ambassadors,

German, Italian, French, American and British at 4 o'clock this afternoon.

He stated he was going to give a frank exposition of the Japanese position in Shanghai. The Ninth Division had already arrived and the landing would be completed by tomorrow, at which time they have 15,000 land troops and 3,000 marines. The Chinese Nineteenth Army Corps of 31,000 men, the officers being wholly Cantonese, was stationed from the Chapei region all the way to Woosung and was continuing an offensive and defensive attitude and claiming that they had scored a victory over the Japanese marines which was being used as propaganda and causing great uneasiness among Japanese citizens in various Chinese cities throughout the South of China as far as Canton.

In reply to a question he said emphatically that the Japanese

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F/LS 793.94/4201

MET

2-#67 from Tokio, February 15,
6 p.m.

Japanese had no intention of sending troops to any of these cities; that on the contrary they were ~~determined~~ not to.

He gave a brief resume of the effect during several months of the presence of this Cantonese army near Shanghai and Nanking and said ^{that} their officers seemed now to have what he called a "desperate psychology" and, had led the Chinese army to believe they had won a victory, a claim which he explained was due to the defensive attitude and insufficient numbers of Japanese marines.

393.94
He said "It is believed that the Japanese army will demand the Chinese army to withdraw and that this step was necessary because so long as they remained where they were they menaced the security of the Settlement and Japanese resident nationals". He said that if the demand was not accepted he presaged a clash and an attack by the Japanese army, but stated that the Chinese army, if they would withdraw, or after they had been driven back a reasonable distance (which he defined as the range of the Chinese cannon) would not be followed up, and at that time the Japanese may enter upon negotiations for the establishment of a zone.

He disclaimed absolutely any project on the part of the Japanese Government to move toward the establishment of neutral zones around any other cities.
(WSB-RPD)

FORBES

TELEGRAM RECEIVED

MET

GRAY

FROM Peiping via N.R.

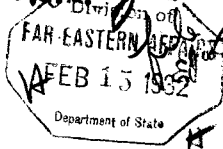
Dated February 15, 1932

Rec'd 8:50

Secretary of State,

Washington

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



230, February 15, 6 p.m.

Following has been received from American Consul
General at Harbin:

"February 13, 11 a.m., number 15.

One. Working through Dohihara the Japanese are daily increasing their influence in municipal, political and financial affairs despite assurances officially that the army came here solely to protect local Japanese residents at Harbin and are spreading rumors to the effect that brigand attacks are increasing alarmingly on eastern and western lines of the railway. Soviet general manager of the railway has stated that he has received no reports substantiating these rumors. Japanese aerodrome at Harbin is being enlarged. It is evident that the Japanese intend to keep one division at Harbin for some time, although the heavy artillery has been sent south.

Two.

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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

MET

2-#230 from Peiping via N.R.,
Feb. 15, 6 p.m.

Two. I have received a reliable report stating that many of the civilians are leaving Vladivostok, which is being feverishly placed in a position to withstand a siege. There is no doubt but that the Soviet officials fear an invasion by the Japanese."

Three. I intend leaving on February 20th on a few days' trip to Manchuria Station."

For the Minister,

RR-WSB

PERKINS

TELEGRAM RECEIVED

MET

GRAY

FROM Shanghai via N.R.

Dated February 15, 1932

Rec'd 12:55 p.m.

Secretary of State

Washington

COPIES SENT TO
O.N.I. AND ONE

Division of
EASTERN AFFAIRS

FEB 15 1932

Department of State

56, February 15, 6 p.m.

Continuing my daily report number 50, February 14,

6 p.m.

One. The situation along both sectors remains quiet. Shanghai awaits in fear and trembling the beginning of the major Japanese drive to force the Chinese back from Shanghai. This is expected some time during the next few days. Intermittent artillery, machine gun and rifle fire continues on both fronts. It is now learned for the first time that on the 13th a small contingent of Japanese troops pushed across the Woosung Creek but were forced to retreat on account of deadly fire of Chinese defenders. Shells continue to fall in the Settlement areas.

Two, As reported yesterday a force of Japanese troops landed at wayside. They appeared to be fully equipped and among their accoutrements were five large and

ten

F/LS

793.94/4203

FILED

FEB 15 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

MET

2-#56 from Shanghai via N.R.,
February 15, 6 p.m.

ten small tanks. This morning Lieutenant General Uyeda
of the 9th division called on me.

Three. Fresh beef continues to be scarce in
Shanghai. Otherwise there is a plentiful supply of
foodstuffs on hand. Beef is on the way from other ports
which will relieve this shortage.

Repeated to the Legation for information.

CUNNINGHAM

KLP-WSB

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

Reported to D.I.N.
 (Trans. EFS)

Translation of a news item appearing in the
 YI SHIN PAO of ~~Tientsin~~ Tientsin for January 10, 1932.

(Trans. EFS)

FEB 13 32

AMERICA DECIDES TO MAINTAIN A FIRM STANCE
 TOWARD JAPAN.

-It is commonly rumored in the Philippines
 that American naval fleet is to be
 moved to Manchuria-

The United States, feeling indignant at Japan's
 wanton destruction of international pacts, issued a
 warning a couple of days ago. It is learned from
 diplomatic sources in the Legation quarter that this
 action of the United States has long been contemplated
 and that not only a mere written warning has been issued
 in regard to Japan's violent conduct, but also other
 effective measures will be taken.

The responsible authorities are of course unwilling
 to carelessly reveal what the measures will be. Undoubtedly
 the United States will take certain measures to wake up
 the Japanese. It is now commonly rumored in the Philippines
 that the United States Asiatic Fleet has been ordered to
 move toward Manchuria. This is expected by everybody
 in view of the present situation between the United States
 and Japan. This has been denied by the American naval
 authorities, since an important secret military affair
 of this nature should of course be kept strictly confidential
 before it has been carried out.

Upon receipt of the American warning, the Japanese
 informally declared that their activities in Manchuria
 would not change. Thus Japan has become more obstinate.
 The situation between the United States and Japan has become
worse.

F/LS
 793.94/4204

DECLASSIFIED: E.O. 11652, 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-

worse. It is feared that disturbances in the Pacific
Ocean will have no end.

EFS:T

DECLASSIFIED: E.O. 11652, 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 24, 1932.


~~MMH:~~
~~SKH:~~
~~BSM:~~

With the attached despatch Consul General Hanson transmits a copy of an alleged report by General Honjo somewhat similar to the so-called "Tanaka Memorial". It outlines the manner in which Japan can acquire greatness and permanent stability.

Mr. Hanson received this copy from Russian sources in a Russian version. He says that he can not vouch for the fact that General Honjo made such a report.

The report itself contemplates the occupation by Japan of Manchuria; of Mongolia; and of the eastern part of Siberia. It states that ultimately the southern islands and archipelagoes in the Indian Ocean, as well as British Australia and New Zealand will find themselves within the sphere of Japanese influence. When that time comes Japan will have a fleet equal to both the fleets of England and America and it will be an easy job for Japan to keep the United States on the other side of the Hawaiian Islands and to keep England to the west of Singapore.

Even beyond this the writer of the report has greater dreams. He visualizes the conquest of all Asia and Europe so that Japan will dominate in the eastern Hemisphere and divide world hegemony with America.



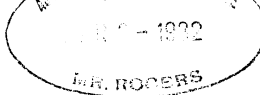
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

AM RECD

No. 5319 AMERICAN CONSULATE GENERAL



HARBIN CHINA, January 21, 1932



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

SUBJECT: TRANSMITTING ALLEGED REPORT COVERING FORMATION
OF MANCHURIAN-MONGOLIAN AUTONOMOUS GOVERNMENT.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON



SIR:

I have the honor to enclose herewith, for the information
1/ of the Department, a copy of my despatch No. 2312, of even
date, to the Legation transmitting a copy of an alleged
report of Lieutenant General Honjo on the subject of the
formation of an autonomous Manchurian-Mongolian government
under Japanese protectorate.

Respectfully yours,

G. C. Hanson
American Consul General

✓
1 enclosure as indicated

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MAR 14 1932

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No. 2212

AMERICAN CONSULATE GENERAL

HARBIN CHINA, January 21, 1932

SUBJECT: TRANSMITTING COPY OF ALLEGED REPORT OF GENERAL HONJO
TO THE JAPANESE MINISTER OF WAR

The Honorable

Nelson Truax Johnson

American Minister

Peiping, China

Sir:

I have the honor to enclose herewith a copy of an
1/ English translation from the Russian version of a Japanese
original of a report dated August 3, 1931, purported to
have been written by Lieutenant General Honjo, Commander
of the Kwantung army, to the Japanese Minister of War,
Minami, on the subject of the establishment of a Manchurian-
Mongolian autonomous government under Japanese protectorate.
The Russian version was given to me by Mr. Kwan Hung-f,
editor of the local newspaper the KUNG PAO, which is printed
in the Russian language and which is believed to be subsidized
by Soviet Russian interests.

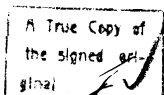
It will be found that this report is shorter and differs
from the alleged report made by Premier Tanaka some years
ago, a copy of which I presume the Legation has in its files.

I cannot vouch that General Honjo made such a report,
but the copy is sent to the Legation as being of possible
interest.

Respectfully yours,

G. C. HANSON

G. C. Hanson
American Consul General



I enclose
Copy to the Department.
BOO OCH/TLL

No. 2312

AMERICAN CONSULATE GENERAL

HARBIN CHINA, January 31, 1932

SUBJECT: TRANSMITTING COPY OF ALLEGED REPORT OF GENERAL HONJO
TO THE JAPANESE MINISTER OF WAR

The Honorable

Nelson Truax Johnson

American Minister

Peiping, China

Sir:

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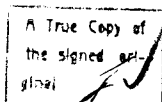
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interest.

Respectfully yours,

G. C. HANSON

G. C. Hanson
American Consul General



I enclose
Copy to the Department.
GCH/ALL

Translation from Russian version
of the Japanese original. (AY)

Report of Lieut-General Honjo, Commander of the troops of the Kwantung District, to the Minister of War Minami, on August 3, 1931, on the subject of the establishment of a Manchurian-Mongol autonomous government under Japanese protectorate, and concerning Japan's hegemony in the world.

Mr. Minister:

Supplementary to my repeated reports concerning the occupation of all Manchuria and Mongolia and the secret plans of America, I have the honor to report as follows:

For the sake of the existence and flourishing of our Empire and its remaining among the first class powers, it is imperative to avail ourselves of the world crises, of the failure to complete the 5 year plan by the Soviet Russia so far, by the failure of China to accomplish unification, and to occupy Manchuria and Mongolia, where we have been for over 20 years occupying ourselves in the terms of a lease with the improvement, commerce and industry, and now to realize our object in Siberia, for sake of which we sent there our expeditionary troops in the 8th year of the reign of Emperor Da Cheng (and which we were compelled to recall under pressure of the Washington 9 Powers Conference in 1922.) The time for decisive action has now arrived and we must annex Manchuria, Mongolia and Siberia to Japan, and to create one powerful and the one real Empire in the world.

According to the investigations which I have carefully made, the renaissance of China, the existence of Soviet Russia and the strengthening of American influence in the Eastern part of the Pacific Ocean, is basically against the fundamental policy of our Empire. But before making war on America, it is imperative to occupy immediately certain important strategical points in China and Soviet Siberia, strengthen our army on land and secure the necessary products and materials for Japan, in order to make it entirely independent in this respect. We must paralyze entirely the fighting capacity of China and Soviet Russia and to drive them into such circumstances, as to prevent them from recovering within a short time, resisting us and regaining their former position.

When our Empire will have occupied important strategic positions in China and Siberia, it will be able to derive the advantages which result therefrom and to exploit the natural resources of the newly occupied countries, to provide for the needs of the Imperial fleet in the matter of government defence and to drive back to the east of Hawaii the influence of the United States.

- There -

- 2 -

There is no doubt that under favorable conditions we will immediately get hold of the Philippine Islands. Thereupon we will dominate the western part of the Pacific Ocean and no one will dare to resist us or to compete with us.

Therefore, the American influence will be driven back by us to the east of the Hawaiian Islands, while the British will be restricted to the ports of Singapore and Hongkong and will be unable to cause us material trouble. But the British fleet will be destroyed by us in the near future too.

The Chinese South Sea will be in our hands. When we shall have taken China with its 400 districts, we shall unite Asia into one government. Thereupon we shall have no trouble in conquering the whole Europe.

The first thing to do, in chronological order, is to capture Manchuria and Mongolia, thereupon it is imperative to avail ourselves of the Chinese Eastern Railway for penetration into Siberia, which should be occupied as far as Verkhneudinsk to compel Soviet Russia to cede to Japan the lands situated to the east of Lena River as far as the Bering Straits. In this connection we should make use of the Russian "whites" or Siberian Buriats and to create a Far Eastern Government, the second one after the first Manchurian-Mongol State. The Administration of these two governments under our continuous control, should consist of persons appointed and supported by Japan.

Thus, the Okhotsk and Japan seas will be entirely in our possession. Thereupon, the defence of the Empire will have to be concentrated merely in the East and in the South. If the above-mentioned countries with such frontiers are in our hands, their natural resources are so great, that our Empire will soon become a golden granary and will take the principal place among the countries of the world.

According to the data obtaining through our investigations, the territory of the 3 Eastern Provinces: Mukden, Kirin and Heilungchiang, of eastern part of the Inner and Outer Mongolia, equals over 74,000 sq. li, which is three times larger than the territory of our Empire. As concerns Soviet Siberia, the latter's enormous territory to the east of Lena River, viz., Transbaikalia, Yakutsk Region, Amur Region, Maritime Province and the Island of Kamchatka, is over 300,000 sq. li, which is ten times the territory of Japan. At the same time the population of Manchuria, Mongolia and the above part of Siberia, is not more than 40 million people and is only one half of the population of our Empire (including the population of Korea and of the Formosa Island.)

Such a big, vast country and such a thin population!

If Japan will make use of this country, its population will not experience any territorial difficulties for 200

-years-

DECLASSIFIED: E.O. 11652, 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 -

years to come. At the same time the agricultural, mining, forest, cattle breeding and fisheries possibilities are so big and rich, that it is impossible to estimate them. The vast rivers and lakes abundant in water space, are of tremendous value and can be used for the electrification of the whole country and to set in motion great factories and works. The large plains alongside the beds of the Sungari, Nen, Heilong and Amur Rivers, are extremely fertile lands and if properly cultivated by means of the advanced technique of our Empire, will yield such a harvest that 2 or 4% of it will amply provide the lack in agricultural products now experienced by our country. The remaining quantity of agricultural products representing 80% of the total, can easily satisfy the requirements of foreign markets.

The Okhotsk fisheries are 3rd in the world with respect to quantity of fish they can give. If fishing were conducted in our progressive way, we could collect over 100,000,000 yen per annum from them. We would also obtain large revenues from whale-fisheries.

The well-known Chita and Jakhe horses, hides and skins of different parts, are also a treasure of inestimable value and will later enable us to have our own horses for the army and wool products, instead of importing them.

The number of already known oil wells is about 50, and their vastness and quality is not inferior to the oil of Baku and Pennsylvania. Once we shall have rich oil deposits at our disposal, the problem of fuel for our country will be solved once and for all, and particularly for the requirements of various industrial establishments, for the navy and air fleet, etc.

There are now 8 gold mines operated in China and Soviet Russia. In view of the world reduction in the production of gold, it is indispensable to start an energetic and immediate production in this region, which will increase the welfare of our Empire by hundreds of times.

Coal and iron deposits in Manchuria and Siberia are so vast, that no words can describe them. In comparison to the scarce quantity of these minerals in our own Empire, the difference is as large as that between heaven and earth. With such inexhaustible natural resources, the industry of our country will flourish for years to come.

Manchuria and Siberia can be compared to Canada with respect to their timber resources. Our paper production will be supplied with ample and fine quality raw material to such an extent, that its products will meet the requirements of all world markets and will set the prices.

If the above countries fall under our administration, the progress of our country will exceed that of America

-within-

- 4 -

within less than 10 years. What country in the world will then dare to put obstacles in the way of our Empire?

With unlimited financial resources and boundless material riches, Japan will be in a position easily to maintain such a territorial army, as will equal both the Chinese and Soviet armies taken together, and will have a fleet equal to both fleets of England and America. Then it will be an easy job for Japan to keep the United States on the other side of the Hawaiian Islands, to keep England to the west of Singapore and command the western part of the Pacific Ocean.

It goes without saying that the Southern Islands and the archipelagoes in the Indian Ocean, as well as the British Australia, New Zealand and other points will find themselves within the sphere of our influence and will be controlled by our Empire.

In accordance with the instruction left to us by the late Great Emperor Min-chji, the duty and development of our decess people consist first of all in the conquest of China and the whole of Asia, and later all Europe and Africa and, domineering the Eastern hemisphere to divide world hegemony between ourselves and America.

We must accomplish the instruction of our late Emperor at all cost.

At the present moment the Soviet Russia and China are on the way to renaissance and made the necessary preparations, but their strength is still small. Therefore we must use the present opportunity and set in motion our powerful army, in order to break Chinese and Soviet resistance at one blow. If our Empire fails to use the present opportunity and will quietly watch China unite itself and see how General Chiang Kai-shek is completing his colossal plan for the reestablishment of his country, while Soviet Russia is completing its military program, not only will the future of our Empire melt into a shadow, but imminent danger will threaten its existence.

DECLASSIFIED: E.O. 11652, 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

~~Confidential File~~

SEE 811.43 Japan-America Society/3 FOR Instruction #244

FROM _____ (Forbes) DATED February 8, 1932.
TO Japan NAME _____ 1-1127 ***

REGARDING: Chinese-Japanese dispute. Memoranda(2) of conversations
between office of Under Secretary and office of financier,
Thomas W. Lamont.

793.94 / 4206

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

S/H

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

~~AAAAH~~ ~~CONFIDENTIAL~~ FEB 16 1932

~~CONFIDENTIAL~~

R.S.M.:

In re Tokyo Embassy's Jan. 26
 CONFIDENTIAL:

Views of Belgian Ambassador, pages 1 and 2, are of interest: he expects an even division of power between Seiyukai and Minseito in new Diet and much trouble when bills for Manchurian adventure come to be paid.

More important is the remainder of the despatch and its enclosures, re discrimination against National City Bank in Manchuria. Forbes has told Nagai that N.C.B. is getting pinched in the "Open Door" - Forbes also spoke of this to the son of Viscount Kaneko - both of them deprecated this state of affairs.

J.K.C.
 J. K. Caldwell

JKC

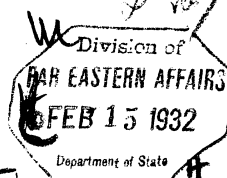
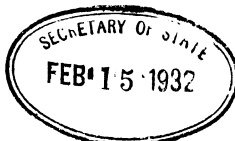
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
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By Milton O. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA
Tokyo, January 26, 1932.

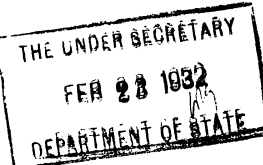


CONFIDENTIAL.



The Honorable

Henry L. Stimson,
Secretary of State,
Washington.



My dear Mr. Secretary:

Baron Bassompierre, the Belgian Ambassador, and Dean of the Diplomatic Corps here, has dropped into my office for a chat several times lately. In each case he has expressed himself as greatly concerned with the situation. He has several times quoted Will Rogers' description of the situation in which the latter likens Japan to a man who caught a bear by the tail- he cannot let go, yet is being pulled in deeper and deeper-, and he, Bassompierre, has been cautioning the Foreign Office against further aggressive movements in Shanghai and elsewhere because, he tells them, it will only result in further hostility until it reaches proportions that Japan is in no position to cope with, financially, internationally or otherwise.

The Baron has been inclined to take a pessimistic
view

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view of the whole situation for a long time. I asked him his views about the possibility of a coup d' état, such as has been rumored about here, the Military taking a forcible control of the Government. Our despatches ^{894.00/327} No. 383 of November 7, 1931, ^{894.00/338} No. 423 of December 18, 1931, and ^{894.00/341} No. 440 of December 30, 1931, deal with this subject. He said that as the Military got about everything they wanted and were very much in the saddle just now, there was no immediate occasion for such an eventuality and no probability of it. As to what would happen in the next election, he said if the Minseito came back into power and the Conservatives were clearly in the ascendant, Baron Shidehara being returned to office, he thought the Army might resort to some coup d'état. If the Seiyukai are returned to power, which he regarded as improbable, things would remain as they are. But what he anticipates will happen will be that the Seiyukai will gain enough seats, due to the fact largely that while the election is being conducted they will be in power, so that they will practically equal the numbers of the Minseito. Neither party having a decisive majority, the independents as it were will hold the balance of power, this resulting in what he describes as a "deadlock". This might bring about the appointment of a National or Coalition Cabinet. If it proved to be of a conservative tendency, he indicated that the choice of premier might fall on Viscount Kiyoura.

At any rate, he looks forward to stormy times and thinks there will be a great deal of trouble here when the Japanese come to pay their Manchurian bills. All of which I pass on for what it is worth.

Thinking it would be opportune, I requested Mr.

Thomas

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Thomas, the Manager of the National City Bank here, to give me instances of interference with neutral business, especially through financial agencies, by the Japanese authorities in Manchuria. I am sending forward by pouch copies of the replies elicited from his bank managers in Mukden and Dairen. They are marking them "confidential", because they have to get along with the Japanese authorities there and if they were known to be reporting against them it might make their position quite difficult. I have, however, called Nagai's attention to some of these things and told him frankly that this was not "Open Door", or anything remotely resembling it, but was "Closed Door" and intimated that the fact of these things being done would put the Japanese in a bad light in view of their representations assuring the nations of the world of equal treatment. I told him my hope was that Japan would so conduct her operations in Manchuria that no just charge could be laid against her of discrimination against neutral countries, and that it was my desire to have Japan make the best case possible, particularly in view of the impending visit of a neutral investigating mission representing the League of Nations. He asked me to submit a memorandum to him as to specific instances, a copy of which has gone forward. I told him that while I was making a definite complaint I was speaking in merely a friendly spirit and not under instructions, and in the hope that he would see it as I did, and that with the termination of the more military parts of their occupation these practices would be discontinued. To my account

-4-

account of these things he threw up his hands and said: "That isn't Open Door at all"; again he said: "This is entirely wrong". So I think the calling of these things to his attention may prove to have served some useful purpose. That they will covantly continue to hamper competitors to Japanese business there is no doubt, but that they will do it openly and flagrantly, as in the instances cited by the National City Bank representative, I do not believe likely.

I lunched yesterday with Mr. Kaneko, son of the old Viscount Kaneko, who was there and about to celebrate his eightieth birthday, and sat next to Baron Dan who looked to me very tired, white and sick and as though he had not long to live. I told him of these things and he said: "It is most unwise, most unwise", and entirely agreed with me when I commented that the way to attract American capital to assist in the development of Manchuria was to give fair treatment to the capital already there, as a primary measure of policy.

Respectfully yours,


W. Cameron Forbes.

EMBASSY OF THE UNITED STATES OF
AMERICA.

Tokyo, January 27, 1932.

Personal.

Dear Mr. Nagai,

In complying with your request that I give you a few specific instances of activities which seem not to be in keeping with the Japanese policy of the Open Door, I will cite a few brought to my attention through the Manager of the National City Bank and selected from a number cited in a letter from London.

The yen currency in use in Manchuria is Bank of Chosen notes and the National City Bank has to rely on them for remittances to Japan and to their other branches in Manchuria. According to our informant they began to raise the remittance rate during November last and continued raising the rate until the City Bank was paying "twenty times the normal remittance fee" and sometimes they refused to remit at any rate so that, according to the statement of our informant, it was almost impossible for the National City Bank to do business of this class. Further, the Bank of Chosen notes are supposed

His Excellency

Matsuo Nagai,

His Imperial Japanese Majesty's

Vice Minister for Foreign Affairs,

etc.,

etc.,

etc.

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

- 2 -

posed to be redeemable in Bank of Japan notes but the Bank of Chosen flatly refuses to redeem them. He also says that there are now fees on remittances between Mukden and Dairen, whereas before September 18th there was no charge. The charges on the yen are now 0.05 per hundred yen for remittances either way. This our informant considers unnecessary. He further states that, on the occasion of a bill of lading on a shipment of 300,000 Silver Dollars being delayed in transit, the South Manchuria Railway declined to accept the guarantee of the National City Bank to produce the missing bill of lading, - a guarantee which other railroads and steamship lines the world over accept without question. The South Manchuria Railway demanded the guarantee of a Japanese bank, stating that such a guarantee was necessary, and when the National City Bank came forward with the guarantee of a British bank they refused to accept that, stating they would only accept a guarantee of a Japanese bank. The Manager of the National City Bank took the matter up with the officer in charge of foreign relations and also with a Japanese Vice Consul in the presence of representatives of the press. Under the circumstances these officials persuaded the South Manchuria Railway to accept the guarantee of the British bank.

The National City Bank also charges unfair treatment in regard to long distance telephone calls between Mukden and Dairen. They state that whenever exchange business is active, when rush calls have to be put through promptly, the calls of the American bank "are invariably delayed

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- 3 -

delayed until after the close of the market". A few isolated instances might be due to chance but the word "invariably" is presumptive evidence of intentional delay. In one instance they tried to put through a call in connection with the importation of rails for a Chinese railroad and were told that the lines between Mukden and Dairen were broken. Through a third party they succeeded, however, in getting a call through within ten minutes.

Under instruction from Japanese the Mukden Bureau of Trade Mart Affairs has requested the National City Bank to refuse real estate as security for loans, thus cutting off an important part of their loan business. One of the Japanese supervisors has interfered with the payment to the National City Bank of silver which has cost the National City Bank about 200,000 Silver Dollars as they had a chance of selling the silver under favorable circumstances and due to the interference this opportunity was lost.

The Manager of a certain company informed the National City Bank in Mukden verbally that the Japanese supervisor was endeavoring to persuade him to withdraw his balances from the National City Bank and deposit them with a Japanese bank, pointing out the superior advantages of the Bank of Chosen and the Tokohama Specie Bank in the matter of "facilities for handling their foreign business".

Yours very sincerely,

W. Cameron Forbes

WCF/AA

Tokyo, January 27, 1932.

Dear Mr. Nagai,

Referring to the communication of my Government, which I handed to you on November 27, 1931, I have a letter from the correspondents at the National City Bank in Mukden addressed to the Manager of the National City Bank in Tokyo in regard to certain funds - I believe checks drawn on the funds of the Bank in Mukden - which were given to them to repay advances which the National City Bank had made to the Netherlands Harbour Works. Let me quote a section of the letter:

"The Japanese supervisors have refused to allow the Chinese banks to pay these cheques and we are now informed that these balances, which were deposited for the Hulutao Harbour construction have now been transferred to the Fengtien-Shanhaikwan Railway, which is a section of the old Peiping Liaoning Railway."

I shall be pleased to hear from you in regard to this matter.

Very sincerely yours,

W. Cameron Forbes

His Excellency

Matsuzo Nagai,

His Imperial Japanese Majesty's
Vice Minister for Foreign Affairs.

etc.,

etc.,

etc.

C O P Y

THE NATIONAL CITY BANK OF NEW YORK

DAIREN OFFICE January 15, 1932.
In Replying Please Quote Initials J.T.K.

Private & Confidential

Copy to Moukden

My dear Thomas:-

Referring to your letter of 9th inst to Moukden, there is no doubt that the Japanese do discriminate very strongly in favor of their own Nationals, but it is extremely difficult for us to furnish specific instances, although the following instance did come to our notice a day or two ago. A Chinese coal merchant here approached us with a view to depositing G.Yen 30,000.- on fixed deposit. He was satisfied with our rate of interest, and advised us that his deposit was to be used as a guarantee to South Manchuria Railway Co. from whom he purchased coal. A day or two later, as the deposit had not been made, I asked our Compradore to make enquiries, and he was told that the S. M. R. had insisted on the amount being deposited in a Japanese Bank.

During the past few months, the Bank of Chosen has raised his rates for remittances to Japan from 13 sen per ¥100 to Yen 1 per Yen 100. I have been trying to discover if he charges Japanese firms and banks these rates, but have not been able to do so.

I have heard it freely discussed among Americans and British here that the S. M. R. discriminates in favour of Japanese in the matter of freights, but of course it is impossible for us to prove, though personally I have no doubt that the S. M. R. grants special rates to their own nationals.

Yours sincerely,

(signed) J. T. Kidd

C. F. Thomas, Esq.,
National City Bank of New York,
Tokio.

C O P Y

N. C. B. MOUKDEN

January 15th, 32

Copy to F.E.D.
" Dairen
" U.S. Consulate, Moukden.

Mr. C. F. Thomas, Manager,
The National City Bank of New York,
TOKYO.

Dear Mr. Thomas,

With reference to your letter of January 9th, we assume that the Ambassador is interested not only in specific cases of discrimination against American interests in favour of Japanese, but also in instances of interference which affect American trade, but where no actual discrimination can be proven at the time. For example we have in mind the question of remittances to Japan and other cities in Manchuria through the Bank of Chosen. As you know the Bank of Chosen is regarded by the Japanese as the official Bank for Korea and Manchuria and the Yen currency in use in Manchuria is Bank of Chosen notes. We are obliged to rely upon them for remittances to Japan and to our other Branches in Manchuria. During November 1931 they began to raise the remittance rate to Japan and continued raising the rate until we were paying twenty times the normal remittance fee and in addition at times they refused to remit at any rate which made our position so uncertain that it was almost impossible for us to do business. It may be argued that this attitude was not a question of putting difficulties in our way but was due to their short cash position in Japan. They probably were short of cash in Japan but we are certain that they did not charge Japanese firms the same rates, although we have no proof of it other than the fact that once or twice the Seiryu Bank made remittances at the old rate and we have a feeling that they were afterwards instructed to refuse to make remittances for us. The Bank of Chosen notes are supposed to be redeemable in Bank of Japan notes, but the Bank of Chosen here flatly refused to pay us Bank of Japan notes and there was nothing we could do about it. Even assuming that the Bank of Chosen's policy of endeavouring to prevent us as far as possible from remitting to Japan was the result of their tight cash position in Japan, there is no adequate explanation for their placing exorbitant fees on remittances between Dairen and Moukden. Before September 18th there was no charge between Dairen and Moukden. They now charge ¥0.05 per ¥100.- for remittances either way. As the Bank of Chosen has an unlimited supply of their own notes in their vaults both in Dairen and Moukden this remittance charge is clearly squeeze. Again, although we cannot obtain definite proof we are convinced that Japanese firms do not have to pay this charge between Dairen and Moukden. The situation is that we are entirely dependent upon the Bank of Chosen for Yen remittances and they are in a position to prevent us from doing certain exchange transactions based on Manchurian Yen and by raising remittance rates they have made it impossible for us to compete with them or other Japanese Banks in exchange business.

- 2 -

We recently had an instance of the South Manchurian Railway refusing to accept a foreign bank guarantee in connection with a missing Bill of Lading. We had 300,000 Silver Dollars arrive from Shanghai on which the relative Bills of Lading were delayed between Tientsin and Moukden. We asked the South Manchurian Railway to accept our guarantee for production of the missing Bill of Lading, but they flatly refused to accept anything but a Japanese bank guarantee. At first when we pointed out that they were discriminating against us by not accepting our guarantee they replied that it was a question of insisting upon another bank guarantee inasmuch as we were taking delivery of the silver and guaranteeing ourselves. The National City Bank of New York guarantee is accepted by steamship lines and railway companies all over the world and we could see their argument but in deference to their view arranged to provide them with the Hongkong & Shanghai Banking Corporation guarantee. They then refused to take the Hongkong & Shanghai Banking Corporation guarantee and still insisted upon a Japanese Bank guarantee. We took the matter up with the officer in charge of foreign relations and also by chance discussed this matter with the Japanese Vice-Consul in the presence of press representatives, and pointed out that the Japanese view point of discrimination is such that they cannot realize when they are discriminating against foreign interests. Eventually, in view of the possibility of widespread publicity in connection with this instance of discrimination, the foreign relations official and the Japanese Consulate finally arranged with the South Manchurian Railway Company to accept the Hongkong & Shanghai Banking Corporation guarantee for delivery of the silver in question. Even now we have no proof that our guarantee would be accepted on parity with even the smallest Japanese shop guarantee.

In connection with long distance telephone calls between Moukden and Dairen, we often feel that we are being treated unfairly, but again there is no way that we can obtain definite proof that Japanese firms' calls are allowed precedence over our calls. Whenever exchange business is active here, which of course is just the time when it is necessary to have urgent calls put through to Dairen promptly, our calls are invariably delayed until after the close of the market. We can understand how in some instances it would be impossible to put our calls through, but if we are getting fair treatment it is only logical to expect that some of the time our calls would be among those put through while the market is open. We had one instance when we first opened here, which was extremely suspicious. We tried to put a call through to Dairen in connection with the importation of rails for the Kirin Hailung Railway, which business Japanese firms had been forbidden to do as the Japanese Government was opposing the construction of that railway. When we put in an urgent call for Dairen instead of getting through in a matter of a few minutes, as was customary, we were told that the lines between Dairen and Moukden were broken. We then asked the Standard Oil Co. of New York to telephone their Dairen Office for us and obtain from our Dairen Office the information required. Within 10 minutes the connection had been made and the business completed without the slightest difficulty, which proves definitely that the Japanese do not hesitate to stop our calls when they feel inclined to do so.

- 3 -

Under instructions from Japanese the Moukden Bureau of Trade Mart Affairs has requested us to refuse real estate as security for loans and has advised us that all such loans will be considered invalid. This is apparently to prevent complications in connection with the confiscation of various property, but in fact prevents us from making any further loans secured by real estate which under normal conditions forms an important part of our loan business.

A further instance of where our business has been seriously interfered with, although there is no definite discrimination that we can point to, is in connection with the Japanese supervisors who have been installed in the Chinese Banks and have controlled all transactions there since September 18th. We had on deposit with these Banks about Silver \$1,000,000.00 and when the Banks were opened for business we endeavoured to withdraw our balances in silver. The Frontier Bank paid us our balances in silver and pointed out to the Japanese supervisor there that as we had a special agreement covering the repayment of our balances in silver, there was nothing the Bank could do but pay us in silver. At the same time we were withdrawing silver from the Frontier Bank we were endeavouring to withdraw silver from the Provincial Bank under identical conditions, however, the Japanese supervisor there refused to allow the Provincial Bank to pay us silver although the Bank was willing to do so. This action of the Japanese supervisor cost us about Mex. \$200,000.- as we afterwards had the opportunity of selling our silver at 28 o/o discount against notes, but were unable to take advantage of that temporary opportunity due to interference on the part of the Japanese supervisors in the Provincial Bank. They also made it more difficult for us to collect drafts drawn on the Provincial Bank and the Frontier Bank. When the Chinese Banks opened for business in October a certain number of drafts were paid each day, but we found that although other firms were able to have some of their drafts paid under the daily allotment, drafts presented through us were among the last to be paid. We have been informed that a Japanese, who was certain he could promptly collect drafts which the Standard Oil Co. of New York held, found that inasmuch as the drafts had already been presented through the National City Bank of New York, the Japanese supervisors in the Provincial Bank were inclined to delay payment of them.

We believe that the Ambassador has the information regarding the particulars of our attempt to collect cheques drawn by the Heiping Moukden Railway on Chinese Banks here and made to our order. These cheques were in connection with the withdrawal of funds which had been deposited in the Chinese Government Banks for payment to the Netherlands Harbour Works for work done on the Hulutao Harbour. We were interested in the collection of these cheques as the funds were required to repay an overdraft in our books in the name of the Netherlands Harbour Works. The Japanese supervisors have refused to allow the Chinese Banks to pay these cheques and we are now informed that these balances, which were deposited for the Hulutao Harbour construction have now been transferred to the Feng-tien-Shanhaikwan Railway, which is a section of the old Peiping-Liaoning Railway, which the Japanese have taken over in the name of the local puppet Government which they have

- 4 -

set up here. We cannot expect fair treatment until all Japanese supervisors and Japanese influence have been withdrawn from the Chinese Banks.

Prior to the occupation of Moukden by the Japanese on September 19th, our most important business was with the Provincial Bank, their export subsidiary, The Lida Co., the Trench Mortar Arsenal, who was assembling trucks with American parts, and the Chinese Government Purchasing Commission who purchased supplies, machinery etc., for the Chinese Railways and the Arsenal. With the exception of small business which may be thrown to us at the beginning as a gesture in an attempt to prove that American business is not being discriminated against we do not expect to obtain any important business in the future from the above mentioned sources if the Japanese are able to maintain their present position in Manchuria. The Trench Mortar Arsenal has been damaged to some extent and there is no indication that they will resume the assembling of motor trucks with American parts and accessories. The Chinese Government Purchasing Commission, if it is again brought into being, will consist of Japanese or Chinese who will take Japanese instructions and there is no reason to believe that out of the goodness of their hearts they will of their own free will hand any business to us that the Japanese firms and Banks would like to have. The Frontier Bank and the Provincial Bank of the Three Eastern Provinces, who formerly dealt in Manchurian produce much to the disadvantage of firms such as Mitsui Busan Kaisha, will undoubtedly be forced to give up that type of business which will go to Japanese firms. Although we have made repeated attempts to obtain some business from responsible Japanese firms our efforts have been without results in all cases.

We have had one definite example of how our business can be directed into other channels by Japanese in influential positions. The Manager of the Lida Co., our most important export client, a few weeks ago informed us verbally that the Japanese supervisor was endeavouring to persuade him to withdraw his balances from us and deposit them with a Japanese Bank. The Manager of the Lida Co. objected to doing so on the grounds that as we are one of the leading Banks in New York it is necessary for the Lida Co. in connection with the expansion of their export business to use our facilities in America, England, France and elsewhere. The Japanese supervisor in turn pointed out that the Bank of Chosen and the Yokohama Specie Bank could offer the Lida Co. facilities for handling their foreign business. During the period of uncertainty we have been able to retain part of the Lida Company's foreign currency balances on the excuse that we require their credit balances as a margin for export bills which have not yet been paid, but at the request of the Japanese supervisor they have been obliged to withdraw their local currency balances with us. It is certain that when the Japanese feel more secure in the positions they have recently arbitrarily taken as supervisors of various Chinese official and semiofficial organizations, we will not be able to hold such business as that from the Lida Co. and the employees of the Lida Co. will not dare to refuse to follow implicitly any instructions or suggestions given them by the Japanese

- 5 -

supervisors attached to their Company.

We wish to emphasize that in the matter of business often even a slight advantage is sufficient to determine where the business will be placed. Undoubtedly, Japanese advisors will be able to bring enough pressure to bear upon Chinese to swing to Japanese firms practically all the business they consider sufficiently important to take. American interests would in all cases, except where we have a monopoly, be entirely dependent upon fair treatment from the Japanese. It is extremely doubtful if Japanese judged by our standards have a sense of fair play in business matters, in fact, they are prone to believe that it is only good business to make use of any advantage their official position might give them. The cunning, underhanded way in which they have developed a small incident of their own making into the occupation of Manchuria and the misleading propaganda that they have disseminated in connection with the setting up of a puppet Government here, which is subject to their supervision and instruction, and the bandit question which was never serious before September 19th, and the destruction of the Chinchow Provincial Government on the excuse that it was directing bandit activities, is a criterion of what we may expect in the way of sincerity and fair play once we become dependent upon Japanese officials or advisors. In this connection it is well to also keep in mind the experience of Foreign firms in Korea as there is no reason to expect better treatment in Manchuria.

The present state of affairs not only harms American interests that are already established here, but discourages other American firms from taking advantage of present and future business possibilities in Manchuria.

Yours truly,

L M C-----
Manager.

LNC/HC

Copy: HLN

DECLASSIFIED: E.O. 11652, 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 11:00

AMERICAN CONSULATE,

Chefoo, China, January 11, 1932.

FEB 13 1932

Subject: Visit of British Consul, Mr. Moss.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to report that Mr. Moss, newly appointed British Consul at Weihaiwei, arrived here on Saturday January 9th, 1932, enroute to his new post at Weihaiwei.

On Sunday, January 10th, I had the pleasure of luncheon with Mr. Moss, and having at the same time an informal conversation with him. He has just come from Chinchow. According to his observations, Japanese military are in full control and will not tolerate outside interference and they aim at making Manchuria a buffer state against Soviet Russia. He commented favorably on Japanese discipline and the orderly and military like manner in which they assumed control.

Respectfully yours,

Lexoy Webber
Lexoy Webber,
American Consul.

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LEWYGY

True copy of
the original
sent.

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FEB 17 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 12 1933.

No. 250

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 on February 5, 1932, between the Japanese Ambassador and the Under Secretary of State concerning the Sino-Japanese controversy.

Very truly yours,

For the Secretary of State:

W. R. Castle, Jr.

1 enclosure:

Copy of memorandum of conversation of February 5.

U VC/AB

Feb. 9 1933.

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M.W.H.

S.R.A.

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

February 12 1932.

No. 690

STRICTLY CONFIDENTIAL.

The Honorable

Nelson T. Johnson,

American Minister,

Peiping.

Sir:

There is enclosed, for your strictly confidential information, a copy of a memorandum of a conversation which took place on February 5, 1932, between the Japanese Ambassador and the Under Secretary of State concerning the Sino-Japanese controversy.

Very truly yours,

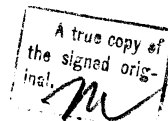
For the Secretary of State:

W. E. Castle, Jr.

1 enclosure:

Copy of memorandum of
 conversation of February 5.

U VG/AB



RAM
FE

MMH

SKW

Feb. 9. 1932.
 711

793.94/4208B

February 13 1932.

No. 251

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 on February 8, 1932, between the Japanese Ambassador and the Under Secretary of State concerning the Sino-Japanese controversy.

Very truly yours,

For the Secretary of State:

W. R. Castle, Jr.

1 enclosure:

Copy of memorandum
of February 8.

U VC/AB

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JS
m.m.h.

OR 507

Feb. 12 1932.

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

No. 692

February 13 1932.

STRICTLY CONFIDENTIAL.

The Honorable

Nelson T. Johnson,
American Minister,
Peiping.

Sir:

793.94/A
There is enclosed, for your strictly confidential information, a copy of a memorandum of a conversation which took place on February 8, 1932, between the Japanese Ambassador and the Under Secretary of State concerning the Sino-Japanese controversy.

Very truly yours,

For the Secretary of State:

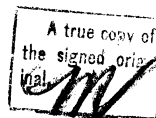
W. R. Castle, Jr.

1 enclosure:

Copy of memorandum
of February 8.

U VC/AB

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1/KS
M. M. H.



OR 2-7
Feb. 12 1932.

793.94/4208D

February 18 1932.

No. 530.

CONFIDENTIAL.

The Honorable

Frederic M. Sackett,
American Ambassador,
Berlin.

Sir:

793.94/A
There is enclosed, for your confidential information, a copy of a memorandum of a conversation which took place on February 5, 1932, between the German Ambassador and the Under Secretary of State concerning the Sino-Japanese controversy.

Very truly yours,

For the Secretary of State:

W. R. Castle, Jr.

1 enclosure:

Copy of memorandum of
conversation of February 5.

U VC/AB

FE

WE WMT

M.M.H.

CR
Feb 9 1932

793.94/4208E

167

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

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

Collect
 Charge Department

OR
 Charge to
 \$

PM 850
 TELEGRAM SENT

Department of State

1-138

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Washington,
 February 15, 1932.

AMEMBASSY

LONDON

URGENT

62 CONFIDENTIAL.

In pursuance of a project discussed between Sir John Simon and myself in telephone conversation this afternoon, I request that you submit immediately to Sir John the text which follows. State that it is my idea that this declaration should be made very promptly in Tokyo. The American Ambassador will be instructed to make it as soon as he hears that the British Ambassador has been authorized by his Government to make the same or a similar declaration. I have also spoken to the French and Italian Ambassadors in Washington, who are telegraphing their Governments suggesting that their Ambassadors also deliver similar texts at the same time. I should be grateful if Sir John should also urge on them that this be done. It is my idea that, after the memorandum has been delivered in Tokyo, it be given to the press. Please ask Sir John for an immediate reply.

You

Enciphered by _____

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

Index Bu.—No. 50.

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

793.94/4208F

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

AmEmbassy, London, page 2.

You may state that my latest information, just received, is to the effect that Shanghai is awaiting in fear and trembling the beginning of a major Japanese drive which they expect within the next few days.

QUOTE. Memorandum. The American Government, since the recent outbreak of armed encounters between Chinese and Japanese military forces at Shanghai, has viewed developments in the situation with grave concern and anxiety. The American Government has been particularly disconcerted by reports and evidence that the International Settlement is being used as a base or channel in connection with military operations between Chinese and Japanese armed forces.

In the opinion of the American Government, the use by either of the disputants of any part of the Settlement, for purposes in any way related to military operations other than such as relate strictly and exclusively to the protection of the Settlement, constitutes a violation of the purpose, the rights and the obligations of the Settlement and operates to expose the Settlement as a whole to the risks and dangers necessarily

Enciphered by _____

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

1675

DECLASSIFIED: E.O. 11652, 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
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 NONCONFIDENTIAL CODE
 PLAIN

Collect
 Charge Department
 OR

Department of State

Charge to
 \$

Washington,

AmEmbassy, London, page 3.

necessarily incident to such military operations. The Settlement has an international character. It appears axiomatic that no one nation has the right so to use its own rights and position in and with respect to the Settlement as to jeopardize the lives and property of the inhabitants and imperil the rights and interests of the Settlement as a whole and of other nations there concerned.

The American Government is emphatic in its opinion that the International Settlement should in no repeat no way be involved in the conflict between China and Japan. The American Government protests most solemnly and earnestly against any use whatever of any part of the Settlement as a base or channel in connection with military operations. The American Government gives notice that it will hold the Japanese Government responsible for any losses or damage done by its armed forces or agencies thereof to the persons or property of nationals of the American Government ~~respectively~~. UNQUOTE.

FE SKH

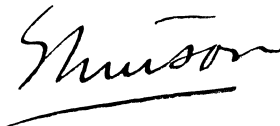
U WRC/AB

Enciphered by

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

Index Bu.—No. 50.

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



CONFIDENTIAL

CONFIDENTIAL

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN
SECRETARY STIMSON AND RAY ATHERTON AT LONDON, TUESDAY,
FEBRUARY 16, 1932, AT 1:00 P.M. Short Wave With Privacy.

MR. ATHERTON: Hello, Mr. Secretary.

SECRETARY: Good-morning, Ray.

MR. ATHERTON: Since I telegraphed you this morning giving the summary of our telephone understanding with Sir John, the tenor has considerably changed here. I have just come from the Foreign Office where Van Sittart has now been informed not to present another declaration to Tokyo, as suggested in your message last night on the International Settlement. He explained the situation had changed during the day and that the League protest was probably being made tonight and would be followed up by the United States proclamation some time later in the week. Van Sittart pointed out that as reported to you in my telegram No. 59 the British Government has already protested three times against the use of the International Settlement and a similar protest was made last week making four altogether. For these reasons, Van Sittart, who had just come from a conference with Sir John, said the British Government deems it inexpedient to present this memorandum especially since it might take away from the League protest which is being made tonight, and the United States protest which will be made at the end of the week and it might be more expedient to prolong until next week or later reference about the damage in the International Settlement when some serious event seemed inevitable or had already occurred.

SECRETARY: Well, the difficulty is that he didn't say so yesterday and, in the meanwhile, we have talked with the French and Italians.

MR. ATHERTON: There have been a great many deliberations going on in London and my personal feeling

today

793.94/4208 1/2

Confidential File

note
secret

- 2 -

today is if we get all the signatories of the Nine-Power Pact to agree to the draft of the Nine-Power proclamation she will join us, otherwise she will content herself with participation in the League appeal which goes forward tonight and then, if the United States takes independent action on the Nine-Power Pact -----

SECRETARY: I think she has let us down. You can tell him so.

MR. ATHERTON: I think we have reached a change of thought on this memorandum.

SECRETARY: In what way?

MR. ATHERTON: There is quite a different tenor here but I think the other thing is just my own personal opinion that I have of the situation here tonight. I only give you that as my own personal interpretation, Sir.

SECRETARY: Yes. You can tell them that I shall very likely not submit any other note if they go ahead with the League.

MR. ATHERTON: I have received and I am cabling to you now Sir John's suggestions on the draft of the Nine-Power proclamation. I shall cable that tonight sir, and you will get it in the course of the evening I expect.

SECRETARY: Are they making very serious changes? I shall not consider them very seriously if they are not going to join in them with us.

MR. ATHERTON: I think there is a very strong feeling here that in this proclamation it would be much easier to get it through and agreed to if they left out specific reference to Manchuria and only dealt with the question that we had already drawn up - the question of Manchuria in our note of January 7 - and centered this note specifically on the present Shanghai incident.

SECRETARY:

- 3 -

SECRETARY: I told Sir John yesterday that I would not be satisfied unless the note, by implication at least,

covered all of China and the full Nine-Power Pact which would mean Manchuria. We were willing to tone down any

specific allusion, but if it was left out altogether it would at once provoke a very adverse reaction in the press to the effect that we had given up Manchuria. Do you see?

MR. ATHERTON: Yes, quite. This feeling on this particular point was that by reference to your note of January 7th you could, by implication at least, include Manchuria.

SECRETARY: Well, that leaves out part of the important part of the argument.

MR. ATHERTON: Yes, Sir. I only submit that as his idea.

Now, Mr. Secretary, this is the final paragraph of the League appeal which is being considered tonight.

SECRETARY: Will you read it?

MR. ATHERTON: Very well, Sir. Paragraph VI. Finally, we recall the terms of Article 10 of the Covenant by which Japan, no less than every other member of the League, has undertaken to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. It is our friendly right to direct attention to this provision, particularly as it appears to us to follow that no invasion of the territorial integrity and no change in the political independence of any member of the League brought about in disregard of this article ought to be recognized as valid and effectual by members of the League of Nations. That is the end, Sir.

SECRETARY: Yes, I get that. On what do you base what you tell

- 4 -

tell me now about the very important point that they are going to require all of the members of the Nine-Power Treaty to take part in it before they go in - I mean last night you said some of the Cabinet were thinking of that. Have they had a meeting of the Cabinet this morning?

MR. ATHERTON: I don't know whether they have or not. There will be two appeals going in this week; the League appeal going in tonight and the United States appeal going in later in the week. Now, in his mind, he gave me the impression that those were two separate appeals that were going in, Great Britain joining in the League and we in the other. That bears out the inference I had yesterday that Sir John would not make up his mind on the question of the Nine-Power Pact first, until he had a Cabinet meeting and second, until he had gone to Geneva and found out who was willing to join in the Nine-Power Pact. There have been deliberations of various sorts going on here today and I think the situation remains here for the moment in that status.

SECRETARY: Last night you told me substantially that he thought by going to Geneva he could get most of the Nine-Powers to go in on that.

MR. ATHERTON: Yes, Sir, I still think he can do that.

SECRETARY: It is rather a vital point whether he would require all of the other nations of the Nine-Power Pact because that would give a veto power to any one.

MR. ATHERTON: I still feel that is the question at issue.

SECRETARY: It is not yet settled.

MR. ATHERTON: My own impression is that they would demand certain countries to join.

SECRETARY:

- 5 -

SECRETARY: Yes, I am very much obliged to you. Just let me ask you another question. What is the nature of the changes that are coming in this telegram?

MR. ATHERTON: I have them right here, shall I read them?

SECRETARY: Well yes. Read them to me quickly.

MR. ATHERTON: Paragraph IV --

SECRETARY: He makes no changes in I, II or III?

MR. ATHERTON: No, the objections begin in Paragraph IV.

In paragraph IV the British Government ventures to depreciate the prominent position given to the Manchurian aspect of the matter on the following grounds:

SECRETARY: There is no mention of Manchuria in paragraph IV as I have it. He may mean Paragraph V or he may mean Paragraph III.

MR. ATHERTON: No, just let me explain. In Paragraph IV he says that is the first objection and if this view is adopted paragraph III would need to be recast.

SECRETARY: Read Paragraph IV again.

MR. ATHERTON: The British Government ventures to depreciate the prominent position given to the Manchurian aspect of the matter on the following grounds.

SECRETARY: Well, probably instead of four he means five because four on my paper does not even mention Manchuria.

MR. ATHERTON: He is probably numbering the paragraphs according to his own system.

SECRETARY: I don't know what that system is. Read rapidly to me what he says about four.

MR. ATHERTON: "One. In paragraph 4 the British Government ventures to depreciate the prominent position given to the Manchurian aspect of the matter on the following grounds:

One

- 6 -

One of the objects of the document is to exercise the most effective restraining influence on Japan. A solemn warning in respect of Shanghai is the most potent way of doing this. If Manchuria is put in the forefront, the result must be to harden the attitude of Japan towards the Shanghai problem also. Protests have already been made about Manchuria. The United States has already reserved its rights by a formal communication on exactly the same lines as it now proposes to do at the end of the present document, and Britain has already taken collateral action in reference to Manchuria in a different form. Manchuria is the immediate subject matter of the commission appointed by the League, to which appointment Japan has assented, and the commission is about to enter on its work on the spot. Would it not therefore, be better, on every ground, instead of making Manchuria the head and front of the new representation, to base the present declaration primarily on Japan's action and declared intentions in Shanghai and elsewhere in China proper, putting aside Manchuria with the observation that this has already been dealt with and the views of the powers are on record? It seems to the British Government that this is more likely to secure some real consideration for the main thesis of the new document.

Two. If this view is adopted, paragraph three would need to be recast. In any event it seems to His Majesty's Government that it is not so much the events in Manchuria which have produced fear of a wider conflict, so much as events connected with the International Settlement.

Three. In any event would it not be well to include in paragraph four a specific reference to the special dangers involved

- 7 -

involved in the Japanese operations at or in the neighborhood of the International Settlement? The point is a powerful one that the International Settlement is an area where many powers have equal rights. The other signatories of the Nine-Power Treaty who are concerned in the Settlement have no responsibility for the perilous situation which has arisen; the lives and property of nations which are at complete peace with China and Japan are in jeopardy; the responsibility for injury done must rest upon those who are disturbing the peace of the Settlement.

Four. Paragraph six is strictly in line with the formal declaration which it is believed that the Council of the League is likely to make and deliver to Japan either today or tomorrow (the final paragraph of the League declaration is as follows: 'finally, we recall the terms of Article 10 of the Covenant by which Japan, no less than every other member of the League, has undertaken to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. It is our friendly right to direct attention to this provision, particularly as it appears to us to follow that no invasion of the territorial integrity and no change in the political independence of any member of the League brought about in disregard of this article ought to be recognized as valid and effectual by members of the League of Nations').

Five. The above comments on the American draft are made at Mr. Stimson's request and are proffered merely as tentative criticisms. It is a matter thoroughly understood that the question whether other powers could join in the
American

- 8 -

American document is still in suspense. Sir John Simon has already told Mr. Stimson how keenly the British Government wishes to keep in close cooperation with America over the whole field of the Far Eastern crisis and he is hopeful that the adherence of the powers now at Geneva to the declaration proposed to be made by the Council of the League on Wednesday, might predispose those of them who are signatories to the Nine-Power Treaty to associate themselves with the American démarche also.

SECRETARY: Are you going to see Van Sittart again?

MR. ATHERTON: As you say, Sir.

SECRETARY: I would like you discreetly to get into his head that we should very seriously question the advisability of our going alone on this paper at all.

MR. ATHERTON: Yes, Sir.

SECRETARY: And that, unless they are ready to go along with us without making the conditions of other associations too difficult, it may result in a complete change of our plan. In other words, it is a pretty stiff condition to ask for everybody of the Nine-Power nations. Do you get that?

MR. ATHERTON: Yes, Sir, quite.

SECRETARY: It would mean delay and would make the thing very much less effective. On the other hand, I think it would be quite easy to get some of them. Now get that into Van Sittart's head.

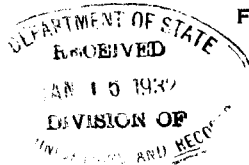
MR. ATHERTON: I shall get that to him right away, Sir.

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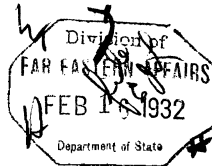


FROM GRAY
Shanghai

Dated February 16, 1932

Rec'd 2:12 a. m.

Secretary of State,
Washington.



PRIORITY.

58, February 16, noon.

Referring to Department's telegram No. 26 of /4180

February 14, 5 p. m. The normal population of the tongue is said to include 7,000 Japanese civilians. From a reliable Japanese non-official source the estimate is made that at the present time the civilian Japanese population of the tongue is approximately 4,000.

Repeated to the Legation for information.

CUNNINGHAM

JS-CIB

F/LS 793.94/4209

FILED

FEB 24 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

TELEGRAM RECEIVED

fw

Gray

Geneva,

Dated Feb 15, 1932,

Recd 4.45 pm.

Division of

FAR EASTERN AFFAIRS

FEB 16 1932

Department of State



FROM

Secretary of State,

Washington.

22, February 15, 9 pm.

A meeting of the twelve will be held tomorrow morning to discuss a declaration proposed by the Secretary General which is called an appeal to Japan but which is more vigorous in tone than this appellation would indicate.

After this discussion the twelve will, if time permits, decide on China's demand for the summoning of the Assembly.

WILSON

FW OX

F/LS

793.94/4210,

FEB 23 1932

793.94
note
5-00. C.I.I.
1-00 C.I.I.

168F

DECLASSIFIED: E.O. 11652, 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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TELEGRAM SENT

Department of State



Washington,

February 15, 1932.

1-138

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PLAIN

WILSON

FEB 15 30

BERGUES

GENEVA, (SWITZERLAND).

15 Your 22/4210, February 15, 9 p.m., first paragraph.

This information is noted here with gratification.

793.94/4210

Stinson
SKH

FE SKH: FGH

SKH
FE

793.94/4210

Enciphered by _____

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

Index Bu.—No. 50.

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

TELEGRAM RECEIVED

MET

FROM

GRAY

London

Dated February 16, 1932

Rec'd 6:58 a.m.

Secretary of State,

Washington

TRIPLE PRIORITY.

67, February 16, 9 a.m.

FOR THE SECRETARY.

I have this morning sent Sir John Simon the text of the memorandum contained in your 62, February 15, 6 p.m., and before his engagements of the day, taken opportunity to discuss the contents thereof on the telephone.

For purposes of confirmation I have just (*) Sir John the following note repeated herewith:

"As a result of our telephone conversation this morning I understand: One, that instructions will be going out to Sir Francis Lindley at an early moment to present similar, if not an identical, memorandum to the Tokyo Government at the same time as his American colleague; Two, that you will take early opportunity to offer suggestions to the Paris and Rome Governments that their respective ambassadors should deliver similar texts at the same time; Three, that, as to the British Government's attitude in making public the text of this memorandum after it has been delivered to the Tokyo Government, you will advise me later in the day".

HPD
WSB

(*) apparent omission.

ATHERTON

F/LS 793.94/4211

FILED

793.94
note
893.102-5

Division of
FAR EASTERN AFFAIRS
FEB 16 1932
Department of State

DEPARTMENT OF STATE
FEB 20 1932
DIVISION OF
WESTERN HEMISPHERE AFFAIRS

DECLASSIFIED: E.O. 11652, 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 123 St 48/86 FOR despatch #1355

FROM China (Johnson) DATED Jan. 8, 1932
TO NAME 1-1172 ***

REGARDING: Evacuation of Japanese nationals from Yunnanfu. American
Consul Stevens commended by Japanese Minister to China, for
assistance in --

ma

793.94/4212

4212

Peiping, January 8, 1931.

No. 1355

The Honorable

The Secretary of State,
Washington.

Sir:

Referring to the Legation's telegrams No. 715 of October 7, 8 a.m. and No. 742 of October 12, 5 p.m. regarding the evacuation of Japanese nationals from Yunnanfu, I have the honor to transmit herewith a copy of a letter addressed to me under date of December 24, 1931, by Mr. M. Shigemitsu, the Japanese Minister to China, expressing his appreciation of the services rendered by Consul Harry E. Stevens to the Acting Japanese Consulate at that place.

A copy of Mr. Shigemitsu's letter has been sent to the American Consul at Yunnanfu.

Respectfully yours,

NELSON TRUSLER JOHNSON.

Enclosure:

- 1: Copy of letter from
Mr. M. Shigemitsu,
December 24, 1931.

800.
CVHE/js.

COPY

JAPANESE LEGATION
IN CHINA

SHANGHAI, December 24, 1931.

CONFIDENTIAL

Monsieur le Ministre and dear Colleague,

In connection with the evacuation of the Japanese Consulate at Yunnanfu during October last, I have already expressed to Your Excellency through Mr. M. Yano, Counselor of the Japanese Legation in Peking, my sincere thanks for the courtesy of your Legation and the American Consulate at Yunnanfu in transmitting telegraphic messages between the Acting Japanese Consul at Yunnanfu and myself. I am now informed that it was through the kindness of the American Consul at Yunnanfu that Mr. D. Hashimaru, the Acting Japanese Consul there, was able to meet the French Consul on the 4th October in order to make arrangement with regard to the evacuation of the Japanese Consulate. I have pleasure in expressing to Your Excellency my most sincere gratitude for this kindness of the American Consul at Yunnanfu shown to the Japanese Acting Consul in an emergency, and shall be much obliged if Your Excellency would be good enough to convey to him my appreciation thereof.

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

(Signed) M. Shigemitsu.

His Excellency

Monsieur Nelson Trusler Johnson,
American Minister to China,
Peking.

A true copy: JB.

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Nanking/47 FOR #D-191 (#1-163 to Leg'n)

FROM Nanking (Peck) DATED Jan. 12, 1932.
TO _____ NAME _____ 1-1127 ***

REGARDING:

Manchurian crisis. Developments during December 1931,
at Nanking.

jr

793.94/ 4213

62/2

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

MANCHURIAN CRISIS

193.94
The League of Nations Council according to reports received in Nanking, continued its sessions in Paris until December 10, when it adopted another resolution which was then accepted by both China and Japan. Although this

resolution

-6-

resolution was considered quite satisfactory if it could be carried out, the Chinese people felt that China's position was greatly weakened because of internal difficulties and because of military inferiority, and that they could not expect Japan to abide by the resolution in the absence of the Committee of Neutral Observers, which would not come into being until the end of the month. More radical people even considered the attempts of the League a complete failure and China's referring of the matter to the League a mistaken policy. It was generally admitted that a unified and strong government was urgently needed by China before it could cope with the situation, and that, even if the present national crisis should be brought to an end at a future date, China was sure to suffer a territorial loss. It was even suspected that a third country might benefit from Japan's gains.

The local vernacular press continued to report that the situation in Manchuria was being aggravated by Japanese troops. Toward the end of the month, it was reported that Chinchow, where the proposed establishment of a neutral area was strongly opposed by the Chinese people, was in imminent danger. This was followed by a stream of messages from all parts of the country to the National Government requesting that Chang Hsueh-liang be instructed to defend the city instead of allowing the Japanese troops to capture the last stronghold of the Three Eastern Provinces. The National Government in turn issued telegraphic orders to the Young Marshal to hold Chinchow under all circumstances.

However,

-7-

However, it was understood that the latter had by that time ordered the withdrawal of his troops at Chinchow to places south of the Great Wall.

The campaign for funds to assist the Heilungkiang provincial troops was in progress, and the Anti-Japanese and National Salvation Associations were also active during the month. There was a report that Mo Teh-hui, Chinese delegate to Moscow, would return to China some time in January, 1932, since peace in the Chinese Eastern Railway zone had been disturbed in the past two months. Nothing further was heard in regard to the proposed restoration of normal diplomatic relations with Soviet Russia.

Dr. V. K. Wellington Koo, who was appointed Officiating Minister for Foreign Affairs on November 28, tendered his resignation and left Nanking on the morning of December 22. Dr. Alfred Sze, Minister for Foreign Affairs, also telegraphed from Paris again tendering his resignation.

These resignations were accepted and on December 30, the National Government issued a mandate appointing Eugene Chen, former Foreign Minister at Canton, to be the Minister for Foreign Affairs.

It was understood that Dr. Sze tendered his resignation, also, as Chinese delegate to the League of Nations which, according to information from reliable sources, would also be accepted by the National Government. It was said that Dr. W. W. Yen would be appointed to be the successor.

With the departure of Chiang Kai-shek on December 22 and in the absence of Hu Han-min and Wang Ching-wei from

the

-8-

the Capital, nobody in the new government seemed to be able to assume responsibility in diplomatic affairs. Indications at the end of the month were that emissaries would be sent early in January by the National Government to persuade these political and Party leaders to come back to Nanking.

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

DOCUMENT FILE

NOTE

SEE 893.77/2837 FOR #432

FROM Mukden (Myers) DATED Jan.23,1932
TO NAME 1-1127 o.p.

REGARDING: Article from OSAKA MAINICHI of Jan.21,1932, under heading,
"Japan is Deeply Concerned over Manchurian Railway
Administration".

tfr

793.94/4214

4214

No. 432

AMERICAN CONSULATE
GENERAL.
Mukden, China, January 23, 1932.

SUBJECT: Railway Situation in Manchuria.

The Honorable
The Secretary of State,
Washington.

Sir:

Referring to my despatch No. 425, dated January 7, 1932, entitled "Railway Situation in Manchuria as Affected by the Japanese Occupation", I have the honor
1/ to enclose herewith an interesting article which appeared in The Osaka Mainichi, of January 21, 1932, under the heading "Japan is Deeply Concerned over Manchurian Railway Administration."

The correspondent refers to a persistent outcry - presumably among Japanese - for the scientific operation of transportation facilities in Manchuria, such as railways, motor highways, harbors and airways, and to the advantage of their being placed under one control. He predicts that the Fengtien-Shanhaikuan Railway is to be placed under this control which apparently is to supply Manchuria with an additional 350 kilometers of much needed railways. The control of this transportation network must rest with Japan and in the correspondent's

opinion

- 2 -

opinion an independent Manchurian state is necessary for its fulfillment.

He also briefly discusses the need of removing the artificial trade barriers between Japan and Manchuria and other perplexing problems relating to a tariff and Manchurian industries.

As was reported in my despatch above referred to, the control of the railway network has already passed to the South Manchuria Railway Company. The correspondent, in common with Japanese generally, appears to see nothing inconsistent in an independent state and Japanese control of its essential functions and agencies.

Reports have been heard that the South Manchuria Railway Company will undertake the construction of the Changchun-Mungan section of the proposed Changchun-Talai Railway this spring. Plans for this work are, it is believed, being prepared but it is probable that the matter has not yet been decided.

The building of highways is also under consideration according to private information but no details are available.

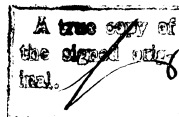
Respectfully yours,

M. S. Myers.
American Consul General.

1/ Enclosure: Article taken from The Osaka Mainichi of January 21, 1932.

Original and four copies to Department.
Two copies to Legation, Peiping.
Copy to Embassy, Tokyo.

MSM:AAB
800/866.16/877



Enclosure No. 1, to despatch No. 432 of M. S. Myers,
American Consul General, Mukden, China, to the Depart-
ment, dated January 23, 1932, on the subject "Railway
Situation in Manchuria."

**JAPAN IS DEEPLY CONCERNED OVER MANCHURIAN RAILWAY
ADMINISTRATION**

Scientific Management is Needed

**Present Mileage of 5,500 Not Sufficient For Manchuria;
Three Conflicting Factors Taxing Ingenuity
of Administrators**

By Katsumi Nagaoka

From The Osaka Mainichi, January 20, 1932.

Mukden, January 18.-- Of all the problems in Manchuria
nothing has given Japan deeper concern than the railway
problems, or rather the handcuffing by China of the South
Manchuria Railway, albeit China strove hard to give vent
to her anti-Japanese agitations through many other channels.

Despite the fact that not a single rail was laid since
the outbreak of the present Manchuria unrest, the railway
situation in Manchuria has undergone a great change. Japan
in all probability will exercise her option by building the
lines, vested by the treaties or agreements, while China's
Northeastern Transportation Commission will probably be
reorganized.

Scientific Management of Manchuria Needed

The most persistent outcry in Manchuria now is the
matter of running the country on a scientific basis, such
transportation mediums as railways, motor highways, harbours,
and airways, being likely to be placed under one control on
that basis. Those concerned are anxious to see that one
railway line or motor highway does not conflict with another,
or that there is no double investment for the same enterprise.

The railways and harbours are the most important among
the transportation problems. Manchuria at present has the
combined mileage of some 5,500 kilometres of railways, in-
cluding the S.M.R., Chinese Eastern, and the Mukden-Shanhaikuan
Railway.

Putting the last named two out of consideration for a
moment, all railways linking China with Japan's outposts
must theoretically be placed under one control eventually.
Since the Tachshan-Tungliac Railway was originally built

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

- 2 -

as a deliberate competitor for the S.M.R. it would be difficult to place this line under the proposed control.

More Railways Required

What has been done cannot be undone, and it would be wise to make good use of this parallel line through recourse to a differentiated tariff and other means. Manchuria, if viewed from existing conditions and from the standpoint of national defence of Japan and the Manchuria independent state about to be realized, would require at least 3,500 additional kilometres of railways.

This would mean hundreds of millions of yen of added investments, which would take some little time to realize. Even if a part of it is built, it will affect the Chinese Eastern road considerably.

As for the Mukden-Shanhsikuan Railway, Sir Miles Lampson, British Minister to China, is reported to be engineering a move against Japan's influence. But inasmuch as Britain, owner de facto of the line, is desirous of practical solution of the tangle, the chances of this line coming in on the one control are decidedly bright.

One Port Policy Unwise

No sensible man questions the paramount importance of Dairen harbour. Even so, it would be unwise to let that harbour monopolize trade as Manchuria's gateway and outlet. The one port policy, heretofore assumed, will obviously be discarded and another outlet will doubtlessly be sought out.

The harbour building work at Hulutao, when completed will make it possible for that harbour to dispose of from 2,000,000 to 3,000,000 tons of goods annually. Despite the certainty that the Hulutao harbour, like the Tahushan-Tungliac Railway, will menace the S.M.R. and Dairen, it will have to be recognized.

The question naturally coming up is this, who will have the final word in regard to the control of the transportation network? The Northeastern Transportation Commission? It shall be none other than Japan and must be preceded by the creation of the independent Manchurian state.

The tariff question for the new Manchuria is as important for Japan as it is for Manchuria itself. Despite the fact the Manchuria has nearly always been practically independent of China proper, the region is yet a part and parcel of China, in so far as maritime tariff is concerned.

New

- 3 -

New Tariff System

The maritime customs proceeds have invariably been forwarded to Nanking, but the remittance to Nanking is bound to cease the moment the independent Manchuria state is created, which makes it imperative that a new tariff system be established, which is easier said than done.

What promises to be even more important from Japan's standpoint is this. What must become of Manchuria's industries and what should Japan do to them? What consideration Japan should take into account in the possible bearing Manchurian products will have on Japan's market?

The need of removing the artificial trade barriers between Japan and Manchuria, but its feasibility has yet to be established. Supposing Manchuria's coal were allowed to flood the Japan market unchecked, Japan's coal mines would surely be doomed.

Manchuria's Industries

The talk about opening the industrial field of Manchuria to Japan's medium and small traders has likewise been frequently heard. Here again, we see the same difficulty. Manchuria's industries being yet in a primitive stage, cannot hope to thrive without a protective tariff. In that event, where would Japan's products come in?

Speaking of Manchuria's finances, theoretically the finances will be less stringent, since the exploiting warlords have been eliminated. But the trouble is that such direct revenue as land taxes and others were now transferred to the district coffers, which makes the situation less bright.

Three Conflicting Factors

Summing the financial aspects up, one will find that Manchuria must face three conflicting factors, viz. tariff revenue, protection of Manchuria's industries, and a steady measure for Japan's industries. If these factors can be adequately adjusted, well and good. But can they?

The Manchurian incident has been, and is, serving as a revolutionary factor for the Manchurian community. Manchuria, primarily an agricultural country, is now witnessing an exterior reform of rural districts, largely due to the collapse of the exploiting Mukdenite warlords at the hands of Japan.

The Manchurians, accustomed as they have been since olden days to the autonomous management of administration,

policing

- 4 -

policing, and justice, are not likely to desire the intervention by authorities of the proposed new independent state, whoever the leaders may be.

Cannot Stand Aloof

Since the fundamental law of economics does not permit even Manchuria to hold perpetually aloof from the general run of world economics, the duration of the Manchurian community's economic isolation is a matter of few years. Because any radical change does more harm than good, it would be well for Manchuria to introduce and cooperate with Japan's capitalistic system. To do so rests with Japan and to a certain extent with Manchuria.

Any possibility that Japan may assume the role of an exploiter in place of the defunct Mukdenites, is out of the question, when one considers the enormous sums of money Japan has invested in Manchuria in the past, and that Japan is bound to invest more money in that region henceforth.

DECLASSIFIED: E.O. 11652, 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 824.00/352 FOR 471

FROM Japan (Forbes) DATED Jan. 29, 1932
TO NAME 1-1127

REGARDING: Attitude of the two Chinese parties toward the
military activities in Manchuria.

flw

793.94 / 4215

4215

Tokyo, January 29, 1932.

No. 471

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to supplement my telegram No. 19 of January 21, 1932, reporting the dissolution, by Imperial Ordinance, of the Diet in its sixtieth session, on the day of its convening after the holiday recess. The Ordinance simply read, "We order the dissolution of the Diet, in accordance with the provisions of Article 7 of the Imperial Constitution".

After the dissolution, the Cabinet, in an extraordinary meeting, decided to fix February 20 as the date
for

- 4 -

for the general election made necessary by the dissolution. This date was approved by an Imperial ordinance.

According to the Law of the Houses, it is necessary for a newly elected Diet to meet within five months of the election, but it is customary for the session to convene about ten days after an election. Thus, the Lower House to be elected next month will probably assemble in an extraordinary session early in March.

The dissolution of the Diet had been generally anticipated and caused no surprise. The Government could hardly be expected to carry out its administrative policies while it was opposed in the Diet by an opposition majority. The party affiliations of members of the Lower House at the time of dissolution were as follows:

Minseito	247	
Seiyukai	171	
Undetermined	29	(including Adachi faction)
Independents	3	
Vacancies	16	

The situation is similar to that existing in 1930, when a Minseito government lead by Hamaguchi found itself opposed by a Seiyukai majority in the Diet. Also, the step taken by the present Government to solve the situation was similar to that taken by Mr. Hamaguchi, except in one particular. The Hamaguchi government allowed the Seiyukai, then the Opposition, to formulate an interpellation on the Government policy and to debate the Government policies in the Diet before asking for dissolution. The

Inukai

- 3 -

Inukai Government, however, dissolved the Diet immediately after the last official speech had been delivered in the Lower House.* For this action it has brought down the almost unanimous censure of the press, which accuses the Government of muzzling the opposition and of using big stick methods for attaining its end, to the detriment of the cause of constitutional progress. True, the Cabinet presented its policies to the House of Peers on the morning of the dissolution and allowed interpellations from the Peers, but the Opposition party, which is not numerously represented in the Upper Chamber, was not thereby given an adequate opportunity for criticism.

The press also expresses regret that, since the dissolution was a foregone conclusion, a general election should not have been called for as soon as the present Cabinet took office, instead of waiting until the convening of the Diet. The ASAHI, one of the most powerful newspapers of Japan, has been particularly insistent upon the calling of a general election before the convening of the Diet. The reasons for not so doing are obvious. The Government Party was hesitant to call for an election immediately after appointment for fear of being criticized for using "strong arm" tactics and forcing an appeal to the electorate. Moreover, no new government cares to begin its administration with a step that will cost the country many millions in money. It may be added that until the Sakurada Men incident of January 8 when an attempt was made

* For the speeches of the government leaders vide Embassy's despatch No.474, January 29, 1932.

- 4 -

made on the life of the Emperor, the Government Party had some chance of surviving the Diet session without an appeal to the electorate. The Opposition, knowing that the maintenance of its strategic position in the Lower House depended on its good behavior and cooperation with the Government, would not be inclined to risk an attack on a newly appointed Cabinet unless furnished with an unusually strong bludgeon. This it has in the Sakurada Mon affair, and the Cabinet, knowing this to be the case, probably decided to act before the attack commenced.

Lastly, the Cabinet has probably delayed calling for a general election until its own political machinery had been built up throughout the country. Since the appointment of the Inukai Cabinet, widespread changes have been made in the personnel of governors and police officials of the prefectural governments, who are in a position to bring great influence to bear in elections, and at present the Seiyukai can face the elections with a certain amount of confidence.

Study of the editorial columns of the Japanese press indicates that the public realizes that the coming election presents a question of decision of unusual importance to the Nation at large. It is obvious that neither of the two major parties is popular. The impending election is significant in that to an unusual extent it is to be a contest between policies and platforms, rather than personalities as is usually the case in Japan. There has seldom been an election in which the issues have been so well defined and the difference between the stands of the opposing parties so marked.

In

- 5 -

In regard to finances, the Seiyukai plans to raise funds and to balance the budget by issuing bonds and suspending the national sinking fund, without increasing taxation. The Minseito proposes to solve the problems of national finance by increased taxes and by administrative adjustments. Against the inflation policy of the Seiyukai, the Minseito stands for currency deflation and the stabilization of exchange rates. There is a radical difference between the two parties on the question of the gold standard. The Minseito Party has consistently stood for free export of gold and maintenance of the gold standard, while the Seiyukai has been an advocate of inflation and an embargo on gold.

The Seiyukai proposes to carry out an ambitious five-year industrial plan, to cost Yen 360,000,000, and to organize a monopoly of rice. It proposes plans for extensive waterway and highway construction, as well as improvements in communications and railways. In contrast to these positive schemes, the Minseito declares for a stricter regulation and rationalization of industries, looking toward an increased efficiency of output.

Lastly, there is the matter of the attitude of the two parties toward the military activities in Manchuria. Neither party has, in its public statements, made mention of its attitude toward the Army, but it is understood that the Seiyukai stands for close cooperation with the military authorities, while the history of the Minseito shows that it has opposed expansion of the powers of the military government and had endeavored, with little success, to curb the activities of the Army in Manchuria. It may be mentioned that neither party has come forward with any definite plan for

- 6 -

for Japan to follow in Manchuria after the present military action is completed. Both parties expatiate on the importance of that region to the existence of Japan, but neither have any definite proposals for consolidating her position in Manchuria.

The Seiyukai, being the Government Party which, under ordinary circumstances always wins in elections, is conceded the better chance of success in the coming elections. In the first place, the Government Party has the advantage of administering the election laws and of prosecuting, or overlooking, breaches of the regulations. For this purpose it can make changes in governmental and police personnel, insuring that its own interests are supported. Secondly, the Government Party is usually more amply provided with campaign funds than is the Opposition. In the present case, this point has unusual significance. The reimposition of the gold embargo by the Inukai Government enabled several big banking firms to make enormous profits on exchange, and the natural expectation is that these firms will now share their profits with the Government Party.

Under ordinary conditions a government newly appointed to office would have a clear advantage in a general election for the simple reason of newness and absence of an unfavorable past record. These factors operate to some extent in the present election, but since its assumption of office the Seiyukai has had a tremendous blow dealt to its fortunes by the Sakurada Mon affair. This affair, touching as it does the person of the Emperor, is an uncertain quantity in political calculations, but has certainly hurt the Seiyukai cause. The Minseito will undoubtedly use it to some extent in attacking the Government, but it is a dangerous weapon

- 7 -

weapon, as it may easily prove to be a boomerang for anyone using the Emperor's name for political purposes. Furthermore, the Seiyukai has never completely recovered from the evil reputation it earned during the Tanaka Ministry when the Party was involved in graft and scandal.

The Seiyukai does have the advantage of good organization and leadership. Mr. Inukai, with his long years of political experience, is unsurpassed as a leader, and he has shown courage and resourcefulness in the few weeks he has headed the Government. On the other hand the Minseito will be handicapped in the election by the lack of firm leadership. Baron Wakatsuki has not proved to be a strong leader, and the Party is still suffering from the shock of the Adachi schism, as well as from the loss of that wily election manager (See Embassy's despatch No. 422, of December 17, 1931).

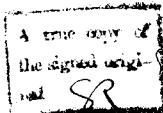
I shall not fail to report to the Department the outcome of the general election to be held on February 20th.

Respectfully yours,

W. Cameron Forbes.

Embassy's File No. 800.-Japan

WTT/CR



DECLASSIFIED: E.O. 11652, 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 894.00/353 FOR #472

FROM Japan (Forbes) DATED Jan. 29, 1932
TO NAME 1-1127 o p o

REGARDING: Difficulties encountered in Military circles of Japan with
regard to the Manchurian situation.

tfv

793.94/4216

4216

Tokyo, Japan, January 29, 1932.

No. 472

STRICTLY CONFIDENTIAL.

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to submit the following comments on the domestic situation in this country. These comments are submitted with some hesitancy, due to the fact that they are not susceptible of direct proof; the only foundation they have is that many Japanese feel that some change of a serious nature may occur in the political field. In some cases it seems to be scarcely more than a vague uneasiness, in other instances there is an attempt at definition.

- 2 -

definition.

There are several sources from which it would seem change might come. I have had occasion in several recent despatches to discuss the powers of the Japanese military and the tenor of the military mind, particularly with regard to the more junior officers, - from colonels downward. The Manchurian affair, as I have previously reported*, is an emanation of the former; of the latter - the abortive plot of last October on the part of younger officers to establish, allegedly, a dictatorship.**

In this connection I should like to report an incident that is said to have occurred the following month in the office of the Chief of the Army General Staff. Some weeks ago the Embassy received a hint of an untoward occurrence of a nature somewhat similar to the alleged October plot. The usual informative sources of the Embassy, however, seemed ignorant of the matter. It was only a few days ago that I obtained some details in this regard, which I believe to be fairly worthy of credence. At least, those Japanese - with whom I have since discussed the affair - while professing ignorance, unanimously agree that the incident sounds most probable.

In November, I am told, a junior officer entered the office of General Kanaya, who was then Chief of Staff, and drew a revolver. Before he could do any mischief he was seized and disarmed. When questioned as to the reason for his attempted act, he replied that the Manchurian policy of the General Staff was too weak. Instead of
this

* Despatch No. 423 of December 18, 1931.

** Despatch No. 382 of November 7, 1931.

- 3 -

this officer being held for possible punishment, he was thereupon told: "You have the right idea" - I quote my informant - "patriotism is a splendid thing, but you misunderstand us. Our policy is not weak. You must give us time." The young officer was then released. I have little doubt that he was set free because of the fear of the senior officers that his punishment would cause trouble among his contemporaries. For the same reason, apparently, the plotters of October were not punished. On the contrary, I have been reliably informed, a number of them have since received promotions.

This alleged incident may have been given too much emphasis in this despatch, but it is illustrative of the point of view said to prevail among the younger officers.

The Embassy has had occasion to report recently the related information that General Araki, now Minister of War, is the senior officer regarded as having the strongest control over the junior officers*, that he is said to be their "idol", and that for this reason he was made Minister of War, as for similar reasons Prince Kanin, a member of the Imperial Family, was last month appointed Chief of Staff.* Since the time these matters were submitted to the Department as "the opinion of competent observers", they have come to be regarded as facts by thinking Japanese.

The consensus of intelligent Japanese opinion at present seems to be that General Araki's popularity with the junior officers has been impaired by his failure to
resign

* Despatch No. 440 of December 30, 1931.

- 4 -

resign after the attempt against the person of the Emperor early this month.* Not unnaturally, the younger officers, inculcated with reverence for the Emperor, would expect their "idol" to be the first to resign. Some Japanese believe, however, that it was General Araki who prevented the Cabinet from following the desire of the majority of the Ministers of State to resign, the reason given for his attitude being that the army leaders prefer the subservient Seiyukai Party in power to a return of the less amenable Minseito, which would bring as Foreign Minister the much disliked Baron Shidehara. I have heard several Japanese refer to the present Cabinet as "the Araki Cabinet", which would seem to signify that the Seiyukai Cabinet, through him, is under Army control. (In this connection it is interesting to note, as possibly relative, that an additional budget of Yen 20,910,000 for the expenses of the Manchurian affair from September 18th to the end of the fiscal year (March 31, 1932) was approved by the Cabinet without opposition and was yesterday approved by the Privy Council.) Whatever may be the facts, it appears that one control of the super-patriotic officers has been weakened.

The foregoing matter is cited because the Army is a very important element in the Government and would be a big factor in any political change. It would seem not inconceivable that the Army might take over the Government in form as well as in substance. This idea is regarded as most improbable by many Japanese; as possible by others. At least, the potentiality is one factor in the general uneasiness to which reference was made at the beginning of this despatch.

AN

* Despatch No. 460 of January 16, 1932.

- 5 -

An important proportion of the Army apparently regards capitalists with suspicion and dislike and since capitalists (the Mitsui and the Mitsubishi interests, chiefly) are believed to be behind the political parties, the Seiyukai and the Minseitō receive a share of this feeling. It would not be surprising if, in its arrogance, a part at least of the Army should feel that civilians are less capable than the military in government. Certainly the increasingly critical economic situation that exists here might easily be regarded as proof of the failure of parliamentary government and political parties. The Army must further be aware that an appreciable number of intelligent civilian leaders view with alarm the grandiose expedition on which the Army has been embarked since September 18th. They feel that it will lead to eventual economic and financial ruin. These civilians may be expected, when an opportunity is presented, to attempt curtailment of the powers of the Army. Of this even the Army must have some realization. There seems to be an increasing opinion among thinking Japanese that the Army may fail in Manchuria. If this should happen the Army might blame the failure on the civilian government and oust it so that the powers of the military may not be cut down and so that - in its opinion - the Emperor's Government may be efficiently administered. This would be virtually a military dictatorship.

There are factors that would run counter to such an ambition were it entertained. For example, the Army is said to be disunited. The senior officers and the junior officers are not mutually sympathetic. It has been stated that military affairs in Manchuria are in the hands of four comparatively junior officers (mentioned as being Lieutenant-

Colonel

- 6 -

Colonel Ishiwara, Colonel Itagaki, Colonel Doihara, and Major-General Miyake, Chief of Staff of the Kwantung Army) who disregard the desires of General Honjo, the Commander-in-Chief of the Kwantung Army. United action might be difficult in respect to a coup d'état, lessening the probability of success. I shall attempt to obtain further information along this line, but it is, of course, difficult, for the military, despite an astonishingly naive frankness in some aspects of their plannings, is in others very secretive.

In my despatch No. 473 of January 29, 1932, I have dwelt at some length on the serious economic and financial situation of the agriculturists of Japan, who form approximately half of the population of this country. The extreme docility of this class beneath increasing burdens - which is indicated by their lack of organization - leads one to believe that possible disorders in the rural districts would be of a sporadic character and more or less confined to tenant farmers, with scarcely any other objective than injury to those whom they feel to be immediately responsible, namely, landlords, and without any definite desire for political change. However, should trouble break out elsewhere, it would not be impossible that the tenant farmers might assist. A military coup d'état might be welcomed by them, particularly if they come to a realization a few months hence that the inflation policy of the present Government will not bring them relief.

Mention should again be made, as the Embassy has indicated in the past, that prediction with respect to action by Japanese is next to futile, except as an assurance that

- if

- 7 -

- if they do anything - it will be the unpredicted. There is this to be said, however, on the other side: the Japanese may be amazingly long-suffering and give no indication of dissatisfaction - only to exhibit it suddenly and actively. In the Navy, for example, there have been instances of apparently acquiescent sailors suddenly throwing overboard an officer against whom they have conceived a grievance. In the American navy such resentment would probably be noticeable in many ways before an outbreak of violence.

Despatches are now in preparation, for submission in the near future, dealing with social unrest among the laboring classes and allegedly increasing radicalism. I shall not go into detail here, but one indication of apprehension in regard to labor's dissatisfaction is the police guard maintained at the houses of those families of the Mitsui interests that profited by the "dollar coup" of last month.* In regard to the "red" movement, I have been reliably informed that the Court is genuinely perturbed. It is possible that the fear of the Mitsuis may have no more solid foundation than a guilty conscience, for their profit was at the expense of the country's interests, or, at least, of no assistance to the economic situation. The Court, too, may have no real reason for its apprehension.

Yet, whether or not the foregoing may ever become pertinent in the light of subsequent events, it is at least a partial explanation of the atmosphere of possible change of which many seem to be conscious.

Respectfully yours,

Embassy's File
No. 800.-Japan.
LES/AA

W. Cameron Forbes

* Despatch No. 422 of December 17, 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 893.48/512 FOR Letter

FROM Flood Relief in China (Brown, David A.) DATED Feb. 12, 1932.

TO NAME 1-1127 gpo

REGARDING: Conditions in China as result of the Sino-Japanese
dispute.

hs

793.94/4217

4217

DOCUMENT FILE

NOTE

SEE 124.941/1025 FOR Tel. #66 9rm

FROM Japan (Forbes) DATED Feb. 14, 1932
XERO NAME 1-1127 o r o

REGARDING: Chinese-Japanese situation: Comment as to attitude which
should be adopted in this connection, for the present.

793.94 / 4218

4218

HS

Tokio

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

Dated February 14, 1932

Rec'd 11:20 a.m.

Secretary of State

Washington

66. February 14, 9 p.m.

The formal opening of the Embassy yesterday was
attended by over seven hundred guests. Largely attended
by prominent Japanese including imperial Princes and
Princesses among whom were Prince and Princess Chichibu
and Takamatsu, also by Minister of War, Navy and Foreign
Office.

British, French, German, and Italian Ambassadors
agreed with me that the situation would be best served
by quiescent attitude of our Governments for the present.
Understand they are cabling in this sense. Have been re-
quested to call at the Foreign Office tomorrow (Monday)
afternoon.

KLP

FORBES

DAS

DECLASSIFIED: E.O. 11652, 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

1-138 TO BE TRANSMITTED
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Washington,
February 15, 1932.

AMEMBASSY,

TOKYO (Japan).

124.941/1025
Your 66, February 14, 9 p.m., second paragraph.

One. Both the British and the Italian Ambassadors here have reported to me that the five ambassadors in Tokyo concur in the view which you report as being held by the five.

It is my impression that, although ambassadors in Tokyo are in best position to know what is occurring in Japan, their information with regard to what is occurring elsewhere, especially at Shanghai, and with regard to the problems which have to be faced by their governments in relation to that situation, is ^{necessarily} limited and perhaps in some particulars far from accurate.

Two. I should like to have, in support of the view under reference, a full exposition of the factors on which there is based the conclusion that the situation would be best served by ^a quiescent attitude of the various foreign governments for the present.

Enciphered by FE:SKH/ZMF

Sent by operator M.,

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

793.94/4218

SKH

TELEGRAM RECEIVED

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893.102S

MET

DEPARTMENT OF STATE
RECEIVED
JAN 16 1932
DIVISION OF
RECE

PLAIN

Peiping via N.R.

Dated February 16, 1932

Rec'd 3:45 a.m.

Secretary of State,

Washington

234, February 16, noon.

Following from Reuter, Shanghai, February fifteenth:

"The day has been the quietest for the past fortnight but the lull in the fighting, far from bringing relief and confidence, is morely increasing the nervous tension and the community is now awaiting the climax.

Five Japanese transports came up river this afternoon under cover of a bombardment of the Woosung forts from land and water. Japanese reports state that they brought ammunition, aeroplanes and field guns and other equipment, and not more than 2,000 men. Impartial observers on the other hand who watched the troops landing for several hours estimate that fully 10,000 landed today.

Queried with regard to the Japanese casualties since the fighting commenced in the Shanghai area Admiral Nomura, the Japanese admiral in command here, stated this afternoon that

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F/E

F/LS 793.94/4219

FILED

MET

2-#234 from Peiping via N.R.,
February 16, noon.

that the total casualties among the Japanese sailors and
marines at the fighting in Hongkew and Chapei had amounted
to 80 killed and 450 wounded".

For the Minister,

PERKINS

JS-CIB

1725

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

1-138
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TELEGRAM SENT

Department of State



February 15, 1932.

FEB 15 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.

AmEmbassy,

Tokyo.

URGENT.

CONFIDENTIAL.

The news from Shanghai as to the imminence of major operations on the part of the Japanese with the inevitable consequent danger to the International Settlement seems to me to make it necessary more formally to protest as to the use of the Settlement as a base. I have taken the matter up with the British, French and Italian Governments and hope they may authorize their Ambassadors to make at the same time identical or similar protests. I do not wish to wait until all three have been authorized to protest, but please keep in touch with the British Ambassador and when he receives instructions from his Government arrange to deliver the following memorandum at about the same time that he delivers a similar memorandum. I intend to give the text of the memorandum to the press as soon as I know that you have delivered it. Please, therefore, telegraph urgently when you have done it, also whether your French and Italian colleagues are taking similar action.

Enciphered by _____

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

793.94/4219A

793.94
note
893.102-S
P.C.
006.8102

56

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

1-128
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Collect
Charge Department
OR

Charge to
\$

Washington,

AmEmbassy, Tokyo, page 2.

QUOTE. Memorandum. The American Government, since the recent outbreak of armed encounters between Chinese and Japanese military forces at Shanghai, has viewed developments in the situation with grave concern and anxiety. The American Government has been particularly disconcerted by reports and evidence that the International Settlement is being used as a base or channel in connection with military operations between Chinese and Japanese armed forces.

In the opinion of the American Government, the use by either of the disputants of any part of the Settlement, for purposes in any way related to military operations other than such as relate strictly and exclusively to the protection of the Settlement, constitutes a violation of the purpose, the rights and the obligations of the Settlement and operates to expose the Settlement as a whole to the risks and dangers necessarily incident to such military operations. The Settlement has an international character. It appears axiomatic that no one nation has the right so to use its own rights and position in and with respect to the Settlement as to jeopardize the lives and property of the inhabitants

and

Enciphered by _____

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

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,

AmEmbassy, Tokyo, page 3.

and imperil the rights and interests of the Settlement as a whole and of other nations there concerned.

The American Government is emphatic in its opinion that the International Settlement should in no repeat no way be involved in the conflict between China and Japan. The American Government protests most solemnly and earnestly against any use whatever of any part of the Settlement as a base or channel in connection with military operations. The American Government gives notice that it will hold the Japanese Government responsible for any losses or damage done by its armed forces or agencies thereof to the persons or property of nationals of the American Government. UNQUOTE.

Stinson

WLL

FE SKH

U WRC/AB

Enciphered by _____

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

FE

TELEGRAM RECEIVED

DEPARTMENT OF STATE
RECEIVED FROM
JAN 16 1932

Division of
FAR EASTERN AFFAIRS
FEB 16 1932
Department of State

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

Tokio

Dated February 16, 1932

Rec'd 4:28 a.m.

F/DEW

793.94/4220

Secretary of State,

Washington

URGENT.

69, February 16, 5 p.m.

Your telegram No. 56, February 15, 6 p.m.

As yet no word has arrived at the British Embassy,

will advise as soon as hear from him.

FORBES

WSB-HPD

Japanese situation.

793.94
note
893.102-S

FEB 29 1932

FILED

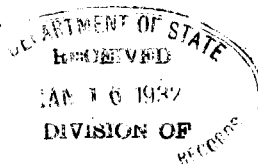
* FE

TELEGRAM RECEIVED

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

REP

793.94
notes
893.102



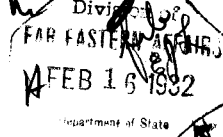
FROM

GRAY

Shanghai via N. R.

Dated February 16, 1932

Rec'd 9:03 a.m.



Secretary of State,
Washington.

61, February 16, 6 p. m.

Continuing my daily report No. 50 of February 14, 6 p. m.

With the exception of desultory firing things have
remained quiet along both sectors.
to
Repeated/~~the~~ Legation for information.

CUNNINGHAM

WWC

JHR

F/LS 793.94/4221

FILED

FEB 24 1932

FE

TELEGRAM RECEIVED

REF

793.94
893.102
893.01

DEPARTMENT OF STATE
RECEIVED
DIVISION OF
RECEIVED

FROM

PLAIN

Peiping via N. R.

Dated February 16, 1932

Rec'd 3:45 a. m.

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

Secretary of State,
Washington.

Division of
FOR EASTERN AFFAIRS
FEB 16 1932
Department of State

F/LS 793.94/4222

233, February 16, 11 a. m.

Following from Reuter, Tokyo, February fifteenth:

"The Japanese Minister of War, speaking to premier tonight, indicated that the despatch of further reenforcements to Shanghai might be necessitated as it was reported that the Nineteenth Army was being reenforced at Shanghai and was preparing to make a stubborn resistance.

The War Minister, who subsequently saw Mister Yoshizawa, the Foreign Minister, intimated to the press that the developments of the next few days would decide whether reenforcements would be necessary.

In addition to the American, British and French Ambassadors, Mister Yoshizawa also requested the German and Italian Ambassadors to come to the Foreign Office today, where he saw all five of them jointly.

While the Foreign Office professes scepticism regarding the imminent formation of a new independent Manchurian state, such as was indicated in messages from Mukden yesterday, further

FEB 16 1932
FILED

REP

2- #233, from Peiping, Feb. 16, 11a.m.

further steps with this end in view are indicated in a further message from Mukden to the press today reporting the arrival of General Chang Chinasui, the governor of Heilungkiang Province, this afternoon by air at Mukden.

The message says that after a courtesy visit to General Honjo, the Japanese commander there, ^(*) general and Mister Chang Shih Yi, the governors of Kirin and Mukden Provinces, respectively.

In the meantime, the vernacular papers in Japan are giving prominence to reports that plans are being made to encourage the migration of one hundred thousand Japanese families to Manchuria every year as soon as stability has been established there, but close observers are extremely sceptical as these plans are considered utterly impracticable."

FOR THE MINISTER

PERKINS

WSB

(*) Apparent omission

TELEGRAM RECEIVED

REP

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

FROM

TOKIO

Dated February 16, 1932

DEPARTMENT OF STATE
RECEIVED

Rec'd 10:25 a. m.

JAN 10 1932

DIVISION OF

Division of
FAR EASTERN AFFAIRS
FEB 16 1932
Department of State

Secretary of State,

Washington.

71, February 16, 10 P. m.

Department's No. 56, February 15, 6 p. m.

British Ambassador has not yet received any instructions.

FORBES

RR

HFD

Japanese situation

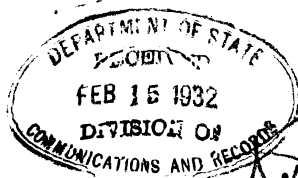
F/LS

793.94/4223

FEB 20 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



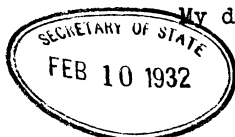
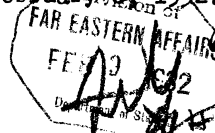
RECEIVED

CHINESE LEGATION
WASHINGTON

FEB 9 - 1932

SECRETARY'S OFFICE

February 8, 1932.



My dear Dr. Hornbeck:

I wish to enclose to you for the informa-

tion of the State Department three copies of a

cablegram which has just been received.

Yours sincerely,

Hanklin
Charge d'Affaires ad interim.

Enclosure:

Copy of cablegram
as above.

Dr. Stanley K. Hornbeck,
Chief of the Far Eastern Division,
Department of State.

FILED
FEB 15 1932

793.94/4224

FE
DCR

CABLEGRAM FROM THE MINISTRY OF FOREIGN AFFAIRS
NANKING, DATED FEBRUARY 7, 1932

Received by the Chinese Legation, Washington, February 7, 1932.

The following is the statement issued by Dr. Lo Wen Kan,
Chinese Minister for Foreign Affairs:

"It is inconceivable that in considering the general situation brought about by the military aggression of Japan the so-called Manchurian question can be treated separately from the question of Shanghai. Both the Manchurian and Shanghai questions have been created by Japanese militarism out of her preconceived plan and deliberately aggressive policy.

"However important the rights of Japan may be in Manchuria in the Japanese viewpoint Manchuria remains Chinese territory under the full sovereignty of China. The suggestion that the treatment of questions relating to Manchuria should be on a different basis and in a different mode from the treatment of the questions relating to other parts of the country is clearly contradictory to the avowed intention on the part of Japan that she has no territorial designs in Manchuria.

- 2 -

"It is most absurd to charge China with militarism. China is only exercising her natural right of defending her territory and her sovereign rights. She is left alone to resist the onslaught on the sanctity of international agreements guaranteeing a world peace as well as the sovereignty, independence, and territorial and administrative integrity of nations.

"If necessary measures of self-defense may be called militarism what will be called such deliberate military aggressions as the forceful occupation of Manchuria and devastation of Shanghai, bringing in their wake death and destruction? China has tolerated more than any other sovereign state can tolerate. Under similar circumstances measures to be adopted by any other sovereign state would not have been confined to mere self-defence.

"While China has accepted the joint proposal of the Powers for the settlement of the present crisis the Japanese marines and Japanese aeroplanes are attacking Shanghai with increasing fierceness. Will the Powers allow peace to be thus broken and sacred treaties be thus trampled under foot?"

Chinese Legation,

Washington, February 8, 1932.

DOCUMENT FILE

NOTE

793.94

SEE 842.9111/69 FOR #683

FROM Canada (MacNider) DATED Feb. 12, 1932
TO NAME 1-1127 ...

793.94 / 4225

REGARDING:

Sino-Japanese crisis. Opinion that Japanese occupation would ultimately be of benefit to Manchuria because of the security which would attend it. Canadian opinion strongly opposed to principle of employing armed force to resist an economic boycott. Strong action necessary of the Chinese Government regarding Japan's exceptional interests in Manchuria.

- 4 -

2. SINO-JAPANESE CRISIS.

On September 19th, last, when the Japanese forces occupied Mukden, popular opinion in Canada was strongly sympathetic to the Chinese claim that her sovereignty had been violated. This attitude gradually tended to disappear as more and more papers began to take the view that Japan's exceptional interests in Manchuria and the evident impotence of the Chinese Government made strong action necessary. By the time the Japanese forces had pushed on to Chinchow, very little was heard of Chinese rights and while it was more or less tacitly admitted that Japanese methods had been more drastic than necessary, the general opinion was that the Japanese occupation would ultimately be of benefit to Manchuria because of the security which would attend it.

The attack on Shanghai and the subsequent shelling of Nanking have changed public opinion over night. It is still admitted that the provocation to Japan has been great, but there is no doubt but that the reported massacre of civilians in Chapei is unanimously regarded as inhuman and unnecessary. As pointed out in the Liberal Ottawa CITIZEN, Canadian opinion is strongly opposed to the principle of employing armed force to resist an economic boycott; and while it may be easily doubted that the Chinese Government has made a determined effort to put an end to the activities of anti-Japanese organizations in Shanghai and other parts of China, it is undoubtedly true that the anti-Japanese feeling is now so widespread that no government however strong could adequately cope with it. Further, the demands which the Japanese Consul General at Shanghai is reported to have presented to the Chinese Government are considered so impossible

- 5 -

impossible of fulfilment that they cannot but raise doubts concerning the good faith of the Japanese Government.

The Conservative Toronto MAIL AND EMPIRE alone attempts to justify the use of force by Japan in meeting the Chinese boycott. The MAIL AND EMPIRE states that similar movements were met by force by the British in 1928 and by the United States in 1905. In regard to the latter incident it says:

"In May, 1905, a movement began to force the United States to sign a treaty agreeing to unrestricted Chinese immigration. Shanghai was the centre of the agitation then, as now, but it quickly spread to other large cities. Mr. Rockhill, the American Minister, saw that the movement had official support, and he denounced it as an irregular and illegal prop to diplomacy which the Chinese authorities would have to suppress. At his request the Japanese in Newchwang, the British in Hong-Kong, and the Germans in Tsingtao suppressed the anti-American boycott with rigorous severity."

The Liberal Toronto GLOBE appears to sympathize with the Japanese claim that the Nine Power Treaty of 1922 is out-of-date and should be replaced by one which takes into consideration the changed conditions in the Far East.

It says:

"The greatest service that friendly neutrals can render the cause of peace in the Far East is to urge a settlement in Manchuria on a basis of common-sense realism. Japan has rights there; so has China -- rights greater on paper. But the exercise of these rights causes inevitable conflict. Either the Chinese or the Japanese flag will have to disappear from Manchuria before there is permanent peace. The change might follow forceful annexation. Or it might follow a treaty indemnifying China for any loss of sovereignty."

"If the agreement is not made before a war, it will be made afterward."

The GLOBE, however, has displayed one or two remarkable changes of front. On January 30th it calmly announced, in the face of the Japanese attack on Shanghai,

that

- 6 -

that "until there is convincing evidence to the contrary, Japan cannot be branded as an aggressor or an outlaw", while two days later it vehemently declared that "Japan's widely separated actions in China are part of a carefully planned war of aggression".

The growing tendency of the United States and Great Britain to work together in attempting to bring about a cessation of hostilities, is generally regarded as the most hopeful sign at the present time. Public opinion seems to be unanimously opposed to any action which might involve Great Britain - or to a lesser degree the United States - in war with Japan, regardless of the lengths to which the latter may go in China. With regard to the possibility of adopting an economic boycott of Japan the Toronto GLOBE says:

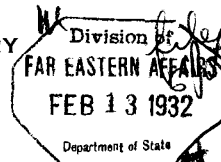
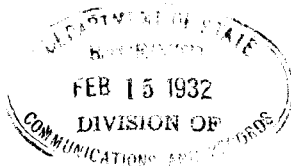
"The League Covenant definitely calls for an economic boycott of an aggressor nation. It is in relation to this promise that the British Empire should exercise extreme caution. Under no circumstances should there be suggestion of a boycott unless the United States agrees to participate on the same terms as League members.

"The lessons of the Great War should be remembered. The United States always has shown marked hostility to interference with her trade in wartime. Unless she agreed to a boycott, an attempt to blockade Japan would be worse than a farce -- it would be much worse than a farce for Canada."

Although at the present moment the general attitude toward the Far Eastern situation is distinctly pessimistic, there is hope that the realization that strong-arm action of the Japanese forces has tended to alienate the sympathy of neutral powers, may have a chastening effect on the military authorities in Japan and bring them to a more reasonable state of mind.

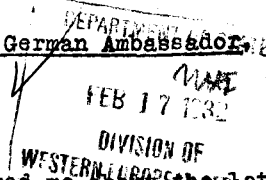
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
THE UNDER SECRETARY



February 11, 1932.

Memorandum of conversation with the German Ambassador,
February 11.



The German Ambassador asked me about the latest news from Shanghai. I gave him an outline of what we had and told him that, at the moment, we were merely considering most seriously what should be done next. He said that he felt the note of January 7th was very important and that he should think that might be carried a little further. He said he was sure that his Government would consider refusal to recognize treaties resulting from the operations of Japanese forces as a real step in advance in international law. I said I was glad to hear him say this as some such move might conceivably be a wise thing, that I felt a world wide front along these lines would certainly affect Japan, if anything could.

W. R. Castle, Jr.

U WRC/AB

F/LS

793.94/4226

FILED

FEB 16 1932

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 13, 1932.

Mr. ~~Castle~~:

I think that the position taken by
Cunningham is the correct position. The
Secretary has just informed me that he also
thinks so.

I should like to speak to the British
Ambassador about the matter, if you have no
objection.

OK'd.

SKH

~~SKH~~

11-13

Have spoken to British
Ambassador.

~~SKH~~

SKH/REK

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

February 13, 1932.

Subject: Aviation gasoline: Shanghai:
question of sale to Chinese
military.

793.94
note
893.113
894/113

I have spoken to the British Ambassador and have informed him of the information contained in Shanghai's 43/4159 February 13, 1 p.m.; also that we think that the position taken by the American Consul General at Shanghai is the correct one and that we are telegraphing the Consul General approving the position taken by him.

The British Ambassador stated that he had received subsequent to our conversation of February 3 (4?) no further information on the matter.

I stated that it was obvious that the decision reached by the British Consul General and that reached by the American Consul General were opposites; that we regretted this, as we had instructed our Consul General to confer with the British Consul General and try to arrange for the same course to be taken by both.

The Ambassador said that he also regretted it, but it looked as though the American Consul General's decision were sound. He thanked me for informing him and said he would inform his Government.

SKH

FE:MMH:EJL

F/LS

793.94/4227

FILED

FEB 18 1932

No. 221 Political

AMERICAN CONSULATE,

Geneva, Switzerland, February 2, 1932.

DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS AND RECORDS
LEAGUE OF NATIONS SECTION

FEB 17 1932

FEB 15 32

SUBJECT: Sino-Japanese Conflict -
Transmitting Documents

1-1066 GPO

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to the Consulate's
Despatch No. 202 Political of January 4, 1932 and previous
despatches transmitting documents relating to the appeal
of the Chinese Government under Article 11 of the Covenant
of the League of Nations, and to transmit herewith the
documents mentioned on the enclosed list issued during the
interim from January 1, 1932 to the meeting of the Council
on January 25, which have been furnished me by the Secretary-
General pursuant to the Council's resolution of September 22,
1931.

Respectfully yours,

Prentiss B. Gilbert
Prentiss B. Gilbert,
American Consul.

Enclosure:

No. 1 - List of Documents enclosed

Original and five copies to Department of State
1 copy to American Legation, Berne, Switzerland.

F/LS 793.94/4228

FEB 18 1932

FILED

4

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

Enclosure No 1
with No 221 of
Feb. 2, 1932

LEAGUE DOCUMENTS
RELATING TO THE SINO-JAPANESE
CONFLICT

C.1.M.1.1932.VII
C.2.M.2.1932.VII
C.3.M.3.1932.VII
C.4.M.4.1932.VII
C.7.M.5.1932.VII
C.8.M.6.1932.VII
C.9.M.7.1932.VII
C.12.M.8.1932.VII
C.24.M.12.1932.VII
C.25.M.13.1932.VII
C.26.M.14.1932.VII
C.28.M.15.1932.VII
C.39.M.22.1932.VII
C.46.M.27.1932.VII
C.51.M.29.1932.VII
C.55.M.30.1932.VII
C.62.M.34.1932.VII

LEAGUE OF NATIONS.

Communicated to
the Council and
Members of the League.

C.1.M.1.1932.VII.

Geneva,

January 2nd, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11
OF THE COVENANT.

Communication from the Japanese Delegation.

Note by the Secretary-General.

At the request of the Japanese Delegation, the Secretary-General has the honour to transmit to the Council the following communication dated December 30th, 1931, which he has received concerning brigandage in Manchuria.

BRIGANDAGE IN MANCHURIA.

Summary of official telegrams received by the
Japanese Delegation.

1) Acts of brigandage in the South Manchurian Railway area from December 11th to 20th:

Number of attacks: 372.

Including in the Tichling, Kaiyung and Ssuningkai area: 145.

Antung Railway area: 79.

Mukden Hsinmin area: 55.

The freezing of the River Liao has enabled the brigands to extend their operations towards Haifeng, Nantai and Yingkow (28 attacks).

The activity of the brigands along the Antung Railway, an area which had hitherto remained calm, and the increased number of attacks by large groups in the Mukden area should be noted.

The recent attacks were not made, as formerly, on Chinese villages for the purpose of obtaining food, etc., but are being directed more and more frequently against the stations of the South Manchurian Railway or Japanese police stations. Telephonic and telegraphic communications are interrupted and the railway track itself is being destroyed. This change in the nature of the acts of brigandage shows that they have a political and strategic purpose, and gives evidence of the relations existing between the bands of irregulars and the Chinese forces.

Another noteworthy fact is the increase in the number of attacks by very large groups.

During the 10 days mentioned above there were:

68 attacks by groups of more than 100 brigands.

57 " " " " " 300

24 " " " " " 1000

Number of persons carried off as hostages: 39.

Number killed and wounded: 30.

2) Positions of the principal groups of brigands
(December 23rd).

LEAGUE OF NATIONS.

Communicated to
the Council and
Members of the League.

C.L.M.1.1932.VII.

Geneva,

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2) Positions of the principal groups of brigands
(December 23rd).

-2-

a) NORTH OF MUKDEN:

Groups of brigands in the Kaiyung-Tiehling area numbered approximately 7,000 men. On December 15th we lost 13 soldiers in engagements with these groups.

b) HSINMIN:

The "Anti-Japanese Volunteer Army" (groups of brigands commanded by Chinese officers) is displaying great activity (see previous communications).

c) SOUTH OF MUKDEN:

The "Anti-Japanese Blood and Iron Group" and others, numbering approximately 8,000 men, are operating in the Anshan and Kaifeng area.

d) ANTUNG LINE: See previous communications. After the last attack it was found that 15 telegraph posts had been cut down between Ssutaitze and Fenghuangcheng. Telegraphic and telephonic communications had not yet been restored on December 29th.

On December 28th the northbound express had to turn back and the southbound express reached Antung after being held up for seven hours at Chikuanshan;

e) CHENGCHIAOTUN - TUNG LIAO AREA:

Some 4,000 brigands; 20 kilometres of the track have been destroyed.

30/12/31.

LEAGUE OF NATIONS.

C.2.M.2.1932.VII.

Communicated to
the Council and the
Members of the League.

Geneva,

January 2nd, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11 OF THE COVENANT.

Communication from the Chinese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to transmit to the Council the following communication, dated December 31st 1931, which he has received from the Chinese Delegation.

Ref.170.

Paris, December 31st, 1931.

Sir,

I have the honour to communicate to you the following reports which were received by the Chinese Delegation from Nanking:

1. On the 27th of December, Japanese aeroplanes bombarded Changwu, Tungtaying, Koutzekia, Yihmoutai and Siushuchuan, killing and wounding many civilians.
2. On December 28th, when one of the Chinese armoured trains, sent for police purposes to the south of Tawa Station, was seen by a Japanese aeroplane, one Japanese armoured train, loaded to capacity with infantry, cavalry and artillery, was rushed immediately to the spot and attacked the Chinese armoured train. Japanese aeroplanes assisted in the fight by dropping eighty bombs, more than forty of which hit our armoured train. Ordinary trains nearby and railway tracks around the Station were seriously damaged.
3. On the 28th of December at 6.30 p.m., a Chinese armoured train protecting the work of repairing railway tracks at Tienchiafen was attacked by Japanese troops. The train was fired upon by eight guns and Japanese cavalry tried to surround it. Chinese and Japanese forces came to a hand to hand fight which lasted for four hours. On the following day at 3.00 a.m., the Chinese armoured train withdrew to Panshan. Japanese aeroplanes dropped more than ten bombs on Panshan at 10 a.m., destroying part of railway tracks. In the meantime three hundred Japanese troops with two tanks launched an attack on Chinese forces. Thereupon, Japanese reinforcement numbering three thousand soldiers together with many bombing planes arrived. The Chinese forces, after sustaining very heavy losses, retreated from Panshan. A Chinese armoured train is defending Huchiaowpu.
4. On December 29th at 4.p.m., one Japanese aeroplane dropped two bombs on Koupangtze station.
5. On the same day between 11 a.m. and 2.p.m., four Japanese aeroplanes reconnoitred over Chinchow.

(Signed) HOO-CHI-TSAI.

LEAGUE OF NATIONS.

C.3.M.3.1932.VII.

Communicated to
the Council and
Members of the League.

Geneva,

January 2nd, 1932.

APPEAL BY THE CHINESE GOVERNMENT UNDER ARTICLE 11
OF THE COVENANT .

Communication from the British representative
on the Council.

Note by the Secretary-General.

The Secretary-General has the honour to
communicate to the Council the following informa-
tion transmitted to him on December 31st, 1931
by the British Government.

Military Attaché reported from Chinchow,
December 30th, that withdrawal was progressing in an
orderly manner. No interference was expected from
Japanese in forward zone, though some bombs were dropped.
Japanese expected to reach vicinity of Kouyin from Ying
December 30th. Reported from "Mukden" December 30th
Japanese reached vicinity of Pan from South East December 28th.
Four trains of troops and field guns left Mukden December 29th
and communications were interrupted.

LEAGUE OF NATIONS.

Communicated to the
Council and Members
of the League.

C.4.M.4.1932.VII.

Geneva, January 2nd, 1932.

APPEAL BY THE CHINESE GOVERNMENT UNDER ARTICLE 11 OF THE COVENANT.

Communication from the British representative on the
Council.

Note by the Secretary-General.

The Secretary-General has the honour to communicate to the
Council the following information transmitted to him on January 1st,
1932, by the British Government.

Military Attaché reported Chinchow December 31st that whole
of Chinese regular army was then South-west of Talingho and that
uninterrupted evacuation of troops was continuing and should at
present rate be completed by midnight January 1st, January 2nd unless
disorganised by bombing. Only police and peace preservation units
will remain at Chinchow.

Ko was occupied by Japanese December 31st, and latter are
now reported to be in the vicinity of Tai.

Reported from Mukden same day that seven West-bound troop
trains have left Mukden in direction of Chuliuhö but Chinese have
damaged line between Chu and Hsinmintun. Japanese were then in Faku
but not in Chang Wu. Japanese regulars in Manchuria totalled about
twenty six thousand.

LEAGUE OF NATIONS.

Communicated to the
Council and the
Members of the League.

C.7.M.5.1932.VII.

Geneva, January 4th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11 OF THE COVENANT.

Letter of December 31st, 1931, from the Acting President of the Council to the Acting Secretary-General, forwarding a copy of an Aide-Mémoire dated December 31st, 1931 from the Representative of China.

Note by the Secretary-General.

The Secretary-General has the honour to circulate to the Council the following letter from the Acting President of the Council forwarding an Aide-Mémoire dated December 31st, 1931 from the Representative of China.

(Translation)

Paris, December 31st, 1931.

To the Secretary-General.

Sir,

I have the honour to forward to you herewith copy of an Aide-Mémoire which the Representative of the Chinese Government transmitted this afternoon to the Acting President of the Council.

M. Briand would be grateful if you would communicate this document to the Members of the Council.

(s) R. Massigli.

Ref./169

Chinese Delegation,

P A R I S.

December 31st, 1931.

A I D E M E M O I R E .

In spite of the Provisions contained in Paragraph 2 of the Resolution unanimously adopted by the Council of the League of Nations on December 10th, 1931, with reference to Manchurian affairs, noting that the two Parties undertake to adopt all measures necessary to avoid any further aggravation of the situation and to 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 Liao River and on December 24th occupied Tienchuangtai. Again, on December 28th and 29th, they seized successively Tawa Station and the city of Panshan. 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 Pact of Paris, but have utterly scorned the recent Resolution of the Council of the League of Nations.

LEAGUE OF NATIONS.

Communicated to the
Council and the
Members of the League.

C.7.M.5.1932.VII.

Geneva, January 4th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11 OF THE COVENANT.

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Note by the Secretary-General.

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(Translation)

Paris, December 31st, 1931.

To the Secretary-General.

Sir,

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- 2 -

The declaration of the Japanese Foreign Office of December 27th, explaining that the movement of Japanese troops toward the West of Liao River was for protecting themselves against local bandits encouraged by 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 increase of 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-defence.

Aside from the protest duly lodged with the Japanese Government, the Chinese Government wishes to call the attention of the Council to the above-mentioned facts and hopes that the Council will immediately take effective measures to prevent the aggravation of the present serious situation in order to be in accordance with the League's Resolution.

LEAGUE OF NATIONS.

Communicated to the
Council and Members
of the League.

C.8.M.6.1932.VII.

Geneva, January 4th, 1932.

APPEAL OF THE CHINESE GOVERNMENT UNDER ARTICLE 11
OF THE COVENANT.

Communication from the Chinese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to circulate to the Council the following communication from the Chinese Delegation.

Ref.172.

Paris, January 1st, 1932.

To the Secretary-General.

Sir,

I have the honour to communicate to you the following reports which were received by the Chinese Delegation from Nanking:

1. On December 30th, four Japanese warships arrived at Chinhwangtao and one at Tangku.
2. On the 30th December, at 8.00 a.m., more than two thousand Japanese cavalry and infantry with four heavy guns, four aeroplanes and one armoured train attacked the Chinese police forces at Peichipao which retreated to the neighbourhood of Peichen, after resisting the Japanese attack until 1.00 p.m.
3. On the same day at 10.00 a.m., three divisions of combined Japanese infantry, cavalry and artillery together with eight aeroplanes and ten armoured cars and tanks launched an attack on the Chinese 19th brigade at Huchiaowpu. The Chinese forces resisted until 7.00 p.m., whereupon they withdrew to Koupangtze.
4. On December 30th, eight hundred Japanese cavalry followed up by infantry and artillery attacked the Chinese brigade under the command of Gen. Kwan at Tahushan. When the battle was still raging, more than two thousand mounted bandits from the neighbourhood of Kaoshantze arrived to the help of the Japanese and compelled the Chinese troops to retreat to Koupangtze.
5. On December 31st, at noon, four Japanese aeroplanes dropped twenty-two bombs on Koupangtze. At 2.00 p.m. another five planes dropped there more than thirty bombs. The bombs were each two hundred pounds in weight and destroyed railway tracks and a section of the Chinese armoured train.
6. According to later reports of December 31st, Japanese cavalry was close to Koupangtze and Japanese aeroplanes reconnoitered over Shanaiwan and Chinchow.

(Signed) Hoo Chi-Tsai.

LEAGUE OF NATIONS.

Circulated to the Council
and Members of the League.

C.9.M.7.1932.VII.

Geneva, January 4th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11 OF THE
COVENANT.

Communication from the Chinese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to circulate
to the Council the following communication dated January 1st,
which he has received from the Chinese Delegation.

Ref./173.

Paris, January 1, 1932.

To the Secretary-General.

With reference to the communication of the
Japanese Delegation, dated December 21st (C.1007.M.559, 1931.
VII), I am instructed by my Government to convey to you
the following remarks:

1. There has been no agreement whatever between
General Ma-Chan-Shen and the Japanese with regard to the
repairing of the Bridge on the Tsitsihar line.
2. The Antung line is entirely under the military
control of the Japanese and therefore the reported capture
of a station on that line by disbanded soldiers could not
have been prevented by the Chinese authorities. This fact
only proves that the Japanese are unable to maintain
peace and order in areas under their military occupation.
3. The increase of the activities of brigands is
due to the fact that the brigands, as soon as they are
attacked by Chinese forces, are taking refuge in the
regions occupied by Japanese troops.
4. It is completely untrue that irregular bands
are in close relations with the Chinese forces. The
Chinese delegation has already on previous occasions reported
to the Council that Japanese are encouraging the bandits
themselves and providing them with arms.
5. Ever since the outbreak of the present conflict
in September, the number of Chinese troops in the Chinchow
region has not been increased, and this has been repeatedly
confirmed by neutral observers.
6. The Chinese troops have never intended to
threaten the Japanese forces, and therefore the latter's
position cannot be considered as "critical". Facts prove that
fighting between Chinese and Japanese forces is always due
to Japanese aggression.

I request you to be good enough to have the above
circulated to the members of the Council.

(Signed) HOO CHI-TSAI.

LEAGUE OF NATIONS.

Communicated to the
Council and to the
Members of the League.

C.12.M.8.1932.VII.
Geneva, January 5th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT
UNDER ARTICLE 11 OF THE COVENANT.

Communication from the Chinese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to transmit to the Council the following communication, dated January 4th, 1932, which he has received from the Chinese Delegation.

Ref.174.

Chinese Delegation,
Paris,
January 4th, 1932.

To the Secretary-General.

I have the honour to communicate to you the following reports which were received by the Chinese Delegation from Nanking:

1. On December 30th, at 7.30 A.M., seven Japanese aeroplanes dropped about fifty bombs on Tahushan, destroying two locomotives and many sections of railway tracks. At 11.00 A.M., another eight Japanese aeroplanes dropped there hundred bombs, destroying railway tracks and telegraphic wires.
2. On the 31st of December, another Japanese warship arrived at Chingwangtao.
3. On the first of January, at 3.00 A.M., over ten thousand Japanese troops occupied Chinchow Station and besieged the city of Chinchow from three sides. Up to the time the report was sent, the casualties among Chinese troops at Chinchow amounted to more than one thousand.

(Signed) HOO CHI-TSAI.

LEAGUE OF NATIONS.

Communicated to the
Council and to the
Members of the League.

C.24.M.12.1932.VII.

Geneva, January 7th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11 OF THE COVENANT.

Communication from the Chinese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to transmit to the Council the following communication, dated January 6th, 1932, which he has received from the Chinese Delegation.

Ref./175.

Chinese Delegation,
Geneva, January 6th, 1932.

To the Secretary-General.

I beg to communicate to you the following reports which were received by the Chinese Delegation from Nanking:

1. After having occupied the Station of Chinchow on Jan. 1st, the Japanese troops launched an attack on Chinchow City from three directions. The Chinese troops resisted until the morning of Jan. 3rd, whereupon the Japanese troops entered the city.
2. Japanese armoured trains proceeded from Chinchow westward and crossed the Yuerh River, which is at a distance of about fifty li from Chinchow.
3. On January 4th, Japanese aeroplanes dropped eighteen bombs on Tungliao, killing and wounding many civilians and destroying more than fifteen buildings.

(Signed) HOO CHI-TSAI.

LEAGUE OF NATIONS.

C.25.M.13.1932.VII.

Communicated to the
Council and Members
of the League.

Geneva,

January 8th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER

ARTICLE 11 OF THE COVENANT.

Communication from the Japanese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to transmit
to the Council, at the Japanese Delegation's request,
the following communication, dated January 5th, 1932,
which he has just received.

Japanese League of Nations Bureau,
9, rue Théophile Gautier,

Paris, January 5th, 1932.

To the Secretary-General.

Sir,

I have the honour to communicate a summary of tele-
grams which I have just received concerning the murder of
Japanese subjects at Fuchow.

I should be grateful if you would communicate this
information to the President and Members of the Council.

I have the honour, etc.

(Signed) S. SAWADA,

Director of the Japanese
League of Nations Bureau.

LEAGUE OF NATIONS.

C.25.M.13.1932.VII.

Communicated to the
Council and Members
of the League.

Geneva,

January 8th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER

ARTICLE 11 OF THE COVENANT.

Communication from the Japanese Delegation.

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information to the President and Members of the Council.

I have the honour, etc.

(Signed) S. SAWADA,

Director of the Japanese
League of Nations Bureau.

- 2 -

ANTI-JAPANESE AGITATION.

Summary of official telegrams received by the Japanese

Delegation.

I. Although the Fuchow provincial authorities promised to prohibit manifestations in the town, the students organised fresh demonstrations of an extremely violent character. The Consulate-General got into touch with the authorities and consulted the Commander of the cruiser Kitakami as to the measures of protection to be taken in case of disorder.

On the afternoon of January 2nd, while walking through the town, the consul, the Commander and another officer of the above-mentioned vessel were attacked by a group of some 200 students. The two officers were roughly handled and seriously injured. The Japanese consul and his companions took refuge, under the protection of Chinese policemen, in the police buildings, in from of which the students demonstrated. They were not able to get back to the Consulate until some hours later. There was great agitation in the Japanese colony, which had been very much disturbed at the long absence of the consul and the officers, and a general meeting was held to examine the situation.

II. At about 8.30 p.m. on January 3rd, two Chinamen entered the premises of the Japanese elementary school and murdered a Japanese teacher (aged 28) and his wife (aged 27). The woman received four knife wounds and a revolver shot. The man, although wounded by a shot, managed to run to neighbours to ask for help, but succumbed while being taken to hospital.

The Japanese consul immediately notified the provincial authorities, who proceeded with him to the scene of the incident. The Japanese consul again called upon the provincial authorities to take the necessary measures for the safety of Japanese nationals.

LEAGUE OF NATIONS.

C.26.M.14.1932.VII.

Communicated to the
Council and the
Members of the League.

Geneva,

January 8th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER

ARTICLE 11 OF THE COVENANT.

Note by the Secretary-General.

At the request of the Japanese Delegation,
the Secretary-General has the honour to transmit
to the Council the following communication,
dated January 6th, 1932.

BRIGANDAGE IN MANCHURIA.

Summary of official telegrams received by the
Japanese Delegation.

I. The number of Japanese nationals who have taken refuge in Antung as a result of the attacks by brigands on Fenghuangcheng between December 25th and 27th amounted, on December 31st, to 187 (57 Japanese and 130 Koreans). There still remain in this area 400 Japanese, who are expected to arrive at Antung. The authorities are having considerable difficulty in finding accommodation for the refugees.

II. The brigands who have regrouped themselves in the rear of our troops are very active. In the night of January 1st, a group of about 300 men armed with machine guns attacked our troops at Paochipu (west of Hsinmin).

The same day a group of some thousand men appeared near Wulungpei station (Antung line) and attacked a train.

III. We have secured fresh proof that regular soldiers were directing the movements of the brigands. At Panshan, our troops encountered the 2nd volunteer brigade, and on the Chinese dead documents were found showing that the bearers belonged to the regular army (in particular, a lieutenant of the 19th independent brigade, 654th infantry group, trench mortar company).

LEAGUE OF NATIONS.

Communicated to the
Council and Members
of the League.

C.28.M.15.1932.VII.

Geneva,

January 7th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11
OF THE COVENANT.

Communication from the Representative of
France on the Council.

Note by the Secretary-General.

The Secretary-General has the honour to
communicate to the Council the following information
transmitted to him by the French Government on
January 6th, 1932.

The French Government has received from its
observer, who left Chinchow at noon on January 1st, the
following information as to the position in the city at the
time of his departure:

The city of Chinchow and the immediate neighbour-
hood had already been evacuated by the Chinese troops, except
the 20th Brigade, which was on the point of leaving.

The Commander-in-Chief had gone on the previous day,
leaving the Sub-Prefect behind, with instructions to remain
and provide for the maintenance of order.

LEAGUE OF NATIONS.

Communicated to the
Council and to the
Members of the League.

C.39.M.22.1932.VII.

Geneva,

January 11th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11
OF THE COVENANT .

Communication from the Chinese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to
transmit to the Council the following communication,
dated January 10th, 1932, which he has received
from the Chinese Delegation.

Geneva, January 10th, 1932.

Ref./176.

To the Secretary-General.

I have the honour to communicate to you the following
reports which were received by the Chinese Delegation from Nanking:

1. On the evening of January 5th, one Japanese armoured train and three troop trains, carrying altogether about seven hundred Japanese soldiers, arrived, under the command of a Japanese general, at Suichung Station, which is situated at about 100 li North-east of Shanhaikwan.
2. The Japanese troops occupied Ihsien and Nanling on the 4th and 6th of January respectively.
3. One Japanese aeroplane reconnoitred over Peipiao on January 6th.
4. Two train-loads of Japanese soldiers with technical experts and workmen of the South Manchurian Railway arrived at Shanhaikwan on the 6th of January, but returned eastward on the following day.
5. Owing to military operations of the Japanese troops, the traffic on the Chinchow-Chaoyang branch line of the Peking-Mukden Railway has been interrupted.

(Signed) HOO CHI-TSAI.

LEAGUE OF NATIONS.

Circulated to the Council
and Members of the League.

C.46.M.27.1932.VII.
Geneva, January 13th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11
OF THE COVENANT.

Communication from the Chinese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to circulate
to the Council the following communication dated
January 12th, which he has received from the Chinese
Delegation.

Ref./177.

Geneva, January 12th, 1932.

Sir,

With reference to the communications of the Japanese
Delegation, dated January 8th (C.25.M.13.1932.VII), I am informed
by my Government as follows:

1. On January 2nd, when the Chinese students were
holding a mass meeting at the West Lake Park of
Foochow, the Japanese Consul and Commander entered
the park in plain cloth, tore down some of the slogans
and insulted the Chinese, thus provoked themselves
the incident, as reported in the said Japanese
Communication.
2. The murder of the Japanese teacher and his wife
on the evening of January 3rd, is an ordinary criminal
case and cannot, therefore, be considered as an anti-
Japanese act. As the murderers escaped, it is not
even known whether they are of Chinese nationality.

(Signed) HOO CHI-TSAI.

LEAGUE OF NATIONS.

C.51.M.29.1932.VII.

Communicated to the
Council and to the
Members of the League.

Geneva,

January 14th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER ARTICLE 11
OF THE COVENANT.

Communication from the Chinese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to transmit to the Council the following communication, dated January 13th, 1932, which he has received from the Chinese Delegation.

Ref./178.

Geneva, January 13th, 1932.

To the Secretary-General.

I have just been informed by my Government that on the morning of January 10th, two Japanese aeroplanes flew about over Pinchow for two hours and dropped six bombs on the city, destroying the Educational Bureau, the Girls' School, one grocery shop and several other buildings, killing one man and one woman, seriously wounding two men and injuring several other civilians.

In submitting the above report to you, I beg to point out that Pinchow is the city where the Kirin Provincial Government has been temporarily established after the occupation of Kirin by the Japanese troops. It is situated to the North of the Chinese Eastern Railway at two hundred li (about seventy miles) north-east of Harbin and at about one thousand li (about three hundred and fifty miles) from the northernmost station of the South Manchurian Railway. As there has been not the slightest provocation previous to this aerial bombardment of the city of Pinchow and as the Japanese former meagre excuses for similar action could hardly have applied in this case, it is abundantly obvious that the Japanese are aiming at driving out of Manchuria all the lawful Chinese authorities. This is a flagrant violation of solemn international instruments of which Japan is a signatory and an utter disregard of the Council resolutions agreed upon by the Japanese Government itself.

I beg you to be good enough to communicate the above to the Council and to request the President of the Council to intervene without delay with a view to preventing the recurrence of outrage such as that reported above.

(Signed) HOO CHI TSAI.

LEAGUE OF NATIONS.

C.55.M.30.1932.VII.

Communicated to the
Council and Members
of the League.

Geneva, January 14th, 1932.

APPEAL OF THE CHINESE GOVERNMENT UNDER ARTICLE 11
OF THE COVENANT.

Communication from the Polish Representative on the Council.

Note by the Secretary-General.

At the request of the Polish Government, the Secretary-General has the honour to communicate to the Council the following letter dated January 12th, 1932.

Geneva, January 12th, 1932.

The Council decided at its last session to send a commission of five members to study on the spot and to report to the Council on any circumstance which, affecting international relations, threatens to disturb peace between China and Japan, or the good understanding between them, upon which peace depends.

It appears from the communication you were good enough to make on January 11th, 1932, to M. Zaleski that the President of the Council in office, when asked to constitute this commission in concert with you and in agreement with the parties concerned has had recourse to the services of a national of the United States of America and of four persons belonging to the countries which are permanent Members of the Council.

I am directed to inform you that, while accepting this proposal, the Polish Government cannot help regretting that it has not been possible in the present circumstances to include in the commission one or more of the elected Members of the Council, since this, in its opinion, would secure international co-operation on a broader basis, and would also answer to the fundamental idea of the Covenant - that of close co-operation between the permanent Members of the Council and the Members elected by the Assembly.

I would point out that, in offering the above observations, my Government in no sense asserts that any other composition of the Commission of Enquiry would have been possible in the present circumstances. The mere fact that the present President of the Council is a man of such high moral authority and wide political experience as H.E. M. Briand offers every possible safeguard and reassurance in this respect. I merely wished to take the opportunity afforded me by the appointment of the Commission of Enquiry to define the Polish Government's attitude in this matter, in order to ensure that this appointment should not become a precedent for the future. I am the more free to do so inasmuch as the Polish Government at no time contemplated the participation of Poland in the Commission.

I should be obliged if you would kindly communicate this letter to the Members of the League.

(Signed) F. SOKAL,

Minister Plenipotentiary,
Delegate to the League of Nations.

LEAGUE OF NATIONS

Communicated to the Council
and Members of the League.

C.62.M.34, 1932.VII

Geneva, January 16th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT UNDER
ARTICLE 11 OF THE COVENANT.

Note by the Secretary-General.

At the request of the Japanese delegation, the
Secretary-General has the honour to transmit to the Council
the following communications dated January 13th, 1932.

BRIGANDAGE IN MANCHURIA.

Official telegram received by the Japanese delegation.

Acts of brigandage in the South Manchurian Railway
area from December 21 to 31:

Number of attacks:	616
Civilians killed and wounded:	30
Number of persons carried off as hostages:	220

The districts suffering most were:

Area of the Antung-Mukden line: (traffic has been momentarily interrupted)	185 attacks
Tiehling-Kaiyuan-Ssupinghai:	137
Neighbourhood of Mukden:	127
Liaoyang-Nanshan-Yingkow:	56

There were 328 attacks by groups of less than 100				brigands
186	"	"	"	" 100 to 300 "
68	"	"	"	" more than 500 "

Official telegram received by the Japanese delegation.

Tientsin, January 13th.

The situation having become considerably less
strained, the military authorities decided to send back a battalion
of troops which had come from Manchuria to reinforce the Tientsin
garrison. These troops left on the 14th.

743.94/4228

DECLASSIFIED: E.O. 11652, 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. 222 Political

PM RECD

AMERICAN CONSULATE FEB 8 1932

Geneva, Switzerland, February 2

DEPARTMENT OF STATE

DIVISION OF
WESTERN EUROPEAN AFFAIRS

LEAGUE OF NATIONS SECTION

FEB 17 1932

FEB 15 32

Division of
FEB 17 1932

SUBJECT:

Sino-Japanese Conflict -
Transmitting Pamphlet Prepared
by The Geneva Research Information
Committee

1-1085 GPO

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS AND RECORDS
PUBLICATIONS SECTION

FEB 16 1932

Enclosed for
transmission to be
made to L. R.

1/

I have the honor to transmit herewith two copies
of a pamphlet entitled "The League and Manchuria - The
Third Phase of The Chinese - Japanese Conflict, October 25 -
December 31, 1931" prepared by the Geneva Research Infor-
mation Committee, an American organization interested in
the preparation and dissemination of studies of League
activities, formerly connected with the American League
of Nations Association, but now an independent group which
in its work obtains information and assistance from the
League Secretariat.

The enclosed study gives a chronological summary of
the development of events in the Sino-Japanese conflict
during the period indicated in the title. Although this
is not a publication of the League of Nations and the
latter does not assume responsibility for any statements
made therein, the study was undoubtedly prepared in close

F/LS

793.94/4229

FILED

FEB 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 -

consultation with members of the Secretariat. It appears to be in general accurate as to facts and impartial as to treatment.

Respectfully yours,

Prentiss B. Gilbert
Prentiss B. Gilbert,
American Consul.

Enclosure:

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

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POLITICAL SECTION

THE LEAGUE AND MANCHURIA

THE THIRD PHASE OF THE CHINESE-JAPANESE CONFLICT

OCTOBER 25—DECEMBER 31, 1931

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NOTE

The series of Geneva Special Studies on "The League and Manchuria" concludes with this number, which has been delayed in order to carry on the day by day account to the close of the year and to include the membership of the Commission of Enquiry appointed to investigate the circumstances of the dispute and report to the Council.

The three Studies for October, November and December thus provide a continuous record of events and action from the outbreak of the conflict to the beginning of this new phase of the League's endeavor for a peaceful settlement.

THE LEAGUE AND MANCHURIA

The Third Phase of the Chinese-Japanese Conflict.

October 25-December 31, 1931.

Prepared under the supervision of the Geneva Research Information Committee.

THE course followed by the League of Nations in dealing with the dispute between China and Japan showed a deepening realization of the difficulty and gravity of its endeavors to secure a peaceful settlement. The first period, ending with the unanimous resolution of September 30, was predominantly one of public discussion. The second period ended on October 24 with that resolution still in force, but also with an attempt by the Council members other than Japan to give moral effect to a request for withdrawal of her troops from Chinese territory outside her railway zone in Manchuria before the next meeting on November 16. More divided into closed and open meetings, it kept the emphasis still on public discussion. The third period developed into one of almost entirely private conference, with public meetings to record formally the agreements reached.

Negotiations were progressively complicated by the inevitability of conducting them with four main points of view constantly in mind: First, there was the immediate controversy between China and Japan to be considered in relation to the conditions of their conflict in Manchuria; second, there were the interests, policies and privileges of the other nations in the area concerned and in the Far East generally, and the possible effects on them; third, there were the claims, positions and rights of the other nations, strong and weak, in their own home regions or spheres of influence—central and western Europe, the Balkans, the Near East, North Africa, Central America and the Caribbean—where programs of action

might be affected by precedents set up in this case; fourth, there were the authority of the League, the credit or discredit of the whole peace system of accords, pacts and treaties, and the prospective consequences for the Disarmament Conference and for the recovery of confidence in economic and political stability, depending upon the outcome of this diplomatic encounter between the Powers of East and West.

OCTOBER 25th — NOVEMBER 15th

THE period immediately after the adjournment of the Council was one of comparative quiet while the situation was being evaluated. On Sunday, October 25th, cable dispatches from Nanking in the *Journal de Genève* indicated that the Chinese Government had sent instructions to its representative to adhere strictly to the terms of the original resolution adopted on September 30 by the Council of the League and to oppose any modification of it.

In Japan, dispatches from the Reuter agency in Tokio indicated, there was no concealment of great discontent in official circles with the action taken in the League Council; and it was being stated that if the League refused to concern itself with the question of treaty obligations, it should not persist in trying to induce Japan to modify her point of view.

Press comment from the United States showed that opinion was tending to analyse

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the outcome of the Council meetings, reserving judgment on it, and weighing the consequences of any possible further action along more drastic lines against those of failure effectively to settle the dispute. Japanese newspapers expressed regret and resentment at the acts of the Council, arguing that while Japan was struggling to resolve a "question of life or death" the League was occupying itself with theories. Particular indignation was displayed towards Great Britain, whose representatives were regarded as attempting to exert undue pressure on Japan, both at Geneva and at Nanking, in order to regain prestige and advantages in China.

The next day, October 26th, brought dispatches from the United Press agency in Tokio that the Japanese Cabinet had met and discussed publication of a general statement reiterating the principles of the "fundamental points" and of direct negotiations with China. The feeling was said to prevail that Mr. Yoshizawa had failed to make Japan's case clear.

The London *Times* concluded a long editorial on League action by saying:

. . . the judgment of the League in the Manchurian dispute. . . is that diplomacy by bombing is no more tolerable today than would be a revival of diplomacy by ultimatum, and that the principle of arbitration, having been formally and legally accepted by every signatory of the Covenant, must be tried before any other method is resorted to by every member of the League that is mindful of its commitments . . .

The Paris *Temps*, in its *Bulletin du Jour*, argued that while the League Council had adjourned without reaching a binding agreement, it had reduced the menace of war, and concluded:

The action of the Council at Geneva has yielded practical results. . . so the praises accorded to the representative of France are fully justified by the political courage with which M. Briand assumed a task particularly delicate under existing circumstances.

American editors continued their critical evaluation of the results of cooperation between

the League Council and the United States so far, with papers like the *New York Times*, the *New York World-Telegram*, the *Christian Science Monitor*, the *Boston Globe*, the *Washington News*, the *Springfield Republican*, the *Detroit Free Press*, the *Cleveland Plain Dealer*, the *Indianapolis Star*, the *Richmond Times*, the *New Orleans Times-Picayune*, the *Portland Oregonian* and the *Tacoma News* tending to support it, and the *New York Herald-Tribune*, the *New York Evening Post*, the *Chicago Tribune*, the *Washington Post*, the *Pittsburgh Sun* and the Hearst papers continuing in varying degrees to oppose.

Japan Defines Her "Fundamental Points"

JAPAN issued a statement on the Manchurian dispute which was reported to the London *Times* on October 27th, by its Tokio correspondent, to contend that both the League Council's resolution and the Japanese amendment failed to become effective through lack of unanimity. Reviewing the development of the conflict and re-affirming the policies previously indicated, the Government finally set forth the much discussed "fundamental principles" held to be necessary for a settlement:

1. Mutual repudiation of aggressive policies and conduct,
2. Respect for China's territorial integrity,
3. Complete suppression of all organised 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 the treaty rights of Japan in Manchuria.

The refusal of the Japanese representative to define these principles at the table of the Council was explained to have been due to the consideration that they should properly form the subject of negotiations between the parties directly concerned.

It was becoming increasingly clear that the centre of controversy involved Japan's attempt to secure full acknowledgement by China of the treaties of 1915, resulting from Japan's

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"Twenty-one Demands", which China has tended increasingly to contest as having been concluded under duress.

The Chinese representative transmitted a telegram from the Chinese Chamber of Commerce at Shanghai, thanking the Council of the League for its efforts and expressing confidence that, with the cooperation of the United States and other signatories of the Pact of Paris, it would carry them on to a just conclusion which would successfully maintain the League Covenant and the Pact.

Dispatch of Japanese reinforcements along the railway from Mukden north-westward to Taonan was reported from Tokio, by the Reuter agency, on the ground that bandits were attacking railway stations and trains. Havas agency dispatches from Tokio carried reports from Harbin that supplies of artillery and ammunition were being sent by Soviet authorities to Chinese forces in the west Manchurian province of Heilungkiang, and that raids on Japanese settlements were being carried on by Chinese troops.

In regard to anti-Japanese agitation in China, the Geneva correspondent of the Paris *Temps* reported the substance of conversations with members of the Chinese delegation: No such movement had existed in China before 1915, it was argued, when Japan advanced her "Twenty-one Demands" designed to place China under the economic, financial, military and political tutelage of Japan. Then a state of tension began to develop between the two nations, and the Chinese launched their first boycott movement against Japanese products. There followed the troubles in the Shantung province, under Japanese occupation, and alleged use of the South Manchurian railway as a military and strategic line contrary to the Portsmouth Treaty of 1905, which ended the Russo-Japanese War and transferred control of the railway to Japan.

Japan Restates Her Case

THE Japanese delegation transmitted to the Council on Wednesday, October 28th, a tele-

graphic version of the declaration made by the Government in Tokio two days before:

1. On 22nd October Japanese representative in Council League Nations proposed certain amendments to resolution then before Council with regard two questions of

- (1) Withdrawal Japanese troops to railway zone, and
- (2) Direct negotiations between China Japan.

However, these suggested amendments as well as resolution itself fell through having failed obtain unanimous approval of Council.

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

3. Japanese Government have on various occasions given expression to their firm determination to suffer no abridgment or diminution of rights and interests Japan which are vital to her national existence and which are woven into complex fabric of her political and economic relations with China. Unfortunately 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 Chinese mind. In defiance of treaties and regardless of all history vigorous agitation has been carried on in China with object of undermining rights and interests of Japan even most vital. As things stand at present complete withdrawal Japanese troops to South Manchuria railway zone under mere assurance of Chinese Government would create intolerable situation exposing Japanese subjects to gravest dangers. Risk of such dangers is clearly evidenced by past experience and by conditions which actually obtain in China.

4. Japanese Government are persuaded

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that in present situation safety of Japanese subjects in Manchuria can hardly be ensured without provision being made to remove national antipathies and suspicion existing in mutual relations of two powers. With this end in view they have already expressed in note of Minister Foreign Affairs October 9th to Chinese Minister Tokio their readiness to enter into negotiations with Chinese Government on certain basic principles that should regulate normal interrelationship between two countries. That Note was communicated at time to Council League. Convinced that this method of procedure is alone calculated to open out a way to relieve situation Japanese Government have consistently held to their proposals in that sense throughout recent discussions at Council League. 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.

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

5. With future welfare of both nations in mind Japanese Government feel that urgent need at present moment is arrive at solution of problem by cooperation of two countries and thus seek path of common happiness and prosperity. Their willingness remains unaltered and unabated to open negotiations with Chinese Government on subject of basic principles above formulated relating to normal relations between Japan China and on subject of withdrawal Japanese troops to South Manchuria.

At the request of the Japanese delegation the Secretary-General also transmitted to the

Council and to the International Committee on Intellectual Cooperation a letter giving a resolution adopted by the 8th National Congress of Japanese Schoolteachers:

The 8th National Congress of Japanese schoolteachers draws attention to the fact that the causes of the dispute between China and Japan, the most burning aspect of which is the Manchurian question, are of long standing. In particular the anti-Japanese instruction given in the Chinese primary and secondary school text-books is bound to have the most unfortunate consequences for the future:

The Congress therefore decides to forward this resolution to the League of Nations.

The idea of an arbitration treaty between China and Japan, as suggested in the letter addressed to the President of the Council on October 24th by the Chinese representative, was being welcomed in principle by official circles in Tokio, according to dispatches to the *London Times*, but with the reservation that new treaties with China were of doubtful value until the Chinese Government had evinced its readiness to abide by existing treaties. Official Japanese statistics were published tending to show that over 300 Koreans had been massacred by bandits in Manchuria, 300 houses burned down and 2000 looted, and other outrages committed which were still under investigation.

A Warning at the Nonni River

MEANWHILE the Japanese Consulate General at Tsitsihar, north of the Chinese Eastern Railway operating under joint Chinese and Soviet Russian management in northern Manchuria, issued a warning to local Chinese authorities which proved to be a forecast of further serious trouble. He declared that unless repairs were immediately made to the bridges over the Nonni River, south of this railway, on the line through Taonan to Mukden, which had been blown up by Chinese forces in a local conflict, the Japanese army would "take effective measures".

According to dispatches from Nanking to

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the *Paris Temps*, General Chiang Kai Shek, the chief of the National Government, had publicly expressed his conviction that the resolution adopted by all the members of the League Council except Japan would achieve the results desired. Considering it entirely satisfactory to China, he was said to have acknowledged that the League had done everything possible and that the Chinese should accept its action in this spirit and endeavour to execute the resolution.

The Japanese Advance North

DESPATCH of a repair squad towards the Nonni River, under protection of Japanese soldiers, to restore the bridge blown up by Chinese troops in the local civil war, was reported from Tokyo in newspapers of October 29, with explanations that this stretch of railroad was heavily indebted to the South Manchuria Railway which would lose heavily if traffic were paralyzed during the season for movement of crops. Clashes between Chinese and Japanese forces and between contending Chinese factions were said to have taken place. Soviet Russia was rumored to be assembling men and rolling stock near the Manchurian frontier, and the Japanese Foreign Minister had sent a communication to Moscow expressing the hope that the Soviet Government would avoid any action which might cause difficulties.

Meanwhile, from Shanghai there came press accounts of an agreement between the representatives of the Nanking and Canton factions, on the basis that authority should be vested in the Kuomintang or Nationalist party and that the Nanking foreign policy should remain in force. General Chiang Kai Shek, the head of the Nanking Government, was further declared to have issued an order to stop all anti-Japanese agitation until the reassembly of the League Council.

The Soviet side of the Manchurian situation appeared in dispatches from Riga published on October 30, denying allegations in a note received from the Japanese Government that Soviet officers and instructors were aiding Chinese troops opposed to the Japanese in the

Tsitsihar and Nonni areas and supplying them arms and munitions. In declarations by the Premier and Minister for Foreign Affairs, cabled from Tokyo, Japan re-asserted her intention not to withdraw her troops to her railway zone in South Manchuria until direct negotiations settled differences with China.

Briand on the "Fundamental Points"

M. Briand, as President of the Council, had in the meantime sent to the Japanese representative in Paris, under date of October 29, an important note made public by the Secretary-General on the 31st, replying to the Japanese Government's declaration of the 26th; in it he argued that all the Japanese "fundamental points" were covered by equivalent provisions in both the Council draft resolution of the 24th and the Japanese amendment to it, and by the Chinese offer of a general arbitration treaty:

As President of the Council of the League of Nations, I have examined most carefully the Japanese Government's declaration dated October 26th, 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

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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 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 26th 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 24th 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 organised 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 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 Dr. 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 fulfil *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 feel confident that the Japanese Government, being desirous of fulfilling the undertaking which is 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 22nd, 23rd and 24th, 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 24th, 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".

An authentic version of an address made by the President of China on the 27th, urging on the people self-restraint and support of the League Council in its action, was transmitted on the 31st by the Chinese representative; and on the same date he also had circulated to its members a memorandum from the Chinese Government replying in detail to the Japanese Government's note of the 26th as follows:

The Chinese Government received on October 28th from the Secretary-General

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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 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 the help of the League, of devising any other arrangements on the spot to guarantee the safety of Japanese lives and property in the re-occupied 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 26th, 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 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

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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 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 16th.

Official circles in Tokio continued to feel uncertain of Soviet intentions, according to reports published on the 31st. The Soviet denial of Japanese allegations that aid had been given to their Chinese adversaries in North Manchuria ignored both the warning against any despatch of Soviet troops along the Chinese Eastern Railway and the question whether an extension of Japanese military control towards Tsitsihar would call forth such an advance. Nevertheless, the Minister of Foreign Affairs was said to be convinced that Soviet

Russia desired to remain neutral. The repair party sent under Japanese guard to the Nonni River bridge was described as waiting a reply by the Chinese to the Japanese Consul's request to have it rebuilt. Permission to restore it and protect it was regarded as equivalent to granting Japanese command of the key section on the Chinese Eastern Railway, crossed by the rail line over the Nonni River to Tsitsihar.

A new British-Chinese agreement began meanwhile to be rumored in despatches from Shanghai, to the effect that a treaty was being negotiated terminating special consular jurisdiction over British subjects in China and providing for a temporary arrangement as to the administration of the settlements at Shanghai and Tientsin until their final transfer to Chinese control.

Manchurian Revenues Seized

MORE disturbing news arrived on November 1st, in cable dispatches to the London *Times* from Peking that the Japanese-supported Governor at Changchun had seized the revenues from taxes on salt, tobacco, wine, and other commodities, on the ground that the central Government was not furnishing funds to assure the payment of provincial troops. This marked a further serious extension of the conflict for administrative authority between the national executive organization at Nanking and the new local Chinese officials under Japanese protection in Manchuria.

Officials and press in Japan at the same time expressed open dissatisfaction over the reports that Great Britain had been negotiating a treaty at Nanking tending to modify the extra-territorial rights of British nationals.

The Hon. Frank B. Kellogg, member of the Permanent Court of International Justice and former American Secretary of State, meanwhile sent to M. Briand, co-proponent with him of the Pact of Paris, a telegram congratulating him upon his action to secure pacific regulation of the Chinese-Japanese controversy and calling his authority the greatest hope for the maintenance of peace in the world.

Uncertainty in North Manchuria

THE next day, November 2nd, brought news from Tokio in dispatches to the London *Times* that the situation in North Manchuria had been improved by a promise from the Chinese general in command to repair the bridge over the Nonni River in seven days. Nevertheless there were other reports from Mukden by way of Tokio that the Chinese leaders were securing Soviet aid at Tsitsihar, and of withdrawal of some troops from Kirin and movement of others along the line towards the Nonni River.

The Japanese delegation to the League Council issued a communication to the press reviving its contention that China had violated an agreement not to build railways parallel to the Japanese lines in South Manchuria. Wellington Koo, the former Chinese Premier, had been reported to challenge this contention, in a speech at Nanking, and to deny the existence of any valid treaty on the subject.¹ The Japanese communication argued that in the verbatim record of conferences leading to the Chinese-Japanese Treaty of Peking of 1905, as revised and signed jointly by both parties to form the total of engagements then undertaken, there was a precise stipulation prohibiting China from building any main line near and parallel to the South Manchurian Railway or any branch injurious to its interests. This was part of these "secret protocols", never officially published after the conferences and often contested by the Chinese since that time.

Mr. Castle, Under-Secretary of State, was reported in a dispatch to the Paris *Temps* as having said in Washington that, in view of the treaties guaranteeing the integrity of China, the United States could not approve permanent occupation of Manchuria by Japan, and further that the United States had not expressed itself on the request of the League Council to Japan to withdraw her troops to her railway zone before the next meeting on November 16 because its opinion had not been asked.

¹ For fuller information, see "The League and Manchuria: *The Second Phase of Action in the Chinese-Japanese Dispute*. Geneva Special Studies Vol. II, No. 11, P. 45-46.

China Issues a Warning

CHINA voiced, on November 3, in a letter¹ to the Secretary-General, grave concern over developments in Manchuria since the adjournment of the Council. On behalf of his Government, the Chinese representative transmitted a memorandum stating that China had appointed a commission to deal with details of withdrawal of Japanese troops and assurance of safety for Japanese nationals and their property, headed by Wellington Koo; that Japan had refused to deal with it and reiterated her request for an agreement first on "fundamental points"; that General Honjo's headquarters had notified Mr. Pearson, of the Ministry of Finance, of the Japanese desire to have the entire salt revenue of Manchuria go to the newly established Mukden administration; that this revenue constituted the security for various foreign loans; that Japanese troops had raided the customs office at Mukden and seized the salt revenue at Newchwang; that Japanese advisers had been appointed to all local authorities and financial institutions in Mukden and various acts committed to consolidate the Japanese economic and military control; and that Japanese troops were extending their area of operation in North Manchuria and opposing the authorities loyal to the Nanking Government while aiding leaders under their protection.

Citing the Council's unanimous resolution of September 30, the Chinese representative argued that Japan had disregarded it in her insistence on "fundamental principles" as a preliminary basis of agreement with China to withdraw her troops, and so violated Article X of the League Covenant and Article 2 of the Pact of Paris. He concluded:

The Chinese Government must reiterate its firm determination never, in any circumstances, to agree to negotiations under the pressure of military occupation, and confidently looks to the Members of the League and the United States of America not to suffer the Covenant, the Pact of Paris, and the Washington Nine Power Treaty to be trampled under foot.

¹ Document No. C.789.M.383.1931.VII.

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In the Far East, the Tokio Government indicated anew in press communications its unwillingness to deal with the Chinese Government on the basis of the draft resolution of October 24. At Shanghai the conferences for unity between the Nanking and Canton factions were disturbed by a speech of Chiang Kai Shek declaring his determination to maintain the continuity of the existing Nationalist administration and its policies.

At the request of the Japanese delegation, the following telegram from Tokio, dated November 2, was circulated to the Council:

At the request of the South Manchurian Railway Company and the management of the Taonan Angangchi Line one company of sappers was sent on November 2nd to repair the Nonni Railway Bridge. It is under the protection of troops (infantry, artillery and air force) probably detached from Chenchiatung (confirmation of this point has been requested).

Trouble Starts at the Nonni River

A skirmish between Chinese and Japanese forces at the Nonni River bridge, reported in cable despatches on November 4, was the prelude to graver events. In the preceding days rumors had spread from Harbin that Japanese forces had occupied Tsitsihar. The Soviet Government asked its envoy at Tokio to inquire whether Japanese troops had attempted to press further into northern Manchuria. Officials there denied that they had, and the Japanese envoy at Moscow declared that they had no intention to occupy parts of Manchuria under Soviet influence. The contradictory information coming from the region led the administration at Washington to send an observer there to make direct reports.

Japan at this moment called the attention of the League sharply to the fact that she did not recognize any validity in the Council's draft resolution of October 24. Her delegation communicated to the Council an official translation of the Government's reply, dated October 31, to the Chinese request for negotiation on details of evacuation of Manchurian territory, reported previously from Tokio:

I have the honour to acknowledge receipt of your Excellency's note dated October 27. In that note mention is made of paragraph 5 of a resolution of the League of Nations dated October 24. The Japanese Government desires to draw the attention of the Chinese Government to the fact that no resolution was adopted by the Council of the League of Nations on October 24. Your Excellency's note also expresses the Chinese Government's desire that negotiations should at once be opened with a view to the taking over of the territories evacuated by the Chinese troops in the three Eastern Provinces. The Chinese Government had already expressed a similar desire in your Excellency's note of October 5 to which I replied by a note dated October 9. The Japanese Government has announced the line of conduct it proposes to follow in order to settle the Manchurian incidents in a statement published on October 26 and it requests the Chinese Government to be so good as to refer to that document. The Japanese Government is most anxious that the Chinese Government should accept the views of the Japanese Government as expressed in that statement and should enter into negotiations with it as speedily as possible with a view to reaching an agreement on fundamental principles to form the basis for the restoration of normal relations between the two countries and also into negotiations with regard to the withdrawal of the Japanese troops into the South Manchuria Railway zone.

Details on the Salt Revenue Seizure

CHINA at the same time warned the League again of the serious encroachment upon her administrative independence in Manchuria shown in expropriation of salt revenues on Japanese demand for the use of local authorities set up with Japanese aid. The Chinese representative sent to the Secretary-General a strongly worded note supported by information from Dr. Frederick A. Cleveland, the Associate Chief Inspector of Salt Revenue:

I beg to invite your attention to the attached information from Nanking, November 3rd, which unhappily more than bears out the serious view of the situation in Manchuria contained in the Memorandum and covering note I handed to you yesterday.

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It is now clear that the Japanese Army of Occupation are pursuing a deliberate policy of trying to substitute for the authority of the Chinese Government the rule of various groups and individuals set up and maintained by the Japanese themselves.

Yesterday's Memorandum predicted that a further step in this policy was imminent. It has now been taken: The Japanese military are confiscating the salt revenues and trying to divert them into the hands of the puppet authorities set up by themselves.

The serious harm to foreign interest need not be emphasized. It is further clear that this policy is a flat defiance of the Council's recommendations and a flagrant violation of the Covenant, the Pact of Paris and the Washington Nine Power Treaty. The situation is of the utmost gravity.

There was attached the text of a cablegram received by the Chinese Delegation, dated Nanking, November 3rd, which read in part:

Please inform the Secretary-General of the League for circulation to the Members of the Council and the Representative of the United States that the Minister of Finance has received the following report from Doctor Frederick A. Cleveland, Associate Chief Inspector of Salt Revenue:

"The Japanese military authorities in Manchuria which have tied up the salt revenues since September 18th, have now forcibly taken part of the accumulated revenues. The particulars are as follows: On September 19th the Japanese military authorities in Manchuria forcibly entered the District Office at Newchwang, since which time the Japanese military in occupation have exercised strict surveillance of all revenue transactions and revenue accounts in offices and collecting banks and have refused to permit remittance of funds to the National Government, asserting, however, they did not intend expropriate funds or deprive the Government of its revenues.

"Since September 18th large revenue funds have accumulated. . .

"October 31st at 10 a.m. Mukden District Inspectorate telegraphed to the Inspectorate that the Manager at the Newchwang Branch Bank of China personally handed us on 30th at 8 p.m., a letter, stating at 11 a.m. to-day Paymaster Iwase of Japanese Military Headquarters, Adviser Tamada Shigeji of the Provincial Government Bank and Provincial Finance Bureau (newly established), and staff officers of

Provincial Government Bank with armed men came to his bank demanded handing over salt revenue collections. This was refused but finally at 4 p.m., a sum of six hundred seventy two thousand seven hundred and nine dollars fifty six cents (\$672,709.56) was taken away. It was only after repeated negotiations that a Provincial Finance Bureau's sealed receipt, signed by Tamada Shigeji, was obtained. Under such circumstances we could do nothing.

"Demands for Kihei (Kirin and Heilungkiang) deposit at Changchun two million six hundred thousand dollars (\$2,600,000) are being made by persons claiming represent certain groups, which have suddenly sprung up, and monopoly since Japanese military occupation. Active agents of these groups, as in the case of expropriation of funds at Newchwang, seem to be so-called Japanese Advisers. These representatives have threatened to use force in case said deposits at Changchun are not released to them.

"Chief Inspectors have instructed local representatives that in no case are they to yield to demands for funds subject to its control for two reasons: (1) Because such consent would constitute breach of trusteeship; (2) Because these large sums on deposit, if held under Japanese control or diverted to uses of persons who are unfriendly to recognized authorities, might be potent resource to stimulate opposition to Chinese National Government and foment revolution.

"In addition to foregoing another form of exploitation is threatened, namely: Diversion of revenues as they currently accrue . . . After deduction of expenses and quotas for service of foreign loans secured on salt, there is an average net balance of one million six hundred thousand dollars (\$1,600,000) monthly. Repeated demands have been made that this monthly surplus be turned over to persons and groups who have support and co-operation of Japanese military authorities in occupation.

"Salt Inspectorate has been instituted as agency for collecting and conserving salt revenue for foreign loan service and other uses and purposes designated by National Government. Against estimated total annual collections one hundred seventy million dollars (\$170,000,000) various appropriations and commitments have been made which including expenses, service of foreign and domestic loans and authorized transfers to local authorities amount to above one hundred twenty five million dollars (\$125,000,000) yearly—about seventy per

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cent of estimated total salt revenue. In existing emergency Chief Inspectors deem it their duty to lay these important impairments of public revenue before you."

Following the skirmish at the Nonni River railway bridge, despatches from Tokio carried a War Office announcement that the repair party would return with an escort of Japanese troops. The commander was said to have notified both rival Chinese factions, promised to observe neutrality between them, and requested withdrawal of their troops six miles from the bridge or else effective measures would be taken to prevent interference.

From Mukden and various points in Manchuria, Japanese information described increasing difficulties with bandits, wandering soldiers, and "bands of death" organized to combat the occupation.

At London, according to a Havas agency cablegram, the Foreign Office declared that there had been no secret agreement between Great Britain and China in regard to rights of British subjects in China, although conversations of which all governments were informed had been going on with the Chinese Government.

In the many articles and editorials published on the whole subject in the English and European press, there seemed to be a general tendency in the British papers to emphasize the complications and difficulties of procedure for a settlement and at the same time its necessity in the interest of maintaining pledges for world order, in the French press a trend towards favor for Japan's case while condemning the method of advancing it by violence, and in the German press an inclination to argue that the League had done the best it could but that its best was ineffectual against a Great Power. Periodicals in India attacked Japan's policy and voiced sympathy with China. Japanese papers continued to argue that their country's action and position were misunderstood and that the affair was one to be settled with the Chinese alone.

Japan vs. China in North Manchuria

An important Japanese Government version of events at the Nonni River, circulated on

November 5 at the request of its delegation, set the scene for further developments soon to come:

With reference to the telegram of November 2nd concerning the despatch of troops to the Nonni bridge, I have the honour to forward a summary of official telegrams received by the Japanese delegation on November 2nd and 3rd giving further information. Please communicate to the President and Member of the Council.

In the course of hostilities in Northern Manchuria between Chang-Hai-Peng's troops and those of the Province of Hei-Lung-Kiang commanded by General Ma-Chan-Shan, the latter, about a fortnight ago, blew up the railway bridge over the river Nonni on the Taonan-Angangchi line, which, it will be remembered, was built with Japanese capital but is under Chinese management. The discontinuance of traffic on this line is having disastrous economic consequences for the Chinese and Japanese population of the district and for the Taonan-Angangchi and South Manchuria Railway Companies, especially at this season, when the produce of the regions through which the lines run should be carried southward. In view of this situation the Japanese consular authorities repeatedly asked General Ma-Chan-Shan to repair the Nonni bridge, but their request was not complied with. Chinese agents and the Japanese adviser to the management of the Taonan-Angangchi railway proceeded to the spot, but General Ma-Chan-Shan's troops would not allow them to approach, and even opened fire on them with machine-guns at 150 metres after which several rounds were fired by artillery. The management of the Taonan-Angangchi railway accordingly decided to effect the necessary repairs with the help of the South Manchuria Company, and asked the Japanese commander to provide protection for the work, which was to begin at noon on November 4th. On November 2nd some 500 men were sent to Nonni from Kirin and Changchun. At the same time Generals Ma-Chan-Shan and Chang-Hai-Peng were requested to withdraw their troops 10 kilometres from the bridge and to make no further use of it for strategical purposes. The troops have been sent to Nonni solely to protect the works, and will observe strict neutrality as between the belligerents. Should, however, either of the armies present endeavour to hinder them in their duty, all necessary defensive measures would

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be taken. The troops will be withdrawn as soon as their task is completed.

China likewise presented its version of events, in two detailed communications from her representative on the same day. The first read:

In continuation of my note of the 3rd instant, I beg to call your attention that the concentration of Japanese troops on the Taonan-Angangchi-Tsitsihar Railway line within seventy kilometres of Tsitsihar threatens peace and order in Northern Manchuria. In order to appreciate the gravity of the information just received from my Government, which is summarised below, it must be realised that Tsitsihar is the capital of Heilungkiang, the northernmost of the Manchurian Provinces, is situated about six hundred thirty kilometres as the crow flies north of Mukden, and about four hundred kilometres north-northwest of Changchun, the nearest point (and terminus) of the South Manchurian Railway, and can be reached from these points only by crossing the Chinese Eastern Railway.

For some time the Japanese military authorities have been supporting Chang Hai Peng against the lawful government of the Province of Heilungkiang. In pursuance of this policy the Japanese recently demanded that the bridge over the Nonni River on the northernmost section of the Taonan-Angangchi line should be repaired. The Chinese Provincial Government then came to an agreement with the Japanese Consul in Tsitsihar as to the immediate repair by the Chinese authorities of this bridge. But Major Hayashi, representing the Japanese Army Command in the Kwangtung Peninsula, called on the Provincial Government on November 1st, and informed it that whether or not it was capable of repairing the bridge the South Manchurian Railway had decided to send men on November 4th the repair it under the protection of Japanese troops. He added that Japan was determined to change the political situation in Heilungkiang by force and regardless of the resolution of the Council of the League of Nations. The Japanese Consul replied to the expostulations of the Chinese authorities that he could not check these activities.

Japanese troops have accordingly been dispatched to the Nonni River bridge, with the ostensible object of assuring the reparation of the bridge, but actually in order to

act as a screen for Chang Hai Peng's irregulars and to facilitate their advance into Heilungkiang. This has created a dangerous situation about the Nonni River bridgehead with the prospect of clashes between the troops of General Ma, representing the authority of the Provincial Government of Heilungkiang, and the irregular forces put into the field by the Japanese. Any such development would lead to an advance by Japanese troops on Tsitsihar and the cutting of the Chinese Eastern Railway. Already indeed on the morning of November 3rd, part of the Japanese forces crossed the bridge and attacked General Ma's camp, shooting and throwing bombs. As the Chinese troops refrained from returning their fire, the Japanese forces withdrew towards the Nonni River. On the same day Japanese military aeroplanes twice reconnoitred the Chinese camp, and six Japanese troops trains arrived near Talai and Wumiaotse. An armoured train, twenty-two car loads of infantry and artillery, five cars with fieldguns and three with horses are further reported moving in the same direction.

The Japanese denial of the presence of any troops north of the Nonni River bridgehead should be read in the light of the above facts, as also of the official denial, issued in Tokyo in the first few days of the Japanese occupation, that Japanese troops would advance north of Changchun; the advance occurred the moment after the denial had been published.

Further south, at Tungliao, three Japanese armoured trains arrived on October 31st, and six aeroplanes on the next day. A Japanese aeroplane circled over the city at one o'clock on November 1st and machine-gunned the North Gate. Next morning Japanese troops fired on the city and three hours later a Japanese armoured car, advancing behind a barrage of artillery fire, seized the North Station and put up the Japanese flag. During this bombardment five shells hit the South Station, two falling in the railway police quarters, two hitting the east wall of the station and one the junction between the North and South Stations. The Japanese force included a contingent of Mongols in Chinese dress. Two further Japanese troops trains then arrived. Mongol bandits, sheltering behind the Japanese force, have been making raids on the Chinese troops.¹ The troops from the armoured train dug trenches around Tzetao Station and unloaded machine guns. The junction

¹ Document C.789.M.383.1931.VII.

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between the North and South Stations has been mined by the Japanese.

Five Japanese planes have been flying over Chinchow. In general, much activity by armoured trains and aeroplanes is reported from such widely separated points as Taonan, Chinchow, Shangchitai, Tungliao and Tze-chinshan.

The second presented additional information on the rapidly developing situation as follows:

Unhappily the prediction made in the communication handed to you this morning has been realised and Japanese troops are now actively provoking armed clashes about the Nonni River Bridge, within seventy kilometres of Tsisihar and less than fifty kilometres from the Chinese Eastern Railway.

According to an urgent message just received from my Government, Japanese troops on the morning of November 4th stated to General Ma, the Chairman of the Heilungkiang Provincial Government, that they proposed immediately to occupy Tashin Station, north of the Nonni River and on the boundary of Heilungkiang Province.

At two o'clock the same afternoon Japanese troops in Chinese dress, accompanied by mounted bandits, fired on the Chinese camp; two Japanese aeroplanes circled over the camp and threw bombs, killing and wounding more than twenty Chinese officers and soldiers. In the last few days six Japanese troop trains have arrived at the bridgehead, with the obvious purpose of affording support to the advance of Chang Hai Peng and his irregulars into Heilungkiang, with the object of stirring up trouble in this province. The Japanese forces with their aeroplanes and bandit-allies are hemming in and harassing the Chinese troops so as to force an engagement.

I am instructed to request you to be good enough to inform at once the President of the Council and ask him to intervene with the Japanese Government to stop these incendiary activities of the Japanese troops, which threaten the gravest complications; for which Japan would bear the whole responsibility.

Postscript: Since the above was prepared for typing, a telegram has been received from the Provincial Government of Heilungkiang, dated November 5th, 4 p.m., stating that from noon to 3 p.m. of that day, five to six hundred Japanese soldiers have crossed the Nonni River, carrying with them many mounted guns as well as a dozen aeroplanes;

and have made a fierce attack upon the Chinese troops, killing more than one hundred of them.

News from Tokio, to the *London Times*, meanwhile showed the increasingly serious view of affairs taken there. The correspondent said that dispatch of troops to the Nonni River region had given rise to long conversations between the Foreign and War Offices, and was sanctioned only on the understanding that they would not go beyond the river and would be withdrawn as soon as the railway bridge was repaired. The *Asahi's* London correspondent was quoted as sending word that the British Government felt grave concern over Japan's disregard of the League Council's attitude at Geneva, and that the United States would demand observance of the Briand-Kellogg treaty even by a possible proposal to suspend economic relations. United Press cablegrams reported Tokio officials as saying Japan's position at the next Council meeting would rest on China's acceptance of the validity of the 1915 treaty resulting from the famous Japanese "Twenty-one Demands".¹ Considerable anxiety was expressed concerning the attitude of the Washington administration toward this treaty.

The possibility of a Japanese advance into the area of the Chinese Eastern Railway, which might draw Soviet Russia into taking some part in the conflict, according to press despatches from Washington, was at the same time intensifying the grave concern of the State Department there.

Confused reports as to the state of affairs at the Nonni River and at Tientsin made the situation increasingly difficult to estimate and deal with. The Chinese Governor in command at the Nonni was both asserted (in despatches from Japanese sources) and denied (in despatches from Chinese sources) to have declared war on Japan. Massing his troops, he was rumored at Mukden to have dislodged the Japanese troops from the bridgehead and reoccupied it.

Elsewhere in Manchuria, Japanese troops

¹ For information, see "The League and Manchuria: The Second Phase of the Chinese Japanese Dispute". Vol. II., No. 11., Pp. 24-25.

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were described as battling with Chinese irregulars in five widely scattered districts.

At Tientsin, reports said both that martial law had been proclaimed and that quiet had been restored after the Japanese commander ordered the Chinese to retire from the boundary of the Japanese concession and opened machine-gun fire when they did not comply.

Japan Replies to the United States

THE Tokio Government had sent its reply to the United States Government, the correspondent of the *London Times* cabled, keeping its contents as secret as the American communication in regard to the Council recommendations. It was understood, however, that the reply re-affirmed Japan's pledges as to the territorial integrity of China and her claims for recognition of treaty provisions.

Irritation at the attitude supposed to be taken by the Secretary-General of the League and certain of his staff in the Far East was voiced at the same time in official quarters and the Japanese press. This was due to reports from Geneva that the Legal Section of the Secretariat had been instructed to ascertain whether members could be asked to withdraw ambassadors, and also to reports from Nanking that Captain Walters¹ of the Secretariat and Dr. Rajchmann¹ of the Health Section had been holding conferences with Nanking officials and sending lengthy cablegrams to Geneva.

The Secretary-General had meanwhile formally notified Council members, and the United States as having had a representative at the last meeting in Geneva, that the Council would reassemble on Monday, the 16th.

English and European opinion, as reflected in the press, was showing steadily increased anxiety over the dangers presented by the conflict, including the possibility that Soviet Russia might be drawn into it. American

feeling was reflected in a resolution passed at a meeting on the preceding day in New York, by the Interorganization Council on Disarmament, representing all the chief national organizations interested in limitation of armaments, which forwarded it to Washington:

Whereas, both Japan and China have engaged in military acts which are inconsistent with the spirit of the Pact of Paris and the Covenant of the League of Nations, to which both nations are signatories;

Whereas, Japan apparently has refused to accept any form of international inquiry into the Manchurian situation; and

Whereas, such a situation has a vital bearing upon the success of the coming Disarmament Conference and future efforts to solve conflicts everywhere by pacific means,

Be it hereby resolved, that we express to our Government our appreciation of its collaboration with the League of Nations in dealing with this situation and urge it to continue this cooperation particularly by being represented at the next Council meeting. We urge the United States and the League of Nations formally to propose to Japan and China an investigation by an international commission of inquiry and in case of refusal, that diplomatic representatives be withdrawn from the capital of that power which refuses such investigation, so that it may feel the force of united world opinion.

Contradictory Chinese and Japanese versions of the events at the Nonni River were circulated on November 6. The explanation of the Japanese Government appeared in a telegram received from Mukden by its delegation in Paris, which dispatched it to Geneva:

Despatch of Japanese troops to Chiang Chiao is due to the urgent necessity of repairing Nonni bridge and commander of Kwangtung army has received definite instructions to withdraw his troops upon completion of repair work and not to go further than bridge. Furthermore Japanese army has recommended authorities of Heilungkiang to withdraw troops ten kilometres from northern end of bridge. Information from military source announces however that Heilungkiang troops fired on night of November 2nd on Japanese patrols. Moreover, M. Shimizu, Japanese Consul at Tsitsihar, who was proceeding to Chiang Chiao at the request of Heilungkiang authorities and Major Hayashi

¹ Captain Walters went recently to China on a mission to coordinate public health work and educational and social services. Dr. Rajchman, Director of the Health Section, was on a third visit to China to organize a national health service.

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of Kwantung army, who was in the locality, arrived, accompanied by envoy (chief of staff) from Heilungkiang at that town on November 4th at 8 a.m., and latter declared his intention not to resist. After departure of these persons Japanese troops sent patrol to Tahsing, locality situated less than ten kilometres from bridge, to protect work of repairing bridge. It advanced with large Japanese flag in front, each soldier carrying a small flag. At about 2 p.m. infantry and artillery of Heilungkiang army began to attack patrol, obliging latter to withdraw to bridge-head to await reinforcements. Heilungkiang troops without withdrawing beyond ten kilometres to north of bridge continued attacks until night of 4th causing loss of fifteen Japanese soldiers. In these circumstances Kwantung army command decided to reinforce detachment in order to take any necessary measures of defence. Morning of 5th detachment occupied important point to east of Tahsing after suffering numerous casualties.

The Chinese representative in Geneva had meanwhile received information which he likewise transmitted:

After the failure of the Japanese-supported Chang Hai Peng irregulars, six train loads of Japanese soldiers arrived at Talai on November 2nd and notified both General Ma's and Chang Hai Peng's forces to withdraw ten kilometers from the bridge by noon on November 3rd. General Ma, the chairman of the Heilungkiang Provincial Government, did withdraw his troops accordingly, in pursuance of the Chinese Government's pledge to do everything in its power to avoid aggravating or extending the conflict.

But the only result was that 5 o'clock the next morning, November 4th, Japanese troops advanced beyond the northern bank of the river and captured three Chinese guards. When this act met with no resistance over 100 Japanese soldiers at noon that day shot at the Chinese troops, killing and wounding several score. In the circumstances the Chinese troops were compelled to return the Japanese fire in self-defence. Thereupon, at 5 o'clock in the afternoon, several hundred Japanese soldiers, accompanied by Chang Hai Peng's irregulars, hotly attacked Tashin Station, north of the river, and kept up the attack till nightfall.

The Japanese forces are continually increasing. There is urgent need for League intervention to avoid the gravest complications.

News coming from the Far East was no less conflicting. Cable dispatches from Mukden indicated a pitched battle for possession of the strategic bridge spanning the Nonni River, along a front of several miles, with casualties running into the hundreds. The Tokio military authorities were reported to be sending to Manchuria a brigade from the home forces to replace a brigade from Korea.

The United States Avoids a Time Limit

THE newly arrived Ambassador from the United States, who had reached Tokio the day before, had immediately called upon the Minister for Foreign Affairs and informed him that the Government at Washington associated itself with the Council's draft resolution of October 24. It was noted, however, according to news agency reports from both Tokio and Washington, that in the expression of the American view no time limit for the evacuation of territory held by Japanese troops was indicated, since the administration was believed to hold the opinion that despite all the arguments against the occupation of Chinese territory, a too hurried retirement by Japan might result in further disorders which might, in turn, lead to greater difficulties. In other words, the disorganisation of local Chinese authority was recognized as a condition calling for some regulation until new satisfactory arrangements might be made.

Briand Issues Another Warning

THE President of the Council gave the emphasis of his attention to the seriousness of the situation in northern Manchuria, in a telegram dispatched to the Chinese and Japanese Governments on November 6, which was published on the 7th:

The extension of incidents towards Northern Manchuria and the serious nature of the 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

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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 fulfil 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.

In a pointed note to the Japanese representative, under date of November 5, also circulated to the Council on the 7th, M. Briand commented upon the reported seizure of part of the salt revenues of Manchuria by Japanese military authorities:

You have certainly noted the letter and memorandum forwarded by the Chinese delegate to the Secretary-General of the League of Nations on the 3rd of this month and a further note by Dr. Sze dated November 4th, these various documents having been immediately communicated to all the Members of the Council.

The Chinese representative refers in particular to the seizure by the Japanese military authorities of part of the salt revenue of Newchang, which is said to be only the first of other operations of the same nature. Your Excellency will remember that in paragraph 5 of the Council resolution of September 30th, the Japanese Government had already undertaken to "adopt all necessary measures not to extend the incident or aggravate the situation". At the meetings of the Council on October 23rd and 24th, moreover, Your Excellency spontaneously renewed on several occasions the formal assurance that the Japanese Government intended "to bring back its troops within the Railway zone as soon as it could regard the safety of its nationals and the protection of their property as effectively assured", Japan for her part being prepared to facilitate by all the means in her power the "pacification" which appeared to her to be indispensable for the fulfilment of this condition of security formulated by herself.

It is obvious that acts of the kind reported, such as the seizure of the salt revenue cannot

be related to the safety of Japanese nationals and the protection of their property and that they would therefore be incompatible with the undertakings entered into before the Council and with the spontaneous assurances recorded by it.

I do not doubt that the Japanese Government, conscious of the obligation resting upon it to take all necessary measures to prevent any aggravation of the situation, will understand the need of furnishing the Members of the Council with the necessary information regarding the incidents in question.

As President in Office, and assuming the responsibility to my colleagues of following the execution of the undertakings recorded by the Council, it is my duty to obtain all information on this matter. I should therefore be glad if Your Excellency would be good enough to forward to me as rapidly as possible all useful information for the complete enlightenment of the Members of the Council.

The Japanese representative had replied the next day, denying the accuracy of the reports; and his letter was made public at the same time:

I have the honour to acknowledge receipt of Your Excellency's letter dated November 5th¹ in which you asked me for necessary information concerning the alleged seizure by the Japanese military authorities of part of the salt revenue of Newchang.

As soon as I received Dr. Sze's note and memorandum dated November 3rd² I telegraphed to my Government asking it for information on the passage in that memorandum which charges the Japanese troops with forcibly seizing the salt revenue of Newchang to the amount of 760,000 dollars. I received the reply of the Japanese Government this morning, and am sending you herewith a copy. This reply shows, and I venture to call your attention to the fact, that any allegation to that effect directed against the Japanese military authorities is without any foundation whatsoever. If I receive further information on this subject I shall not fail to communicate it to you without delay.

The attached telegrams asserted that the Chinese committee for the maintenance of

¹ Document C.810.M.400.1931.VII.

² Document C.789.M.383.1931.VII.

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order at Mukden¹ had asked the Salt Revenue office at Nowchwang to hand over the balance of the tax receipts over and above expenditures and sums assigned for the service of foreign loans secured by the tax. The office had agreed to send this sum together with the net balance of the tax to be collected. The allegation that Japanese military authorities had seized the revenues was therefore argued to be unfounded; and it was further stated that the salt revenue office was continuing to send to the Nanking Government the necessary amounts for the service of foreign loans.

Withdrawal of about half of the Japanese forces in the locality of Kirin and along the railway north from Mukden was reported in another telegram received from the Japanese delegation in Paris.

The Chinese representative on the same day transmitted a long note arguing that the Japanese military concentration at the Nonni River bridgehead was in pursuance of "the deliberate policy of the Japanese army command of driving out the representatives of the lawful Chinese Government throughout Manchuria and substituting the rule of persons and groups maintained by the Japanese themselves." The Major in command of Japanese forces was reported to have informed the head of the Government in Heilungkiang province that hostilities would cease only if he surrendered his post to a rival, favored by the Japanese, who would set up a committee for the maintenance of order. The note went on to review the Chinese memorandum of November 3 and the two notes of November 5. It concluded that events clearly indicated the ostensible object of repairing the bridge to be merely a pretext, since the Japanese were not only using military forces but "actually overrode an agreement between the Chinese provincial government and the Japanese council in Tsitsihar and insisted upon repairing the bridge by these extraordinary and provocative means." Contending that the Japanese were maintaining at Mukden, Kirin, and other points under their occupation "an arbitrary rule of persons

and groups who are the puppets and creatures of the Japanese army command" the note terminated:

This policy is creating and fomenting disorder in Manchuria. It is also a violation of Article X of the Covenant and Article I of the Washington Nine Power Treaty. It is a flat denial of the Council's injunctions and Japan's repeated and solemn promises before the Council to do nothing that would aggravate or extend the conflict.

Rumors in press dispatches that the Japanese troops were advancing beyond the Nonni River in the direction of Angangchi on the Chinese Eastern Railway were in the meantime denied by the Ministry of Foreign Affairs in Tokio, which said that they would move forward only if unforeseen circumstances should force them to do so. Establishment of a new Mukden administration, entirely independent in Manchuria, was reported in a Havas agency dispatch from Tokio. Its Chairman had declared that he would have a government functioning in the region by November 16, the date set by the League Council for retirement of Japanese troops to the railway zone as well as for its next meeting.

The clash at the Nonni River was explained by the Tokio correspondent of the London *Times* as the result of a mistake: the Chinese General in command had agreed to withdraw his troops, and had sent his aide-de-camp to inform the commanding officer in the field, who refused to accept verbal instructions; and the Japanese, in ignorance of these complications, sent out an advance guard upon whom the Chinese fired. Engagements were continuing, with the tide turning in favor of the Japanese after reinforcements arrived.

In these circumstances of excitement and unpredictable developments, M. Briand sent to the Secretary-General the suggestion that the next meeting of the Council on the 16th be convened in Paris, since he desired to take personal part in the proceedings and would be unable to absent himself from the French capital because of the reassembly of the Parliament.

¹ See document C.715.M.329.1934.VII. p. 3.

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Japan Rebuffs Briand

THE Japanese Government at length made public on November 8 its reply to the letter addressed to it on October 29 by the President of the Council. It maintained the principle that the "fundamental points" advanced by Japan, should be recognized by direct negotiations between China and Japan as a preliminary to the withdrawal of Japanese troops, which amounted to a flat refusal to evacuate Chinese territory before November 16, the date set by the Council both for its next meeting and as a time limit. As transmitted to M. Briand in Paris and circulated to other members of the Council by the Secretary-General of the League at Geneva, it read:

1. "I have honour acknowledge receipt of Your Excellency's Note October 29th, in which you were so good as to make certain observations on Declaration of Japanese Government of October 26th in connection with 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 present situation in interest of international peace and good understanding.

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

3. But Resolution of September 30th consecrates principle that effective security must at same time be assured for lives and property of Japanese subjects and in state of tension which at present unfortunately exists it is not possible to hope that withdrawal of Japanese forces would immediately give place to regime of settled peace and order under Chinese auspices. Japan and China would simply be exposed to 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 local

authorities or where their treaty rights are systematically ignored. Having regard to actual conditions in Manchuria, Japanese Government have regretfully been brought to conclusion that dangers involved in precipitate recall of Japanese troops could not be averted by measures of supervision such as are recommended in opposed Resolution of October 24th referred to in Your Excellency's Note under review.

4. It is pointed out in Your Note that first four points of five fundamental principles mentioned in Japanese Declaration of October 26th are virtually embodied in proposition of October 24th. Your Excellency however will no doubt perceive that terms of proposition are not sufficiently explicit or comprehensive to cover all implications of four points in question. As regards final point, viz., guarantee of respect for Japanese treaty rights in Manchuria, terms of letter addressed to you on October 24th by Chinese representative seem to give rise to doubt whether it is in contemplation of Chinese Government to call in question validity, of some of treaties constituting basic embodiment of relations between Japan and China. It may be needless state that Japanese Government could not for a moment entertain such contention. Nothing can be more destructive of established order of whole world than to permit any power to challenge binding force of treaties concluded with all solemnity of international usages. Japanese Government trust that they have made it clear that five fundamental principles mentioned in Japanese Declaration of October 26th are no more than those that are commonly observed in intercourse of ordered communities with one another. Unless and until arrangement is reached between Japan and China on bases of those principles no measure of security for lives and property of Japanese subjects sufficient to enable withdrawal of Japanese troops to railway zone can possibly be assured. Japanese Government believe that course of procedure now indicated is in entire agreement with Resolution of Council of September 30th. It is far from their thoughts to insist on final adjustment of whole series of pending questions between Japan and China as condition precedent to withdrawal of troops. All that they urge upon China for present is frank recognition by direct negotiations between two parties of fundamental principles that should govern normal relations between any two nations. Such accord will be long step towards replacing present tension by sense of stability between peoples of two

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countries whose interest is to be on best of terms."

Another communication circulated on the same day, from the Japanese Bureau in Paris, indicated that Japanese troops had occupied Tahsing, some miles north of the Nonni River on the 6th, and had then ceased to advance northwest. The advance to the Nonni River was represented to be due "solely to the necessity of protecting the work of repairing the bridge, which will last about a fortnight." The Government was further said to be "firmly resolved, as it has already stated, to recall these troops as soon as the work is terminated." Press reports from the Far East at the same time showed that Japanese troops had consolidated their position on the Nonni River but had refrained from pursuing the Chinese in their retreat toward Angangchi and Tsitsihar to the north.

From Tokio there were press reports that another American note had been presented to the Japanese Government, but its contents were being kept entirely secret. United Press dispatches from Washington indicated that the policy of the United States would continue to be one of cautious endeavour to check hostilities through diplomatic means.

China and Japan on the Nonni River Clash

THE views of the two parties in regard to the Nonni River battle, inevitably conflicting with each other, were circulated on November 9 to the Council. The Japanese review of events, contained in a telegram from Paris, read in part:

Troops of 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.

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.

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.

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-Angangchi 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.

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 of Heilungkiang north of Tashing railway.

The sole object of movement of Japanese troops in Nonni area is thus protection of the employees of the Taonan-Angangchi railway

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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.

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.

The Chinese explanation, consisting of a telegram from the Acting Minister of Foreign Affairs at Nanking, on the other hand contended:

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 thirtieth Japan had in disregard of resolution of Council progressively continued her unlawful actions culminating in bombardment Chinchow October eighth. Since October twenty-fourth 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 Newchwang of large amounts salt revenue of Chinese Government.

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 measu-

res 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.

China Insists Japanese Seized Revenues

THE Chinese representative also returned to the discussion of seizure of the salt revenues in Manchuria, rebutting the argument that Japanese military authorities had nothing to do with the matter, first by quotation of a new report from Dr. Cleveland, the Associate Chief Inspector of Salt Revenue:

" We have received from our representatives at Changchun a telegram dated November sixth " Today all the funds of the Bank of China and of the Bank of Communications, Changchun, amounting to two million six hundred thousand dollars, were forcibly removed to the Bank of the Three Eastern Provinces, Changchun, by a transportation officer authorised by the Japanese military authorities. We protested in vain. The transportation officer formally notified us today that he cannot recognise the salt inspectorate. Therefore not only is Japanese denial of not having seized the salt revenue of Newchwang incorrect but the Japanese military authorities continue to seize the salt revenues elsewhere through agents created, directed and completely controlled by the Japanese military authorities themselves."

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Repeating charges of the seizure of revenue at Newchwang and Changebun by a Japanese officer supported by the Japanese military, and the refusal by Japanese authorities to allow remittances to be made to the Nationalist Government, the letter concluded:

It is scarcely necessary to point out that such proceedings are entirely unconnected with the question of the safety of Japanese subjects and property in Manchuria, and are not compatible with Japan's obligations, as a Member of the League and signatory of the Paris Pact, nor with the undertakings the Japanese Government has itself made to the Council of the League, nor with the Washington Nine Power Treaty, to which Japan is a party.

The situation is now perfectly clear, and the Chinese Government confidently looks to the Members of the League of Nations, the United States of America and the public opinion of the civilised world to uphold the sanctity of the Covenant, the Pact of Paris, and the Nine Power Treaty by whatever means the situation demands.

Alarms from Mukden and Tientsin

MORE disturbing reports had meanwhile arrived on the 9th from the Far East. The Japanese authorities at Mukden were said to be unable to accept the view that their success in the Nonni River region ended the danger in Heilungkiang province. Mukden was quiet, with the Chinese police reorganized by the Japanese, the aerodrome, arsenal and powerhouse controlled by the Japanese, and the emergency Chinese committee having declared independence of Nanking. From Peking there were first accounts of a serious outbreak at Tientsin, where a mob was said to have attacked Chinese police near the Japanese Concession.

Officials in Tokio were meanwhile expressing dissatisfaction with the League Secretariat, according to dispatches to the *London Times* from its Tokio correspondent; they accused it of accepting inaccurate Chinese statements and making them the basis of action by the President of the Council. As an instance they cited M. Briand's note regarding the transfer of salt revenues at Newchwang to the control of the new Chinese authorities at Mukden.

Rumors that the Japanese Consul at Tsitsihar, north of the Chinese Eastern railway, and his staff, were in peril of Chinese attacks, were quoted in press dispatches from Tokio.

Manchuria and Disarmament

THE significance of the whole conflict both for the Disarmament Conference and for all of the international arrangements to guarantee peace was again emphasized by the Chinese representative in his letter under date of November 7, which was circulated on the 10th, regarding the truce in armaments recommended by the Twelfth Assembly. He wrote:

I beg to inform you that the Chinese Government is prepared to accede to the Assembly's proposal for a truce in armaments as a preliminary to and corollary of the Disarmament Conference. But in the view of the Chinese Government the fate of this proposal and of the Disarmament Conference itself depends upon the issue of the present Manchurian conflict before the League. Should the Covenant and the Pact of Paris prove to be bulwarks of peace and international justice on which the law-abiding nations can rely for their safety, the armaments truce and the Disarmament Conference will mark a long step forward in the organisation of peace. If by some unhappy mischance these bulwarks should crumble, the Chinese Government and people would be regretfully compelled to put above all other national tasks the building up of a national defence strong enough to secure respect, and preserve against external aggression the territorial integrity and political independence of China.

Responsibility for fomenting trouble in Tientsin fell upon the Japanese, the Chinese representative charged in another letter also circulated on the 10th. Quoting information received from his Government, he said:

On the 7th and 8th of November the Chinese authorities received information indicating that the Japanese had decided to utilise elements among the Chinese population hostile to the Government, so as to disturb peace and order in Tientsin and Peiping before November 16th. On the morning of November 8th it was reported that the Japanese distributed more than

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500 small arms to anti-Government Chinese. On the night of November 8th, at half past ten, more than two thousand men, in separate groups and flaunting Japanese flags, issued from the Japanese Concession and made surprise attacks on the police stations in Sanpeikwan and Heikwanse which are contiguous to the Japanese Concession in Tientsin and also that in Nankai which is contiguous to the Japanese Barracks. They had planned to proceed to the Provincial Government and the Municipality as well as to the Public Safety Bureau. Fortunately effective defence measures had been taken by our police so that order was quickly restored. At four o'clock on the morning of the 9th, when the irregular forces from the Japanese Concession had been mastered by the Chinese police, the Japanese Commander at Tientsin requested General Wang, Chairman of the Hopei Provincial Government, by telephone, to withdraw Chinese military and police forces to a distance of three hundred metres from the Japanese Concession by six a.m. General Wang asked the reason for this request and pointed out that there was no military force but only Chinese police and members of the Public Safety Bureau; as they were at that very moment doing their duty by putting an end to the disturbance precisely within the three hundred metre zone it was difficult to order their withdrawal.

The Japanese authorities at 5.30 again pressed their demand upon the Provincial Government. This time, as the irregulars had either returned to the Japanese Concession or been killed or captured, General Wang ordered the withdrawal to take place as requested before 6.00 a.m. Nevertheless, at 6.30 a.m., the Chinese City was suddenly bombarded by more than 30 shells, coming from the direction of Heikwanse, the Japanese Barracks and the Garden of the Japanese Concession. The Japanese Commander excused himself when asked by the Chinese authorities for an explanation by saying that he knew nothing about the incident. But to the representatives of other nations he is said to have explained that it was due to a clash between the 29th Brigade of the Kirin Army and the police force and members of the Public Safety Bureau at Tientsin. It is a sufficient commentary on this explanation to point out that there is no Kirin Army at Tientsin, nor, for that matter, any 29th Brigade in the Kirin Army.

The Japanese Delegation meanwhile transmitted from Paris a telegram indicating the

situation of Japanese and Chinese forces in the neighbourhood of the Nonni River bridge and Anganchi. The Japanese troops were said not to exceed 1,000 men, reinforcements having been held up and returned to the garrisons, while the Chinese forces were said to number 12,000 men, with some 8,000 reinforcements nearby. The Japanese Government, drawing attention earnestly to the situation, said: "If the Chinese troops, tempted by the dis-proportion in effectives, venture on acts of war, a dangerous situation may arise."

Another Japanese telegram received and circulated on the same day, gave further details in regard to the concentration of Chinese reinforcements in the region of Anganchi and Tsitsihar, and said that the Chinese General in command had decided to gather forces at the latter point, the provincial capital.

Briand Sends Another Warning

THE gravity of the events in northern Manchuria led the President of the Council to send another message on November 11, following up his telegram of the 6th, to the Chinese and Japanese Governments. In this second appeal, after thanking them for their replies to his first telegram, he said:

After carefully studying these replies and the latest communications received I feel I must to 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 neighbourhood of Nonni bridge and Anganchi, to collect information referred to in resolution of September thirtieth.

The Chinese representative meanwhile sent word of a practical Japanese ultimatum to the Government of Heilungkiang province, to yield its authority. In a letter circulated to Council members¹ he reported word that

¹ See document C.833.M.413.1931.VII.

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¹ See document C.833.M.413.1931.VII.

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Gen. Honjo, commanding Japanese forces in Manchuria, had notified the chairman of the Heilungkiang Government on November 8 "that he should state what were his intentions before midnight, if he wanted to prevent Japanese troops from entering Tsitsihar." At noon of the same day the Japanese officer in command at the Nonni River had sent further notice to the Heilungkiang Government that the only way to maintain order and avoid further fighting was for the chairman to surrender his post "by peaceful means" to his rival, favored by the Japanese. The Chinese Government was further informed that there were within easy reach of the Nonni River bridgehead more than 4,000 Japanese troops and two companies of cavalry, half a dozen airplanes, more than 40 field guns, 2 heavy guns, 2 armoured cars, military wireless apparatus and 240 car loads of military supplies, 13 of field hospital equipment and 10 of bridge-building material.

China vs. Japan on the Tientsin Riot

THE Chinese representative likewise submitted evidence¹ in support of the statement in his note of the preceding day that the disorders in Tientsin were instigated by the Japanese: on November 7 and 8 the local provincial government had been informed that Japanese military headquarters in Tientsin had issued arms and ammunition to trouble-makers with instructions to organize irregular forces and plan attacks on government offices. The Consuls in Tientsin were informed of these reports and precautions were taken. The irregulars were again described as having sallied forth from the Japanese Concession on the evening of the 8th and to have been repulsed only after fierce fighting in which for a time they held two Chinese police stations. Prisoners corroborated reports that the Japanese instigated the attack, and arms taken from the prisoners were said to have been of Japanese make. Further, shells fired from the Japanese Concession into the Chinese city were found bearing Japanese marks. A motor

car coming from the Japanese Concession to the Chinese city on November 10 was searched by Chinese police, who found in it rifles and ammunition bearing the mark of the Mukden arsenal, which was seized by the Japanese troops on the night of September 18, and also hand-grenades bearing Japanese marks.

The Japanese Delegation transmitted on the same day a summary of telegrams received at Paris, giving its version of the incidents at Tientsin:

November 8th at about 10 a.m. our Consul General at Tientsin was informed that disturbances had taken place in Chinese town. A riot was said to have broken out at the instigation of reactionary elements and fights were taking place between Chinese police forces and the rioters. Our General Consulate immediately had measures of security taken by Japanese police.

At 11.30 our troops were stationed along the line of demarcation between Japanese concession and Chinese town. Nevertheless a fusillade having been heard in the southern part of the town in the direction of the Japanese barracks, a rumour had spread that military action was being taken by the Japanese troops. In order to check the spread of this false report Japanese authorities immediately informed General Wang Chu Chang, in command of the second army corps at Tientsin, through the French Consul that the rumour was absolutely false and that there had even been casualties among the Japanese. They also made a verbal protest to the Chinese police forces against the assertion that the Japanese were responsible for the events.

Fighting was taking place on the borders of our concession and at about midnight a Japanese sentry was killed by shots from Chinese police. The proximity of Japanese and Chinese forces, which at one time were only fifty metres apart, being liable to give rise to unfortunate incidents, especially during the night, staff of Japanese garrison asked General Wang to withdraw his forces to a distance of 300 metres from the concession before 6 a.m.

At 2 a.m. commander of Japanese troops held a meeting of the chiefs of the French, British, Italian and American garrisons and gave them full information as to measures he had taken, inviting them to visit line of protection. Commanders of foreign garrisons declared themselves satisfied with information given and returned to their

¹ See document C.834.M.414.1931.VII.

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headquarters at about 4 a.m. without carrying out the proposed inspection.

At about 4.30 a.m. again a Japanese N.C.O. was hit by Chinese projectiles and Japanese command repeated its request to General Wang. The Japanese command having also convinced the provincial authorities of the necessity of separating the Japanese and Chinese forces, withdrawal of the latter was decided for 7 a.m. The rioters had been dispersed by Chinese forces, but a few skirmishes were still taking place on the banks of the Peiho.

At 7 a.m. the Chinese troops had not yet moved off and were even firing at Japanese forces, who were replying from within the concession. Nevertheless, as a result of further urgent representations of the Japanese authorities with a view to avoiding conflict, Chinese soldiers finally moved off at about 8 a.m. After 9 a.m. noise of fusillades was dying down. As a measure of prudence our General Consulate ordered that Japanese residents still outside the concession should be brought within the latter.

A long and detailed discussion of banditism in Manchuria¹ was also circulated at the request of the Japanese Delegation, in substantiation of the Japanese claim that it was necessary to continue military occupation in order to afford security to Japanese residents. Describing banditism as "from the earliest times the scourge of Manchuria", the memorandum said bandits were often incorporated in the Chinese armies; and then when they did not receive pay or were discharged, they resumed their activities in gangs. The number of bandits was estimated at about 50,000 in 1930, of whom about 17,000 were in the provinces around Mukden. They sometimes possessed machine guns or small pieces of artillery; and their attacks were represented as having increased every year recently until in 1929 there were 368 attacks against the South Manchurian railway alone. Since the events of September, it was said, there had been a revival of bandit activities. Chinese troops and police had been endeavoring to meet the danger. The Japanese troops on their side had to safeguard the railway lines and the lives and properties of Japanese and Koreans living along the lines outside the

railway zone. Since protection of Japanese nationals residing in the interior would have required forces much larger than the number of troops stationed in Manchuria, 14,400, it had been necessary to bring many of them back within the safety zones. Troops had also been posted at a few places outside and at some distance from the railway zone; and from these centres as well as from the zone itself, detachments were sent as circumstances required, with the aid of armoured railway wagons and airplanes, whose use had led to Chinese reports of bombardments. The Chinese authorities were accused of making use of bandits to attack Japanese railways and troops.

There followed detailed accounts of damages suffered by Japanese nationals in some 577 attacks from the middle of September to October 27, and of evacuations and flights of Japanese and Koreans to a total of over 4,500; Chinese residents were also said to have suffered considerable losses.

At the Nonni River Japanese military leaders were reported in newspaper dispatches from Mukden to be massing their forces in order to withstand anticipated further attacks by the Chinese. Japanese troops, with reinforcements, had re-captured the bridgehead; and repairs to the bridge were continuing.

The chairman of the Heilungkiang provincial government was quoted as having declared in a proclamation that he would resist any advance but would not attack; having watched what happened in Mukden and Kirin, he would not surrender his capital at Tsitsihar. Meanwhile an independent provincial government at Mukden, under Yuan Chen Kai as Governor, was formally installed in the presence of Japanese officials.

The Role of League Officials in China

LEAGUE of Nations circles in London, according to the *Times*, were responding to criticism in Japan of the activities in China of Captain Walters and Dr. Rajchmann of the League Secretariat. It was pointed out that they were not in Nanking in connection with the Manchu-

¹ See document C.836.M.416.1931.VII.

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rian dispute but had left for China well before it arose. Captain Walters was accompanying four educational experts in the task of assisting with the development of the Chinese educational system and facilitating intercourse between Chinese and foreign intellectual circles. Dr. Rajchmann was at the disposal of the National Economic Council in China for information on the Health Section and other League organizations and the ways in which they could be utilized in plans of reconstruction for China. Both they and other members of the Secretariat had been sent at the request of the Chinese Government by the League Council with the full approval of all its members including the Japanese representative. Even should these officials have advised the Chinese Government on how it could best obtain help through the League Covenant, it was argued that they were not going beyond their duty since similar advice would have been given to the Japanese Government had it been requested. In Geneva, surprise was expressed in League circles that the Secretariat should have been accused in Tokio of accepting inaccurate Chinese statements and making them the basis of action by the President, since every communication by the Japanese as well as the Chinese representative had been forwarded to Council members and action by the President had therefore been on the basis of information from both parties.

Sir John Simon, Secretary of State for Foreign Affairs, would go from London to Paris, it was announced, for the Council meeting.

The administration in Washington, according to dispatches to the *Paris Temps*, was preparing new instructions to its envoys in Nanking and Tokio to insist on cessation of hostilities and withdrawal of troops from the zone of conflict, and emphasizing again the obligations of the Pact of Paris and also the Nine Power Treaty guaranteeing the integrity of China.

A series of warning statements from the Chinese Delegation marked November 12. The first¹ concerned seizure of a Chinese mine near Dairen but outside the leased territory, the Fuchowian colliery of the North-Eastern Mining

Corporation, by a Japanese detachment of soldiers.

The second² said that the Japanese military authorities at Mukden and Kirin, after driving out representatives of the Chinese Government, seizing official documents and setting up administrations under their influence, were altering and forging land deeds and mining licences in favor of Japanese nationals. One instance was given, and the claim was made again that the Japanese occupation was increasing its hold upon the country in every way. The third³ described the situation at the Nonni River bridgehead as still dangerous; the Chinese troops had retreated nearly twenty miles from the bridge in compliance with the request of the League Council to avoid aggravating the situation, but a Japanese force of 4,000 was said to be steadily pressing forward, and there had been further airplane bombing of the Chinese camp. Further indication that serious developments were impending in northern Manchuria was contained in another letter³, giving confirmation that General Honjo sent an ultimatum ordering the chairman of the Heilungkiang provincial government to resign and evacuate Tsitsihar immediately. Japanese troops were reported as intending to take Tsitsihar by an advance along the railway through Anganchi, crossing the Chinese Eastern railway. The Chinese troops had retreated; but if the Japanese carried out their announced intention, "a flagrant violation of the promises but just made by the Japanese Government to the Council", it was probable that there would be serious fighting at any moment.

Finally, the Chinese representative communicated further details of plans by the Chinese Government for taking over occupied territory in Manchuria:

In pursuance of the Resolution of October 24th of the Council of the League of Nations, the Chinese Government has taken necessary steps for taking over different places in Manchuria now under the occupation of Japanese troops as well as for

¹ Document C.838.M.418.1931.VII.

² Document C.839.M.519.1931.VII.

³ Document C.840.M.420.1931.VII.

³ Document C.842.M.422.1931.VII.

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making such arrangements as will ensure the safety of the lives and property of Japanese subjects in evacuated territory.

On November first, the Chinese Government announced the appointment of a commission for the re-occupation of evacuated territory in the North East Provinces, which is composed of seven members, namely, Dr. V. Wellington Koo, Chairman, General Chang Tso-Hsiang, Mr. Chang Chun, Mr. Wu Tieh-Chen, Dr. Lo Wen-Kan, Mr. Tang Er-Ho and Mr. Liu Chih. This Commission will be entrusted with the work of arranging with the representatives to be designated by the Japanese Government necessary details regarding the evacuation as well as the actual taking over and rehabilitation of evacuated places.

In executing their task, the members of the Commission will request the representatives appointed by the different Powers to associate with them as closely as possible. It is expected that these representatives will observe the workings of the Commission in relation to re-occupation, accompany its members to the places for actual re-occupation and remain in such places until they are sure that peace and order are effectively maintained. All necessary facilities will be accorded to these foreign representatives and all information regarding evacuation and taking over of the evacuated territory will be given to them without delay.

The best disciplined soldiers, gendarmes and police will be, upon selection by the Commission, despatched by the Chinese Government to places to be actually taken over. For the effective maintenance of peace and order after evacuation and re-occupation of each place, the Chinese Government will authorize the Re-occupation Commission to proclaim martial law when it is deemed necessary, and enforce it for a short period of time, during which any disturbance of peace or any act of violence against the life and property of residents will be severely dealt with according to martial law.

Special precautions will be taken for ensuring the safety of all Japanese nationals. In view, however, of the many dangerous acts incompatible with the maintenance of peace recently committed by Japanese subjects in various parts of China, especially in Manchuria, the Japanese Government is expected to warn Japanese subjects in evacuated territory against taking any undesirable course of action so as to ensure the successful execution of measures of protection by the Chinese Government.

Dawes Sent to Confer in Paris

NEW encouragement from America to the League in its efforts to settle the controversy was sent meanwhile in dispatches from Washington that General Charles G. Dawes, Ambassador from the United States to Great Britain, was to go to Paris to confer with members of the Council during their meetings starting November 16. From Washington there was cabled the full official announcement made by Mr. Stimson, Secretary of State:

I have asked General Dawes, Ambassador in London, to go to Paris during the coming meeting of statesmen who compose the Council of the League of Nations. Inasmuch as this meeting will consider the present situation in Manchuria and questions may arise which will affect the interests or the treaty obligations of the United States, I desire to have at hand in Paris a man of General Dawes's standing, particularly as the American Ambassador in Paris is at home on leave. It is not anticipated that General Dawes will find it necessary to take part in the meetings of the League Council, but he will be in a position to confer with the representatives of the other nations present in Paris in case such conference should seem desirable.

The appointment of Ambassador Dawes was taken to indicate a desire both for the fullest measure of cooperation in the general work of maintaining peace, and also, as the Washington correspondent of the London *Times* cabled, for the fullest independence of judgment. In Paris it was announced that the Council session would be held in the Salle de l'Horloge in the Ministry of Foreign Affairs, where the League had already achieved a success when a Council gathering put an end to the Greco-Bulgarian frontier conflict in 1927 and where the Briand-Kellogg Pact was also signed in 1929. From London came public word that Viscount Cecil, who represented Great Britain on the Council in September, when the Manchurian dispute first came before it, and who accompanied and later replaced Lord Reading at the Council session in Geneva during October, had been invited to proceed to Paris with Sir John Simon.

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Refusal to comply with the Japanese ultimatum demanding evacuation of Tsitsihar and a declaration of readiness to fight to the last man were reported in Harbin dispatches to the *London Times* to have been issued by the chairman of the Heilungkiang provincial government. The Chinese troops were holding a position about ten miles south of the Chinese Eastern Railway, commanding the line to Anganchi, on the south side of which they were entrenched; while the Japanese were making attempts to outflank them.

Activity at Japanese army headquarters in Mukden, reported in press dispatches, indicated that decisive operations were under way; while at Tientsin the United Press and other agencies described renewed rioting.

Further replacements of divisions from Korea in Manchuria by home troops were indicated in an Imperial order issued in Tokyo, according to the correspondent of the *London Times* there; while a War Office statement accompanying it said that Great Britain had sent 15,000 troops to Shanghai in 1927, and 50,000 to Ireland to suppress Sinn Fein uprisings, and that the United States had sent 6,000 marines to Nicaragua in 1927. Having regard to these precedents, it was urged that less than 15,000 Japanese soldiers were not too many to protect 1,000,000 Japanese and Korean subjects of Japan in Manchuria. Meanwhile Captain Walters of the League Secretariat, who had been on a mission in China, was reported on his way to Tokio.

In Paris the Japanese Ambassador, Mr. Yoshizawa, speaking before the Anglo-American Press Association, declared that Japan was determined to arrive at an understanding with China for the fulfilment of treaty obligations before the withdrawal of troops to the railway zone. In Washington, Mr. Stimson, the Secretary of State, said to press correspondents that he considered Japan's reply to his recent note as very conciliatory; and the Japanese Ambassador had assured him that forces would not advance northward beyond the Nonni River bridgehead.

The tendency of public opinion in the United States was shown in a message sent to the President by some fifty of the most

prominent leaders in finance and public affairs, reading as follows:

The undersigned desire to express their hearty approval of the steps that you have taken to provide for the cooperation of our Government with the League of Nations in its efforts towards maintaining peace in Manchuria.

We fully understand the statement of Secretary Stimson that "the American Government on its part, acting independently through its diplomatic channels, will try to reinforce League action and will make it evident that it has not lost interest in the question . . ." We trust that this policy will be followed without qualification, that the representative of the United States will sit with the Council of the League when it reconvenes on November 16, and that any joint action which may be agreed upon at that meeting, looking towards the just and peaceful settlement of the Manchurian question, will receive the whole-hearted support of the American Government.

Furthermore, we believe that this policy of upholding the established agencies that are working for peace through joint conference and action should be followed in all future crises that may threaten the peace of the world.

Japan and China Offer Pledges

ASSURANCES to the President of the Council from the Japanese Government that the Japanese forces intended to halt at the Nonni River were offered on November 13 in a telegram from the Minister of Foreign Affairs, which was circulated also to other members of the Council:

As formally stated in Japanese Government's reply dated November 8th to M. Briand's communication, Japanese troops near Nonni bridge have received instructions not to extend military operations as long as Chinese forces undertake no acts of hostility. I wish however to draw Your Excellency's serious attention to fact mentioned several times in communications to Council from Japanese representative that forces more than ten times superior to ours in number massing at Tsitsihar and Anganchi and district south of these localities constitute for Japanese troops a serious menace which is hourly growing more definite.

The Japanese Government proposes to continue to supply to Council the most

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detailed information as provided in paragraph 7 resolution September 30th. The Japanese Government has made a point from the outset of present events of granting widest facilities in its power to officials of Governments represented on Council who have come to Manchuria to gain an idea of the situation, and no change has occurred in its attitude in this respect

The Chinese Government, through its Acting Minister for Foreign Affairs, also gave pledges in a telegram circulated on the same day to avoid resorting to force:

Chinese Government acknowledges with sincere thanks receipt of communication from president of Council telegraphically transmitted by you yesterday in which he again evinced deep concern in serious situation that prevails in Far East. Aside from measures which are absolutely necessary for defence against further deliberate attacks by Japan Chinese Government will strictly refrain as heretofore from taking any action by the use of force. The situation however is every day becoming more dangerous and exasperating on account of increasing acts of aggravation on part of Japan. Japanese troops are being concentrated around Nonni bridge in Heilungkiang with declared intention of capturing Tsitsihar its capital and Japanese commander has even demanded General Ma, chairman of provincial government, to hand over administration to Changhaipeng, the rebel leader, who is in full co-operation with Japanese troops. Recently Japanese indulge in all kinds intrigues and machinations to create disorder in various places in China. And latest developments in Tientsin which were entirely plotted and directed by Japanese who used Japanese barracks and Japanese concession as base of operations have caused increasing anxiety in minds foreigners as well as Chinese. Under these circumstances Chinese Government heartily welcomes neutral observers who may be sent for obtaining true information to scenes of activities of Japanese troops particularly Nonni bridge district and Angangchi in Heilungkiang, and Tientsin and other important points and will accord these observers all necessary facilities to ensure successful execution of their mission.

Further, in regard to his previous note dealing with Japanese demands¹ upon the chairman

of the Heilungkiang provincial government, the Chinese representative reported in a letter to the Council that the Japanese Commander in Manchuria, General Honjo, had sent a note to the Heilungkiang authorities presenting the following conditions: 1) that the chairman resign his office; 2) that Heilungkiang troops be withdrawn from the capital city of Tsitsihar; 3) that a part of the Japanese troops advance to Anganchi in order to ensure the security of the railway from its junction there with the Chinese Eastern line southward through Taonan to Mukden. A time limit for reply had been set at midnight, November 12. The Chinese representative went on to cite a reliable report that Japanese forces at the Nonni River bridgehead had been increased and that an engagement was in progress. Developments made it clear, he concluded, that the Japanese army intended to occupy Tsitsihar and seize the administration. He requested that neutral observers be sent at once to "supervise" the withdrawal of Japanese troops. The Japanese military, he contended, were violating the promise repeatedly given to the Council by Japan to refrain from aggravating or extending the conflict, and ignoring the assurances given to the President of the Council on November 8¹ that Japanese troops had ceased to advance northwards and that reinforcements had been halted, as well as that the movement of Japanese troops to the Nonni River was due solely to the necessity to protect the work of repairing the railroad bridge.

New Evidence on Revenue Seizures

ADDITIONAL evidence concerning interference by the Japanese with the salt revenue and their denial of charges in this connection, from Dr. Cleveland of the Salt Inspectorate, was likewise transmitted by the Chinese representative:

"(1) *Facts showing Forcible Entry:*
On September 19th the Japanese military authorities with twenty armed soldiers forcibly entered the District Office of Newchwang, covered the Salt Inspectorate

¹ Document C.842.M.422.1931.VII.

¹ Document C.873.M.403.1931.VII.

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officers and the personnel with rifles, told them not move, took three rifles from the office guards, and, after visiting all departments, posted armed guards at the gate, took possession of the accounts, placed their own accountant in the office and took possession of banks acting as fiscal agents for the Salt Inspectorate.

"(2) *Facts showing Continued Interference by Japanese Military since September 19th:* The Japanese military authorities have dictated conditions governing the action of revenue officers, and have exercised surveillance by agents with military guards; they have obtained information concerning daily collections and deposits; they have enjoined the transfer of funds; they have forbidden the payment of a cheque for one million and eighty thousand dollars (\$1,080,000) drawn by the salt monopoly on the Changchun depository in favour of the Salt Inspectorate in payment of revenue on salt obtained on credit; they have repeatedly refused the request of revenues officers to raise the embargo on the remittance of revenues to the National Government; they have compelled the accumulation of deposits representing six weeks salt revenue in banks which amounted to more than three million dollars (\$3,000,000) before expropriation began.

"(3) *Facts showing seizure of funds by the Japanese military at Newchwang:* On October 30th the salt fiscal agent reported: 'At 11 a.m. to-day Paymaster Iwase of Japanese Military Headquarters, Adviser Yamada Shigehi of Provincial Government Bank and Provincial Finance Bureau (newly established) and staff officers of the Provincial Government with armed men came to this bank, first inspected the salt account and then demanded the handing over of salt revenue collections. I pointed out to them that, according to letter from Fengtien District Inspector, no salt revenue fund could be withdrawn without cheque signed by them, and that, according to usual bank procedures, funds could be paid out only on production of cheques. I therefore asked them to obtain a cheque from the District Inspector if they wanted any money. They replied, however, that the salt revenue fund must be handed over to-day, with or without District Inspector's consent; that they would hold themselves responsible if the District Inspector should put any blame on me; and that refusal to hand over the money would be considered as wilful resistance. Their attitude was very over-bearing, and all that we said was of no avail. Finally,

at 4 p.m., the sum of six hundred seventy-two thousand seven hundred and nine dollars and fifty-six cents (\$672,709.56) was taken away. It was only after repeated insistence that a Provincial Finance Bureau's sealed receipt, signed by Yamada Shigije, was obtained. Under such circumstances we could do nothing.'

"(4) *Facts showing Revenue Officers confirmation of party demanding fund on October 30th, consisted of three of foreign nationality, including one in uniform, who were later joined by three Chinese from the Provincial Bank:* The Bank of China Manager affirms that, upon requiring a cheque, he was told that none was necessary under previous procedure; after resisting five hours, and being threatened with military force, he thereupon issued draft for three hundred fifty thousand dollars (\$350,000) on his Mukden Bank in favour of the Lianning (Mukden) Finance Commissioner, a cheque to bearer of two hundred thousand silver Yen (Y200,000) on the Yokohama Specie Bank of Newchwang, and the balance on notes of the Yokohama Specie Bank, Ltd.

"(5) *Facts showing seizure of Fund by Japanese Military in Changchun on November 6th:* The following is a message from salt officers, confirmed by the fiscal agent: 'To-day all funds in the Bank of China and Bank of Communications at Changchun were forcibly removed in the presence of military to the Bank of the Three Eastern Provinces at Changchun by transportation officers sole signature on the basis of a circular authorised by the local foreign military. We have protested in vain.'

"Dr. Cleveland reports a telegram received, dated November 9th, from special deputy stating that there had been a further expropriation of seven hundred twenty thousand dollars (\$720,000) at Changchun.

"Photo-static copy of the receipt by Japanese officers for the money taken at Newchwang is being furnished to the foreign legations in China."

Manchuria had in the meantime become a region of more and more varied rumors. Dispatches to the *London Times*, the *Paris Herald*, and other papers, described both the Chinese and Japanese forces between the Nonni River and Anganchi on the Chinese Eastern Railway as steadily increasing, with skirmishes in attempts by each side to outflank the other.

From Tientsin there were dispatches, appearing in the *Journal de Genève*, that an accord

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had been concluded and that the Chinese were agreeing to leave the portion of the neutral zone between the foreign concessions and the Chinese town, which they had entered. At Shanghai, meanwhile, according to other cablegrams, the Nanking Government was making active preparations for the Fourth Congress of the Kuomintang, the Nationalist party dominating political affairs. By way of Mukden came reports that the dethroned young Manchu Emperor, Hsuan Tung, who had been living in the Japanese Concession at Tientsin, had left secretly during the disorders there, after attempts to assassinate him, and had arrived at the Japanese port of Dairen, and that there was a plan to restore him to the throne at Mukden.

The Government at Tokio had forwarded instructions to its Minister in China to protest against an alleged violation of agreements made after the Boxer uprising, establishing a zone around the foreign quarters at Tientsin which Chinese troops were forbidden to enter. At the same time official circles expressed the feeling that American communications to Tokio were improving the atmosphere in which a peaceful settlement of the dispute might be sought.

Japan Attacks China's Statements

A series of Japanese communications preliminary to the reopening of Council sessions were transmitted on November 14, beginning with a long analysis¹ of alleged inaccuracies in Chinese official statements. The Japanese Government, it was asserted, had considered it a duty to communicate to the Council and press nothing but scrupulously exact information and to avoid any appearance of a propaganda campaign. Sensational Chinese communications, on the other hand, were argued to have created a public state of mind far from that desired by the League. In regard to the situation at the Nonni River bridge, the Japanese Delegation then went on to explain in detail its disagreement with versions presented by the Chinese representative; to re-state the

position from the Japanese point of view; and to deny that Japanese troops were supporting Chinese pretenders to power against officials representing the Nanking Government or that Mongolian bandits and warriors had been utilized in such a campaign. The Japanese Government, it was reiterated, had forbidden all its nationals to involve themselves in any way with local independence movements; while the aid given by Japanese authorities to local committees was defended as inevitable in the interest of maintaining order.

In another communication² the Japanese Delegation gave a statement of the disposition, movements and strength of Chinese and Japanese forces opposing each other south of Anganchi: and further, in a memorandum³, transmitted information as to the main groups of bandits in various parts of Manchuria and the expeditions undertaken by Japanese troops against them. A detailed official telegram³ gave additional reports from Japanese sources in regard to anti-Japanese action in central and southern China, including seizures of goods and shipments and general interference with Japanese enterprises and trade.

The text of the Japanese protest in regard to the disorders at Tientsin, in English translation, was meanwhile transmitted by the Chinese representative, as addressed by the Japanese Minister in China to the Nanking Government:

During the disturbances in the Chinese City, Tientsin, on November 8th, the soldiers and Paoantui⁴ despatched by the Chinese authorities to the vicinity of the Japanese barracks in Tientsin, fired indiscriminately at the troops and Japanese Concession, causing the death of two Japanese soldiers and one Japanese woman besides wounding others.

By exchange of notes between the two countries in 1902, for handing back Tientsin, the Chinese Government undertook, for the purpose of preventing conflict between Chinese and foreign troops, to prohibit Chinese to march or to be stationed within twenty li of foreign troops stationed in Tientsin.

¹ Document C.854.M.432.1931.VII.

² Document C.857.M.435.1931.VII.

³ Document C.858.M.436.1931.VII.

⁴ Document C.859.M.437.1931.VII.

⁴ Roughly equivalent to special constables in England.

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In the present case, the troops and police which the Chinese authorities despatched to the vicinity of the Japanese barracks have not been withdrawn after repeated requests by the Japanese Consul-General. This is not only an infraction of the above-mentioned exchange of notes, but the Chinese Government should bear heavy responsibility for indiscriminate shooting which caused deaths of our nationals.

Acting under instructions from the Japanese Governments, I have the honour to request the Chinese Government to withdraw speedily the Chinese soldiers and police in Tientsin outside the distance stated in the above-mentioned exchange of notes. If withdrawal is delayed, the Japanese authorities will exercise the rights based on the exchange of notes and will, for the protection of life and property of Japanese nationals in the Japanese Concession, adopt necessary measures for the consequences of which the Chinese Government should be held entirely responsible.

In communicating the text of this note, the Chinese representative called attention to what he regarded as a threat in the concluding paragraph, which might lead to hostilities aimed directly against the central Government, and requested "most urgent intervention" and immediate dispatch of neutral observers drawn from the military officers of foreign troops stationed in Tientsin to the zone bordering on the Japanese concession.

Increasing Tension at Tsitsihar and Tientsin

THE state of affairs at Tsitsihar, capital of the Heilungkiang province in northern Manchuria had meanwhile been growing more tense. According to dispatches from Tokio to the London *Times*, Chinese policemen and gendarmes had surrounded the Japanese Consulate at Tsitsihar on the pretext of guarding it and communications were cut off. The chairman of the provincial government was making final efforts to strengthen his forces, had entrenched positions against any Japanese advance and launched an attack on the Japanese advance guard; and fierce fighting, described as the most desperate since the beginning of engagements, was in progress. Neutral diplomats at Mukden were reported in dispatches to the Paris

Herald as expressing the belief that the fall of Tsitsihar would result in a Heilungkiang administration friendly to Japan.

Following up Japan's note in regard to Tientsin, her envoys at Nanking and Peking called on the Chinese authorities to order all their soldiers seven miles away from Tientsin. Marshal Chang Hsueh Liang, the titular governor of Manchuria recognized by Nanking, was reported to have telegraphed instructions to the chairman of the Heilungkiang administration urging him to refuse Japan's demands and defend his territory to the last.

Officials at Tokio denied knowledge of any Japanese ultimatum to the Heilungkiang administration calling upon it to abandon Tsitsihar, according to cable dispatches to the Paris *Temps*, although it was admitted that the Japanese Consul there had requested the chairman of the administration to withdraw his troops far enough from the city to avoid any possibility of conflict with the Japanese.

Ambassador Charles G. Dawes, representing the United States at London, had meanwhile arrived in Paris to confer with members of the League Council in seeking a settlement of the Manchurian conflict. Rumors began to spread, on the basis of a Washington dispatch to French newspapers, that the American administration had a compromise plan to break the deadlock. In regard to this possibility, according to the Paris *Herald*, General Dawes had nothing to say.

Japan Repudiates the "Tanaka Plan"

IN somewhat surprising contrast to its custom of ignoring press reports, the Japanese delegation took formal notice, in a communication¹ circulated to the Council on November 15th, of the fact that on the 12th the *Journal de Genève* had published the text of a memorandum alleged to have been submitted to the Emperor in 1927 by Baron Tanaka, outlining a proposed policy for expansion in Manchuria, Mongolia and China proper in disregard of other Powers and their interests. Calling it "one of

¹ Document C.860.M.438.1931.VII.

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the numerous apocryphal documents which Chinese propaganda had made every effort to circulate", the Japanese delegation declared it a forgery in no way representing the views of any responsible Government of Japan of whatever party. A similar denial went to the *Journal de Genève*, which printed it with the comment that the Japanese Government similarly denied, in 1915, the "Twenty-one Demands."

Two other Japanese communications¹ on the same day dealt with the military situation in Manchuria. The first gave notice of demands upon the Chinese authorities in Heilungkiang to withdraw their forces north of Tsitsihar and return them to their garrisons, to send no troops south of the Chinese Eastern Railway, to abstain from interference with traffic on the line south from Anganchi, and to comply within ten days from November 15. Retirement of Japanese forces from the Nonni River was promised as soon as these measures had been carried out; but without such guarantees the Japanese authorities expressed fear of a conflict. The second message announced replacement of the last men from the Korean Defence Forces in Manchuria by the same number of men from the Home Army.

Press cables from the Far East reported presentation of the Japanese demands to the acting governor of Heilungkiang together with an additional one that he allow Japanese troops to enter Tsitsihar; at the same time his Chinese rival was said to be insisting on surrender of the city forthwith. An American observer sent from the Legation at Peking to North Manchuria had meanwhile reached Tsitsihar. In fierce engagements along the Nonni River, the Chinese were described as holding their ground. At Tientsin, the position had grown worse, according to special despatches to the *Paris Herald* which said that all Japanese women and children were being evacuated from the city.

The head of the new local Chinese administration in Mukden was quoted in a United Press message, labelled as "uncensored", as saying that the Japanese were in control of his govern-

ment and dictating its policies, but that he was trying to do his best for Chinese interests and to avert serious trouble.

Dawes Calls on Briand

AMBASSADOR Dawes had called the day before upon M. Briand, at the Ministry of Foreign Affairs; but the substance of their conversation was not made public. He later conferred at length with Chinese and Japanese representatives in Paris, including Mr. Matsudaira, the Japanese Ambassador to London, who had come to work with Mr. Yoshizawa during the session of the Council. The French Foreign Minister held an interview with the Soviet envoy in Paris, to request neutrality in the conflict and prevention of munition shipments into Chinese territory.

On the eve of the Council's reassembly, the press was tending to show an increasingly pessimistic and skeptical attitude towards its efforts. English papers had modified the sharp tone towards Japan which many of them had adopted the month before, and to indicate that a compromise would be necessary. French papers were divided, with conservative editors favouring Japan as the agent of "order against disorder" in the Orient and the liberal and radical editors supporting Briand in his efforts for a solution through the League. German comments were mainly to the effect that the League's task was increasingly difficult, since the Powers obviously did not want to offend Japan even when she had ignored the rest of the Council members. Editorials in Scandinavian papers and in other small nations argued that failure to deal with the dispute effectively would be a moral defeat for the League, destroying the basis for disarmament.

MONDAY, NOVEMBER 16th

THE Council re-assembled on the afternoon of the 16th in the Salle de l'Horloge in the Ministry of Foreign Affairs in Paris, for a brief formal meeting, to review the situation as it had developed since the last meeting in Geneva

¹ Documents C.860.M.438.1931.VII;
C.861.M.439.1931.VII.

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on October 24. Both the Chinese and Japanese representatives were understood to have prepared long statements, which they were induced not to deliver in order to avoid a new bitter debate at the outset of another endeavor to find a solution acceptable to all the members of the Council. M. Briand, welcoming his colleagues, particularly Sir John Simon and M. von Bülow, summarized the position as it was when the Council adjourned, and spoke of the later Chinese offer to adjust differences with Japan by arbitration or judicial settlement and of the Japanese reply outlining the "fundamental points" upon which Japan insisted as the basis for agreement preliminary to any settlement. It had appeared to him, he went on to say, that the matters involved in the first four points were amply covered by the draft resolution submitted to the Council on October 24; and for the fifth point concerning respect for rights conceded to Japan in Manchuria by treaty, a solution could doubtless be sought along the lines suggested in the Chinese offer of arbitration. The Japanese representative, however, had indicated doubt as to the interpretation which the Chinese Government placed on the validity of certain treaties constituting the basis of relations between China and Japan, which the Japanese Government could in no case accept.

Turning to the situation in Manchuria, M. Briand reminded the members of the Council that he had several times asked the parties to the dispute for information or reminded them of their obligations under the resolution of September 30. He had made inquiries, for instance, in regard to the reported seizure of the Manchurian salt revenues; and when there seemed to be a danger of a clash of armed forces he had asked both Governments to give the necessary orders to their army commanders to avoid trouble. He had always found both parties ready to supply whatever information he desired, and he took this as a sign of their readiness to cooperate with the Council.

After Sir John Simon and M. von Bülow had responded briefly to the welcome extended to them, M. Briand announced that certain of his colleagues had expressed the desire to hold private conversations "with a view to consider-

ing the procedure which would be best and most likely to achieve the purpose we have in view". The Council had not met since October, when it prepared a draft resolution; the action taken by the President in the meanwhile had made available certain valuable documents and information; and he saw considerable advantage in proposing that at the close of this formal meeting the members should go into closed session in order to determine the plans which might lead to a public meeting later. There being no objection, he declared the meeting ended, less than half an hour from its opening.

Rumors, for which there appeared no genuine foundation, were meanwhile being spread persistently in the gathering of more than 250 press correspondents and observers, particularly in the European groups, that there was some American understanding with Japan not only to set no time limit for the Japanese occupation of Manchuria but also to advance a "compromise settlement" of the whole affair including the direct negotiation on treaty rights which China had been steadily resisting. It was becoming evident that Ambassador Dawes probably would not take a seat with the Council, although he had not directly refused to do so; nevertheless, in addition to seeing M. Briand and other members of the Council, he was known to have been in conversation with the Secretary-General. The indications given in these preliminary conferences were understood to have been reassuring, in the sense that they gave promise of thorough-going cooperation with the Council; and in American circles it was reported that efforts were under way to secure from Tokio some modification of the Japanese instructions which might open the door to an agreement with the other members of the Council including China.

Heavy Fighting on the Nonni River

On the Nonni River, on the day that the Council's draft resolution had set as the time limit for Japan to withdraw her troops into the South Manchurian railway zone, United Press cables told, there had been the heaviest fighting yet seen, with Japanese troops moving their

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front five miles nearer Tsitsihar under cover of a barrage of high explosive shells and of bombs from airplanes. In Mukden and Tokio there had been patriotic crowd demonstrations with banners displaying anti-League and pro-military sentiments. General Honjo, Commander-in-Chief of the Japanese forces in Manchuria, had declared his intention to open the Taonan railway to Tsitsihar and keep it open for the protection of Japanese interests, considering that the attitude of the Chinese commanders at the Nonni River and Anganchi had caused a "regional state of war". The Japanese Consul at Tsitsihar, together with his staff, had meanwhile hurriedly left the city for Harbin.

The new Chinese administration at Mukden declared its assumption of responsibility for the whole of Fengtien province, of which the city is the capital, with Japanese agreement. The former Manchu Emperor, Hsuan Tung, who had left Tientsin secretly on November 12, was said to have arrived at Mukden and to be staying with the head of the local government; but Japanese authorities were disclaiming any project to have him declared ruler of Manchuria.

Chinese in Shanghai, following a resolution of the Kuomintang (Nationalist party) Congress, demanding resistance to Japan, were reported by the London *Times* correspondent there to have raised \$50,000 in one day for the support of the Nationalist authorities in Heilungkiang.

The Japanese Ambassador at Washington, according to cable dispatches to the *Paris Temps*, had meanwhile assured Secretary Stimson of the State Department that the Japanese troops would launch no offensive from the Nonni River and that there was no plan for an advance upon Tsitsihar. The Soviet Government was in communication at the same time with the Japanese Ambassador to Moscow, transmitting to him another denial of Japanese reports that Soviet reinforcements and supplies had aided the Chinese along the Nonni River front, and recalling his assurances that developments in Manchuria would bring no injury to the interests of the Soviet Union there. It was disturbed by information that the Japanese command was preparing to cross the Chinese Eastern Railway in the direction of Tsitsihar, so interfering with traffic on this joint Chinese-Soviet line.

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THE members of the Council other than the two concerned in the dispute, met privately on the morning of the 17th to exchange views; it was understood there would not be another public meeting before they had opportunity to obtain further information as to the intentions of both China and Japan. Also, in the midst of his delicate negotiations on the Manchurian crisis, M. Briand was being subjected to attacks on his foreign policy generally, at the reassembly of the French Parliament, necessitating his attendance there to deal with his critics. Affairs were complicated further by the existence of two centres of conference, one of the Council at the Ministry of Foreign Affairs and another of Ambassador Dawes in his private headquarters at the Hotel Ritz.

The main question before the diplomats attempting to mediate between the two disputants was how to reconcile China's attitude towards treaties with Japan and her offer to refer them to the Permanent Court of International Justice, with Japan's objection to any such adjustment of treaty claims and her insistence on her full rights of railway operation in Manchuria in the terms recorded in existing agreements, as an essential element of security. The members of the Council were reported to be seeking to arrive at more precise definition of Japan's manner of interpreting treaties with China, and also to divide the question of security for Japanese nationals in Manchuria from the question of treaty rights generally as presented in the fifth Japanese "fundamental point". Meanwhile, Ambassador Dawes let it be known that, in his view, American policy would countenance no abandonment of established principles in the Far East, including the "Open Door" in commerce and respect for the administrative and territorial integrity of China.

The Japanese Drive in North Manchuria

BOTH the Chinese and Japanese representatives transmitted communications to the Council in regard to the situation around

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Tsitsihar and in northern Manchuria generally. In a letter giving the substance of telegraphic information¹, the Chinese representative reported attacks by Japanese cavalry and artillery and a statement by the Japanese Consul at Tsitsihar that Japanese troops would cross the Chinese Eastern Railway and occupy the city. Rumors that the Chinese Government was negotiating with the Soviet Government for supplies of military equipment were denied. In a second letter based on another telegram², the Chinese Delegation confirmed demands by Japanese officers for withdrawal of Chinese troops beyond the Chinese Eastern Railway and for operation of the railway south to Taonan by its administration, which includes Japanese advisors, without interference, subject to a threat that otherwise the Japanese forces would immediately take "effective measures." The chairman of the Heilungkiang provincial administration had refused to accede to these demands, on the ground that his troops were being utilized solely to protect Chinese territory against rebels and that the sovereign rights of China were being violated through use of Japanese forces from the South Manchurian railway to control another railway in which it had only loan interests.

On its side, the Japanese Delegation transmitted the text of a note handed by the Minister for Foreign Affairs in Tokyo, under date of November 15, to the Chinese Minister there, in reply to his protest of the 11th against the advance of Japanese troops at the Nonni River bridge. This note set forth that the railway from Taonan to Anganchi was built by the South Manchurian Company under a contract, and that the Chinese authorities had not paid their debt and had also refused to convert it into a loan. The railway might therefore, it was argued, be regarded as belonging to the South Manchurian Company. The destruction of the Nonni River bridge by the Heilungkiang army was then reviewed, together with the conflicts in connection with Japan's attempts to repair it following demands that the Chinese should withdraw in order to allow the work to be done

peacefully. The Heilungkiang authorities, it was asserted, were concentrating enormous forces in the region, apparently to surround and attack the Japanese there; and responsibility for the consequences of any conflict was declared to fall upon China. Finally, formal denial was made that the Japanese commander in the locality had called upon the head of the Heilungkiang administration to hand over his authority to the rival Chinese commander who was said to have an understanding with the Japanese.

Confirmation of the news that the Japanese Consul at Tsitsihar had left with his staff was contained in another brief letter from the Japanese Delegation, which said that he had been obliged to evacuate the city and had arrived at Harbin on the 15th.

In regard to incidents at Tientsin, the Japanese Delegation transmitted the text¹ of a reply handed by the Japanese Minister in China to the Chinese Minister for Foreign Affairs, charging that Chinese reports of the riots at Tientsin had misrepresented the facts. The note denied that rioters had proceeded from the Japanese Concession to the Chinese town, asserted that the Japanese authorities had been keeping their Concession in the strictest control and that there were no soldiers in plain clothes there either during or after the riot, that Chinese troops had violated the neutral zone established around the Concession by a joint Chinese-Japanese agreement in 1902 following the Boxer uprisings, and had also fired on Japanese troops, killing one non-commissioned officer and one private soldier and wounding several other Japanese, and had marched into the Japanese Concession, and lastly stated that the Chinese troops did not keep to an agreement to retire but again fired on the Japanese troops, compelling them to act in self-defence. Charges that plain-clothes soldiers had been hired and supplied with arms were denounced as entirely false; and the Chinese Government was requested to call Marshal Chang Hsueh Liang to account for having irresponsibly circulated "gross misrepresentations".

¹ Document C.862.M.440.1931.VII.

² Document C.867.M.445.1931.VII.

¹ Document C.865.M.443.1931.VII.

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Japan's Case as to Revenue Seizures

In regard to the question of salt tax revenues, the Japanese representative submitted supplementary information received from his Government¹, stating in part:

(1) The Chinese Government has reorganised the Salt Tax system in accordance with Article 5 of the Reorganisation Loan Act of 1913 ensuring the priority of the service of various loans contracted by China and secured on the revenues of the Salt Tax. In 1916, however, local military authorities . . . seized the revenues of the Salt Tax and since then the system established in 1913 has gradually broken down . . . This state of affairs led to repeated protests on the part of the Powers concerned, notably Japan, Great Britain and France. These representations had no effect, and the service of the loans secured on the Salt Tax had to be suspended.

(2) When, in June, 1928, the Nanking Government had practically realised the unification of the country, the Powers concerned applied to that Government for the restoration of the Salt Tax system. The Nanking Government took no action on this request and in November of the same year established the so-called "Ten million silver dollars system". The provincial military authorities were therefore able to go on seizing what remained of the Salt Tax revenues after deducting the contribution of each province and the costs of the Collection Office. This not only affected loans secured on the surplus revenues (particularly in the case of Japan the "96" bonds of 1922 and the Shantung Treasury bonds of 1923), but was contrary even to the Salt Tax system organised by the 1913 Reorganisation Loan. Japan, in concert with Great Britain and France, therefore protested but in vain against the maintenance of the Ten Million Dollar System.

(3) Thus, in spite of the repeated protests of the Powers concerned, China, violating her previous undertakings, has completely upset the Salt Tax system established by the Reorganisation Loan and the greater part of the Salt Tax revenues have for more than 10 years been abandoned to the local military authorities at the expense of the holders of bonds of the different loans.

In Manchuria in particular, practically the whole revenues of the Salt Tax have

served to cover the military and administrative expenditure of Chang Tso Lin and Chang Hsueh Liang. It has now become evident, however, that Chang Hsueh Liang, directing the Chinese forces stationed in various parts of Manchuria, and with the help of the bandits, is striving by every means to attack the security of our troops and the interests of Japanese nationals in Manchuria. It is therefore perfectly comprehensible that in these exceptional circumstances the Japanese military authorities should have interfered with the dispatch of funds which were aimed at maintaining activities directed against themselves.

Furthermore, local organs have been established by the Chinese to maintain order in Manchuria and their action cannot but be beneficial to these regions until the situation in Manchuria again becomes normal. To place at the disposal of the Committee for the Maintenance of Order organised at Mukden the resources which have hitherto gone to Chang Hsueh Liang amounts in short to reinforcing the action of the body which is in fact responsible for the maintenance of order until the restoration of normal conditions, and to this extent this action can only be regarded as highly desirable. Accordingly, the action of the military authorities in intervening to transfer the surplus revenues of the Chinese Salt Tax Office to another Chinese body cannot be regarded as unjustifiable.

It should further be pointed out that the Japanese military authorities have exercised no pressure on the Salt Tax Office. They have in no way interfered with the dispatch of the provincial contribution to the Central Government or with the payment of the Salt Tax Office's own expenses. Nor have they seized the smallest sum for their own use.

(4) The Japanese Government considers that the measures taken by the military authorities are in no way contrary to the Resolution of the Council of the League of September 30th, or to the declarations made by the Japanese representative at the Council meetings of October 24th and 25th. On the contrary, these measures seem to it likely to promote the restoration of order and to prevent the situation from being aggravated.

A lull had followed the furious fighting on the Nonni River front, according to United Press dispatches; the head of the Heilungkiang administration was playing for time before

¹ Document C.863.M.441.1931.VII.

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replying to the Japanese demand that he vacate the capital at Tsitsihar, while the Japanese were preparing a larger scale movement to drive him out. All Japanese officials and residents from Tsitsihar had reached Harbin safely. Clashes of Japanese troops with bandits and refugee soldiers were reported from various parts of Manchuria. The situation in Tientsin had become easier, the Chinese having assented to Japanese requests to retire their troops from the Japanese concession. At Mukden two Chinese provincial banks had been reopened under Japanese supervision, for limited business, all accounts of the Peking-Mukden Railway or other former government enterprises being non-negotiable.

Japan's reply to China's demand of November 4th that Japan recall her troops within the South Manchurian Railway zone had been sent the day before, according to the *Paris Temps*, to the Chinese Legation in Tokio. This note reviewed the acts by which Japan charged that China had aggravated the situation, insisted again on treaty rights, and concluded that Japan would adhere to the terms of the League Council resolution of September 30 fixing no time limit for the retirement of her troops.

American Cooperation Reaffirmed

THE American position in regard to Manchuria was confirmed on November 18th in a statement by Secretary Stimson, cabled by the Havas Agency from Washington, denying a reported assurance to the Japanese Ambassador there that the United States would not cooperate with the League of Nations in diplomatic or economic measures. If General Dawes was not sitting with the Council, it was explained, the reason was that the United States was not ready to decide how far it could go in associating itself in any eventual action. The statement tended to reinforce the determination of the Council negotiators to find a practical way out of the complicated affair, in which a peaceful solution maintaining League principles had begun to seem almost hopelessly compromised.

Encouragement was understood to have been

added, in the private meetings, by a Japanese proposal, still indefinite, for discussions on the security required for evacuation of Manchurian territory, and for a commission to inquire into grievances on both sides, throughout China.

This favorable impression was offset, on the other hand, by an explanation from the Japanese representative that the five "fundamental points", as stated by Japan, indicated not her final requirements but rather the headings for various sections of a treaty properly regulating relations between his country and China, including specific reaffirmation of all existing treaties. Evacuation of Manchuria, it was again made clear, must be considered separately from all other questions, and could only follow an accord and a demonstration of Chinese good faith. In these circumstances, it was again rendered obviously impossible to tell exactly what the Japanese points might mean.

The Chinese representative, at the same time, was known to be insisting that China could not pay a price for the evacuation of her territory, that the main issue was the bloodshed caused by the Japanese occupation, and that if necessary to terminate it he must reserve the right to invoke all the applicable articles and sanctions of the Covenant.

Caught between these still apparently irreconcilable points of view, in their consultations with both parties, the other members of the Council were faced with the possible dilemma of attempting to uphold the League's moral authority by methods which might seem to be required but which probably could not be put effectively in operation. Nevertheless, M. Briand was quoted as saying—with the tacit assent of his colleagues—that he was ready to go to any limit necessary to achieve this purpose.

China Warns against a Manchurian Monarchy

CONCERNING the rumors of establishment of a monarchy in Manchuria, the Chinese representative transmitted a cable message¹ from his Government, charging that in addition to fomenting disorder as a pretext for occupation,

¹ Document C.868.M.446.1931.VII.

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the Japanese had escorted the former Manchu Emperor to Mukden with the purpose of setting up a government headed by him. Notice was given that the National Government would regard such an institution, established in subversion of China's administrative integrity, as seditious and as an "auxiliary organ of the Japanese Government in disguise."

The Chinese representative likewise communicated a telegram¹ confirming the news that the Japanese Consul in Tsitsihar had left on the 14th with his staff and that the next day the Japanese military had demanded withdrawal of the Heilungkiang army north of the city. The Chinese commander had requested in turn that both forces should withdraw simultaneously. The Japanese had countered with a refusal and a further notice that Heilungkiang should declare independence of the central Government or else an attack would be made. Continuing engagements and Japanese air-raids were reported, as well as the arrival of Japanese reinforcements.

China Again Urges a Commission of Enquiry

To the charge of inaccuracy brought by the Japanese Government on Saturday, November 14, the Chinese representative retorted² that, while he maintained the accuracy of his reports,

... If the Japanese Government is disposed to question their correctness, he would say, as he has had occasion to say several times before, that his Government has desired that the actual conditions and events in Manchuria since September 18 should be observed and reported upon by a neutral commission appointed by the League, but to this reasonable proposition Japan has offered a persistent objection. So long as the Chinese Government asks for a third party and neutral judgment as to what is happening in Manchuria, and the Japanese Government refuses to allow this to be done, it may be safely left to the world's opinion and to my colleagues upon the Council to

judge as to the comparative accuracy of the Chinese and Japanese versions.

Finally, on the same day the Chinese representative transmitted a long statement¹ issued by the Fourth National Congress of the Kuomintang party concerning the Chinese-Japanese conflict. He called attention to the fact that from this body the Government ultimately derived authority and its statement was therefore an authoritative expression of the temper of the Chinese people with which the Government must reckon. It was impossible for any government in China to accept a settlement involving direct negotiations on the "five points" under pressure of military occupation, because the fifth point had nothing to do with security and all the points together would swiftly grow into a program for establishing a Japanese protectorate in Manchuria, and also because China could not sign again the "Twenty-one Demands" as a condition for Japan's fulfilment of her treaty obligations under the Covenant and the Pact of Paris. If a proposal making evacuation conditional upon direct negotiations should be put to the Chinese, they would not only reject it but would quote in a public meeting what M. Briand and other members of the Council had said on the impossibility of reconciling negotiation under military pressure with the Covenant and the Pact of Paris. If the Council declared it could do nothing more under Article 11, they would not shrink from invoking other articles. He concluded:

This is a life and death issue for the Chinese Government which has staked its political existence on the policy of relying on the League. It is therefore bound to push this policy to its conclusion and test the competence of the League to the utmost. If the League fails, the Chinese Government will be forced to put the blame publicly where it belongs, namely, on the unwillingness of the Great Powers to lift a finger in defense of the Covenant which they are solemnly pledged to defend. The matter is therefore also a life and death issue for the League and for the Disarmament Conference.

¹ Document C.869.M.447.1931.VII.

² Document C.870.M.448.1931.VII.

¹ Document C.874.M.450.1931.VII. See Annex.

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Japan Complains of Attacks

CONCERNING the movement of events in Heilungkiang, the Japanese Delegation submitted its version¹, alleging an attack on Japanese troops by Chinese forces while negotiations were proceeding between the authorities on both sides in regard to the demands presented by the Japanese for reply before mid-day on Monday, November 16. The Chinese had delayed their response, it was asserted; and conflicting versions of it had reached the Japanese through different provincial authorities, one of whom accepted the Japanese conditions while the other made reservations in regard to Japanese withdrawal and the right to send Chinese forces south of the Chinese Eastern Railway and refused any pledge against interference with the railway south to Taonan. The Japanese, in an attempt to avert hostilities, had requested explanations and placed responsibility on the Chinese for any conflict that might result from further concentration of their forces, meanwhile instructing Japanese officers to take care that their troops should not begin hostilities. The central Japanese authorities had later learned that since Tuesday, November 17, Chinese troops had begun to attack their forces, compelling them to resist. The Japanese were still without reinforcements and in an extremely dangerous position. Meanwhile, at Chinchow fresh attempts were reported to incite bandits and fugitive soldiers to create disorders in the districts traversed by the South Manchurian railway.

The note handed by the Japanese Minister of Foreign Affairs on Monday, November 16, to the Chinese Minister in Tokio, already reported in press dispatches, was transmitted in full² by the Japanese Delegation, reviewing the Japanese attitude toward the Council resolution of September 30 and the draft resolution of October 24, the protests against anti-Japanese agitation in China, and the proposal of negotiations "to accelerate the return of normal relations between the two countries".

Repudiating the suggestion in a Chinese note

of the 3rd¹ "that the Japanese Government has modified its attitude in recommending an agreement regarding certain fundamental principles" for relations between the two countries, the Japanese Delegation also reaffirmed the attitude of its Government in a communication summarizing² afresh its view of anti-Japanese activities, both before and after September 18, which had led to the existing situation, and re-stated in detail the position assumed in exchanges of notes between the two Governments from that time up to the Japanese declaration of October 26 defining the five "fundamental principles". The statement concluded that the Japanese Government had always followed a consistent policy and that there had been no change in its attitude since the beginning of the present incidents.

Bargaining Attempts in North Manchuria

THE struggle in Heilungkiang province between the Japanese military authorities and the head of the last independent Chinese administration in Manchuria was at the same time entering a final stage. The Chinese leader had attempted to get the Japanese to withdraw 90 miles south of Anganchi, in return for his agreement to withdraw north of the Chinese Eastern Railway, and also to induce them to deny his rival the use of the railway south to Taonan if he agreed not to interfere with traffic on it. He had further reserved the right to send troops south of the Chinese Eastern Railway if he found it necessary to suppress banditry. General Honjo, Japanese commander-in-chief, had rejected this conditional answer, according to United Press dispatches, and had sent word that unless his terms were met before November 25 he would take "positive action". Three Japanese air squadrons had left their home bases for Manchuria, to support the forces at the Nonni River front.

Nevertheless, the Japanese Government had sent a note to the Soviet Government, the *Paris Temps* said, offering assurance that there

¹ Document C.875.M.451.1931.VII.

² Document C.873.M.449.1931.VII.

¹ Document C.789.M.383.1931.VII.

² Document C.876.M.452.1931.VII.

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would be no advance upon Tsitsihar unless the Chinese should give provocation.

To strengthen the position of the new Manchurian administration at Mukden, both the London *Times* correspondent and the United Press reported from Tokyo, funds belonging to the former government under Marshal Chang Hsueh Liang had been transferred to a Japanese bank there for safekeeping and delivery to the authorities supplanting him.

Japan and a Commission of Enquiry

In the face of news that Japan's troops had reached Tsitsihar, her suggestion for a Commission of Enquiry centered on Thursday, November 19, the attention of the Council members, together with the possibility of supplementing it by some arrangement for an armistice. General Dawes was understood to have indicated that if needed he would come to a meeting of the Council; but doubt was known to prevail among some of its members, including the President, as to the advisability of attempting to make the Nine Power Treaty of Washington a basis for action which might bring him into direct collaboration with them. In continuing negotiations under Article 11 of the Covenant, however, the question seemed to be whether China could now accept an armistice or any other arrangement seeming to affirm results secured by force. It was regarded as essential to avoid either condoning Japan's methods in Manchuria or accepting any shift from the basis of the September 30 resolution, implied in her "fundamental points", and at the same time to gain an opportunity for independently reliable information. The positive promise of a Commission of Enquiry, it was hoped, might persuade China to accept a delay. In any event the desire was to avoid an appeal by her to Article 15 of the Covenant, concerning disputes not submitted to arbitration or judicial settlement, under which action would not require the assent of the parties; this grave step would involve a public discussion that might end the chance of League mediation and pacific action.

A large-scale Chinese offensive against Japa-

nese troops north of the Nonni River was announced by the Japanese Delegation in a letter¹ which said that the Japanese had been obliged to counter-attack and were pursuing the Chinese toward Anganchi. The Japanese Minister of War was quoted as declaring this advance the inevitable result of provocations by the Chinese forces; the "fruitless negotiations" with the Chinese and the endeavors of the Japanese authorities to prevent an outbreak of hostilities were recalled, and it was further stated that the action was "purely defensive" in order to strike a decisive blow against the forces threatening the Japanese at the Nonni River bridge. He concluded:

When this purpose has been achieved, the Japanese forces will not remain in this district . . . they will strictly respect the Chinese Eastern Railway if the Chinese forces do not employ it for strategic purposes.

The debate as to responsibility for the disorders at Tientsin was continued in another Japanese note² commenting on the Chinese representative's communication to the Council of Tuesday, November 17³. The Japanese statement formally denied use of the Japanese concession at Tientsin as a base of operations by insurgents, saying that the Mayor of Tientsin himself had recognized the inaccuracy of this charge; it also denied any participation by Japanese authorities in a movement to restore the Manchu Emperor, who was explained to have fled from Tientsin during the riots there without the knowledge of the Japanese authorities, because of two attempts and frequent threats against his life.

To indicate the extent of brigandage in Manchuria, the Japanese Delegation transmitted a detailed table⁴, with a letter drawing special attention to a raid on Sunday, November 15, when two Germans and two Czechoslovaks were carried off and later liberated by Chinese police and Japanese troops. The table indicated a total of 964 raids, from September 18 to November 15, involving nearly 150,000 persons.

¹ Document C.877.M.453.1931.VII.

² Document C.878.M.454.1931.VII.

³ Document C.868.M.446.1931.VII.

⁴ Document C.879.M.455.1931.VII.

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The killed numbered 578, including 15 Japanese soldiers, 2 Japanese police, 1 foreign civilian, 5 Japanese civilians, 123 Korean civilians, 27 Chinese police and 395 Chinese civilians; while the wounded numbered in all about 200 and the missing over 450. Acts of violence had included the burning of houses, destruction of telegraph and telephone lines, attacks on public buildings, stations, trains and vessels, and towns or villages; and there had been 92 Japanese and 58 Chinese expeditions against brigands.

The Japanese Enter Tsitsihar

SWINGING into "positive action", the Japanese forces in the Nonni River region, numbering about three thousand men with modern equipment, had meanwhile routed a Chinese army nearly nine times as large. They had followed up their success by sending an armored train to Anganchi and across the Chinese Eastern Railway, according to the Tokio correspondent of the *London Times*, who cabled that it was reported twelve miles south of Tsitsihar. From Harbin, the United Press sent a despatch that the Japanese troops had entered and taken command of Tsitsihar on the evening of the preceding day, after smashing the last line of Chinese defenses along a five-mile front. General Honjo's headquarters were quoted as announcing at midnight the occupation of the capital of Heilungkiang, after having been compelled to take the offensive from the standpoint of self-protection. The Minister of War in Tokio made public a statement confirming the Japanese advance; it added that the troops would not interfere with traffic on the Chinese Eastern Railway if the Chinese forces did not make use of it, and that they would be withdrawn once the Chinese concentrations were dispersed.

From Tokio came confirmation at the same time that Japan was contemplating a compromise plan of settlement: A Foreign Office announcement, reported in the *London Times*, said that the Japanese representative in Paris would submit new proposals to the Council,

on his own responsibility, the main feature being postponement of action until a strong commission might investigate conditions in Manchuria and throughout China.

The Council at a Turning Point

ALTHOUGH it was hardly realized at the time, Friday, November 20, proved to be a turning point in Council negotiations, towards attempts to settle the dispute through investigation on the ground. Gravely disturbed by the Japanese occupation of Tsitsihar, following assurances which had been given that this step was not contemplated, Secretary Stimson had seen the Japanese Ambassador in Washington and, according to word reaching Paris, made strong representations as to Japan's obligations under the Pact of Paris and the Nine Power Treaty of Washington. Ambassador Dawes paid an official visit to M. Briand at the Ministry of Foreign Affairs, and was understood to have made it plain that the United States favored the project of a Commission of Enquiry in Manchuria and would be disposed to cooperate with it. He later issued a formal statement to the press reaffirming the American concern for peaceful settlement of the conflict:

I have been directed to come to Paris for the purpose of discussing with the representatives of the different nations assembled here the crisis which is taking place in Manchuria. As a signatory of the Pact of Paris and of the so-called Nine Power Treaty, the United States is deeply interested with its fellow signatories in seeing that the lofty purpose of these treaties is fulfilled. It has been the hope of my Government that a settlement in accordance with the principles of those treaties would be arrived at through discussion and conciliation during the conference in Paris and that the presence here of a representative of the United States would contribute to bring about a solution through this method. The United States is, of course, not a member of the League of Nations and it therefore cannot take part in the discussions bearing upon the application of the machinery of the League Covenant. Since in the present crisis it may be possible that such discussions

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may arise, it is obvious that my presence at the meetings of the Council would not only be inappropriate but might even embarrass the efforts of the Council itself. But the position thus necessarily assumed by the United States in no way indicates that the United States is not wholly sympathetic with the efforts being made by the League to support the objective of peace in Manchuria. The United States must, however, preserve its full freedom of judgment as to its course.

Furthermore, new instructions from Tokio were reported to have reached the Japanese Embassy in Paris recommending a conciliatory attitude and approving a plan to appoint a Commission of Enquiry without advance recognition by China of all existing treaties. With the way thus apparently opening again for possible unanimous action under Article 11 as the mediatory instrument of the Covenant, the members of the Council continued their private meetings to discuss arrangements for the next public meeting, which they desired to set for the next day. Certain differences of opinion were known to exist among members of the Council; the representatives of the Great Powers felt that dispatch of a commission was essential in order to allow tempers to cool and to endeavor to determine responsibility on both sides, while the representatives of some of the smaller states saw possible dangers in countenancing a prolonged occupation on the ground of security and advocated pressure for the immediate withdrawal of troops. The majority opinion, however, was that the appointment of a commission should be regarded as separate from any arrangement for evacuation of Manchurian territory; and this opinion was reinforced by the impression that the United States was not ready to define its attitude either for or against the use of measures to compel retirement of troops, beyond diplomatic insistence upon the obligations of the Pact of Paris. The great advantage of continuing action under Article 11, without recourse to other articles of the Covenant implying more drastic sanctions than the pressure of public opinion, was felt to be that it held out the hope of restoring unanimity within the Council by securing the consent of both disputants to a new resolution.

Dawes Protests to the Japanese

GENERAL Dawes meanwhile saw both the Chinese and Japanese representatives, and was reported to have expressed to the latter a strong protest against the Japanese procedure in occupying Tsitsihar.

News from Tokio cabled to the London *Times* by its correspondent indicated that the main body of Japanese forces had entered Tsitsihar on the morning of the 19th, following up the advance parties who had pursued the retreating Chinese, and also that the Chinese civil administrator from Harbin had arrived with his bodyguard and proclaimed the province independent under his direction. Japan had replied to the Soviet note, received on the 15th, protesting against her action in northern Manchuria, by reminding the Moscow Government that Japan had observed a policy of non-interference during Soviet-Chinese disputes in 1929 and expected Soviet Russia to maintain a similar attitude now. Assurance was given that Russian interests would not be impaired and that there would be no interference with the operation of the Chinese Eastern Railway. The Japanese Foreign Office statement further indicated that the troops would leave Tsitsihar very quickly.

Captain Walters, of the League Secretariat, was reported to have had an interview with the Japanese Foreign Minister, in which he outlined the desires and intentions of the Council and League officials in regard to the sending of a commission to study the state of affairs in Manchuria.

In connection with the rumors of a plan to restore the former Manchu Emperor of China to the throne at Mukden, a special dispatch to the *Paris Herald* reported that certain Powers had indicated to the Japanese Government the danger of complications if such an event should take place, since it might be considered a violation of treaties guaranteeing the sovereignty and territorial integrity of China. Japanese officials, on their part, continued to disclaim any knowledge of or concern with such plans.

The Chinese Government at Nanking was reported to have sent a protest to Tokio against

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the latest action in northern Manchuria; and Chiang Kai Shek, the head of the Government, offered to go north immediately to place his military services at the disposal of the nation.

SATURDAY, NOVEMBER 20th.

AFTER its week of intensive efforts to find again some common meeting ground for the two parties and carry affairs beyond the point reached on September 30, to which all endeavors in the meantime had been turned back, the Council gathered again on the afternoon of Saturday, November 21, in a public meeting. The Japanese representative, it was understood, would make a statement on the principle of an impartial enquiry into conditions creating difficulty between China and Japan. Opening the discussion, M. Briand, as President, recalled the fact that the Council was acting solely on the basis of Article 11 and of the resolution adopted on September 30 in accordance with it. He reviewed the pledges of both the Japanese and Chinese Governments and emphasized the duty of the Council to safeguard peace by seeking suitable means of enabling the disputants to carry out their undertakings in accord with this unanimous decision as quickly as possible. In his private conversations with the representatives of Japan and China, points of view had been defined with regard to the methods they might consider. He appealed to both representatives to confine their remarks to suggestions with a view to putting an end to the conflict. The members of the Council shared the public concern over the gravity of events, and would certainly desire to remind the two parties of their promises to take all necessary steps not to aggravate the situation. The Council's efforts might be rendered vain if military operations continued and if the two countries could not recover sufficient calm to enable their Governments to cooperate in full confidence with it for peace.

The Japanese representative, upon whom M. Briand then called, expressed his Government's appreciation of the efforts made by the President and members of the Council and the

Secretary-General to bring about a solution of the dispute, and its desire to observe the resolution of September 30 "both in the spirit and in the letter." Briefly reviewing the development of events since September 18 and earlier and the complaints of Japan as to the insecurity of its nationals and interests in Manchuria, and as to anti-Japanese agitation throughout China, he reiterated the contention "that the essential condition of a fundamental solution of the question is a real knowledge of the position as a whole, both in Manchuria and in China itself." With this idea in mind, he continued, Japan proposed that the League of Nations should send a Commission of Enquiry, and he concluded:

Of course, such a committee would have no power to intervene in the negotiations which might be started between the two parties, in order to supervise the movement of military forces on the one side or the other. I desire to add one thing, namely, that in the view of my Government, the composition of this committee and the sending of it to the scene of events would in no way modify its desire to withdraw its troops as soon as possible within the railway zone in accordance with the resolution of September 30. Already, in so far as such action was warranted by the restoration of order, Japan has withdrawn considerable numbers of troops and will proceed with that withdrawal under the conditions contemplated when the necessary security has been afforded.

China Insists on Troop Withdrawal

WITH this proposal before the Council, for a full investigation implying examination of every aspect of Chinese-Japanese relations, the representative of China in turn spoke. The position of his Government, he said, was that military occupation of its territory by Japanese forces was the crux of the situation and that no disposition failing to provide for an immediate end of military operations and withdrawal of Japanese forces could pretend to be a solution. China could not bargain for withdrawal or consent that it be dependent upon any other matter than arrangements for security of life and property in the evacuated

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areas. He re-affirmed China's readiness to assume responsibility for such security in Manchuria, outside the South Manchurian railway zone, and her readiness to accept "any reasonable proposal involving neutral cooperation under the auspices of the League." The time had come to act, for while discussion went on suffering increased and irreparable damage was done. Therefore, he concluded:

In order to secure the prompt and complete evacuation of its territory, China has the firm intention of demanding, as circumstances may require, every right and every remedy secured to it as a member of the League of Nations, by Article 11 or by any other article or articles of the Covenant.

Attempts to Limit the Enquiry

OTHER members of the Council then took up the debate, showing a wish to limit the field of the proposed enquiry, at least at first, to the situation in Manchuria. Viscount Cecil, speaking for Great Britain, emphasized "the urgent necessity for some means to be elaborated to enable the Council to know actually what is going on in Manchuria." He and his Government had held this view from the outset and would have been glad if some action of this kind could have been taken in September. The Japanese proposal afforded some prospect of authoritative information and he hoped it might be accepted.

Mr. Yoshizawa, speaking again for Japan, called attention briefly to the fact that his proposal was for an enquiry not only in Manchuria but in China itself.

Dr. Sze, on behalf of China, referred to the provisions in the resolution of September 30 for information to be collected on the ground and asked whether any neutral observers went to the Nonni River bridge and Tsitsihar. In regard to the Japanese proposal, he reserved the right to propose amendments when the composition and duties of any committee of enquiry should be discussed; he asked the Council not to assume that he had accepted the whole plan without knowing what it was.

Viscount Cecil responded, agreeing with what the President had said as to the duty of

safeguarding peace and adding that it would obviously be a failure if, during the work of the commission, hostilities should continue. Some neutral observers were in the district to which the Chinese representative referred; a British representative was at Anganchi, and while he did not know whether any one was in Tsitsihar, observers would doubtless go wherever they could most usefully obtain information.

Dr. Sze, expressing his thanks, asked that reports from the British representative be made available to the Council; and Viscount Cecil indicated that there was no reluctance in so far as information was of a character which would be of any use to the Council. M. Briand then said that the French Government would make arrangements to have officials observe what was going on and send in reports which would be placed at the Council's disposal.

Germany on the Duty of the League

M. von Mutius, speaking for Germany, interposed a plea that the Council consider the necessity of looking for other ways out of the difficulty than those explored at Geneva. Without endeavouring to establish responsibility, the duty of the Council was to put an end to a conflict which had lasted too long and to reach a practical solution of a difficulty causing grave anxiety to the whole world. The nations demanded that the confidence placed in the League of Nations, which was its very foundation, should in no way be impaired. Public opinion had indicated time and again that the fate of the League, which meant the fate of all the nations, was at stake. There was no intention to demand that two of its members should abandon vital interests; the Council had not to solve all the questions at issue in Manchuria, but to terminate a situation which was very similar to war and which certainly gave rise to a grave danger of war. The Japanese proposal, which the Chinese representative had not entirely rejected, that a commission at the scene of events supply impartial information and cooperate in pacifying the country, appeared calculated to foster the

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elements of conciliation; and he appealed to both disputants to facilitate the first steps toward an agreement.

M. Lerroux, speaking for Spain, as a nation far from China in distance but close in long-standing friendship, urged that the incident of September 18 and the actual situation resulting from it constituted the essential subject before the Council. Not the history of Chinese-Japanese relations nor the validity of treaties, nor the nature of the conflict between the two countries, but the methods used to remedy the position and the question whether these could be reconciled with the Covenant and the Pact of Paris, were the important points. Three months after the incident, the Council had not been able to procure "the most elementary information on the exact origin of the most serious conflict with which it had had to deal." The Japanese proposal of a Commission of Enquiry was cause for congratulation. As to its adoption, in relation to the resolution of September 30, he desired to make two statements: First, the special position of Japan in Manchuria had been recognized, since the resolution made retirement of Japanese troops from Chinese territory contingent upon the security of nationals and property there, and so far as such an application of the principle of security might be interpreted as a precedent, it would be dangerous and should be regarded as exceptional; second, the words "security and protection" should be understood in their evident and immediate sense, and he would feel difficulty in extending their meaning to include the settlement of questions as to contested treaties.

M. Scialoja, speaking for Italy, paid tribute to M. Briand for his efforts which seemed to be bringing the Council close to a solution, and promised that the Italian Government would place at the Council's disposal for the purposes of enquiry all the facilities which it might have on the spot.

**Poland and Yugoslavia Note
"Exceptional Procedure"**

M. Zaleski, agreeing on behalf of Poland to the proposal that a committee of experts

should be sent to study the situation, as a means to bring about a calmer state of mind, took occasion to emphasize the special position of the territory involved, which had made it necessary to deal with the question before the Council by forms of procedure which were exceptional. With this view M. Fotich of Yugoslavia associated himself, saying that the problem had been rendered exceptional not only by its remoteness but also by its intricacy and by the complicated treaty relations between the two parties; for this reason a procedure had been adopted which the President had characterized on October 24th as one which "could not be used as a precedent".

M. Colban for Norway, M. Matos for Guatemala, and M. Gonzalez-Prada for Peru then briefly gave their assent to the Japanese proposal. Dr. Garay, for Panama, laid stress on the fact that the future of small states was closely bound up with peace as the "natural and necessary environment for the development of law which is the protection of the weak;" while events in Manchuria had brought up principles of law concerning which "the representative of the smallest country represented on the League Council might have much to say and many reservations to make", he preferred to restrict himself to the expression of the hope that efforts to conciliate the two parties would now finally be successful.

Briand Analyzes the Situation

SUMMARIZING the discussion, M. Briand expressed thanks to the representatives of Japan and China for the restraint shown in their remarks, and satisfaction that a proposal "definite in its principle at least" had been made by the Japanese representative. He trusted that this would enable the Council to achieve not merely a transient solution but a lasting settlement opening up a long era of peace between Japan and China. The problem was to determine the character and scope of the Commission; and he understood the reservations made by the Chinese representative, noting at the same time that an effort at

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conciliation along these lines had not been refused. He further assumed that the Japanese delegate had duly considered all the consequences of the proposal, the first of which would be the effect of the appointment and departure of the Commission and the certainty that it was going to stay for some considerable time on the ground. This would cause a calmer state of mind to prevail, as the Polish representative had said, and tend to prevent incidents leading to trouble. It would arouse among the populations concerned hope that the dispute was entering a new phase, tending toward its end. While the Commission was being sent, he pointed out to the Japanese representative, it was unthinkable that fresh acts of hostility and bloodshed should occur; and he had no doubt that means would have to be devised to ensure that, when the Commission should begin its work, it would not be troubled by further incidents of the kind. He also hoped that the Chinese representative would realize that here again there was need for an effort of cooperation. The Council had to consider the details of the Commission—its character, its size, what nations should be represented, how its members should be selected, what its terms of reference should be, and how it would send in reports. This work the Council should take up with enthusiasm, seeing in it the first form of a solution to be developed until a peaceful settlement could be reached. For the Chairman, the position was one of peculiar anxiety, since he had in his hands the future of the League of Nations and had to be careful to do nothing to impair it. The peoples of the world had not lost faith in the League; an enormous mass of telegrams had reached him, placing on record their confidence and hope. This showed what a moral power the League was and how criminal it would be to allow any passing event to destroy its great force.

China States Reservations

Dr. Sze, responding to M. Briand's appeal, said that the Chinese Government and people had tried their best not to make his task more difficult. With regard to the Commission of Enquiry, while favoring any means of

obtaining more accurate knowledge, the Chinese Government could not agree that its creation should in any way furnish an excuse for delay in the withdrawal of Japanese troops. On any other basis he could not discuss the proposal, for this was the immediate and imperative task before the Council in order to stop hostilities and appease the situation.

M. Yoshizawa, on behalf of Japan, expressed encouragement after what the President of the Council had said. The proposal he had made was in the nature of an outline, since he was still in communication with his Government concerning it; but, as he had already stated, Japan was ready to withdraw her troops as soon as conditions effectively securing Japanese lives and property had been established. This was the task confronting his Government, in which it was actively engaged in the endeavor to improve a position still unfortunately very dangerous.

Closing the meeting, M. Briand said that another public meeting would be held as soon as a draft resolution could be laid before the Council including the parties to the dispute.

A Step towards a Settlement

GENERAL Dawes was understood to have transmitted all details concerning the proposal for a Commission of Enquiry at once to Washington. It was evident that the League Council was playing an essentially useful role in keeping the two parties together, pending a final decision on the proposal, and in gradually massing public opinion in support of it. In private conversations, the Japanese Delegation was reported to have expressed a desire for a small Commission, perhaps composed of three members representing France, Great Britain and the United States, with Chinese and Japanese advisors, while the Chinese representative indicated a hope for a larger body including members from more of the nations represented on the Council. It was clear, however, that the project was still in a purely formative stage, and that negotiations for a considerable time would be required to determine exactly what might be done.

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Military reports reaching the Council from Manchuria, however, created the impression that Japan's real purpose, after having occupied Tsitsihar in northern Manchuria, was to break up the last Chinese organized forces in the region of Chinchow in Southern Manchuria. There was further cause for discouragement in the apparent Japanese reluctance to consider arrangements for an armistice, both on the ground that this would amount to recognition that a state of war had existed and also that the action which future events might require could not be foreseen.

In regard to the threatened Japanese advance on Chinchow, the Chinese representative transmitted a letter¹ containing messages from the Japanese news agency, Rengo, and the British agency, Reuter's, both from Mukden. The first reported a "grave atmosphere" among Chinese troops near Shan-hai-kwan, causing removal of Japanese women and children to military barracks there and concentration of Chinese troops near Chinchow; and the Chinese representative commented that "from past experience a message of this nature from a Japanese source . . . indicates that military activities in the regions concerned are contemplated." The Reuter dispatch described a review by General Honjo of a newly arrived brigade from Japan, bringing the strength of the Japanese army in Manchuria "at least 2,000 over the treaty limit until such time as the Korean brigade returns."

Approval of the stand taken by the chairman of the Heilungkiang provincial administration was contained in a resolution² by the Fourth National Congress of the Kuomintang, transmitted likewise by the Chinese representative, which characterized his resistance against the Japanese advance in northern Manchuria as "an act not only for defending Chinese territory in the face of foreign aggression but also for upholding international justice and peace and perpetuating at a sacrifice the Covenant of the League of Nations, the Anti-War Pact, the Nine Power Treaty and all other international agreements." Full support was pledged to the

National Government, which was praised as having "faithfully performed its duty".

The United States Again Warns Japan

INTERNATIONAL opinion meanwhile was taking form more and more rapidly. Secretary Stimson was reported to have seen the Japanese envoy in Washington again, and to have warned him that the occupation of Tsitsihar was "dangerous," receiving fresh assurances in return that the Japanese troops there would be withdrawn "shortly" and that some had already left. The Hon. Frank B. Kellogg, member of the Permanent Court of International Justice and co-author of the Pact of Paris when he himself was Secretary of State, was quoted by the United Press as declaring in an interview at St. Paul that the conversations taking place on the Manchuria conflict were proving inadequate and that if the concessions made by China did not settle it the signatories of the Briant-Kellogg Pact should again send notes to China and Japan demanding that they fulfil their obligations.

In southern Manchuria the state of affairs had been growing more perilous; special dispatches to the Paris *Herald* indicated that more than 50,000 Chinese troops were being massed near Chinchow under Marshal Chang Hsueh Liang, the nominal governor of Manchuria, in a determined effort to hold this last strategic city left to the national authorities. Japanese headquarters at Mukden were described as taking serious note of this concentration and preparing measures against it. The Tokio Government, in an official re-statement of its position to the press, made it clear that a cessation of military movements would be acceptable only if it meant "a policy of non-aggravation" in China and that the appointment of a Commission of Enquiry must apply to the whole country without at the same time involving Japanese army action or any negotiations between China and Japan.

Difficulties in Drafting a Resolution

Work on a new draft resolution for the Council reached on Monday, November 23,

¹ Document C.882.M.457.1931.VII.

² Document C.884.M.458.1931.VII.

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Two cable messages¹ from Nanking were meanwhile reported by the Chinese representative to the Council. The first described Japanese airplane pursuit of the Chinese troops retreating into north Manchuria. The second gave the substance of a note despatched by the Chinese Government to the Japanese Government the day before, charging violation of international law and agreements by repeated interference with Chinese administration through demands upon the authorities of Heilungkiang province to yield their power and by dispatch of troops against them. The reported capture of Tsitsihar, the capital of the province, with the League Council in session, was characterized as a deliberate aggravation for which entire responsibility was placed upon Japan.

Three progressive stages of Japanese action in Manchuria were described by a special correspondent of the London *Times* in a cable dispatch from Mukden: first, instant and complete seizure of the civil administration and control of it by the Japanese military; second, creation by military pressure of local committees to preserve order, dealing with finance, commerce, industry, police and public health measures; third (the existing stage), transformation of the local committees into full fledged governments for the three Manchurian provinces. The Chinese committees were said not to disguise the fact that they were acting under military compulsion, which was applied also to the Chinese banks, the salt administration and the railways.

The Japanese Government in Tokio was reported by the *Times* correspondent there to consider that it had made a substantial concession in instructing its representative at Paris to accept the idea of enquiry by a commission in Manchuria, deferring for the time the demand for recognition by China of all existing treaties.

From Washington, there was indication in press dispatches that administrative officials there were gratified by the news of an agreement in principle at Paris; while on the part of the press and public organisations there were expressions of strong disapproval of the Japanese army's action in Manchuria and of concern for

the safeguarding of American interests there and for the maintenance of the Nine Power Treaty and the historic policy of the "Open Door."

Japan and "Police Action" against Bandits

Work in private meetings of the members of the Council, except the two disputants, on a draft resolution for a Commission of Enquiry began on November 22 to bring to light more of the difficulties involved in it. The Japanese, it appeared in conversations with their spokesman, wanted freedom for "police measures" in Manchuria, arguing that conditions were unpredictable and that they must be free to act against bandits. The Commission, they felt, should have no right to supervise military movements or to intervene in negotiations between Japan and China. They further wished to extend its scope to cover all matters affecting good relations between the two countries, and to have the right to raise questions for its consideration unlimited by the terms of the resolution.

These views created obvious difficulties in the way of acceptance by the Chinese representative, who was meanwhile urging the danger of a collapse of the central Government unless there should be some response to the public demand for decisive steps. Popular feeling in his country was pressing him to request action which might overstrain the capacities of the League, in the circumstances of the time, and so disrupt it. This he was making every endeavour to avoid, in the interest of an eventual pacific settlement.

Ambassador Dawes was understood to favor very strongly the idea of an enquiry on the ground; and there was reason to believe that, subject to the terms of the final resolution and its unanimous adoption by the Council including both parties, under the mediatory provisions of the Covenant, the United States would be ready to cooperate with the Commission. Word from Washington indicated that Secretary Stimson was exerting diplomatic pressure on the Japanese Ambassador, who was assuring him that troop withdrawals were under way, particularly from Tsitsihar.

¹ Document C.881.M.456.1931.VII.

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¹ Document C.882.M.457.1931.VII.

² Document C.884.M.458.1931.VII.

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the stage of elaborating it into five headings: the first was intended to re-affirm the resolution of September 30; the second to check hostilities; the third to provide for continuing information to the Council; the fourth to authorize the presence of neutral observers in zones contested by Chinese and Japanese forces; and the fifth to authorize the appointment of a general Commission of Enquiry. The Chinese representative was maintaining a firm position, arguing that the draft resolution as it stood did not sufficiently safeguard the interests either of China or of the League and that it was necessary to set some time limit for military occupation. News had been received from Dr. Wellington Koo, acting as Foreign Minister at Nanking, that negotiations for withdrawal of Japanese forces were again being attempted directly with Tokio.

In circles close to the American headquarters in Paris, there was indication of a feeling that League action was proving too slow and that it might prove necessary to invoke the Nine Power Treaty of Washington. The members of the Council were carrying on their conversations in an atmosphere of markedly tense emotion and excitement. M. Briand, as President of the Council, was understood nevertheless to be continuing to stress the need for unanimity; otherwise the members of the Council might again be put in the position of saying what they desired, but without effect.

A difference of point of view and policy was developing in the Council itself between representatives of some of the Great Powers, who did not desire to adopt a positive text which their nations would not be prepared to back up in action, and representatives of some of the smaller countries, including Norway and Spain, who were refusing to adopt any resolution minimizing or sacrificing the principles of the Covenant and practically countenancing the invasion of the territory of a League member as a legitimate measure.

With Japan advocating a program in which the proposal of an enquiry commission was alone acceptable, the only possible procedure was to take that proposal as the central basis of a new resolution and to build so far as possible on it. The Chinese had accepted the principle of a

commission, if there were to be also some plan for the withdrawal of Japanese troops; yet for Japanese assent it was necessary to keep the appointment of a commission and arrangements for evacuation separate from each other.

In order to make the Chinese attitude toward the appointment of a Commission of Enquiry entirely clear, the Chinese representative transmitted a memorandum¹ presenting three points:

(1) In principle there can be no objection to a properly constituted Commission to investigate and report upon the existing situation in Manchuria. Indeed, it is a step which might well have been taken two months ago had not Japan refused to entertain the suggestion.

(2) I beg, however, to point out that the creation, at this juncture, of such a Commission, however constituted and whatever the scope of its activity might be is a purely illusory proposal unless it is based upon a simultaneously effective disposition covering the immediate needs of a situation which brooks no further delay. To put the matter more concretely, enquiry, without *at the same time* providing for immediate cessation of hostilities and for the withdrawal of Japanese forces (such withdrawal to begin at once and proceed progressively to prompt completion) becomes a mere device to condone and perpetuate for a more or less indefinite period the unjustifiable occupation of China's territory by an aggressor who has already virtually attained his unlawful objective while these discussions have been going on.

(3) In the circumstances you will readily see that, as I tried to make plain at yesterday's meeting of the Council, it is quite impossible for me to consider the proposal in question, or to participate in working out the details connected with it, until the bases above mentioned have been adequately laid down.

He also had circulated a letter², charging that since the fall of Tsitsihar the Japanese had spread false rumors of Chinese troop concentrations at Chinchow and Shan-hai-kwan, and that evidence of a new movement could already be seen, including the arrival of fresh forces from Japan.

Retirement of part of the Japanese troops

¹ Document C.885.M.459.1931.VII.

² Document C.888.M.462.1931.VII.

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from Taonan in northern Manchuria was reported in a letter¹ circulated to the Council by the Japanese Delegation; while another letter² stated that the western branch of the Chinese Eastern Railway was operating smoothly and that the Japanese Consul had returned to Tsitsihar.

At Mukden, according to a special dispatch to the *Paris Herald*, the new local Chinese administration set up with the approval of the Japanese military authority, was ready to declare its control over the three Manchurian provinces. Other dispatches to the *Journal de Genève* said that any idea of proclaiming the former Manchu Emperor, Hsuan Tung, as ruler, had been abandoned, that he had left Mukden and was in Dairen under Japanese police protection, and that the proposed autonomous administration would be republican.

Questions as to Private Meetings

WITH the members of the Council still struggling on November 24 to find their way through to a decision that might be accepted unanimously, the representatives of some of the smaller states began to raise a serious question as to the precedent being set for the League by such long drawn out private meetings. Nevertheless it was apparent that any public discussion would have to be postponed for some time. Indications that the Japanese might modify their position somewhat were seen in new assurances from their side that their troops were withdrawing from Tsitsihar and that they desired to avoid any movement on Chinchow, despite reports of fighting in the direction of that city, south of Mukden, in connection with a campaign against bandits. In relation to the proposal of a Commission of Enquiry, the Japanese Delegation was also ceasing, for the time at least, to insist on the "fundamental points" as a preliminary to any new arrangement; and it seemed increasingly clear that the Tokio Government was willing to return to the basis of the resolution of September 30.

A preliminary draft of a new resolution was given to Ambassador Dawes and to the representatives of China and Japan; and the American representative, it was understood, sent assurance that he was in active contact with both disputants and that he would also be ready to confer with M. Briand when their comments on the contemplated resolution should be received. At the same time, certain of the Latin-American members on the Council were known to be raising objections to any implied international sanction for the establishment of a protectorate or for police organisation to safeguard railways and to recover debts.

Reports as to public opinion in the United States, showing a steady growth of conviction that Japan was striving to establish control over Manchuria, tended to strengthen the stand both of the dominant members of the Council and of the American representative in Paris.

The Chinese representative reinforced his position by sending to the Council the translation of a note¹ addressed to the Japanese Government by the Chinese Government on November 21, which reviewed the development of the whole situation down to the occupation of Tsitsihar, again charging Japan with violating her international obligations and calling for a change of policy and for negotiations as to withdrawal of troops with the Chinese commissioners already appointed.

Retirement from Tsitsihar of Japanese forces amounting to about one regiment, and contemplated retirement of others "according to local circumstances and the transport available" were reported by the Japanese Delegation in a letter² circulated to the Council. A summary of official telegrams³ from the Tokio Government repudiated press reports of plans for a general offensive against Chinchow, on the ground that over 100,000 Chinese troops were in the region and consequently preparations would have to be on an enormous scale; operations against large bands of brigands were suggested to be the possible origin of the reports.

Further encouragement in regard to the pro-

¹ Document C.887.M.461.1931.VII.

² Document C.886.M.460.1931.VII.

¹ Document C.891.M.465.1931.VII.

² Document C.889.M.463.1931.VII.

³ Document C.890.M.464.1931.VII.

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ject of a Commission of Enquiry was contained in United Press reports from Washington that the Japanese Ambassador had informed Secretary Stimson of his Government's readiness to "welcome American participation in any commission appointed by the League of Nations to investigate Manchuria and other parts of China".

In relation to the threat of further trouble around Chinchow, a report from Tokio appeared in the *Journal de Genève* that suggestions were being forwarded to the Council to propose to the Chinese representative the retirement of the greater part of his Government's troops there beyond the Great Wall.

Japan Tries to Secure Chinese Withdrawal

ATTEMPTS by the Japanese representative to induce the Council to exert pressure on China through her representative for the withdrawal of Chinese troops from Chinchow beyond the Great Wall were understood on November 25 to be in progress, with the Chinese spokesman indicating that even this might be done if neutral observers and troops should establish a safety zone between the Japanese forces and the city. With military observers of several nations already on the ground and with the desire prevailing to avoid any contact between the Chinese and Japanese forces, the members of the Council considered the possibility of a request that the Governments authorize their observers to get in touch with the commanders on both sides and endeavor to avert any clash while the Council was deliberating.

Meanwhile, discussion of the terms for a resolution to appoint a Commission of Enquiry continued; and a public statement said that the draft scheme was being drawn up in conformity with Article 11 of the Covenant and the resolution of September 30, dealing separately with the retirement of Japanese troops within the railway zone and the appointment of an international commission. China and Japan, it was indicated, were to be asked to give their commanders strict orders to refrain from any initiative which might lead to further fighting and loss of life; the members of the Council

were to be invited to maintain their service of information received from their representatives on the ground, while the Commission should prepare a report to the Council on any circumstances disturbing relations between China and Japan. Its deliberations would not in any way modify the engagement taken by the Japanese Government under the resolution of September 30 to withdraw its troops within the railway zone.

In view of the gravity of the situation, M. Briand addressed a new telegram, as President of the Council, to the Chinese and Japanese Governments:

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.

Both Japan and China Threaten New Action

BANDITS and disorganized soldiers were creating a reign of terror in the districts east of Chinchow, according to Chinese reports cabled to the London *Times* by its Peking correspondent; and American, British and French military observers were following events there. A new Japanese drive against these irregular forces was described in United press dispatches from Mukden as developing to the scale of a general offensive towards the south; while the Japanese Minister of War was quoted as saying in Tokio that the advance would not be extended to Chinchow. Further United Press reports from Tokio stated the official position to be that Japan would not acquiesce in any

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League injunctions to cease hostilities until the concentrations of Chinese troops around Chinchow had been withdrawn or broken up.

The Chinese Government was meanwhile sending instructions to its representative in Paris, according to Havas agency dispatches from Nanking, to request that the League adopt efficacious measures to end the Japanese occupation within fifteen days and that neutral representatives supervise Japanese withdrawal; otherwise it was suggested that China would have to attempt further action in self-defence.

The British Ambassador in Washington, another Havas agency report stated, held a long conversation with the Secretary of State in regard to the efforts being made in common with the League to regulate the conflict. At the same time, 41 leading national organisations, including the Foreign Policy Association, the League of Nations Association, Council for Prevention of War, and others represented in the Inter-Organisation Council on Disarmament, presented a resolution urging President Hoover to put the country's support more actively behind these efforts. The resolution read:

"Resolved, That we inform the President of our concern at the failure to make public the position of the United States in the Manchurian dispute and urge him to publish all of the correspondence with Japan and China relating thereto, and that we request the President to clarify the question of your co-operation with the League of Nations by instructing Ambassador Dawes to sit with the Council of the League in working out a peaceful solution of the present controversy, and further, that we request the President to ask the Congress to forbid the shipment of arms and munitions to Japan and China, and that he declare loans to Japan and China contrary to public policy so long as hostilities continue."

The United States Approves the Council Plan

Hopes of eventual success for the plan to send a Commission of Enquiry increased on November 26, with indications that China was tending to accept it as a new application of

the Council's policy in dealing with the dispute, and with new Japanese denials of any territorial ambition in Manchuria which were regarded as important. The President and other members of the Council were understood to have been re-encouraged by the public effect of a statement by Ambassador Dawes, issued the preceding afternoon, which went briefly to the point:

The United States Government approves the general plan of settlement embodied in the proposed resolution of the Council and has so informed both China and Japan; It has also urged their acquiescence in the general plan embodied in the proposed resolution.

The statement following a long period of silence and some uncertainty concerning the American position, was considered to have come at the right moment and to have had a useful result. The difficulty of sending any neutral troops into the Chinchow zone, as requested by China, was becoming apparent; Italy, it was reported, was the only Power which was ready to offer to do so. Also, Japanese objections to such a move were causing further conversations with the Chinese representative, who felt it essential to the safety of Chinese interests there if her forces were to be withdrawn. Some reassurance to him was found in word that the Foreign Minister in Tokio had informed both the American and French Ambassadors there that Japan had no intention to attack Chinchow.

The President of the Council was understood to have warned the Japanese representative that any new step while the Council was in a most delicate stage of negotiations would be intolerable. During this period it was hoped that action by the neutral observers as a group, perhaps under identical instructions, might accomplish something of the purpose that the Chinese Government had in mind.

Withdrawal of Japanese troops from Tsitsihar was continuing, according to a letter¹ transmitted by the Japanese Delegation, which said that it was being carried on in spite of transport difficulties caused by extreme cold.

¹ Document C.896.M.470.1931.VII.

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Two communications concerning the movement of Japanese troops in South Manchuria, from the Chinese Delegation, were also circulated; the first¹ reported entry into Hsinmin, west of Mukden, and other concentrations, indicating an advance westward, while the second² quoted a protest of the Chinese Government to the Japanese Government denying reinforcements of Chinese troops at Chinchow

British Find No Preparations at Chinchow

THE British representative on the Council transmitted information³ received by his Government in London from observers, in regard to the occupation of Tsitsihar, the dispersal of Japanese forces in that region, the uninterrupted operation of the Chinese Eastern Railway, and in regard to the situation at Chinchow, where it was said that there were no signs of any preparation by the Chinese commander for an attack. The disposition of Chinese troops around Chinchow was described; the arrival of Japanese troops at Hsinmin was reported, and also the landing of Japanese sailors at Shan-hai-kwan, on the coast south of Chinchow.

The Japanese Government, according to United Press dispatches from Tokio, was ready to accede to the League's request for cessation of hostilities in Manchuria with a reservation of the right to protect the lives and property of its nationals from "bandits and other lawless elements". This was regarded as implying abandonment of the intention to scatter Chinese troops around Chinchow. The Minister of War also had reported to the Cabinet that the main force at Tsitsihar was being withdrawn.

From Washington, press reports indicated that the administration there, while sympathizing with China in her position, was disposed to reject the demand for immediate Japanese evacuation of Manchurian territory, on the ground that even without conceding their right to be there they had become temporarily the only forces capable of maintaining order. Officials were further said to hold the view that

the machinery and procedure of the League of Nations, being in line with various existing conciliation treaties, still offered better means for dealing with the controversy than would be provided by the Nine Power Treaty. This position was understood to have been taken in relation to inquiries made by the Chinese Minister of Foreign Affairs through the American Minister, according to cable dispatches from Shanghai, as to the possibility of calling a conference of the signatories to that treaty. The United States, it was therefore assumed, would continue to further and reinforce the endeavors progressing under League auspices.

Trouble between Tokio and Washington

A misunderstanding between Tokio and Washington confused the negotiations further on November 27th. Secretary Stimson of the Department of State had been reported, in a press agency dispatch forwarded to Tokio, as saying that the Japanese army had violated pledges given not to attack Chinchow and was running amuck, apparently intending to take all Manchuria. His remarks as reported caused deep offence in Japan, where they were regarded as indirectly an affront to the Emperor. Temporarily, hopes for a diplomatic agreement in Paris appeared to have received a severe setback; and with members of the Council waiting also for reliable word of the actual situation around Chinchow, there was little further progress toward drafting the resolution for a Commission of Enquiry. final form.

The reply of the Japanese Government to the telegram sent to both Nanking and Tokio by the President of the Council, under date of the 25th, was transmitted by the Japanese representative, re-affirming promises already given and further outlining conditions under which the Japanese forces would engage not to enter the Chinchow zone:

Your Excellency has been informed by the communications made to you on several occasions by the Japanese representative on the Council, of the serious threat to our troops constituted by the presence of very

¹ Document C.896.M.471.1931.VII.

² Document C.898.M.472.1931.VII.

³ Document C.899.M.463.1915 G1el

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¹ Document C.896.M.471.1931.VII.
² Document C.898.M.472.1931.VII.
³ Document C.899.M.463.1915 Glei

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large Chinese regular forces in the Chinchow district and by the employment of bands of brigands and soldiers in civilian clothes by the Chinese authorities for the purpose of disturbing order in Manchuria.

The Japanese troops, in obedience to the policy pursued by the Japanese Government of avoiding any aggravation of the situation, will undertake no act of hostility except in self-defence or as a police measure.

3. The Japanese Government entirely shares Your Excellency's desire to avoid, as far as possible, any conflict between the Japanese and Chinese forces in the Chinchow district.

It therefore has no objection in principle to declaring that should the Chinese forces be withdrawn from the Chinchow district to the west of Shan-hai-kwan, as the Chinese Government recently proposed through the Government of the French Republic, the Japanese forces will not enter the zone thus evacuated except in the event of a serious and urgent threat endangering the safety of the lives and property of Japanese nationals in Northern China and the safety of the Japanese troops stationed there.

The Japanese Government is prepared to instruct its authorities on the spot to conclude detailed arrangements in this connection with the Chinese local authorities.

Confirming the military position, the Japanese Delegation transmitted a note¹ describing operations to disperse "large bands of Chinese bandits and irregulars" in the district west of the South Manchurian Railway line to the Liao River toward Chinchow, and the subsequent return of the infantry engaged in this action to Mukden. Charges that Chinese troops had again attacked the Japanese Concession at Tientsin were advanced in another letter² by the Japanese Delegation, which said that after apparent restoration of order and disarming of the Japanese volunteer corps on the 26th, there had been a violent cannonade against the left part of the defence lines. The Japanese commander, after demanding that firing cease and receiving no response, was obliged to have the fire returned. General hostilities had broken out afresh; and facing greatly superior forces, the Japanese commander had asked urgently for reinforcements.

¹ Document C.900.M.474.1931.VII.

² Document C.901.M.475.1931.VII.

The Chinese representative likewise submitted his account¹ of the incident, saying that after trouble had been started by "plain-clothes gun-men who disappeared when fired at by the Chinese police" there had been an outburst of Japanese artillery and machine gun fire during which shells had fallen near the Governor's and Commanders' Headquarters in the Chinese city. Further, he stated that Japanese troops were continuing to advance in the direction of Chinchow, with an armoured train, and that their airplanes had reconnoitered over the city.

While the circulation of these reports spread fresh uncertainty in League circles, confidence was still expressed in the possibility of carrying through the plan for an international commission. Approval of this proposal by Secretary Stimson was cabled from Washington, following the statement already issued by Ambassador Dawes; and this was taken to mean that the United States would certainly take part in the enquiry. The Chinese representative was understood to have informed the President of the Council that new instructions received from Nanking permitted him to adopt a more conciliatory line of policy; Japan had virtually given assurance of readiness to adhere to the general program being mapped out in private.

On the motion of M. Briand, instructions had been sent to the military representatives of Great Britain, France and Italy in Manchuria to proceed immediately to the Chinchow region and report to the Council any circumstance likely to cause conflict there; and the military attaché of the American Legation at Peking was understood to be acting under similar instructions. The endeavor was taking form to establish a neutral zone around Chinchow and persuade both the Chinese and Japanese forces gradually to retire from it.

Washington Explains; Tokio Criticizes

THE difficulties between Tokio and Washington began to clear up on November 28, when word arrived that Secretary Stimson had

¹ Document C.925.M.490.1931.VII.

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denied saying, as he was quoted, that the Japanese army had run amuck and apparently intended to take all Manchuria, and that pledges not to attack Chinchow had been broken. He had held a long conference on the whole matter with President Hoover. In reply to an enquiry from the Ministry of Foreign Affairs in Tokio, presented through its Embassy in Washington, the Department of State had explained that Mr. Stimson had merely expressed surprise and apprehension at reports of the Japanese advance on Chinchow and stated that in the light of assurances given to him it was difficult for him to credit them. The Ministry of Foreign Affairs in Tokio had issued a communiqué criticising him for disclosing the substance of diplomatic exchanges between Tokio and Washington, saying that if the press agency versions of his remarks quoted him correctly, they showed that he was acting on mis-information and commenting: "If a man in Mr. Stimson's responsible position loses his head in such a critical moment as the present, consequences would be grave indeed." But the State Department's account of what he had actually said disposed of an unexpectedly threatening incident, and allowed negotiations to proceed in Paris. Little progress was made, however, in the work of the committee drafting a final resolution, while information was being awaited as to the new developments around Chinchow and Tientsin.

For the creation of a neutral zone around Chinchow, it was disclosed that the President of the Council had made a proposal¹ under date of the 26th to the representatives of China and Japan:

You were good enough during the interview I had with you this afternoon to draw my attention to the situation in the Chinchow region.

I reported our conversation to the Members of the Council, whom I called together to-day for an exchange of views. We decided to submit the following proposal to our respective Governments:

It is proposed that those Governments which are able to send observers to the Chinchow region should give them the following instructions:

¹ Document C.931.M.496.1931.VII.

(1) The observers shall in concert with one another examine the possibility of establishing as between the Chinese and Japanese troops a neutral zone or any other system calculated to prevent any collision between the troops of the two Parties.

(2) The said observers in concert with one another consider the means of establishing liaison with the commanders of the Chinese and Japanese forces with a view to the necessary arrangements being made.

In order that these instructions may produce the desired results, the commander of the Chinese forces should be authorised to get into touch with the observers in question.

Your Excellency will, I am sure, draw the attention of your Government to this important point.

In response, the Chinese representative had replied in a letter¹ on the 27th saying that his Government was immediately giving orders to the commander of the Chinese forces at Chinchow to put himself into communication with the observers for the purpose of effecting arrangements to avoid contacts between the Chinese and Japanese forces. Further, in regard to the situation in that region, he transmitted two other letters: the first² stated that Japanese troops with an armoured train were continuing their drive towards the city, and the second³ added that cavalry and infantry supported by artillery were appearing at points within fifty or sixty miles of it.

As to the disorders at Tientsin, he also transmitted the substance of a telegram⁴ saying that on the night of the 26th men in civilian clothes started firing in the Chinese city upon the Chinese police, who took defensive measures and notified the Japanese Consul and military authorities, since the part of the city concerned was near their Concession. On the pretext that shots had been fired into the Japanese military quarters, he alleged, the Japanese troops had started shelling the Chinese city with heavy artillery and also made an infantry attack which they resumed the next morning, forcing the Chinese police to withdraw from the district.

¹ Document C.933.M.498.1931.VII.

² Document C.927.M.492.1931.VII.

³ Document C.932.M.497.1931.VII.

⁴ Document C.926.M.491.1931.VII.

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In justification of the Japanese advance west of Mukden and south towards Chinchow, the Japanese Delegation had circulated to members of the Council a detailed communication¹ describing the activities of brigands and irregular soldiers at various points throughout the area.

A protest concerning the incidents at Tientsin had been submitted, as shown by another communication,² by the Japanese Minister in China to the Minister of Foreign Affairs at Nanking. It reviewed the Japanese version of events, saying that although the Chinese authorities at Tientsin had not fulfilled all the obligations assumed after the earlier troubles there, the Japanese command had dismissed a part of its forces and disarmed volunteer troops. An attack was described as having come from the Chinese town, accompanied by a bombardment, which resulted in general fighting after the Japanese Consul-General and Commander had approached the Chinese authorities and asked them to stop hostilities. Their explanation had been that the Chinese were firing upon irregular soldiers and by mistake shells had fallen on the Japanese side; and firing had continued on the afternoon of the 27th. The Japanese Consul had been unable to secure any evidence that there were irregular soldiers in the vicinity, and it was argued that there had clearly been a premeditated attack by the Chinese authorities against the Japanese,

British Reports on Tientsin and Tsitsihar

A British account³ of the Tientsin affair was communicated at the same time, saying that firing had begun on the borders of the Japanese Concession on the evening of the 26th and continued into the morning of the 27th, and reviewing both the Chinese and Japanese versions of its origin. The same account confirmed reports of Japanese airplane scouting over Chinchow and engagements between Chinese troops and Japanese forces advancing towards the city. The situation at Tsitsihar following its occupation by the Japanese was

described in a communication¹ from another British observer; the Heilungkiang capital was completely in Japanese military control, with troops quartered through the town and with the provincial government and telegraph offices occupied by a civilian administration. While order was being kept without looting or other excesses, no Chinese administration of any kind was functioning, nearly all senior officials having fled. Those who remained were attempting to organize a committee of public safety. Meanwhile Japanese residents were returning and South Manchurian Railway officials were arriving. There was no indication of an attempt to send Japanese troops further north; the soldiers were in poor condition owing to the rapidity of their advance and the bitter winter weather, and some of them were to be withdrawn. No interference whatever with the Chinese Eastern Railway had been observed and there were no Japanese troops in its zone.

Reassuring news from Tokio was contained in a United Press dispatch that the Chief of Staff of the Japanese army had ordered General Honjo, Commander in Manchuria, to halt the advance on Chinchow. Since the Japanese forces were reported in Mukden dispatches as within thirty miles of the city the preceding night, the decision of the Tokio Army Staff appeared to have come just in time. Many train loads of troops, preceded by armoured trains with field guns and squadrons of airplanes in battle formation, were said to have left Mukden; and the impression was spreading that the army commanders intended to push an advance into China proper as far as Tientsin. The Japanese Foreign Minister was reported to have served notice that if the military leaders should persist in a plan to attack Chinchow, contrary to his policy, the Cabinet would resign. The crisis was regarded in Paris as constituting the final test of strength between the Japanese civilian and military parties and the most serious menace to any peaceful settlement yet faced.

The French Ambassador at Tokio had meanwhile informed the Japanese Minister of Foreign Affairs, according to a dispatch to the

¹ Document C.930.M.495.1931.VII.

² Document C.935.M.500.1931.VII.

³ Document C.929.M.494.1931.VII.

¹ Document C.934.M.499.1931.VII.

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Journal de Genève, that Marshal Chang Hsueh Liang, the nominal governor of Manchuria, had notified the French Minister at Peking of his readiness to withdraw Chinese troops from Chinchow beyond the Great Wall and establish a neutral zone under Chinese administration.

Japan Seeks Right to Police Action

REASSURED somewhat by reports that the bulk of the Japanese forces were returning again to Mukden, in obedience to the command from the Chief of Staff in Tokio, the members of the Council in Paris proceeded on the 29th with drawing up a resolution which both China and Japan might accept. The Japanese representative was understood to be urging on the drafting committee a short resolution in simple terms, to be presented with an accompanying declaration by the President of the Council in which emphasis would be laid on the desirability of withdrawing troops as soon as possible. Since this was a matter involving the powers of the Emperor under the Japanese Constitution when troops were abroad, it was argued that any direct insistence in the resolution itself might cause more embarrassment. Japan also desired to reserve the right of police action against bandits; and this began to lead to new complications since other members of the Council considered such measures close to acts of war.

The Japanese spokesman still indicated a preference for a small commission representing France, Great Britain and the United States, with expert advisors, authorized to investigate events in other parts of China than Manchuria; while the Chinese representative and some other members of the Council favoured a larger body which would direct its first attention to the situation in Manchuria, even if it had power to take up other matters later.

The President of the Council and several of the other members were known to regard any international sanction for "police measures" in the territory of a State belonging to the League as a bad precedent which might be indefinitely extended and hardly could be accepted as coming within the category of pacific means for settling disputes.

The Chinese Government, it was reported, had offered to withdraw troops from Chinchow beyond the Great Wall if Japan would give a pledge not to send troops there and if France, Great Britain and the United States would join as neutrals in guaranteeing the safety of the region. The Japanese Government had objected to such action by "third parties"; and, while agreeing in part to the Chinese proposal, had altered the pledge not to send troops to an agreement not to send them except in case of need to protect its nationals and their interests. The Japanese policy appeared to be to try to persuade the League Council to bring pressure on China for the withdrawal of all Chinese forces from Manchuria beyond the Great Wall, under the assurances in Japan's declaration that she had no territorial designs.

Japan Objects to "Third Parties"

In this connection the Japanese representative had circulated to the Council, on the 28th an important note,¹ saying that his Government had examined with care the proposal submitted by the President under date of the 26th. The note continued:

The policy which the Japanese Government has so far consistently pursued in the true interest of good relations between China and Japan has been not to resort, in disputes capable of direct settlement with China, to the interposition of third parties; and it cannot but pursue this line of conduct in the present case.

Within these limits it will, of course, always be prepared to give the fullest consideration to any means of avoiding a conflict. It was in this spirit that it welcomed China's recent proposal, which was transmitted to it by His Excellency the French Ambassador at Tokio.

As you have certainly been informed by M. de Martel, Baron Shidehara, when expressing to the latter the hope, which the Japanese Government shares with the French Government, that hostilities would be avoided in the Chinchow district, informed him that if China withdrew her troops entirely from the Chinchow district to Shanghai-Kwan and west of that place and

¹ Document C.940.M.505.1931.VII.

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only maintained the administration (including the policing) of the Chinchow district at Shanghai-Kwan, the Japanese Government would be prepared to undertake in principle that Japanese troops would not enter the zone thus evacuated by the Chinese troops, except in the unexpected case of serious and urgent circumstances threatening the safety of the lives and property of Japanese nationals in Northern China and the safety of the Japanese troops stationed therein.

The Japanese Government at the same time expressed its readiness to order its competent authorities on the spot to enter into negotiations at any moment with the local Chinese authorities regarding the exact determination of the above-mentioned zone and the detailed measures for giving effect to this arrangement.

Under these circumstances it would be desirable in the opinion of the Japanese Government to see how the above-mentioned suggestions will be received.

To this statement of policy M. Briand as President of the Council replied on the 29th¹, further expressing the purpose of his proposal:

I cannot help thinking that a misunderstanding exists with regard to the bearing of this proposal which does not constitute, as you seem to think, an invitation "to resort to the interposition of third parties" in a dispute capable of direct settlement between Japan and China.

What my colleagues on the Council and myself contemplated was certain measures to be taken in a dangerous situation to which Your Excellency, like the Chinese Representative, had drawn my attention. The measures in question were exceptional measures to be taken rapidly to avoid a conflict between the opposing forces in the district of Chinchow and thus to prevent loss of human life. It is for this reason that my colleagues and I regard it as extremely important that the facilities mentioned in my letter of November 26th should be given to the representatives sent to the spot by certain Powers.

Moreover, the exceptional measures contemplated may be taken without prejudice to the wider proposals which your Government may wish to submit to the Chinese Government.

I further venture to remind you that as regards the particular case with which we

are dealing, viz., the danger of encounters between Japanese and Chinese forces in the Chinchow district, the Chinese proposal for the creation of a neutral zone involved the despatch of international detachments to the said zone. For this proposal, which raised difficulties of a practical nature, my colleagues and I substituted the suggestion which I again wish to recommend to your Government's attention.

No Chinese Moves at Chinchow

As evidence that the Chinese authorities had no intention of launching an attack from Chinchow against Japanese positions in Mukden or elsewhere, the Chinese representative quoted the opinion of American, British and French observers, as reported in the American-owned Shanghai *Evening Post*, after they had inspected the military situation in and around Chinchow. The number of Chinese troops there they estimated as not in excess of 20,000; in the city the cadet corps were maintaining order; the troops in evidence along the Peking-Mukden Railway line consisted chiefly of units collected in the vicinity after being expelled by the Japanese advance from other parts of Manchuria. In another communication¹ to the Council, the Chinese representative quoted two reports from Nanking: the first alleged action by Japanese land corporations in occupied parts of Manchuria "falsely and forcedly to establish titles to land now held by China;" the second reported the killing of two Chinese by Japanese sentries at the Huangkutung station on the Peking-Mukden line without apparent cause except that they had run when challenged.

British observers² sent information, communicated to the Council by the British representative, of further movements by Japanese troops along the line towards Chinchow and of withdrawal of Chinese forces; while information reaching the French Government and transmitted by its representative³ indicated that Japanese troops removed from calmer sectors were concentrating at Mukden and beginning to move along the railway line towards Chinchow,

¹ Document C.941.M.506.1931.VII.

² Document C.938.M.503.1931.VII.

³ Document C.939.M.504.1931.VII.

⁴ Document C.936.M.501.1931.VII.

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supported by aircraft, while around Chinchow there was no sign of any Chinese attack or organisation of important defensive positions. French observers at Chinchow had urged that instructions be sent to the commander of the Japanese troops to get in touch with the neutral observers so as to stop any further forward movement and fix a neutral zone.

The feeling in official circles in Tokio, as reported to the *Journal de Genève*, was that the retirement of the main body of Japanese troops to Mukden from Chinchow, which had been ordered, would accomplish a great deal to relieve the tension rapidly increasing between Japan and the other Powers, and that the prospects for improvement in the situation were far more encouraging. The course of events, however, was considered to depend to a large extent on the manner in which Marshal Chang Hsueh Liang might execute his offer to withdraw his forces beyond the Great Wall.

China Gives Up a Time Limit

WITH confirmation that Japan had withdrawn the greater part of her troops from the Chinchow region beyond the Liao river, the members of the Council in Paris were able on November 30th to turn still more actively to consideration of the terms for a final resolution. The Chinese representative made an important concession, indicating that the Japanese retirement might render it possible for him to accept a resolution without any time limit for the evacuation of Manchurian territory, although he insisted that this question should still receive the major emphasis. In the attempt to meet the Chinese point of view, the possibility began to be discussed that if engagements accepted under the Council resolution of September 30 should not have been executed by the time of the arrival of the commission, it should make a report with recommendations to the Council and specially observe progress towards a state of order adequately guaranteeing security.

The Chinese representative also was understood to desire a large commission, while most of the other members of the Council preferred a commission of not more than five members,

selected from France, Great Britain, Germany, Italy and the United States, with a staff of experts and a loose organisation of observers to supply information. China was further contending that domestic questions should be excluded from the scope of the Commission's enquiry; while other members considered that it might prove difficult to define such matters in the terms of a resolution and that the decision had best be left to the Commission's discretion.

The Japanese delegation, on their part, were continuing to demand recognition of the right to take "police measures" against bandits, in regard to which the other members—even apart from China—felt that there were insuperable objections since the request involved approval of military action within the territory of another country. Representatives of the Latin-American States were reported to be particularly opposed to this part of the Japanese programme. Among the representatives of the Great Powers, the opinion seemed to prevail that while the Council might have to admit the fact of disorder and the presence of Japanese troops in Manchuria, it could not extend an international sanction for possibly indefinite continuation of a state of affairs which it had formally condemned. As a counter-suggestion, the idea was advanced that neutral observers might accompany Japanese expeditions against bandits and irregular forces; but this met opposition from the Japanese side.

British Reports Clarify the Situation

INFORMATION with an important bearing on the Council's concern as to the situations at Chinchow, Tientsin and Tsitsihar, from British observers, was transmitted by the British representative to the Council. The first was in the form of a memorandum¹, testifying to the withdrawal of Japanese troops from Hsin-min to Mukden. Taking up the circumstances that led on the 26th to renewed fighting at Tientsin, the observer then reported that firing seemed to have begun on the Chinese side but it was impossible to say whether there had been

¹ Document C.942.M.507.1931.VII.

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any direct intention against the Japanese. The consequences had been that the Japanese opened fire, even using mountain guns; they maintained that regular Chinese troops had taken part in the disturbance, in spite of a promise given by the Government on the 15th that these would be withdrawn beyond a twenty-mile radius. The Japanese General had demanded of the Chinese: first, the cessation of hostilities, to which they replied that there had been no action against the Japanese; second, genuine withdrawal of troops, as promised, which they claimed had been carried out; third, withdrawal of special armed police to the northern district of Tientsin, which they argued would result in fresh outbreaks unless an international force should take up patrol duty; fourth, stoppage of troop movements in the province, to which they responded that there was no movement toward Tientsin; and fifth, stoppage of anti-Japanese agitation, which they also stated had been effected. From northern Manchuria another British observer had sent a telegram¹ reporting that the chairman of the Heilungkiang provincial government, whom the Japanese forces had driven beyond Tsitsihar, had transferred his administration northward to Heilungkiang, where it was functioning as usual; the Japanese meanwhile had not advanced north of Tsitsihar.

Japanese headquarters in Manchuria, according to dispatches to the *Journal de Genève*, had meanwhile announced that all troops in the southern area would be withdrawn to a distance about twenty-five miles south-west of Mukden, beyond the Liao river; and that some 10,000 soldiers who had been moving towards Chinchow had been recalled in compliance with the energetic instructions received from Tokio.

A Complete Resolution Drafted

With the assurance that China was ready to accept the terms of the proposed resolution, abandoning her insistence on a time limit for the withdrawal of Japanese troops, the drafting committee was able on December 1st to submit

complete text for a resolution. The members of the Council felt that they were forced by circumstances to admit actions in Manchuria which they could not and must not justify in principle; therefore the text omitted any reference to the right of "police measures" against bandits. This, and other points on which there was still a possibility of disagreement between the two disputants, it was planned to treat in the declaration to be made by the President of the Council before formal action on the resolution, when he would likewise emphasize the desire for speedy evacuation of Chinese territory and probably outline the organization of the Commission of Enquiry.

The text together with the draft of his proposed declaration went forward to Nanking and Tokio, the Japanese Delegation suggesting one modification which in effect was intended to replace the arrangement for neutral observers with a simple agreement to have information forwarded to the Council. To this change there was objection on the part of several Council members; it was felt that Japanese expeditions would certainly be sent to various parts of Manchuria in ensuing weeks, and that it would be better to define Council policy more clearly in advance.

Both the representatives of the Great Powers on the Council and Ambassador Dawes were in touch with the Japanese envoys in Paris in regard to these questions; and it was believed that agreement to the resolution and the President's declaration could be secured.

The resolution as it stood was made up of six points: 1, The parties were to renew their engagements made under the resolution of September 30; 2, they were to abstain from any new action which might cause further loss of life; 3, they were to keep the Council informed of conditions in Manchuria; 4, observers on the ground were to make reports to the Council; 5, an international Commission, to consist of five members with specified functions, was to be appointed; 6, the President of the Council was charged to follow events until the next regular meeting in January and call another extraordinary session if necessary. If the Chinese and Japanese engagements under the resolution of September 30 should not be fulfilled at the

¹ Document C.943.M.508.1931.VII.

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time of the Commission's arrival in Manchuria, it was proposed to empower the Commission to make a report on existing conditions with recommendations for action; and if the two parties should have begun direct negotiations to settle their differences, it was contemplated that the Commission would neither intervene in these nor interfere with any military arrangements they might make.

Commission Membership Debated

CONCERNING the membership of the Commission, there was still discussion. Representatives of Norway, Spain and others among the smaller nations desired to have one place assigned to a small disinterested state; but it was generally assumed that the main Commission would be made up of men from France, Germany, Great Britain, Italy and the United States. The task was obviously to be very complicated, which would make the work of any larger Commission more difficult. It would have to represent the weight of international interests in the endeavour to settle a conflict resulting from long-standing antagonisms between one nation of 60 million people and another of some 400 million people, involving the peace of Asia and possibly of the world.

In the declaration by the President of the Council, it was planned that he should first announce the decision to appoint a Commission; then, in dealing with other articles of the resolution, he might emphasize the importance of re-affirming the resolution of September 30 and the request for withdrawal of Japanese troops, and comment on the possible need for action against bandits as an exceptional measure, with observation by neutral representatives, and on the need that the various interested nations should continue their service of information to the Council. Finally, he would make it clear that the work of the Commission might cover any and all matters at issue between China and Japan, both nations having the right to bring up questions for consideration and the Commission having the power to determine which to study, with full powers of investigation.

Reports of various Japanese troop movements, attacks and airplane manoeuvres west and south of Mukden in the direction of Chinchow and also at Tientsin were transmitted in a communication¹ by the Chinese representative summarising several telegrams from his Government. It also circulated to the Council the main points of China's reply to demands made by Japan on November 27 concerning the situation at Tientsin: China had only taken defensive measures against rioters not in uniform; her troops had been withdrawn from the city as requested; her police might also be withdrawn if measures to maintain order could be arranged jointly by local authorities of the friendly nations; orders had been issued forbidding anti-Japanese demonstrations by the people. Further Chinese reports in regard to the Tientsin disturbances were contained in another letter², repeating charges that Japanese troops with men in civilian clothes had fired on Chinese police early on November 26; others described additional Japanese army and airplane demonstrations in the Chinchow area.

The British representative on the Council circulated on the same day information³ received from British observers, saying that a visit to Chinchow and interviews with civil officials there had disclosed a normal state of affairs with no disorder or brigandage. It likewise mentioned the arrival at Harbin on November 27th of about forty Japanese soldiers carrying side arms. Two reports from French observers⁴ indicated that the Japanese command in Manchuria had decided to bring back all available forces within the railway zone, except for three battalions in the Tsitsihar area, one at Kirin, one at Changchun, and one at the Liao river opposite Hsinmin; and that there was no foundation for reports of changes in the numbers and disposition of Chinese troops in the district of Chinchow.

At Washington, the day before, according to cable dispatches to the *Paris Herald*, the Japanese Ambassador had called upon the

¹ Document C.944.M.509.1931.VII.

² Document C.948.M.514.1931.VII.

³ Document C.947.M.512.1931.VII.

⁴ Documents C.946.M.511.1931.VII and C.949.M.514.1931.VII.

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Secretary of State to assure him that Japanese troops were being withdrawn from Tsitsihar and Chinchow, that conditions were quiet at Tientsin, and further that the Tokio Foreign Office spokesman who had assailed Mr. Stimson's reported criticism of activities in Manchuria acted "without authority".

Japan Wants Recognized Right to Act

DIFFICULTIES were understood to be developing on December 2nd in the way of adoption of the draft resolution, because of continuing Japanese demands for recognition of the right to take military action against bandits and for limitation of the movements of neutral observers. Nevertheless it was believed that, if the situation at Chinchow could be controlled, growth of public opinion in favor of the plans embodied in the resolution would assure its acceptance. The chief uncertainty facing the Council appeared to be the threat of another clash between the Japanese and Chinese in the south-west corner of Manchuria; and to this danger attention was directed while the Chinese and Japanese representatives exchanged lengthy cablegrams with Nanking and Tokio in regard to their final instructions.

The Chinese representative transmitted additional information¹ to the Council as to Japanese airplane and troop movements and the arrival of three Japanese war vessels at a point on the coast near the Great Wall. The British representative circulated reports² from various observers: One indicated a plan to set up a new Chinese administration for Heilungkiang province at Tsitsihar, under Japanese protection, and noted Japanese activity at Harbin and the arrival there of 400 men "officially described as volunteers"; and another described a Japanese airplane survey over Chinchow and the withdrawal at the same time of forces from that region and from Tientsin.

The United States would accept an invitation by the League Council to cooperate with the

Commission of Enquiry, a press dispatch from Washington indicated on the basis of interviews with administration officials who had been considering its possible membership and scope.

The Japanese Minister to China was meanwhile quoted in a press interview at Nanking, appearing in the *Journal de Genève*, as expressing satisfaction over the Chinese offer to establish a neutral zone at Chinchow and saying that Japanese troops would not enter the evacuated area, where the maintenance of order would be assured by the Chinese with Japanese co-operation, if desired, to suppress bandits.

Japan Objects to Neutral Observers

JAPANESE protests against any participation by neutral observers in establishing a neutral zone around Chinchow continued on December 3rd to complicate the Council's negotiations. While these objections were essentially no more than a re-statement of views in regard to interposition of "third parties", they tended to delay action until the state of affairs in the contested region could be further cleared up. Japan was understood to be offering an engagement that the contemplated neutral zone would be respected if the details were left to her to arrange with China, without any influence on the part of observers from other nations. To this proposal the Chinese representative, cabling to his Government for advice, inevitably made reservations.

The Japanese Delegation transmitted a letter¹ denying the Chinese report of November 29th that two Chinese civilians had been killed without apparent cause by Japanese sentries at Huangkutun, saying that they had since been discovered to have been murdered.

A detailed memorandum² summarising facts ascertained by French observers as to the disposition of Chinese forces east of the Great Wall in the zone of the Peking-Mukden railway, including the forces at Chinchow, was circulated to the Council by the French Delegation. The forces were described as corresponding to the

¹ Document C.951.M.516.1931.VII.

² Document C.950.M.515.1931.VII.

¹ Document C.952.M.517.1931.VII.

² Document C.953.M.518.1931.VII.

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normal disposition of the Chinese garrisons before September 18 except for one infantry brigade, one battalion of engineers and one cavalry brigade. The troops numbered in all a little under 28,000 men, of whom 16-17,000 were combatant forces. In all the garrisons conditions were normal, the commanders having received no special instructions.

An official statement at Tokio, as reported to the *Journal de Genève*, insisted that not only the Chinese troops but also the officials of Marshal Chang Hsueh Liang's administration must be withdrawn from Chinchow, after which the neutral zone thus created must be placed under the jurisdiction of the new Manchurian government at Mukden. The Japanese headquarters announced a satisfactory situation in Heilungkiang province with the appointment of a new chairman of the provincial government committee, accepted both by the Japanese and by the former chairman whom they had driven out of Tsitsihar.

Japan Objects to the Council Proposals

NEGOTIATIONS remained in deadlock on December 4th over the Chinese request and the Japanese refusal to have friendly observer said in the establishing of the neutral zone around Chinchow. The other members of the Council had to see another day pass with nothing definitely accomplished to end their task.

New instructions were reported to be on the way to the Japanese representative in Paris from Tokio, where the proposed declaration by the President of the Council to accompany the resolution itself was understood to have created an impression that Japan was being placed on trial. There was consequently a desire for verbal amendment of many points in the declaration, particularly in references to the right of police action against bandits and the organisation of the neutral zone around Chinchow. Further, there was objection to part of the fifth paragraph of the resolution itself, providing in effect that if the retirement of troops to the railway zone should not have occurred before the arrival of the commission of enquiry in Manchuria, there should be a

report by the commission to the Council with recommendations for action. Tokio officials apparently regarded this as equivalent to a time limit for evacuation.

A Japanese communication¹ to the Council commented on the information from a British observer at Harbin, on December 1st, as to arrival there of 40 Japanese soldiers; this was explained as a mistake, perhaps due to a visit of 40 Japanese Boy Scouts wearing winter great-coats because of the extreme cold.

General Honjo, the Japanese commander at Mukden, was quoted in United Press dispatches as saying that the Chinese must give assurances against assuming any offensive from Chinchow before there could be a withdrawal of Japanese troops. The Japanese forces were reported to number 14,000, including 2,900 men from Korean garrisons; and of this total the commander stated that about 3,600 men were outside the railway zone.

Chinese Resentment Rising

THE state of Chinese feeling in regard to Manchuria, which had been reflected in student and mass riots at Shanghai and elsewhere, showed itself on December 5th in Paris where the Chinese colony held a meeting and demanded China's withdrawal from the League and the resignation of her representative from the Council. The resolution passed at the meeting was cabled to Kuomintang headquarters in Nanking; and Dr. Sze also cabled the facts and offered his resignation. League circles were relieved by the receipt of word that the National Government refused to consider either his offer or that of Dr. Wellington Koo, who had likewise tendered his resignation because of the mounting criticism of Government policy in the Manchurian crisis. Chiang Kai Shek, the head of the National Government, prevailed upon both men to retain their posts; and so it was evident that the final stages of the Council's endeavor to arrange for a Commission of Enquiry would not be embarrassed by the withdrawal of China.

The drafting committee and the other

¹ Document C.954.M.519.1931.VII.

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members of the Council with the exception of the two disputants were engaged in examining the Japanese counter-proposal to the preliminary text of the resolution and the presidential declaration which had been forwarded to Nanking and Tokio. The main difficulty was understood to relate to the Japanese objections against authorising the Commission of Enquiry to make a report with recommendations, upon its arrival in Manchuria, if Japanese troops should not have been withdrawn by that time. Discussions were still going on also concerning the terms and any statement as to the right to pursue bandits. On other points it appeared that an agreement could be reached.

Further in regard to Boy Scout delegates believed to have been mistaken for soldiers by a British observer at Harbin, a Japanese note¹ was circulated to the Council referring to the reported arrival on December 2nd, at that city, of "400 Japanese officially described as volunteers"; this must be a mistake, the Consul-General at Mukden had telegraphed, probably due to confusion with the Boy Scout party mentioned in the preceding note.

As to the situation in the neighbourhood of Chinchow, the British representative on the Council transmitted a telegram² from an observer for his government there, saying that conditions were normal except for daily air scouting over the city; British railway officials were supervising repairs to tracks and damaged bridges along the Peking-Mukden line, and while some Japanese had been withdrawn, a force of about one hundred was stated to be retained for the defence of Hsinmin.

Officials at Tokio were arguing, according to reports to the *London Times* from its correspondent there, that the Chinese were displaying reluctance to carry out their part of the offer to withdraw troops from the Chinchow area. The apparent insistence of the League Council on having neutral observers take part in the arrangements for evacuation and the establishment of a zone unoccupied by the troops of either nation was said to be most unwelcome.

Press reports from Mukden indicated that

Chinese cavalry and infantry were advancing from Chinchow in the direction of Hsinmin and Mukden. Further, United Press dispatches from Mukden referred to increasing concentration of Chinese troops in the region to the south.

Japan Resists Pressure to withdraw

In order to resolve the difficulties concerning authorisation of the Commission of Enquiry to make a report and recommendations as to the withdrawal of Japanese troops, it was understood on December 6 that the Japanese Delegation had suggested an agreement by both sides with the other members of the Council to have the Commission sent without any attempt to specify powers, leaving these to be determined by the conditions after its arrival. Since differences of opinion developed, both on the part of the Chinese representative and other Council members, it had been decided to refer the matter once again to Tokio.

Representatives of France and Great Britain circulated to the Council information from observers for their countries. The French report¹ dealt with the disposition of Chinese forces beyond the Great Wall in Manchuria, saying that no appreciable change had occurred since November 27th and that the numbers of effectives mentioned in the memorandum of December 2nd still represented the maximum Chinese forces in the district. The British report² stated that some 300 Japanese troops were still west of the Liao river zone for defence against alleged banditry, of which the observer saw no evidence, while there had been no movements of Chinese troops on the railways beyond the Great Wall and Japanese reports that the Chinchow area had been reinforced could not be confirmed.

Meanwhile the Japanese Minister of War was quoted by the United Press as having said in an interview at Tokio: "The extremely hostile and changing attitude of the Chinese people towards us constitutes the distinct cause of the Manchurian trouble."

¹ Document C.956.M.521.1931.VII.

² Document C.955.M.520.1931.VII.

¹ Document C.957.M.522.1931.VII.

² Document C.958.M.523.1931.VII.

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No Sanction for "Police Measures"

THE way out of the difficulty concerning the terms of the proposed declaration by the President in regard to Japanese "police measures" against bandits in Manchuria was understood on December 7 to have been found in an agreement that the Japanese representative should make his own statement on this point at a public meeting, while the President would make no reference at all to it. The consequence of the Japanese objection to the terms of the President's proposed declaration, as it was cabled to Tokyo, was therefore to relieve the Council and the League from being committed in any formal way to this principle.

From this point of view, the development was therefore a gain both for the Chinese and other members of the Council who had been protesting against any international sanction for military action by one nation in the territory of another state. On the other hand, Japan likewise was felt to have won a concession through consent that the question of withdrawal of her troops should be treated more generally than had originally been planned in the fifth clause of the resolution, which would have authorised the Commission of Enquiry to make a report and recommendations if the troops should not have retired to the railway zone by the time of its arrival. Instead of this, the charge to the commission was being reconsidered in terms making withdrawal of troops one point but not the main point emphasized.

With quiet continuing around Chinchow, it was hoped that a final agreement as to the resolution could be reached within a few days.

The Tokio Government was reported to have decided upon acceptance of the re-drafted resolution and declaration by the President, providing simply that the Council might direct its commission to furnish information as to progress towards fulfilment of the Council resolution of September 30. The Chinese representative also gave the other members of the Council reason to hope that his Government might assent to the modification of this part of the program, providing the rest should stand.

Japan Suggests a Zone Beyond Chinchow

THE definition of the neutral zone around Chinchow still remained unsettled. M. Briand conferred with the Japanese representative and then with other members of the Council as to a suggestion advanced by Japan to set limits which would secure the retirement of Chinese troops beyond the Great Wall and fix another boundary west of Chinchow, thus bringing the city within the zone of Japanese influence and possible occupation. The Chinese representative had refused to entertain this proposal; and other members of the Council made the counter-suggestion that no neutral zone should be fixed and both parties should halt at the positions where they were. The Japanese Delegation had referred the suggestion to Tokyo, indicating at the same time the unlikelihood that Japan would accept any plan involving the retention of Chinchow by the Chinese. This was felt to foreshadow abandonment of the League's attempt to fix a neutral zone, while observers would continue their services in the areas between Chinese and Japanese troops, pending dispatch of a Commission of Enquiry with clearly limited powers.

The Chinese representative insisted that Chinese forces in the Chinchow area were so stationed as to constitute no menace to the Japanese. In a letter¹ denying Japanese statements to this effect, he quoted the reports of neutral observers that Japanese troops had been moving in the region between Chinchow and Hsinmin, on the pretext of suppressing bandits, so that there obviously were no Chinese outposts in that region. Furthermore, in another letter² he quoted reports from Nanking that the Japanese army was menacing peace by airplane manoeuvres over Chinchow and also at Harbin, where a shipment of trenchmortar shells and pistols had been discovered in cotton-bales belonging to a Japanese company.

On its side the Japanese Delegation transmitted a summary³ of telegrams received concerning the movements of Chinese and Japanese troops, dealing with withdrawals of Japanese

¹ Document C.959.M.524.1931.VII.

² Document C.960.M.525.1931.VII.

³ Document C.961.M.526.1931.VII.

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companies from Tsitsihar district and with alleged increases of Chinese regular and irregular forces and the growth of bands of Chinese brigands in the area south and west of Mukden, from which Japanese troops had been withdrawn.

The Japanese army command at Mukden, according to a dispatch to the *London Times* from its Tokio correspondent, was warning Marshal Chang Hsueh Liang to withdraw his forces from Chinchow beyond the Great Wall, on the ground that Chinese officials seemed to have been forced by popular agitation to abandon their offer to evacuate the territory. Army officers were said to feel that they had been misled by the Chinese proposal and that force might be required to create the situation they had expected. Engagements of Japanese troops with Chinese regulars and irregulars in several districts south of Mukden were described in United Press reports from that city and Tokio; and the Chinese were said to be entrenching new positions around Chinchow.

The United States Supports the Council

THE dispatch of a Commission of Enquiry somewhat uncertain both in authority and scope, to report on the actual situation in Manchuria, was seen clearly on December 8th to be the most that the Council could add to its resolution of September 30, with the hope of again securing unanimity. But the position, as compared with that time, was felt to be greatly strengthened, since now General Dawes crossed the Seine once more to talk with M. Briand at the Ministry of Foreign Affairs and indicated to him that the United States was prepared to support the Council fully in its resolution and declaration. Their interview, which took place after a long-distance telephone conversation with Secretary Stimson of the Department of State at Washington, gave reassurance and satisfaction to most of the Council members.

Attempts to secure agreement as to a neutral zone had failed; and Japanese insistence had led to withdrawal of provisions in the draft resolution which would imply either a time

limit for the retirement of troops to the South Manchurian Railway zone or some neutral supervision of Japanese forces in "police measures" against bandits. At the same time the declaration by the President, to accompany the resolution, was being finally framed to avoid any impression of approving the Japanese claim of a right to military action in the occupied territory.

The Chinese representative transmitted the substance of a telegram¹ from his Government denying press reports of a Chinese plan to attack Tsitsihar; the commander of forces driven out of that city by the Japanese was said to be engaged only in the task of reorganising them and to be ready to welcome neutral observers appointed by the League Council to accompany him when arrangements should be made for the evacuation of Heilungkiang province.

The Japanese Delegation continued to insist that Chinese forces in the Chinchow region were being augmented, and transmitted a telegram² giving details as to the stations and strength of various detachments as reported on the 4th.

A denial that the Japanese command in Mukden had warned Marshal Chang Hsueh Liang to withdraw his troops beyond the Great Wall had been issued by the Tokio War Office, according to a dispatch to the *London Times*, although Chinese forces were said to occupy a large crescent, well in advance of the city. At Marshal Chang's headquarters in Peking, both the *London Times* and United Press correspondents stated, no warning such as had been reported had so far been received.

American, British and German officials at Mukden were quoted by the United Press correspondent there as expressing a belief that Japan would refrain from any advance upon Chinchow while negotiations between her envoy at Nanking and the Chinese Foreign Minister afforded any prospect that a withdrawal of Chinese troops beyond the Great Wall might be negotiated. The Japanese authorities were felt to regard the presence of these troops as an obstacle which must be removed; but a campaign against them would involve a large

¹ Document C.962.M.527.1931.VII.

² Document C.963.M.528.1931.VII.

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scale operation. Nevertheless, press dispatches from Tokio stated that in view of reported movements of large Chinese forces east of Chinchow along the railway toward Mukden, the Japanese General Staff had ordered another division to Manchuria.

Meanwhile striking students and other agitators in Shanghai were demanding passage to Manchuria to join troops there as volunteers, and the Government at Nanking had been forced to arrest other student demonstrators, demanding a declaration of war against Japan, and to proclaim a state of martial law in order to suppress agitation against its policy. In consequence of the student demonstrations and popular positions, Reuter agency dispatches from Shanghai said, the Government was being compelled to adopt a more resistant attitude and was sending strict instructions to its representative in Paris to make firm reservations against any Japanese assumption of the right to suppress brigandage in Manchuria, and further to demand compensation for losses suffered by Chinese through the occupation.

WEDNESDAY, DECEMBER 9th

THE plan for procedure with the Manchurian affair had its formal presentation on the afternoon of Wednesday, December 9, at a public meeting of the Council, nearly three weeks after the meeting of November 21 when the Japanese put forward the suggestion of a Commission of Enquiry. Before the draft resolution was read, there were tributes by M. Briand to Antonio Salandra of Italy and by M. Fotitch to Louis Loucheur of France, both of whom had died while the Council was in session; and the members also turned briefly to action on a report and resolution concerning the frontier between Syria and Iraq. The President then read the draft resolution which summed up the results of the most difficult effort that the Council had ever been called upon to make:

The Council

1. Reaffirms the resolution passed unanimously by it on September 30th, 1931,

by which the two Parties declare that they are solemnly bound. It therefore calls upon 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 24th,

Notes that the two Parties undertake to adopt all measures necessary 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 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 circumstance 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 30th as regards withdrawal of the Japanese troops within the railway zone.

6. Between now and its next Ordinary Session, which will be held on January 25th, 1932, the Council, which remains seized of the matter, invites its President to follow

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the question and to summon it afresh if necessary.

M. Briand followed the reading of the resolution itself by commenting upon it, in the terms upon which agreement had been reached during the negotiations of the preceding days:

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 enquiry 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 for 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 30th, laying particular stress on the withdrawal of the Japanese troops within the railway zone on the conditions described therein as speedily as possibly.

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

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 possibility 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 representatives.

Paragraph 5. Provides for the institution of a Commission of Enquiry. 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.

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.

Upon the conclusion of the President's remarks, the Japanese representative announced at once that, having heard them with great interest and feeling it his duty to express his opinion in regard to them, the instructions for which he had asked his Government had not yet reached him. He consequently asked the Council to hold another meeting on the question the next afternoon, when he expected to be able to express his views in a definite manner. Assuming that no member of the Council wished to oppose the Japanese representative's request, and adding that as President he would no doubt have comments to add at the next

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meeting to the statement he had made, M. Briand declared the discussion postponed.

During the day the Chinese representative had circulated to the Council a memorandum presenting two telegrams from Nanking. The first reported an advance of Japanese cavalry from the Liao River, and charged that the Japanese were attempting to organize lawless elements under Chinese leaders for the purpose of disturbing Chinchow. The second described bombings by Japanese airplanes of two towns on the railway line north of Newchwang.

The hold-up and looting of a train on the Peking-Mukden railway by Chinese bandits was reported in Reuter and United Press agency dispatches from Mukden; among the victims were the traffic manager of the railway and the American manager of the China Export Company. Increasing bandit activities in the area west of the South Manchurian railway were detailed in a communiqué issued by the Japanese headquarters; while reports from Harbin indicated the reinforcement of Chinese troops and growth of bands of brigands to the north around Tsitsihar.

THURSDAY, DECEMBER 10th

At the last moment before the final meeting of the Council on the afternoon of Thursday, December 10, confusion in regard to the expected presence of the American Ambassador disturbed proceedings. General Dawes, it had been indicated, desired to make a statement to the members. This was understood to concern primarily the difficulties that had developed between China and Japan in regard to the Chinese Foreign Minister's suggestion for mutual withdrawal of forces from Chinchow in order to establish a neutral zone, which the Japanese had taken as a definite and direct proposal leading to the subsequent retirement of Japanese troops; further, he was reported to favor further consideration of some joint arrangement to avoid the risk of continued hostilities. Accordingly, a chair had been placed for General Dawes at the Council table. Within a quarter-of-an-hour of the time set

for the gathering of the Council, he telephoned word to the Ministry of Foreign Affairs that he had changed his plans and would not attend. No reason for this altered decision was given; but it was understood to have followed a long-distance telephone conversation with an official of the administration in Washington. The chair set for the American representative was hurriedly removed; and the members of the Council then took their places and began discussion of the resolution and declaration that the President had read the preceding day.

M. Briand called first upon the Japanese representative, as being now in a position to make his statement. Thanking the President and members of the Council for their consent to his request to postpone the discussion and for the efforts they had made in regard to the question before them, which had been rendered difficult by the special circumstances in China, the remoteness of Manchuria and the diversity and magnitude of the interests at stake there, he said that the draft resolution furnished the means of clarifying the situation. With regard to the second paragraph of the resolution, concerning the engagement of the parties to adopt all measures necessary to avoid aggravation of the situation and to refrain from any initiative which might lead to further fighting and loss of life, acceptance on behalf of the Japanese Government was based on the understanding that this paragraph was not intended to preclude the Japanese forces from taking such action as might be necessary "to provide directly for the protection of the lives and property of Japanese subjects against the activity of bandits and lawless elements rampant in various parts of Manchuria". Such action was admittedly "an exceptional measure called for by the special situation prevailing in Manchuria," and its necessity would end when normal conditions should be restored there. With these considerations, he declared that the Japanese Government accepted the draft resolution before the Council.

China Accepts with Reservations

The Chinese representative in turn then declared the intention of his Government

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"to discharge in good faith every obligation which it assumes in agreeing to this resolution as interpreted by the President of the Council." It was necessary, however, since this was a practical arrangement to meet a pending emergency, to place on record certain observations and reservations in point of principle:

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 inter-dependent elements:

- (a) Immediate cessation of hostilities,
- (b) Liquidation of the Japanese occupation of Manchuria within the shortest possible time.
- (c) Neutral observation and reporting upon all developments from now on.
- (d) A comprehensive enquiry 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 materialise would mean the failure of the whole agreement.

3. China expects that the Commission will make it its first duty to enquire 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 cannot 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. China 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.

Lord Cecil, speaking then on behalf of Great Britain, expressed his satisfaction that both his Japanese and Chinese colleagues had accepted the resolution. The Council had heard their declarations on paragraph 2, and no doubt the position in Manchuria was difficult and exceptional. Circumstances might arise there causing danger to Japanese lives and property and in such an emergency it might be inevitable that Japanese forces in the neighbourhood should take action. He welcomed, however, the Japan's recognition that the situation was exceptional and that the necessity for such action would end with the restoration of normal conditions; her declaration did not weaken the duty to refrain from any move which would lead to a revival of fighting.

M. de Madariaga, on behalf of Spain, associated himself with what Lord Cecil had said, and argued that the Japanese representative's remarks were in harmony with the terms of the resolution. This began by reaffirming the unanimous decision of September 30th, by which the two Governments recognized that the situation was exceptional and steps to bring about withdrawal of Japanese troops within the railway zone should be taken as quickly as possible. In the second paragraph of the present resolution the parties undertook to avoid making the situation worse. The Japanese representative's observations, obviously due to a feeling of scrupulous frankness deserving of respect, strengthened the assurance that this resolution would be faithfully executed "in the spirit and in the letter" not only in all the general cases to which these observations did not apply but even in the special cases to which they did apply, since Japan would be bound to take care in applying

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even these exceptional measures in the spirit of the resolution.

No one else desiring to speak, the President put the draft resolution to the vote; and the Council adopted it unanimously.

M. Briand Sums up League Action

REVIEWING the long efforts of the Council, M. Briand then made a trenchant analysis and interpretation of their course and decision, which marked an important and, he hoped, decisive step towards the settlement of the dispute. The creation of a calmer frame of mind, he felt, should prepare the way for a complete solution of the question at issue. The conflict between China and Japan in September was brought before the Council under Article 11 of the League Covenant. Being called upon according to the terms of this article "to take effectual action to safeguard the peace of nations", the Council did not attempt to evade its responsibility, although realizing the complexity and exceptional difficulty of the problem but unanimously adopted on September 30th a resolution; its full execution by the two parties was calculated to restore between them "the good understanding on which peace depends." Although there had been since then no "resort to war" within the meaning of Article 12 of the Covenant, there had unfortunately been "acts of hostility."¹ Nevertheless the parties had offered to continue cooperation with the Council for a friendly settlement, and so action had been resumed at the last meeting in October under the mediatory provisions of Article 11, with attention also to the Pact of Paris. No model settlement could be expected to be

¹ As amended on September 26, 1924, in accordance with Article 26 governing amendments, Article 12 reads: 1. The Members of the League agree that, if there should arise between them any dispute likely to lead to a rupture they will submit the matter either to arbitration or judicial settlement or to inquiry by the Council and they agree in no case to resort to war until three months after the award by the arbitrators or the judicial decision, or the report by the Council. 2. In any case under this Article, the award of the arbitrators or the judicial decision shall be made within a reasonable time, and the report of the Council shall be made within six months after the submission of the dispute.

drawn up in such a special case, which could serve as a precedent. Instead, they had to attempt something at once more modest and more difficult.

Requiring unanimity, including the disputants, Article 11 compelled a search for a solution on the lines of conciliation and compromise. Various texts were drafted, communicated to the parties and re-examined in the light of their objections or reservations; and so progress by gradual stages and successive approximations had reached the empirical solution appearing best suited to this case.

While the Council fixed no time limit for the complete withdrawal of Japanese troops, it was convinced that this would be carried out as rapidly as possible. The sending of a Commission of Enquiry would in the meantime permit endeavours to continue with fuller knowledge and with due consideration of all the factors of a problem which was rendered particularly difficult by inadequate information as to what was taking place in these distant lands. The problem, he repeated, was of a very special character, both because the treaty or customary relations normally existing between the two countries were exceptional and also because the political status of one of them was governed by the international obligations of the Nine Power Treaty concluded at Washington in 1922, which it was not within the competence of the Council to interpret.¹ The resolution just

¹ The Nine Power Treaty, which was signed at Washington on February 6, 1922, and later registered with the League of Nations on October 19, 1925, establishes, in order to stabilize conditions in the Far East and safeguard the rights and interests of China and promote intercourse between China and other Powers on a basis of equality, the following principles:

I — The Powers other than China agree (1) to respect the sovereignty, independence, and territorial and administrative integrity of China; (2) to provide the fullest and most unembarrassed opportunity for China to develop and maintain for herself effective and stable government; (3) to use their influence for the purpose of effectively establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China; (4) to refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states and from countenancing acts inimical to their security.

II — The contracting Powers agree not to conclude any treaty, agreement, arrangement or understanding, either with one another or with any Power or Powers,

adopted in this special case could in no way affect the doctrine of the Council of the League, as regards occupation of territory and the

which would infringe or impair the principles above stated.

III — With a view to applying more effectively the principles of the Open Door or equal opportunity in China for the trade and industry of all nations, the contracting Powers other than China agree that they will not seek nor support their nationals in seeking:

(a) Any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China, or (b) any monopoly or preference which would deprive nationals of any other Power of the right of undertaking any legitimate trade or industry in China or of participating with the Chinese Government or with any local authority in any category of public enterprise, or which by reason of its scope, duration or geographical extent is calculated to frustrate practical application of the principle of equal opportunity.

It is understood that the foregoing stipulations are not to be so construed as to prohibit acquisition of such properties or rights as may be necessary to conduct a particular commercial, financial or industrial undertaking, or to the encouragement of investigation and research. China undertakes to be guided by the principles stated in the stipulations, in dealing with applications for economic rights and privileges from Governments or nationals of all foreign countries, whether parties to the Treaty or not.

IV — The Contracting Powers agree not to support any arrangement by their nationals with each other designed to create spheres of influence or to provide for the enjoyment of exclusive opportunities in designated parts of Chinese territory.

V — China agrees that throughout her whole system of railways she will not exercise or permit unfair discrimination of any kind. In particular there shall be no discrimination whatever, direct or indirect, in respect to charges or facilities on the ground of nationality of the passengers or the countries from which or to which they are proceeding, or the origin or ownership of goods or the country from which or to which they are consigned, or the nationality or ownership of the ship or other means of conveying such passengers or goods before or after their transportation.

VI — The Contracting Powers other than China agree fully to respect China's rights as a neutral in time of war to which China is not a party, and China declares that when neutral she will observe the obligations of neutrality.

VII — The Contracting Powers agree that whenever a situation arises which in the opinion of any one of them involves application of the stipulations in the Treaty and renders desirable discussion of such application, there will be full and frank communication between the Powers concerned.

VIII — Powers not signatory to the Treaty, which have Governments recognized by the signatory Powers and which have treaty relations with China, are invited to adhere to the Treaty; and the Government of the United States has the obligation of communicating with non-signatories and informing signatories of replies received, adherence by any Power being effective upon receipt of notice by the Government of the United States.

IX — Both ratifications and Treaty are deposited at Washington; and both English and French texts are authentic.

operation of articles of the Covenant, which had been set forth in reports carefully studied by international lawyers and statesmen, received final sanction by Council resolutions, and retained its full force. Except in the case of express stipulation by treaties, the League Covenant did not authorize a state, however well founded its grievance against another state, to seek redress by other than peaceful methods. For members of the League that was a fundamental principle, like the "scrupulous respect for treaty obligations", on which the preamble to the Covenant laid stress. These two principles were of equal value; and any infringement of either laid a grave responsibility on members of the League—a responsibility reaffirmed in the Pact of Paris, "whose signatories assume or renew the undertaking to resort to peaceful means alone or the settlement of international disputes."

Results and Prospects of League Policy

HAVING recalled these principles at the end of a discussion in which both the Covenant and the Pact of Paris had been invoked, M. Briand surveyed the first results obtained: the war which threatened had been averted, by long continued vigilance, patience and tenacity, and obstacles set in its way had at least slowed down the movement of events and checked their impetus which was the greatest danger to peace. Three months had thus been gained; and this not only was likely to create a calmer frame of mind, to arouse public opinion throughout the world, and so to improve the conditions for maintaining peace, but also made it possible to create means for its local organization. With the full consent of the two parties, a Commission of Enquiry would shortly set out for China; and even before that Commission was set up, both sides had recognized the rule of the Council by agreeing that the powers should send neutral observers to the spot. These observers would continue to supply valuable information, which would always be carefully examined; and the calmer atmosphere sought by the Council required that no further incidents of any kind should take place.

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The two parties had advised the Council on November 26th of the apprehensions they felt in regard to the situation around Chinchow. The Council had taken steps to avert the immediate danger and remained ready to act if the necessity should occur again. Observers sent to the area had reported that Japanese troops had been adequately withdrawn and that Chinese troops were making no movements or preparations of an offensive character. The Council was entitled to be confident that no further hostilities would occur, even without official definition of a neutral zone, since the undertakings of both sides should prevent any further clash.

At the moment of concluding a contract of good faith and honour, he turned to the representatives of China and Japan with an assertion of his belief that the hopes of the Council would be realized. He recognized the valuable help given by the committee that drafted the resolution "under the authoritative and skilful guidance of Lord Cecil assisted by the wisdom and experience of the Secretary-General, Sir Eric Drummond". Finally, he thanked the United States for having assisted in the work of the Council "by means of parallel and incessant activities within the limits which it has itself determined".

Cecil Urges the Duty of Pacific Settlement

LORD Cecil, saying that the President's remarks had added one more to the many obligations which the cause of peace and the League of Nations owed him, agreed with his conclusions and emphasized that the task of the Council under Article 11 of the Covenant was "not one of arbitration or decision but mediation and persuasion". Procedure requiring unanimous consent, including the disputants, might easily be prolonged. The agreement reached at the end of September had proved insufficient to end either the dispute or the hostile measures accompanying it. The success of the larger settlement now being attained must depend upon the parties. Either of them could destroy the work of conciliation; but he was confident this would not happen. If it did,

the party so acting would bear a heavy load of responsibility before world public opinion.

He adhered heartily to what the President had said as to the necessity for submitting all international disputes to pacific settlement; in no case nowadays must a nation take the law into its own hands. The substitution of reason for violence, the strict observance of international obligations, the promotion of friendship and cooperation between nations were the chief objects for which the League was brought into existence. It was therefore a matter for congratulation that the parties had assented to the appointment of a Commission of Enquiry charged with investigating not only the actual question that had arisen but all the relations between them. In their heavy task, the commissioners could be assured of the sympathy and support of all men of good will throughout the world including nationals of the two parties to the dispute.

M. de Madariaga, paying tribute in turn to the work accomplished by M. Briand, and to his summary of the Council's views, emphasized the difference between what had been done and what might have happened if there had been no League of Nations. The Council was still in the first stage of its work, but a very important one since it marked the setting up of a Commission. Especially when appointed by the League, this was still perhaps the surest guarantee today that difficulties would be settled in the fairest manner and in the interests of peace. It guaranteed knowledge and impartiality, and the Council members could be confident that the President and the Secretary-General would secure a faithful reflection by the Commission of this spirit. The conflict had proved the necessity to re-cast as quickly as possible the methods available for dealing with all international difficulties, so that problems would be approached in an impartial spirit and not only with a view to setting up an international balance, not only with the desire to settle conflicts but to prevent disputes.

Guatemala and the Rights of Small States

AMONG the Latin-American representatives on the Council, M. Matos, of Guatemala, then

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took the lead in a series of statements which proved to be of peculiar interest because of what they implied in terms of relations with the United States. The Council of the League of Nations had to intervene in this dispute on the basis of Article 11 of the Covenant, and it was one of the most difficult cases ever brought before it. In conversations and private meetings, he had expressed the apprehensions with which, as the representative of a small state, he watched the unfortunate trend of events.

Obviously, according to existing treaties, it was inadmissible that disputes between states, whatever their nature or origin, should be settled by other than pacific means. Respect for treaties and their execution could not be allowed to depend upon the will of one of the parties; and such methods would be destructive of the international law and so of the maintenance of peace. In particular, resort to coercion for the recovery of contractual debts was contrary to the principles of the Porter resolution¹ adopted by the Hague Conference of 1907. Although the protection of nationals abroad and of their property was a generally recognized obligation, its fulfilment must be subordinated to respect for the fundamental rights of states; and the duty must be discharged in harmony with the spirit underlying the new international organisations set up to secure peaceful settlement of disputes in all circumstances.

Silence possibly implying acceptance or endorsement of views which he should regard as contrary to the principles and aspirations of the countries of America would be a failure in his duty; and defence of the principles which should prevail in international relations tended to consolidate the authority of the League, in which the weak countries put their trust since they hoped that through its normal operation the cause of law, justice and solidarity between the nations would triumph. In voting for the resolution, he had associated himself with the views of the President of the Council; and he emphasized the opinion that this resolution was designed to settle a very special and complicated case without

prejudice to views expressed in the course of the dispute. It could not therefore be taken as a precedent. For him it would have been impossible to support the resolution if it had not embodied the principle proclaimed by M. Briand at the end of the October meeting, that the military occupation of territory could not be used by one member of the League against another member to impose direct negotiations on matters at issue between them. He concluded by voicing his wish for the re-establishment of normal relations between China and Japan and the peace and order which were of equal concern to the countries of every continent.

Germany and Poland State their Views

M. von Mutius, for Germany, associating himself with the President's remarks in regard to bringing about a certain measure of agreement between China and Japan, said that the resolution could hardly meet all their conflicting desires. Nevertheless, without drawing upon all the resources at the League's disposal, the solution proposed was likely to avert the danger which their dispute entailed for the peace of the world. The principal task of the League must be the pacific settlement of disputes, in which Germany was particularly interested. He hoped that the work begun would prove a first step towards the final settlement of difficulties between China and Japan; and he voiced his gratitude to M. Briand for his manner of conducting the Council debates and for the hospitable welcome received in Paris.

M. Chlapowski, expressing for Poland the hope that normal relations between China and Japan would be restored, referred again to the statement of the Polish Foreign Minister at the Council meeting on November 21 and to the observations of the President, and emphasized afresh the special character of the conflict "which has obliged the Council to adopt a very exceptional procedure and very exceptional methods in carrying out the task devolving upon it under Article 11 of the Covenant." His Government was convinced that the League's intervention had prevented aggravation of a conflict which might have assumed much more dangerous proportions.

¹ See p. 79

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Peru Asserts International Law

M. Gonzales Prada, speaking for Peru, reinforced certain points of doctrine which the representative of Guatemala had mentioned. He likewise emphasized that the Council faced a problem of "an entirely special character, both from the point of view of international law and from that of the events themselves." If these exceptional circumstances seemed to have led, in a manner also exceptional, to departure from certain fundamental principles of international law, he felt it a duty to make a statement to avoid any possible misunderstanding as to the bearings of the Council's resolution and of the President's statement, from the point of view of doctrine, and as to their effects outside Europe. Nothing in the resolution must be interpreted as affecting principles without which the existence and rights of weak countries would not have the security rendering force unnecessary, which was the main purpose of the League Covenant. Some of these principles were:

1. No State is entitled to effect a military occupation of another's territory in order to ensure the execution of certain treaties.
2. No State has the right, having invaded another's territory, to oblige the latter to enter into direct negotiations on the scope and legal value of conventions already existing between the two States.
3. The exercise of the right which every State possesses to provide for the protection of the persons and property of its nationals must be limited by respect for the sovereignty of the other State, no State having the right in order to ensure this protection to authorise its military forces to enter the other State's territory in order to carry out police operations.
4. The fact that a State possesses rights, claims, economic concessions, etc., in relation to another State does not entitle the former to undertake a military occupation of the territories or to seize the property of the debtor State. Any recovery of debts by coercion is precluded, in accordance with the principles accepted at the Second Peace Conference (The Hague, 1907).

Even if the measures accepted by the two parties concerned and adopted exceptionally

by the Council, in the special case of Manchuria, might be justifiable to avert war, they must in no case be interpreted as implying renunciation of the principles of international law referring to defence of the rights and interests of weak countries and constituting the main safeguard of their independence.

Panama Insists on Limits to Intervention

M. Garay, for Panama, followed with a further elaboration of the Latin-American point of view. After praising the President of the Council, the chairman and members of the drafting committee, and the Secretary-General, for their work, he asserted that the Council as a political organ of the League had drawn up its resolution requiring unanimous acceptance under an exceptionally grave and complicated situation with very limited means at its disposal. This compromise between the claims of the parties was purely practical and could not be invoked later as a precedent; on this point also the Council was unanimous. But since policy creates its own law according to interests and circumstances, and sometimes departs from pure doctrine, the representatives of nations not materially interested in the areas affected by the dispute felt it necessary to dispel any ambiguity by re-asserting the traditional attitude of their countries towards certain important principles of international law. One of these was non-intervention.

The right of the League to intervene among its members, in order to ensure world peace and preserve their territorial integrity or political independence, was recognized; on the other hand, there must be strict limits, defined by treaties, for a state's intervention in the affairs or territory of another with which it was not at war. The right of any state to safeguard the lives and property of its nationals abroad was not denied, but it was not regarded as absolute and it ended as soon as it began to encroach upon the sovereign rights of another state. The republics of America had set up in their laws the principle of equality between nationals and foreigners; but they had refused to grant foreigners preferential

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treatment or superior status, which would demean the national dignity and destroy the legal equality essential as the basis of international unity.

The Hague Resolution on Recovery of Debts

THE Porter resolution approved in 1907 by the nations represented at the second Peace Conference at the Hague had been opportunely cited. This allowed resort to force for the recovery of contractual debts between Governments only when the debtor state refused arbitration or made it impossible to draw up a special arbitration agreement or did not comply with the award given; and it embodied a principle now unanimously recognized as forming part of international law. It was based on the so-called Drago doctrine, which declared it inadmissible to use compulsion for the recovery of the public debts of states, expressing the aspirations of the Latin-American group at the Conference, together with the older so-called Calvo proposal which condemned intervention even by diplomatic means to support private money claims.

These were characteristic elements of what was sometimes termed Latin-American international law. These states had a heritage of aspirations, principles and traditions, which they had to take into account in considering such grave questions from their own standpoint. In their view, the intention of the Covenant was to substitute peaceful and reasonable means in place of resort to force, in order to deprive signatory nations of the dangerous right to take the law into their own hands for the settlements of disputes. So they would view with the greatest anxiety any return to methods of force, departing from the procedure of conciliation, arbitration, judicial settlement and mediation as compulsory under the Covenant.

China Protests against Exceptions

CONCLUDING the discussion, Dr. Sze, for China, took up the references made to the "special" character of the question before the Council, and said that China could not be expected

to concede the border of Manchuria as a limit beyond which treaties, covenants and accepted principles of international law ceased to operate. With regard to Chinchow, he asserted that conditions in the region were normal, that there were no movements of Chinese troops and no increases of forces or preparations for attack against the positions occupied by the Japanese. This had been confirmed by all the neutral observers, and he assured the Council that his Government contemplated no change in its policy in this respect.

The Council then went into private meeting, in which the President invited the cooperation of his colleagues who had served on the drafting committee, in dealing with the situation still needing to be examined.

The Chinese representative had transmitted to the Council a summary¹ of reports from Nanking, of Japanese airplane bombing and machine-gunning of a village and a station on the railway line to Yingkow, and also of Japanese airplane scouting over Chinchow, as well as the beginning of construction of an aerodrome east of Harbin.

Dispatches from the London *Times* and United Press correspondents at Peking and from the Havas agency correspondent at Mukden gave details confirming the airplane manoeuvres and bombing described in the Chinese communication; and the reports from Mukden also quoted Japanese information of increasing bandit activity south and west of the city, towards Chinchow. Meanwhile, at Shanghai, according to other press reports, the Chinese officials were facing an open student revolt, involving thousands of youthful rioters. The students were demanding immediate declaration of war; and their agitation had become so menacing as to force the military authorities to proclaim martial law in the Greater Shanghai area.

DECEMBER 11th-31st

A greater degree of American support for the League's program than had been evident in Paris appeared in the news, published on De-

¹ Document C.969.M.532.1931.VII.

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cember 11, that Secretary Stimson of the Department of State had approved the Manchurian resolution at once, in a statement issued the preceding day, terming it a progressive step but warning that the truce seemingly effected was not to be taken as endorsement of Japanese action. He said:

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 XI 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 the so-called Nine-Power Treaty of February 6, 1922, this Government has a direct interest 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 circumstances which disturb 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 toward 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 . . . 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 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 part.

President Hoover was described in a Washington dispatch to the *London Times* as having said in a message to Congress that under the Briand-Kellogg Pact and Nine Power Treaty "we have a responsibility for maintaining the integrity of China and a direct interest with other nations in maintaining peace there." The purposes of the Pact of Paris and of the action by the League being in accord, "it seemed both wise and appropriate rather to aid and advise with the League, and thus have unity of effort to maintain peace, than to take independent action," but "in all the negotiations the Department of State has

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maintained complete freedom of judgment and action as to participation in any measures which might finally be determined upon." The Government had "consistently and repeatedly by diplomatic representations indicated its unremitting solicitude," but "realized that the exercise of the utmost patience was desirable, and it is believed that public opinion in this country has appreciated the wisdom of this restraint."

Japanese residents in Manchuria meanwhile adopted a resolution calling upon their army of occupation to drive the Chinese troops out of the Chinchow area and beyond the Great Wall, according to a United Press despatch from Mukden; while the Japanese headquarters issued a statement that bandit activities in the surrounding region were increasing. In Shanghai, Chinese students demonstrating against the authorities had forced the Mayor to resign, the correspondent of the *London Times* cabled, and were demanding that the Nanking Government reject the League Council's resolution on Manchuria.

Japan Again Complains of China

With the Council meetings over, the center of League activity shifted back from Paris to Geneva. Efforts to constitute the Commission of Enquiry were actively under way, through the Secretary-General's office on behalf of the President of the Council.

Renewed protests against anti-Japanese agitation in China and more evidence of disturbances by bandits and irregular troops in Manchuria appeared in a long memorandum¹ transmitted to the Council, on December 12, from the Japanese delegation; summarizing recent telegrams, it indicated that the Nanking Government, through its Executive branch and Commissariat of Education, had taken part in the anti-Japanese campaign, through secret instructions to provincial officials and through orders for schools to devote several hours a week

to "the history of Japanese aggressive policy and imperialism in China." Instances of anti-Japanese action and interference with trade in many cities and towns were given, including a charge that the Executive Commission of the Nationalist party at Canton had instructed the Anti-Japanese Association to raise funds for the Chinese forces in North Manchuria by auctioning confiscated Japanese goods. Similarly, as to action of bandits in Manchuria, cases were cited from several districts; various groups near the South Manchuria Railway zone were listed, totalling about a thousand; and attacks from November 11 to 20 were estimated to have numbered 341.

Meanwhile, in Tokio the Foreign Office had issued a statement on the Paris decision of the League Council, which emphasized Japan's insistence on the right to take measures against bandits, the absence of time limit for retirement of troops, and the wide scope of the Commission; as quoted by the correspondent of the *London Times*, it said further that the appointment of such a Commission should be welcomed by China as well as by Japan because "the interest of the Chinese people lies in recognizing actual conditions and endeavouring, with the friendly help of foreign Powers, to enter on a healthy international life."

On the same day, the Prime Minister tendered the resignation of the Cabinet to the Emperor. Since this action came when the discussions at Paris had just been ended successfully, the *Times* correspondent explained, it was not connected with Manchuria and the policy accepted there would be carried out. The fall of the Government was said to be due not only to conservative opposition to the mildly liberal policies of the Prime Minister and Foreign Minister, but also to difficulties with the Minister of the Interior, who hoped to form a "super-party" Cabinet of both conservative and liberal elements.

Signs of an understanding between the Japanese and their Chinese antagonist in Heilungkiang province, who had led the forces against them at the Nonni River, were seen in United Press despatches of his arrival at Harbin for negotiations with the Governor favored by Japan.

¹ Document No. C.971.M.534.1931.VII.

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Yoshizawa Indicated as Foreign Minister

Mr. Yoshizawa, Japan's Ambassador to France and head of the delegation which presented her Manchurian case to the League, and also son-in-law of the new Prime Minister, Mr. Inukai, was to receive the portfolio of Foreign Minister in the new Tokio Cabinet according to United Press dispatches published on December 13th, in recognition of his services. The conservative opposition was forming its ministry; and his name was being most prominently discussed for that post. The next day brought news to the London *Times* that the Prime Minister had temporarily assumed also the office of Foreign Minister; but Mr. Yoshizawa's formal appointment later was definitely expected.

Marshal Chang Hsueh Liang, commanding Chinese forces around Chinchow as the nominal Governor of Manchuria, issued a statement from his Peking headquarters, cabled to the London *Times* of December 14, that in the event of new hostilities full responsibility would rest on Japan. He denied any concentration of troops there, and referred to neutral observers as witnesses that the Chinese authorities had neither utilized bandits nor made any move to aggravate the situation.

Continuing student agitation against the Nanking Government was reported from Shanghai; while press cables from Mukden quoted Japanese rumors that President Chiang Kai Shek was about to resign.

News from Shanghai to the London *Times* of December 15 tended to confirm this information as to the Chinese President, adding that the Finance Minister might also retire. Antagonism of the Canton Kuomintang faction, the difficulty of providing for military forces in northern China, Communist and student campaigns against the administration, all topped by the Manchurian trouble, were said to be combining to force them out; nevertheless, there was no sign of disaffection in the army.

Behind a military censorship, throughout Manchuria, a United Press staff correspondent at Harbin asserted that the Japanese were rapidly establishing economic, financial and

political control in a manner calculated to make it a permanent dominion. The word of Japanese advisers was law for banking, industrial and official institutions; and the police forces and communications in Mukden were under Japanese direction. The Japanese Consul at Harbin had announced that he had obtained the cancellation of decree restricting foreigners from purchase of land.

Resignations and Riots in China

CONTINUING Japanese military operations and extension of their railway control south and west of Mukden were indicated in a detailed communication¹ circulated to the Council on December 16 from the Chinese Delegation.

Chiang Kai Shek, the head of the Nationalist Government at Nanking, had resigned the preceding day, said dispatches from Shanghai to the London *Times*, together with T. V. Soong, Minister of Finance, and Wellington Koo, acting Foreign Minister. A mob of nearly 100,000 rioting students had wrecked the Foreign Office, in protest against the Manchurian policy; and the situation was temporarily out of hand. The resignations were expected, however, finally to open the way for unity between the Canton and Nanking factions in the Kuomintang or Nationalist party; and conferences for reorganization of the Government were already under way.

Mr. Yoshizawa, press statements in Paris announced, had been recalled from his post as Ambassador to France to take over the portfolio of Foreign Minister in Tokio, which he had accepted. He planned to return by way of Siberia and Manchuria, where he would stop for some days to study the situation.

From southern Manchuria, renewed heavy fighting between the Japanese and Chinese forces beyond Chinchow was described in Geneva and Paris newspapers, which spoke of a movement launched by Marshal Chang Hsueh Liang in a final attempt to reestablish his position and defend his authority.

¹ Doc. No. C.974.M.537.1931.VII.

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Uncertainty Continues in Manchuria

News of fighting and shifts of authority continued on December 17 to confuse the situation in southern Manchuria. The Japanese Bureau at Geneva issued a statement,¹ circulated to the Council, denying Chinese reports that the Japanese command had sent troops beyond the Liao River and had attempted to appoint Chinese regimental commanders, and confirming other reports of operations against bandits and bombing on the railway to Yinkow in order to check a Chinese advance. A telegram² from the British military attaché also gave an account of this bombing, and indicated that all was quiet in Chinchow and Tientsin.

At Nanking peace had been restored, according to dispatches from Shanghai to the *London Times*, with the prospect of a new Government unifying north, central and south China. Marshal Chang Hsueh Liang, nominal Governor-General of Manchuria, was reported in other dispatches from Peking to have resigned his command of the North-East Frontier Defense, following the retirement of President Chiang Kai Shek; and plans were said to be under discussion at Nanking to form a northern military and political council under a leader less definitely unacceptable to Japan. The withdrawal of part of Chang's forces from Chinchow was "officially confirmed" in another cable from a Tokio correspondent, who described the situation as "favourable for speedy pacification".

An American Nominee for the Commission

APPOINTMENT of Walker D. Hines, Director-General of Railroads in the United States during the World War, to the Commission of Enquiry for Manchuria and China, special dispatches to the *Paris Herald* of December 18 said, was being discussed by the League of Nations with the State Department in Washington. His acceptance was expected in Geneva, if the Department should approve.

¹ Doc. No. C.984.M.539.1931.VII.

² Doc. No. C.986.M.548.1931.VII.

Student agitators had again started riots in Nanking, according to United Press despatches, in which Nationalist official and party headquarters were stormed. The trouble appeared to be due in part to dissatisfaction over reports that some leaders of the Cantonese delegation to the new conference for governmental unity favored a compromise settlement with Japan. Nevertheless, the conference delegates had issued a statement stressing efforts to regain territorial sovereignty over Manchuria.

Another mixed brigade from Japan's Home Army was starting for Manchuria on December 18, to replace a Korean brigade, which had not been recalled because of the troubles at Tsitsihar although a brigade was sent on November 13 to relieve it, according to Tokio correspondence of the *London Times*; and at the same time two battalions were going to Tientsin to allow one battalion there to return to Korea. The changes meant an increase of Japanese forces in Chinese territory by one brigade and one battalion.

The Effects of China's Boycott

JAPAN had lost three-fifths of her export trade to China through the boycott and disturbances in Manchuria since September, other Tokio dispatches to the *London Times* said; net losses in sales were estimated at over \$15,000,000, to which must be added about \$8,500,000 for goods confiscated and contracts and debts disregarded. Shipments after the Mukden conflict of the middle of September were liable to be sold at auction, with 60 % of the proceeds handed to the owners and the remainder to the Flood Relief Committee.

Extensive operations against bandits in the direction of Chinchow were forecasted in an announcement by the Tokio War Office, reported to the *London Times* on December 18; orders forbidding the army to go beyond the Liao River to the westward had been rescinded. Brigandage was claimed to have grown markedly since the Japanese withdrew from the region there, and bandits and irregular troops active in it were estimated at 100,000.

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The administration in Manchuria, Reuter agency reports from Tokio stated, was in the hands of the Japanese civil governor of Kwangtung, the Japanese Consul-General, and the Director of the South Manchurian Railway; and General Minami, recently Minister of War, was starting on a special mission to set up a new central Japanese organization.

At the same time, according to despatches to the *Paris Temps*, Secretary Stimson had asked the Japanese Ambassador in Washington, to reemphasize to his Government the importance attached by the United States to the Nine Power Treaty and the Pact of Paris, and to respect for the obligations of their signatories.

A French Member for the Commission

GENERAL Henri Claudel, member of the Superior Council of National Defense and Inspector-General of overseas troops, press notices published in Paris stated on December 20, had accepted appointment as the French member of the Commission of Enquiry which the League Council had resolved to send to Manchuria and China. The State Department, Havas agency despatches from Washington said, had communicated to the League Secretariat in Geneva its approval of participation in the Commission's work by Walker D. Hines. The endeavour to constitute its membership promptly appeared to be meeting success.

Need for rapid action appeared more urgently in a Mukden cablegram to the *Paris Herald*, confirmed in other despatches from Tokio to the *Paris Temps*, that the Japanese Government and its commander in Manchuria were forwarding demands to the Nanking Government and to Marshal Chang Hsueh Liang, still responsible for Chinese forces at Chinchow, to withdraw troops from the entire area outside the Great Wall within one week or face a campaign to clear it by force. General Honjo at Mukden was described as establishing a provisional administrative department "to coordinate efforts of Japanese institutions for positive protection of Japan's rights and interests in Manchuria and Mongolia."

Japanese Charges and Chinese Counter-Charges

BRIGANDAGE in Manchuria and anti-Japanese agitation in China again formed the theme of a long memorandum¹ from the Japanese delegation, transmitted on December 21 to the Council; it gave details of attacks and raids, estimated for the period from November 21 to 30 at a total of 438, and of an unfriendly demonstration by students and workmen at Shanghai when resolutions were passed opposing the League program and advocating war for Manchuria with an appeal to the Soviets for aid. Another attached telegram confirmed the sending of relief troops to Manchuria.

A counter-statement² from the Chinese delegation alleged Japanese preparations for military operations beyond the Liao River towards Chinchow, enlistment of lawless Manchurian recruits in connection with this purpose, and airplane scouting and bombing at Tungliao, with two deaths in consequence; it also reported an announcement on the 16th by General Honjo that the provinces of Mukden and Kirin were independent and Heilungkiang, Jehol, and Inner Mongolia would have to follow suit, and that Japanese troops would drive out trouble-making elements west of Mukden.

Mukden dispatches to the *Paris Herald* and Tokio dispatches to the *London Times*, on the same day tended to confirm the expectation of a new Japanese drive towards the Great Wall, and indicated December 25 as the probable date of starting the movement.

China Appeals under the Nine Power Treaty

WELLINGTON KOO, continuing to discharge the duties of Foreign Minister, issued a statement at Nanking, according to Reuter agency dispatches appearing on December 22, in which he called specially on the United States to uphold the sanctity of the Nine Power Treaty and the Pact of Paris, and asserted China's right to Manchuria as an integral part of the country. The new Chinese Minister

¹ Doc. No. C.997.M.553.1931.VII.

² Doc. No. 998.M.554.1931.VII.

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to the United States was quoted in a press interview in Washington as saying that China would not rest without a complete settlement of the question and that Japan had dealt a death blow to disarmament.

Reports from Tokio to the London *Times* and from Mukden to the Paris *Herald* at the same time described the beginning of an extensive new Japanese campaign against brigands and disbanded troops north of the Peking-Mukden Railway.

Further information as to the League Commission of Enquiry, as yet unconfirmed, appearing in the *Journal de Genève*, forecasted that in addition to General Claudel of France it would include M. Schnee for Germany, formerly Governor of German East Africa, Count Aldovrandi for Italy, formerly Ambassador at Berlin, and probably Lord Lytton for Great Britain.

Japan Defends Her New Moves

In two letters¹ circulated on December 23, the Japanese delegation outlined an agreement for repairs to a bridge on the railway to Tsitsihar, destroyed during the retreat of the Heilungkiang armies in that region, and stated the reasons for "fresh measures of repression taken by our forces" against brigands and disbanded soldiers. Their activity and increase in numbers from 13,000 to 30,000 had prevented the return of troops to Korea, according to plan, and so made it necessary to send replacements from the Home Army. From December 1 to 10 there had been 672 bandit attacks; and it was contended that these facts demonstrated the importance of the task devolving upon the defenders of Japanese nationals.

The Mukden headquarters of the Tokio War Office had issued a statement, cited in despatches to the London *Times*, that withdrawal of troops from the Chinchow area, in deference to the League Council, had only made matters worse, and that the army had the right now to deal drastically with a condition of growing disorder.

The Chinese Government had responded to

Japan's demand for withdrawal of its troops within the Great Wall, according to United Press despatches, by notifying the League that it would defend its territory against the Japanese threat to drive them out. The anticipation was, however, that the Chinese could make only a show of resistance to a Japanese enveloping movement which was described as being completed smoothly. Meanwhile the plenary session of the Nationalist party had begun; Chiang Kai Shek and all the members of the administration tendered their resignations formally to the State Council, whose acting President temporarily declined them.

Difficulties with the Enquiry Commission

DELAY and disappointment in the plans for the Commission of Enquiry became apparent on December 24, with news published in the Paris *Temps* that Mr. Hines had for personal reasons refused the proposal, supported by the Department of State, to appoint him as one of the members. The administration at Washington was reported to be studying other possibilities. From London there were indications, in a despatch to the Paris *Herald*, that Lord Lytton likewise might not serve.

M. Briand, President of the League Council, held interviews with Mr. Yoshizawa, on whom he urged the bearing of events in Manchuria upon Japan's engagements under the Council's latest resolution for which he had voted, and also with Victor Hu, replacing Dr. Sze as Chinese representative, who emphasized the danger of a Japanese drive on Chinchow.

Japanese headquarters in Mukden were on the verge of final action, according to United Press despatches, after a public notice that "if any party attempts to obstruct our anti-bandit campaign, we will have no hesitation in destroying them." The number of irregulars, described as made up largely of Chinese patriots rising against the forces of occupation, was estimated at 100,000; and the presence of such a menace was said to compel action.

Marshal Chang Hsueh Liang was quoted, in a Tokio despatch to the London *Times*, as having claimed that the change in the Japanese

¹ Doc. No. C.1007.M.559.1931.VII.

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Government released him from any promise to evacuate Chinchow and that new instructions from Nanking forbade him to do so. Correspondence from Shanghai added that the Nationalist Central Executive Committee at Nanking was engaged in assigning other posts in a new government for all China.

The Powers Protest to Japan

DISTURBED by the reports of a new offensive in Manchuria, United Press despatches from Washington revealed on December 25, the American Government had transmitted a new note to Japan on the 22nd through its Ambassador at Tokio. It expressed the concern felt at the prospect that the Japanese army contemplated "movements in the direction of Chinchow which might lead to the renewal of armed hostilities with the regular Chinese forces in and south of the city." The Ambassador had been instructed to call attention to the fact that observers "found no evidence of Chinese military forces being engaged in or preparing for an offensive military movement." France and Great Britain were understood at the same time to have made like protests. The Japanese Government, according to reports of the same agency from Tokio, was displeased at these representations, considering them unwarranted, and was preparing a new "hands off" warning.

Reports on the general situation in Manchuria, appearing on December 26 and 27, pointed to new preparations by the Chinese south and west of the Liao River to resist the Japanese advance towards Chinchow.

Two Chinese accounts of Japanese movements were transmitted to the Council on December 28: The first,¹ under date of the 24th, reported arrivals of cavalry and infantry at various points beyond the Liao River, airplane scouting and bombing at Hsinmin, incitement of Mongol bandits to make raids, and threats of General Honjo to start an attack against the volunteer corps, irregular forces and bandits in the region;

the second¹, under date of the 25th, gave further information of a similar character, with confirmation of an encounter between armored trains on the Yinkow line, which ended in a Chinese retreat after general fighting, and reports of more airplane bombing along the same line and of arrival of two Japanese war vessels at the seacoast below Tientsin.

The Japanese Government had replied to the American, British and French protests in regard to the Chinchow campaign, a correspondent at Tokio cabled to the London *Times* of December 28, and had also issued a new statement describing conditions alleged to make the operations necessary.

Serious conflicts were reported in the direction of Chinchow, by a Mukden correspondent of the *Paris Herald*; new Japanese contingents had arrived at Tientsin, and another brigade had been ordered from Korea to Manchuria.

M. Yoshizawa left Paris the same day, after having been received by the President of France and awarded the grand cross of the Legion of Honor, a distinction accorded by custom to departing Ambassadors; he was bound for Tokio to take charge of the Ministry of Foreign Affairs.

Japan's Reassertion of Her Case

THE declaration made by the Tokio Government on the existing situation was circulated to the Council on December 29, as transmitted in telegraphic form² by the Japanese delegation under date of the 27th; it reviewed the development of events from September 18, which were asserted to have left Japan with the duty of maintaining order. The increase of banditry in areas west of the Liao River was again described; and the Chinese were accused of double-dealing in negotiations for peaceful withdrawal of forces from the Chinchow region, and of instigating and manipulating bandit organizations, while strengthening their military position. In these circumstances the Japanese had begun a general movement

¹ Doc. No. C.1009.M.561.1931.VII.

¹ Doc. No. C.1011.M.563.1931.VII.

² Doc. No. 1012.M.564.1931.VII.

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against elements regarded as dangerous, counting on international appreciation of their previous forbearance.

Details of brigandage in Manchuria made up another lengthy Japanese memorandum¹ circulated on the same day, summarizing telegrams received as of the 26th, which listed attacks in the South Manchuria Railway area between December 1 and 10 as totalling 472, and described killings and raids in many districts and removal of Japanese residents from various towns.

The Emperor at Tokio had sanctioned the dispatch of more troops to Manchuria, the number not being stated, according to a dispatch in the *London Times* of the 29th; and on the same day his Prime Minister had declared: "Japan would not accept Manchuria, even as a gift, owing to the enormous expenditure that would be entailed in defending its extensive frontiers." She sought only her treaty rights, he said, and would adhere to the policy of the "Open Door".

The new Japanese advance was meanwhile sweeping towards Chinchow, after desperate resistance by the Chinese at Tawa; according to United Press dispatches from Tokio, the fall of the city was expected within the week.

A reformed coalition Chinese Government at Nanking was announced, in press reports from Shanghai, with the presidency held by Lin Sen, a native of Foochow educated in the United States. Southern, central and northern Chinese elements entered into the composition of the Central Executive Committee and the various administrative branches. Chiang Kai Shek, the retired leader, was kept as a standing member of the central committee; while two opposition leaders, Sun Fo (son of the late Sun Yat Sen) and Eugene Chen, were named for posts of Chairman of the State Council and Foreign Minister respectively. The latter had been known as one of the strongest foes of foreign privileges in China.

The Chinese Give Up Chinchow

AFTER a brief check to the Japanese campaign, Marshal Chang Hsueh Liang was reported,

¹ Doc. No. C.1013.M.565.1931.VII.

in United Press dispatches appearing on December 30, to have announced a decision to withdraw his troops from Chinchow inside the Great Wall "in order to afford Japan no pretext for further aggression in North China." The retirement was said to have begun, after fierce fighting in a flank movement at Tawa which cut off the Japanese advance guard had slowed but not stopped the progress of the main movement towards the city.

Large forces were said, in Tokio correspondence of the *London Times*, to be continuing to move forward from Mukden and Yingkow; while the Japanese War Office asserted that foreign observers had been deceived as to the preparations by the Chinese commanders and as to their organization and support of bandits and other irregulars.

Movements and redistribution of Japanese forces in the drive on Chinchow were described in a memorandum¹ from the Chinese delegation, circulated to the Council on the 30th, as well as fresh bombings at several points; and three army groups were declared to be prepared to advance on the last Chinese stronghold in Manchuria, while another would attempt to cut the Peking-Mukden Railway connection between forces within and without the Great Wall. Information from the British Government in a memorandum² circulated on the same day tended to confirm the Chinese reports of new Japanese troops movements and airplane bombings. On the other hand, further evidence in a memorandum³ from the Japanese delegation, summarizing official telegrams, substantiated charges of continuing widespread acts of brigandage and interference with railway traffic and communications.

The new Chinese administration at Nanking, in an important announcement reported by press agencies, had declared that regulations promulgated last May concerning the transfer of jurisdiction over foreigners, on January 1, 1932, would be postponed because preparations were incomplete. This meant that the attempt to abolish treaties granting extra-territorial

¹ Doc. No. C.1014.M.566.1931.VII.

² Doc. No. 1015.M.567.1931.VII.

³ Doc. No. 1016.M.568.1931.VII.

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privileges would not be made immediately, a concession considerably easing relations with the Powers.

As the Year Ended

THE situation that the League and the United States faced as the year closed was that Japan had found reasons to do what they had attempted to forestall during the negotiations which terminated in Paris on the 10th with the Council's resolution to send a Commission of Enquiry to Manchuria: She had compelled the Chinese to retire within the Great Wall, leaving all Manchurian territory under the control of officials subject to her sovereignty or domination.

More than three months after China had laid her case before the Powers, newspapers of December 31 printed reports of continuing difficulties in the appointment of members of the Commission of Enquiry, with the American and British places still unfilled.

China had, meanwhile, made another urgent appeal to the acting President of the League Council, in Paris, circulated on the 31st to other members, in a telegraphic message dated December 25 from the acting President of the Executive branch of the newly formed Government at Nanking:

With a view to avoiding any aggravation of the situation in Manchuria, both China and Japan have accepted the obligations under the various Resolutions of the Council of the League of Nations. On our part we have been sincerely carrying out these obligations. During the Council Meeting of December 10th our delegate had, in connection with the Second Paragraph of the Resolution of that date, made it clear among other things that China cannot tolerate the invasion and occupation of her territory by the troops of any foreign country.

According to reports we have recently received, however, the situation is daily becoming more critical. The facts are briefly as follows: On 21st, inst., under the pretext of bandit suppression, the Japanese troops occupied Fakumen. Two days later,

Tienchuangtai was occupied by Japanese infantry and cavalry with armoured trains on the Chinese-owned Koupangtze-Yingkow Railway. At the same time Japanese planes also bombarded and machine-gunned Panshan. For the purpose of attacking Chinchow, the Japanese are calling the regular Chinese army bandits, whereas, as a matter of fact, they are hiring bandits on large scale and providing them with guns to create disorders. More Japanese reinforcements are being sent to Shanhaikwan, Chinhwangtao and other places.

It is beyond doubt that Japan is intentionally disregarding her obligations under Second Paragraph of Council's Resolution of December 10th and that she is also ignoring Your Excellency's statement in regard to the same paragraph to the effect that 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. The present situation in Chinchow and other places is becoming worse and more critical than before. I, therefore, have honour to make this urgent appeal to Your Excellency for the immediate adoption of effective measures to deal with this situation with a view to giving effect to the Resolution of December 10th.

To this message, M. Berthelot of the Ministry of Foreign Affairs had replied on behalf of M. Briand that the French Government and, to his knowledge, several other governments "had already taken steps at Tokio to draw the Japanese Government's attention to its engagement under the resolution of December 10th that it would refrain from any initiative which might aggravate the situation."

As this Study was being printed, news dispatches from Mandhuria reported that on January 3 the Japanese forces had occupied Chinchow and were advancing towards the Great Wall.

To the acceptances of appointment to the Commission of Enquiry, of General Claudel for France, M. Schnee for Germany, and Count Aldovrandi for Italy, were later added those of Major-General Frank R. McCoy for the United States, on the 5th, and on the 7th of Lord Lytton for Great Britain.

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ANNEX

Statement of the Fourth National Congress of the Kuomintang Party concerning Japanese Aggressions in China

Party of China views the grave situation produced by the acts of deliberate aggression on the part of Japan not only as a matter affecting her national existence but also as of great concern to the safety of humanity. Japan's conduct is clearly a violation of international law, the Covenant of the League of Nations, the Anti-War Pact and the Nine-Power Treaty, and an infringement of the Chinese territorial sovereignty and administrative integrity as well as constituting menace to the peace of nations. The Congress therefore decides to issue the following statement as an expression of the determined will of the whole Kuomintang as well as of the entire Chinese Nation:

On the eighteenth of September Japanese troops attacked and took Shenyang (Mukden) and successively occupied nearly all other important cities in the Liaoning (the province of which Mukden is the capital) and Kirin Provinces. It is almost two months since, at the very beginning, China submitted this extraordinary case of military aggression to the League of Nations in the belief that the instruments designed for the preservation of international peace would prove effective and justice in the end prevail.

On September thirtieth the Council of the League of Nations unanimously passed a resolution calling upon Japan to withdraw her troops, it being understood such withdrawal was to be completed before the fourteenth of October when the League Council was to meet again in case of necessity. This resolution was officially accepted by the Japanese Delegate in a formal declaration. While the Chinese Government exerted its utmost during this period to carry out the Council Resolution by scrupulously adhering to a policy of peace and by giving full protection to Japanese nationals so that no unfortunate incidents would happen to them, the Japanese troops, on the other hand, not only did not show any sign of withdrawal but, on the contrary, bombarded Chinchow by air, wrecked part of the Peking-Mukden railway, extended their military occupation, and threatened the Chinese coasts and inland waters with a large number of vessels. In order to cope with the unusually grave situation, the Council called the emergency meeting of October thirteenth. On October twenty-fourth a resolution was adopted by all the Members of the

Council except Japan providing in unmistakable terms that Japan should complete the withdrawal of her troops before November sixteenth and that China should take over all the territory unlawfully occupied by Japanese troops. The Chinese Government respects the Resolution. Conformably with its provisions, China has appointed a committee to take over the areas to be evacuated and notified the Japanese Government of this appointment. Meanwhile, she is making every effort to perform all her other obligations arising from the Resolution. Besides, neutral observers are understood to have already been selected by the Powers.

Japan, however, again remains oblivious of the Council Resolution and perpetrates all kinds of acts of destruction and obstruction with the result that the peace which China and the Powers are exerting their concerted efforts to promote cannot be fully realized. Mr. Briand, President of the League Council, has, however, called her attention to the fact that, while the Council Resolution of October twenty-fourth had all the moral effect, that of September thirtieth had fully executory force, and that Japan, in agreeing to the Resolution of September thirtieth, had not stated that the treaty rights of Japan in Manchuria were in any way connected with the safety of lives and property of Japanese nationals. He called upon Japan to fulfill its undertakings solemnly contracted under the Resolution of September thirtieth and repeatedly confirmed by declarations during the last session of the Council and to continue as rapidly as possible the withdrawal of her troops to the railway zone.

Japan, however, has not only failed to withdraw her troops, but has constantly increased their number. They have occupied Taonan and other places, repeatedly attempted to invade Tungliao and attacked the Chinese troops in the Nonni Bridge district with the declared intention of seizing Tsitsihar, the capital of Heilungkiang Province. They have made use of bandits and monarchists in the Liaoning and Kirin Provinces for organising unlawful administrations and furthering the so-called Independence Movement, thereby complicating the task of China when she comes to take over the occupied territories. Moreover, the Japanese military authorities, by appropriating the

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salt revenue in Yinkow (Newchwang) and Changchun, directly interfere with the fiscal system of China and indirectly prejudices China's ability to meet her international financial obligation.

On November eighth and the succeeding days, organized mobs were supplied with arms in the Japanese Concession at Tientsin and permitted to sally forth from the Concession to attack the police stations and other Chinese administrative offices. A great number of gun-shots were fired from the Japanese barracks into the territory under Chinese control. These are facts known to all the foreign nationals in Tientsin and can be proved by exploded shells, seized arms and other evidences.

Such acts of undeclared war are singularly vicious and seldom witnessed elsewhere in the world. They not only violate international law and international treaties, but constitute in particular a direct challenge to civilization and humanity as well as to the sanctity of the Covenant of the League of Nations, the treaty for the Renunciation of War, and the Nine-Power Treaty signed at Washington in 1922.

Under these circumstances, Japan putting forward the five so-called fundamental principles insists that China should agree to enter into direct negotiations with Japan before withdrawal of troops is effected. It is evident that Japan desires through the pressure of military occupation to coerce China into accepting her demands.

Moreover, as regards the so-called treaty rights which Japan has been advocating before the nations with specious arguments, the people of China, in the light of Japan's conduct since September eighteenth, cannot but entertain profound doubts on the following five points:

(1) Does the Covenant of the League of Nations possess any valid force? Should Japan be allowed to defy openly the Resolutions of the Council in disregard of the provisions of the Covenant? Should not the League, by virtue of Articles 15 and 16 of the Covenant, check effectively the acts of Japan?

(2) Is the treaty for the Renunciation of War valid at all? Why do Japanese troops publicly attack Chinese troops without cause and why is Japan with impunity permitted by flagrant use of force to prosecute her national policy of aggression? Should not steps be taken immediately to rectify her course?

(3) Is the Nine-Power Treaty still valid? Why is Japan allowed to impair the sovereignty, independence and territorial and administrative integrity of China, and should not concerted action be taken to remedy the situation?

(4) Are not the privileges of the concessions within Chinese territory enjoyed by Japan in China by virtue of treaties limited to the peaceful trade and residence of her nationals? Is Japan permitted by treaties to abuse the position of her concession at Tientsin by making it a base of operations for intriguing against the safety of China?

(5) Does not Japan's seizure of the Chinese salt revenue upon which many of China's foreign loans are secured, at once constitute a direct impairment of the financial system of the Chinese Government and a serious impediment to China's meeting her financial obligations to other Powers?

In thus demanding of China unilateral observance of Japan's so-called treaty rights and herself disregarding treaties as witnessed in her repeated acts of breach, Japan must bear the responsibility for disturbing international peace and undermining the sanctity of treaties. Now that the Council of the League of Nations is going to meet again, the Congress, in view of the above-mentioned questions, earnestly invites the attention of the Members of the League of Nations and the Signatory Powers of the Anti-War Pact and the Washington Nine-Power Treaty to the fact that Japan has since September eighteenth long looked upon these international agreements as mere scraps of paper. She has actually violated the territorial sovereignty of China and resorted to the use of force without any justification. The Congress holds resolutely that the National Government of China shall employ every resource of the nation to preserve China's territory and sovereignty intact. At the same time, the Congress fervently hopes and is confident that, at its forthcoming meeting, the Council of the League of Nations will act upon the provisions of Articles 15 and 16 of the League Covenant so as to put an effective and immediate stop to Japan's aggressive activities and that all the Signatory Powers of the Anti-War Pact and the Nine-Power Treaty of Washington will fulfil their solemn obligations arising therefrom so that the peace of the world in general and that in the Far East in particular will not be trampled down by militarism and humanity will not be trampled down by military and that the dignity of the League of Nations as well as the sanctity of international treaties will not be violated. Japan has for nearly two months occupied the three North-Eastern Provinces by military force. China's patience has already been taxed to the limit. Should Japan persist in defying the just and righteous opinion of the League of Nations and should the League of Nations as well as the various friendly Powers find themselves unable to carry out their sacred

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

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treaty obligations, the Chinese people, in order to maintain the sanctity of the League Covenant, the Anti-War Pact and the Nine-Power Treaty of Washington, and in defence of their national existence, will do their best to perform their duty whatever sacrifice may be involved. For selfdefence is not only a natural right of every independent nation, but also a

legal right to which China is entitled under international law.

The Congress therefore feels in duty bound to lead the whole nation forward to struggle to the very last in order to safeguard the cause of justice rather than yield to force, and thus to fulfil our sacred duty as a Signatory Power of the above-mentioned international treaties.

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| No. 4. The Suppression of Slavery. | April 1931 |
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| No. 6. European Union and the League of Nations . . | June 1931 |
| No. 7. American Co-operation with the League of Nations 1919-1931 (revised) | July 1931 |
| No. 8. International Labor Standards and American Legislation (A Comparison). | August 1931 |
| No. 9. The Protection of Minorities | September 1931 |
| No. 10. The League and Manchuria (Sept. 18 to 20) . . | October 1931 |
| No. 11. " " " " (Oct. 1 to 24) | November 1931 |

* edition exhausted.

In course of preparation:

The United States and the League during 1931.

The subscription price of the Special Studies is three dollars per year (twelve numbers). The League of Nations in Review (monthly) may be subscribed to at two dollars per year, or a combination of the two publications may be had at four dollars per year. Further information in regard to these studies may be procured from the Secretary of the Committee, Mr. J. McC. STURGIS, 4, rue de Monthoux, Geneva.

DECLASSIFIED: E.O. 11652, 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.

REF

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note
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DEPARTMENT OF STATE
RECEIVED
JAN 16 1932
DIVISION OF
RECORDS

FROM

GRAY

Shanghai via N. R.

Dated February 16, 1932

Rec'd 9:30 a. m.

Division of
FAR EASTERN AFFAIRS
FEB 16 1932
Department of State

Secretary of State,
Washington.

60, February 16, 5 p. m.

BOYNTON

I am informed ~~by~~ the Reverend Charles L. ~~Boyle~~ ~~Boyle~~, well known American missionary, that the following statement has been signed by 105 missionaries resident in Shanghai. It is not being published locally but is being transmitted to the press abroad by the American and British missionaries here. The statement is as follows:

"We, a group of chosen missionaries in Shanghai, deeply deplore the present position in which Japanese direct military action inflicting unspeakable misery and destruction in thousands of homes. An unknown number of civilian lives have already been lost. The mode of this action rudely assails the new international standards of morality so laboriously constructed since the great war. Attack upon these is an attack upon every nation and upon the governments of civilization.

Advancing into purely Chinese territory, a thickly populated city area, at midnight on January 28th, with a few minutes warning to the Chinese Mayor and none to the civilian population, the Japanese armed forces, aided by aerial bombing and artillery, have wrought ruin and destruction for twelve days and are still continuing. Houses and property of innocent men, women and children over a large area have been razed to the ground and burned. Public property and factories have been destroyed and tens of thousands deprived of their livelihood. The great commercial press, on which all

F/LS

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FEB 9 1932

186
DECLASSIFIED: E.O. 11652, 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-#60, from Shanghai, Feb. 16, 5 p.m.

all educators depend, was bombed and its library with its priceless treasures has suffered destruction. The privileged position of the Japanese in the International Settlement is being abused as a base of operations, putting Britain, America and other peoples interested in the Municipal Council of the International Settlement in a false and embarrassing position. In the area under Japanese control, even within the Settlement, there has been a reign of terror in which hundreds of innocent people, many of whom we know personally, have been arrested, maltreated or summarily shot on suspicion without trial. All this has taken place in time of peace against a people with whom Japan has not even broken off diplomatic relations, still less declared war, a people who had submitted pleas to the League of Nations.

Even now further armed forces are being brought to the scene of conflict. We appeal to all Christians and to the conscience of the world to condemn this madness and cruelty of war and urge our own and every peace loving nation, including the friendly Japanese people themselves, to insist that their Government disassociate themselves from the action of the Japanese armed forces, take every possible measure to end fighting, and make use of available instruments for a peaceful settlement."

CUNNINGHAM

(*) Apparent omission

HFD

WSB

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 793.94111/12 FOR Tel.#41-9am
FROM Shanghai (Cunningham) DATED Feb.13,1932
TO NAME 1-1127 o.p.

REGARDING: Shanghai situation. Trucks rented to Japanese military authorities are being used for transportation of munitions, supplies and food from International Settlement to Japanese troops at Woosung. Instructions requested as to whether or not this should be stopped.

tfv

793.94/4231

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

DOCUMENT FILE

NOTE

SEE 893.101-Harbin/13 Tel. #235 -1pm
FOR (Tel. #4pm Feb.15th from Harbin)

FROM China (Perkins) DATED Feb.16,1932.
TO NAME 1-1127 ***

REGARDING:

Manchurian situation.

Banquets given for Japanese command, Japanese Consul General and Chinese leaders by Chang Ching Hui, Mayor Pao Kuan Chen and General Ma. Ohashi departed this morning for month in Tokio. Dohihara dominating situation. Land question settled. Meeting of Chinese leaders at Changchun on Feb.21st to discuss Manchurian and Mongolian Government.

Jr

793.94 / 4232

793.94

MET

GRAY

Peiping via N.R.

Dated February 16, 1932

Rec'd 6:20a.m.

Secretary of State,
Washington

235, February 16, 1 p.m.

Following from American Consul General at Harbin:

"February 15, 4 p.m.

One. Chang Ching Hui on February 8th, new Mayor Pao Kuan Chen on the 10th, and General Ma on the 14th gave elaborate banquets at Harbin for the Japanese command, the Japanese Consul General and local Chinese officials. Pao desired to invite, but did not, the other consuls, as I intimated that this might cause a misunderstanding. Chinese railway officials, but not Soviet, will give a banquet this evening to the Japanese military officers. It is evident that the local Chinese military and civil officials have succumbed to the Japanese.

Two. Ohashi left this morning for a month's stay in Tokyo, leaving me as senior consul. Dohihara is dominating the situation here. Through his and Ohashi's efforts

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

MET

2-#235 from Peiping via N.R.,
February 16, 1 p.m.

efforts long disputed land question at Harbin has been
settled satisfactorily to the Japanese and incidentally
to those landholders that have extraterritorial rights.

Three. Local press reports that Ma, ^{Tsa}Ngshihyi of
Mukden, Chang Ching Hui, Hsi Chia and other leaders will
meet at Changchun on February 21st to discuss general
Manchurian and Mongolian Government, which might be pro-
claimed on the following day".

For the Minister,

HPD-WSB

PERKINS

FE

REF

TELEGRAM RECEIVED

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

TOKIO

FROM

Dated February 16, 1932

Rec'd 11:55 a. m.

793.94
893.1023
894.00
894.51
943.00

Secretary of State,
Washington.

DEPARTMENT OF STATE
RECEIVED
JAN 16 1932
DIVISION OF
EASTERN AFFAIRS

[Handwritten signature]
FEB 16 1932

F/LS

70, February 16, 10 a. m. /4213

Replying to your telegram No. 55, the factors are:

First. The impending election of February 20 which
creates distorted values and a condition of unusual tension
and unrest, although overshadowed by public interest in
military operations.

Second. The country being dominated for the moment by
war psychology, protests are likely to enhance this feeling
and silence any conservative element which might otherwise
make itself heard. While pressure is being exerted from
foreign nations it is difficult for the conservative element
here in Japan without the appearance of being unpatriotic
to make an effective opposition to the policies of their
Government, now apparently dominated by the military clique.
These conservative elements have requested patience on our
part and a little time for the war psychology to die down
and sane conservative policies to gain force (see my telegram
65, February 13, 1 p. m.).

Third.

793.94/4233

FILED
JUL 9 1936

REF

2- #70, from Tokio, Feb. 16, 10a.m.

Third. There is actual danger that the military group might take advantage of the war psychology and of the fact that they are in the saddle to take some desperate step and though the chance is remote might even go so far as to plunge this country into war with a first class power.

Fourth. There seems still to be a real danger of a coup d'etat which would result practically in a military dictatorship, and careful observers believe the best chance of avoiding this is to hold off for the present any further evidence of outside pressure.

894.51
Fifth. The financial situation of the Japanese Government is going to be a serious problem and the cost of these military operations is sure to be embarrassing to the responsible Japanese officers.

Sixth. Time is a factor working in favor of the operation of all these influences.

Seventh. The longer the Japanese entangle themselves in the Shanghai area the more expensive and troublesome it will be. The movement has never been widely popular in Japan and is likely to become much more unpopular as it goes on. Outside influence is apt to leave heartburning and rancor in this country and not hasten the Japanese withdrawal.

Eighth. It must be remembered that the Japanese regard their

REP

3-#70, from Tokio, Feb. 16, 10a.m.

their investment in Manchuria and the protection of interests in connection with it as essential for their economic existence and continuance as a first class power and is ready to go to war in defense of this. Moreover, she regards her interests in China as of the first importance and no other country has as great an interest or as great a proportionate interest or as large a population resident in China as has Japan. The interests of other countries are not nearly so vital and hence movements that excite the Japanese people to a war frenzy have little effect in America or European countries. It is well to await the subsidence of these present excited feelings and return to normal before pursuing a policy likely only to increase the excitement.

67300
Ninth. It is manifest that China is wholly unable to control her own Government, army or peoples, and it is undeniable that Japan has had just grievances and it is unfortunate that her methods in seeking redress of these have been such as to arouse the Chinese to a pitch of resentment that has brought about the present situation.

If it results in China asking assistance from other powers to reorganize her internal affairs it might offer a happy solution, but further outside pressure on Japan would not necessarily be

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

met

4-#70 from Tokio, Feb. 16, 10 a.m

be helpful in bringing this about.

I have had frequent contacts with the Belgian
Ambassador, and he agrees with the views expressed by
the other four.

FORBES

WSB-HPD

187F

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

1-138
PREPARING OFFICE
INDICATE WHETHER

TELEGRAM SENT

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Department
or
to

Washington,

February 20, 1932.

AMEMBASSY,

TOKYO (Japan).

*Not sent see
793.94/
4318*

Your 70, February 16, 10 a. m.

The protests which the American and other Governments have made since January 28 have related primarily to questions of method, rather than of policy. They have been intended for the consideration of such authorities as are responsible for the actual operations of the Japanese military forces at Shanghai. It is assumed that those authorities are the so-called QUOTE military group UNQUOTE. It is assumed that those authorities direct the operations of the Japanese armed forces and that those forces are habitually responsive to such orders as are given them. The protests of the powers against the activities at Shanghai of those forces have been directed not repeat not to questions of political objective but to the choice made of theatre of action and the methods employed in the operations. In the field of operations, the disposal and the use made of those forces has violated the rights

by _____
ator _____ M., _____, 19____

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

NOT TO BE RECORDED OR CONFIRMED UNTIL THIS COUPON HAS BEEN DETACHED BY THE TELEGRAPH OPERATOR

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 -

of the protesting and other powers, has endangered the lives and property of the nationals of such powers, and is a menace to the common rights and interests of all the powers, including Japan, at the port of Shanghai.

Independently of the question of the effect which protests or any other evidences of pressure from without may or might have on the internal situation in Japan or on the political attitude of the military group toward foreign governments or nations, perhaps if you or any of your colleagues could help the Japanese military authorities to understand that, with regard to the situation at Shanghai, it is clearly evident that the opinion of the world is rapidly crystallizing in a sense unfavorable to Japan because of the methods employed in the disposal and the operating of Japan's military forces, a useful purpose would be served.

SKH
FE: ~~SKH~~: emu

mmN.
FE

Enciphered by _____

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

Index Bu.—No. 50.

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

REP

TELEGRAM RECEIVED

GRAY

Geneva

Dated February 23, 1932

Rec'd 1:05 p. m.

Secretary of State,
Washington.

23, February 16, 2 p. m.

Following is Sweetser's memorandum of private meeting
of twelve this morning:

"Lord Londonderry, at the close of today's meeting of
the twelve called to consider an appeal to Japan to desist
from military action at Shanghai, surprised his colleagues
by unexpectedly stating that he wished at this afternoon's
meeting to propose a final paragraph which would recall
the terms of Article No. 10 of the Covenant by which Japan
as well as other members of the League agree to respect and
preserve as against external aggression the territorial
integrity of all other member states. His draft went on to
say that it was the friendly right of the members of the
Council to call Japan's attention to the Article and to
point out that no change in political independence or terri-
torial integrity could be recognized by the League which was
brought about contrary to that Article. While no formal
discussion took place at the moment the members of the

Council

793.94/4234

FILED

REP

2- #23, from Geneva, Feb.16, 2p.m.

Council seemed very much in accord with the suggestion, some stating privately that it gave a real purpose to the declaration and put the Council in a good position before world opinion and before the anticipated assembly. Discussion of this text together with the final drafting of the general appeal will take place at a further meeting this afternoon.

Boncour opened today's meeting with the reading of Simon's letter (see Wilson's 20, February 13, 10 p. m.). Drummond said that since the Council's last meeting the second Shanghai report had been received. The Council had not yet expressed an opinion on the two reports. There were two questions to decide (first) as to whether the Council would express an opinion on these reports under Article 15 of the Covenant and (second) as to what action the Council would take regarding China's request for a special Assembly. Should the Council decide to express an opinion on the Shanghai reports he suggested that it should do so before convoking the Assembly as otherwise its right to do so would pass to that body. He accordingly suggested that no decision as to the convocation of the Assembly be taken until Thursday in order to give the members of the Council chance to study the reports and decide upon their policy. As this necessarily involved delay he suggested some immediate action be taken entirely

REP

3- #23, from Geneva, Feb. 16, 2p.m.

entirely apart from the opinion. The twelve might address to Japan an appeal of which subsequently he submitted a draft. He thought this might have certain results as there seemed to be a strong movement developing in Japan against the Shanghai action. Public opinion there seemed to differentiate sharply between Shanghai and Manchuria and he thought it might be very useful to get a statement to Sato the same day.

Londonderry thought this procedure was right as regards both the convocation of the Assembly and the communication to Japan. He wondered, however, if it were necessary to press the matter so urgently and issue the appeal today, perhaps the Council might wait two or three days, say until Thursday.

The members of the Council were all against delay. A detailed discussion ensued on the actual text which Drummond described and the members of the Council accepted as an appeal to the better nature of Japan and to the liberal elements there."

Will telegraph again tonight. February 16, 3 p. m.

WILSON

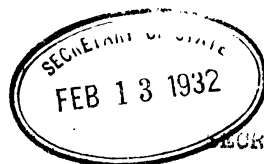
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS



RECEIVED

FEB 13 1932

SECRETARY'S OFFICE

~~SECRET~~

Herewith a memo on
the alleged Mac Murray
five mile zone around
Singapore.

A handwritten signature, possibly "JF", written in ink.

DECLASSIFIED: E.O. 11652, 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 12, 1932

FEB 13 1932

RECEIVED

Subject: Reported Statement of the Japanese Foreign Office "Spokesman" that American Minister, J. V. A. MacMurray, Proposed in 1927 a Five-Mile Neutral Zone Around Shanghai.

FEB 13 1932

SECRETARY'S OFFICE

With regard to a reported statement of the Japanese Foreign Office "spokesman" (CI states that this report was not published in the United States) that the American Minister to China, Mr. J. V. A. MacMurray, in 1927 proposed a five-mile neutral zone around Shanghai, -- a search through the files of the Department fails to reveal anything in regard to such a proposal.

The American Government, however, did send, on February 4, 1927, a proposal to the various Chinese factions that the International Settlement at Shanghai be excluded "from the area of armed conflict so that American citizens and other foreigners may receive adequate protection". The text of this proposal was released to the press on February 5, 1927, and a copy of this release is attached hereto. The text thereof was published by the Carnegie Endowment for International Peace in a volume entitled "Treaties and Agreements with and Concerning China -- 1919-1929", pages 198-199.

According to Consul General Gauss (now in the Department

F/LS

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- 2 -

Department), who was at Shanghai at the time, when the British brought their forces to the port in about December 1926, there was discussed amongst the foreign military and naval commanders a British suggestion that a defense line should be taken up within a five-mile area around Shanghai.

Mr. Gauss states that this proposal was rejected by the American Admiral, and that he believes that the Japanese naval authorities gave it no support. As a consequence, the plan of defense which was then adopted was substantially identical with the present defense plan.

It may be that the Japanese Foreign Office "spokesman" is referring to this proposal or suggestion, discussed ^{in 1927} amongst the military and naval commanders at Shanghai, which ^{in fact} emanated from the British commanding general and not from the American Minister.

SKH

JED/VDM
24.7.74

FOR THE PRESS

DEPARTMENT OF STATE

February 5, 1927

CONFIDENTIAL

CONFIDENTIAL RELEASE FOR PUBLICATION IN THE MORNING NEWSPAPERS
OF MONDAY, FEBRUARY 7, 1927, WHICH APPEAR ON THE
STREET AFTER 9:00 P.M., EASTERN STANDARD TIME,
SUNDAY EVENING, FEBRUARY 6, 1927, AND NOT TO BE
PREVIOUSLY PUBLISHED, QUOTED FROM, OR USED IN ANY
WAY.

CHINA.

The Secretary of State has instructed the American Minister at Peking, Mr. John Van A. MacMurray, to lay before the contending factions in China a proposal to eliminate the international settlement of Shanghai from the zone of warlike activities.

On February 4th Minister MacMurray delivered the following message to Marshal Chang Tso-lin at Peking, and transmitted through the American Consul General at Hankow an identic message to General Chiang Kai-shek. At the same time Minister MacMurray instructed the American Consul General at Shanghai to take up the subject with General Sun Chuan-fang.

TEXT OF MESSAGE

"By direction of the Secretary of State of the United States the American Minister has the honor to make the following communication:

"The fate of the American interests in the International Settlement during the course of the internecine warfare now unhappily in progress in China is the occasion of great anxiety to the American Government. As the result of the efforts of two generations of foreigners and Chinese this area has acquired a foremost position among the great ports of the world. There are now living in the Settlement nearly four thousand Americans and probably thirty thousand foreigners altogether, who have made this settlement their homes. The arrangement for this settlement is of long standing and made with the local authorities of China and recognized by the National Government. Huge sums have been invested by Chinese citizens and the citizens of foreign nations in municipal and harbor improvements in buildings and in all the paraphernalia of international trade. The Settlement is the vital center of commerce that ramifies through China and extends throughout the world. To a supreme degree the interests of the Chinese people and of the people of foreign nations requires that here order shall prevail. It is the port through which passes forty per cent of the trade in China upon which millions of Chinese depend for their livelihood.

"From the earliest days the interests of all nations in the international Settlement have prospered in times of peace and have suffered when there has been strife in the region surrounding Shanghai or in the country at large. In order at least to minimize as much as possible injury to the persons and property of foreigners and Chinese living at this port it has been the uniform policy of the foreign residents of the International Settlement and of their governments to keep the settlement aloof from factional disturbances and as far as this could be accomplished rigorously to prevent it from being utilized by any faction. The cooperation of the authorities in control of Kiangsu Province in carrying out this policy has been asked and received and it has been remarkably successful.

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

-2-

"In recalling these facts to the Chinese military commanders, the American Government is confident that they will lend their sincere support to the proposal now made - that the International Settlement at Shanghai be excluded from the area of armed conflict so that American citizens and other foreigners may receive adequate protection. The American Government will be ready for its part to become a party to friendly and orderly negotiations properly instituted and conducted regarding the future status of the Settlement."

* * *

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

-2-

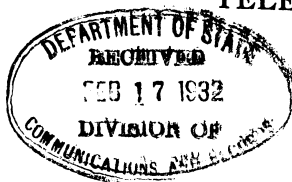
"In recalling these facts to the Chinese military commanders, the American Government is confident that they will lend their sincere support to the proposal now made - that the International Settlement at Shanghai be excluded from the area of armed conflict so that American citizens and other foreigners may receive adequate protection. The American Government will be ready for its part to become a party to friendly and orderly negotiations properly instituted and conducted regarding the future status of the Settlement."

* * *

DECLASSIFIED: E.O. 11652, 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

TELEGRAM RECEIVED



GRAY

GENEVA

FROM Dated February 16, 1932

Rec'd 5:21 p.m.

Secretary of State

Washington

24, February 16, 8 p.m.

Following is memorandum from Sweetser of private meeting of twelve this afternoon:

"The twelve approved this afternoon the text of the communication to be made to Japan. That text was given to Mr. Sato this evening with covering letter from Boncour as President of the Council for transmission to Tokyo. It will be published here probably tomorrow morning subject to any desire expressed by the Japanese.

This is the first communication that the Council has made to one party only in the dispute. The only change of substance introduced this afternoon was the inclusion of a reference to the Nine Power Treaty suggested by the British".

See my 25, February 16, 9 p.m.

WILSON

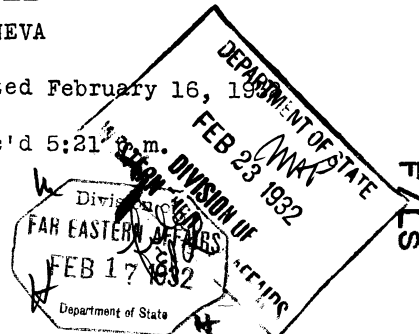
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FEB 25 1932

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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. Huntzsm NARS, Date 12-18-75

TELEGRAM RECEIVED

HSM

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

London

Dated February 16, 1932

Rec'd 7:17 p. m.

Secretary of State
Washington.

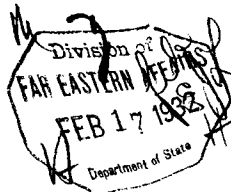
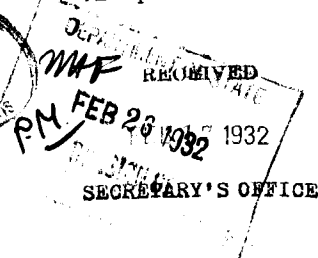
70, February 16, 8 p. m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

Referring to this afternoon's telephone conversation,

I venture an explanation of the changed tenor of thought
here today. I do not feel that Sir John Simon's
personal views have altered since he talked with you
on the telephone yesterday afternoon or since his
conversation with me at dinner last evening but he is
a member of a coalition government; and the members of
the Cabinet, debating this question with the Prime
Minister, include such varied opinion as Baldwin, Lord
Hailsham, Thomas (representing Dominion interests), and
Simon himself. Furthermore, I am informed Simon had
an audience with the King today where the Far Eastern
situation was also discussed.

I feel



Confidential File

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793.94/4237

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

#70, February 16, 8 p. m., 1932, from London

-2-

I feel certain that while Simon is prepared to endeavor to fulfill any engagements he may tentatively make with you, his policy in the last instance must be agreed upon by a coalition Cabinet which may decide to deviate from the course the Foreign Secretary proposes. I did not feel free to explain the foregoing over the telephone this evening.

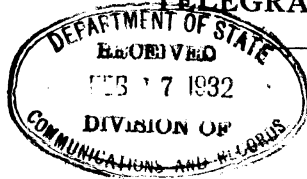
Subsequent to our telephone conversation I informed Vansittart as you instructed.

ATHERTON

FW

OX

mam



TELEGRAM RECEIVED

GRAY
GENEVA

FROM

Dated February 16, 1932

Rec'd 6:23 p.m.

Secretary of State

Washington

25, February 16, 9 p.m.

You will note in my 24, February 8 32m., that

though the text of the appeal has been given to the Japanese representative, publication tomorrow is not certain; therefore, release should not be made until further word from me.

Text follows:

"One. The President of the Council, on behalf of his colleagues, pointed out in an appeal addressed on January 29 to both parties that

"Good relations between states could only be secured by cooperation and mutual respect and that no permanent solution could be achieved by force whether military or merely economic and that the longer the present situation continued the wider the breach between the two peoples would become and the more difficult the solution would be with all the disasters that would mean not only to the two nations

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WE

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FEB 25 1932

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893.102-S
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mam

2- #25, from Geneva, February 16,
1932

nations directly involved but to the world in general".

Two. The twelve members of the Council, other than the Chinese and Japanese representatives, feel constrained today to make a pressing appeal to the Government of Japan to recognize the very special responsibility for forbearance and restraint which devolves upon it in the present conflict in virtue of the position of Japan as a member of the League of Nations and a permanent member of its Council.

Three. The situation which has developed in the Far East during the past months will be fully studied by the Commission appointed with the consent of both parties. But since the Commission was set up there have occurred and are still occurring events in the region of Shanghai which have intensified public anxiety throughout the world, which endanger the lives and interests of the nationals of numerous countries, add to the unexampled difficulties with which the whole world is faced during the present crisis and threaten to throw new and serious obstacles in the path of the Disarmament Conference.

Four. The twelve members of the Council are far from disregarding the grievances advanced by Japan and throughout
all

note
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mam

3- #25, from Geneva, February 16,
1932

all these months have given her the full confidence which they owed to an associate of long standing who had ever been punctilious in the fulfillment of all her obligations and duties as a member of the community of nations. They cannot but regret, however, that she has not found it possible to make full use of the methods of peaceful settlement provided in the Covenant; and recall once again that the solemn undertaking of the Pact of Paris to achieve solution of international disputes shall never be sought by other than peaceful means. The twelve members of the Council cannot but recognize that from the beginning of the conflict which is taking place on her territory, China has her case in the hands of the League and agreed to accept its proposals for a peaceful settlement.

Five. The twelve members of the Council recall the terms of Article 10 of the Covenant by which all members of the League have undertaken to respect and preserve the territorial integrity and existing political independence of other members. It is their friendly right to direct attention to this provision particularly as it appears to them

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4- #25, from Geneva, February 16,
1932

them to follow that no infringement of the territorial integrity and no change in the political independence of any member of the League brought about in disregard of this article ought to be recognized as valid and effectual by the members of the League of Nations.

Six. Japan has an incalculable responsibility before the public opinion of the world to be just and restrained in her relations with China. She has already acknowledged this responsibility in most solemn terms by becoming one of the signatories to the Nine Power Treaty of 1922 whereby the contracting powers expressly agreed to respect the sovereignty, the independence and the territorial and administrative integrity of China. The twelve members of the Council appeal to Japan's high sense of honor to recognize the obligations of her special position and of the confidence which the nations have placed in her as a partner in the organization and maintenance of peace".

WILSON

FW OX

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500. All of

TELEGRAM RECEIVED
GRAY

HSM

London

Dated February 16, 1932

Rec'd 7:08 p. m.

DEPARTMENT OF STATE
FROM
FEB 20 1932
DIVISION OF
WESTERN EUROPEAN AFFAIRS

Secretary of State
Washington.



69, February 16, 7 p. m.

Following are the observations on your draft
declaration offered by Sir John Simon which I read to
you on the telephone this evening:

"One. In paragraph 4 the British Government
ventures to depreciate the prominent position given to
the Manchurian aspect of the matter on the following
grounds: One of the objects of the document is to
exercise the most effective restraining influence on
Japan. A solemn warning in respect of Shanghai is the
most potent way of doing this. If Manchuria is put in
the forefront, the result must be to harden the attitude
of Japan towards the Shanghai problem also. Protests
have already been made about Manchuria. The United
States has already reserved its rights by a formal
communication on exactly the same lines as it now
proposes

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793.94/4239

FEB 20 1932

#69, February 16, 7 p. m., 1932 from London

-2-

proposes to do at the end of the present document, and Britain has already taken collateral action in reference to Manchuria in a different form. Manchuria is the immediate subject matter of the commission appointed by the League, to which appointment Japan has assented, and the commission is about to enter on its work on the spot. Would it not therefore, be better, on every ground, instead of making Manchuria the head and front of the new representation, to base the present declaration primarily on Japan's action and declared intentions in Shanghai and elsewhere in China proper, putting aside Manchuria with the observation that this has already been dealt with and the views of the powers are on record? It seems to the British Government that this is more likely to secure some real consideration for the main thesis of the new document.

Two. If this view is adopted, paragraph three would need to be recast. In any event it seems to His Majesty's Government that it is not so much the events in Manchuria which have produced fear of a wider conflict, so much as events connected with the International Settlement.

Three.

#69, February 16, 7 p. m., 1932 from London

-4-

undertaken to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. It is our friendly right to direct attention to this provision, particularly as it appears to us to follow that no invasion of the territorial integrity and no change in the political independence of any member of the League brought about in disregard of this article ought to be recognized as valid and effectual by members of the League of Nations').

Five. The above comments on the American draft are made at Mr. Stimson's request and are proffered merely as tentative criticisms. It is a matter thoroughly understood that the question whether other powers could join in the American document is still in suspense.

Sir John Simon has already told Mr. Stimson how keenly the British Government wishes to keep in close cooperation with America over the whole field of the Far Eastern crisis and he is hopeful that the adherence of the powers now at Geneva to the declaration proposed to be made by the Council of the League on Wednesday, might predispose those

#69, February 16, 7 p. m., 1932 from London

-3-

Three. In any event would it not be well to include in paragraph four a specific reference to the special dangers involved in the Japanese operations at or in the neighborhood of the International Settlement? The point is a powerful one that the International Settlement is an area where many powers have equal rights. The other signatories of the Nine-Power Treaty who are concerned in the Settlement have no responsibility for the perilous situation which has arisen; the lives and property of nations which are at complete peace with China and Japan are in jeopardy; the responsibility for injury done must rest upon those who are disturbing the peace of the Settlement.

Four. Paragraph six is strictly in line with the formal declaration which it is believed that the Council of the League is likely to make and deliver to Japan either today or tomorrow (the final paragraph of the League declaration is as follows: 'finally, we recall the terms of Article 10 of the Covenant by which Japan, no less than every other member of the League, has undertaken

#69, February 16, 7 p. m., 1932 from London

-4-

undertaken to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. It is our friendly right to direct attention to this provision, particularly as it appears to us to follow that no invasion of the territorial integrity and no change in the political independence of any member of the League brought about in disregard of this article ought to be recognized as valid and effectual by members of the League of Nations').

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#69, February 16, 7 p. m., 1932, from London

-5-

those of them who are signatories to the Nine-Power
Treaty to associate themselves with the American demarche
also.

ATHERTON

FW

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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

PM RECD

TELEGRAM SENT

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Collect

Charge Department

Charge to

Department of State

Washington,

February 20, 1932.

This copy was sent to confidential code
It should be carefully preserved
being confidential

FEB 20 32

AMERICAN EMBASSY

LONDON (ENGLAND).

793.94/4239

71
Repeat to Wilson, Bergue's, Geneva, for his
confidential information text of your 69, February 16,
7 p.m., and that portion of my No. 70 to you of
February 18, 10 p.m., which deals with my reasons for
thinking that it is vital for the British to join us in
the proposed declaration. You need not include the
text of the revised draft.

793.94/4239

Strinson

WHL

See

FE: RSM: EJJ

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Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 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

DOCUMENT FILE

NOTE

SEE 793.94116/3 FOR Tel. #83 3pm

FROM Geneva (Gilbert) DATED Feb. 14, 1932
TO NAME 1-1127 o.p.

REGARDING: protest being circulated by Secretary General of the
League, at request of Chinese delegate, against Japanese
bombardment of flood refugee camp.

793.94/4240

HS

GRAY

Geneva

Dated February 14, 1932

Rec'd 1:15 p.m.

Secretary of State

Washington

83, February 14, 3 p.m.

At the request of Chinese delegate, Secretary General is circulating the following communication dated February 11, signed Hope Simpson.

"I protest in the name of humanity against Japanese air bombardment of flood refugee camp over 8000 refugees February 5th when a woman and boy killed, four wounded and several hospital patients died of fright. Same camp again bombarded February 6th. Contained few hundred only majority sick in hospital and aged and infirm people. Forty-eight found dead after bombardment. Camp evacuated, bombarded again next day. This Japanese action wanton, inhuman and from military standpoint useless.

Note. Sir John Hope Simpson was appointed Director General of the National Flood Relief Commission following a request presented by the Chinese Government to the Council of the League of Nations for the designation of a

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

HS

2- #83 from Geneva, Feb. 14, 1932

of a prominent expert with League experience in the
Near East. See League Document C 624. 1931."

KLP

GILBERT

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

DOCUMENT FILE

NOTE

SEE 793.94- Commission/104 FOR Tel.# 82, 2 pm

FROM Geneva (Gilbert) DATED Feb. 14, 1932.
TO NAME 1-1127 ***

REGARDING:

Sino-Japanese dispute.
Second report of Shanghai Committee
on its further investigations into
the - .

hs

793.94 / 4241

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Foochow/48 FOR # 79 (#19 to Legation)

FROM Foochow (Burke) DATED Jan. 13, 1932.
TO NAME 1-1127 o.p.o.

REGARDING:

Sino-Japanese situation in Foochow Consular District
during December 1931.

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

II - SINO-JAPANESE SITUATION.

1. General.

The Sino-Japanese situation eased off somewhat during the month under report. There was nothing particular except that the Anti-Japanese and National Salvation Society (反日救國會) had a fight with the Soochow Electric Company, a Chinese concern, for alleged handling of Japanese products. A reliable report has it that on December 3, 1931, when Ch'en Hsueh-hua (陳雪華), Chairman of the above-mentioned Society, came with some thirty pickets to the company to make a search for Japanese goods, they were assaulted by the Company's workmen who outnumbered them. The latter locked up three prominent pickets of the Society with the intention of pressing them to remove the Society's seal from the warehouse. In the meantime Ch'en Hsueh-hua escaped. He ran to the Provincial Party Board and to the Headquarters of the Commander Enforcing Martial Law to report the matter. Afterwards through the mediation of the military and the police the three pickets were released. On December 3, 1931 the Anti-Japanese and National Salvation Society urged all the shopkeepers and students to go on a strike

unless

-5-

unless the Provincial Government would agree to take the following measures:

1. That Liu Ch'ung-wei (劉崇偉) and Liu Ch'ung-lun (劉崇倫), Manager and Chief Engineer of the Company, respectively, be arrested and tried.
2. That the Japanese coal, cement, and bean oil stored in the Company's godown be seized.
3. That the Foochow Electric Company be taken over and run by the government.

All shops remained close throughout the day, December 9, 1937.

(note. In order to avoid retaliatory measures on the part of the Anti-Japanese and National Salvation Society should the order for closing be ignored, the shop-keepers kept up the wooden shutters to their doors and windows, but business went on as usual through side-doors and front-doors.)

As both these two hostile parties have some influence in local politics, the Provincial Government found itself in a quandary. The question was then brought to the attention of the Central Government and Admiral Yang Shu-chuang at Shanghai. In the telegrams received from Hanking and Shanghai in regard to the matter, the Provincial Government was strictly instructed to maintain peace and order, and to hand over the case to the courts for a decision. Thus ended the whole trouble.

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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 15, 1932

FEB 16 1932

Mr. Secretary:

Assuming the possibility that the British Government may decline to participate in the issuance of a statement such as you submitted to Sir John Simon for consideration or similar thereto, may I again call to your attention, for possible suggestion to Sir John, the draft of a proposed joint protest by the four powers against use of the International Settlement at Shanghai as a base for military operations — *the idea being to make this, if + when sent, public.*

In lieu of action more fundamental and comprehensive -- if it prove impossible to persuade the British at this time to cooperate on that --, and because it seems highly desirable that we and others take at this time some action, consideration of this possibility would be, it is believed, warranted.

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AUG 15 1937

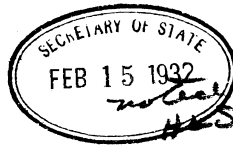
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

February 13, 1932.

Mr. Secretary:



Referring to the memoranda of your conversations on February 8 and February 11 with the French Ambassador,--

It becomes increasingly evident that the Japanese are continuing and purpose to continue to use the International Settlement at Shanghai as a base or channel for their military operations against the Chinese. Up to the present we have authorized protests against such use through the Department's representatives at Tokyo and at Shanghai. To date the protests made appear to have been of little if any avail. *M. Claudel suggests that a new protest would be in order.*

I suggest that consideration be given to making our views in the matter known in a more effective and pointed manner. I suggest as a means of accomplishing that end a joint protest by the Four Powers (the United States, Great Britain, France and Italy). I suggest that you take the matter up at once with the British Government and, if that Government concurs, that you suggest that the British Government similarly approach the French and the Italian Governments.

I

F/LS 793.94/4243

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I suggest that such a Four Power protest be a joint or simultaneous one; that it be made both to China and to Japan; and that at the time the protest is made the Four Powers ^{immediately} give publicity to the protest.

I believe that a protest as outlined above would be more effective than any hitherto made and that the rights and interests of the Four Powers at Shanghai amply justify the making of such a protest.

I attach a suggested draft of such a protest.

SKH

FE:MMH:LGB:SS

m.m.h.

Proposed Joint Protest by Four Powers

Draft.

The Governments, since the recent outbreak of armed encounters between Chinese and Japanese military forces at Shanghai, have viewed developments in the situation with grave concern and anxiety. The Governments have been particularly disconcerted by reports that the International Settlement is being used as a base or channel in connection with the military operations between Chinese and Japanese armed forces.

In the opinion of the Governments the use by either of the disputants of any part of the Settlement for purposes in any way related to military operations in which they apparently are engaged constitutes a violation of the purpose and charter of the Settlement and operates to expose the Settlement as a whole, through no fault of its own, to the risks and dangers necessarily incident to the armed conflict. The Settlement has an international character. It appears axiomatic that no one nation is justified in using its individual rights in and with respect to the Settlement in such a way as to jeopardize the lives of inhabitants and imperil the international rights and interests of the Settlement as a whole.

The Governments are emphatic in their opinion that the International Settlement should in no way be involved in the dispute between China and Japan and the Governments protest most solemnly and earnestly against any use whatever, by either disputant, of any part of the Settlement as a base or channel in connection with military operations.

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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
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FEB 17 1932
DIVISION OF
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FROM

Geneva

Dated February 17, 1932

Recd 7:44 a.m.

Secretary of State
Washington.

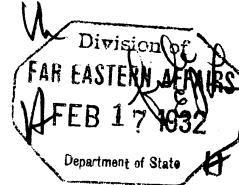
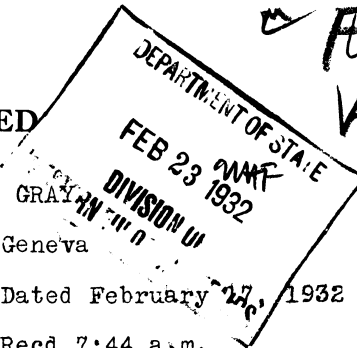
URGENT.

26, February 17, noon.

Council's declaration my 25, February 16, 9 p.m.,
will be released at 6 p.m. Geneva time.

WILSON.

WSB



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FEB 25 1932

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

PLAIN

Peiping via N.R.

Dated February 17, 1932

Recd 3 p.m.

Division of
FAR EASTERN AFFAIRS
FEB 17 1932
Department of State

Secretary of State
Washington.

236, February 17, noon.

Following from Reuter, Tokyo, February sixteenth:

"Send all the men needed and withdrawing as soon as their task is completed. That is my policy, the Japanese Minister of War is quoted as saying in connection with the possibility of further reinforcements being required at Shanghai. He indicated that as the Japanese troops would be unable to make a direct attack without endangering the International Settlement through artillery fire they are likely to attempt an encircling movement hoping thereby to compel the Chinese to withdraw through their line of retreat being threatened."

For the Minister.

PERKINS.

JS CIB

F/LS 793.94/4245

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FEB 28 1932

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

TELEGRAM RECEIVED

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FROM

GRAY

Shanghai via N.R.

Dated February 17, 1932

Rec'd 3 a.m.

Secretary of State,

Washington

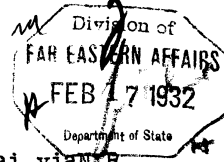
February 17, 10 a.m.

One. American newspaper correspondents inform me that the Japanese Minister last evening in an interview given to Consolidated Press correspondent stated that any territory occupied by the Japanese at Shanghai would not be retained by them as an exclusive Japanese settlement or concession but would be turned over to the municipal authorities of the International Settlement for administration.

Two. This has not been published locally but indicates a plan to bid for support of foreign opinion at Shanghai.

JOHNSON

CIB
WSB



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F/LS
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MAR 1 1932

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

MET

TELEGRAM RECEIVED

GRAY

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

Shanghai via N.R.

Dated February 17, 1932

Rec'd 6 a.m.

Division of
F&A EASTERN AFFAIRS
FEB 17 1932
Department of State

Secretary of State,

Washington

February 17, 9 a.m.

On February 13th the Japanese Minister called on me and I understood him to say that the Japanese forces which had just arrived would not (repeat not) be landed in the Settlement area. A few hours later I learned that Japanese troops were being landed within the Settlement. When I reminded Japanese Minister of his statement he wrote me a personal letter February 15th from which I quote the following:

"I regret if I gave you to understand that the landing of Japanese troops would not take place within the Settlement under any circumstances. The greater part of the Japanese forces were landing outside the Settlement area. It is my understanding that Japanese troops are coming here on the same footing as the defense forces of any other country in order to defend its own nationals' life and property".
(KLP-HPD)

JOHNSON

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



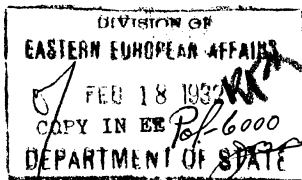
No. 1286

EMBASSY OF THE
UNITED STATES OF AMERICA
Warsaw, February 3, 1932.

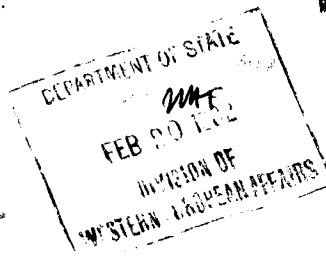


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FOR DISTRIBUTION - CHECK		Yes	No
To the Field	<input type="checkbox"/>		
In the Bureau	<input type="checkbox"/>		



F/LS 793.94/4248

FILED

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to summarize below an unsigned editorial which appeared in the GAZETA POLSKA (organ of the Government Party) of February 3, 1932, based on the Manchurian situation.

The GAZETA says as regards Japan that the defense of its interests acquired in China has become not only a matter of first rate importance but perhaps even a problem of national existence. It continues that events in Manchuria are a good lesson for all optimists who consider treaties a sufficient protection against wars in the future and in connection therewith characterizes the League of Nations as la grande dormeuse. It considers that

FEB 23 1932

- 2 -

that the vivisection of the Kellogg pact and of Geneva paragraphs on the fields of Manchuria demonstrates the utter helplessness of the League of Nations and says there is no doubt that Japan and China are in a state of war, although neither side has proclaimed it openly.

Branching into the field of disarmament, the article continues that the connection between disarmament and securities was never more plain and striking than at present and that moral disarmament has made no progress in the world. It considers that Poland is, of all the countries in the world, one of those in most danger and that the Polish attitude towards disarmament is quite plain and definite, which it defines as a necessity for the maintenance of existing treaties, their respect and increased international cooperation and concludes that until the postulates of moral disarmament are realized it will be difficult to speak about disarmament as a whole.

In addition to having a certain bearing on disarmament this article is an open attack on the League of Nations and is therefore summarized separately.

Respectfully yours,

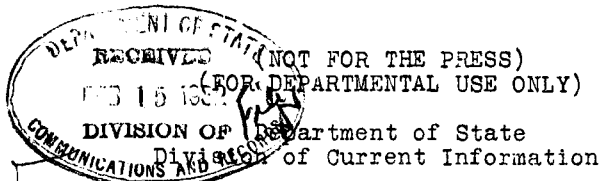
Joseph Flack
Joseph Flack,
Chargé d'Affaires ad interim.

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DELEGATION, GENEVA.

711.

JF:FH

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



MEMORANDUM OF THE PRESS CONFERENCE, SATURDAY, FEBRUARY 6, 1932

At the press conference this morning Secretary Stimson said the French Minister in Nanking had given out an announcement denying the report that Japanese troops had been authorized to pass through the French concession at Shanghai and explained categorically and explicitly that not a single Japanese soldier or sailor had been permitted to enter the French concession. He requested that our Minister there point out to this Government the serious consequences the spreading of such reports might have on the safety of French nationals in China. The Secretary added that a story of that sort was always a dangerous thing. A correspondent enquired where the story had been published. The Secretary, in reply, said information had reached the French Minister from Paris and Washington that some newspapers in the United States reported that Japanese troops were authorized by the French Consul General at Shanghai to pass through the French concession.

The Secretary said that since this was Saturday, and he knew the correspondents enjoyed their Saturdays as much as he did his, he would try to ease them as much as he could.

A correspondent asked if the Secretary anticipated that a new proposal would be made before next week. The Secretary replied that he had not even said a new proposal was going to be made and would not change that now. The correspondent said it seemed to be a matter of common knowledge in the other capitals. The Secretary replied that it was not, so far as this country is concerned. Another correspondent observed that there did not neces-

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FEB 17 1932

-2-

sarily have to be a reply by the Powers who made the original proposal. The Secretary agreed that a reply was not necessary.

A correspondent enquired whether the Secretary had been informed that the British Ambassador in Tokyo made additional representations to the Japanese yesterday regarding the use of the International Settlement as a base of operations. The Secretary replied that he had heard the assertion was made by the press, but he thought he had also heard it was denied.

A correspondent enquired whether the Japanese were still in the American and British sectors. The Secretary replied that they had been out of those sectors for several days and there had been no trouble there since their departure. They are now in their own sector.

To be more explicit, a correspondent said that the British Foreign Office announced that London, Washington, Paris and Rome were conferring on the peace proposals. The Secretary did not reply. A correspondent asked if the remark should be taken as an indication that the powers are not conferring. The Secretary replied in the negative and added that he did not mean to say anything about that at all. He explained that he was trying to help the correspondents when he told them that he did not think anything would occur that they need worry about, except the ever-popping firecrackers in Shanghai.

A correspondent said there was another question on which the press needed information, because rumors pertaining thereto were being printed all over the world. He then enquired whether the State Department had any information that Japan had ordered a general mobilization. The

Secretary

-3-

Secretary replied in the negative and added that he did not believe it was true.

ARMAMENTS

A correspondent asked if the Secretary had received any word from Geneva about the proposal of M. Tardieu of France for an international police force. The Secretary said he had seen it in the papers at great length. He thought that a summary of the proposal had been received in the Department, as is usual, but he had not had a chance to read it. He added that nothing had been received beyond what had appeared in the press, and probably it was much briefer.

PERU

A correspondent enquired whether the Secretary had any comment to make on the death of President Leguia. The Secretary replied in the negative and explained that nothing had come to him concerning Mr. Leguia's reported death.

M. J. McDermott.

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

Department of State
Division of Current Information

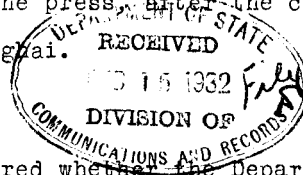
MEMORANDUM OF THE PRESS CONFERENCE, THURSDAY, FEBRUARY 11, 1932

At the press conference this morning Under Secretary Castle announced the release to the press, after the conference, of the daily report from Shanghai.

SINO-JAPANESE SITUATION

A correspondent enquired whether the Department had received any information regarding the bombing of the cotton mill where the American Marines were located. Mr. Castle replied in the negative. The correspondent said that press despatches had been received from Tokyo to the effect that official apologies had been made to Mr. Forbes and also to Mr. Cunningham at Shanghai. The Under Secretary said that information would probably be received during the day, and that as soon as it came in it would be released to the press.

A correspondent asked if there had been any interchange of views between the Mexican Government and the United States regarding the Far Eastern situation. The Under Secretary, in reply, said that, if the correspondent referred to an article on that subject which appeared in one of the morning papers, there was no truth in it. The correspondent said his question was a little broader. Mr. Castle said the same statement would answer his question. There has been no discussion on that subject whatever. Another correspondent enquired whether the American Embassy at Mexico City reported to the Department any public speeches or newspaper editorials as to the Mexican attitude toward assisting the United States in the event of trouble in the Far East. Mr. Castle replied in the negative. He added that someone had told him that there was an editorial in a Mexican paper that in the case of trouble Mexico would be neutral. Mr. Castle, himself, had not seen the article. A correspondent asked if any of our diplomatic representatives had reported it.



793.94/4250

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FEB 17 1932

-2-

Mr. Castle replied in the negative. A correspondent asked if a telegram had not been sent to Mexico within the last few days thanking them for their assurance. Mr. Castle declined to discuss the matter. He reiterated that there had been no interchange on the matter at all. The correspondent asked if the Under Secretary denied the latter point. Mr. Castle replied that he was not discussing it, neither denying or affirming it.

A correspondent asked if the Department had heard anything from Consul General Cunningham regarding truce negotiations at Shanghai. Mr. Castle replied that word had been received from Mr. Cunningham saying that he had heard nothing about it. The correspondent said his office received a story this morning saying that a temporary truce of four hours had been arranged so that the Japanese and Chinese might remove their noncombatants from the Chapei area. They were to send white flag parties through the area and pick up any civilians. Mr. Castle, in reply, said the Department had not received that information.

A correspondent asked if there had been any further communication with Mr. Cunningham regarding the possible evacuation of Americans from Shanghai. Mr. Castle replied in the negative. The correspondent said that one of his colleagues said in this morning's press that the State Department had ordered a survey of all available ships in the Far East, apparently with a view to evacuation. Mr. Castle said he had not heard of such action and asked if Mr. McDermott had heard of it. Mr. McDermott said he thought the story was based on what Mr. Castle said at yesterday's press conference in answer to the questions of the correspondent who wrote the story. Mr. Castle recalled that he said yesterday he thought the local people would be watching the situation, but there had been no suggestion of evacuation. The correspondent asked if there had not been an inventory of ships in the Far East. Mr. Castle replied in the negative and added that neither had there been any telegrams from Consul General Cun-

-3-

ningham or anyone else saying they were making an inventory or thinking about it.

In view of the alarmist tendencies in the headlines, a correspondent asked if Mr. Castle could say whether the Department thought evacuation would be a possibility in the near future or whether events were going the other way. Mr. Castle, in reply, said that was a hard question to answer because one cannot tell how things will develop, but we have absolutely no more reason to think evacuation will be necessary in the near future than we did when the trouble began.

A correspondent asked if the Department had heard anything of the suggestion in press despatches that Viscount Kaneko might come to Washington as a special representative. Mr. Castle replied in the negative. He added that he thought the Japanese had better trust their Ambassadors to put forward their case. NOT FOR ATTRIBUTION, the Under Secretary said that, as he remembered, Viscount Kaneko was a very old man, fully eighty and a little bit rickety on his feet, and for that reason he did not think the Japanese would send the Viscount. A correspondent remarked that they should keep their elder statesmen at home. Another correspondent said he thought Viscount Kaneko was about the same age as Justice Brandies. Mr. Castle said he thought he was much older than that. The correspondent remarked that the Viscount looked pretty healthy the last time he saw him. Mr. Castle agreed that when he last saw Viscount Kaneko he was rather "peppy," but the Viscount told Mr. Castle that he was not able to do much. He went quietly to the seashore and swam in the summer time. The correspondent enquired whether the Viscount was still head of the Japan-America society. Mr. Castle replied in the negative and added that Prince Tokogawa now holds that position.

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

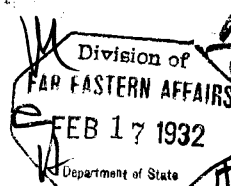
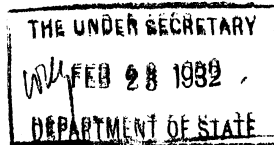


LEGATION OF THE
UNITED STATES OF AMERICA
Berne, February 4, 1932

No. 2458



FEB 13 32



Copy in FE

F/LS 793.9474261

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to forward herewith a translation of an editorial appearing in the JOURNAL DE GENEVE over the initials of William Martin, dated January 31, 1932. The Department presumably will find this editorial of interest, as it was widely read in Europe. In this particular editorial Mr. Martin appears to have lapsed in spots from the sustained reasoning power for which his reputation as an editorial writer is renowned.

Respectfully yours,

For the Minister:

Winthrop S. Greene
Winthrop S. Greene
Secretary of Legation

Enclosure: Translation.

File No. 711

wsg:met

FEB 26 1932

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ENGLAND'S HESITATION.

It is war. For the first time since 1918, this formidable word, which has often been offered as a menace, becomes a reality. There is fighting in Shanghai; tomorrow possibly there will be fighting all over China and elsewhere. As the Honorable M. Sato has said in the Council with a smile, but with an icy voice: "The peace of the world is at stake."

For several years now historians of the great war have discussed whether the war began in Morocco in 1911, in Tripoli in 1912, or in Macedonia in 1913. At least everyone agrees that it did not begin on August 1, 1914. Should there be a world war again tomorrow, which will be the last, not because of the triumph of peace but because of the triumph of revolution, the historians will have no difficulty in recognizing where it began: at Mukden, September 18, 1931.

From that moment events have been connected with a fatal logic. The Japanese militarists in the beginning acted with hesitation, feeling their way to discover what resistance they would meet from the rest of the world. If the Council of the League of Nations had done its duty immediately in September, if it had not then been paralyzed by the United States almost as much as by the weakness of its own members, the attack of September 18, -- which takes, in our history, the place held by the airplanes of Nuremberg -- would not have been followed up.

Unfortunately, nothing happened. The Japanese were permitted to occupy a certain number of cities. Under pretext of sparing Baron Shidehere -- who would have been much more aided by an energetic attitude -- nothing was done. The Japanese military took Tsitsihar, to see what would happen, and nothing happened. They marched on Chinchow, in the
beginning

- 2 -

beginning of October. The Council frowned, and they retired precipitately. But this frown was not maintained, and the Japanese advanced again on Chinchow, which they occupied.

Trembling at their own daring, the Japanese military seized the railroad from Peking to Mukden, an English line. England said not a word. When the soldiers understood that they could do anything they pleased. The result of these repeated weaknesses is the disembarkation at Shanghai.

The Japanese ships arrive before Shanghai. To do what? To oblige the Chinese to buy Japanese goods? That is infantile. The commanding officer of the fleet sends an ultimatum; to whom? to the Chinese Government? No -- to the Mayor of Shanghai. Curious international custom! The Mayor accepts the ultimatum -- and the Japanese troops disembark just the same. Is that sufficiently like 1914! It is like reliving the history of the Austrian ultimatum to Serbia. The deliberate intent to occupy, the determination to make war, to cross without necessity the Chinese city in order to be able to say that they had been attacked, is evident.

Until now the Japanese have been outside the Great Wall, in a country where, until a few years ago, the Chinese had no right to enter and which they themselves considered somewhat as a colony. Shanghai, on the contrary, is the heart of China. And the Chinese have never concealed the fact that the day when the Japanese came to attack them on their own territory, whatever their weakness, they would resist. It is, therefore, war.

War exists in fact. Will it be declared juridically? It is to the interest of the Japanese that the Chinese should declare war, so that they will have juridical justification

- 3 -

fication for conquering their territory. It has been believed until now that the Chinese will not fall into this trap, that they will fight but not declare war. Friday at the Council Monsieur Sato doubtless wished to let this be understood when he said: "The Chinese Government, which invokes, in conformity with the Pact, the 'danger of a break', -- is it ready to make the break?" In the meantime, according to a despatch from Hanking, the Government is reported to have decided to hasten matters. But it is necessary to await confirmation of this news.

Is that the only result which we have obtained from the Covenant of the League of Nations and the Kellogg Pact? Will the word "war" disappear from international vocabulary, but not the thing itself? As for us, the word does not frighten us. It is the thing which is horrifying. Now we must ask our selves, in the face of this reality which cannot be denied, war, what are the Powers going to do, and what is the Council going to do?

The United States, let it be said to its credit, has given this question an immediate answer. After having delayed and weakened the action of the Council for four months, it has finished by deciding at last to take the lead in the movement of resistance to Japan. Bravo! Let us hope that this will be followed up rapidly, while there is still time. In the state of atrophy in which the economic depression and the Chinese boycott have placed Japanese trade, the closing of the American market to Japanese silks would be a means of pressure very efficacious and probably irresistible.

But in such a case, a Government must foresee the worst, and it is comprehensible that the United States should

- 4 -

should have turned toward England and asked, "What are your intentions?"

Do the intentions of England conform to the Pact? That is, at the moment, the tragic question upon which depends peace and war. In 1914, England hesitated three days, and these three days cost the world ten millions of dead and immeasurable destruction. In 1931, England has already hesitated four months -- and we have before us one of the results of its hesitation, the disembarkation of the Japanese at Shanghai. Will England still hesitate three days?

It is to be feared that she will. English opinion once again has not understood the meaning of what is going on in the Far East. One part of this opinion still believes that the Japanese army is the bulwark of order in the Far East, as it believed in 1914 that the German army was the bulwark of order in Europe. There are still the same blindnesses and the same sophisms. The basis of order, this army already almost revolutionary, which gets out of the control of its generals, which is commanded by a coterie of young officers, which indulges in international brigandage and which is throwing the Chinese people -- and perhaps later the Japanese themselves -- into the arms of the Bolsheviks. It would be laughable, if it were not the forerunner to a tragedy.

In 1914 the English had an excuse. They had signed nothing, they had no treaty, no duty to assist France. They no longer have this excuse. They have signed the Pacts, and if, because of them, the Council is incapable of fulfilling its duty, they are taking a responsibility greater than that of 1914.

Of course the English, who are a loyal and courageous people, will end by understanding, as they understood on August 4, 1914. Alas, three days too late! They will understand, when they will find themselves obliged, having failed to stop the Japanese at Shanghai, to stop them at Singapore!

TELEGRAM RECEIVED

REF

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

FROM

TOKYO

Dated February 17, 1932

Rec'd 10 a. m.

Secretary of State,
Washington.

72, February 17, 7 p. m. / 4253

My telegram No. 70, February 16, 10 p. m.

I have discussed the contents of this telegram with my French, British, Italian and German colleagues here and they agree that it represents their point of view. I have met no dissenting opinion. They were all emphatic that further representations in Tokyo at the moment would not be effective and might do harm.

With reference to the Department's telegram 56, February 15, 6 p. m., the British Ambassador here has so far had no instructions. The French Ambassador stated that he had received instructions to inform the Foreign Minister that the French reserved all rights and objected to the use of the International Settlement as a base for warlike operations, which might endanger French lives and property. He did this orally today, he did not present any written protest or memorandum.

The Foreign



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

REF

2- #72, from Tokyo, Feb. 17, 7 p.m.

The Foreign Office gave out the gist of a telegram from the Japanese Ambassador in Washington in which he referred to a conversation with you to the effect that I was to be instructed to present a protest in Tokyo. As given to the correspondents here the Japanese Ambassador's telegram contained the purport of your telegram No. 56, February 15, 6 p. m.

FORBES

RR

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 393.00/11794 FOR #5315 (#2308 to Leg'n.)

FROM Harbin (Hanson) DATED Jan. 13, 1932.
TO NAME 1-1127 o r o

REGARDING:

Political conditions at Tsitsihar;- Encloses copy of
letter from Mr. J.G.Vos, American missionary describing --.

jr

793.94 / 4253

193.94

No. 5315

AMERICAN CONSULATE GENERAL

HARBIN CHINA, January 18, 1932.

SUBJECT: CONDITIONS AT TAITSIHAR.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON

SIR:

1/ I have the honor to enclose herewith, for the information of the Department, a copy of my despatch No. 2308, of even date, addressed to the Legation at Peking on the subject of political conditions at Taitsihar, Heilungkiang Province, North Manchuria.

Respectfully yours,

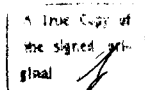
G. C. HANSON

G. C. Hanson
American Consul General.

Enclosure:

Copy of despatch No. 2308 to the Legation.

800
TH/th



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

NO. 2308

AMERICAN CONSULATE GENERAL

HARBIN CHINA, January 12, 1932.

SUBJECT: CONDITIONS AT TAITSIHAR,
 HEILUNGCHIANG PROVINCE.

The Honorable

Nelson Truener Johnson,
 American Minister,
 Peking, China.

Sir:

- 1/ I have the honor to enclose herewith a copy of a letter dated January 6, 1932, received from Mr. J. C. Vos, an American missionary describing conditions at Taitsihar, Heilungchiang Province, where he resides. Mr. Vos speaks Chinese and has resided several months in that city. In this letter he mentions the installation of General Chang Ching Hui, Civil Administrator at Harbin for the Special Area of the Eastern Provinces, as Governor of Heilungchiang Province, which was not greeted with enthusiasm by the populace, and the presence of a few Japanese soldiers and of several thousand Chinese troops. The latter, I believe, were recruited near Newchwang, are remnants of General Chang Tsung Ch'ang's Shantung troops and arrived at Taitsihar via the

- 32a -

1934

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

- 2 -

Ssu-Tao and Tao-Ang railways.

Other reports indicate that, although the situation in Taitshar is quiet, business is at a standstill, owing to the departure of rich Chinese officials and merchants, who took much of their wealth with them and to the hesitancy of the remaining shopkeepers to open their shops and to display their goods.

Respectfully yours,

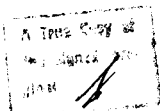
J. C. Hanson
American Consul General.

Enclosure:

Copy of letter dated January 6, 1932,
received from J. C. Vos at Taitshar.

BOO
COH/th

Copies have been sent to the Department of State.



8 Shao Chia Hutung,
Tsitsihar, Heilungkiang,
January 8th, 1932.

Mr. G. C. Hanson,
American Consul General,
Harbin, Manchuria.

Dear Mr. Hanson:

Your letter of the 6th January came today. I can report one or two items that may be of interest. Day before yesterday, that is January 6th, Chang Ching Hui reached Tsitsihar from Harbin. That day they were decorating the city up for him. Yesterday, 7th, at 11 A. M. Chang Ching Hui was officially installed as Governor of Heilungkiang Province, in the Governor's Office in the Walled City. All morning the main street was filled with police and soldiers. About 11 o'clock I went out thinking I could take a photograph or two of the decorations at the south gate of the walled city. One block north of our hutung I was turned off the main street by Chang Ching Hui's soldiers, who were at every corner, for about 10 blocks south of the walled city, preventing all pedestrians and vehicles from entering the main street. These soldiers look as if the current Chinese representation that they are Hung Hu Tsu's in uniform was probably about right. They brandished their rifles and bayonets very energetically and made it quite plain to all that people were to keep off the main street. I went through back streets to the walled city, and tried to approach the south gate in that way, but was stopped 200 feet away. At the south gate were a dozen or more soldiers and police, and at a distance of 200 feet or so, on each side, a crowd of a couple of hundred curious persons. The gate was all fixed up with paper flowers and electric lights, and two big characters "Huan Ying" ("Welcome!") but they had to have the armed men there lest the people "welcome" him in an unacceptable way! The gate of the Governor's Residence and office, inside the walled city, was all decorated too. The Chinese are constantly saying that Chang Ching Hui is a "Mai Kuo Tsei" ("Traitor") and some worse things.

The Japanese troops are still here but not many. One of our language teachers said they had altogether 200-500 men, stationed in three places near Tsitsihar, one of these being the Tsitsihar-Taonan R.R. depot. He also said that some Japanese soldiers had been praying in a Buddhist temple outside Tsitsihar, that they would not die in China. I expect the last item is probably mostly imagination.

Chang Ching Hui's troops are reported to be between

-3,000 and-

193F

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

- 2 -

3,000 and 4,000 altogether in Tsitsihar. The last of them are said to have come from points further south via the Taonan-Tsitsihar Railroad. We have seen them drilling and marching in the streets of Tsitsihar, trying very hard to present a snappy and military appearance but not succeeding at all.

The last few days the city has been decked out in Chinese (Republic) flags as a "welcome" to Chang Ching Hui. On one side of the south gate of the walled city, the Japanese flag was flying. I also saw flying over a store an American flag with 36 six-pointed stars!

When there is any thing more to write I shall be glad to send it on and hope that some of the above may be of some use to you. We are all going about our work just as though nothing had happened.

Sincerely yours,

J. G. Vos

ml

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

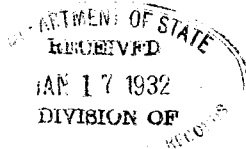
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TELEGRAM RECEIVED

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

FROM

MET



GRAY

Shanghai via N.R.

Dated February 17, 1932

Rec'd 11:10 a.m.

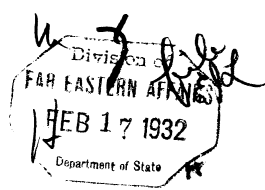
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note
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893.1025

Secretary of State,

Washington

PRIORITY.

65, February 17, 9 p.m.



F/LS 793.94/4254

Japanese Consul Iguchi stated tonight that the Consulate General expected momentarily from Tokyo terms of an ultimatum requiring the immediate cessation of hostilities and withdrawal on the part of Chinese army: that the Japanese Consul would immediately deliver same to Mayor and Japanese army commander to Chinese army commander. Iguchi opined that the ultimatum would be delivered tonight and twenty-four (*) would be given for compliance.

/ Repeated to the Legation and Nanking.

CUNNINGHAM

WSB-KLP

(*) Apparent omission

FEB 24 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

RECEIVED

JAN 17 1932
DIVISION OF

TELEGRAM RECEIVED

8
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WE

MET

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

FROM

London

Dated February 17, 1932

Rec'd 10:10 a.m.

Secretary of State,

Washington

VERY URGENT.

72, February 17, 1 p.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY OF STATE.

I feel the phases of the situation here are of such importance to you in your deliberations that I venture to supplement my strictly confidential telegram No. 70, February 16, 8 p.m., by report of conversations I had last evening with usually reliable sources.

I preface this summary of conversation by repeating a passing remark of Sir John Simon to me the other evening that he could not avoid a feeling that there was a Franco-Japanese understanding in this present Far Eastern situation.

From my conversations last evening I understand that at the Cabinet meeting today the French thesis for concentrating on representations to Japan through the League of Nations will be balanced against ~~balance against~~ considerations of a policy

192.94
memo
751.94
etc.



751.94

DEPARTMENT OF STATE
FEB 19
DIVISION OF
WESTERN EUROPEAN AFFAIRS

Division of
FAR EASTERN AFFAIRS
FEB 17 1932
Department of State

F/LS

793.94/4255

CONFIDENTIAL FILE FEB 24 1932

MET

2-#72 from London, February 17,
1 p.m.

711.41
500.242
policy for joining the United States in a proclamation under the Nine Power Pact if France is not willing also to adhere. It is believed here that the possibility of any concerted aggressive measures towards Japan, such as an economic boycott, et cetera, is remote.

Consequently the Cabinet may consider that this is safeguarded by the pronouncement contained in the last paragraph of the latest League of Nations appeal (see my 69, February 16, 7 p.m.) and concentrate for the moment on what will best protect British moneyed interests, trade, lives and property in China for the time being.

741.57
There exists here the beginning of better Anglo-French feeling strengthened by the common agreement for a Lausanne Conference in June and by the exemption of British coal from the 15 per cent French surtax announced this morning which I am informed the British will bear in mind in considering any Far Eastern policy markedly out of step with French views.

I do not know when any decisions of the Cabinet meeting today will be conveyed to you either directly or through

me

184
DECLASSIFIED: E.O. 11652, 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

3-#72 from London, February 17,
1 p.m.

me or what those decisions may be but I am purposely
telegraphing you beforehand that you may sense the forces
in play within a Coalition Cabinet in deciding major
matters of policy.

ATHERTON

WSB-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

DEPARTMENT OF STATE
RECEIVED

JAN 17 1932

DIVISION OF

TELEGRAM RECEIVED

FEB 25 1932

Paris

Dated February 17, 1932

Rec'd 9:45 a.m.

MET

FROM

A portion of this telegram
must be closely paraphrased
before being communicated
to anyone.

Secretary of State,

Washington

106, February 17, noon.

Embassy's 93, February 8, 7 p.m.

While press comment on the Far Eastern situation has
decreased considerably during the past week sentiment has
become crystalized along the following lines:

As regards Manchuria the press generally finds justi-
fication for Japan's intervention in an occupation of Man-
churia for the following reasons:

(a). To suppress banditry, reestablish order and pro-
tect Japanese residents.

(b). To find an outlet for Japan's overflowing popu-
lation.

(c). To safeguard Japan's large financial investments
in Manchuria, particularly in railroad building, and de-
velop Manchuria's vast agricultural and industrial resources.

Regarding the military operations at Shanghai the press
is less apprehensive than the previous week concerning the

nossibilitv

F/DEW

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FEB 26 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. Lustigsm NARS, Date 12-18-75

REF

2- #106, from Paris, Feb. 17, noon.

possibility of conflicts with other powers and expresses a certain amount of sympathy, Japan's desire to suppress the headquarters of the Chinese boycott movement. Furthermore, the press sees no choice left to Japan in order to save its prestige other than to reenforce its expeditionary forces and drive the Chinese army out of Shanghai. Belief is generally expressed that these operations being successfully concluded Japan will then be ready to negotiate with China and the powers. Nevertheless it is thought that Tokyo will not agree to any third party intervening in the settlement of the Manchurian question which it wishes to discuss directly with China. To consolidate its position in Manchuria, Japan would consent to making concessions regarding Shanghai. Practically the entire press sees a certain weakening of the League's position, influence and prestige in its failure to arbitrate the conflict. Little faith is placed in the utility of the Manchurian Investigating Commission while China's request to the Council of the League of Nations, which would place the entire responsibility for a settlement upon the General Assembly, is viewed as a source of further dangerous complications especially since the absence of any organized central government in China makes the representation of that country in the League somewhat of a myth. (END GRAY). (This

is

REI

3- #106, from Paris, Feb. 17, noon.

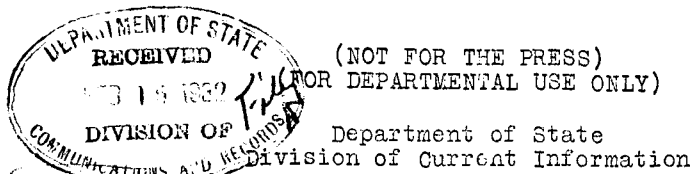
is incidentally the view of the Foreign Office.)

(GRAY). There is a consensus of opinion in the press that France should merely protect its own interests in China and should keep out of a struggle in which it has nothing to gain. A distinct opposition is shown to the use of French troops in any armed intervention except in protecting the French Settlement at Shanghai and French citizens and interests in other parts of China should the occasion arise. A number of editorials take the view that the United States is particularly worried at the extension of Japan's influence in China and its corresponding increase of power. The question of the "mastery of the Pacific" is raised in this connection in several editorials and is seen as a problem which will become acute in the relations between the United States and Japan.

ARMOUR

KLF

WWC



MEMORANDUM OF THE PRESS CONFERENCE, THURSDAY, FEBRUARY 4, 1932

At the press conference this morning Secretary Stimson said that while the rather delicate situation in the Far East continued he would confine his press conferences to representatives of the American press. He added that he did not mean by that there was anything special, but he thought it was a situation which could be best handled that way. FOR ATTRIBUTION TO THE DEPARTMENT, he said he thought the situation this morning was rather more encouraging.

The Secretary announced the release of information concerning the damage done by the earthquake in Santiago, Cuba.

FOR BACKGROUND. The Secretary said he had been informed that questions had been asked by the correspondents concerning new representations to Japan. He explained that all we had been doing during the last two or three days was to try to protect the International Settlement from the very imminent danger which would result from the use of the settlement as a base of operations against the very large Chinese Army gathered in that neighborhood. The Secretary pointed out that, if the Chinese were attacked from a particular position, they would have the right to retaliate, and, if an army of 30,000 fairly well disciplined Chinese should attack the International Settlement, we might have a great massacre of the widest and most desperate nature. So self-evident policy dictated--and all the countries who are interested in the

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the Settlement are agreed--that we should do everything to avoid any action of that sort. The Secretary recalled what he had told the press the other day--the situation arises from the fact that there are a good many Japanese--both regular and irregular forces--who had come into the American sector, or were there for patrols, and, although our own Marines have not fired at the Chinese, the Japanese fire toward the Chinese from our sector. Of course, that at once makes a complication. And it is to clear up that situation that our representations were made.

The Secretary said he was very glad to be able to tell the correspondents that the Department had heard from Colonel Hooker to the effect that all the Japanese Marines left the American sector at 10:00 o'clock this morning (10:00 last night, our time.) A correspondent asked if that information might be used. The Secretary replied in the affirmative. He also gave the correspondents permission to use the following information: The Secretary referred to the references in the press to the Japanese mills, where a great many Chinese were employed, as a dangerous spot. He showed the correspondents on the map that the mills are right in front of our sector. They have been a source of danger because the Japanese have a pretty large force, estimated at 500 men, in and around those mills. Now they have withdrawn from there and turned them over to the Americans and British for protection, so that is no longer a danger point. The Secretary read the message received by the Department stating that late this afternoon the Japanese cotton mills in both

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both the American and British sectors were taken over from the Japanese by American and British Marines respectively.

FOR BACKGROUND, the Secretary continued by saying that what we are doing, in these respects, is to back up the arrangements which the neutral commanders and the municipal authorities of the Settlement are making on the ground. We are not trying to dictate how things should be defended, only saying it must be defended, as the only means of protecting our American lives there. The men on the ground are going ahead and making these arrangements, and whenever they have difficulty we make a representation to back them up. However, no representation has been made by us involving any new matter of policy. We are just carrying out the old policy, which the Secretary spoke to the correspondents about before.

The Secretary said he wished the correspondents to have well in mind this fact, which he regarded as one of the cardinal points in the background of the situation, that if anything were done in the International Settlement, particularly the American sector, as a provocation against the Chinese, it would draw an attack down on the most vulnerable and most important part of our citizens' location, lives and property.

A correspondent referred to Colonel Hooker's message and asked if the Colonel referred to the place where the Japanese came in and informed the Americans they might withdraw. The Secretary replied in the negative and added that he was not familiar with the happening the correspondent referred to, but if the incident the

correspondent

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correspondent spoke of occurred and if it occurred in Hongkew, that was not the place Colonel Hooker had reference to. The correspondent asked the name of the place. Another correspondent suggested that it might be Chapei. The Secretary replied that it was not Chapei, but was adjacent to Chapei. Chapei is not in the International Settlement. It is in the Chinese city. He added that the difficulty and danger of the whole situation lay in the fact the International Settlement is so strung out and surrounded by the Chinese area that it is very vulnerable and hard to defend.

A correspondent asked the Secretary to indicate on the map where the Japanese are. The Secretary did so and explained that they were moving toward a place where it was much safer for them to be--toward their area under the defense plan. A correspondent asked if the Japanese were still in Hongkew. The Secretary replied that he thought they were. Another correspondent said reports had been received that quite a battle was being waged in the lower section this morning. The Secretary said that a number of the correspondents had been in Shanghai and, speaking from his own recollection, the area to which the Japanese have withdrawn, while it is a part of the International Settlement, is not the Central and valuable part where all the population is--at least the American population.

A correspondent asked whether any information had been received about Hongkew, where the American Consulate is situated. The Secretary said he could not remember having received any. He pointed out that, while it is true the old American Consulate is in the Hongkew sector,

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it is a more easily protected part. The Secretary said he thought they had been having trouble out on the border. The American and other Consulates are in the extreme right hand end of the business section.

A correspondent asked if the Secretary had received a reply from Japan to the recent proposals made by the powers. The Secretary replied in the negative. The correspondent said the reply had been made public in Tokyo and, although the text was given out, the press cables carried only portions of it. Inasmuch as the Japanese had made it public, the correspondent wondered if the complete text could not be made available to the press here when the Secretary received it. The Secretary replied that he could tell better when he saw it. He added that if it was made public in Tokyo, prima facie, he could see no reason why the press should not have it, but he would like to see it himself first. The correspondent said that the formal announcement was to the effect that proposals Nos. 1, 3 and 4 were accepted, but not Nos. 2 and 5. He asked whether the Secretary felt, in that event, that anything could be accomplished. The Secretary interrupted him to say that the question was a hypothetical one and he preferred not to discuss it until the reply is received.

A correspondent said he was particularly interested in the reports that the Americans made representations to Japan late yesterday. The Secretary said he thought Mr. Hornbeck had charge of the representations made yesterday. They were simply in relation to the same policy, namely, trying to clear up the situation so that the Settlement will not be used as a base in attacks against

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the Chinese army. A correspondent asked if the representations were individual. The Secretary replied that they were personal representations, made by both the British and ourselves through the Ambassadors in Tokyo. We have made no representations that have not been accompanied by similar ones on the part of the British. The Secretary said he did not wish to give the impression that we were making a series of formal representations on important questions, because that gives an impression of futility or of excitement. What we are doing is following a regular policy of insisting that our nationals be protected by the immediate and practical way of protecting them, namely, by keeping clear the International Area, and wherever we find a danger spot we make our representations to back up the representations made on the ground. It is not like a new move in diplomacy where a big new question is brought up. Where the press comes out in headlines and stresses a new note or representations, it looks as if we were saying something that must be accorded the formality of a reply, and the people are disappointed if we do not get a reply. In this situation our representations have been replied to by action. A correspondent said he understood then that what the Japanese had done as a result of our representations was a satisfactory reply. The Secretary replied in the affirmative. He said that, so far as he could learn this morning, he thought we had twice made representations that had been complied with almost entirely. He added that he made that statement subject to reservation, because he could not speak concerning the whole area, but he thought that what excited our anxiety had been

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complied with. A correspondent asked if that situation was the most imminent. The Secretary replied that, if the correspondent meant the most ticklish and dangerous, it was. He was very much troubled by the fact people were coming into our sector, alongside our Marines who were not firing, and firing shots at the Chinese from that place and going through other barbarities against the Chinese. Now that that has been stopped, that is the only reply the Secretary expected to our representations.

A correspondent asked if he was correct in understanding that the Secretary's opening statement that the situation was rather more encouraging was for attribution to the State Department. The Secretary replied in the affirmative. He added that the correspondents might say the State Department felt more encouraged and then go on and give their own explanation of what it means. He gave the correspondents the foregoing information for their guidance. The situation is more encouraging in the Secretary's opinion on account of these recent moves. He cautioned the correspondents not to overdo it, however.

A correspondent asked who was responsible, originally, for policing the Hongkew area. The Secretary replied that, as he understood it, the Japanese themselves were responsible for the line of defense outside and in front of the Hongkew area. The correspondent asked if we had usurped that right. The Secretary replied in the negative and added that the Japanese are in the neighborhood where the defense committee put them. The correspondent asked if we had made representations about that. The Secretary replied in the negative.

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A correspondent asked if the Secretary could indicate the substance of the report from Admiral Taylor which was given to the Secretary by the Navy Department. The Secretary refused to go into details. The Secretary said the Navy Department has been sending reports constantly, but he felt they ought not to stress any particular report, since that gives a false impression.

A correspondent asked if the Secretary's statement that things were rather more encouraging referred exclusively to the actual situation in Shanghai or also to the negotiations. The Secretary replied that it referred to the Shanghai situation entirely.

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



Department of State
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, FRIDAY, FEBRUARY 5, 1932.

At the press conference this afternoon a correspondent said that the British Foreign Office announced today that new representations were being made by Great Britain and the other three powers that joined in presenting the recent peace proposals to China and Japan. The Secretary, in reply, said that if that statement is as accurate as some of the announcements made in one of the morning newspapers in this country, he could not say much about it.

A correspondent asked if any progress had been made in drafting new suggestions to Japan. Mr. Stimson replied that he did not want to discuss the matter at the time. FOR BACKGROUND, the Secretary said that the situation in Shanghai, which is the main focus of his interest, still remains slightly favorable, so far as he knew. The trouble which excited our apprehension has been removed and has not been renewed, and our people do not appear to be as much alarmed as they were when they feared that foreign elements in our sector in Shanghai would draw a Chinese attack upon us. The situation in Shanghai, however, is very unsettled and remains critical, and the Secretary said he did not wish to comment on it any further. He added, however, that he would undoubtedly confer with the other powers. A correspondent then asked if he would confer with the other countries today. The Secretary replied that he did not care to say when such conferences would take place. Prime Minister MacDonald is in the hospital

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hospital and Sir John Simon is on his way to Geneva. These facts make it rather difficult to confer with them immediately. The Japanese took three days to answer our peace proposals, and the Secretary said he thought we could take our time in sending any further messages to Japan. The Secretary here remarked that the above was NOT FOR ATTRIBUTION.

A correspondent said the Secretary might be interested to know that the Japanese Foreign Office announced this morning that the information which the Japanese Ambassador in Washington, Mr. Debuchi, gave the other day to the effect that Japan would not send reinforcements to Shanghai was deplorable, but was due to the fact that the Ambassador had not been kept informed. The Secretary replied that he was beginning to see the advantages of having active American correspondents in Tokyo making it as uncomfortable for the Foreign Office there as they sometimes do for the Department of State at Washington.

A correspondent asked if the Secretary had received any advices regarding the arrest of Mr. Edward Hunter, a newspaper correspondent, by Chinese forces near Mukden. The Secretary replied that the matter had not been referred to him. (The Division of Current Information, earlier in the morning, referred the matter to the Division of Far Eastern Affairs, where direct and immediate action was taken.)

A correspondent said that, according to despatches from Shanghai, the Japanese closed the Woosung River from 7 p.m. to 7 a.m., and asked if that was a matter for further representations. The Secretary replied that he understood the Chinese had done that. The harbor master apparently stated that the port was not officially closed.

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The mayor of the municipality of greater Shanghai informed the American Consul General recently that special martial law would be in force from February 4 and that no war-ships, merchant vessels or other vessels would be permitted to pass in or out from 5 p.m. to 7 a.m. The correspondent then said he supposed the Chinese had the right to regulate their own harbors. Mr. Stimson replied that such action is supposed to be a privilege which most countries exercise.

Asked if he had any information regarding the situation at Harbin, the Secretary said he had been so busy with the situation at Shanghai that he had not appraised and balanced the situation at Harbin and that he had no information to release at this time concerning Harbin.

A correspondent said that the French Government announced that the Japanese reply to the peace proposals was unsatisfactory, and that they were willing to join in any other move which the powers contemplated making and that they are apparently waiting for some move from the United States. In reply, Mr. Stimson said that the report shows the importance of taking time to study a situation thoroughly before acting.

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

RECEIVED (NOT FOR THE PRESS)
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DIVISION OF Department of State
COMMUNICATIONS AND RECORDS Division of Current Information
MEMORANDUM OF THE PRESS CONFERENCE, MONDAY, FEBRUARY 8, 1932

At the press conference this morning Secretary Stimson announced the release of certain information from the Far East and the names of the Americans, chiefly women and children, who have been evacuated from Nanking.

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The Secretary also announced the issuance of a press release giving the details of the arrival of the Commission of Enquiry appointed under the resolution of December 10 of the League of Nations. He added that the members of the Commission will arrive on the PARIS at New York tomorrow and will leave at once for the West without stopping in Washington. They hope to catch the Steamer PRESIDENT COOLIDGE on Friday morning for the Far East.

A correspondent asked if the Secretary's attention had been called to the Japanese statement regarding the neutralization of certain ports in China. The Secretary replied that the newspaper clipping had just been put into his hands. FOR BACKGROUND, NOT FOR ATTRIBUTION TO THE SECRETARY, THE DEPARTMENT OR TO ANY GOVERNMENT OFFICIAL OR DEPARTMENT, the Secretary told the correspondents that he found very great difficulty in believing the report to be authentic, because, on its face, it would seem to be beginning over again the process, or scheme, for the partitioning and disintegration of China which was stopped 35 years ago. He also found it difficult to believe, because of the pledge given by the Japanese Government to this Government last November in the course of the correspondence concerning the situation in Manchuria. The Secretary read the pledge which was contained in the reply of the Japanese Government to the memorandum of the American Government of November 5, handed to the Secretary of State by the Ambassador of Japan on November 9, 1931. It was

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as follows: "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."

A correspondent said that he assumed from the Secretary's remarks that there was no doubt we would turn the proposition down if it were put up in a formal way. The Secretary replied that he had only said, FOR BACKGROUND, that he could not believe it was true. The correspondent admitted his remark was rather obvious and explained that he just wanted to clinch that point. He enquired whether any further plans were being made for evacuating Americans in the Far East, aside from those evacuated from Nanking. The Secretary replied that our Consul recommended that Nanking be evacuated, but he could not recall any others.

M. J. McDermott



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Department of State
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, WEDNESDAY, FEBRUARY 10, 1932

At the press conference this afternoon Under Secretary Castle announced that Mr. Coleman today presented his letters of credence to the King of Denmark and took charge of the Legation.

The Under Secretary also announced the release of information received from Shanghai concerning the situation there.

SINO-JAPANESE SITUATION

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A correspondent observed that a despatch from London said it was suggested in the House of Commons that British noncombatants be evacuated from Shanghai to avoid danger of the British clashing with Chinese or Japanese forces and enquired whether the State Department had given further consideration to the possibility of evacuating American citizens. The Under Secretary replied in the negative. The correspondent asked if evacuation was still in the discretion of Consul General Cunningham. The Under Secretary replied in the affirmative and added that he did not think there was any more significance in the fact that the subject was brought up in the House of Commons than if someone in Congress had suggested it.

A correspondent asked if this country had enough ships on the spot to evacuate Americans, should an emergency arise. He pointed out that there were 3200 civilians and some 2500 troops. The Under Secretary replied that the ships now there could take a great number of Americans and there are almost always American merchant ships in that part of the world. He added that he imagined it would be physically possible to evacuate the Americans and he thought that Mr. Cunningham would be watching all those things.

A correspondent remarked that, in view of the apparently important historical events in Shanghai in the past few days,

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we were not so worried. Mr. Castle said that we hoped things were going to quiet down there, although they do not yet seem to have done so to any great extent.

A correspondent referred to reports of yesterday from Consul General Cunningham at Shanghai to the effect that he, acting in his capacity as Senior Consul, had transmitted to the Japanese Consul the protest of the Municipal body about airplanes flying over the city and endangering life. The correspondent said he wondered if that had been made the subject of representations from this Government to Tokyo. Mr. Castle replied that it had not.

A correspondent said his office received a message this morning saying the Japanese Foreign Office was preparing to send representatives to London, Washington and Paris to set forth their case and that Viscount Kaneko was coming to Washington. He enquired whether the State Department had been so advised. Mr. Castle replied that we had heard nothing about it and added that he thought the ambassadors should be trusted to do that.

A correspondent asked if any new American notes were in the course of preparation. Mr. Castle replied that there were none that he knew of. He added that we were watching the situation very carefully and considering what might be done.

A correspondent asked if the Department had received information of an official character concerning the demilitarization scheme of Japan which was mentioned in the press. Mr. Castle replied in the negative and added that, so far as we knew, it was a statement made by the so-called spokesman of the Foreign Office. The correspondent asked if it might be termed a trial balloon. Mr. Castle replied that it was, so far as we knew. A correspondent remarked that the Japanese Ambassador hazarded the guess that the spokesman was expressing his own opinion. Mr. Castle declined to comment on Mr. Debuchi's remarks.

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So far as the rumors of a truce were concerned, the Under Secretary said this Government had heard the Japanese Government was going to propose a truce. We do not know it has been done, but the rumors in the press were so persistent that the Department telegraphed Mr. Cunningham last night asking him whether anything of that sort had been done or was going to be done. We have not had time to hear from him. A correspondent asked if Mr. Castle was referring to a truce engineered by the local authorities. Mr. Castle replied in the affirmative. The correspondent said he thought such a truce had been proposed to Admiral Taylor yesterday. The Under Secretary remarked that the papers had said so.

A correspondent said that any truce involving the clearing out of the Chinese for a certain number of miles would come under the definition of "partition." The Under Secretary enquired what the correspondent meant. The correspondent explained that in background conversations demilitarization of the zones around the Chinese cities was placed in the category of "partitioning of China." Mr. Castle agreed that that was what the Secretary had intimated. However, NOT FOR ATTRIBUTION, the Under Secretary said that a neutral zone, of any size, if it were known to be a temporary thing, just covering a present emergency, would not be a partitioning of China.

A correspondent asked if the Chinese did not object to such an arrangement on the ground that it would be simply a false admission of Japanese victory. Mr. Castle said he had not heard that, but it sounded possible. The correspondent remarked that the Japanese had not been able to advance; yet, with the aid of the rest of the world, they would make China retreat. Mr. Castle pointed out that the rest of the world had not helped in that plan.

A correspondent enquired whether the Department had any information about the Americans alleged to be serving in the Chinese

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army. Mr. Castle replied in the negative. The correspondent said he understood there were quite a number of foreign aviators there. Mr. Castle replied that the Department had no information on that. NOT FOR ATTRIBUTION, he said that when the story came out the other day that two Chinese planes brought down three Japanese planes, somebody said that, of course, that was Bert Hall. However, Mr. Castle asked about that and found Mr. Hall was in this country.

A correspondent asked if Cushman Rice was there. Mr. Castle replied that he had not heard.

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Department of State
DIVISION OF CURRENT INFORMATION

MEMORANDUM OF THE PRESS CONFERENCE, FRIDAY, FEBRUARY 12, 1932:

At the press conference this afternoon Secretary Stimson announced the issuance of a press release concerning the four-hour truce in Shanghai, which truce lasted from 8:00 to 12:00 noon today.

Mr. Stimson also announced the issuance of a press release concerning the refusal of the government of Greece to extend the exemption from military obligations to American citizens of Greek origin for the year 1932 as was done in 1930 and 1931.

ARMAMENTS

A correspondent asked if it would be futile to inquire when the Secretary would go to Geneva to attend the General Disarmament Conference. Mr. Stimson, in reply, said that he had made no further plans, but that he would go if and when he could do some good. The correspondent then said that he would appreciate some advance information pertaining thereto, as he might then be able to engineer an assignment to Geneva to cover the Secretary's visit. Mr. Stimson replied that he would endeavor to accommodate the correspondent.

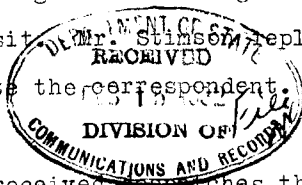
SINO-JAPANESE CONFLICT

Observing that he had received dispatches this morning to the effect that the efforts to extend the four-hour truce by a further period of six hours had failed, a correspondent asked if the Department had received confirmation of the report. The Secretary replied in the affirmative. The correspondent then said that Admiral Nomura charged that the Chinese had broken the truce. Mr. Stimson replied that no confirmation of that report had been received by the Department but that we had learned that the Japanese did not consent to a longer truce.

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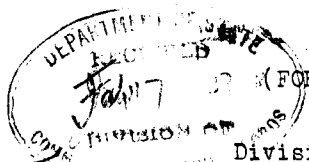
Queried concerning the plans of Minister Johnson and the reasons for his visit to Shanghai, the Secretary said that Mr. Johnson probably desires to be where he can best perform his duty. The Secretary added that those correspondents who have been in Nanking probably know that the residents of Nanking try to spend week-ends at Shanghai. It is not unusual for Mr. Johnson to visit Shanghai, particularly as the Chinese Government has left Nanking.

A correspondent asked if any further representations had been made to Tokyo as a result of the bombing episode yesterday. Mr. Stimson replied that he did not wish further to discuss the matter at this time.

A correspondent asked if the Far Eastern situation appeared to be better or worse. He was informed, in reply, that there appeared to have been less news during the past twenty-four hours. The correspondent then said that made the situation worse (worse from the newspapers' standpoint.)

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



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

Department of State
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, SATURDAY, FEBRUARY 13, 1932

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At the press conference this morning Secretary Stimson announced that Minister Johnson arrived in Shanghai on the 12th. The Secretary said a report had been received in the Department to the effect that two more planes had flown over the American sector in spite of assurances given to Admiral Taylor to the contrary. NOT FOR ATTRIBUTION, the Secretary also announced the release of statistics regarding the number of foreign troops stationed in Shanghai.

In view of reports of the imminence of a major battle at Shanghai, a correspondent enquired whether any special measures were being taken to protect Americans. The Secretary said it had been his intention to speak CONFIDENTIALLY to the correspondents concerning the matter. He added that he had noticed articles in the press to the effect that we were doing nothing but watching the situation. The situation, of course, is that we--and all the other powers as well--are maintaining our anxiety. Mr. Stimson added that he felt the situation must be evident to the correspondents. The four powers last week made, at the request of both China and Japan, a suggestion by way of good offices. The offer was consented to by China and rejected by Japan. That suggestion necessarily died there. Nothing can be done in the exercise of good offices that is not consented to by both sides. It has become very evident from the situation that Japan is apparently going ahead with the evident intention of, what is known in the Far East, regaining her "face" by a military decision, and reports indicate that a battle at Shanghai is imminent. Furthermore, according to press reports, Japan rejected the truce suggested by the British Admiral unless the Chinese retired twenty miles, while Japan would maintain her position. The other powers could not join in assisting on that request without taking sides against China. So there is nothing that can be

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done at this time. What Japan wanted was not a truce, but a retreat. Under those circumstances it has become perfectly evident that at the present moment nothing can be done that would not be perfectly futile and which might even lead to a humiliating rebuff being delivered to the power suggesting it. In the immediate situation, we are taking all steps toward protecting the Settlement in every way we can, but we are not seeking to negotiate a settlement that evidently is not wanted. It has been shown very clearly that it is not wanted. The above statement was made in CONFIDENCE.

A correspondent recalled that Consul General Cunningham had asked the Japanese not to allow airplanes to fly over the Settlement because of the obvious danger therefrom. The correspondent asked whether, in view of despatches saying Japanese planes had flown over the Settlement, the Secretary planned to take any action. The Secretary declined to discuss the matter further. He added that the authorities out there are watching that sort of thing and they are authorized to take whatever steps they can take. Another correspondent said that press despatches from Shanghai this morning telling of the fight said the Japanese bombing planes had been in action, but apparently had taken great care to fly around the area held by the Americans and had kept over the Chapei area. The Secretary said he had seen reports that the Japanese had bombed the Chapei area and apparently the press men did not report flights over the Settlement.

ARMAMENTS

A correspondent enquired whether there was anything the Secretary could say about the Franco-Italian naval negotiations. The Secretary replied in the negative. He added that he had seen press reports to the effect that they had been renewed, but that was the only information he had. The correspondent asked if the Secretary knew whether Ambassador Gibson had taken any part

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in motivating the renewal. The Secretary replied in the negative and added that the press information was all he had. In view of our program, as announced by Ambassador Gibson, which provided for expanding the scope of the Washington and London agreements, conditioned on France's and Italy's entrance into the agreements, a correspondent said he supposed the conversations were very encouraging. The Secretary said they were certainly not discouraging. FOR BACKGROUND, the Secretary added that it had always been our thought that that would be one of the obvious steps to be taken first. So far as the Secretary could tell, in the absence of anything except press reports, it looked as if it were being done.

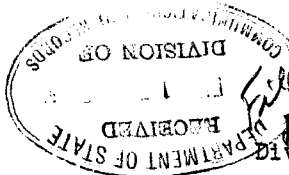
DEBTS AND REPARATIONS

A correspondent asked if the Secretary had any reports of the postponement of the Lausanne conference on debts. The Secretary said he could not recall any. The correspondent said he supposed we were not taking any part. The Secretary agreed that we were not. Another correspondent said that, according to an official announcement made today, France, Belgium, Great Britain and other interested powers had agreed to postpone the conference until June. The Secretary said he had not received such a report. The correspondent asked if there was any change in our policy. The Secretary replied in the negative.

EL SALVADOR

A correspondent enquired whether anything had arisen to make us change our policy regarding recognition of the Salvadoran Government. The Secretary replied in the negative.

M. J. McDermott.



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(FOR DEPARTMENTAL USE ONLY)

Department of State
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, MONDAY, FEBRUARY 15, 1932

At the press conference this morning Under Secretary Castle announced the issuance of a press release regarding recent Departmental publications.

Mr. Castle also announced the release of a telegram concerning the landing of Japanese troops in the International Settlement and the text of Consul General Cunningham's protest. It was reported that the British had also protested. The Under Secretary also announced the release of the names of additional Americans who were evacuated from Nanking and the text of a telegram from Secretary Stimson to General McCoy on the latter's departure for the Far East with the League Commission of Enquiry.

SINO-JAPANESE SITUATION

For background, a correspondent asked the Under Secretary to explain what laws, regulations and rules govern the landing of troops in the International Settlement. The Under Secretary said, in reply, that he did not think any such rules were ever made. He added that, of course, there have been repeated protests to Japan against using the Settlement as a base and he supposed the landing of troops would be considered in the light of that. A correspondent asked if the action by Japan might not be considered a violation of a gentlemen's agreement. Mr. Castle replied that there was no gentlemen's agreement, because the Japanese had not agreed. But the Settlement authorities feel strongly that they should not use the Settlement as a base for operations. A correspondent asked if he was correct in thinking that the use of the Settlement as a military base was the subject of a direct protest from Washington to Tokyo. Mr. Castle replied in the affirmative.

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A correspondent enquired if the protest in this instance was made by Mr. Cunningham on his own authority and under his general instructions. The Under Secretary replied in the affirmative and explained that it covered a specific case and was in the nature of a follow-up of the general protest we made sometime ago.

A correspondent asked if Japan's landing troops in the Settlement might not be explained as being for the protection of their nationals, just as we did in 1927. NOT FOR ATTRIBUTION, the Under Secretary said it seemed to him that landing troops in the Settlement to protect people in the Settlement was one thing, and landing troops in the Settlement as a base to go into Chinese territory was a very different proposition. Although five hundred troops landed in the Settlement to protect their citizens, would undoubtedly be quite legitimate, landing ten or fifteen thousand troops--Mr. Castle did not know the exact number--in order to move out of the Settlement was quite different.

A correspondent asked if a protest from Mr. Cunningham to the Japanese Consul General carried the same weight and importance as a protest from our Ambassador in Tokyo. Mr. Castle replied that that was a rather difficult question to answer. After a general protest has been made by the Ambassador in Tokyo on using the Settlement for a base, the Under Secretary said he should suppose it would rather weaken our position if we kept making protests about all the little different infringements. He added that he thought the Japanese knew our attitude and that protests on specific violations could just as well be made by the local authorities in Shanghai.

A correspondent referred to the fact that the protest had been made by Consul General Cunningham and the British Consul General rather than the American and British Ministers. Mr. Castle explained that that was because the Ministers were not stationed in Shanghai, but were there to advise.

-3-

A correspondent enquired whether Consul General Cunningham had signed or approved the League of Nations Shanghai Committee's report of open war. The Under Secretary replied that Mr. Cunningham did not sign the report, as he understood it, but was authorized to cooperate fully with the League Committee and undoubtedly whatever they put in the report had his concurrence.

A correspondent said there were press despatches from Tokyo saying that the Foreign Office today called Ambassador Forbes and the French and British Ambassadors in apparently to give them some information. He enquired whether that information had been transmitted to the State Department. Mr. Castle replied in the negative and added that we should be very interested to get it.

A correspondent asked whether the Department had received a more complete report of the attack on Vice Consul Ringwalt. Mr. Castle replied in the negative. He added that the matter was still under consideration pending the receipt of the full facts.

A correspondent asked if anything could be said on the attitude of the State Department on the Fish Bill to prevent the shipment of arms to the Orient. Mr. Castle replied in the negative. The correspondent referred to reports published that the State Department had prevented a hearing on the Bill and enquired if the reports were correct. Mr. Castle replied in the negative.

A correspondent said that press despatches had been received to the effect that Japan was preparing to use gas in the neighborhood of Shanghai and asked if the Department had received any information on the matter. The Under Secretary replied in the negative. A correspondent enquired as to the rule of international law about using gas near a section where there is a neutral population which might be endangered. The Under Secretary said he did not believe there was any rule of international

-4-

law covering the matter, but it might make trouble. The correspondent enquired whether in our discussions with the Japanese we had advised the Japanese against the use of gas. Mr. Castle replied in the negative. A correspondent remarked that until today we had not recognized there was open warfare. Mr. Castle observed that neither had the Chinese and the Japanese.

A correspondent asked if Consul General Cunningham's protest was based on the landing of Japanese troops on Saturday. Mr. Castle agreed that the protest was on account of the landing of Japanese troops within the Settlement on Saturday.

A correspondent remarked that Mr. Castle had referred earlier in the conference to the present landing as a rather local, minor affair as compared with previous action. Mr. Castle interrupted him to explain that he did not mean to say "minor." He added that he would say it was one aspect of the broader protest against using the Settlement at all as a base.

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



CONFIDENTIAL
DEPARTMENT OF STATE
THE SECRETARY



FE
DCR

February 15, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON AND
THE FRENCH AMBASSADOR, MR. PAUL CLAUDEL.

Shanghai.

The French Ambassador brought me a resumé of some telegrams which he has received from his own Government during the last two days, as follows:

He has heard from his Ambassador at Tokyo that the British Ambassador has informed the French Ambassador that this is not the time for a new intervention of the ambassadors of the four Powers; that he was afraid that such a démarche would give fresh encouragement to the Chinese and would excite the susceptibilities of the Japanese; that there is a movement among university students, even in certain groups of the Army, in favor of putting a stop to the Shanghai ventures as soon as the military success has been obtained; that a demonstration to that end took place in the schools and even in the military academy. ^(the French ambassador?) He thinks that that has given food for thought to the Emperor and that General Kanaya has given advice to that effect to the Minister of War.

The following communication is from a Japanese source which Mr. Claudel thinks is more important. He is not at liberty to mention the source. The communication states that

F/LS 793.94/4264

DEPARTMENT OF STATE

THE SECRETARY

- 2 -

that there is a chance of arriving at a result in regard to the military zone; that the former request for a twenty mile width of that zone seems now excessive and it is suggested that the width of this zone be left to the international commanders at Shanghai. This unknown authority thinks there should be no objection in this direction; that all the Japanese want is to have a sufficient withdrawal from the Chinese; that the Japanese think that the withdrawal which is demanded of them should be very small on account of their position so near the International Settlement. It is stated that the Nineteenth Chinese Army is in complete disorder and is inclined to act in a way to make the situation worse and to make it disagreeable to Chiang Kai Shek who does not support it; that the Commander of the Japanese Division received an order to respect the International Settlement and if possible to avoid new hostilities.

After the Ambassador read me these communications I reminded him of his suggestion the other day about a new protest to the Japanese Government against the use of the Settlement for a base of operations against the Chinese, by the Japanese. I told him I had considered that and thought it was a good suggestion and that we were proposing

to

DEPARTMENT OF STATE

THE SECRETARY

- 3 -

to make such a protest and that we were intending to include in the protest a warning that we would hold the Japanese Government liable for any damages that should arise from such use. I handed him a draft of such a proposed protest that we are sending and I requested him to communicate with his Government and suggest that they send a similar protest. I told the Ambassador I had already made the suggestion to the British this afternoon through the Foreign Minister with whom I talked over the telephone and that Mr. Castle was making the same suggestion to the Italians through the Italian Ambassador. He read the draft protest and said he thought it was a very good one and that he personally was very strongly in favor of it and would communicate it to his Government.

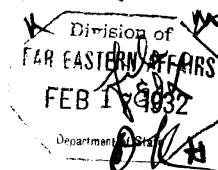
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



DEPARTMENT OF STATE
THE SECRETARY



February 15, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON AND
THE JAPANESE AMBASSADOR, MR. KATSUJI DEBUCHI.

Shanghai.

The Japanese Ambassador came in to see me. He said that he came not by instruction but on his own initiative to tell me what the Japanese were doing. He said that the first land forces were landed at Woosung on February 7 and the following day; that this was a mixed brigade from the Twelfth Division; that the second installment of their land troops was the Ninth Division which was landed on the 13th, 14th and 15th of February. He told me that no other land forces were to be landed. I pressed him categorically on this landing of forces and asked him if this applied to all of China and was he sure that no other land forces would be landed elsewhere than at Shanghai. He replied that he was.

The Ambassador then told me that there were a number of rumors that he wished to deny. He said that the Japanese were not seeking any exclusive concession at Shanghai; that they had no idea of it whatever; that they asked for nothing more than their rights in the International Settlement. He told me that his Government was not proposing to create

F/LS 793.94/4265

FILED

793.94
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893.102
494.111
12-18-75

DEPARTMENT OF STATE

THE SECRETARY

- 2 -

create any neutral zone or demilitarized zone at any other place in China than Shanghai and that the report to that effect recently published was only the statement of a very low official in the Foreign Office. I laughed at this and he then said that it was the same official that had previously made trouble. I then told him that I should not have given much attention to the statement by the spokesman of the Foreign Office if it had occurred by itself and in normal times but that here it fitted in too closely with other statements and other things that the Japanese were doing to be disregarded. I reminded the Ambassador how the Japanese Government had rejected the fifth point of the four Powers in their effort at good offices by stating that they would not permit any representative of a third power to participate in any negotiations as to Manchuria. I called his attention to the fact that we and the British and the French who made the suggestion were signatories of the Nine-Power Pact and that we considered that we had a right to participate in discussions about that pact concerning all of China, including Manchuria. He stated that that was true, and he said that the Japanese had no intention of disregarding or not faithfully abiding by the Nine-Power Pact; that Japan had scrupulously kept her treaties.

DEPARTMENT OF STATE

THE SECRETARY

- 3 -

I again told him that the difficulty was that the facts here were against it and that the events occurring at Shanghai were difficult to reconcile with the covenants of the Nine-Power Pact and therefore I felt that the statements of the spokesman of the Foreign Office at Tokyo to the effect that Japan wished to repeal the Nine-Power Pact must be given more weight than they would in normal times.

494.11
I then told him that I had heard of the landing of the troops which he spoke of and that they were being landed in the Settlement contrary to the previous promise of the Japanese Consul General after our protest; that I regarded this as a very serious matter because it would inevitably provoke, and justly provoke, the resentment and reprisals of the Chinese when they found that they were being attacked by Japanese using the International Settlement as a base; that I was proposing to protest again about that publicly and to notify the Japanese Government that we proposed to hold them ^{financially} responsible for all damages which we suffered from such use of the Settlement as a base for military operations. He at once became very much interested in this and wanted to know how I was going to make the protest. I told him I should make it to Tokyo but I would notify him.

I told the Ambassador that I had finally received a report on the Ringwalt case and I gave him a summary of what

DEPARTMENT OF STATE

THE SECRETARY

- 4 -

what had happened, from the note which Dr. Hornbeek had placed in my hands. I told him that it was absolutely necessary for the protection of our people in the Settlement that he should see that the authority of our Consuls and Vice Consuls was protected and that their persons were protected; that Mr. Ringwalt was performing one of his duties while he was made a victim of this assault and that although the Japanese Consul General had expressed his regret to Mr. Cunningham, I thought that we should have a formal apology from the Japanese Government. The Ambassador asked me how I wanted that done; whether it would do to have it made at Shanghai to our Minister by the Japanese Minister. I said that I would prefer it here but would take into consideration the other method if they were accustomed to it; that we made no request for an indemnity but we would make a request for a more vigorous effort to punish the offenders. He said he would convey my representation to his Government.

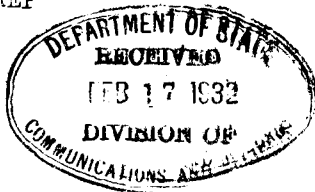
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REF

TELEGRAM RECEIVED



FROM

GRAY

Geneva

Dated February 17, 1932

Rec'd 4:15 p. m.

Secretary of State,
Washington.

27, February 17, 8 p. m.

Sweetser informs me that at a private meeting of the twelve today a legal argument prepared by the Japanese was considered. The argument endeavors to show that China has no legal right to summon the Assembly.

The memorandum was referred to a special committee of jurists who will subsequently report to the twelve.

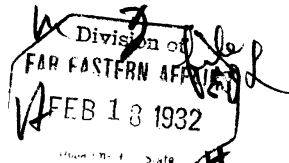
The objections would not seem to be taken very seriously by the members of the Council.

WILSON

KLI

RR

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note
500.C112
500.C111



793.94/4266

FEB 24 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

REP

TELEGRAM RECEIVED

CORRECTED COPY

RECEIVED FROM

FEB 13 1932
DIVISION OF

GRAY

Shanghai

Dated February 17, 1932

Rec'd 6:55 p. m.

Secretary of State,
Washington.

PRIORITY RUSH

February 17, midnight.

My telegram February 13, 8 p.m.

Through the good offices of British Minister it has been agreed between Koo, representing the Chinese, and the Japanese Minister that there shall be a meeting between the Chinese and Japanese military tomorrow February 18, 9 a.m. at the Sino-Japanese Friendship Association in the French Concession. Japanese will be represented by Chief of Staff General Tashiro accompanied by one staff officer and one interpreter. Chinese will be represented by Major General Fan Chi Wu Chief of Staff of 19th Army accompanied by one secretary and one interpreter.

Two. At this meeting Japanese will explain terms under which they will agree not to push hostilities further, namely:

(a)

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

Division of
FAR EASTERN AFFAIRS
FEB 18 1932
Department of State

793.94/4267

FILED

FEB 25 1932

REP

2-from Shanghai, Feb.17,midnight

(a) 19th Army will withdraw to a line 20 kilometres from the Japanese sector of settlement on north bank of Soochow Creek and to same line on right bank of Whangpoo river.

(b) Chinese withdrawal to be checked by Japanese Military Commission with guards. Third parties may accompany it.

(c) Japanese forces to be withdrawn to original position within the Settlement.

(d) Chinese may raise question of checking Japanese withdrawal and although Japanese may oppose this, it is understood they may yield.

(e) Chinese to withdraw plain clothes men.

(f) Question of protection of aliens within the evacuated area may be discussed.

Three. On the civil side Consul General Murai will notify Mayor of terms, asking that Chinese forces evacuate area specified (not specially mentioning 19th Army). Consul General will also ask the Mayor to reaffirm ten points accepted by Mayor January 28th in reference to anti-Japanese activities, etc.

Four. Question of permanence of withdrawal not to be discussed.

Five.

DECLASSIFIED: E.O. 11652, 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-from Shanghai, Feb. 17, midnight

Five. Lampson and I hope that at the meeting Chinese and Japanese will arrange for cessation of hostilities. Japanese go armed with authorization to present an ultimatum but will not use it until evident that the meeting has failed of its purpose.

Scene and personnel of meeting to be treated as confidential.

JOHNSON

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

MP

TELEGRAM RECEIVED

GRAY

Shanghai

Dated February 17, 1932

FROM

Rec'd 6:55 p.m.

Secretary of State,
Washington.

PRIORITY RUSH

February 17 midnight.

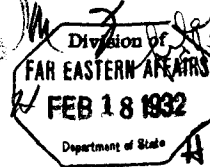
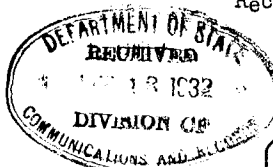
My telegram February 13, 4179 8 p.m.

Through the good offices of British Minister
it has been agreed between Koo, representing the Chinese,
and the Japanese Minister that there shall be a meeting
between the Chinese and Japanese military tomorrow
February 18, 9 a.m. at the Sino-Japanese Friendship
Association in the French Concession. Japanese will be
represented by Chief of Staff General Tashiro accompanied
by one staff officer and one interpreter. Chinese will
be represented by Major General Fan Chi Wu Chief of Staff
of 19th Army accompanied by one secretary and one in-
terpreter.

Two. At this meeting Japanese will explain
terms under which they will agree not to push hostilities
farther, namely:

(a)

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



793.94/4267

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793.94
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FEB 18 1932

MP

2--From Shanghai February 17, 1932

(a) 19th Army will withdraw to a line 20 kilometres from the Japanese sector of settlement on north bank of Soochow Creek and to same line on right bank of Whangpoo river.

(b) Chinese withdrawal to be checked by Japanese Military Commission with guards. Third parties may accompany it.

(c) Japanese forces to be withdrawn to original position within the Settlement.

(d) Chinese may raise question of checking Japanese withdrawal and although Japanese may oppose this, it is understood they may yield.

(e) Chinese to withdraw plain clothes men.

(f) Question of protection of aliens within the evacuated area may be discussed.

Three. On the civil side Consul General Murai will notify Mayor of terms, asking that Chinese forces evacuate area specified (not specially mentioning 19th Army). Consul General will also ask the Mayor to reaffirm

ten

man

3- from Shanghai, February 17, 1932

ten points accepted by Mayor January 28th in reference to
anti-Japanese activities, etc.

Four. Question of (?) of (?) not to be discussed.

Five. Lampson and I hope that at the meeting Chinese
and Japanese will arrange for cessation of hostilities.
Japanese (?) armed with available (?) an equal (?) uses
until evident that the meeting has failed of its (?).

Daily report and personnel of meeting to be treated
as confidential.

JOHNSON

Corrected copy to follow.

1984

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

*77537
Note: Conf. for
extracts for
"War Communism"
for [unclear]
[unclear]*

*paid 5.67
were converted
Comm. in a [unclear]
drafted in [unclear]*

TELEGRAM RECEIVED

DEPARTMENT OF STATE
RECEIVED
FEB 18 1932
DIVISION OF
COMMUNICATIONS AND RECORDS

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

SHANGHAI VIA NR
Dated February 17, 1932
Rec'd 7:40 p.m.

Secretary of State
Washington

Office of Foreign Affairs
FEB 24 1932
FEB 18 1932
Division of
FAR EASTERN AFFAIRS
Department of State

February 17, 3 p.m.

793.94
893.102
793.94
893.516
893.51

DEPARTMENT OF STATE
FEB 25 1932
ASSISTANT SECRETARY OF STATE
[unclear]

Continuing my daily report 61, February 16, 6 p.m.
One. Last night at 11:30 the heaviest artillery bombardment yet opened by the Japanese began in the Chapei sector and continued for some time. Since then things have been relatively quiet on all fronts. It is known that the 19th Route Army is very short of ammunition. The Japanese infantry took over the front line position in the Chapei sector from the naval landing forces yesterday afternoon. Japanese troops are reported to be advancing along the Hsiangying Road with Kiangwan as their objective.

Two. Since the last report some eighteen shells have fallen within the Settlement boundaries. One fell on the Shanghai-Hongkew wharf pontoon in the vicinity of Chaoufontng Road killing a Chinese female and seriously wounding

F/HS

793.94/4268

FEB 17 1932

mam

2- #64, from Shanghai, February 17,
1932

wounding two British naval guards and six Chinese.

note
793.74119

Three. An unconfirmed rumor is to the effect that neither the Japanese nor the Chinese are desirous of continuing the struggle. It is a matter of finding a modus vivendi that will be satisfactory to both sides. According to the same source the Japanese frankly admit that they do not want to carry on the struggle because of the cost. It is also stated that the high officers of the 19th Route Army are willing to retire provided a face saving formula can be found. The opposition to this retirement comes first, from the mass of the Chinese people who are "mad" and secondly, from the rank and file of the 19th Route Army who feel that they can defeat the Japanese. An unconfirmed rumor also states that the Japanese and Chinese are carrying on discussions on the basis that the 19th Route Army retire from Shanghai and that the Japanese withdraw within the defense lines of the Settlement. The Chinese are willing to allow the Japanese to retain a certain number of troops within the Settlement defense lines proportionate to the number stationed here by other nationals. The same source stated that for the present these

nam

3- #64, from Shanghai, February 17,
1932

these negotiations must be carried on between the Japanese and Chinese. Later foreign mediators may be asked to see that the conditions of the potential agreement are carried out. I give but little credence to these rumors.

Four. It is my personal opinion that if the civilian Chinese negotiators are able to convince the 19th Route Army that they are facing inevitable defeat if they persist in their present course, it is possible that this organization may gradually disintegrate.

note
893.516
893.51
567
[Five. The financial situation in Shanghai among the Chinese native banks continues in a parlous state. The modern and native bankers have formed a sort of super-banking organization with a capital of \$75,000,000 for the purpose of preventing the native banks from going to the wall. Many native shops have not reopened because it is believed that they are financially unable to do so. For this same reason foreign firms are finding it impossible to cash native drafts.

Six. Shanghai consignees are refusing drafts unless merchandise has immediate sale. Advise further shipments

MP

4-#64 From Shanghai February 17, 1932

shipments only against irrevocable letter of credit. This situation is the result of the attitude adopted by Chinese native banks in refusing to release any hard cash. The congestion upon piers and in warehouses continues without perceptible abatement.

Seven. It is understood that T. V. Soong and certain other government officials have approached the Chinese banks with a proposal that the period for all domestic bonds be extended three years, and that the period of amortization of all loans be extended for three years and that a flat rate of six per cent be set. This would naturally give the government a larger income and it is believed that there is an implied threat back of this that if it is not agreed to a moratorium will be declared.

Eight. On February 15th the American marines reported that eight 75 mm. high explosive shells with time fuses fired from the Hongkew rifle range struck in the first battalion area near post number five and passed the wall of the Foufoong ^{3 down} ~~go~~ ~~own~~ ~~(?)~~ exploding in a high stack of flour. Two others exploded nearby and others struck in the Soochow Creek. One missed a marine

mam

5- #64, from Shanghai, February 17,
1932

marine patrol by fifteen or twenty feet, another a sentry squad by about fifty feet and all struck within 100 yards of two officers and thirty-one men. When the Japanese army headquarters were communicated with they said they would correct their range.

*note
393.115-Standard Oil* Nine. The Standard Oil Company reports that their ship the MLITUNG, when proceeding from Shoochow to Shanghai by Setai Lake and the Whangpoo River, was fired upon by soldiers near the Zahweikong Railway Station and was forced to turn about and proceed towards Minghong.

Ten. It is reported that the first and second divisions of the Chinese Emergency Corps have been reorganized into the 87th and 88th divisions and will be sent to Shanghai to assist the 19th Route Army. The Tax Police Corps formerly under the direct command of the Ministry of Finance has been incorporated into the 88th division as an independent brigade consisting of nine regiments.

*note
893.1052* Eleven. The Japanese continue to interfere with the exercise of police jurisdiction within the Settlement boundaries. On February 14th a British subject was held up on Dixwell Road near North Szechuan Road by Japanese marines and

man

6- #64, from Shanghai, February 17,
1932

and reservists who made him alight from his car and searched him. His curfew and emergency passes were taken from him and torn up. On February 15th a male Chinese was arrested by Japanese reservists on Broadway and Boon Road and taken to an unknown destination. On February 16th a male Chinese was seen being taken along Woosung Road towards the Japanese temple by a Japanese civilian. On February 16th, two male Chinese were seen being taken into the Japanese school in Range Road by two Japanese marines. On February 16th, a male Chinese was seen in the custody of Japanese marines being taken along Woosung Road. The Japanese promises to return municipal functions to the Shanghai Municipal Council are by no means being fulfilled and if any assistance can be extended it would be greatly appreciated.

Repeated to the Legation and Nanking.

CUNNINGHAM

DAS FW

1941

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

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

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PM RECD
TELEGRAM SENT

Department of State

1-128
TO BE TRANSMITTED
CONFIDENTIAL CODE
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PLAIN

Washington,
February 18, 1932.

AMERICAN CONSUL,
SHANGHAI (China).

FEB 18 32

24
Your 64/4268
Your 64, February 17, 5 p. m., paragraph 11, in regard
to continuance of Japanese interference with municipal
functions.

One Has Municipal Council reported this matter to the
Consular Body? If so, it would seem appropriate for the
Consular Body to discuss the matter with a view to bringing
the situation to the attention of the appropriate Japanese
authorities at Shanghai or with a view to making recommenda-
tions to the interested Ministers.

Please confer with the Minister.

Following for guidance:

In regard to all matters which are of ~~actual~~ ^{common} concern to
the several powers interested in the administration of the
International Settlement, the Department feels in general
(1) that, as questions arise, they should be brought to the
attention of the Consular Body, discussed by that Body and
an attempt made to effect a local settlement; (2) that in
attempting such local settlement the various Ministers con-
cerned, particularly those in Shanghai, might be consulted;
and

Enciphered by _____

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-128

793.94/4268

note
893.102-3

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006.8102

793.94/4268

1991

DECLASSIFIED: E.O. 11652, 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

Washington,

- 2 -

and (3) that in the event efforts toward a local settlement fail, a report of the facts should then be made to the various governments concerned together with (a) your views (b) the views of the Minister, and (c) the views of the Consular Body.

In present circumstances, in case Japanese Consul General by failure to cooperate prevents unanimous action by Consular Body, Department feels that action should be taken collectively by Consuls of other interested Powers.

Two. Referring to last sentence of paragraph eleven of your telegram under reference, if you think, after conference with Minister, that Department is in position to render assistance, please indicate what type of possible assistance you have in mind.

Stinson
Sept

FE:MMH:REK
m.m.f.

Rem.
 FE
6

Enciphered by

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1958 1-128

In reply refer to
A-C/C 793.94/4268

February 25, 1932.

CONFIDENTIAL

MEMORANDUM FOR BUREAU OF FOREIGN AND DOMESTIC COMMERCE

The Commercial Office of the Department of State quotes below, for the information of the Bureau of Foreign and Domestic Commerce, the pertinent extracts of Cable No. 64 of February 17, 1932, 5 p.m., from the American Consul General at Shanghai, China, with the request that the data given by considered as "confidential" and "for guarded dissemination":

***"Five. The financial situation in Shanghai among the Chinese native banks continues in a parlous state. The modern and native bankers have formed a sort of super-banking organization with a capital of \$75,000,000 for the purpose of preventing the native banks from going to the wall. Many native shops have not reopened because it is believed that they are financially unable to do so. For this same reason foreign firms are finding it impossible to cash native drafts.

"Six. Shanghai consignees are refusing drafts unless merchandise has immediate sale. Advise further shipments only against irrevocable letter of credit. This situation is the result of the attitude adopted by Chinese native banks in refusing to release any hard cash. The congestion upon piers and in

warehouses

168.
793.94/4268

1993

DECLASSIFIED: E.O. 11652, 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 -

warehouses continues without perceptible abatement.

"Seven. It is understood that T. V. Soong and certain other government officials have approached the Chinese banks with a proposal that the period for all domestic bonds be extended three years, and that the period of amortization of all loans be extended for three years and that a flat rate of six per cent be set. This would naturally give the government a larger income and it is believed that there is an implied threat back of this that if it is not agreed to a moratorium will be declared."

A-C/C WDJ:KPH

[Handwritten signature]

[Handwritten signature]

[Faint stamp]

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

COPY:CLS

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

February 12, 1932.

SKH:

Point 1: We are also cooperating with the League's Shanghai Commission in preparing for the Council a full and accurate report of events at Shanghai.

Point 2: The brunt of carrying out an economic boycott, and of dealing with the possible "serious consequences" which might follow, would fall on Great Britain and the United States. The minor members of the League, who are in the majority, might readily vote on this proposition as a matter of "principle" without sharing to any appreciable extent in the responsibilities which might result from such action.

I think the suggestion recently made by Ambassador Forbes, in which the British Ambassador at Tokyo concurred, that we should be prepared to deal with the possible consequences thereof before action on the economic boycott were taken, merits serious consideration.

FE:RSM:EJL

DECLASSIFIED: E.O. 11652, 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

TELEGRAM RECEIVED

GRAY

FROM

Peiping via N. R.

Dated February 18, 1932

Rec'd 8:55 a. m.

Secretary of State,
Washington.

PRIORITY.

245, February 18, 6 p. m.

Following from Captain Mayer at Shanghai:

"February 18, 9 a. m. Conciliatory policy of
Japanese and other signs indicate possibility of early
peaceful settlement."

FOR THE MINISTER

PERKINS

RR

HPD

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F/DEW

793.94/4269

FEB 24 1932

FILED

793.94
note
893.102-5
793.9419

TELEGRAM RECEIVED

MET

DEPARTMENT OF STATE
RECEIVED
JAN 13 1932
DIVISION OF
RECORDS

FROM

GRAY

Tokio

Dated February 18, 1932

Rec'd 6:45 a.m.

Secretary of State,

Washington

73, February 18, 6 p.m.

The editorials of the five leading vernacular Tokyo newspapers this morning commented with unanimous disfavor on the note addressed by the League Council to the Japanese Government. The JIJJI describes the request that only Japan suspend military operations as a gross mistake and states that the question does not come under the League Covenant nor the Nine Power Treaty and that the more the powers mediate the more antagonistic toward Japan will Chinese become. The ASAHI says that the note reveals remarkable misunderstanding. The HOCHI describes it as somewhat insulting as it implies territorial ambition on Japan's part and states that no intervention can be tolerated which excuses Chinese from responsibility in the present situation. This paper dwells at some length on the "mistakes" in the report

of

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F/DEW

793.94/4270

FILED

793.94
note
500.C112

DECLASSIFIED: E.O. 11652, 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-#73 from Tokio, February 18,
6 p.m.

of the Shanghai consular body. The NICHU NICHU says that reference to Article 10 is idle talk, that for self-defense Japan can send any troops necessary, that there is no knowing what measures the Chinese may take and that if the present force is insufficient more should be sent without delay. The CHUGAI states that had Japan despatched troops earlier the situation might not now be so grave and that they should start operations as promptly as possible so as to bring about a speedy solution of the dispute.

FORBES

CIB

WSB

MICROCOPY

976

ROLL

12

END

