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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 25

1930-39

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May-Nov. 1933



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

WASHINGTON: 1975

## INTRODUCTION

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

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

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

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

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

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

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

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

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

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

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

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

DOCUMENT FILE

NOTE

SEE 894.00 P. R./65 FOR Despatch # 382.

FROM Japan ( Grew ) DATED May 8, 1933.  
TO NAME 1-1127 \*\*\*

6351

793.94/6351

REGARDING:

Fighting continued along the Great Wall during the month of April. Attack launched by the Japanese line from Koupeikow to Shanhaikwan on April 10th for the purpose of dislodging the Chinese from commanding positions immediately south of the Great Wall and there to establish a Japanese outpost line of resistance to cover the main line of resistance along the Wall.

- 7 -

II. POLITICAL RELATIONS WITH OTHER COUNTRIES:

(a) Relations with China

793.94

Fighting continued along the Great Wall during the month of April. The Japanese General Staff stated to a member of the staff of this Embassy that on April 10 an attack was launched by the Japanese line from Koupeikow to Shanhaikwan. Its purpose was to dislodge the Chinese from commanding positions immediately south of the Great Wall and there to establish a Japanese outpost line of resistance to cover the main line of resistance along the Wall.\* It is believed that the Japanese General Staff does not contemplate sending an advance force into North China if they can avoid doing so. The efforts of the Army at the Wall to obtain reinforcements from Japan appear to have been unsuccessful.\*\* This in itself will tend to keep the Army in check. The officials at home are apparently sincerely anxious not to get involved in military operations in North China but some concern has been felt that the Army in the field could not be relied upon to confine their activities to the area north of the Wall. The Japanese evidently intend to drive all the Chinese forces beyond the hills and to break up any military units in the region which appear to be a menace. With the troops now on the scene it is felt that the danger of the operations spreading than would be the case if their requests for reinforcements were met.

The month of April has been a period of many conversations and conferences regarding the Japanese policy to China. Besides the presence of the generals

\*Embassy's to  
\*\* Embassy's

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Department of State letter, August 10, 1972  
By Milton C. Anastasio NARS, Date 7-28-75

**A LEGAL STUDY**

**JAPAN'S ACTS OF TREATY VIOLATION AND  
ENCROACHMENT UPON THE SOVEREIGN  
RIGHTS OF CHINA**

**IN THE  
NORTH-EASTERN PROVINCES (MANCHURIA).**

By  
**HERBERT HANTAO WU M.L., PH.D.**

Division of  
**FAR EASTERN AFFAIRS**  
**JUL 23 1933**  
Department of State

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**IN THE**  
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By

HERBERT HANTAO WU, M.L., PH.D.

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**OCTOBER, 1932.**

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

*To My Friend*  
*Mr. T. Y. Wang*  
*General Secretary*  
*Commission on North-Eastern Foreign Relations*  
*and*  
*Managing Director*  
*Foreign Affairs Monthly, Peiping, China.*

## TABLE OF CONTENTS

INTRODUCTION	
CHAPTER I	Page
The Establishment of the Kwantung Government and its Organization .....	7
CHAPTER II	
The South Manchuria Railway Company .....	15
CHAPTER III	
The Administration of the South Manchuria Railway Leased Lands. ....	27
CHAPTER IV	
The Right of Stationing Troops Along the South Man- churia Railway Settlements .....	37
CHAPTER V.	
The Exercise of Police Rights by Japan outside the Kwantung Leased Territory. ....	58
CHAPTER VI	
Japan's Judicial Rights in the North-Eastern Provinces.	72
CHAPTER VII	
Educational Rights of Japan in the North-Eastern Pro- vinces .....	85
CHAPTER VIII	
Japan vs. Monetary and Financial Administration Rights in the North-Eastern Provinces .....	91

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### TABLE OF CONTENTS

	Page
CHAPTER IX	
Japan's Interest in the Administration of Communica- tions in the North-Eastern Provinces .....	105
CHAPTER X	
Japan's Interest in Mining and Industry in the North- Eastern Provinces.....	135
CHAPTER XI	
Japan's Interest in Agriculture, Forestry, and Fishing in the North-Eastern Provinces .....	151
CHAPTER XII	
The Problem of Double Nationality of the Koreans...	167
CHAPTER XIII	
Japan's Other Unlawful Activities in the North-Eastern Provinces.....	190
CONCLUSION .....	201

### ERRATA

#### MISTAKES

- 1) The North-Eastern Provinces of China.  
The Three North-Eastern Provinces.  
The North-east.
- 2) The South Manchuria Railway Zone.
- 3) Japan's Judicial Rights in Manchuria.
- 4) The North-Eastern Provinces  
(Manchuria & Mongolia)
- 5) The Three Eastern Provinces.

#### CORRECTIONS

- 1) The North-Eastern Provinces or the  
North-East (namely, Liaoning, Kirin,  
Heilungkiang, and Jehol)
- 2) The South Manchuria Railway Settle-  
ments or Areas or Leased Lands.
- 3) Japan's Judicial Rights in the North-  
Eastern Provinces.
- 4) The North-Eastern Provinces (Man-  
churia & Mongolia as Japan claimed).
- 5) The Three Eastern Provinces (name-  
ly, Liaoning, Kirin, and Heilungkiang).

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**JAPAN'S ACTS OF TREATY VIOLATION AND ENCROACHMENT  
UPON THE SOVEREIGN RIGHTS OF CHINA IN THE  
NORTH-EASTERN PROVINCES (Manchuria).**

INTRODUCTION

The North-east (this name is used to designate the four provinces, namely, Liaoning, formerly known as Fengtien, Kirin, Heilungkiang, and Jehol) is Chinese territory situated in the Northeastern section of China. In Articles II and III of the Treaty of Shimonoseki, concluded in 1895 following the Sino-Japanese War, Japan tacitly recognized it as Chinese territory. She openly did so in her declaration of war with Russia in 1904. Furthermore, at the Washington Conference of 1922, she also recognized the North-Eastern Provinces (Manchuria and Mongolia) as Chinese territory when she signed the Nine-Power Treaty. Therefore, from the standpoint of history and geography, as well as the Treaties Japan concluded with both China and Russia, and North-east is undoubtedly an integral part of Chinese territory.

Since the conclusion of the Treaty of 1905 entered into between China and Japan relating to the Three Eastern Provinces, and the Agreement supplementary to the said Treaty, Japan has succeeded Russia in Dairen and Port Arthur and has taken

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— 2 —

over the South Manchuria Railway as well as other rights and interests in South Manchuria. Later on she successively concluded with China various Treaties and Conventions, Agreements, Protocols, Regulations, etc., having the force of treaties to extend her special rights and interests in the North-east; and the most important of these is the Treaty of Peking (the so-called Twenty-one Demands) forced on China in 1915. The Chinese Government demanded the abrogation of this Treaty both at the Paris Conference in 1918-1919, and at the Washington Conference in 1921-1922. Neither the Chinese Parliament nor the Chinese people has recognized its validity. What Japan regarded as her treaty rights are really rights of concession and the rights of utilization and cannot be construed as the rights of possession or partaking of the nature of ownership in private law. In Article I of the Treaty concluded between Russia and China in 1898 pertaining to the lease of Port Arthur and Dairen it was provided that such a leasehold should not infringe upon the sovereign rights of the Chinese Emperor. Again, in Article III of the Portsmouth Treaty of 1905 it was definitely stipulated that the troops of both Russia and Japan, occupying and controlling Manchuria, should be evacuated and turn it over to China, and, at the same time, they mutually undertook not to encroach upon China's sovereign rights. From this it can be seen that while Japan is entitled to the full enjoyment of her legitimate rights and privileges she should

— 3 —

not infringe upon China's territorial and administrative sovereignty.

However, Japan has persisted in her traditional continental policy toward the North-east, and in the carrying out of this policy she has ignored her obligations and undertakings embodied in her Treaties with China. On July 25, 1927, the Japanese Premier Tanaka submitted a secret memorial to the Emperor of Japan, outlining the positive policy in Manchuria and Mongolia. "In order to conquer China", he said, "we must first conquer Manchuria and Mongolia. In order to conquer the world we must first conquer China. If China is conquered other Eastern peoples will fear and respect us and pay homage to us. Then Asia will be Japan's Asia and no country will dare to violate our rights. This was the policy of the late Emperor Meiji left to us as a heritage. It is the life and death problem of the Empire today." This is the keynote of the so-called positive policy toward Manchuria and Mongolia. In pursuing and bringing toward consummation the audacious policy Japan has violated all the provisions embodied in her Treaties with China and cynically ignored China's sovereign rights. She has advanced various pretexts and had recourse to all manner of specious reasoning to further her selfish ends. Confronted by such a situation China had no alternative but to resist Japanese aggressions if, on the one hand, she wished to maintain the Open Door policy and the principle of Equality of Oppor-

— 6 —

the Nine-Power Treaty, and all the Treaties entered into with China. In the following chapters we will give a fuller account of Japan's acts of treaty violation and her encroachments upon China's sovereign rights before the military coup of September 18, 1931, in order to appeal to the impartial judgment of enlightened public opinion throughout the world. If there is justice in the world and if righteousness still exists, it will not be difficult to decide as to the rights and wrongs of the Sino-Japanese conflict in the North-east. The incident of September 18 represent only a phase in the carrying out of Japan's continental policy which had been carefully formulated and elaborated by her military clique; and the reasons she gave for sending her troops to occupy the North-east, and the pretexts she advanced from time to time, are nothing except trying to deceive the world in order to conceal her real motives.

— 7 —

CHAPTER I  
**THE ESTABLISHMENT OF THE KWANTUNG GOVERNMENT  
AND ITS ORGANIZATION**

The Kwantung Government is the Japanese administrative organ in the Kwantung Leased Territory. It is the headquarters of Japanese political influence in the North-east. The area under the control of this Government is called by the Japanese the Kwantung Territory. This territory is situated at the southern end of the Liaotung Peninsula. It is a small area including Port Arthur, Dairen and Kinchow, totaling 1211 square miles. Formerly, before the Russo-Japanese War, this area was a Russian concession. After the War it was transferred by Russia to Japan, as was provided in Articles V and VI of the Portsmouth Treaty. Article I of the Treaty concluded between China and Japan relating to the Three Eastern Provinces on December 22, 1905, made the same provision; and Article II stipulated that Japan should abide by the original agreement entered into between China and Russia pertaining to the leased territory and the construction of the Chinese Eastern Railway. During the conclusion of the Sino-Japanese Treaty of 1905 relating to the Three Eastern Provinces the Chinese representative vested with plenipotentiary powers made a copy of six Treaties and Agreements concluded between China and Russia and presented it to the Japanese

— 8 —

delegate. But judging by the manner in which the Kwantung Government was organized and the Kwantung Leased Territory was administered by Japan, together with other activities, we cannot but draw the conclusion that she has never carried out the original treaty provisions made between China and Russia.

In October, 1905, after the conclusion of the Treaty of Portsmouth, Japan instituted the Governorship-General of Kwantung and appointed General Oshima Kisho as the first Governor-General having charge of both civil and military affairs. This system was abolished in August, 1906, and in its place was established the Kwantung Government-General. There were set up two Departments, Civil and Military, to take charge of civil and military affairs, and placed under the control of the Government-General. It was specified that the Government-General should be headed by an Army officer. General Oshima Kisho was the first appointed to such a responsible post. In April, 1919, this system was again abolished and the Kwantung Government was established as the supreme organ for civil affairs (the Kwantung Army Headquarters was set up independently to take charge of military affairs). Thus the Governor of the Kwantung Government was no more a military man but a civil administrator. The first Governor was Hayashi, one of the leading Japanese diplomats.

— 9 —

2) Since October, 1905, Japan has established the Governorship-General and then the Government-General to take control of both the civil and military affairs of the Kwantung Leased Territory. This is plainly a violation of the Treaty of March 27, 1898, concluded between China and Russia concerning the lease of Port Arthur and Dairen. Article IV of this Treaty provides that

**"On the territory leased by the Russian Government and its adjacent water area, the entire military command of the land and naval forces and equally the supreme civil administration will be given over to the Russian authorities and will be concentrated in the hands of one person who however shall not have the title of Governor or Governor-General"**

This provision, however, was first violated by Russia and later by Japan.

3) According to the government system in Japan, the word "Government" is an organization for the administration of her colonies or territories over which she exercises administrative powers. As examples we may mention the Saghalien Government, the South Sea Islands Military Government, and the Hokkaido Government. In other words, the Kwantung Government is but a sort of branch office of the home government of Japan. The Kwantung Peninsula is a territory leased to Japan for a limited number of years and its territorial sovereignty remains with China. Japan, disregarding the provision in Article I of the Treaty of 1898 between China and Russia per-

— 10 —

taining to the lease of Port Arthur and Dairen, has introduced since 1919 the Kwantung Government system and looked upon the Kwantung Leased Territory as her own territory. This constitutes an infringement upon China's territorial sovereignty. Article I of the Sino-Russian Treaty of 1898 relating to the lease of Port Arthur and Dairen provides that

" H.M. the Emperor of China agrees to place at the disposal of the Russian Government, on lease, the Ports Arthur and Ta-lien-wan together with the water areas contiguous to these ports. This act of lease, however, in no way violates the sovereign rights of H.M. the Emperor of China to the above-mentioned territory".

4) In Article VI of the Treaty of 1898 between China and Russia concerning the lease of Port Arthur and Dairen it is provided that

" Both the Governments agree that Port Arthur, as an exclusively military (naval) port, shall be used solely by Russian and Chinese vessels and shall be considered as a close port to the warships and merchant vessels of other States".

According to this provision China's warships and commercial vessels should enjoy the right to use Port Arthur. But since Japan succeeded Russia in Port Arthur she has imposed all kinds of restrictions, thus virtually closing the port to Chinese warships and commercial vessels. This is plainly a violation of the spirit of the said Treaty.

— 11 —

5) According to Article IV of the Additional Agreement of May 7, 1898, concluded between China and Russia defining the boundaries of the leased and neutralized territory in the Liaotung Peninsula it is provided that

"The Russian Government assents to the request of the Chinese Government that the administration and police of the city of Kinchow shall be Chinese. Chinese troops will be withdrawn from Kinchow and replaced by Russian troops. The inhabitants of the city have the power to use the roads from Kinchow to the north boundary of the leased territory, and the waters usually required near the city, the use of which has been granted to Russia; but they have no power to use the sea-coast".

But since 1905, when Japan succeeded Russia and undertook to observe the provisions of this Treaty she has tried all means to prevent China from sending officials to administer the civil affairs in Kinchow. In the third year of the Chinese Republic the name of Kinchow was changed to Kin-Hsien which is a district under the jurisdiction of Fengtien Province. But because of Japan's usurpation of China's administrative rights the provincial government of Fengtien has been unable to appoint a civil official to administer that place and has been compelled to entrust its administration to the neighboring district of Fu-Hsien. The official seal of Kin-Hsien is still kept in the provincial administration building. China has sovereign rights in her own territory, but on account of Japan's treaty violation she has been unable to exercise such rights.

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— 12 —

6) There should not be any difference in the legal status between the Kwantung Leased Territory and that of the concessions of the other Powers in China. But with the Kwantung administration as it is at present organized, together with the local system as it is in force, great difference exists. This is contrary to the letter and spirit of Articles I and IV of the Treaty of March, 1898, between Russia and China pertaining to the lease of Port Arthur and Dairen, and of Article IV of the Additional Treaty concluded in May of the same year; and of Articles I and II of the Treaty of 1905 entered into between China and Japan relating to the Three Eastern Provinces. She has ignored the principles of International Law in regard to concessions; and whenever possible she has encroached upon China's sovereign rights.

The Kwantung Government is organized along the following lines:

Kwantung Administration	Secretariat	{ Secretaries Documents Political Investigation Section Foreign Affairs Section Board of Councillors
	Home Affairs Department	{ Local Administration Section Education Section Industrial Affairs Section Engineering Section
	Police Department	{ Peace Preservation Section Public Affairs        " Sanitation           " Criminal             " Higher Police        "
	Finance Department	{ Accounts Section Finance            "
Other Organs	Communications Dept.	{ Postal Dept.        { Branch offices { Telegram dispatching & { receiving offices { Telephone exchange offices { Post Office-branch offices Telegraph Dept. Telephone Dept. Post Office Bureau Aerodrome
	Civil Affairs Bureau for Dairen, Port Arthur, & Kinchow & their branches	{ Primary Schools Public Schools Young People's Training Schools
	Police Bureau — sub-stations	
	Judicial Courts	{ Higher Courts Local Courts and their branches
	Constabulary Bureau	{ Higher Constabulary Local Constabulary
	Bureau of Punishment — branches	
	Police Training Schools	
	Maritime Affairs and their branches	
	Bureau of Monopoly	
	Stock Exchange	
Universities, College, Middle schools, Schools for Women and Normal schools and other Organs		

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— 14 —

In the light of the Treaty provisions mentioned in the foregoing paragraphs there is no legal basis whatever for the Kwantung Government to exercise judicial, postal and telegraphic, educational and police rights. There is still less justification for the establishment of the Bureau of Monopoly. This Bureau exists for the sole purpose of selling opium. According to the instructions embodied in the Edict No. 179, issued in July in the third year of Showa, all opium importation, its traffic and storage, together with the manufacture of other narcotics, should be handled by the said Bureau.

The powers of the Governor of Kwantung Government can be summarized as follows:

- a) He exercises all the administrative powers in the Kwantung Leased Territory.
- b) He possesses judicial and police powers along the South Manchuria Railway.
- c) He exercises supervision over the affairs of the South Manchuria Railway Company.
- d) He executes all the affairs under the direction of the Colonial Office and conducts all diplomatic affairs under the jurisdiction of the Minister of Foreign Affairs.

— 15 —

## CHAPTER II

### THE SOUTH MANCHURIA RAILWAY COMPANY

The Japanese railway system in the North-eastern Provinces centres around the South Manchuria Railway (Mantieh) and is under the administration of the South Manchuria Railway Company (Mantieh Company), Japan's rights over the South Manchuria Railway are based on Article VI of the Portsmouth Treaty concluded between Japan and Russia on September 25, 1905; on Article I of the Sino-Japanese Treaty relating to the Three Eastern Provinces concluded on December 22 of the same year, and on Article VI of the Agreement supplementary to the said Sino-Japanese Treaty. In other words, Japan succeeded Russia in the South Manchuria Railway on the basis of these Treaties and Agreement. This being the case, Japan is under solemn obligation to observe the provisions of the Sino-Russian Agreement arrived at in 1896 pertaining to the construction and management of the Chinese Eastern Railway. But from the standpoint of the organization, capitalization, personnel of the South Manchuria Railway Company and of the commercial and industrial enterprises it undertakes, Japan has violated all her treaty obligations.

- 1) The Organization of the South Manchuria Company.

After the Russo-Japanese War Russia relinquished in favour of Japan the southern branch of the Chinese Eastern Railway

— 16 —

from Changchun to Dairen. And in accordance with Article VI of the Agreement supplementary to the Sino-Japanese Treaty of December 22, 1905, relating to the Three Eastern Provinces, Japan was given the right to operate the Antung-Mukden Line which she had forcibly constructed, and to change its rails from narrow to broad gauge. On June 7, 1906, a set of regulations governing the establishment of the South Manchuria Railway Company was promulgated by the Imperial Ordinance No. 142. On July 30 an Organizing Commission was appointed for this purpose, comprising eighty of the most prominent personages in Japanese political, military and industrial circles. General Kotama, then Chief of the General Staff, served as Chairman of the Commission. On August 1 orders were given to the Commission by the Ministers of the Postal Administration, Finance and Foreign Affairs, respecting several matters relating to the organization of the South Manchuria Railway Joint Stock Company. The Orders embodied twenty-six Articles, the most important of which are the following:

ARTICLE I—The Company shall engage in the traffic of the following railways:

- 1) Dairen-Changchun
- 2) Nankuanling-Port Arthur
- 3) Tafangshen-Liushutun
- 4) Tashichiao-Yinkow
- 5) Yentai-Yentai Coal Mine

3(E) and 5(D) or (E)  
August 10, 1972  
S, Date 12-18-75

— 17 —

- 6) Sukiatun-Fushun
- 7) Mukden-Anlunghsien

ARTICLE II—Pertaining to the change of gauge and double tracks.

ARTICLE III—The Company shall make various arrangements necessary for the lodging and meals of the passengers, as well as for the storage of goods at the principal stations on the line.

At the points on the harbors and bays touched by the railways the necessary arrangements shall be made for connecting water and land transportation.

ARTICLE IV—For the convenience and the profits of the railways the Company may engage in the following accessory lines of business:

- 1) Water transportation
- 2) Electrical Enterprises
- 3) Warehousing
- 4) Business relating to the land and buildings on the land attached to the railways.
- 5) In addition, any business for which Government permission has been given.

ARTICLE V—The Company shall, subject to the permission of the Government, make the necessary arrangements for engineering works, education, plantation, etc., within the area of lands used for the railways and the accessory lines of business.

ARTICLE VI—To defray the expenses necessary for the arrangements mentioned in the preceding Article, the Company may, subject to the permission of the Government, collect fees of those who live within the area of lands used for the railways and the accessory lines of business, or make an other assessments for necessary expenses.

ARTICLE VII—The total amount of the Company's capital stock shall be 200,000,000 yen, of which half shall be furnished by the Imperial Government.

ARTICLE VIII—The capital to be furnished by the Government mentioned in the preceding Article shall consist of the following properties:

- The existing railways.
- All properties belonging to the railways.
- The coal mines at Fushun and Yentai.

In accordance with Imperial Ordinance No. 142 of 1906 and in obedience to the Orders of the Imperial Japanese Government, the Organizing Commission established on February 27 the South Manchuria Railway Joint Stock Company, with head-office at Tokyo (later moved to Dairen). On December 7 of the same year all necessary procedures pertaining to registration were completed.

The most noteworthy feature in the organization of the South Manchuria Railway Company was the absolute control

exercised by the Japanese Government. The Company commenced to function from April 1, 1907 (the Fortieth Year of Meiji), The chief administrative officers are:

- President.....I
- Vice President .....I
- Directors .....4 or more (now 8)
- Inspectors .....3 to 5 (now 4)

The term of office of the President and Vice-President is five years. They are appointed by the Government subject to the Imperial sanction. The term of office of the directors is four years and they are appointed by the Government from among those who own fifty shares or more. The term of office of inspectors is three years and they are elected by the shareholders at a general meeting of the shareholders. The President has general control of all affairs of the Company. The first President of the Company was Goto Shimpei (now deceased). The Company is organized on the following lines:

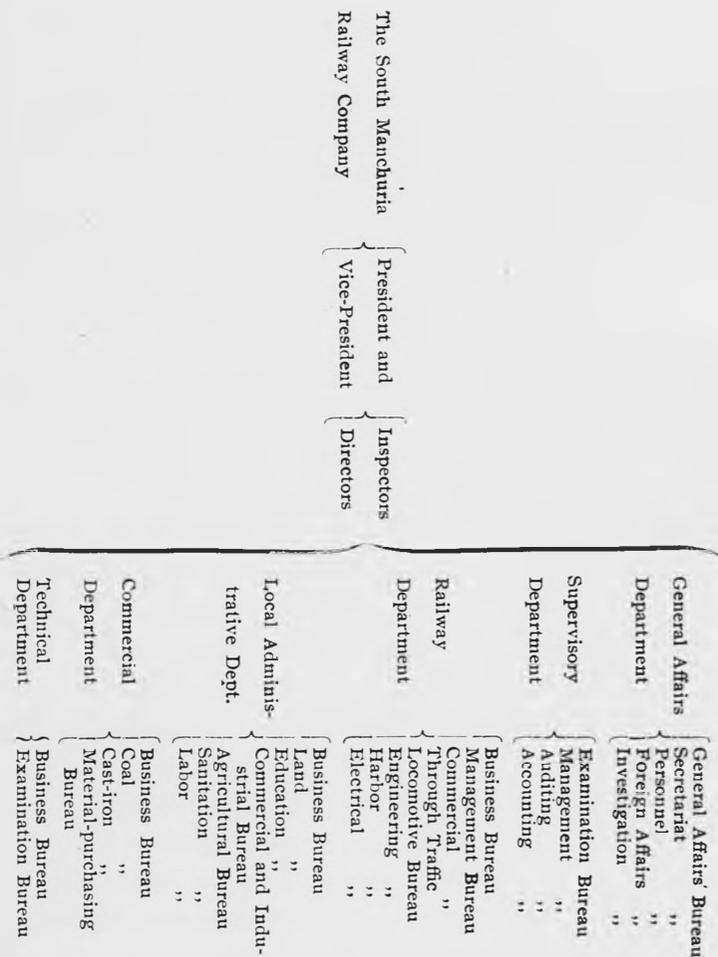
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 Department of State letter, August 10, 1972  
 By Milton O. Gustafson NARS, Date 12-18-75

Besides, there are five other organs placed directly under the Company—Tokyo Branch Office, Fushun Coal Mine, Anshan Iron-works, and the Branch office in Mukden and Harbin.

According to the ordinance now in force the Minister of Special Affairs, the Governor of Kwantung Administration, the minister of Foreign affairs and the administrative officers of the Company constitute the Board of Directors.

Japan, as successor to the rights and privileges enjoyed by Russia in South Manchuria, should abide by the Sino-Russian Agreement of 1896 pertaining to the Chinese Eastern Railway. She should have organized the South Manchuria Railway Company as a joint Sion-Japanese concern. By organizing the Company in accordance with the Imperial Ordinance and the orders of the Japanese Government she has not only violated the provisions of the Sino-Russian Railway Agreement of 1896 but also failed to carry out the undertaking given in Article II of the Sino-Japanese Treaty of 1905 which provides that:

"The Imperial Japanese Government engage that in regard to the leased territory as well as in the matter of railway construction and exploitation, they will, so far as circumstances permit, conform to the original agreement concluded between China and Russia. In case any question arises in the future on these subjects, the Japanese Government will decide it in consultation with the Chinese Government."



— 22 —

2) The Capital of the South Manchuria Railway Company.

We have already dwelt on the fact that Japan is the successor to the rights and privileges of Russia in the South Manchuria Railway. In accordance with Article I of the Sino-Russian Railway Agreement of 1896 it is provided that subscription to the shares issued by the Chinese Eastern Railway Company should be restricted only to Chinese and Russians. The South Manchuria Railway, the southern branch of the Chinese Eastern Railway, should therefore be a joint Sino-Japanese undertaking. China should have the right to subscribe to the shares (200 yen per share) issued by the South Manchuria Railway Company which was first capitalized at 200,000,000 yen. The Japanese Government furnished one-half of this sum which consists of (1) the existing railways; (2) all properties belonging to the railways; and (3) the coal mines at Fushun and Yentai. Concerning the ownership of the branch lines in item No. 1 and the coal mines in No. 3, it was then still under dispute between Japan and China. Japan, however, arbitrarily appropriated these properties as her own, thus ignoring China's legitimate rights.

When the other portion of the Capital, aggregating 100,000,000 yen, was open for subscription the Chinese Government was not in a position to take any shares, and the shares taken by the Chinese were negligible, the ratio being 1 to 1066 as compared with those subscribed for by the Japanese. Soon the

— 23 —

Chinese were entirely excluded from any share in the Company. Up till April 18, the Ninth Year of Taisho, the capital of the Company was increased to 440,000,000 yen, half of which was furnished by the Japanese Government and the other half was open to the subscription of the Japanese people, the Chinese having been rigidly debarred from participation. Japan had therefore failed to carry out her undertaking to abide by the provisions of the Sino-Russian Railway Agreement of 1896.

3) In accordance with Article I of the Sino-Russian Railway Agreement the official seal of the Chinese Eastern Railway Company should be issued by the Chinese Government, and that the latter should have the right to appoint the Director for the Chinese Eastern Railway. In the organization of the South Manchuria Railway Company Japan should have conformed to the provisions of the Sino-Russian Railway Agreement I of 1896. But she ignored her solemn undertaking. She appointed Japanese to the Presidency and Vice-Presidency of the South Manchuria Railway Company. All the Directors and Inspectors are also Japanese. Furthermore, the official seal of the Company was issued by the Japanese Government. According to investigations made on March, the Sixth Year of Showa, the member of officials and employees connected with the Company totalled 33,941, of whom there was not a single Chinese who represented the Chinese Government. In the light of the organization and personnel of the Chinese Eastern

— 24 —

Railway Company previous to the year 1917 it is obvious that Japan has violated the original Sino-Russian Agreement pertaining to railway construction in Manchuria.

4) The Business Enterprises Carried on by the South Manchuria Railway Company.

The most important lines of business carried on by the South Manchuria Railway Company, besides directly engaged in the traffic of the South Manchuria Railway (the Changchun-Dairen and the Antung-Mukden trunk lines) are: the Ki-Chang, Ki-Tun, Ssu-Tao, Tao-An and the other light railways (Chin-Fu, Chang-Hsi and Tien-Tu). It also undertakes various accessory lines of business which are very extensive in scale and ramifications. We can get some idea of the extent of such undertakings from a perusal of the Orders issued by the Ministers of Postal Administration, Finance and Foreign Affairs for the guidance of the Organizing Commission appointed for the organization of the Company on August 1, 1906 (Articles III to VI). In the economic field they comprise factories, wharves, mines (Fushun and Yentai coal mines), bays and harbors, iron-works, etc. It owns lands and buildings, and it extends financial assistance to private enterprises carried on by Japanese. In the political field it sets up various administrative and Military organs, and reserves to itself municipal administration in localities along the railway zone. In the cultural field it runs primary, secondary and technical schools, higher educational institutions,

— 25 —

libraries, newspapers in Chinese and English languages, a Central Experimental Station, a Geological Research Bureau, agricultural experimental stations, and a Research Department for the Natural Resources in Manchuria and Mongolia. Thus, judging by the far-reaching activities it is engaged in, the Company, although ostensibly a railway concern, practically enjoys all the essential attributes of a territorial sovereign. It is, therefore, no exaggeration when the Japanese call the Company the "Mantieh Kingdom"; and compared with the status occupied by the Chinese Eastern Railway the Company has violated the spirit of the Sino-Russian Railway Agreement of 1896 because of the vast number of business enterprises it undertakes. Article VII of the Portsmouth Treaty concluded between Japan and Russia on September, 1905, provides that

**"Japan and Russia engage to exploit their respective railways in Manchuria exclusively for commercial and industrial purposes and in no wise for strategic purposes."**

In view of the extensive enterprises undertaken by the South Manchuria Railway Company, not only in the commercial and industrial, but also in the military, political and cultural fields, it has far exceeded the scope of activities that are ordinarily associated with a railway company.

From the foregoing account of the organization and activities of the South Manchuria Railway Company we cannot but be impressed with the following four features:

— 26 —

1) That besides engaging in the ordinary business enterprises of a railway company it runs coal mines, factories, iron-works, wharves, etc. Nominally it is a Sino-Japanese joint stock company but in reality it is a Japanese monopoly. The railways under its operation not only provide ample means for commercial transportation but also facilitate immigration and military movements, all sidings being specially designed to handle heavy transportation of troops.

2) Although it is specified in the treaty that the capital for the South Manchuria Railway Company should be furnished by both China and Japan, in actual fact the right for such investment is the exclusive privilege of the Japanese. For all practical purposes both the South Manchuria and the Antung-Mukden Railways are Japanese railways.

3) The South Manchuria Railway Company also enjoys the special right to undertake cultural, educational and political activities. It collects taxes from those who live within the railway leased lands. Although posing as a commercial organization it is in fact an administrative department of the Japanese Government.

4) Japanese troops and guards are stationed along all the railways under the operation of the South Manchuria Railway Company, whether they are trunk or branch lines — a unique feature not seen anywhere else. In short, the activities engaged in by the South Manchuria Railway Company have far exceeded the rights conferred on Japan by Treaties and Agreement.

— 27 —

CHAPTER III  
THE ADMINISTRATION OF THE SOUTH MANCHURIA  
RAILWAY LEASED LANDS.

1) What Are the Leased Lands?

“Mantieh” refers to the railways in South Manchuria under the operation of the South Manchuria Railway Company. It comprises the following lines :

- a) The South Manchuria Railway (Changchun to Dairen, a distance of 704.20 kilometres)
- b) An-Feng Railway (Antung to Sukiatun, 260.20 kilometres)
- c) Port Arthur Line (Port Arthur to Chow-Yung-Tze, 50.80 kilometres)
- d) Yinkow Line (Tashichiao to Yinkow, 22.40 kilometres)
- e) Yentai Line (Yentai to Yentai Coal Mine, 15.60 kilometres)
- f) Fushun Line (Sukiatun to Fushun, 52.90 kilometres)
- g) Liushutun Line (Ta-Fang-Shen to Liushutun, 5.80 kilometres, but not yet open to traffic)

The foregoing six trunk and branch lines aggregate 1106.10 kilometres, and when we add the Liushutun branch line the total length is 1112 kilometres.

The “railway boundaries” refer to the 33 feet of lands on both sides of the railway tracks outside of the Kwantung Leased

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

— 28 —

Territory. The definite areas along the railway stations set aside for trade and commerce are designated under the comprehensive term of "Mantieh Fu Shu Ti," meaning lands belonging and attached to the South Manchuria Railway. The English translation given by the Japanese is "Railway Zone." But this term is inappropriate and does not agree with actual facts, for the South Manchuria leased lands are not a long narrow strip of land but refer to the railways themselves together with the lands necessary for their administration and maintenance. Therefore, what Japan terms "Mantieh Fu Shu Ti" refers, in actual fact, to a number of areas along the line of the stations set aside for trade and residence with a few scattered here and there devoted to industries operated by the South Manchuria Railway Company. It is thus wrong to render it into English as "Railway Zone". The correct translation would be "railway settlements" or "railway areas". The railway leased lands cover an area of only forty and a quarter square miles.

2) The Administration of the South Manchuria Railway Leased Lands.

The administration of the railway settlements, other than the management of the railways and affairs intimately connected with their operation, should properly belong to the Chinese Government. But from the very beginning Japan claims the right of municipal administration for the South

— 29 —

Manchuria Railway Company. She not only arrogates to herself police jurisdiction but also maintains control over postal and telegraphic services. As matters stand, municipal administration other than police is carried on by the "local department" of the Railway Company, and police jurisdiction by the Kwantung Governor through the Japanese consular officials in Manchuria appointed as secretaries of the Governor.

The administrative power exercised by Japan in the railway leased lands is based on the Portsmouth Treaty concluded between Japan and Russia in 1905, and on the Sino-Japanese Treaty arrived at in the same year and the Agreement supplementary to the Sino-Japanese Treaty. It is limited to the right of business undertakings connected with an ordinary railway Company. No general administrative power is conferred on Japan by these treaties and Agreement; and from the standpoint of International Law it cannot be regarded as a part of the administrative system of the Imperial Japanese Government. Japan, however has stoutly insisted that in accordance with Article VI of the Sino-Russian railway contract of 1896 she has absolute right to exercise such rights in the railway leased lands. Article VI of the said contract provides that

"The land actually needed by the said company for the construction, operation and protection of the railway, as also the land in the vicinity of the line necessary for procuring sand, stone, lime, etc., if this land is State property, will be turned over by the Chinese Government free of charge;

— 30 —

and if it is private property, will be either paid for at one time or rented from proprietors annually, both at current price. The said Company shall itself provide funds for such purposes. The land belonging to the said company will all be exempt from land tax and *will be managed exclusively* by the said Company which will be permitted to construct thereon buildings and works of various kinds as well as to set up telegraphs, under its own operation, for the exclusive use of the railway. Except in regard to mines, for which arrangement will be separately made, the income of the said company, such as the charges for transportation of passengers and merchandise and the receipts from telegraph, will all be exempt from tax or duty."

The French text of the second paragraph of the foregoing Article reads as follows:

**"La societe aura le droit absolu et exclusif de l'administration de ses terrains."**

(The Company will have absolute and exclusive right of administration of its land).

In the French text the "right of administration" spoken of can only refer to such business and non-governmental administration as may be necessary to the "construction, exploitation and protection" of the railway, as no other objects are mentioned. In the Chinese text this point is even clearer. There, indeed, it is only "management" rather than "administration" that is spoken of. Indeed, the French word "administration" is commonly used of business management. As a matter of fact, in neither text are **settlements** (or zone as Japan claimed) ever contemplated. The lands on which the company is to exercise an "absolute and

021  
3(E) and 5(D) or (E)  
August 10, 1972  
RS, Date 12-18-75

— 31 —

exclusive right of administration," or "management," read the texts, are lands necessary for the exclusive use of the railway and business and commercial aim of the said company. Furthermore, a reading of the whole contract deprives the second paragraph of Article VI of all semblance of referring to a political administration.

The view that the administration contemplated by the said Article is simply business administration is not only China's, but also that of a third party like the United States of America, as shown by her correspondence with Tzarist Russia at the time when the Harbin Settlement of the Chinese Eastern Railway was being organized. In a note dated November, 1909, the American Secretary of State says:

**"The administration by the railway company of its leased lands provided for in Article VI of the contract can refer only to such business administration as may be necessary to the 'construction, exploitation and protection' of the railway, these being the objects expressly mentioned in the article for which these lands were granted by China."**

The statement of the American Secretary of State leaves nothing to add. Now, if Japan's claim with reference to Railway Settlements along the so-called main line of the South Manchuria Railway is weak, her claim with reference to those along the Antung-Mukden line and other branch lines is no better. Article VI of the contract of 1896, whatever its interpretation, refers only to the so-called main line.

— 32 —

3) Japan and the Antung-Mukden Railway.

Granted that Japan's claim to exercise political administration in the leased lands of the South Manchuria Railway (the main line from Changchun to Dairen) is based on the Sino-Russian railway contract of 1896, arbitrary though the claim may be, what justification can she advance for the exercise of similar rights in the leased lands of the Antung-Mukden and other branch lines? Article VI of the Agreement additional to the Sino-Japanese Treaty of 1905 provides that

**"The Imperial Chinese Government agree that Japan has the right to maintain and work the military railway line constructed between Antung and Mukden and to improve the said line so as to make it fit for the conveyance of commercial and industrial goods of all nations.**

With regard to the provision concerning the improvement of the Antung-Mukden Line it is also "agreed that the person undertaking the work on behalf of Japan shall consult with the Commission despatched for the purpose by China." Again "the Chinese Government will also appoint a commissioner to look after the business relating to the railway as is provided in the Agreement relating to the Chinese Eastern Railway." (Article VI, last section). Furthermore, according to Treaty provisions the work of such improvement should commence during the winter of 1906. Japan, however, secretly undertook the task without the knowledge of the Chinese Government.

— 33 —

It was not until 1909 that Japan consulted the Chinese Government about this matter; and when China's Commissioner, despatched for this purpose, had reached Chen-Hsiang-Tun the Japanese Minister to China suddenly declared that the Japanese Government had decided to proceed with the improvement of the Antung-Mukden Line without the co-operation of China. This precipitated a sharp controversy, China stubbornly refused to concede to Japan the right to exercise political administration over, and to station guards along, the Antung-Mukden Line following the precedent of the South Manchuria Railway. China demanded the fulfilment of the original agreement which specifies that Japan should run the railway "for the conveyance of commercial and industrial goods of all nations." But Japan ignored her treaty obligation. She went ahead, changing the rails into standard gauge, and despatched troops stationed in Manchuria and Korea to the mouth of the Ya Lu River. China was powerless and was compelled to submit to superior force. On August 19, 1909, an Agreement was reached in Mukden between the two countries pertaining to the Antung-Mukden Line, but no mention was made concerning the question of police jurisdiction. In this way the Antung-Mukden Line suffered the fate of the South Manchuria Railway. Thus the exercise of political administration by Japan in the leased land of Antung-Mukden Line was extorted from China by military force in violation of the Sino-Japanese Treaty of 1905.

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

— 34 —

4) The Infringement upon China's Sovereign Rights in Mantieh Leased Lands.

We have dwelt upon the illegal and high-handed manner by which Japan obtained political administration in the railway leased lands in South Manchuria. Japan exercises such administrative functions in the name of the South Manchuria Railway Company, and the people residing therein denied the right of self-government. The scope of administration in these leased lands is as wide as in a concession. Besides, the stationing of troops and the setting up of police jurisdiction Japan also takes over the functions pertaining to engineering, sanitation, education, administration of justice, posts and telegraphs, taxation, etc. In the year 1909, a Treaty was concluded with China whereby the South Manchuria Railway Company secured control over those mines that lie within twenty miles from the South Manchuria Railway; Chinese soldiers and armed police cannot pass through the Mantieh leased lands without Japanese permission; and except Japanese no other nationalities are given the right to lease lands permanently in the vicinity of the South Manchuria Railway. To discriminate against other foreign nationalities Japan classifies the towns along the leased lands into two categories: Those that had already, and those that have not yet been open to trade and commerce, Although equality of treatment are ostensibly accorded nationalities in towns already open for trade and commerce, in reality

— 35 —

no foreign, other than Japanese, residents are permitted to enjoy the right of perpetual land lease. Japan imposes all kinds of restrictions against other nationalities in towns the Chinese Government had not yet declared open for trade, thus regarding these towns as their own possessions.

There are numerous cases in which undesirable elements among Chinese, Japanese, Koreans and other foreign residents have committed illegal activities with impunity in the railway leased lands, such as the surreptitious sale of arms and ammunition, working in collusion with bandits to disturb peace and order, trafficking in drugs (opium, morphine, heroin, etc.), the operation of gambling establishments, the issuance of counterfeit Chinese coins and notes, etc., etc. The Chinese authorities remain powerless as they are not permitted to suppress these nefarious activities. Whenever the Chinese judicial authorities attempt to arrest such unscrupulous Chinese in the leased lands they are prevented from doing so by Japanese police. The Japanese police authorities often ignore the requests for assistance in effecting the arrest of Chinese criminals in places over which Japan claims jurisdiction. For these reasons Chinese criminal offenders and debtors often flee to the railway leased lands to elude Chinese justice. Again, many Chinese girls have been lured from respectable families and sold into brothels in the leased lands. When such cases were discovered the Japanese police would refuse to comply with

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

— 34 —

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— 35 —

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— 36 —

the request made by the Chinese authorities for the apprehension of the offenders and the return of the girls.

The British and French authorities in their respective concessions in Tientsin do not interfere with the Chinese authorities in the collection of business tax. But in the railway leased lands and in the Japanese-owned mining areas the Chinese authorities are not permitted to levy and collect taxes from either Chinese or Japanese residents. On the other hand, Japanese exercise all administrative functions, including taxations, in these places. China, as an independent sovereign nation, should enjoy the right to impose and collect taxes from all Chinese and foreigners residing in her territory. Japan's arbitrary assumption of political administration in the railway leased lands constitutes a most glaring case in which China's territorial and administrative integrity is violated.

— 37 —

#### CHAPTER IV

##### THE RIGHT OF STATIONING TROOPS ALONG THE SOUTH MANCHURIA RAILWAY ZONE.

###### 1) The Kwantung Army—Its Organs and Functions.

In April 1919 (the eighth year of Taisho), the Government-General of Kwantung was abolished by Edict No. 94, and in its place were set up the Kwantung Civil Administration and the Headquarters of the Commander-in-Chief of the Kwantung Army to take separate charge of civil and military affairs. Under this system a General, or Lieutenant-General, from the Army is appointed to the post of Commander-in-Chief of the Kwantung Army and is under the direct command of the Japanese Emperor. He has command over all the troops belonging to the Japanese Army stationed in Manchuria and Mongolia and in the Kwantung Leased Territory. He takes orders from the Japanese Army Minister in matters pertaining to military affairs. When it comes to the plans for war and of mobilization he takes orders from the Japanese General Staff. In matters that concern education he takes orders from the General Superintendent of Education. In the Headquarters of the Commander-in-Chief of the Kwantung Army are set up the General Staff, Aide-de-Camp Department, Army Medical Department, Arms Department, Commissariat Department, veterinary Department and the Department of Legal affairs. Under

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

— 38 —

the Kwantung military authorities are the following troops and organs: headquarters established at Port Arthur, the Army Division permanently stationed in Manchuria, the Independent Garrison, the Heavy Artillery Corps stationed at Port Arthur, the Kwantung Gendarmerie, the Kwantung Army Storehouses, the Garrison Hospital, etc. Besides these, there is also the Dairen Branch Office set up by the Army Transport Department. According to investigations made in June, 1931, the Kwantung Army totalled 24,061 men. In addition to this military force there were scattered throughout the North-eastern Provinces Japanese reservists numbering 63,061, making a grand total of 87,122 men.

According to the Japanese Imperial Ordinance of April 12, 1919, the Kwantung Army, in addition to its primary duty of protecting the Kwantung leased territory and the railway lines in South Manchuria, is authorized to comply with the request of the Governor for the despatch of troops necessary for the preservation of peace and order in the region under the Governor's jurisdiction and of the Railway Settlements ("zone", as the Japanese term it), and is also authorized in case of urgent emergency to wait for the express request from the Governor, to carry out such expedient measures as occasion may require.

- 2) The Organization and Distribution of Troops along the South Manchuria Railway "Zone".

— 39 —

a) When the Russo-Japanese War was over Japan stationed two army divisions in Manchuria. On July, 1906, she changed her military forces stationed there into the so-called Independent Garrison. This Independent Garrison was reinforced by one Army Division with headquarters in Liaoyang. At present it is the Second Division, made up of three Brigades and divided into eighty-two companies under the Command of Lieutenant-General Tamon. This Division is divided into regiments and distributed in different places for the convenience of military training. Stationed at Liaoyang is the headquarters of one brigade with one regiment of infantry, one battalion of engineering corps, and one transport battalion. The headquarters of another brigade, together with one regiment of infantry, is stationed at Tiehling; one regiment of infantry at Mukden; one regiment of infantry at Changchun; one regiment of cavalry and one independent regiment of mountain artillery at Kungchuling; one regiment of field artillery at Haicheng; one railway battalion at Tashichiao; one armoured train battalion at Wafangtien; and one flying regiment at Chowshuitze. The headquarters of another brigade, together with one regiment of infantry, is stationed at Port Arthur. The whole Division has 14,760 men. Besides, there is stationed at Chowshuitze an Air Transport Corps with 52 airplanes and a personnel of 620 men. It was the original plan to replace these troops every two years, but on July, 1931, the Japanese Military Council decided

— 40 —

to despatch one Division from Japan for permanent duties in Manchuria.

b) The Independent Garrison.

This Independent Garrison is also called the Railway Guards. For the purpose of affording protection to the South Manchuria Railway and the telegraph wires Japan, in July, 1906, organized a permanent force of six battalions of Independent Garrison in addition to the one Division which she stationed in Manchuria. Later on she reduced this garrison to four battalions, but on April 15, 1929, it was again restored to the original six battalions with headquarters at Kungchuling. This garrison is distributed at important points along the South Manchuria Railway "zone" (outside the Kwantung Leased Territory). The first battalion (with one company of cavalry attached), with headquarters at Kungchuling, is assigned for duties at Kungchuling, Fanchiatun, Kuochiatien and Changchun. The second battalion, with headquarters at Kaiyuan, is stationed at Kaiyuan, Changtu, Ssuping kai and Chengchiatun. The third battalion (with the second machine-gun company attached) has its headquarters at Mukden and distributed along Mukden, Fushun, Yentai and Fushitai. The fourth battalion (with trench mortar company attached), with headquarters at Lienshankwan, is assigned for duties at Lienshankwan, Pensihiu, Chaiotou, Fengwangcheng and Antung. The fifth battalion (with the

— 41 —

third mounted artillery attached) has its headquarters at Tashichiao, Anshan and Haicheng. The sixth battalion (with the sixth air corps company attached) with headquarters at Wafangtien, is stationed at Wafangtien, Tehlisu and Hsiungyuehcheng. This Independent Garrison totals 5400 men.

c) The Kwantung Gendarmerie.

The Kwantung Gendarmerie, under the command of the Kwantung military authorities, has as its primary function the discharge of the duties of military police. At times it is required to do administrative and judicial duties under the direction of the authorities of the Kwantung Civil Administration. It has its headquarters in Port Arthur, and detachments of this force are assigned for duties all along the South Manchuria Railway zone—Port Arthur, Dairen, Liaoyang, Mukden, Tiehling, Changchun, Antung, Liushutun, Tashichiao, Yingkow, Haicheng, Fushun, Kaiyuan, Ssuping kai, Anshan, Kungchuling and Lienshankuan. Its number totals 2561, including the 624 gendarmes stationed at Mongolia, Jehol, etc.

d) Special Police.

From the standpoint of organization and functions the special Police can be regarded as regular military force. Its headquarters are established at Dairen. As these police are not permitted to wear uniforms they are also called plain-clothes corps. They are divided into twelve companies, each is composed of about 60 men. They are stationed at important places

— 42 —

such as Port Arthur, Lienshankuan, Fangchiatun, Changchun, Kaiyuan, Fushun, Tungliao, Sinmin, Penshihu, Dairen, Yingkow and Liaoyang. Their number is 720.

e) Army Storehouses.

These Japanese army storehouses, set up at different places, are for the purpose of supplying Japanese soldiers and their auxiliary forces stationed in Manchuria with provisions, fodder, blankets and clothing. They also provide them with engineering materials, sanitary and veterinary supplies, arms and ammunition, etc. They also serve as purchasing agents and manufacture such military necessities for the needs of the 63,000 reservists who are scattered throughout the North-eastern Provinces. At very short notice they can equip and provide for four or five army divisions. There are 13 gun depots set up both along and outside the South Manchuria Railway zone, 9 powder depots, 32 storehouses, and 34 depots for tools and implements and other miscellaneous supplies.

f) Japanese Forts along the South Manchuria Railway zone.

While not many forts have been erected along the South Manchuria Railway the Antung Railway bristles with these fortified places. According to the latest investigations there are along the Antung Railway 31 old and 46 new forts, making a total of 77. They are chiefly found outside the railway tunnels, near the bridges and on the river banks, and at other strategic

— 43 —

places. They are round in shape, built with square slabs of stone, and overlaid with cement both outside and in the interior. They are perforated with square gun holes and covered on the top with thick iron-plates. They are patrolled by Japanese soldiers all day long.

From the foregoing account of the Japanese military forces and their auxiliaries distributed throughout the North-eastern region of China, coupled with their army storehouses and their numerous strongholds erected at strategic places, it can readily be seen that Japan had already placed the North-eastern Provinces under her military domination even before the outbreak of September last.

3) Japan Stations Troops along the South Manchuria Railway Zone in Violation of Treaties—Its Evil Consequences.

On the pretext of affording protection to the south Manchuria Railway zone Japan organized for this purpose six battalions of Railway Guards. In addition to these guards she despatched one full Army Division to be permanently stationed in Manchuria. Furthermore, she organized the Kwantung Gendarmerie and the Special Police (the plain-clothes Corps) along the South Manchuria Railway Zone.

In accordance with Article Iii of the Portsmouth Treaty concluded between Russia and Japan on September 25, 1905, and Article I, section 1, of the Supplementary Agreement, and with Article II of the Sino-Japanese Treaty pertaining to the

— 44 —

Three Eastern Provinces concluded on December 22 of the same year, the Army Division stationed at Manchuria should have been withdrawn long ago. But Japan has advanced one pretext after another to justify its non-withdrawal. There is absolutely no treaty basis for the presence of the Kwantung Gendarmerie and the Special Police. With regard to the organization of the six battalions of Railway Guards to patrol the South Manchuria Railway zone, it was based on a treaty concluded between Russia and Japan and which has never been recognized by China. The stationing of Japanese troops in the leased territory along the South Manchuria Railway is therefore not only a violation of Treaties but it also constitutes an infringement upon the sovereign rights of China.

The South Manchuria Railway (from Changchun to Dairen) and its branch lines (not including the Antung Line) was turned over, with the formal consent of China, to Japan after the Russo-Japanese War. But there was no legal basis for the contention advanced by Japan that because Russia stationed railway guards along the Chinese Eastern Railway she was also entitled to do so in regard to the South Manchuria Railway.

According to Article VIII of the Agreement between the Chinese Government and the Russo-Chinese Bank for the construction and management of the Chinese Eastern Railway it was provided that

— 45 —

**"All Russian troops, naval or military, and munitions of war, moved by the Russian Government by this railway, must be conveyed by the Company directly across the border. Apart from slight detentions en route incidental to transfers, no other delays will be permitted for any cause."**

Thus, in case Russia should convey troops from Siberia to the Russian Maritime Provinces, via Manchouli, she should do so directly across Chinese territory without any delay whatever. It was therefore a violation of the said Agreement for Russia to station railway guards along the Chinese Eastern Railway. Again according to Article V of the said Agreement it was provided that

**"The Chinese Government will take measures for the protection of the line and of the men employed thereon. The staff, Chinese and Foreign, necessary for the line will be engaged as required by the Company. All crimes and lawsuits arising on the land of the Company will be dealt with by the local officials in accordance with Treaty."**

This provision clearly stipulated that China possessed the right to extend protection to the Chinese Eastern Railway and its Chinese and foreign staff. She had also the right to maintain law and order in the territory leased to the said railway. Such right is enjoyed by every independent state in territory within its sovereign jurisdiction.

On April 27, 1909, China and Russia agreed on a set of basic principles to be applied to the territory within the Chinese Eastern Railway zone. The first of these basic principles provided that China's sovereign rights must first be fully recognized

— 46 —

in the railway zone and that there must not be any impairment of China's sovereignty. The second basic principle provided that China was at liberty to exercise her sovereign rights in the railway "zone" without any let or hindrance as long as she did not violate the provisions of the agreement entered into with the Chinese Eastern Railway Company. But from the very beginning Russia had contrived to evade her obligations imposed upon her by the Railway Agreement of 1896. This is seen in the statutes pertaining to the Chinese Eastern Railway as promulgated by an Imperial Edict of the Russian Emperor:

**"Maintenance of security and order on the Railway—  
Article VIII. The Chinese Government has undertaken to adopt measures securing the safety of the Railway and of all persons employed on it against any extraneous attacks. The preservation of law and order on the lands assigned to the railway and its appurtenances shall be confined to police agents appointed by the Company. The Company shall for this purpose draw up and establish police regulations."**

At the same time Russia drew a distinction between the Chinese Eastern Railway zone and the territory outside the Leased zone in respect to the maintenance of peace and order. She reserved to herself the right of police administration in the railway zone. To circumvent the restrictions imposed by Article VIII of the Railway Agreement she gave a special appellation to the Russian troops stationed along the Chinese Eastern Railway. She called them railway guards. Not only did this arbitrary measure contravene both the letter and spirit of the

0 0 3 0  
3(E) and 5(D) or (E)  
August 10, 1972  
RS, Date 12-18-75

— 47 —

Railway Agreement it also infringed upon China's sovereign rights. China repeatedly protested to the Russian Government. The latter ignored her protests.

During the year 1900 Russia took advantage of the Boxer upheaval steadily to increase her military forces in Manchuria until their number was in excess of 20,000. On March 26, 1902, a Treaty was signed between China and Russia concerning the Three Eastern Provinces. In accordance with Article IV of the Treaty Russia undertook to withdraw her troops at progressive stages. This also included her railway guards. Before the withdrawal had been completed the Russo-Japanese War broke out in 1904. In accordance with Article V, section 6, of the Portsmouth Treaty (September 25, 1905) Russia, with China's concurrence, surrendered to Japan her right over the Liaotung Leased Territory and the southern branch of the Chinese Eastern Railway from Changchun to Dairen together with its branch lines. But in Article III of the said Treaty, and in Article I, section 1, of the Supplementary Agreement, Russia and Japan undertook, with the exception of the Liaotung Leased Territory, to withdraw all their troops from Manchuria simultaneously, and to restore to China all the territories under their military occupation and administration. However, in Article I, Section 2, of the Supplementary Agreement there is this provision:

003

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

— 48 —

"The High Contracting Parties reserve to themselves the right to maintain guards to protect their respective railway lines in Manchuria. The number of such guards shall not exceed fifteen per kilometre and within that maximum number, the Commanders of the Japanese and Russian Armies shall, by common accord, fix the number of such guards to be employed, as small as possible having in view the actual requirements."

But this was the agreement only between Japan and Russia. In Article I of the Sino-Japanese Treaty of December 22, 1905, relating to the Three Eastern Provinces, China gave her formal recognition only to Articles V and VI of the Portsmouth Treaty. Again, Articles I and II of the Agreement supplementary to the said Sino-Japanese Treaty only provided for the evacuation of troops in Manchuria, and no reference was made to Article I of the Agreement supplementary to the Portsmouth Treaty. From this we can see that Japan and Russia had themselves arrived at some definite solution as to the question of railway guards.

In the light of actual facts, and from the foregoing account of the Sino-Japanese Treaty and Supplementary Agreement of 1905 relating to the Three Eastern Provinces, we may reduce the question of the railway guards to the following observations:

a) Russia violated the Railway Agreement of 1896 by stationing her railway guards along the Chinese Eastern Railway. Furthermore, she did so without China's concurrence.

— 49 —

Japan therefore had no justifiable grounds whatever to station railway guards along the leased territory of the South Manchuria Railway which was formerly a part of the Chinese Eastern Railway. The stationing in the North-eastern Provinces of an Army Division, Gendarmerie, and Special Police has no treaty basis and therefore is illegal.

b) According to Article III, section 3, of the Portsmouth Treaty:

**"The Imperial Government of Russia declare that they have not in Manchuria any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty or inconsistent with the principle of equal opportunity."**

Since China has never given Japan any such concessions mentioned in the foregoing declaration the latter has no legal right to make any such demands on her.

c) While China has recognized the Treaty of Portsmouth she has not, however, given her concurrence to the Agreement supplementary to the said Treaty. Therefore the stipulation entered into between Russia and Japan that their railway guards should not exceed fifteen per kilometre is not binding on China.

d) In Article II of the Sino-Japanese Treaty of 1905 relating to the Three Eastern Provinces Japan undertook to withdraw all her troops from Manchuria as expeditiously as was practicable. Later on she not only went back on her

0037  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 50 —

solemn undertaking by retaining one Army Division to patrol the South Manchuria Railway zone but in addition to this force she organized the Kwantung Gendarmerie and the special Police as reinforcements. And now the said Division has become a permanent garrison force.

e) With regard to the Railway Guards (the South Manchuria Railway Garrison), now become a contentious issue, they were, according to the Treaty of Portsmouth and the Sino-Japanese Treaty relating to the Three Eastern Provinces, restricted to the Railway from Changchun to Dairen and its branch lines, not including the Antung Line. For Japan to patrol the Antung Line with military police, and, furthermore, to erect forts along its strategic points, there is absolutely no treaty basis.

f) After the settlement of the Chengchiatun Affair of January 22, 1917, Japan, in disregard of her undertaking given in section 6 of the Agreement providing for the withdrawal of her military detachment, has stationed one company of her railway guards at Chengchiatun on the pretext of affording protection to her military telephone. This is not only a violation of Treaties—as she has no right to station troops at Chengchiatun—but an infringement upon China's sovereign rights.

Furthermore, in the course of the negotiations for the conclusion of the Sino-Japanese Treaty of 1905 the Chinese Govern-

— 51 —

ment expressed an earnest desire for the early withdrawal of the Japanese and Russian armies in Manchuria and of their troops stationed along the railways. On December 17 of the same year the Chinese delegate declared at the conference that the stationing by Japan of guards along the Railway from Changchun to the Kwantung Leased Territory was a case pending between the two countries. This declaration met with the favorable consideration of the Japanese delegates who consented to have it inserted in the minutes signed by both parties. Therefore, in Article II of the Sino-Japanese Treaty formally entered into on December 22, 1905, the Japanese Government declared:

**"In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards or in case other proper measures are agreed to between China and Russia, consents to take similar steps accordingly. When tranquillity shall have been established in Manchuria, and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia."**

From this it can readily be seen that Japan realized then that she had no valid grounds to justify the patrol of the South Manchuria Railway zone with her military force because China had never conferred on her such rights. But Japan contended

003

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

— 52 —

that the presence of her railway guards was necessitated by the general instability which endangered the lives and property of foreigners. This precautionary measure can only be regarded as a temporary expedient. Again, the so-called railway guards were then hastily improvised and constituted a part of the military force. Therefore they should have been withdrawn simultaneously with the evacuation of the regular troops. Furthermore, by 1907 the conditions in Manchuria had already become tranquil and the lives and property of foreigners were no longer placed in jeopardy. With the restoration of normal conditions the presence of the railway guards had lost its *raison d'être*; but up to the present time Japan has continued to maintain these guards along the railway zone and has even reinforced this force with an army Division and other troops.

Since the outbreak of the Russian Revolution in the year 1917 Russia had been steadily withdrawing her guards from the Chinese Eastern Railway until 1918 when their withdrawal had been completed, and China had taken over the duties of patrolling the Line. During the Versailles Peace Conference in 1919, and again at the Washington Conference in 1921, the Chinese delegation had demanded of Japan the withdrawal of her troops from the South Manchuria Railway zone. During the Washington Conference a heated controversy developed between the Chinese and Japanese delegations in the meeting of the Committee on Pacific and Far Eastern Problems on De-

-- 53 --

ember 2 and 7. Mr. Uehara, the Japanese delegate, vigorously contended that the withdrawal of the Russian guards from the Chinese Eastern Railway remained to be substantiated. But there should not be any doubt whatever on this score after the conclusion of the Sino-Russian Agreement on May 31, 1924.

On October 2, 1920, the Chinese Ministry of Communications and the Russo-Asiatic Bank arrived at an Agreement at Peking pertaining to the management of the Chinese Eastern Railway. One of the provisions in this Agreement takes cognizance of the fact that in view of the disturbed political situation in Russia she was unable to continue the management of the Chinese Eastern Railway and to maintain peace and order in the railway zone. Another provision acknowledges that the Chinese Government, in the exercise of its sovereign rights, ought to assume full responsibility for the maintenance of order in the railway zone in the interest of international traffic, and for the effective protection of the property of the Railway. Again, according to Article IX, section I of the Sino-Russian Agreement concluded in 1924, it is provided that

**"The Governments of the two Contracting Parties declare that the Chinese Eastern Railway is a purely commercial enterprise.**

**"The Governments of the two Contracting Parties mutually declare that with the exception of matters pertaining to the business operation which are under the direct control of**

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

— 54 —

the Chinese Eastern Railway, all other matters affecting the rights of the National and the Local Governments of the Republic of China—such as judicial matters, matters relating to civil administration, military administration, police, municipal government, taxation, and landed property (with the exception of lands required by the said railway)—shall be administered by the Chinese Authorities.”

In accordance with Article II of the Agreement supplementary to the Sino-Japanese Treaty of 1905, providing that “in the event of Russia agreeing to the withdrawal of her railway guards or in case other proper measures are agreed to between China and Russia”, Japan would “consent to take similar steps accordingly,” what justification can Japan advance for the continued presence of her railway guards?

It will be recalled that with reference to Sections 1 and 2 under Article II of the Agreement supplementary to the Sino-Japanese Treaty of 1905, providing for the withdrawal of the Japanese railway guards, all the conditions contained in Section I have been fulfilled with the conclusion of the Sino-Russian Agreement of May 31, 1924. There should not have been any question concerning the interpretation of Section 2 which provides that “when tranquillity shall have been re-established in Manchuria and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia,” since normal peaceful conditions had been fully restored by the year 1907.

— 55 —

Since China had taken over the duties of patrolling the Chinese Eastern Railway there has not been a single instance in which the lives and property of foreigners have been placed in jeopardy. Take another instance, the Peiping-Liaoning Railway which is close to the South Manchuria Railway and is under Chinese management and protection. From the time when it was open to traffic up to the Japanese military coup of September 18, 1931—a period of twenty-four years—nothing untoward had happened to the Line. Again, take the case of the Kirin-Changchun Line, also under Chinese control and protection. For the last twenty years of its operation the Line has not encountered any unpleasant incidents. These instances serve to show that the Chinese Government is fully capable of affording protection to the lives and property of foreigners and that there is no necessity for Japan to station military guards along the South Manchuria Railway. Furthermore, all the conditions specified in the various treaty stipulations providing for the withdrawal of Japanese railway guards have been fulfilled, and not only has Japan failed to carry out her treaty obligations she has considerably strengthened her hold on Manchuria by stationing a permanent Army Division there. (The Japanese Military Council decided on July, 1931, to change the Division, replaceable every two years, into a permanent army of occupation). This is tantamount to an extension of Japan's line of national defense at China's expense. Besides going back on

— 56 —

her solemn international undertaking this arbitrary step on the part of Japan constitutes a flagrant encroachment upon China's territorial sovereignty.

The arbitrary assumption of police functions by the Japanese railway guards outside of the South Manchuria Railway leased territory is another point that should be viewed in a serious light from the standpoint of China's territorial and administrative sovereignty. In the course of the negotiations for the conclusion of the Sino-Japanese Treaty of 1905 pertaining to Manchuria the Japanese delegate, vested with plenipotentiary powers, declared "that the railway guards stationed between Changchun and the boundary line of the leased territory of Port Arthur and Talienwan shall not be allowed, before their withdrawal, to unreasonably interfere with the local administration of China, or proceed without permission beyond the limits of the railway." Since 1905 Japan has never observed such an undertaking with the result that unpleasant and grave incidents have frequently arisen. The illegal activities committed by the Japanese railway guards outside the leased zone can be classified under the following categories:

- 1) The maltreatment and arrest of Chinese, in many cases resulting in their death.
- 2) The armed attack on Chinese administration buildings and the affront offered to Chinese officials.

— 57 —

- 3) The staging of sham fights to the consternation of Chinese inhabitants and the serious damages to crops.

- 4) The destruction of Chinese railway tracks which disrupt communications.

- 5) The instigation of Chinese bandits to disturb local peace and order.

There are other illegal acts, notably the military coup of September 18, 1931, which was engineered and put through by the Japanese railway guards.

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

— 58 —

CHAPTER V.  
**THE EXERCISE OF POLICE RIGHTS BY JAPAN OUTSIDE  
THE KWANTUNG LEASED TERRITORY.**

1) Japan's Assumption of Police Jurisdiction  
in the Three Eastern Provinces.

On May 8, 1905 (the thirty-eighth year of Meiji), through the Imperial Edict No. 156, a Civil Administration for the occupied territory was set up at Dairen under the concurrent charge of the commander-in-Chief of the Manchurian Army. A Police Bureau was set up in the Civil Administration as the Central Organ entrusted with police administration. At the same time both branches of the Civil Administration at Kinchow and Port Arthur also established police departments. This is the origin of Japan's police administration in the Three Eastern Provinces.

In September, 1906, the temporary administration in the Kwantung Leased Territory was changed into the Government-General of Kwantung with the Civil Administration placed under its direct control. On January, 1908, the Japanese Consul stationed in South Manchuria was appointed an official attached to the Government-General and entrusted with the charge of police affairs along the railway zone outside the Kwantung Leased Territory. A little later the Police Bureau was reorganized and made independent of the Civil Administration. On

— 59 —

April, 1919, the respective jurisdictions of the civil and military authorities in the Kwantung Leased Territory were clearly defined. The Kwantung Administration thus became the highest civil administrative organ having charge of all police affairs. On December, 1924, the Kwantung Civil Authorities made the Chief of the Civil Affairs Bureau supervise the actions of the Police Superintendent, and at the same time entrusted the Chief of the Sub-Bureau of Civil Affairs with the conduct of police administration. In the year 1928 the name of the Police Affairs Bureau was changed into the Police Bureau, and that of the Sub-Bureau of Police Affairs into the Police Sub-Bureau.

At present the police administration outside the Kwantung Leased Territory is placed under the direct control of the Kwantung Administration. A Police Department is set up in the Kwantung Administration and constitutes the highest police administrative organ in the Three Eastern Provinces. The Chief of the Police Department is an appointee of the Japanese Emperor. He takes orders from the Kwantung Authorities in matters pertaining to Police and public health. He exercise direction and supervision over the Civil Affairs Bureau and the different sub-divisions of the police department.

The Civil Affairs Bureau and the Police Bureau are the chief police organs in the Kwantung Leased Territory. The

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

— 60 —

Chief of the police Bureau takes orders from the Civil Affairs Bureau and looks after police affairs and public health.

The Japanese Consuls stationed outside the Kwantung Leased Territory are concurrently administrative officers of the Kwantung Administration, and therefore all the police officers are placed directly under their supervision. The police officials both outside and within the Kwantung Leased Territory have the same functions, namely, affairs pertaining to police and public health.

There are two kinds of Japanese police in the North-eastern Provinces—the judicial police and police for peace-preservation. The functions of the judicial police are to assist the local courts in carrying out the decisions pertaining to civil and criminal cases. The peace-preservation police carry out the orders of the Chief of police and the other high officials in matters concerning maintenance of peace and public health. Practically all the police are retired soldiers, and service in the army is invariably taken as the criterion by the police authorities in the enrollment of candidates. In the police training school established by the Kwantung Administration particular stress is laid on military education. Thus the Japanese police force in Manchuria is thoroughly conversant with the intricacies of military tactics and are fully prepared to cope with any emergency that may arise. In case their force is inadequate for any urgent crisis the police authorities are empowered to

— 61 —

call in the assistance of the army stationed in Manchuria. It is therefore not difficult to understand that the Japanese police, in case of need, will constitute a powerful auxiliary to the military force.

a) Japan illegally sets up Police Jurisdiction outside the Kwantung Leased Territory.

There is no legal basis for the assumption by Japan of police jurisdiction outside the Kwantung Leased Territory—along the South Manchuria Railway zone, the Japanese Consulates and various other places. This arbitrary step constitutes a flagrant infringement upon China's territorial sovereignty and administrative integrity. China has repeatedly filed strong protests, but Japan invariably ignored them.

Japan's only possible legal justification for the exercise of police rights in the territory leased to the South Manchuria Railway rests in Article VI, section 2, of the Sino-Russian Agreement concluded on August 27, 1896, providing that "The Company (Chinese Eastern Railway Company) will have the absolute and exclusive right of administration over its lands. But the correct interpretation of the full text of the said Article VI, if we examine it carefully, is that "the absolute and exclusive right of administration" refers to the management of affairs pertaining to the Railway and does not include the right of police administration. It is perfectly obvious that the wording, "under the sole management of the Company", which

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

— 62 —

appears in the Chinese version, can never be construed as having conferred on the Company the exercise of police right. It will be recalled that Japan, under Article II of the Sino-Japanese Treaty of 1905, undertook to abide by the provisions of the Sino-Russian Agreement of 1896 relating to the Chinese Eastern Railway, and the Sino-Russian Treaty of 1898 concerning the lease of Port Arthur and Dairen. Under Article V of the Sino-Russian Agreement of 1896 it is provided that "The Chinese Government will take measures to assure the safety of the railway and of the persons in its service against any attack...Criminal cases, lawsuits, etc., upon the territory of the railway, must be settled by local authorities in accordance with the stipulations of the treaties." Again, according to the last section under Article VIII of the Sino-Russian Treaty pertaining to the lease of Port Arthur and Dairen concluded on March 15, 1898, it is specifically provided that the concession for the construction of a branch line between Changchun and Dairen "shall never under any form serve as a pretext for the seizure of Chinese territory or for an encroachment on the sovereign rights of China." In the light of these two provisions it is clear that Japan has ignored her treaty obligations and encroached upon China's sovereign rights by setting up police administration in the territory leased to the South Manchuria Railway.

The so-called legal basis for the assumption of police administration by both Russia and Japan along their respective

— 63 —

railway zones rests on Article VI of the Sino-Russian Agreement for the construction of the Chinese Eastern Railway concluded on September 8, 1896. This apparent legality, as we have mentioned before, was the result of arbitrary interpretation of the text. Article VIII specifies that the "The Company (meaning the Chinese Eastern Railway Company) is responsible that the Russian troops and war material, despatched in transit over the line, will be carried through directly from one Russian station to another, without any pretext for stopping on the way longer than is strictly necessary." This provision expressly stipulates that Russian troops and war material should be shipped directly across the Chinese Eastern Railway and must not tarry longer than absolutely necessary. It is so clearly stated that only deliberate misconstruction could interpret it otherwise than as specified—that Russia was not to enjoy the special privilege of stationing troops or setting up police administration in Chinese territory. Russia chose to ignore both the letter and spirit of the said stipulation, but twisted its interpretation to suit her own purpose. On December 4, 1896, the Czar issued an Imperial Ukase ratifying the Sino-Russian Agreement, but interpreting Article VIII (in the statutes of the Chinese Eastern Railway Company), as follows:

**"Maintenance of Security and Order on the Railway—  
Article 8. The Chinese Government has undertaken to adopt  
measures for securing the safety of the railway and of all  
employed on it against any extraneous attacks.**

— 64 —

**"The preservation of law and order on the lands assigned to the railway and its appurtenances shall be confided to police agents appointed by the Company.**

**"The Company shall for this purpose draw up and establish regulations."**

Thus, dictated by her own self-interest, Russia sought to obtain a semblance of legality for the assumption of police jurisdiction over the line by inserting the above in the statutes she drew up governing the formation of the Chinese Eastern Railway Company. It is hardly necessary to emphasize that there is absolutely no treaty basis for such an action. Article VIII clearly provides that China alone has the sole right of police administration over the railway. But then China was weak, and so the Agreement of 1896 concluded with her powerful neighbor was quickly superseded by a set of statutes unilaterally drawn up. It was on the basis of these statutes that Russia took over the police administration along the Chinese Eastern Railway zone. Besides railway police she also set up both municipal and water police.

When Japan succeeded to all rights of Russia in the leased territory of Dairen and Port Arthur and the southern portion of the Chinese Eastern Railway from Changchun to Dairen she had no scruple in arrogating to herself the right of police administration along the railway zone. In doing this she was but following the illegal action taken by Russia. How could she justify herself on the basis of treaties?

— 65 —

In the year 1918, following the Russian Revolution, police administration along the Chinese Eastern Railway zone was restored to China. Again, according to Article IX, section 1, of the Sino-Russian Agreement concluded on May 31, 1924, it is provided that "The Governments of the two Contracting Parties declare that the Chinese Eastern Railway is a purely commercial enterprise..... All other matters affecting the rights of the National and Local Governments of the Republic of China-----such as..... police,..... shall be administered by the Chinese authorities." Japan should have followed the example set up by Russia long ago, and there is not on iota of justification for her to persist in her refusal to relinquish police administration in her railway zone.

b) In accordance with Article IV of the Agreement concluded on April 25, 1898, relating to the leased territory of Port Arthur and Dairen, it was stipulated that Kinchow should continue to be under Chinese administration with a police force necessary for the maintenance of peace and order, but that the Chinese troops should be evacuated from there and their place taken by Russian troops. When Japan succeeded Russia in Kinchow after the Russo-Japanese War she violated the provisions of the said Agreement by setting up a Civil Affairs Department and arrogating to herself the right of police administration. Not only did she forcibly deprive China of police and administrative rights she also refused to permit Chinese

officials to take up duties there. Kinchow's official seal and documents were still kept in the Administration Building of the provincial capital of Liaoning at the time of the seizure of Mukden by the Japanese military on September 18, 1931. Japan still exercises the right of police administration in Kinchow.

c) Japanese Consular Police Illegally set up in the Three Eastern Provinces.

Attached to the Japanese consulates in the Three Eastern Provinces are the so-called consular police charged with police functions. There is not only no treaty basis for such a step but it is a violation of international law. From the legal standpoint the consulate and embassy occupy different status. The primary function of a consulate is to look after the commercial interests and the welfare of its own nationals. It enjoys far less privileges than an embassy. There is no precedent in international law where a consulate can freely exercise the right of police administration, and, with the exception of the Japanese consulates, no other foreign consulate in the Three Eastern Provinces has set up consular police. There are also set up in a few Japanese consulates police directly under the jurisdiction of the Japanese ministry of Foreign Affairs—another instance of Japanese encroachment upon China's administrative integrity.

d) Japanese Police Boxes.

Bsides establishing police administration in the Kwantung Leased Territory and the railway zone and by the Japanese consulates Japan, with one pretext after another, set up police boxes in various localities in Manchuria. Again, there is no such precedent in international relations and it constitutes an infringement upon China's territorial and administrative integrity.

2) Japan's present Police Force and its Activities outside the Kwantung Leased Territory.

According to investigations conducted in the year 1930, the Japanese police organs illegally set up outside the Kwantung Leased Territory, together with the approximate strength of the police force, were as follows:

a) Along the Railway Leased Territory.

Name	Jurisdiction	Number of Police Boxes
Wafangtien Police Bureau	...From Kwantung Leased Territory to Kaiping	13
Tashichiao	...From Kaiping to Tangkangtze	10
Yingkow	...All along the Yingkow branch line	5
Anshan	...From Tangkangtze to Shushan	15
Liaoyang	...From Shushan to all along Shaho-Yentai branch line	10

304

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

Mukden	Police Bureau...	From Shaho to Sintaitze; " Antung to Yao- tsienhutun; from Fushun branch line to Yentai .....	2
Fushun	" "	...Fushun-Yushutai .....	2
Penshihu	" "	...From Yaotsienhutun along Anfeng Line to Tsaohokou .....	13
Tiehling	" "	...From Sintaitze to Chung- ku .....	8
Kaiyuan	" "	...From Chunku to Man- tsing .....	14
Ssupingkai	" "	...From Manching to Kuo- chiatien .....	13
Kungchuling	" "	...From Linfangtze to Changchun .....	20
Antung	" "	...From Tsaohokou to An- tung .....	30

There were, therefore, 208 police bureaus and police boxes set up along the railway zone.

b) Consular Police

Name	Jurisdiction	Number of Police Boxes
Newchwang Consular Police Bureau ...	Yingkow .....	6
Liaoyang " " "	Liaoyang .....	2
Tiehling " " "	Tiehling .....	12
Changchun " " "	Changchun .....	7
Antung " " "	Antung .....	10
Police Bureau at Mukden Consulate- General .....	Mukden .....	12

There were in all 490 police bureaus and police boxes under Consular jurisdiction in the Three Eastern Provinces.

c) There were four police organs directly under the Japanese Ministry of Foreign Affairs, but attached to different consulates—Tunghua and Hailung has one police box each, and attached to the Mukden Consulate-General; the Lungan police box attached to the Changchun consulate; and Taolu police box attached to Tiehling Consulate.

3) There are numerous other cases in which Japan, with one pretext or another, has set up police in various places in the interior of the North-eastern Provinces. In the province of Liaoning alone there are over 120 such places. Many police bureaus or boxes are established without any treaty basis whatever, such as that set up at Tamintun Railway station on December, 1921; the five Japanese stationed at Shang Fou Road in the provincial capital of Heilungkiang and under the direct jurisdiction of the Japanese Consulate at Tsitsihar on October 5, 1908; the police bureau established by the Japanese Consulate-General at Ta Ma Road outside Sin Kai Gate in the provincial capital of Kirin on January 5, 1910. Again, since December, 1910, Japan has arbitrarily set up police bureaus or boxes along the border districts of Kirin. They are as follows:

— 70 —

Place where Police Stationed	Number	Organ Exercising Jurisdiction
Liu Tao Kou, Yenchi.....	85	Police Bureau, Chientao Japanese Consulate- General
Chu Tze Chieh.....	41	Police Bureau, Chu Tze Chieh Branch Consulate
Tou Tao Kou.....	35	Police Bureau, Tou Tao Kou Branch Consulate
Erh Tao Kou .....	13	Japanese Police Sub-station
Pa Tao Kou .....	10	—ditto—
Tien Pao Shan .....	12	—ditto—
Yi Lan Kou .....	10	—ditto—
Huinchun Hsien Chieh .....	13	Police Bureau, Huinchun Branch Consulate
Hei Ting Tze.....	9	Japanese Police Sub-station
Tou Tao Kou .....	12	—ditto—
Fu Tung .....	10	—ditto—
Ho Lung Hsien Chieh.....	7	—ditto—
Pa Tao Tze .....	5	—ditto—
Cheh Men Tung .....	6	—ditto—
Wang Tsing Hsien Chieh ...	6	Police-Bureaus, Pai Tsao Kou Branch Consulate
Liang Shui Chuan Tze .....	9	Japanese Police Sub-Station
Ha Ya Ho .....	10	—ditto—
Tun Hua Hsien Chieh.....	4	—ditto—

Again, in the year 1908 Japan illegally stationed five police inside the city of Changchun.

— 71 —

Thus, in the year 1930, there were in all 1575 Japanese police illegally stationed in the Railway Leased Territory; 221 consular police in Liaoning Province, and 297 along the border districts of Kirin. The total number, together with those set up elsewhere, exceeded 2200, and added to the force in the Kwantung Leased Territory, aggregating 1396, the grand total, therefore, was over 3600.

Since Japan, with one pretext or another, and absolutely without any treaty sanction, established police bureaus or boxes in various localities outside the Kwantung Leased Territory, the Japanese police have committed all kinds of misdeeds and atrocities, such as putting Chinese to death under barbarous circumstances, riding roughshod over the sovereign rights of China, disturbing peace and order, giving protection to bandits and other undesirable characters, offering affronts to Chinese officials, etc. We will cite a few instances.

a) On March 20, 1918, the police stationed at Penhsihu arbitrarily arrested the district magistrate, Shan Wen-Kun. He was detained in the Japanese Police Bureau and released the following day.

b) On June 17, 1923, Japanese police wantonly put to death a Chinese member of the militia, named Yi Lan-kiang at Piao Tze Kou, Liu Kiang District.

c) On September 15, 1929, Japanese police arbitrarily set up guards along the streets both inside and outside Mukden

— 72 —

city on the pretext of affording protection to Mr. M. Oda, the Governor of Kwantung Leased Territory.

d) On February 25, 1930, Japanese police arbitrarily arrested and tried a Chinese named Ku Hung-Hsiang, at Tai Ping Shan village, Kaiping.

— 73 —

## CHAPTER VI

### (7) JAPAN'S JUDICIAL RIGHTS IN MANCHURIA

#### (1) Japan's Judicial System

Since the period of military occupation in 1905, Japan's judicial system in Dairen and Port Arthur, which constitute the leased territory of Kwantung, has undergone many changes. The Kwantung Trial Regulations, which were promulgated by Imperial Ordinance No. 212, established the so-called three trial system, and provided that Japanese laws should be applied to the Kwantung leased territory. With regard to the Chinese residing in the area, the Japanese government, having regard to differences of national habits, enacted 23 special regulations governing them. In deciding cases involving Chinese, the Japanese judges were allowed to take local usages and laws into consideration. In 1919 these regulations were again revised, but since then they have continued in force to the present day.

The Courts of Justice in Kwantung are under the direct control of the Governor and exercise jurisdiction in all civil and criminal cases as well as non-contentious matters. The courts consist of a District Court and a Higher Court. The Higher Court is divided into two departments: the Cassation Department and the Appeal Department.

Besides being a court of first instance in civil and criminal cases, the District Court exercises the functions of a registration

— 74 —

office for non-contentious cases. Usually its jurisdiction is exercised by one judge, but in special cases, it may be exercised by three judges sitting together. The District Court is established at Port Arthur but it has a branch court at Dairen.

The jurisdiction of the two divisions of the Higher Court is exercised by three judges sitting together. Besides acting as a court of second trial for cases handled by the Japanese consular courts in Manchuria and the District Court in the Leased Territory, the Cassation Department of the Higher Court hears appeals from the judgments of those courts. The Appeal Department, which is a court of final appeal of third hearing, hears the appeals of the District Court from the judgments of the Cassation Department, and also cases which have already been heard by the District Court or the Consular court, from the judgments of which the appeals have been rejected by the Cassation Department. In addition the Appeal Department takes charge of those cases which are reserved for it by the organic act of the courts in Kwantung.

The Procurator's Office, like the Courts of Justice, is under the direct control of the Governor. Under this office are one for the District Local Court and one of the Higher Court. The Civil Administrative Office is in charge of arbitration, registration, etc., in civil cases in the area under its control. The Civou Administration Bureau takes charge of those cases which

— 75 —

are beyond the competence of the the judicial police, and which require immediate decision or execution.

The Kwantung Government maintains a prison at Port Arthur and a branch prison at Dairen. Prisoners already convicted and sentenced by the District Court and the Higher Court or awaiting sentence are lodged there. Criminals sentenced by the Japanese consular courts in Manchuria to penal servitude or terms of imprisonment exceeding three months also serve out their sentences in these two prisons. According to an investigation made in 1930 the inmates in the two prisons for that year included 211 Japanese, 1,142 Chinese and 40 foreigners of other nationalities.

Judicial rights in the South Manchuria Railway zone are exercised by the Japanese consuls, who also assume jurisdiction over Japanese nationals resident in the interior of Manchuria in civil and criminal cases. This is known as consular jurisdiction, which was granted to Japan in the Sino-Japanese Treaty of Commerce and Navigation of July 21, 1896. Article Three of that treaty says:

**"His Majesty the Emperor of Japan may appoint Consuls-General, Consuls, Vice-Consul and Consular Agents to reside at such of the ports, cities and towns of China, which are now, or may hereafter be, opened to foreign residence and trade, as the interests of the Empire of Japan may require.**

— 76 —

**"These officers shall enjoy all the attributes, authority, jurisdiction, privileges and immunities which are, or may hereafter be, extended to similar officers of the nation most favoured in these respects."**

Although consular jurisdiction was conceded to Japan in 1896, it was not until 1898 that Japan exercised her extraterritorial rights over her nationals in Manchuria. In 1908 an imperial ordinance was issued, limiting the jurisdiction of the consular courts to minor cases and transferring cases involving heinous offences to the Kwantung courts. Under this ordinance Japanese consuls were allowed to hold preliminary hearings of cases of misdemeanor while the right of final hearing was given to the Higher Court. This considerably extended the jurisdiction of the courts in the Leased Territory, for it meant that wherever Japanese consular jurisdiction exists, the authority of the courts follows, and since the Japanese have tried to exercise jurisdiction over their nationals in those districts which are not opened to foreign trade, the jurisdiction of the Kwantung courts actually extends to inland districts.

(2) Japan's Encroachment on Chinese Judicial Rights.

As stated above, the Sino-Japanese Treaty of Commerce and Navigation of 1896 conceded consular jurisdiction to Japan, which is based on the principles of "Statutus Personalia", the defendant in a civil suit and the accused in a criminal suit being subject to trial in a court of his own nationality. It

— 77 —

follows, therefore, that while China cannot assume jurisdiction over a Japanese subject when he is a defendant in a civil suit or accused in a criminal action, nor can the Japanese courts in the leased territory or the South Manchuria Railway zone exercise jurisdiction over Chinese resident in those districts either. Yet this has been done by the Japanese courts, which is clearly a violation of treaty engagements.

Japan's rights in the Kwantung Leased Territory are derived in the first instance from the Sino-Russian Convention for the Lease of the Liaotung Peninsula signed on March 27, 1898, the terms of which Japan engaged to respect in the Portsmouth Treaty of September 5, 1905. Article Four of the lease convention contains this provision:

**"Chinese inhabitants retain the right, as they may desire, either to remove beyond the limits of the territory leased by Russia or to remain within such limits without restriction on the part of the Russian authorities. In the event of a Chinese subject committing any crime within the limits of the leased territory, the offender will be handed over to the nearest Chinese authorities for trial in accordance with Chinese laws, as laid down in Article VIII of the Treaty of Peking of 1860."**

The article in question reads as follows:

**".....Toutes les affaires concernant les marchands de l'un et de l'autre Empire sont examinées par eux de gré à gré; les crimes et délits doivent être jugés, comme il est réglé par l'Article VII du Traité de Tientsin, d'après les lois de l'Empire dont le coupable est sujet."**

— 78 —

Les litiges, revendications et autres malentendus de même nature, survenant entre marchands à propos d'affaires commerciales, seront réglés par les marchands eux-mêmes, au moyen d'arbitres choisis parmi eux; les Consuls et les autorités locales doivent se borner à coopérer à l'arrangement à l'amiable, sans prendre aucune responsabilité relativement aux revendications.

"En cas de recel d'un sujet russe parmi les Chinois, ou de sa fuite dans l'intérieur du pays, l'autorité locale, aussitôt après en avoir été informée par le Consul russe, prend immédiatement des mesures pour faire rechercher le fugitif, et aussitôt après l'avoir déconvert le remet au Consulat russe. La même marche doit également être observée relativement à tout sujet chinois qui se cacherait chez des Russes ou se serait enfui en Russie.

"Dans les cas de crimes graves, tels que meurtre, brigandage avec de graves blessures, attentat contre la vie, incendie pré médité, etc., après enquête si le coupable est Russe, il est envoyé en Russie pour être traité selon les lois de son pays, et s'il est Chinois, sa punition lui est infligée par l'autorité du lieu où le crime a été commis, ou bien, si les lois de l'Etat l'exigent, le coupable est envoyé dans une autre ville ou une autre province pour y recevoir son châtiment.

"En cas de crime, quelle qu'en soit la gravité, le Consul et le chef local ne peuvent prendre les mesures nécessaires que relativement au coupable appartenant à leur pays, et ni l'un ni l'autre n'a le droit d'incarcérer ni de juger séparément, et encore moins de châtier un individu non-sujet de son Gouvernement."

This provision establishes beyond doubt the right of Chinese courts to exercise jurisdiction over Chinese resident in the leased area in civil and criminal cases, when they are defendants or accused. That this right has been usurped by the

— 79 —

Kwantung courts constitutes not only a violation of treaty engagements but also an infringement of the undertaking given by Russia in Article One of the Lease Convention of 1898 which reads "This act of lease, however, in no way violates the sovereign rights of H. M. the Emperor of China to the above-mentioned territory".

Japan's assumption of jurisdiction over Chinese is another violation of treaty provisions. Article Five of the Contract for the Construction and Operation of the Chinese Eastern Railway of September, 2, 1896, to which Japan succeeded by virtue of the Portsmouth Treaty, reads:

"The Chinese Government will take measures to assure the safety of the railway and of the persons in its service against any attack.

"The Company will have the right to employ at will as many foreigners or natives as it may find necessary for the purpose of administration, etc.

"Criminal cases, lawsuits, etc., upon the territory of the railway, must be settled by the local authorities in accordance with the stipulations of the treaties."

The last provision makes it clear that judicial rights in the territory leased for the use of the railway should be exercised by the Chinese authorities, so far as Chinese are concerned. Japanese consular jurisdiction, no matter where it is exercised, in the railway zone or the inland districts of Manchuria, is confined to cases involving Japanese subjects or where a Japanese is a defendant in a civil suit or an accused

304  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 80 —

in a criminal action. It has no application to purely Chinese cases or where a Chinese is a defendant. Jurisdiction in those cases should be exercised by the Chinese courts. Moreover, what judicial rights may have been exercised by Russia by virtue of the contract for the construction of the Chinese Eastern Railway already quoted above, were renounced by Russia in October, 1920 in favour of China. Again, Article Nine of the Agreement on General Principles for the Settlement of Questions between China and Soviet Russia signed on May 31, 1924, contains this provision:

"The Government of the two Contracting Parties mutually declare that with the exception of matters pertaining to the business operations which are under the direct control of the Chinese Eastern Railway, all other matters affecting the right of the National and the Local Governments of the Republic of China—such as judicial matters, matters relating to civil administration, military administration, police, municipal government, taxation, and landed property (with the exception of the lands required by the railway) shall be administered by the Chinese authorities."

Since Japan's rights in the South Manchuria Railway are derived from the lease convention of 1898 and the railway contract of 1896, it follows that she has lost whatever treaty justification she may once have had for the exercise of judicial authority in the area, when the Russians renounced theirs.

With regard to the Japanese demand for the assumption of jurisdiction over Koreans who reside in Chientao and other regions in Manchuria, it is again contrary to treaty stipulation.

— 81 —

Article Four of the Sino-Japanese agreement of September 4, 1909, relating to the Tumen River boundary says:

"The Korean subject residing on agricultural lands within the mixed residence district to the north of the River Tumen shall submit to the laws of China, and shall be amenable to the jurisdiction of the Chinese local officials. Such Korean subjects shall be accorded by the Chinese authorities equal treatment with Chinese subjects, and similarly, in the matter of taxation and all other administrative measures, they shall be placed on equal footing with Chinese subjects. All cases, civil or criminal, relating to such Korean subjects shall be heard and decided by the Chinese authorities in accordance with the laws of China, and in a just and equitable manner. A Japanese consular officer or an official duly authorized by him shall be allowed freely to attend the court, or in the hearing of important cases concerning the lives of persons, previous notice is given to the Japanese consular officers. Whenever the Japanese consular officers find that a decision has been given in disregard of law, they shall have right to apply to the Chinese authorities for a new trial to be conducted by officials specially selected in order to assure justice of the decision."

This article shows that local Chinese authorities in those regions are entitled to exercise jurisdiction over the Koreans in criminal and civil cases and that the right of Japanese consular officers under this treaty is strictly limited to that of watching court proceedings to see whether the trials are conducted in accordance with law. But the facts are otherwise: The Japanese consuls in Chientao, Lungchingtsun, Chutzechieh, Toutaokou, Patsackou and other districts, relying upon their own consular police, have constantly interfered with the administra-

— 82 —

tion of justice on the part of the Chinese authorities in cases involving Koreans in those area. This is a flagrant violation of treaty engagements.

(3) Instances of Japanese Interference with Chinese Judicial Authority.

(1) At least several cases occur in Manchuria every year, where Japanese police break into Chinese law courts, intimidate the judges and attempt to obstruct the course of justice in other ways. For example, in July, 1927, a Chinese, named Cheng Chin-shan, who had been sentenced to imprisonment on a charge of abduction by the district court of Fu Hsien, of the Province of Liaoning (Fengtien), escaped to Dairen, while he was on his way to make an appeal to the Higher Court. The district court sent a man to Dairen to arrange for his extradition and when he was being escorted back to Ao Fang Station Japanese police intervened and carried the prisoner off. Negotiations again followed for his surrender, but in vain.

On February 2, 1931, Mr. Wang Tze-ping, a member of the district government of Tiehling, Liaoning, accompanied by police of the Ninth sub-bureau of public safety, went to a Korean restaurant at Hsi Tu on official business. Forty armed Japanese police immediately besieged the Chinese police station and they were withdrawn only after long negotiations on the part of District Magistrate Yu.

— 83 —

(2) The South Manchuria Railway zone is virtually the happy hunting ground of criminal elements. Japanese police not only shield them but refuse to hand over criminals who are known to have escaped to the zone after committing criminal offenses in Chinese territory. In fact, they frequently cross into Chinese territory and arrest Chinese and torture them. Cases of this sort occur every year. On May 2, 1931, Mi Shang-tsen, a native of Liaoyang, Liaoning, and his two sons were arrested by Japanese police, and thrown into a Japanese prison, where they were held for about 20 days, during which time the Japanese time and again resorted to the barbarous practice of pouring cold water into the nostrils of the three men. From the effects of this torture the elder Mi died shortly after release. This was certified by both the British hospital at Liaoyang and the Shen Ching Hospital at Mukden.

(3) There have been many cases where Japanese consular officers have abused their extraterritorial rights. In November, 1930, the Japanese consul at Kirin, Nagaoka, under the pretext of tracing the disappearance of a Japanese named Kanda, accompanied by several members of his staff and police, went to Yungchihsien and opened a Chinese tomb only to find the body of a Chinese woman. The Chinese authorities lodged a protest against this act, and the matter was finally settled by the Japanese consul tendering an apology.

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

— 84 —

On June 14, 1931, the Japanese instigated Koreans across the border to enter Chinese territory and wreck the Ho Lung Customs in Kirin. Negotiations for redress followed, but without result.

— 85 —

CHAPTER VII  
EDUCATIONAL RIGHTS OF JAPAN IN THE  
NORTH-EASTERN PROVINCES

I. Encroachment upon Chinese Educational Rights  
by Japan in the North-eastern Provinces.

According to original treaty stipulations, Japan has no educational administration rights whatever in the Kwantung leased territory and the South Manchuria Railway zone. It must be known that Japan only succeeded to those rights in Port Arthur, Dairen, and South Manchuria Railway as originally acquired by Tsarist Russia. According to Articles I and VIII in connection with the lease of Dairen and Port Arthur, as concluded between Russia and China on March 15, 1898, it was clearly defined that Russia should in no way encroach upon Chinese sovereignty, nor, in the case of building branch lines, occupy land illegally, nor interfere with Chinese rights.

Even from the legal standpoint, the educational administration rights along the South Manchuria Railway leased land should also be in the hands of China. Japan, however, disregards the original treaty stipulations and ignores Chinese legal provisions, and carries out a comprehensive plan of educational and journalistic activities in and outside of Kwantung leased territory. What is more serious is that in a territory such as Dairen and Port Arthur, where the Chinese constitute

— 86 —

99 percent of the population, and in the S.M.R. zone, where the Chinese constitute 67 percent of the population, the Japanese forbid the Chinese to set up any educational institutions whatever. The Japanese would suppress any attempt on the part of any Chinese to establish free public schools in these places. No such precedent exists in all other foreign settlements in China where they forbid the territorial sovereign to exercise the power to establish schools. Even the foreign powers would not absolutely forbid in their own territories the establishment of schools for alien residents. On the other hand, Japan excludes any other kind of education except its own in the Kwantung leased territory and the South Manchuria Railway zone. This is not only an infringement upon Chinese sovereignty but also a defiance of the sanctity of treaties.

2. Japan's Educational Activities in the  
North-eastern Provinces.

In the Kwantung leased territory and the South Manchuria Railway zone Japan has established many cultural and educational institutions in accordance with her own laws and not amenable to Chinese control. These institutions can be classified under two heads: school education and social education. The schools which are established exclusively for the Japanese (separate schools are maintained for the Koreans) are kindergartens, numbering 4 or 5; grade schools 5 or 7; middle schools, 7; high schools for girls, 8; schools for home economics for

— 87 —

girls, 14; agricultural, commercial and industrial training schools, 5. Besides, there are libraries and museums and some other small public libraries.

The extent of the Japanese cultural onslaught and encroachment upon China's educational administration can readily be seen in the elaborate system of schools and social education for Chinese in the North-eastern provinces. The Japanese schools established for the Chinese make the study of Japanese language the principal subject. The students are forbidden to read any Chinese history, geography, or the Kuomintang Principles. They are required to read Japanese history and geography from Japanese textbooks.

The Japanese have established twenty-two public high schools for Chinese, with an enrollment of 12,416 students. There are about 121 common schools with an enrollment of 26,282 pupils; two secondary schools, one at Mukden and the other at Port Arthur, with an enrollment of 590 students (both Chinese and Japanese), and six preparatory schools for the study of Japanese language with an enrollment of 1,559 students. Besides, there are about 177 private schools under the control and supervision of Japanese authorities in Kwantung leased territory, totalling about 3,676 students. There are some institutions accepting both Chinese and Japanese students, such as the Normal School at Port Arthur having about 186 students. There are seven industrial schools with an enrollment of 2,228

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

— 88 —

students and 34 trade preparatory schools having 3,056 students and 15 other preparatory schools of different sorts.

Colleges and universities which receive both Chinese and Japanese students are the South Manchuria Technical College at Dairen, with an enrollment of 229 students; the Manchuria Teachers College at Mukden having 61 students; the Institute of Technology at Port Arthur, having an enrollment of 364 students, and the Medical College of South Manchuria at Mukden, having 696 students.

Most of the schools and colleges mentioned above are supported and managed by the Governor of Kwantung leased territory and the South Manchuria Railway Company. Only a few of them are run by Japanese individuals and Japanese societies. Those located in the Kwantung leased territory are controlled by the Kwantung Governor, those located in the South Manchuria Railway zone by the South Manchuria Railway Company, and those within the Japanese consular territory by the Japanese consulates.

The Japanese support and maintain many newspapers, journals and news agencies in the North-east in order to manipulate public opinion. Not one of them is established in accordance with Chinese laws. There are about 504 kinds of Japanese newspapers, journals, and other periodicals in the North-east. The most important are the "*Manchuria Daily News*" and fifty-four other newspapers and journals, which

— 89 —

pay considerable attention to current events. There are about twenty-two periodicals, such as the "*Sino-Japanese Economic Magazine*" of Dairen, and about ten news agencies, of which the *Nippon Dempo* is the most popular one.

### 3. Japanese Illegal Interference with Chinese Educational Administration.

Japanese interference with Chinese educational work has been very frequent. Not only in the Kwantung leased territory and the South Manchuria Railway zone is Chinese education forbidden, but also in those places contiguous to the Japanese zone, where Chinese educational work is interfered with by the Japanese policemen. We will cite a few instances.

1. The Nantai Primary School at Haicheng, Liaoning province, was forbidden to teach the San Min Chu Yi (The Three People's Principles) by the Japanese police in the early part of 1929.

2. In the early part of 1930 the Japanese police interfered with the teaching of Kuomintang principles at Liaoyang Primary schools, Liaoning.

3. In May, 1930, the Japanese police interfered with the hanging of the map of China's lost territory and the chart explaining the San Min Chu Yi at Tiehling grade schools of Liaoning province.

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

— 90 —

4. In September, 1930, the Japanese police at Ssuningkai, Liaoning, forbade the hanging of Treaty Diagrams in the primary schools there.

5. The Japanese police interfered with the teaching of the San Min Chu Yi at Kaiyuan primary schools in the early part of 1929.

6. The Japanese police interfered with the hanging of outlines of the San Min Chu Yi at Changchun grade schools of Kirin in the autumn of 1930.

— 91 —

#### CHAPTER VIII

#### JAPAN VS. MONETARY AND FINANCIAL ADMINISTRATION RIGHTS IN THE NORTH-EASTERN PROVINCES OF CHINA

##### *1. Japanese Encroachment upon Chinese Monetary Administration Rights in the North-eastern Provinces.*

In addition to the warehouse and insurance enterprises in the North-eastern Provinces the Japanese undertake to open banks, stock exchanges and pawn shops. Moreover, the Japanese government invests power of issuance of bank notes with certain banks. In referring to the past treaties, the Japanese have by no means acquired the right of monetary administration. The Chinese Eastern Railway Agreement with Russia, which was concluded on August 27, 1896, is the basic instrument for the acquiring of operation rights of the South Manchuria Railway by Japan. In accordance with the said contract, the Japanese S. M. R. has only the right of building necessary railway houses and erection of telegraphs along the line (the sixth article of C.E.R. contract). As to the protection of the railway and the appointments of railway employees and other matters pertaining to cases of robbery and lawsuits along the line, they are all left to the administration of the Chinese (the fifth article of the C.E.R. Contract). This proves definitely that China only gives the C.E.R. company a managing right along the leased line instead of an administrative power in general.

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

— 92 —

In the years 1908 and 1909 the Chinese government made repeated declarations to the above effect and they were officially accepted by the government of the United States. According to the original contract, the second party, that is China, invests the right to establish a railway of a purely commercial nature. It is not a company of a political nature having administrative power. If the above explanation is right the Japanese have no legal right in issuing bank notes and running pawn shops in Chinese territory, to say nothing of the forcible circulation of Japanese currency. The Japanese S.M.R. company has only certain managing rights in the railway. Any other Japanese organization which engages in affairs that touch upon national and local administration under whatever pretexts is a violation of Chinese sovereign rights.

The issuing of currencies and the opening of monetary and exchange institutions bear a vital relation with the people. They can be issued and established only with government permission or based upon other legal rights. National currency and monetary exchanges are under the strict supervision and limitation of the government. Unless foreigners have acquired such rights through treaties or government permission they are in no way allowed to enjoy such rights in detriment to the sovereignty of the nation and the interests of the people.

— 93 —

Without the least treaty basis and government's permission, the Japanese issue a tremendous sum of Japanese currency, create a foreign money standard and establish stock exchanges and pawn shops, in the North-eastern Provinces. This constitutes a flagrant violation of Chinese sovereignty and of China's national currency administration.

In April, 1917 (the 6th year of the Chinese Republic), the Japanese Tokio Bankers' Association proposed radical changes in the monetary system in Manchuria, and it was accordingly adopted by the Japanese government, embodying in the introduction of a gold standard in the North-eastern Provinces of China. It is clearly pointed out in the plan that the adoption of a gold standard in Manchuria is to convert the said region into Japanese territory (economically implied in the 6th to the 8th articles of the original plan). This shows that Japan has not the least regard for Chinese sovereign rights but is bent on her own aggrandizement. It also shows clearly that Japan by no means obeys the original Sino-Russian treaty of 1898 (which leased Port Arthur and Dairen to Russia), as the first article says that the treaty in no way violates the sovereignty of the Chinese Imperial government, and the eighth article says that the building of the branch line from Changchun to Dairen and other branches will not violate Chinese sovereign rights.

— 94 —

## *II. Illegality of the Issuing of Japanese Currency in the North-eastern Provinces.*

According to investigations conducted in the year 1930 (the fifth year of Showa) there were in all fifteen Japanese principal banks and fifty branch banks in the North-eastern Provinces. Their total capital was fixed at 33,975,000 Japanese yen, while the capital paid up only amounted to 14,431,037 yen. The banks which have the power of issuing bank notes in the North-east are the Yokohama Specie Bank, whose head office is in Yokohama, and the Bank of Chosen, whose head office is in Seoul. The Yokohama Specie Bank has a total capital of 100,000,000 yen, and it is fully paid up. The total capital of the Bank of Chosen is 40,000,000 yen, but its paid-up capital only amounts to 25,000,000 yen.

There are four kinds of Japanese currencies in the North-east. (1), the Yokohama Specie Bank's silver certificate; (2), the gold certificate of the Bank of Chosen at Seoul; (3), the bank notes of the Bank of Japan at Tokio; (4), subsidiary silver coins, nickel and copper pieces. Of these four kinds of Japanese currencies, the latter two do not bear any great significance since the bank notes of the Bank of Japan are but carried over to China by travelling passengers to a limited amount and the silver and copper pieces have difficulty in extending their circulation. But the former two kinds of

— 95 —

Japanese currency have a long history, a particular function, and circulate in a larger area. Let us go into detail.

### *A. The Yokohama Specie Bank's Silver Certificate.*

It has been a long time since Japan established monetary institutions in the North-east. In January 1900 (that is January, of the 33rd year of Meiji), the Yokohama Specie Bank opened its branch office at Newchwang, while in the third year (1902) it issued silver certificates. This sort of certificate is commonly known as Tsao Piao (bank notes), as the certificate bears such Chinese characters as the Yokohama Specie Bank's Tsao Piao (bank notes). The certificate is also called "Lao Tou Piao," as the bank notes have an old-fashioned Japanese man on it. "Lao Tou," in Chinese, means "old man".

The certificates have the Japanese silver dollars as their standard. They have four denominations, namely, \$1, \$5, \$10 and \$100. Up to the time of the Russo-Japanese War in 1904, the Yokohama Specie Bank enjoyed tremendous prosperity in the North-east, with branches opened at Dairen, Mukden, Port Arthur and Tieling. At the time of the Russo-Japanese War, the Japanese government issued Military bank notes in the North-east and forced their acceptance on the people, with an aggregate circulation of one hundred and ninety million yen. Even up to the time of the signing of the Portsmouth Treaty the Japanese bank notes for military purpose were still in use

0054

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

— 96 —

in the North-east amounting to 150,000,000 yen. In September, 1906, the Japanese Imperial government invested the Yokohama Specie Bank with power to issue silver certificates for the redemption of those military bank notes. At the same time the said bank was empowered by the Japanese government to act as her treasury agent in Manchuria.

Originally the Japanese bank notes issued at Newchwang were cashable for silver dollars. Later on the power of issuing bank notes was given to the Yokohama Specie Bank at Dairen. In 1908 the South Manchuria Railway Company adopted the gold certificate. Thus the bank notes were greatly boomed and their circulation was widely extended. In the year 1912, the Japanese adopted the double standard, both silver and gold, in the North-east. The people were left free to choose between cashable bank notes and silver certificates. Afterwards, because of the large volume of Japanese imports exceeding exports, the bank branches experienced great difficulty in pooling silver. The bank notes were thus changed into a kind of money order and used instead of paying cash. In July, 1913, the Japanese government issued the 26th Imperial order. In addition to the bank notes of a silver standard, gold certificates were to be issued. These were qualified for both official and private use in the North-east.

In November, 1917, the Japanese government made a change in its monetary institutions in the North-east. The power of

— 97 —

issuing gold certificates and acting as a government treasury agent held by the Yokohama Specie Bank is now invested in the Bank of Chosen. While the power of undertaking real estate business was given to the Oriental Development Company, the Yokohama Specie Bank made buying and selling of monetary things its principal business. The circulation of its bank notes is not a daily necessity. They are purely used for the buying of native products and facilitating exchange. They had a total circulation in the North-east up to 1903 of 5,218,000 yen. The Yokohama Specie Bank with one branch at Newchwang has established five other branches at Dairen, Mukden, Changchun, Kaiyuan and Harbin.

*B. The Gold Certificates of the Bank of Chosen.*

The Bank of Chosen was established in 1909 at Seoul, Korea. In the year 1910, upon annexation of Korea by Japan, it was made the only national bank of Korea, having the right of issuing gold certificates. This sort of certificate is popularly known as "Chin Piao", because it can be cashed for one Japanese gold dollar. The legal constituents of one gold dollar are 11.574 grams gold. The reserves in kind are the bank notes of the Bank of Japan of Tokio and other crude gold and silver bars, while other guaranteed reserves are government bonds and other valuable stocks and bonds. The denominations of the gold certificates of the Bank of

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

— 98 —

Chosen are \$1, \$5, \$10 and \$100. Although it is written on the certificates "to pay cash on demand", they are in fact uncashable as those of the Yokohama Specie Bank. The Bank of Chosen opened its first branch at Antung in 1909. Since the operation of through trains between the Antung-Mukden railway and the Korean railways, the said bank began to establish a series of branches at Dairen, Mukden and Changchun. In 1914 when the World War broke out, the bank's gold certificates enjoyed a tremendous boom. Consequently the Japanese government, without consulting with or obtaining the permission of the Chinese government, ordered this bank's gold certificates to rank as the sole Japanese monetary medium, having the right of an enforced circulation through the promulgation of the 217th and 218th Imperial orders. At the same time an embargo on gold was declared in Korea, designed as protective measures for Korea by checking the out-flow of gold to the North-east. The circulation of the bank notes is confined to Kwangtung Leased Territory, the S.M.R. zone, and Harbin. Besides the three branches at Dairen, Mukden, and Changchun, it has branch offices at Yingkow, Antung, Kaiyuan, Kirin and Harbin. It also installed bank agencies at Ssuping kai, Lungchingtsun, Port Arthur, Liaoyang, Tiehling, Chengchiatun, Manchouli, and Tsitsihar. The total bank notes in circulation amounted in 1930 in the North-eastern Provinces to \$90,615,000 yen.

— 99 —

Adding up the 5,218,000 yen in circulation of the Yokohama Specie Bank (some assert that the total is really 9,860,000 yen) and 90,615,000 yen of the Bank of Chosen (in 1929 the total issue were 43,584,000 yen) it is a debt without charges that the Japanese owe to China. In other words, it means the serious restriction on China's monetary circulation. The issuing of Japanese paper money and its forcible circulation in the Northeast have not the least treaty basis nor the least Chinese legal basis. Moreover, in April, 1917, the Japanese government ordered that the bank notes issued by the Bank of Chosen should be used as legal money in Kwangtung Leased Territory and the S. M. R. zone. Up to April, 1919, the Japanese government issued another order, that only Japanese gold yen should be used in the trading of native products in the various stock exchanges. Within Chinese territory the Japanese government openly abolished Chinese legal money and refused to accept it. This is a gross violation of Chinese sovereignty.

*11. The Founding of Japanese Monetary and Stock Exchanges and Opening of Pawn Shops in the North-eastern Provinces.*

The stock exchanges and pawn shops have a direct bearing upon the economic system of the people. In foreign countries they are all placed under the government's strict supervision and limitation in order to avoid illegal management and undue

speculation which will lead to serious monetary crises. In case, without any treaty basis, any one wishes to undertake such exchange and pawn shop enterprises in another country he must be subject to the provisions of the laws of the sovereign nation. Otherwise such enterprises would be considered as a violation of the sovereign rights of the country concerned.

*A. Stock Exchanges.*

As provided in the laws of all countries, the establishment of stock exchanges must first obtain the permit of the government concerned, and the brokers and members of the exchanges must be limited to the citizens. On October 3, 1929, the Chinese government promulgated the laws governing stock exchanges. This shows that the Chinese government is not indifferent to this question.

Beginning from 1913, the Japanese have opened more than ten stock exchanges in the North-east, which are not founded in accordance with Chinese laws nor based upon any treaty arrangements. It is particularly a gross violation of Chinese law since the Japanese establish some monetary exchanges and engage in money speculations. Such kinds of illegal exchanges are found in the big cities along the South Manchuria Railway. There are altogether seven monetary exchanges which are as follows:

Names of Monetary Exchanges	Year of Establishment	Currency traded	Trade unit in dollars
Dairen	September, 1913.	bank notes vs gold Yen	\$5,000
Muken	April, 1920.	gold yen vs Fengtien native currency (Fengpiao)	\$1,000
Kaiyuan	February, 1916.	Fengpiao vs yen or other currency	\$1,000
Ssuningkai	October, 1919.	—ditto—	\$1,000
Kungchuling	September, 1919.	—ditto—	\$1,000
Changchun	April, 1915.	general currency vs Kirin currency	\$1,000
Antung	January, 1921.	Antung taels vs gold yen	1,000 taels

All the above monetary exchanges, except the one in Antung which is an enterprise of Japanese subjects, are managed and controlled by the Governor of the Kwantung Leased Territory. All the forward volumes of the exchanges reach an amazing amount. According to the returns of 1929, the total volume, buying and selling, of the six officially-managed exchanges reach \$139,773,000 yen; while the other privately-

— 102 —

owned exchanges reached a total, buying and selling, of \$137,718,000 yen. In other words, both the exchanges at Mukden and Dairen have all exceeded one hundred million gold yen in trading per annum. The Japanese reap immense profit annually. The use of national currency as a speculating medium is not only a violation of Chinese laws, but it is also an encroachment upon Chinese sovereignty.

#### *B. Pawn Shops*

Pawn shops are to lend money to the laborers and the poor. Taking the advantage of the urgent need of the borrowers high usury is often enforced and it becomes a curse to the lower class. The Chinese pawn shops must first obtain a license for their establishment and pay taxes. The duration of the loan and the rate of interest are all definitely defined. The duration of the loan of pawn shops in the North-eastern provinces varies from 12 months to 18 months. Sometimes it can be extended for another two months. The rate of interest is usually put at thirty per cent per month. According to statistics of the latter part of 1928, there were 361 Japanese pawn shops in the North-east and they were scattered about in the Kwantung Leased Territory and along the S. M. R. zone. In the year 1930 they were reduced to 215. Out of this number 140 pawn shops were located in the railway zone. Their loans totalled about 2,637,814, yen. However, the duration of the

— 103 —

loans was only four months. The high rates of interest varied from eighty to one hundred per cent, and the low averaged forty per cent per month. The poor Chinese are severely squeezed by the high usury of the Japanese.

#### *C. Some Instances of the Japanese Interference with China's Monetary Administration in the North-east.*

Besides the Japanese encroachment upon Chinese monetary administration in the North-east, the Japanese in many ways directly interfered with Chinese currency and, even if discovered, they enjoy immunity from the Japanese authority. Let us cite some concrete instances. In May, 1923, one Japanese named S. Mori, of the Tanyu (Niwa) Company, was arrested for counterfeiting Harbin currency dollars at Dairen. In July, 1925 one Japanese, named Kanada opened a Sheng Ta Pharmacy, as a disguise, at Penshihu, but whose business was to counterfeit the bank notes of the Bank of the Three Eastern Provinces. He was later arrested. In September, 1926, two Japanese named J. Inouya and Yamada Saburo respectively, were found selling counterfeited bank notes and two hundred and twenty pieces of such counterfeit notes were seized from them. On September 2, 1929, a Tacheng Company was discovered at Kasuka Cho at Dairen, and its business was to manufacture Chinese coppers by the Japanese. On November 22, 1930, a Japanese factory

— 104 —

for the counterfeit of Harbin paper dollars was found at Harbin. All these cases were brought to the attention of the Japanese authorities concerned by the Chinese Commissioner of Foreign Affairs, but no satisfactory replies were given and they became unsettled cases.

— 105 —

#### CHAPTER IX

##### JAPAN'S INTEREST IN THE ADMINISTRATION OF COMMUNICATIONS IN THE THREE NORTH-EASTERN PROVINCES.

Since her assumption of the management of the South Manchuria Railway in 1905, Japan has utilized her position for the carrying into effect of her policy of expansion in the North-eastern Provinces and for the thwarting and suppressing of Chinese attempts at improvement of transportation and communications there. Especially marked has been her interference with railway transportation and construction. The slightest internal disorder in China has been the excuse for the extortion of profitable pickings, all camouflaged under the name of safeguarding her loans. No legitimate reason lay back of Japan's objection to the completion of the proposed harbour at Hulutao; yet no sooner had construction work commenced than Japan saw fit to seize military control of that section of the Peining or Peiping-Liaoning Railway. The Chinese Government refused, however, to be intimidated, and proceeded with the original plans. This interference by Japan is in direct violation of Article IV of the Treaty of Portsmouth, signed by Japan and Russia on September 5, 1905, in which "Japan and Russia reciprocally engage not to obstruct any general measures common to all countries, which China take for the development of the commerce and industry of Manchuria".

— 106 —

In the paragraphs that follow will be given other instances where Japan has, previous to September 18, 1931, infringed upon and obstructed the administrative integrity of (A) railway transportation, (B) telegraph and telephone communications, (C) postal service, and (D) shipping and flying rights in the North-eastern Provinces.

#### A. RAILWAY TRANSPORTATION.

##### 1. *Japanese Attempts at Blocking the Construction of Railway Lines Projected by the Chinese Government.*

All of the past attempts on the part of the Chinese Government to construct new railways in the North-eastern Provinces without resorting to Japan for financial support or consent invariably produced from Japan the protest that the proposed line ran parallel to the South Manchuria Railway and was therefore prejudicial to her interests. That China must not violate these conditions Japan repeatedly alleged to have been stipulated in "secret protocols" signed by China and Japan. These "secret protocols" alleged by Japan turned out to be none other than the signed minutes recording a meeting of the Chinese and Japanese plenipotentiaries held in Peking on December 4, 1905. The minutes ran:

"The Chinese Government engage for the purpose of promoting the interests of the South Manchuria Railway not to construct prior to the recovery by them of said railway,

— 107 —

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."

The Japanese delegates had proposed this article to the meeting hoping to have it included as one of the articles of agreement in the 1905 Treaty; but the Chinese plenipotentiaries had refused to give consent, pointing out, moreover, that the terms "parallel" and "neighborhood" were too comprehensive. After a long parley, the Japanese finally requested to have the "protocol" recorded in the signed minutes of that meeting as expressing a claim of right on Japan's part. To this final request the Chinese gave consent.

In 1907 the Chinese Railway Administration negotiated with a British firm for the construction of extension to the present Peining or Peiping-Liaoning Railway to run from Hsinmintun to Fakumen. Japan at once protested against the contract, maintaining that as the proposed railroad ran parallel to the South Manchuria Railway Japan could assert her right of veto as acknowledged in the signed minutes of the 1905 negotiations which Japan at this time proclaimed to the world as a "secret agreement." In the controversy that followed, Governor Tang Shao-yi of Mukden, who was one of the Chinese signatories to the 1905 Peking Treaty, denied the existence of any "secret agreement" in the Peking Treaty which debarred China from paralleling the Japanese railway line. Although

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

— 108 —

the Japanese delegates to the convention had requested such a right of veto for Japan to eliminate future competition in the South Manchuria Railway area, Governor Tang insisted that the Chinese plenipotentiaries had signed no such agreement. Minutes recording the business brought up for discussion from day to day, the Chinese delegates had signed, but these minutes recorded merely the business taken up in discussion by the Conference, and could in no legal sense be construed to mean or to have the force of "secret protocols". In her reply to the Japanese protests, the Chinese Government contended that the proposed line was at a great enough distance away so that it could hardly be designated as being in the neighborhood of and parallel to the South Manchuria Railway, even based on a definition of miles in keeping with British and American railway practice. When pressed for a definition in miles, the Japanese Government on May 29, 1908, issued a decree (decree 80) to her minister in China specifying the term "neighborhood" to include territory within one hundred Chinese li of the South Manchuria Railway, within which region Japan claimed her right of veto. The Chinese Government, although refusing to recognize the applicability of the terms "neighborhood" and "parallel" to the projected railroad, finally yielded to Japanese pressure and cancelled negotiations with the British firm.

That same "right of veto" has been, since 1908, repeatedly invoked by Japan to protest against the construction of other

— 109 —

railways in the North-eastern Provinces. The Shenhai or Shenyang-Hailung Railway, including the Meihsi or Meiho-Hsian branch line (begun July, 1925, completed September, 1927); the Tatung or Tahushan-Tungliao Railway (begun April, 1927, completed November, 1927); and the Kihai or Kirin-Hailung Railway (begun May, 1927, completed April, 1929) have all been labelled as detrimental to the interests of the South Manchuria Railway and, therefore, should not have been constructed. But, even should China grant the justice of Japan's definition, all these three railways lie outside the 100 Chinese li zone insisted upon by Japan. What grounds has Japan then for obstructing the legitimate development of the Chinese national railway system? Japan withdrew her objections to the construction of the Shenhai line as soon as China consented to borrow Japanese funds for the building of the Taoang or Taonan-Angangchi Railway. She persisted in her protests against the other lines, in spite of the fact that the Tatung line lies more than a hundred miles beyond the South Manchuria Railway and that the Meihsi line is not only over a hundred li away but also not parallel. The fight over the Kihai line has been most bitter. This line, opened to traffic in July, 1929, should have long been linked up at Kirin with the Kichang or Kirin-Chanchun line, but for Japanese obstruction. The Kichang Line, although constructed through a Japanese loan, is nevertheless a Chinese Government Railway, while the Kihai line was financed and built

— 110 —

solely by the Chinese, and lies more than one hundred kilometres east of the South Manchuria Railway. Yet Japan has effectively resisted all attempts on the part of China to link up two branches of her own government railway lines.

Arbitrary, and unreasonable too, was the tearing up of the Peiling spur line, a short five kilometre branch of the Peking Railway. The spur ran from Shenyang Station to Peiling, the mausoleum of the early Manchu rulers, in recent years converted into a public park. Nearby is located North-eastern University, the highest educational institution of its kind in the North-eastern Provinces. The Peking Railway constructed this short branch in 1925 for the convenience of travellers to and from Peiling. On June 27, 1929, the Japanese consul at Shenyang ordered Japanese military guards to forcibly tear up the tracks, explaining that the Chinese Government, by running this line over the farm lands of a Japanese subject, Kajihara Masao, without the consent of the Japanese authorities violated acquired Japanese jurisdictional rights. The Chinese contended that those farm lands had been leased in 1915 to Kajihara for the rent of \$600 a year, but up to 1925 the Japanese had paid in all only \$500. The Chinese authorities had in 1925 notified the Japanese Consulate in Shenyang of the cancellation of the lease and the reversion of the land to Chinese control. The Japanese continued refusing to surrender the land. The Peiling

— 111 —

line was constructed after the cancellation of the lease and therefore could not be considered as violating any acquired jurisdictional rights. This issue, the Japanese Government made mention of as one of the many unsettled problems between the two countries.

2. *Japanese Attempts at Destroying the Administrative Integrity of the Chinese Government Railway.*

The Kichang or Kirin-Changchun Railway is one of the Chinese Government Railways. China consented, in negotiating loans from Japan for the construction of that railway in 1909 (as revised on October 12, 1917) to employ three Japanese directors to be placed in charge of "general affairs", "traffic", and "accounting". According to Article XIV of the Kirin-Changchun Railway Loan Agreement,

**"The general regulations of the Ministry of Communications applicable to all railways will also be observed by the Railway. But if, owing to special conditions in connection with the Railway, they should be difficult to apply, the matter should be reported with a statement of the facts to the Ministry of Communications."**

Recently, when the Ministries of Communications and Railways issued regulations governing freight rates that applied to all railways, the Japanese "traffic" director of the Kichang line refused to put the new rates into effect, giving as his reason that there was a difference between Chinese and Japanese goods handled by

— 112 —

his line, and therefore there should be a difference in rates. This claim of special freight charges for Japanese goods, and Japanese goods alone, violated Article V of the Nine-Power Pact of 1922. The Chinese Foreign Office called the attention of the Japanese Legation to this infringement, outlining all the pertinent facts, but up to the present, the Japanese directors of the Kichang line have refused to comply with the terms of the Agreement and with the regulations. And the Kichang Railway was the only one of the Government railways that did not apply the new freight charges. Since August, 1931, the Ministry of Railways have recognized absolutely no distinction between Chinese and foreign goods. A distinction has been made only between the varying grades of goods and charges have been assessed correspondingly. Japan had no legitimate reason for refusing to put the new rates into practice on the Kichang Railway.

3. *Steps Taken by the Japanese for the further Absorption of Chinese Railway Rights.*

a. **The Kichang or Kirin-Changchun Railway** (begun 1909, completed 1912). Although in Article III of the "agreement for a loan for the Kirin-Changchun Railway" of October 12, 1917, "the (Chinese) Government will specially commission the (South Manchuria Railway) Company to direct the affairs of the Railway in its stead during the term of the loan" yet

— 113 —

Article IV specified that "in matters of importance the Company's representative or a director must first consult with the Chief of the Administration (representing and acting under the instructions of the Ministry of Communications) before taking action. The orders for all receipts and disbursements of the Railway must be signed in conjunction with the Chief of Administration before they can be valid." The Company's representative took over autocratic control and operated the line without consulting the wishes of the Chinese Chief of Administration. He discriminated against the Chinese employees in the matter of salaries. Fifty-four Japanese officials drew an aggregate monthly salary of thirty-four thousand odd dollars, an average of \$500 per Japanese; while 540 Chinese officials received a total monthly salary of \$32,000, an average of \$60 a Chinese. Each of the Japanese directors drew a salary of two thousand odd dollars, which was three times as large as the monthly stipend of \$750 received by the Chinese Chief of Administration.

According to Article VII of the loan agreement, "during the period that the Company administers the affairs of the Railway, the Government and the Company, after consultation together, will arrange to have turned over to the Company 20 per cent of the profits of each working period which remain after being applied to the redemption of the capital and the payment of interest of the loan..." For the 10 year period

— 114 —

from the beginning of 1918 till the end of 1927, 20% of the actual profits of this line should have entitled the Company to the sum of \$348,150; but the Company has received, instead, a total of \$893,500, or more than double her due. This was made possible by counting as expenditures of the Railway only the two items, the paying of interest due on loans, and the paying of the current administrative expenses. The Japanese representative did not include expenses definitely stipulated in the Agreement as being necessary for maintenance, repairs, replacements, and future contingencies. The 80% due the Chinese Government, the Japanese retained for what he termed replacements and expansion of the railway.

The Kirin-Changchun Railway loan was for \$5,500,000. Since April, 1928, China has already paid back 893,750. However, the careless spending of money by the Japanese directors has necessitated additional loans, so that although the original loan itself has diminished in amount the additional borrowing of money has boosted the total amount of loans outstanding. Therefore, despite her payment of almost \$900,000, the Railway today owes the South Manchuria Railway in all \$6,730,000. According to Article I of the Agreement, "in case the Railway should be in arrears, in connection with the interest, . . . . . if . . . the Government is unable to raise the sums required for the deferred payments of interest and principal, it must hand the Railway and all the property thereof over to the

— 115 —

Company to be temporarily administered. . . . ." By continuing their irresponsible extravagance, thus slowly increasing the financial obligations of the Railway, were not the Japanese directors helping the gradual absorption of this line by the South Manchuria Railway Company?

**b. The Kitun or Kirin Tunhua Railway** (begun June, 1926 completed October, 1928).

In October, 1925, the Chinese Government contracted with, the South Manchuria Railway Company for the construction of the Kitun Railway. The cost of construction estimated at 18,000,000 yen, was to be reimbursed the Company within one year after delivery. The Chinese Government consented to employ a Japanese engineer to be in charge of the planning, the making of estimates, and the supervising of the construction work during the period of construction. Immediately after commencing work, this Japanese engineer increased the estimated cost to 24,000,000 yen, and made changes in the road-bed. The Railroad was completed in October, 1928. The South Manchuria Railway Company notified the Chinese Government that she was ready to have the Chinese accept the Railroad. In accordance with contract regulations governing the engineering details of the construction, the Chinese Government appointed a commission of engineering experts to inspect the construction and to check over the itemized costs of construction.

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

— 116 —

These experts found instances of gross over-charge. A wooden shack built in the heart of the timber country was entered in the books as costing 1460 yen; temporary wooden bridges cost 420 yen per meter-unit. These "extra charges" totalled the enormous amount of yen 5,500,000. Besides, in their inspection of the construction, these experts found 181 instances of faulty engineering construction, and three unauthorized changes from the original drawings. All these complaints were listed and handed over to the South Manchuria Railway Company for remedy, but the Company did not deign to pay any attention to the report. Instead, she charged the Chinese Government with failure to live up to the terms of the agreement, with failure to accept delivery of the line. China thought it unreasonable to pay the exorbitant price of 24,000,000 yen for a railroad only 210 kilometres long. According to the Agreement, if China failed to repay the cost of construction within a year after accepting the railroad, then the debt must be settled under a new loan contract in which it must be definitely specified that the railroad shall employ a Japanese as Chief Accountant.

**c. The Ssutao or Ssuningkai-Taonan Railway** (begun April, 1916, completed November, 1923).

On September 8, 1919, the Chinese Government authorized the South Manchuria Railway Company to issue 5% gold Bonds in the sum of 45,000,000 yen. It was agreed, in the exchange

— 117 —

of letters over the Agreement, that previous to the issuance of the Bonds, the South Manchuria Railway Company was to advance the necessary funds, the interest charge was not to exceed 7-1/2%. Later the Company demanded 9-1/2% interest on her loan; after much negotiation, the charge was fixed at 9%. Although twelve years have elapsed since the signing of the contract in 1919, yet the Company has not undertaken to float the 5% bonds provided for in the Agreement. The Company preferred the breaking of an Agreement to the losing of the extra 4% of profit on her money. The Company was to receive a commission of 1/4% for services in connection with the floating of the bond issue; although the bonds have not yet been issued, the Company has already deducted the 1/4% commission from the money advanced to the Railway.

All the locomotives and the other rolling-stock used on the Ssutao line were rented from the South Manchuria Railway Company. These were in the main, shabby and dilapidated, but the rentals charged the line were exorbitant. Old locomotives were charged the yearly rent of 3000 yen a piece. The amount spent for keeping the rolling-stock in repair also ran high, excessively high. For the year 1928, the cost to the railway of rented locomotives and other rolling-stock amounted to 428,783 yen; the cost of repairs was over 1,000,000 yen. The South Manchuria Railway Company and the Japanese directors of the Ssutao Railway killed all attempts on the part of the

Chinese administration to buy equipment of locomotives and other rolling-stock for the line.

Although the annual receipts of this railroad ran about \$7,000,000 yet deliberate mismanagement on the part of the Japanese directors has made it almost impossible for the railroad to meet her payments. The original loan of 22,000,000 yen actually received by the Ssutao Railroad from the South Manchuria Railway Company has now, through high interest charges and interest upon interest, inflated to the enormous figures of over 52,000,000 yen. As long as the 5% bonds remain unissued, as long as the Railroad continues to pay 9% on her loans from the South Manchuria Railway Company, and as long as the Japanese directors pay exorbitantly for rental of rolling-stock that require constant repairs, for just that length of time will the Ssutao Railroad remain unredeemed.

**d. The Taoan or Taonan-Anganchi Railway** (begun March, 1925, completed July, 1926).

When China started the construction of the Shenhai or Shenyang-Hailung Railway, Japan refused to be silenced until she had secured from the Chinese Government a loan for the building of the Taoan Railroad. Forced to accept this loan, the Governor of Liaoning (Fengtien at that time) in September, 1924, signed an agreement with South Manchuria Railway Company in which the company undertook the financing and

the construction of the proposed road, estimated to cost 11,920,000 yen. The loan was to bear interest at 9% annually. The Chinese Government consented to employ a Japanese advisor and two Japanese assistants. After the completion of the construction, the Company presented to the Chinese Government a claim for expenditures totalling 13,125,000 yen. This amount was above the estimated cost. On going over the accounts, it was discovered that a sum of 2,075,961.53 yen was listed under the item "miscellaneous expenditure." The Chinese pressed for an itemized statement of these "miscellaneous expenditures"; the Company wrote, in reply, that they included:

1. Expenses involved in Peking and Mukden while negotiating for the Loan, expenses contracted prior to the awarding of the Contract .....33,250 yen
2. Contractor's Fees .....1,471,666 ,,
3. Examiner's Fees .....24,053 ,,
4. Inspection Fees .....61,167 ,,
5. Other Expenses ... ..485,825 ,,

The Chinese Government objected strongly to the items submitted, pointing out to the Company that Item 1, "Expenses involved in Peking and Mukden while negotiating for the loan, prior to the awarding of the contract", represented expense incurred by the Company itself in going after business and should not, therefore be charged

— 120 —

against the Taoan Railway; that Items 3 and 4, representing expenses involved in the inspection of the construction, were one and the same charge, and should properly be charged against the Company itself, not against the Railway; and that Item 2, "Contractor's Fees", almost a million and half yen, seemed strange, unthinkable, inasmuch as all expenses incurred in the constructing of the railroad have been included under the "Cost of Construction". Why "contractor's fees"? This objection from the Chinese Government the South Manchuria Railway Company has not, even up to the present, answered; instead, she has accused the Chinese Government of refusing to accept delivery of the road. She has also proceeded to charge interest on the 13 million yen from the date of the completion of the construction. This case was still unsettled in September, 1921.

#### **B. TELEGRAPH, TELEPHONE, AND RADIO COMMUNICATION**

Japan has all along been most flagrant in her violation of treaty obligations concerning the telegraph, the telephone, and the radio. The military lines that she set up in the North-eastern Provinces during the Russo-Japanese War she has developed into a permanent telephone system. In November, 1911, she erected a wireless station in Dairen. According to the 1896 Chinese Eastern Railway Agreement between China and Russia, Article VI, the Chinese Eastern Railway agreed "to construct and operate the telegraph necessary for the needs

— 121 —

of the line"; and according to the 1908 Chinese-Japanese Telegraph Convention, Article 11, Japan undertook "not to extend her present telephone system in Manchuria without having first obtained the consent of the Chinese Government". When Japan took over Russia's rights, she agreed not to use her telephone or telegraph system for commercial purposes; in 1908, she contracted not to extend her telephone system in Manchuria without having first obtained the consent of the Chinese Government. But she has, instead, expanded her telegraph and telephone systems and erected radio stations without deferring in the least to the wishes of the Chinese Government, and without regard for the sovereignty and integrity of China.

#### *1. Japan's Desire not only to Maintain but also to Expand her Telephone, Telegraph, and Radio Privileges in the Three Eastern Provinces.*

Prior to September 18, 1931, Japan controlled within the South Manchuria Railway Settlements ten telephone stations, 24 telegraph stations, and 7 wireless stations. In Chinese territory, she held *one* telephone system, at Tahsikuan in Shenyang; 8 telegraph stations, at Shenyang, Yingkow, Liaoyang, Hsinmin, Tiehling, Changchun and Antung and 15 wireless stations, in the Japanese consulates at Newchuang, Tunghua, Hailung, Chengchiatun, Taolu, Nungan, Kirin, Harbin, Tsitsihar, Manchouli, Chientao, Paitsaokou, Chutzschieh, Toutaokou and Hun-

— 122 —

chun. Japan has installed a long-distance telephone line 435 miles long between Dairen and Changchun, and another, 170 miles in length, between Shenyang and Antung. Japan had a veritable network of telephone and telegraph lines and of wireless stations enmeshing the whole of the Three Eastern Provinces.

As reported in the March 18, 1931 issue of the *Tokyo Asahi Shimbun*, the Chinese delegates to the March, 1931 Telegraph and Telephone Convention between China and Japan proposed that China take over the following systems and rights:

1. The Yenchi-Hunchun telephone system.
2. The South Manchuria Railway Settlement telephone system.
3. The long-distance line borrowed by the South Manchuria Railway.
4. The Hsinmin-Shenyang Long-distance telephone rights.
5. The Dairen-Changchun long-distance line.

As Japan had all intention of maintaining the *status quo*, she refused to discuss the Chinese proposals.

2. *Japan's Arbitrary Installation and Maintenance of Telegraph and Telephone Facilities in the so-called Chientao District.*

Even previous to her annexation of Korea in 1910. Japan labelled the four districts (hsiens) Yenchi, Holung, Wangching and Hunchun on the Chinese side of the border between China

— 123 —

and Korea, as the Chientao district. To further her policy of aggrandizement, she sent Koreans over into Chinese territory to seize farm land and otherwise to harass the Chinese magistrates. These disturbances led in September, 1909, to the Tumen River Agreement. After her annexation of Korea, Japan continued her policy of aggression, first by seizing the farm land of Chinese farmers and then by usurping police powers and seizing telephone and telegraph privileges. That she has made substantial use of these privileges, the following evidences will affirm:

a. *The Yenchi Telephone.*

While the deliberations on the Tumen River Pact were being carried on, Japan constructed a telephone line 130 odd *li* long for the use of the River Tumen Japanese guards. The magistrate of Yenchi and the governor of Kirin Province in 1910 entered into negotiations with the Japanese for the rendition of this line to the Chinese, but the Japanese balked all negotiations by demanding a price of \$30,000, basing their price on the 1908 Telegraph Convention. The matter remained unsettled. In 1920, on the pretext of suppressing the uprising of Korean revolutionists, Japan despatched troops into the Yenchi district. These soldiers put up military telephone lines which linked up the four districts. After the withdrawal of the Yenchi Japanese expeditionary forces, the Yenchi authorities

— 124 —

again entered into negotiations with the Japanese consul over the telephone lines. The Japanese consul finally agreed to present the military lines to China. Eight articles covering this transfer were at that time drawn up and approved. But the Japanese have since then procrastinated and delayed the transfer, so that up to the present nothing has been carried out.

b. *The Hunchun Telephone.*

As has been mentioned in the previous paragraph, Japan, acting under what she claimed was a military expediency, installed in 1920 a military telephone system in these four districts. In all, she put in one telegraph line and two telephone lines to connect Hunchun with Hueining and other localities in Korea. The telegraph and telephone headquarters she located in the Japanese consulate in Hunchun and she called the station the "Chingyuan Telegraph Sub-station". China protested against this station, but to no avail.

c. *The Lungching Village Telephone.*

Before the holding of the Tumen River Convention, i.e., before the settling of the Chinese-Korean border lines, Japan was presumptuous enough to run a telegraph line from Korea over into the village of Lungching. In 1920, she extended this line from Lungching to Yenchi and established in Lungching what she called "The Hucining Sub-station", which, with its eight lines, accepted telegrams for Japan, Korea, points along

— 125 —

the South Manchuria Railway, Chefoo, Dairen, Shanghai, and other places. This station also made long-distance calls to Hueining, Shangsanfeng, and Yenchi.

3. *Japan's Extension of her South Manchuria Railway Telegraph System into the Chinese Cities of Shenyang and Changchun.*

Japan falsely interpreted her taking over of Russian interests in 1905 as entitling her to connect her South Manchuria Railway telegraph with, and to develop without restraint, her private telephone and telegraph systems to such cities as Shenyang and Changchun. Within the city of Shenyang alone there over 600 telephones. Although Japan had promised in the 1908 Telegraph Convention "not to extend her present telephone system in Manchuria without having first obtained the consent of the Chinese Government", yet actually she kept on expanding. Besides, she installed an office at Tapeikuan in Shenyang for the receiving of telegrams, in direct violation of her treaty agreements.

4. *The Commercializing by the South Manchuria Railway Company of her Railway Telegraph Lines - a Violation of Treaty Rights.*

On taking over the South Manchuria Railway from the Russians in 1905, Japan agreed to observe all previous agreements between China and Russia relative to special rights and

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

— 126 —

privileges to be enjoyed by Japan in the Three North-eastern Provinces. Binding on Japan, therefore, was Article VI of the 1896 Agreement between China and Russia which limited Russia to the construction and operation of the telegraph "necessary for the needs of the line". The railway telegraph must, in other words, serve only the needs of the railway administration. But Japan made use of her South Manchuria Railway telegraph system, without the consent of the Chinese Government, for the transmission of commercial telegrams, by which action she went contrary to treaty stipulations.

5. *Japan's Abuse of the Shenyang-Hsinmin Long-distance Telephone Line Agreement by Establishing a Telephone Exchange at Hsinmin.*

When the Chinese Telegraph Commission through its chairman, Mr. Wei Hung-chun, gave consent to the Japanese Commission headed by Mr. Goto to the temporary use by Japan of the Shenyang-Hsinmin long-distance telephone line, China did not consent to the setting up of a telephone exchange system in Hsinmin. Yet Japan, after the signing of the Agreement, established within the city of Hsinmin a telephone exchange with about 130 private lines. These lines were charged 6 yen per line per month. Moreover, this system was connected by long-distance telephone with telephone systems elsewhere. This is another example of Japanese abuse of treaty rights.

— 127 —

6. *Japan's Disregard of Treaty Specifications by Refusing to Return Borrowed Telegraph Lines and by Establishing Separate and Unauthorized Telegraph Exchanges.*

According to Article III of the 1908 Telegraph Convention, "at open ports or treaty ports in Manchuria, which are in close proximity to the Japanese railway territory, namely at: Antung, Newchuang, Liaoyang, Mukden, Tiehling, and Changchun, the Chinese Government agrees, for a period of fifteen years to place one or two special telegraph wires from the said open ports or treaty ports to such railway territory at the exclusive disposal of the Japanese Government telegraph service." According to Article IV of the same Agreement, "the special wire or wires mentioned in Article III shall be worked from the Chinese telegraph buildings by Japanese clerks in the employ of the Japanese Government, and the Chinese Government undertakes to provide, at the total yearly rent of 700 Mexican Dollars, suitable special offices and accommodations for this purpose, it being, however, understood that the said accommodations do not include dwelling quarters for the clerks."

These special wires were placed at the disposal of the Japanese for a period of fifteen years. In 1923, 15 years after the convention, the Chinese Government asked for the return of those special wires. Japan refused to turn them back.

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

— 128 —

Moreover, in violation of Article IV, she refused to work the special wires from the Chinese telegraph buildings, but established her own stations elsewhere. At Shenyang, for instance, Japan set up in Tahsikuam her own station which she named "The Japanese Telegraph Office in Mukden". She disregarded all treaty specifications.

7. *Japan's Refusal to Render the Yingkow Telephone System.*

Article II of the December 5, 1906 Yingkow Rendition Agreement between China and Japan stated: "As for the telephone service, it should be taken over by the Imperial Chinese Telegraph Service, and be operated by it, and the said Telegraph Service and the Company (the joint stock company sanctioned by the Japanese military authorities, then in charge of the system) shall each appoint a representative to examine the telephone property, as already established at Yingkow, and estimate the price at which it shall be bought. If the representatives fail to agree upon a price, the said Telegraph Service and the company shall together select a disinterested arbitrator to determine the same, whose decision shall be accepted by both parties." The Yingkow telephone system should have been rendered back to China long ago, but Japan has all these years deliberately refused to make the necessary transfer.

— 129 —

C. **POSTAL RIGHTS.**

1. *Japanese Post Offices in the Three North-eastern Provinces and Negotiations between China and Japan over their Discontinuance.*

During the Russo-Japanese War, Japan, acting without the consent of the Chinese Government and beyond the scope of any treaty rights, established 94 military postal stations in the Three Northeastern Provinces. These she continued to maintain and improve, in spite of agreements to the contrary.

At the 1921 Washington Conference, the nations present agreed to discontinue, beginning from January 1, 1923, all their foreign post offices in China, excepting those in leased territories or those established under conditions specifically guaranteed by special agreements. Baron Shidehara at that time sought to preserve the Japanese postal stations in the Kwantung leased territory and in the so-called "South Manchuria Railway Zone" by insisting that the 1905 Portsmouth Treaty and Article VI of the 1896 Chinese Eastern Railway Contract guaranteed Japan such special postal rights. But the 1896 Convention gave Russia the right "likewise to constrict and operate the telegraph necessary for the needs of the line"; there was no mention of the postal rights that Baron Shidehara sought to preserve for Japan. Consequently, on December 8, 1922, China and Japan signed a postal agreement in which Japan

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

— 130 —

agreed to discontinue her ten post offices in Peiping, Shantung, and elsewhere, and her fifteen post offices in the Three North-eastern Provinces, located in Tahsikuan in Shenyang, Tapeimen in Shenyang, Newchuang, Liaoyang, Tiehling, Changchun, Kirin, Pinchiang, Hsinmin, Fonghuangcheng, Chiushihchieh of Antung, Toutaokou, Chutzchieh, Hunchun. Post offices located in the South Manchuria Railway areas and in the Kwantung Leased Territory were to be left to solution through diplomatic channels. Since Japan enjoyed no special postal privileges in China, she should have discontinued the post offices long ago; yet in spite of definite agreement and promises on the part of Japan herself to curtail her postal activities, she has not yet fulfilled her solemn obligations.

*2. The Extensiveness of the Japanese Postal system in the Three North-eastern Provinces.*

According to the October, 1920 report of the Kwantung Government, the Kwantung Administration, through its Communications Bureau, controlled the Japanese postal service in China. The headquarters in Dairen had charge over 43 post offices, 7 postal sub-offices, 22 postal stations, and 151 postal agencies. These 223 branches were located in the Kwantung Leased Territory, in the South Manchuria Railway Settlement Areas, and, in some instances, in Chinese territory. Excepting for local posts in small, out-of-the-way railway stations, and

— 131 —

other postal stations were combined postal, telegraph and telephone stations.

*3. Japan's Continual Encroachment on Chinese Postal Rights.*

Although Japan has discontinued her postal agencies in the Chinese cities, yet in regions in close proximity to the South Manchuria Railway Settlements and areas, the Japanese have retained their post boxes for the posting of mail. In the native city of Shenyang, such post boxes were to be found in Tahsikuan, Hsiaohsienmenwai, and Huangkung. In Tiehling, a post box was left in use in front of the Drum Tower. Such post boxes constituted an infringement against the agreement between China and Japan. Moreover, in defiance of International postal agreements, Japanese mail carriers openly rode into the native cities to deliver mail which should have been turned over to the Chinese post offices for delivery. Furthermore, within the Kwantung Leased Territory, the railway settlements and other areas, Japan not only continued her Japanese postal service but even hindered the Chinese Government from establishing postal stations there. Where a Chinese postal station was actually erected, Japan prevented it from putting up postal signboards and from accepting and delivering mail. The station became a mere clearing house for the sorting out of Chinese mail. This was the fate of the Chientaitientung postal agency located in the South Manchuria Railway Settlement of Shenyang.

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

— 132 —

#### D. SHIPPING AND FLYING RIGHTS

##### 1. Shipping Rights.

Since 1924, the Chinese Government has interested itself in the development of shipping in the Three North-eastern Provinces. At Harbin she established a Shipping Bureau which had charge of 80 odd ships. Under the Shipping Bureau were organized the Construction Office to continue the building of ships, and a Maintenance Office to maintain and deepen the navigable portions of the Sungari River. The Chinese Government also started construction work on Hulutao Harbour to make available more outlets for Northeast products. At Yingkow she established a Fishery Bureau to regulate fishing all along the coast. This Bureau instituted a Yingkow Municipal Fish Market, an aquatic experimental station, a fish cannery, and an office for the taking of moving pictures of fish life and habits. It also undertook the building up and the maintaining of fishing villages and other facilities for the caring and benefiting of the fishing population. Such enterprising efforts the Japanese could not countenance. Immediately after the September 18th outbreak, the Japanese seized and destroyed these progressive agencies in no small number.

As an instance of the high-handedness of the Japanese in dealing with strictly Chinese shipping, the case of the steamer Chung-Hua of the Yingkow Oversea-Trading and Steamship

— 133 —

Company, a Chinese shipping concern, might be cited. In May, 1931, the Chung-Hua called at Dairen to take on freight, but was refused permission by the Dairen Harbour Office of the Kwantung Government on the grounds that as Dairen was Japanese territory the Chung-Hua could not take on freight there. Forced to sail without her cargo, the ship suffered tremendous losses. In this particular case, which is one of many unsettled cases between the two countries Japan violated the 1898 Convention between China and Russia respecting the lease of Liaotung Peninsula, which Convention Japan agreed to observe in the 1905 Convention. According to Article I of the 1898 Liaotung Convention, "this act of lease, however, in no way violates the sovereign rights of H.M. the Emperor of China to the above-mentioned territory"; according to Article VI, "as regards Ta-lienwan, this port, with the exception of one of the inner bays which, like Port Arthur, shall be set apart exclusively for the use of Russian and Chinese fleets, shall be considered open to foreign commerce and free entry to it will be granted to the merchant vessels of all nations". The Harbour Office of Dairen, in refusing a Chinese vessel entry into Dairen, violated this 1898 Convention and encroached upon the rights of China.

##### 2. FLYING RIGHTS.

According to the 1919 International Flying Agreement, China has absolute and sovereign control of the air in the Three North-eastern Provinces (as based on Article 1), and

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

— 134 —

outside of innocent passage by commercial planes in normal times (as based on Article XI) no flying vessel used by a foreign military power may fly over or land on Chinese territory without the permission of the Chinese Government (as based on Article XXXII). Not only have military planes used by the Japanese flown over Chinese territory at will in normal times, but, after the September 18th outbreak, planes used by Japanese military men have continued to fly everywhere for scouting purposes, and for bombing Chinese cities and innocent Chinese citizens. What more flagrant repudiation of international agreements and utter transgression of China's sovereignty and integrity could there be than this?

— 135 —

#### CHAPTER X.

##### JAPAN'S INTEREST IN MINING AND INDUSTRY IN THE THREE NORTH-EASTERN PROVINCES

###### a. Japanese Violations of Mining Privileges in those Provinces

Soon after assuming control of former Russian rights in Kwantung and in the South Manchuria Railway, Japan concentrated a no mean portion of her financial power in the development of her mining interests. The South Manchuria Railway Company, immediately upon its organization in 1907, created a Bureau of Mines to make careful investigations into the extent of the mining fields and their economic possibilities. During these past twenty-six years, Japan undertook to exploit the mining of iron, coal, shale oil, gold, silver, copper and lead, and also of cultural soda, quartzite, fire-clay, limestone, dolomite, asbestos, silica and other deposits. According to recent figures, her mining investments in the Three North-eastern Provinces were capitalized at the figure of 180 million yen, an investment second only to her railway interests. In the acquiring of these extensive mining privileges, Japan resorted to many tactics which were highly questionable. The following eight instances might be cited.

1. *The Unlawful Extension of Mining Property beyond their Legitimate Boundaries.*

According to Article XI of the Detailed Regulations for Fushun and Yantai Mines, May 12, 1911, "in case the Company

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

— 136 —

(the South Manchuria Railway Company) requires private land within the boundaries of the mines, which is necessary for mining purposes, or requires the extension of the railway, it shall be reported to the Chinese authorities, and a decision shall be reached after a mutual consultaion." Therefore the buying of private land was restricted to within the boundaries of the mines. In accordance with Article VII of the same Detailed Regulations, the Fushun (Chien Chin Chai) Coal Mine was originally bounded on the south by the watershed of Chien Chin Ling. Japan has, however, bought, from private owners, a thousand odd mou of land south of the said watershed, land with coal deposits estimated to be worth over two million dollars. This buying of land outside the original boundaries of the mine was unlawful.

The Japanese likewise without permission extended the boundaries of the Yentai mine lands three odd li, ejecting a Chinese, Chang Yunshen, from his mine lands and rights worth over \$200,000. Japanese guards were posted to keep Chang Yun-shen out from his property. Protests from the Chinese authorities were of no avail. This extension of mining property by forcible occupation of the land also violated treaty agreements.

— 137 —

2. *The Forcible Occupation and Operation of the Fuchouwan Clay Mine.*

Fuchou clay has been found to contain over 20% of potassium and magnesium. Of the two deposits, the western deposit was registered as being worked by Sun Yi-ping and Japanese interests through a joint company, the Fuchouwan Clay Company. The eastern deposit remained in the hands of Chinese miners who mined and sold their clay individually. The Chinese Government, wishing to make the potassium and magnesium available for national use decided to organize a private company under governmental supervision to work the eastern deposit, and delegated Chou Wen Fu to have the lands properly registered. The Fuchouwan Clay Company came to a private understanding with Chou Wen-fu whereby it monopolized the buying and selling of the clay, and encroached upon private interests. As soon as the Chinese Government discovered this unauthorized selling of mining rights, it cancelled the private arrangement between Chou and the Company. China was within her legal rights in so dealing with a compact entered into by a Chinese guilty of violating her laws. Japan had no right to interfere but she again sent soldiers to enable the Company to continue to work the clay deposits gained through such underhanded means.

— 138 —

3. *The Illegal Development of a Lead and Silver Mine in Chingchengtze.*

The copper mine at Chingchengtze situated 120 li from the Antung-Mukden Railway, was registered as under the joint operation of a Chinese merchant Liu Ting-Shen and a Japanese Mori Hoichi. Obeying regulations governing mines published by the Chinese Government, this joint Chinese-Japanese Copper Mine presented its articles of corporation through the proper channels for registration with the Ministry of Agriculture and Commerce. The Company was duly registered. The business venture proved a failure as the mine did not come up to expectations; Liu Ting-Shen died; Mori Hoichi returned to Japan to become a member of Parliament, and turned the management of the copper mine over to his brother Mori Honosuke. Later, silver and lead were discovered in territory beyond the original grant of the joint Company, but that mere detail did not hinder the resourceful Japanese. Without going through the proper procedure and without asking for another grant, Mori Honosuke moved his mine over to the lead and silver fields and carried on mining operations there for several years, reaping enormous profits. The Chinese Government studied the problem carefully, and in August, 1929, cancelled the registration granting Liu Ting-Shen and Mori Hoichi permission to operate a copper mine at Chingchengtze. At the same

— 139 —

time, China permitted the organization of a private company under government auspices to take up the operation of the silver and lead mines, inviting the Japanese merchant to become joint partners in this new company. Because the price of silver then was low, the Japanese signified his intention of discontinuing his mining operations. The Chinese Government, therefore, requested the Japanese to cease his activities entirely and vacate the mines. The Japanese, however, continued to ship lead and silver ore to Chinnampo, Korea, and called in the protection of Japanese military guards to cover up his unauthorized venture and illegal shipping of ore. The case remained unsettled.

4. *The Employment of Chinese Ruffians for the Unlawful Working of the Steatite Mine at Haicheng.*

The steatite mines at Yintseyu in Haicheng were originally registered under the Chinese, Tien Ti-shih. When Tien failed to pay his taxes, the Chinese Government cancelled his mining rights. But a Japanese by the name of Ito Jiro employed two Chinese ruffians, Pan Fu-Yuen and Liu Chen-Ya., to hire laborers to work the mines, removing deposits to the value of 70,000 to 80,000 dollars. The district magistrate ordered the arrest of the two Chinese undesirables for their unlawful working of the mines, but the Japanese shielded and protected them.

— 140 —

5. *The Persistent Refusal to Pay Taxes.*

A Chinese merchant Yu Chung-Han registered six mines in the Anshan, the Takusan and the Hsiaokusan localities, as being operated as a joint Chinese-Japanese Mining enterprise, his Japanese colleague being Kameta Yasuke. This company, the Anshan Iron Deposit Developing Company, was registered with the Ministry of Agriculture and Commerce in complete conformity with all regulations governing such mining companies as laid down by the Chinese Government. Later, Yu Chung-Han, in his own name, registered three mines, at Itanshan, Hsinguanshan and Paichiapaotsz there being no mention of these mines as being joint Chinese-Japanese projects. According to Article IV of the April, 1917, regulations covering excise on iron ore, a tax of forty cents per ton was levied on all iron ore produced. The company persistently refused to pay over three million dollars of taxes accumulated since 1917.

6. *The Secret Making of Private Contracts to Develop Mines in Penchi District.*

According to regulations issued by the Chinese Government, all mining products must be duly registered with the proper authorities before they could be mined. Without sanction from the Chinese Government, the Chinese owner of the limestone mine at Shihkou, in Penchi District entered a ten-year contract with a Japanese in which he turned the mine over to

— 141 —

the Japanese to operate. The Chinese Government investigated this evasion of the law, and as her legal right, confiscated the lands in 1929. The Japanese hired ruffians to continue the exploiting of the mine, and persuaded Japanese military guards to try using force to coerce the local authorities into granting the necessary permission. Incidents of this nature were numerous.

7. *The Unauthorized Quarrying of Rock by the South Manchuria Railway Company.*

When the South Manchuria Railway Company took over Russian interest, it agreed to observe the 1896 Chinese Eastern Railway Convention. Article VI of that Convention definitely stated that when the Railway found it necessary to use sand, rock, or limestone on private land bordering the Railway, the Company should pay at current prices for the rental of such land. The South Manchuria Railway opened at Chingyangpao, Tehlissu, Kuchiatsz and other places eleven rock quarries, for the use of which the Company had not compensated the proper land-owners. Besides, as rock came under the category of mining products, the Company should have made applications to the proper authorities for permission, but it did not do so. Therefore, the South Manchuria Railway Company both violated the 1896 Pact and countenanced unauthorized practices.

— 142 —

*8. The Extraction without Permission of Oil from Oil Shale.*

According to Article XIV of the Detailed Regulations for Fushun and Yentai Mines, May 12, 1911, "these detailed regulations shall be effective for sixty years from the date of their enforcement. If when this period is reached the mines are not exhausted, the period shall be extended." The Regulations everywhere stated that the Japanese were to mine coal only. The surface covering over the coal seams consists of oil shale containing oil which Chinese experts have reported worth extracting. The oil shale is estimated at over 5,000 million metric tons; and when an economical method is developed for the extraction of that oil about 40 million metric tons of crude oil can be obtained for national use and business purposes alike. The South Manchuria Railway Company, however, besides mining the coal, began in February, 1930, to extract oil from the oil shale. In 1931, the Chinese Government protested against this oil extraction, pointing out that although the coal and the oil shale were produced in the same locality, yet they were not the same mining produce; and that according to the Regulations governing mining products published by the Chinese Government the South Manchuria Railway Company must make separate application for the extraction of the oil. The Japanese authorities at first refused to pay attention to the protest; later they contended that as the shale constituted waste product incident to the mining of coal, the Chinese Regulations did

— 143 —

not apply. This is but another evidence of Japan's unilateral twisting of agreements and deliberate exploitation of China's sovereignty.

**b. Japan's Expansion of her Industrial and Commercial Holding in the Three North-Eastern Provinces.**

The expansion of Japan's mining operations in the Three North-eastern Provinces can be paralleled by the extension of her industrial and commercial holdings there. Every important industry and much domestic and foreign commerce have come under the control of the Japanese. The ports of Dairen and Antung, the financial resources, and adequate military protection of the South Manchuria Railway and all other facilities have been organized for the convenience, encouragement, and support of Japanese engaged in industry and business; while sufficient handicaps, discouragements, and obstacles have been placed in the way of Chinese and other foreign nationals to prevent them from competing on an even basis with the Japanese. Where the Chinese have even under strict treaty regulations tried to develop native industries or commercial projects to the very slight disadvantage of the Japanese, the Japanese have under the "sacred" name of unfair competition or molestation, tried to suppress these legitimate Chinese endeavors. As illustrations of high-handed methods adopted by the Japanese, six cases will be cited.

— 144 —

*1. Lawless Interference with the Harbin Electric Company.*

In 1918 the Japanese organized in Harbin the North Manchurian Electric Company which bought the small Russian power plant not incorporated under Chinese laws. At that time, the Russian directorate in charge of the management of Harbin City notified the Japanese Electric Company and the Japanese Consulate that as soon as the directorate should erect a city power plant system either publicly or privately owned, the North Manchurian Electric Company must suspend its business in Harbin. In 1919 the directorate decided to award the franchise for the lighting of Harbin City to the highest bidder. In this bidding the competition between the Japanese Electric Company and other bidders, both Chinese and Russian, was so very bitter that not until May of the following year was the franchise awarded to a Chinese concern, because its terms were most satisfactory. This franchise to the Chinese Company, the Harbin Electric Company, was awarded, it must be emphasized, by the Russian Directorate, the officials responsible for the management of Harbin. The Japanese North Manchurian Electric Company and other power plants were notified to the effect that as soon as the Harbin Electric Company had connected up its lines, the Japanese Company and the other electric plants must on that day suspend business. Besides, the awarding of this Harbin electric power franchise was duly approved by the Ministry of Com-

— 145 —

munication of the Chinese Government. In May, 1930, the Harbin Electric Company came under governmental ownership. At once the Japanese North Manchurian Electric Company accused the Chinese officials of entering through a Chinese concern into unfair competition with the Japanese Company, and endeavored subsequently to disrupt the service of the Harbin Electric Company. The very nature of the protest and the later ruthlessness of the Japanese Company reveal the Japanese residing in Chinese territory as being unwilling to observe the industrial laws and regulations of the Chinese Government—a defiance of Chinese legislative and administrative integrity.

*2. Unwarranted Objections to the Chinese Municipal Electric Light Company of Antung.*

Twenty odd years ago, the Japanese established at Antung the South Manchurian Electric Company to supply Antung with electric lights. This Company did not seek the approval of the proper Chinese authorities, and was, therefore, operating illegally in Chinese territory. In view of the utility of the electricity, the Chinese authorities refrained from interfering with the Japanese. This non-interference was not to be interpreted to mean that China had given legal sanction to the Company's unlawful enterprise. In line with the policy in other Chinese Municipalities, the Antung City Government in

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

— 146 —

March, 1930 erected a municipal-owned plant to furnish electric power for lighting purposes. At the same time, the Antung Government did not raise objections to continuance in business by the South Manchuria Electric Company. The city officials thought that their policy was both legitimate and fair, but the Japanese objected most strenuously to the municipal power plant as taking unlawful advantage over Japanese interests. They did not consider that their enterprise in its very origin was a violation of Chinese regulations. They called in Japanese governmental aid. When the municipal power-plant laborers were busy at construction work at Pataokou, several hundred Japanese military guards surrounded them and prevented them from continuing their task. This imperialistic use of foreign military force to frighten and to suppress the Antung Municipal Electric Light Company is altogether unwarranted.

*3. Unreasonable Protests against the Match Sales-monopoly Policy of the Three North-eastern Provinces.*

Just as Japan has a sales-monopoly on wines, cigarettes, camphor, salt and other commodities in her own country, so have other nations. Such sales-monopoly on matches, as carried out in the Three North-eastern Provinces, was similiar to the match sales-monopoly in France, a financial measure in which there existed no thought of discrimination in favour of or against any particular nation. Japanese matches were placed

— 147 —

on an even footing with Swedish and Chinese matches. Yet Japan regarded the match-sales-monopoly as a measure aimed at the suppression of Japanese interests and launched a series of protests. This is another example of Japanese interference with China's administrative integrity.

*4. Unnecessary Interference with the Awarding of a Contract by the Shen-hai Railway Company.*

In August, 1928, the Shen-hai, or Shenyang-Hailung Railway, opened bids for the purchase of ten locomotives. The South Manchuria Railway Company bid lowest, the Mitsubishi next lowest; but the Chinese authorities for many reasons awarded the contract to the Scott Company. Japan protested against the award on the grounds that the Railway was discriminating against the Japanese Companies. But, in all business transactions, it is not absolutely binding on a concern to award the bid to the lowest bidder; nor need reasons be given for refusal to accept the lowest bid. The Shen-hai Railway was acting within its rights when it saw fit to purchase locomotives from the Scott Company. Moreover, it ordered her passenger and freight cars from the Japanese concerns at the same time, proving beyond question that there was no intention of discriminating against the Japanese. Yet Japan exclaimed that China was boycotting her goods. Boycott! In the commercial transactions between China and Japan, any

— 148 —

slight disadvantage or loss of business to Japan provoked the much abused charge of boycott against Japan. This Shen-hai locomotive contract protest is but one of many gross misrepresentations by the Japanese of the much abused word *boycott*.

5. *Uncalled-for Meddling with Local Chinese  
Administrative Action.*

The great forest zone extending from the Tumem River district to Laoyehling Kirin, is for the greater part owned by the Kirin Yungheng Provincial Banking House. Because the boundary lines of the various timber properties were not definite, and because too much indiscriminate felling of trees had been carried on too long, the Chinese Banking House in 1930 ordered a temporary suspension to further felling of trees in that whole territory pending the adjustment of various claims. Japan protested against this temporary suspension as being disadvantageous and discriminatory against the Ki-tun or Kirin-Tunhua Railway, accusing the Kirin authorities of deliberately striking at the carrying of lumber by the Ki-tun line and of absorbing the lumber interests of private owners. An unwarranted accusation. The Banking House was entitled to absolute freedom of control over its properties; the Ki-tun Railway is a Chinese Government Railway, which China would certainly not think of crippling; and a foreign nation had no call to intercede on behalf of the other lumber interests in that region. What reasons had Japan for her protest?

— 149 —

6. *Illegitimate Trading and Residing of Japanese  
in Inland Localities.*

Foreign nationals enjoy extra-territorial rights only in the treaty ports set aside for their residence and place of business. In Article XII of the October 8, 1903, Convention between China and the United States of America, China consented to open Shenyang and Antung to foreign trade and to set aside definite localities for the residence of foreign nationals. In Article I of the protocol of December 22, 1905, Chinese-Japanese Treaty, China opened Kirin, Sanching and other cities, sixteen in all, into treaty ports, and designated certain sections of those cities as regions set aside for the carrying on of foreign trade. Japan, however, overlooked those treaty obligations and allowed her nationals to dwell, to trade, or to open brothels anywhere in those sixteen cities, often resorting to unlawful means to continue their defiance of Chinese laws. In Shenyang, for example, Japan established a Japanese police force for the protection of her citizens, without the slightest justification. She also refused to listen to China's repeated requests to remove Japanese nationals from cities other than the sixteen open treaty ports. Moreover, after the May 25, 1915, Peking Treaty (the notorious Twenty-One Demands) and in spite of China's repeated disavowals of this agreement because obtained under duress and coercion, Japan requested her people to settle everywhere in the Three North-eastern Provinces to engage in agriculture, industry, and

— 150 —

commerce, and relying upon their extra-territorial rights, to disregard all Chinese regulations and proclamations. When Chinese authorities tried to regulate or to interfere with the excesses of the Japanese pawnshops, or with unlawful leasing and buying of land and houses, the Japanese officials would point to the Twenty-One Demands as justifying their nationals in their disregard of Chinese authority, and in turn, would accuse China of not living up to treaty stipulations in trying to meddle with rights granted by extra-territoriality. The Chinese have always regarded the Twenty-One Demands as unfair because they were obtained under coercion, but, even under the provisions of that treaty, for this moment and for this argument assumed to be in effect, the Japanese have overstretched their claims. Articles II to IV of the first group relating to South Manchuria and East Mongolia assured the Japanese dwelling or trading in the various localities their extra-territorial rights, but under Article V "Japanese subjects must observe China's police orders and customs and tax regulations." It would not be inappropriate to reiterate that, whenever she pleased, Japan has seen fit to interpret her rights unilaterally; that she has often exceeded her treaty rights, and that she has steadily undermined China's sovereignty and integrity.

— 151 —

## CHAPTER XI

### JAPAN'S INTEREST IN AGRICULTURE, FORESTRY, AND FISHING IN THE THREE EASTERN PROVINCES.

#### *A. Japan's Forcible Acquisition of Agricultural Rights*

##### 1. The Problem of Land Leases.

Regarding the signing of the notorious Peking Treaty and the Exchange of Notes of May 25, 1915 (known as the Twenty-one Demands) as having been obtained under coercion, the Chinese Government maintained, on two occasions, on November 1, 1922, and on January 19, 1923, that she did not regard herself as bound by the stipulations of those "Demands"; on March 10, 1923, China notified the Imperial Japanese Government of the abrogation of that Treaty and Exchange of Notes. The officials of the Three Eastern Provinces have consistently refused to acknowledge that Japanese, or Koreans of Japanese citizenship, had the special privilege of leasing land there for a period of 30 years and of unconditional renewal of the lease thereafter (Peking Treaty, 1915, Group II, Article II), but have insisted that, like citizens of other foreign countries residing in China, Japanese citizens might lease lands only in treaty ports. Later, in order to avoid misunderstandings and to eliminate infractions, the Ministry of Interior of the Peking Government drew up fourteen articles to govern the lease of land, in which

008  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 152 —

it was carefully specified that Chinese citizens might, after they have secured permission from the proper local authorities, rent their land to foreign nationals; that under no circumstances could land be sold; that land could be leased for a period not to exceed thirty years; that such leased lands must be devoted to the carrying on of industry, commerce and agriculture only; and that foreign lessees must pay one-half of all such taxes and excises as might be levied on the property by the Chinese authorities. The then Fengtien (since 1928, called Liaoning) provincial authorities facilitated matters by having these regulations printed and distributed to all the local district (*hsien*) authorities, at the same time sending along standard contract forms for the recording and legalizing of all land rentals to foreigners. Japan protested against these regulations as too severe; she demanded revisions, basing her claims on the "Twenty-one Demands." Governor Wang Yung-chiang refused to make changes. The Japanese continued their aggressive policy. They encouraged their own people to settle there, and they added other lands to their possession either by lease or by purchase. They extended their extra-territorial privileges to the interior, and resisted Chinese law and legitimate taxes. In cases involving lawsuits, they refused to abide by Chinese Court decisions or observe local practices. These aggravating acts on the part of the Japanese so multiplied that relations between China and Japan often became strained. On July 14,

— 153 —

1923, the Governor of Fengtien ordered his district magistrates to authorize only short term leases of land to Japanese and Koreans, and not to sanction perpetual leases or sale. The Land Bureau of Kirin Province, in December, 1927, prohibited the leasing, selling, or transferring of forest lands to foreigners as security for loans or mortgages. Violations were to be severely penalized. However, the Japanese and Koreans found subterfuges around the law, so in 1928 the Kirin authorities drew up most explicit regulations, limiting the owning of land and the holding of perpetual leases to Chinese citizens. Japan protested; after lengthy negotiations, the argument was settled by giving the owner of the land freedom to dispose of his land as he pleased. In March of the same year (1928) the Ministry of Foreign Affairs of the Chinese Government notified the provincial authorities that Japanese nationals residing, travelling, or engaging in business or manufacture anywhere on Chinese soil were required to register with the local authorities passports which they must procure under the existing regulations, and should also submit to the police laws and ordinances and taxation of China. In December of that same year, the Chinese Government passed land laws definitely restricting the possession of land to citizens of China (Articles VII and X), subject to the approval of the proper authorities (Article IX). To Japanese nationals in the Three Eastern Provinces was given the privileges of renting land on short

— 154 —

leases, but these Japanese must submit to the police laws and ordinances and taxation of China.

The Japanese refused to be satisfied with this privilege. Under the name of Chinese individuals, or Koreans of Chinese citizenship, they have continued to acquire possession of land. According to an investigation made in September, 1930, the Japanese had, under the guise of Chinese and Koreans, acquired about 100,000 *mou* of land in Kirin Province, 4000 *mou* in Liaoning, and several thousands of *mou* elsewhere. To avoid further trouble with Japan, the Chinese authorities passed stricter regulations prohibiting the Chinese owners from privately selling or mortgaging their lands to foreigners. The July, 1929, land regulations of Liaoning imposed heavy punishment for malfeasance; the September 11, 1930, ordinances passed by the North-eastern Political Council prevented transferring of land by Chinese to foreigners under penalty of heavy punishment; the various instructions to the same effect issued by the provincial authorities of Liaoning, Kirin and Heilungkiang were all directed toward remedying a serious situation. Japan, to her great disappointment, could not quarrel with these injunctions.

In disputes over land which frequently arose between Chinese and Japanese, Japan inevitably invoked the 1915 Peking Treaty to protect her nationals. But even according to that treaty, which China has refused to recognize, as has already been explained, Article II says "Japanese subjects in South

— 155 —

Manchuria may, by negotiation, lease land necessary for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises." (see MacMurray, *op. cit.*, II, 1220.) and according to Article V, "The Japanese subjects referred to in the preceding three articles, besides being required to register with the local authorities passports which they must procure under the existing regulations, shall also submit to the police laws and ordinances and taxation of China... But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage." The Japanese, in not submitting to Chinese ordinances, in not meeting the taxation of China, and in evoking extraterritorial rights, violated the very terms of the treaty that they upheld, and infringed upon the territorial integrity of China.

## 2. Total Acreage of Land Amassed by the Japanese.

In spite of all injunctions and warnings against the buying of land by foreigners, the Japanese have continued to purchase land. Un till September 18, 1931, in Liaoning and Inner Mongolia, the Japanese have acquired 124,672 cho, or over 2,000,000 *mou* of land (1 cho = 16.14 *mou*). The holdings were distributed as follows:

308

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

— 156 —

JAPANESE BUYER	EXTENT OF HOLDINGS	LOCALITY
1. Nankyo Hojiro	1,111 mou	Tutaitze in Yingkow, Sanhuaishih in Kaiping, Fanchiatun in Tiehling, Wuchiafang in Shenyang.
2. Hatsuhiro Sadjiro	1,060 ,,	Ting-Chia-Pu, Panshan Chinganpu of Shenyang Muyuantze of Shinmin
3. Harajuchi Totoro	389 ,,	Kungtaiputze of Hsinmin
4. Tsukyu	143 ,,	Sunchiatao of Hsinmin
5. Sasaki	300 ,,	Chukiangputze of Fuhsin
6. Dairaishuji	820 ,,	Yamentun of Shuangshan
(The above were bought with money furnished by the South Manchuria Railway Company, totaling over \$ 300,000.—)		
7. Sasae Agricultural Farm	55, 855 Cho	Chienchiatien, Chengchiatun
8. Tenichitai Kwaho Co.	6,326 ,,	Taerhan Chi
9. Ishikawa Goro	64,726 ,,	Meilunmiao, Hsichalooteh Chi
10. The Eastern Provinces Industrial Company	228,690 ,,	Not specified
11. Hayama Agricul. Farm	2,600 ,,	Tungliao
12. Jizaiyan	680 ,,	Tungliao
13. The Mongolia Real Estate Co.	20, 013 ,,	Linhsi
14. Other	675, 000 Mou	Takushan and Faku

3. How the Japanese Acquired Land.

This question might be discussed under the two headings,  
 (a) The organizations financing the purchase of land, and  
 (b) The methods employed.

— 157 —

(a) The organizations financing the purchase of land.  
 There were four organizations interested in the purchase of land.

1. The East Asia Industrial Company, founded in Shenyang in October, 1921, capitalized at 20,000,000 yen, paid in capital 5,000,000 yen, was interested specially in farming and in financing would-be farmers. The Company owned 2088 cho of rice paddy-fields, 5482 cho of dry fields, 12 cho of residential land, 1,783 cho of swampy land, 107,662 cho of other land.
2. The Oriental Development Company founded in 1917, paid in capital yen 35,000,000, was organized for the furnishing of capital to Japanese interested in commerce, industry, and agriculture in the Three Eastern Provinces. The head offices, originally at Hancheng, have been removed to Tokyo, with branch offices at Dairen, Shenyang, Changchun, Harbin. In 1930, the Company had on hand assets amounting to 28,407,554 yen not invested in projects. Of its invested projects, the larger portion consisted of buildings and land.
3. The Manchu Bank founded in July, 1923, capitalized at 10,000,000 yen with the head office at Dairen, and sub-offices all along the South Manchuria Railway Line, attended to banking, savings and loans.

— 158 —

4. Mutual Finance Societies were started in the Villages in 1924, and in the cities in 1928, to assist small farmers and modest business men and manufacturers. The societies could be found in the Kwantung Leased Territory and all along the South Manchuria Railway. In March, 1931, these societies had loans outstanding to the amount of 697,400 yen.

Besides these, there existed numerous other loans organizations and private individuals that had money invested in land purchased in the Three Eastern Provinces.

(b) The methods employed. The Japanese generally acquired land in the following manner:

1. Hard pressed for money, a Chinese merchant or farmer would apply at any of the above-mentioned organizations for financial help. His land deed would be sufficient security: no other endorsement would be needed.
2. The rate of interest would vary from 8% to 20%; the lower rate would be given when a Japanese would consent to endorse the loan. Often times, this endorsement would prove more costly than would a higher rate of interest.
3. On failure to redeem the loan, the loan company would increase the interest. After the third renewal of the note, the company would confiscate the land.

— 159 —

This confiscation of land by the Japanese on failure of the Chinese owner to redeem his loan was not as invidious as the subterfuges employed by other Japanese who wished to acquire land. These Japanese, in order to circumvent Chinese regulations, employed Koreans of Chinese citizenship to negotiate with Chinese land owners for their land. Suspecting nothing, the Chinese would sell their land, which would in turn be registered under Chinese names. This disguise made detection difficult. The 2,000,000 odd mou cited as owned by Japanese must be considerably increased to include land owned by Japanese but registered under Chinese names, especially in the two provinces of Kirin and Heilungkiang.

Besides, the Japanese sometimes resorted to forcible seizure and occupation of Chinese land. The 1926 Hsinmin case, involving the Japanese Development Company; the 1929 Tawan village (west of Shenyang) rice-paddy field case; the 1931 Wanpaoshan rice-paddy field case represent but the most flagrant of these depredations.

#### *B. Japan's Studied Appropriation of Forestry Rights.*

According to investigations made by the South Manchuria Railway Company, the total forest area in the Three Eastern Provinces is about 360,000 square kilometres, covering about 30% to 40% of the total area. The volume of standing timber is estimated at 4,250 million cubic meters. The Japanese

008  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 160 —

have, since the Russo-Japanese War, had designs on this vast timber supply. Article X of the 1905 Additional Agreement between China and Japan specified that "the Imperial Chinese Government agree that a joint-stock company of forestry composed of Japanese and Chinese capitalists shall be organized for the exploitation of the forests in the region on the right bank of the River Yalu" This gave Japan her entering wedge. The May 14, 1908, Agreement between the two countries "for a Chinese-Japanese Joint Stock Lumber Company for the exploitation of the Yalu Timber" stated in Article I that "an area shall be marked out on the right bank of the Yalu, extending from Maoerhshan to Erhshiszetaokou and measuring 60 *li* inland from the main stream. The gathering of timber within the area will be carried on with the joint capital and under the joint management of China and Japan." From that date on Japan exploited the timber both of the Yalu and the Hun River Basins.

The Yalu River Timber Company was established at Antung on September 25, 1908, with capital set at \$3,000,000. Although China was to have joint management, actually the Japanese took over control. In the original contract sixty *li* marked the extent from the main stream within which the Company might cut timber; in actual practice today, the Japanese have extended the 60 to over 200 *li*. Article V of the 1908 Agreement stated that "the Company shall protect the existing

— 161 —

Chinese timber-cutting industry. Except the area to be marked out in accordance with Article I, and in which the Company shall cut timber, all places beyond its boundaries, as well as the forests of the Hun River, shall continue as before to be worked by Chinese wood-cutters. These shall apply to the Company for loans wherewith to carry on their industry, and all timber cut by them--with the exception of sleepers for the railway Companies in Kiangsu and Chekiang provinces, and timber for use of inhabitants along the river, which shall be purchased directly from the wood-cutters--shall be sold exclusively to the Company. In the disposal of timber, the Company shall sell at market prices, and shall not create a monopoly." In the Regulations governing the buying of timber from native wood-cutters, Group II, Article XIV stated that native wood-cutters selling timber to the Company must pay the equivalent of 1% of the worth of his cut to the Company to cover expense-charges; Article XIV and XIV further stated that although it was understood that all timber cut by native wood-cutters must be sold to the Company, yet, if the wood-cutters could find other buyers, or if the Company did not have need for their timber, the native wood-cutters could buy back their cut only after paying the Company 11% for this privilege. This 11% buying-back-privilege charges, made a 12% easy profit for the Company. It has been calculated that annually the native wood-cutters have paid into the coffers of the Company \$100,000

— 162 —

of this easy money. In July, 1919, the Chinese wood-cutters protested against this 12% charge; the Company finally agreed to reduce the charge to 9%, which remains as the charge in force today.

Such joint Chinese-Japanese lumber companies are many, although actually, however, the majority of them are financed solely by the Japanese. In Hailin and along the Mientu River basin near the Chinese Eastern Railway, along the Mutan River and along the Sungari River and the Tung River basins in Kirin are twenty odd regions operated by these Japanese-controlled timber companies, capitalized at over 27,000,000 yen.

The Chamien Lumber Company was established on June 25, 1922, under the joint capital and management of China, Japan, and Russia. The investors were the Industrial Bureau of the Heilungkiang Provincial Government for China, the South Manchuria Railway Company for Japan, and the Shefchenco Brothers for Russia. The Company was capitalized at six million dollars with headquarters at Harbin. This company held the lumber rights and sales monopoly of the vast forest of the Great Khingan Range in Heilungkiang. The actual management of the company fall into the hands of Japanese. In 1925, the Heilungkiang Provincial Government and the South Manchuria Railway Company met to consider measures (1) for the dissolution of the old Chamien Lumber Lumber Company, and (2) for the establishment of a new company.

— 163 —

For capital, the Chinese pledged the forest range as its shares of two million dollars; the Japanese pledged the buildings and other construction work in the forest range and other assets to make up its share of two million dollars. Both parties delegated representatives to carry on negotiations. The Japanese, however, since they were allowed to cut timber during the period of reorganization, purposely delayed the formation of the new company and hindered the evaluation of the forest range in order to continue to reap by themselves alone the enjoyment of profits from the lumbering. The reorganization is still pending.

#### *C. Japan's Hold on the Fishing Industry.*

Since 1905 Japan has been inducing her Japanese and Korean nationals to acquire control of the fishing industry of the Three Eastern Provinces. Fishing in those provinces may be divided into deep-sea and fresh-water fishing; in both branches the Japanese have gained strong holdings which would be difficult for China to reacquire. Four striking cases of such assimilated influence will be cited.

##### 1. Japan's Control Over Fishing In the Lower Yalu River.

According to agreement between China and Japan, the middle of the Yalu River marked the boundary between China and Korea. The Japanese have never respected this boundary; Koreans have without permission crossed over into Chinese

— 164 —

waters to ply their fishing. Fishing grounds near the mouth of the Yalu River were closed to Chinese fishermen by the Japanese. They have confiscated the boats, imposed heavy fines and clapped into jail those Chinese who have tried to carry on their fishing in Chinese waters near the border. Many have even lost their lives.

2. Japan's Arbitrary Shifting of Boundary line of the Piliu River in Violation of Treaty Stipulations.

The lower basin of the Piliu River is one of the prawn fishing grounds of China. The Chinese-Japanese boundary line was fixed as running through the small island, Wangkua, in the centre of the Piliu River and thence along the middle of the River. Land and water lying west of the island and west of the middle of the Piliu River belonged to Japan; land and water east of the island and the middle of the same river belonged to China. There are a hundred odd Chinese families there that live on their fishing. Within recent years, the Japanese authorities have taken possession of the fishing grounds east of the island, explaining that with the shifting of the river eastwards their fishing grounds have also shifted. The Japanese have even resorted to the cutting of nets to intimidate Chinese fishermen who were fishing within the Chinese boundary line. The Chinese Government has protested against this arbitrary moving of the Chinese-Japanese boundary

— 165 —

line by the Japanese, but the Japanese have procrastinated and dallied about a settlement of the issue.

3. The Closing of Dairen as a Port of Call for Chinese Fishing Vessels.

For fishing vessels plying their fishing along the Liaotung Peninsula, Dairen has been in the past the home port where they have called for coal, water and food stuffs. Within recent years several hundred Chinese fishing families in Eastern Shantung have organized and bought gasoline fishing vessels to carry on their industry, much to their profit. When Japanese fishing began to suffer as a consequence, the Kwantung authorities, in the fall of 1929, issued a new set of regulations which practically prohibited Chinese fishing vessels from selling fish at Dairen, for according to the regulations, (1) all Chinese fishing vessels trading in Dairen must secure Japanese licenses and obey Japanese orders; (2) all fishing vessels must employ Japanese sailors, and (3) all fishing vessels must use Japanese materials and food supplies. Since the putting of those Regulations into effect, Chinese fishing vessels have practically disappeared from Dairen.

4. Negotiations over the Kaiping Industry.

The Kaiping fishing rights originally belonged to China, but Japan claimed that as the fishing grounds there extended out into the sea, China had no right to prevent Japanese from fishing there.

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

— 166 —

In 1914 and 1915 frequent misunderstanding and conflicts arose between Chinese and Japanese fisherman. The Chinese Government delegated Mr. Cheng Cho, head of the Bureau of Fishing at Yingkow, to confer with the Japanese delegate, Nakamura, to work out a solution. It was agreed that during the sea-bream season, Japanese sampans might fish in the Kaiping fishing grounds, and that the Kwantung Government might establish a temporary bureau there to collect tolls from and protect the Japanese sampans. As an exchange of privileges and courtesy, it was agreed also that during the sea-bream season along the Korean coasts, Chinese fishing vessels might fish there. Japan promised to protect these Chinese fishers, and in no way to violate this Agreement. But not long after that conference, Japan resorted to unfair means of circumventing the Agreement. In 1917 and 1918, she, from behind the scene, induced her Korean fishermen to keep Chinese fishing vessels out. China has tried to solve this problem by negotiation, but to no avail.

— 167 —

## CHAPTER XII

### THE PROBLEM OF DOUBLE NATIONALITY OF THE KOREANS

#### 1. *The Origin of Korean Immigration into the North-east.*

After the Manchus came to China, Korean immigration into Manchuria was strictly forbidden. In 1712, Emperor Kanghsi appointed Mu Ke-tun as the Governor of Ula, beyond the Tumen River, and planted the boundary stone on the top of the Paitou Mountain. Two years after, a vice-Governor was appointed at Hunchun to assist in the boundary defence. But the Koreans kept on filtering in in defiance of lawful exclusion, until 1861, when there appeared many settlements of Koreans engaged in lumbering, mining, and agriculture along the Hun River. In 1869, the western part of Korea had a terrible famine, and Koreans along the Yalu and the Tumen Rivers, goaded by hunger, moved into the fertile wildernesses on the Kirin border named by the Japanese as "Chientao," which included the four *hsien* of Yenki, Hunchun, Holung, and Wangching. Thus arose the Korean problem in the North-east.

The Chinese Government then was powerless to stop the ever-increasing influx, and therefore changed its traditional policy of exclusion. In 1881, the Government of the Kirin Province appointed a Commissioner to the Hunchun territory; another three years later the Kirin Government and the Korean Government agreed upon certain Regulations of Commerce

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

— 168 —

which gave to the subjects of both Governments the right to free trade. The result was more Korean immigration, even into the interior parts of Manchuria. But Koreans at that time were mostly agriculturists or minor craftsmen or tenants working for Chinese landlords, and, therefore, amenable to Chinese jurisdiction.

After the Russo-Japanese War, the Korean population in "Chientao" increased. According to the then official census, there were about fifty thousand Korean households with about three hundred thousand people. Korea had then become Japan's protectorate and its foreign affairs were controlled by the Japanese. In July, 1907, (33rd year of Kwangsu), Hasegawa, Commandant of the Japanese Garrison in Korea, and Ito, Japanese Governor of Korea, despatched troops to occupy "Chientao" under the pretext of protecting Korean nationals. Unable to acquiesce in the alienation of sovereignty, the Chinese Government sent Chen Chao-Chang as the Frontier Commissioner vested with full power to resist aggression and to fix the boundary. At the same time, Liang Tun-yen, Chinese "Hui-pan" of the *Waiwupu* was instructed to enter into serious negotiations with Ijiuen (who was Japan's Minister to China), regarding the "Chientao" case. In the beginning of the negotiations, Japan had argued that the "Chientao" Agreement was signed on September 4, 1909 (1st year of Hsuan-tung), the main provisions of which were as follows:

— 169 —

*Article I.*—The Chinese and Japanese Governments mutually recognize the Tumen River from its source, where the boundary stones have been placed, to Shih-I-Shui as the boundary between China and Korea.

*Article III.*—Koreans who have become established north of the Tumen River and who are engaged in cultivating the land shall be permitted to continue to do so.

*Article IV.*—Koreans residing north of the Tumen River and engaged in agriculture shall be subject to the jurisdiction of the Chinese officials of the territory. Chinese officials shall treat the Koreans and the Chinese with equality as regards payment of taxes and in the enforcement of the laws. Chinese officials shall administer Chinese law in all civil and criminal cases where Koreans are concerned.

*Article V.*—In regard to the property of Koreans living in the country north of the Tumen River, the Chinese Government shall extend the same protection to them as it gives the Chinese.

Mooring for their boats shall be assigned them at various places along the river. The people may pass from place to place at will, but they shall not be permitted to cross the frontier with arms without a special pass.

*Article II.*—After ratification of this agreement the Government of China shall at once open to residence and trade for people of all countries the following towns:

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

— 170 —

Lungchingchun	Toutaokou
Chutsuchieh	Paitsaokou

Japan may at those places establish Consulates.

Although the much-disputed "Chientao" question received a temporary solution by the above agreement, the influx of Koreans into the North-east, owing to Articles II and III of the agreement, increased every day. After the annexation of 1910, those Koreans who were dissatisfied with Japanese overlordship stole into Manchuria. The Japanese, on the other hand, encouraged Korean emigration to the North-east, and Korean immigrants not only have filled "Chientao" but have also penetrated into the interior of Manchuria.

#### *II The Present Status of the Koreans in the North-east.*

After the Russo-Japanese War, Japan's Foreign Minister, Komura, prepared a plan for enforcing a migration of four hundred thousand into the North-east within twenty years. In the Government of Terauchi, the Foreign Minister, Goto, also had the idea of moving five hundred thousand into the North-east within ten years. But up to October, 1930, according to census taken on October 1, the fifth year of Showa, Japanese who have moved into Manchuria number only 234,019, of whom 225,257 live in Kwantung in the S.M.R. zone. Twenty-five years (1905-1930) of effort have been a failure for which there are three causes: (1) The climate of the North-east is too cold

— 171 —

and does not agree with the Japanese; (2) the Chinese peasants are more frugal and industrious and beat the Japanese in the competition for a living; (3) the standard of living of the Japanese is a little higher and the agricultural products cannot give them an adequate livelihood. Therefore, for the last few years, Japan has pursued the policy of indirect migration; namely, the Japanese move into Korea and the Koreans into Manchuria. But the old policy is still being rigorously pushed. The Japanese have established several development companies in the North-east, the purpose of which is to facilitate the emigration of the Koreans into the North-east. Such organizations are for example the Development Company of the Eastern Ocean, the Development Company of Eastern Asia, the Dairen Agricultural Syndicate, the Liaoning Development Company, the North Manchurian Development Company, the Manchurian-Mongolian Land Development Company, etc. These companies loan out large sums to the Koreans and make them buy large tracts of land on which to engage in agriculture. The Japanese consuls, soldiers, and policemen give to the Koreans every protection in order to make them stay there permanently. According to the Japanese Survey of the Nation for 1930, there were then in the North-east 538, 171, of whom only 18,781 lived in Kwantung and in the S.M.R. zone, the rest being in the interior of Manchuria. But this number does not agree with actual facts. According to the Tanaka Memorial

— 172 —

of 1927, the then Korean population of the North-east was already over one million. The most recent survey shows that in Kirin alone there are already 500,000, which, plus those in Heilungkiang and Fengtien and the interior, will swell the total to around 1,300,000. Follows a table:

Place	Korean Population
Liaoning	455,125
Kirin	556,320
Heilungkiang	363,240
Inner Mongolia	2,500
	<hr/>
	1,377,185

These immigrants make "Chientao" their headquarters. Those living on the Korean border, in Holung, Yenki, Wangching, and Hunchun and other *hsien* comprise seventy to eighty per cent. of the population there. The population at the above four places is 553,000, of whom 399,000 are Koreans. Ninety per cent of the Koreans are engaged in agriculture either on paddy-fields or crop farms, the rest being in business and other trades.

The agricultural and economic influence of the Koreans are worth noting. According to the Chinese Economic Journal of November, 1931, published by the Bureau of Industrial and Commercial information, Ministry of Industries, (Vol. IX, No.

— 173 —

5. pp 1222-1223), about eighty-five percent of the paddy rice fields in the Three North-eastern Provinces and in Eastern Inner Mongolia were cultivated by Korean farmers. Again, according to a Japanese investigation made in 1928, of the three and a half million *mou* of cultivated land in the four districts in the "Chientao" region, more than a half was in the hands of the Koreans. In view of this keen economic competition with native farmers, it is but natural that Chinese authorities should exercise their inherent right to take measures to protect the interests of their own countrymen.

### III. The Problem of Double Nationality of Koreans.

Before the annexation of 1910, Korean immigrants were amenable to Chinese jurisdiction and were treated the same as the Chinese. After the annexation those who have not been naturalized are, of course, treated as Japanese subjects. Owing to extraliquity, these Koreans are mostly in the Japanese Concessions, the leased lands of the S.M.R., and the specified trading ports. If so, whether the Koreans should be treated as Japanese has indeed become a problem. According to the "Chientao" Agreement of September 4, 1909, (Art. IV) the Koreans have the right to develop land only in treaty-specified places and in the four *hsien* such as Lungchingchun, Chutsu-chieh, Taotoukou, Paotoukou (Article II) and should obey Chinese laws, police, and courts and are to be treated the same as the

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

— 174 —

Chinese. In matters of taxation and administrative requirements, the Koreans are to be treated like the Chinese, and civil and criminal cases in which Koreans are involved are to be tried by Chinese courts in accordance with Chinese laws, the Japanese Consul having the right freely to attend the trials. But in serious cases of murder, previous notice must be sent to the Japanese Consul who can demand a re-trial if he sees any irregularity, (Article IV) but has no right to interfere with the rendering of the judgment or with its execution. Outside of the assigned areas, the Koreans in the interior of the North-east can lease and till lands only by traditional usage and international courtesy, and not by treaty. The way China treats these Koreans is also based on traditional usage and is different from what obtains in other parts of China where the few Koreans cannot enjoy extraterritorial protection unless they receive the same treatment as the Japanese. As to those Koreans who buy lands in the interior of Manchuria, according to treaties and Chinese laws, they ought to be only those already naturalized. With this restriction both the Chinese and the Koreans have expressed their satisfaction. But since 1915, Japan, by alleging the part of the Treaty of Peking of May 25, (the Twenty-one Demands) that concerns South Manchuria and the eastern part of Inner Mongolia, refused to recognize the Korean Problem in the North-east.

— 175 —

The Treaty of Peking of 1915 was refused ratification by the Chinese Parliament, and forms the bone of contention between the Chinese and Japanese. Before a legal solution of the problem can be arrived at, Japan relies on Article II. of that part of the unratified Treaty of Peking relating to South Manchuria and Inner Mongolia and the exchange of notes, for demanding on behalf of the Koreans the right to lease land and to unconditionally and indefinitely prolong the lease. But outside of South Manchuria, Japan has no excuse of alleged treaty right to make such a demand on behalf of the Koreans. While on the one hand Japan insists on Article II., III., IV. of that Agreement providing for the right of the Japanised Koreans (1) to reside and travel in South Manchuria and to engage in business and manufacture of any kind; and (2) jointly to undertake, with the Chinese, agricultural enterprises and industries, she on the other hand entirely ignores Article V. of the same agreement, which provides that

**"The Japanese subjects referred to in the preceding three articles, beside being required to register with the local authorities passports which they must procure under the existing regulations, shall also submit to the police laws and ordinances and taxation of China.**

**"Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese Consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese authorities. In either case, an officer may be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Ja-**

— 176 —

panese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage.

"When in future, the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried and adjudicated entirely by Chinese law courts."

Since China refuses to acknowledge the validity of the Treaty of 1915, she cannot therefore acquiesce in the violation of her sovereignty. In the year when the treaty of 1915 was in negotiation, the Ministry of Interior of the Chinese Government proclaimed fourteen Rules governing the lease of land or houses to foreigners and fixing the maximum length of time at thirty years, and such lease must be approved by the Government. Later, the three Provincial Governments of Liaoning, Kirin, and Heilungkiang, prohibited, at a heavy penalty, the mortgage and sale of land or houses to foreigners. Koreans who are Japanese subjects are of course, included in the category of Koreans. But those Koreans who have been naturalized in China are treated as Chinese and have the right to mortgage or purchase Chinese-owned land and other real property. For example, the Kirin Provincial Government promulgated in September, 1930, eight rules governing the purchase and sale of land to be observed in all the hsien. The Kirin Provincial Government's order follows:

1. When a naturalized Korean purchases land, investigation must be made in order to discover whether he wants

— 177 —

to purchase it as a means of residing as a permanently naturalized citizens, or on behalf of some Japanese.

2. Lease permit shall be required for the lease of land by Koreans.

3. The term of land lease by Koreans shall be limited to one year.

4. A land-owner wishing to rent out his land must have as a surety a Chinese or naturalized Korean who has taken out the naturalization paper three or more years before.

5. Chinese land-owner wishing to have Korean as a tenant secure a Government permit thereon.

6. Land-owner wishing to hire Koreans for the purpose of managing paddy fields shall make a report thereon to the local bureau of public peace.

7. No naturalized Korean shall be permitted to wear Korean dress.

8. Violators of the foregoing provisions shall either be punished or deported out of the territorial boundaries.

However, in carrying on aggression in the North-east, the Japanese policy is to make the Koreans as vanguard and the Japanese as reserves. It is for this reason that the Japanese have sought to accelerate the emigration of the Koreans into the North-east. When Tanaka was in power, he advocated a positive policy with regard to Manchuria and Mongolia. Said he:

"The many Koreans that have settled down in Manchuria can develop the virgin land for the Japanese and will pave our way for conquest... If the Koreans in Manchuria can be increased to 2,500,000, then in an emergency they can be used as nucleus for army and we can secretly assist while ostensibly suppressing them."

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

— 178 —

Thus Japan's policy of indirect emigration is not only one of solving its own alleged population and food problems but also one of military conquest. Small wonder then that Japan should have taken the position with regard to the Koreans that "no Japanese subject may without the permission of the Japanese Government be freely expatriated." Toward those Koreans who have been naturalized in China, the Japanese attitude is that their naturalization has never been assented to by the Japanese Government and therefore they still remain Japanese. As to those Koreans who have not been naturalized the Japanese Government refuses to allow them to submit to Chinese jurisdiction as provided by treaty. The Japanese consuls in the North-east argue that those Koreans who want to be naturalized are all unlawful Koreans and that therefore their naturalization cannot be consented to. But the Japanese make the naturalized Koreans buy land and houses in the North-east and carry on espionage. While on the one hand Japan without reason refuses to recognize the Chinese nationality of the naturalized Koreans and ignores the protests of the Chinese Government, she on the other hand, sends policemen into the interior of Manchuria and secretly assists them while ostensibly suppressing them... Thus has arisen the problem of double nationality of the Koreans.

According to Article II. of the Chinese Law of Nationality of February 5, 1929, (Revising the law of 1914), aliens of good

— 179 —

character and proper competence, over twenty years of age, and having had more than ten years' residence or a five years' domicile in China without interruption, may, in accordance with the provisions of Chinese law, be naturalized as Chinese subjects. According to Articles III and VI of the same law, aliens may through marriage, birth, and distinguished service be properly naturalized as Chinese subjects. In Japan's revised Law of Nationality of December 1, 1924 (Revising the law of 1889), the following modes of losing or moving Japanese nationality are provided:

Article 18 provides:—A Japanese who, on becoming the wife of an alien, has acquired her husband's nationality, loses Japanese nationality.

Article 19 provides:—A person who has acquired Japanese nationality by marriage, or by adoption, loses Japanese nationality by divorce or the dissolution of adoption only when he or she thereby recovers his or her foreign nationality.

Article 20 provides:—A person who acquires foreign nationality voluntarily loses Japanese nationality.

By Section 3 of Article 20, Japanese subjects who, by reason of having been born in a foreign country other than the U.S.A., or Argentine, or Brazil, or Canada, or Chile, or Peru, have acquired the nationality of that country, effect renunciation of Japanese nationality by obtaining the sanction of the Minister of the Interior.

— 180 —

In Article 24, it is provided that notwithstanding the provisions in the law granting the right of expatriation, "a male of full seventeen years of age or upwards does not lose Japanese nationality, unless he has completed active service in the navy or army, or unless he is under no obligation to serve"; and that "a person who actually occupies an official post, civil or military, does not lose Japanese nationality..... until he or she has lost such official post."

A study of both of these laws is enough to convince anybody that there are no provisions and separate laws whereby Koreans are excluded from expatriating themselves under both Japanese and Chinese laws. If the process by which they become naturalized as Chinese subjects does not run counter to these two laws, Japan can have no ground for objection to their naturalization. And even if she had, the question ought to be settled according to the rule of international law of the last domicile which determines nationality.

But in complete disregard of all treaty, nationality laws, and rules of international law, Japan adopts the policy of refusing Koreans the right to expatriate and to become naturalized as Chinese. Therefore, many have been the disputes with regards to the problem of Korean nationality. Japan's arguments may be seen in the note of August 26, 1916, from the Japanese Legation as contained in the despatch of the Chinese Ministry of Interior to the Ministry of Foreign Affairs:—

— 181 —

It was contended by the Japanese that as the Japanese law of nationality did not apply to Koreans, they were not entitled to lose Japanese nationality and acquire that of another country; and that, further, as the Chinese law of December 30, 1914, did not permit an alien to be naturalized as a Chinese national unless according to the law of his own country he could lose his original nationality, and as there was no law under which a Korean could ever lose his Japanese nationality, to allow him to be naturalized as a Chinese national would thus constitute a contravention of China's own law of nationality.

Such is the ground on which Japan objects to the naturalization of Koreans in "Chientao".

On the other hand, the Chinese stand was at that time and has always been that Koreans as Japanese subjects should be equally as Japanese entitled to be naturalized as Chinese nationals. The position that Koreans were not entitled to expatriate was hardly tenable, because this, as was pointed out by the Chinese, would run counter to the provisions of Article 20 of the Japanese law, as referred to above, in granting the right of expatriation to Japanese subjects. Even if it was a fact that the Japanese law of nationality did not apply to Koreans, the Government were under no obligation to take cognizance of it, the Japanese law itself being silent on this point. On the contrary, no objection has ever been raised by the Japanese Government to the naturalization of Korean immigrants in the Russian Amur Provinces naturalized under the Russian law. For these reasons, the Chinese Government could not bring themselves to accept the objections of the Japanese Government to the naturalization of Koreans as Chinese subjects.

If these reasons were in the view of the Chinese Government valid, then they are equally valid now, so much so as the existing Chinese law of nationality which replaces

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

— 182 —

**that of 1914 contains no provisions by which an alien is required to lose his original nationality in order to acquire Chinese nationality.**

Furthermore, since Japan stubbornly denies the right of Koreans to expatriate themselves, she therefore refuses Chinese jurisdiction over the hundreds of thousands of Koreans in the North-east, and forcibly exercises extraterritorial jurisdiction over all, whether they have been naturalized or not. Without referring to the Treaty of Peking of 1915 which China refuses to recognize as valid, Japan has treated as a mere scrap of paper the "Chientao" Agreement of 1909, which defines the boundary between China and Korea. For example, in his despatch of January 21, 1916, to the Ministry of Interior of the Chinese Central Government, the Governor of Kirin reported that a certain Korean named Po Chan-yi who had become naturalized as a Chinese subject according to due process of law was suddenly arrested by the Japanese on October 6, 1915, and taken to the Japanese Consular Court at "Chientao" for trial. Thus, Japan violated Article IV of the Agreement of 1909 which provides that

**"all cases, whether civil or criminal, relating to such Korean subjects shall be heard and decided by the Chinese authorities in accordance with the laws of China, and in a just and equitable manner."**

Koreans who have become naturalized are Chinese and ought to submit to Chinese jurisdiction whatever the case may be.

— 183 —

Again, while Japan without reason denies the right of the Koreans to expatriate she, on the other hand, insists that the part of the Treaty of May 25, 1915 (i.e., the Twenty-one Demands) concerning South Manchuria and the eastern region of Inner Mongolia apply to the "Chientao" region, all provisions of the Agreements of September 4, 1909, in contravention of the Treaty of Peking to become null and void. China, having refused, as has been said, the validity of the Treaty of Peking, the so-called "Chientao" region can, from the standpoint of neither geography nor communication be considered as part of South Manchuria. These Koreans living in "Chientao" do not come under the applicative force of the part of the Treaty of 1915 concerning South Manchuria and the eastern part of Inner Mongolia. Even granted the validity of the said treaty, its Article VIII which says that "all existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this treaty, remain in force" shows that the "Chientao" Agreement of 1909 is still of full force and effect.

In a word, Japan unreasonably subjects all Koreans in the North-east, nationalized or unnaturalized, to extraterritorial jurisdiction. Although according to the traditional practice, the Chinese authorities permit the Koreans in the interior of the North-east to lease lands for cultivation and to be tenants to Chinese farmers, they nevertheless strictly forbid, under severe

— 184 —

penalty, the mortgage or sale by Chinese owners of lands or houses to Koreans who are still Japanese subjects. But Japan forces the naturalized Koreans and instigates the unnaturalized Koreans to clandestinely buy up or accept mortgages for real property, and if upon discovery, the Chinese Government demands the voiding of the contract and the punishment of the Chinese seller or mortgagee, Japan will cover the Koreans with an extraterritorial mantle, and, without justification, interfere with China's internal administration. The Liaoning Provincial Government was therefore forced, on July, 1928, to order all the *hsien* to forbid the transfer of land by private individuals to aliens, offenders being made punishable as traitors. The Kirin and Heilungkiang Provincial Governments gave out similar orders. On September 11, 1930, the Political Affairs Committee of the North-east also ordered the *hsien* of the four provinces not to permit private transfer of land to aliens, which is made punishable with severity. All this legislation has only the object of permitting the naturalized Koreans to lease or even to buy land and other real property in the North-east and of preventing the unnaturalized Koreans from doing so. According to the old Chinese regulations of trade ports, the right of aliens to lease or buy land is limited within the ports. The permission given to the Japanised Koreans in "Chientao" to reside, to carry on commercial and industrial activities in parts of Manchuria other than "Chientao," is already a big concession to

— 185 —

traditional practice and a manifestation of China's good will to Japan. But while Japan, on the one hand, refuses to recognize the validity of Korean naturalization and let them submit to Chinese jurisdiction, she, on the other hand, demands on behalf of the Koreans with Japanese nationality that they be allowed not only to lease but also to buy land and other real property and to be exempt from Chinese jurisdiction and taxes. When the Chinese authorities discover such cases, the Japanese create a noise about Chinese oppression of Koreans. In reality, all the special privileges are demanded by Japan for the Koreans in the North-east similarly under extraterritorial protection. Japan's action is therefore not only unlawful and unreasonable, but also against treaties.

#### *IV. The Evil Results of Double Nationality.*

In carrying out the policy of Korean emigration, Japan compels Koreans to move into the North-east while at the same time assimilating them to the Japanese in order to increase the power of Japan. They forbid the Koreans to become naturalized as Chinese subjects. Besides, they establish several kinds of economic organizations for the purpose of giving financial assistance to the Koreans in the North-east and of utilizing them. Out of consideration for good Sino-Japanese relationship and safety of the Chinese state China has never altered its policy of not permitting Koreans to move into the North-east according to

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

— 186 —

Japan's plan and of permitting only lawful lease of land to Koreans or employment of them as tenants by Chinese landowners. As to the right to purchase land, it is limited to naturalized Koreans. But there are over one million Koreans in the North-east, and some of them, backed by Japanese deliberately broke Chinese laws by buying Chinese land. When the Chinese Government discovers it, it will suppress such illegal activities, and the Japanese will intervene and, turning a deaf ear to all arguments, will put the entire blame on the Chinese Government and call it illegal oppression of the Koreans. Even when Koreans squat on Chinese farms, the Japanese refuse to let the Chinese intervene. The following cases are in point:

1. In March, 1917, a certain Pan Wen Hui and a certain Yang Sin-fong, of Fulingchuan, Pengchihsien, in the Fengtien Province, secretly leased half of a piece of land at Kwanshan, in Ta-Pei-Kou, to a Korean named Ming Chi-Tai at a stipulated yearly rent of \$630, the lease to expire on the first day of the tenth moon of the old calendar. The failure to pay rent will result in the cancellation of the lease. But Min Chi-tai, the Korean, gathered some more Koreans and forcibly occupied the piece of land without paying rent. Pan and Yang appealed to the various Chinese Governmental organizations and the decision of the local court was that the said piece of land was public land and not rentable to aliens by private individuals,

— 187 —

and the contract of lease was therefore null and void. The Commissioner of Foreign Affairs in Fengtien notified the Japanese Consul to that effect. But Ming-Chi-tai refused to give up. In 1926, the Land Bureau opened the public land at Kwanshan for private purchase, and the Korean still argued on the void lease contract without paying rent. Despite many protests from Chinese authorities, Japanese procrastination has left this an unsettled issue.

2. In June, 1927, a certain Ma Chi-shan of Wan Ta Village, Fushun Hsien, Liaoning Province, came to the provincial capital and reported to the effect that a certain Japanese named Yamaguchi instigated a Korean named Tsui Hsueh-yen to cultivate a paddy field and let loose the dam in order to flood the field. After ascertaining the facts, the Liaoning Commissioner of Foreign Affairs demanded that such action should be put to an immediate stop and reparation be made. The Japanese Consul promised to pay damages with the produces of the autumn harvest but the Korean never paid them. In June, 1929, a Chinese named Tung Cho-Kung, of the same village got into a quarrel with Koreans because he was trying to stop them from flooding the fields. The Chinese was wounded and the Japanese police crossed over the boundary, arrested the village Chief and Vice-Chief, and occupied the village Committee Hall. No reply has been made to repeated

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

— 188 —

protests from the Chinese Commissioner of Foreign Affairs and this case is still under negotiation.

3. In April, 1931, Ho Yung-teh, the manager of the Agricultural Promotion Company of Changchun, Kirin, rented over four thousand *mou* of undeveloped land at Wangpaoshan, in Changchunhsien, and leased them to Koreans for rice culture. The *hsien* authorities refused to approve the lease contract and in the contract it is expressly said that failing the approval of the *hsien* Government, the contract shall automatically become null and void. But Ho Yung-teh wilfully led one hundred and eighty Koreans into the land and had them dig an aqueduct of over twenty *li* long through private lands to the river bank. Then they built a dam across the river, and Chinese land-owners, fearing the inundation of their lands, held a conference and decided to petition the Changchun Municipal Government for an injunction. The *hsien* Government sent a few policemen to disperse the Koreans, but the Japanese Consul sent six Japanese police to intervene. After repeated protests to the Japanese Consul at Kirin, besides turning down all demands for ceasing work on the aqueduct and on the dam across the river, he went so far as to send fifty or sixty plain-clothes policemen with machine guns, forcibly occupied private houses, and gave out to the world that they would stay there to protect the Koreans until the aqueduct and dam were completed. Then on July 1, three hundred to four hundred Chinese farmers with hoes in hand went out to fill up the

— 189 —

aqueduct and the Japanese policemen fired on the Chinese. Fortunately, Chinese police intervened and bloodshed was avoided. On July 22, the Ministry of Foreign Affairs at Nanking formally protested to the Japanese Minister, saying that since Wanpaoshan is not open to Korean residence, the Koreans have no right to be there, and since their contract with Ho Yung-teh lacked official sanction it was null and void, and that the Chinese police having the responsibility to protect aliens, the Japanese policemen had no right to go into the interior. A demand was made for the immediate withdrawal of Japanese police and for paying reparation by the Korean farmers. The Japanese Minister did not listen to reason and defended the Koreans, and the Wanpaoshan affair has remained to this day unsettled (The Wanpaoshan Affair will be dealt with in a separate pamphlet.)

— 190 —

Chapter XIII.

**JAPAN'S OTHER UNLAWFUL ACTIVITIES IN THE NORTH-EAST.**

*I. Japanese Attempt to Assassinate Marshal Chang Tso-lin.*

Since Goto's administration, Japan's policy has been that of using Marshal Chang Tso-lin as a tool to carry out its aggressive program in Manchuria-Mongolia. Both in the Shanghai-kwan campaign of 1924 and in the Kuo Sung-lin revolt in 1925, Japan helped Chang Tso-lin with the intention of making use of him. But Chang Tso-lin, being a clever man, ostensibly welcomed Japan's assistance while he secretly opposed her aggressive designs, which made the Japanese hate him. When the Nationalist Revolutionary Army marched up through Shantung Japan sent troops to Tsinan to block its way and to keep China disunited in order to fish in troubled water. Chang Tso-lin ordered a complete retreat of his whole army, and Japan, fearing her position endangered, determined to block his retreat and threatened to mobilize into Manchuria. But Chang Tso-lin ignored the threat. Japanese determination to assassinate was made all the stronger by the intention to deprive the North-east of its leader at the very time when China was being torn within herself, thus giving Japan the pretext to detach the North-east from China under the cover of maintaining order. Thus, on June 4, 1928, when Chang Tso-lin

— 191 —

was on his way back to Mukden with the Tuchun of Heilungkiang, Wu Chen-shan, and other high military and civil officers, and at the crossing between the Peking-Mukden Railway (now Pei-Ning Ry.) and the South Manchuria Railway, an explosion took place under the bridge, destroying the special car that carried the illustrious passengers. Wu Chen-shan died instantly and Chang Tso-lin died a few days afterwards. An investigation of the explosion revealed the fact that the venue of the crime was within the zone patrolled by the Japanese Railway guards and could have come from no other source except the Japanese. The Japanese Parliamentarian Tabuchi declared that the real assassin of Chang Tso-lin was Tanaka, then Japan's Prime Minister. The whole story of the crime has been told in T. P. Kung's "The Tragic Death of Chang Tso-lin." Japan had intended to seize Manchuria then; but owing to the preparedness of the Chinese and the opposition within the Japanese Cabinet, no action was then taken.

*II. Preventing the North-east from Changing its Flag.*

Japan's occupation of Tsinan and the assassination of Chang Tso-lin were all to the end of keeping China out of Manchuria which Japan could then freely oppress. After Chang Tso-lin's death, his son Chang Hsiao-liang put on his father's political mantle, and, keenly aware of Japan's aggression and his father's tragic death, decided to render allegiance to the

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

— 192 —

Central Government, in order to bring about a united China. Therefore he determined to use the Nationalist flag in the North-east. The Japanese Government, feeling the ground slipping under its feet and ignoring the impropriety of intervention, instructed the then Japanese Consul-General Kujiro Hayashi, to warn the young Marshal against embracing the Three Peoples' Principles. Under the pretext of attending Chang Tso-lin's funeral, Japan sent Gonsuke Hayashi to warn the Young Marshal against the change of flag. He even said "Japan has the firm determination to take free action" as a threat. But the Young Marshal was not moved, and ordered every district in the North-east to hoist the Nationalist flag on December 29, 1929. Chang Hsiao-liang's joining the Nanking Government and helping to establish a united China greatly antagonized Japan which began thinking how to overthrow his political power. It is really all a question of China's internal affairs, and Japan's intervention is against international law.

### III. Indiscriminate Establishment of Consulates.

According to international law, one country has the right to establish consulates in another country only by treaty. But Japan establishes consulates at places in the North-east outside of treaty provision. For example, on May 4, 1927, a certain Tanaka and four other Japanese went to Linkiang, Liaoning, under disguise, privately took over people's houses for consulate

— 193 —

sites, and placed cannons across the river as a threat. On Aug. 2, Tanaka led 500 Japanese military police in opening fire on Linkiang and did not withdraw until the Linkiang people determined to resist till death. In December, 1930, Japan changed the name of Linkiang into Mouershan and negotiated with the Chinese Waichiaopu establishing a consulate there. Also Japan established consulates at Taonan and Tahushan, (in Liaoning) and up till now has not withdrawn them. These consulates serve as centers for smuggling and selling morphine.

### IV. Sabotaging Chinese Municipal Government.

In June 1925, for the sake of facilitating communications through improving the Municipal roads, the Municipal Government of Mukden memorialized the Fengtien Provincial Government to tear down the Pagoda and the houses built around it at the Major West Gate and the Minor West Gate and an order was given to the Chinese merchants and residents to make way for the roads. But the Bank of Chosen, at the Minor West Gate, made counter-demands on the Chinese Government for expenses to be incurred in tearing down the buildings. Thus the Chinese determination of improving the Municipal Government was frustrated and negotiations have been futile ever since 1930 and barren of result. This is only one of numerous incidents of Japan's sabotage.

— 194 —

#### V. Seizing Territory

Even since its establishment, the South Manchuria Railway Company has made repeated seizures of lands along the S.M.R. Out of regard for China's sovereignty the Chinese Government sought to repress such unlawful actions, but Japan had accused the Chinese Government of infringing the "right" of the S.M.R. to buy lands, in alleged contravention of the Sino-Russian Agreement of Aug. 27, 1896, regarding the Manchurian Railways. According to Article VI of that agreement, the Railway has the right to buy or rent lands within the practical needs of the same. To buy up lands and establish thereon commercial houses is not within the practical needs of the Railway. But the S.M.R. has bought up huge tracts of lands at Mukden, Kaiyuan, Ssuningkai, Kungchuling, Changchun, Anshan far beyond the practical needs of the line, and built on them shops and markets, and organized local Semi-Government, supervising local engineering, sanitation, and education. It is a clear case of violation of Chinese sovereignty and administrative integrity, beyond treaty authorization.

In 1907, the Japanese seized 165.79 *mou* of people's lands in the business quarters of Mukden and drove 12 posts marking it out as drilling ground for the Japanese Army. This tract of land had been marked out for commercial houses some of which had deeds of lease. Where the Japanese should have returned it immediately, they purposely procrastinated until

— 195 —

December, 1921, when the Japanese consul suddenly announced that the said tract of land had been leased by the Army Department to a certain Kotama. Upon receiving the protest of the Chinese Government, February, 1925, Japan retorted in July that the said land had been legally confiscated by Japanese during the Russo-Japanese War and that China had no right to protest against Japan's disposing of it as it saw fit. Furthermore, so ran the retort, that piece of land had been leased to Kotama, who had leased it to the South Manchuria Railway, whose jurisdiction over it now became unquestionable. Japan turned a deaf ear to the repeated protests from the Chinese Government. In October of the same year the S.M.R. engaged contractors to level the land and to build roads on it against all Chinese protests. It was not until June, 1930, that the Japanese consulate replied, agreeing to instruct the S.M.R. to secure a loan contract from the Board of Trade of Mukden, but the instruction has not been either given or carried out. This clear case of Japanese seizure of Chinese territory is still an unsettled issue.

#### VI. Aiding the Bandits to Break the Peace.

The Japanese frequently supplied the bandits with guns and cartridges against Chinese laws, and Japan gave such Japanese criminals every protection, with the result that Chinese has found it impossible to suppress the bandits, and to maintain order.

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

— 196 —

(1) The most outstanding case is the Chengchiatun Incident. In 1916, and without any treaty authorization, Japan stationed troops and established police stations at Chengchiatun (or Liaoyuan, 400 li west of Changchun). Japan turned a deaf ear to all Chinese protests. While on the one hand Japan negotiated with Prince Su (then in Dairen) for the organization of an "army in defence of the Emperor", on the other hand Japan supplied the Mongolian bandit Babuchabu with arms with which to create disorder in the locality. In July of the same year, this bandit with 5000 men, attacked Tuchuan, but was driven away by the 28th Division of Chinese troops. The bandits retreated into Kuochiatien, near the S. M. R., to be under Japanese protection. The then Japanese Colonel, Fukuiki, requested the Chinese Army not to pursue the bandits. Peevish over the defeat of Babuchibu, the Japanese on Aug. 13, attacked the Chinese Army and ordered it to withdraw outside of 30 li. 1500 additional Japanese Contingents from Pamien Chen, Szupingkai, Kungchuling, and Tiehling were sent for and they completely occupied Chengchiatun, and presented eight unreasonable demands.

After protracted negotiations between Wu Ting-fang and Hayashi, a settlement of the case was arrived at on Jan. 22, 1917, by which China agreed to (1) reprimand the Commander of the 20th Division, Fung Lin Kuo, (2) not to provoke the Japanese soldiers, (3) to have the Tuchun of Fengtien

— 197 —

apologize to the Japanese Army., and to give compensation to the Japanese dead, while refusing to comply with the other four demands. This is known as the Chengchiatun Affair.

Not long after this affair, Japan sent 800 troops to join the Mongolian bandits at Kuochiatien, who were convoyed to Chao Yang Po by Japanese cavalry under the Japanese colors. The Chinese were forced to resist and one bullet having pierced the Japanese colors, the Japanese launched a fierce attack on the Chinese barracks at Chaoyangpo. Later the Japanese realized they were in the wrong, disarmed the troops of the "Army in Defense of the Emperor", and let go the Mongolian bandits. The former Japanese Foreign Minister Goto, then travelling in the North-east, wrote against the Okuma Cabinet a book entitled "The Truth about the Sino-Japanese Conflict" in which he revealed every Japanese secret.

(2) On October 2, 1920, the Korean Independents and 300 Russian bandits stole across the border from Shanchentse to Hunchun, Kirin, and burned the Japanese Consulate and market. Eleven Japanese died and more than eleven were wounded. Under the pretext of suppressing the Korean Independents and without the consent of the Chinese Government, Japan sent a large number of troops from Chosen and forcibly occupied Hunchun, Holung, Yenki, Wangching, Ningan, and Tungming.

The Japanese soldiers numbered 10,000. They burned

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

— 198 —

more than a thousand Korean households, 21 religious organizations, 7 schools, and slaughtered 2,100 Koreans. Besides also slaughtering 270 innocent Chinese, the Japanese also established police stations which still have not been withdrawn, although after the establishment of the police station, the Japanese soldiers gradually evacuated the place.

(3) There has not been a month that did not see Japanese smuggling arms and secretly aiding the bandits. For instance, on Sept. 16, 1925, the police of Tsianhsien of the Liaoning Province arrested three Japanese, one of whom was named Iwasaki, for the illicit sale of opium. The offenders with the indisputable proofs were all sent to the office of the Commission of Foreign Affairs at Yinkow. During the early part of Sept., 1929, the Detective Department of the North-eastern Gendarmerie got wind of the activities of the Japanese "First Fengtien Factory" at a place called Shihchienfong (not leased to the S.M.R.) outside of the West Gate of Mukden. The activities were the secret manufacture of arms for the supply of the bandits. On the night of the 22nd, one bandit was arrested, his contract with the factory was discovered and the actual delivery of 10 rifles to the said bandit by the Japanese manufacturer was seen by an eye-witness. When the Chinese authorities were about to arrest the bandit, there came suddenly several Japanese policemen who intervened and forbade the arrest.

— 199 —

According to an investigation conducted in April, 1930, within the S.M.R.'s concessions at Mukden there are the following Japanese firms that secretly supplied the bandits with firearms:

Yoshida Bunkai	Wajun Yoko
Daisho Yoko	Motoda Shigeru Mokai
Motomura Shoten	Ueda Mokai
Fukushima Yoko	Yothitawakumi Shoten
Otani Shten	etc.

(4) There are still two vanguards of Japanese aggression in the North-east. The most notorious is the "ryoriya". Ostensibly restaurants, they are really brothels exempt from business tax and from prostitution tax. Both the middle and the lower classes have been their victims. They have to report to the Japanese Government everything about the Chinese locality in which they live. Those who care more for their reputations resort to secret smuggling and sale of drugs such as opium, morphine, and heroin. Wherever the Japanese and Koreans are, there are morphine and heroin. As to the sale of opium there is the so-called "public sale shop". At every station along the S. M. R. there is the public smoker, and opium is sold in Japanese shops even outside of the S. M. R.'s concessions. On Nov. 2, 8, and 11, 1929, the Chinese Post Office at Liaoning discovered 140 parcels of heroin sent

— 200 —

by some Japanese named Sinuma, which was worth more than \$500,000. On Feb. 20 of the next year, the said Post Office again discovered 133 parcels of heroin smuggled by some Japanese, worth \$300,000. Both cases were reported to the Liaoning Provincial Government by the Englishman Bartlett. By order of the Provincial Government the contraband was examined by the Inspector-General of Customs at Mukden, (who was an Englishman) the president of the Shenking Hospital, Yung Wei-lin, and representatives of various professional organizations, and burned in the presence of all of them, besides the Consuls of Great Britain, Germany, and Soviet Russia.

On May 24, 1931, the Japanese Vice-President of the Japanese Chamber of Commerce sold morphine and heroin to the amount of \$360,000, part of which was transported to Wa Fong Tien and was discovered by the Customs authorities. The above mentioned case are only the most conspicuous of numerous cases.

— 201 —

#### CONCLUSION

The fundamental cause of conflict between China and Japan is the adoption of the Continental Expansion Policy by Japan. In the latter part of the sixteenth century (that is during the regime of Wanli, of the Ming Dynasty) the Japanese Bakufu Shogun, H. Toyotomi, once attacked Korea and was defeated by the troops of the Ming Dynasty. However his contental policy remains rooted in everybody's mind. Since the Reformation of Meiji, this policy has been encouraged with much more energy. During this time T. Saigo advocated the conquest of Korea. Although this continental policy was not put into reality because of lack of substantial power, it was still being carried on, resulting in the seizure of Formosa. Japan only awaits the chance for the execution of this continental policy. In the 27th year of Meiji Regime (1894) S. Kawakami, Vice-Chief of the General Staff, together with Foreign Minister, M. Munemitsu, started the Sino-Japanese War under the excuse of protecting Korea. In April 17, 1895, the Shimonoseki Treaty was signed forcing China to recognize the independence of Korea, the ceding of Formosa and Pengku Islands, and the demand of a large sum as indemnity, and the ceding of part of the Liaotung Peninsula. Later on the peninsula was returned to China through the interference of Russia, Germany and France, though the Japanese still cherish the same ambition. As a consequence of the Russo-Japanese War (1904-

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

— 202 —

1905) and by the conclusion of the Portsmouth Treaty and other Sino-Japanese Treaties, Japan acquired the lease of Port Arthur and Dairen, the control of South Manchuria Railway and other rights, in the Three North-eastern Provinces.

If the Japanese had a real desire to see co-existence and coprosperity being carried out, she should develop this fertile region with China through peaceful means. But the Japanese are poisoned by the desire of Continental Policy and cherished an ambition to swallow the whole region. Thus she has committed a series of violations of treaties, the stationing of regular troops and establishment of police forces in Manchuria, and other unlawful and illegal actions. She only cares about her own interests and disregards and interferes with other developmental plans of the Chinese and foreigners. This is particularly true with regard to the construction of railways in Manchuria.

Taking advantage of the World War she forced on China the Twenty-one Demands, which exact rights and privileges that other powers have not enjoyed. She totally ignores the open-door policy and the doctrine of equal opportunity. Despite the fact that the Chinese parliament declares the notorious treaty null and void, Japan uses it as a pretext to exploit the Three Eastern Provinces.

After the Great War aggressive policy was more or less discredited, and Japan was rather reserved for a time. However,

— 203 —

during the past year the world underwent a serious economic depression, and while China was afflicted with flood and other human calamities, Japan again embarked upon her cherished designs and made a series of provocative actions. Without the slightest excuse on September 18, 1931, Japanese troops occupied Mukden, Antung, Yingkow and other important cities and towns. At first she tried to use the protection of Japanese people as a pretext for her occupation. Later on she disclosed her whole ugly designs. She regarded as scraps of paper the Covenant of the League of Nations, the Anti-War Pact and the Nine-Power Treaty and other treaties and conventions concluded between China and Japan, to say nothing of International Law. Within a period of four months, Japan occupied the whole area of the Three Eastern Provinces, viz: Liaoning, Kirin and Heilungkiang. Not satisfied with this, on March 9 this year, she created a puppet government, "Manchukou", with Chinese traitors. She assumes the guardianship over this monstrous organization, and went through the travesty of "recognizing" it on September 15. Recently she has been making attempts to invade Jehol. Having exhausted all peaceful means in dealing with Japan, China, in order to recover her lost territory, is forced to resort to force and the peace in the Far East is jeopardized.

In short, Japan should bear the burden for this sort of difficulty and complications through the adoption of a positive

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

— 204 —

aggressive policy towards Manchuria and Mongolia, which is but the carrying out of the second step of the Continental Policy. In order to find a settlement, the Japanese aggressive policy must be checked. In order to stop the Japanese aggressions in the North-eastern region, Japan must be taught to respect international law and morality, the League Covenant, international conventions, and the sanctity of treaties and agreements concluded between China and Japan and the faithful observance of Chinese sovereignty in the North-eastern territory.

It is the general opinion that the North-eastern problem should be solved and settled in the light of the following principles:

1. The carrying out of economic development should be strictly in accordance with the open-door policy and the doctrine of equal opportunity. All foreign investments and immigration should be encouraged; communications facilities should be improved, natural resources should be developed, industry, farming and commerce should be promoted.

2. All foreign political influences should be eliminated. In order to maintain the solemnity of international treaties and covenants, in order to maintain Chinese sovereignty, independence and administrative integrity, and in order to maintain permanent peace in the Far East, all foreign political influences in the North-eastern should be eliminated.

— 205 —

3. Faithful observance of those valid treaties and agreements between China and Japan. Those existing agreements between the two should be observed in accordance with International Law. All the outstanding and pending problems between China and Japan should be settled by international arbitration or by other legal means.

On the basis of the foregoing three principles, the following Sino-Japanese problems shall be approached and solved.

1. The lease of Port Arthur and Dairen had expired on March 15, 1923. In accordance with treaty stipulations they should be retroceded to China.

2. In conformity with the original agreement the South Manchuria Railway should be made a Sino-Japanese joint enterprise of a commercial nature. Upon the expiration of the original contract, the South Manchuria Railway together with its subsidiary enterprises should be redeemed by China.

3. The administrative rights of the leased territory of the South Manchuria Railway should be handed back to China, so that those police, communications, sanitary, educational, judiciary, and taxation rights and conducts in defiance of Chinese sovereignty and in violation of treaties as practiced by the Japanese now, might be done away with.

4. Other illegal rights, such as stationing of railway guards and police, military guarding of Japanese consulates, forcible

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

— 206 —

circulation of Japanese money, the establishment of stock exchanges and pawn shops, the mining of oil shales in Fushun colliery, other mining and timber cutting beyond stipulated boundary, the robbery of fishery rights, forcible occupation of land by the South Manchuria Railway, the interference with and blocking of railway buildings by the Chinese themselves, should be all abolished and stopped.

5. All the Japanese illegal actions, such as the usurpation of Chinese judicial administration in Port Arthur and Dairen, and the Chinese administrative right together with the right of taxation in Kinchow, the building of fortresses along the South Manchuria Railway and particularly along the Antung-Mukden Railway, working in collusion with Chinese for the permanent lease and mortgage of land, the forcible establishment of Japanese consulates, and the setting up of post offices and telegraphs and other illegal acts should be all abolished in accordance with law.

6. The Japanese subjects and other peoples residing in the interior of the North-east should be subject to Chinese law and taxation. They should no longer enjoy consular jurisdiction, attendance of foreign jury nor demand of re-trial by foreign judges in detriment of Chinese judiciary rights.

7. Koreans in the North-east should be subject to the decisions of Chinese law. The Japanese should recognise them having rights to become naturalized as Chinese citizens.

— 207 —

8. The validity of the Peking Treaty which was finally concluded on May 25, 1915, embodying the Twenty-one Demands has been disputed between China and Japan ever since. It should be put before the Hague Court for decision.

9. All those following existing treaties in direct conflict with the open door policy and the doctrine of equal opportunity should be withdrawn:

(a) The Kirin-Changchun Railway Loan Agreement giving the Japanese exclusive rights of loans in case of extension of the said line and building of new branches when funds are needed.

(b) The Ssupingkia-Taonan Railway Loan Agreement providing the preferential rights of buying of Japanese materials and other articles.

(c) The Kirin and Heilungkiang Gold Mining and Forestry Loan Agreement giving the Japanese exclusive right to advance loans and providing for joint Sino-Japanese enterprises in case of need for funds for mining and forestry and other new enterprises.

10. The Japanese should not be allowed to maintain a specially privileged status in the North-east, nor should they be allowed to interfere with Chinese political affairs.

The points mentioned above are the essentials for finding a solution of Sino-Japanese problems. In a word, the Japanese military and political influences and other exclusive rights and

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

— 208 —

privileges should be absolutely done away with. However, enterprises that confer mutual benefits will be welcomed. Substantially speaking, those existing legal treaties should be mutually respected; the Japanese rights and interests legally acquired should be protected; while those acquired in violation of treaties and infringement of China's sovereign rights should be absolutely discarded. Those outstanding and pending problems between China and Japan should be diplomatically settled through assistance of observers appointed by the League of Nations, provided it is diplomatically possible. While other political disputes which cannot be diplomatically settled, should be brought to the Council of the League of Nations for solution. All legal disputes should be put before the Permanent Court of the League. Since China and Japan are neighboring countries the two should, by copying the model arbitration treaty proposed by the League, conclude an arbitration agreement with the establishment of a permanent arbitration committee. In the case of any disputes, the said committee should undertake investigations in order to effect a solution or arbitration. It is by such methods that the fundamental solution of the problems in the North-east can be found. Any other means or methods which only try to fit to certain principles or doctrines will fail to maintain a permanent peace between the two countries.

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

TELEGRAM RECEIVED



*ZH*

REP

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

FROM PEIPING

Dated June 2, 1933

Rec'd 2:05 p.m.

Secretary of State,  
Washington.



*Paraphrase sent to ONI & MID in confidence*

497, June 2, 5 p.m.

CONFIDENTIAL FOR THE SECRETARY.

Tientsin's telegram May 31, 6 p. m. giving text of truce

agreement. Vice Minister Liu informs me that this text represents all that was discussed or agreed to and that it was entirely handled by Chinese and Japanese military. He promises me a copy of Chinese official text shortly.

Chinese desired agreement include provision for evacuation of so-called independent troops under Li Chi Chun who have been operating in the Lwan River area with the friendly aid of the Japanese and well armed. Japanese refused to include any provision covering this force. Vice Minister Liu expressed uncertainty in regard to these forces but stated a belief that Chinese could deal with them. Unless Chinese are able to persuade these independent forces to resume their loyalty to the Chinese, situation in area between line named in truce agreement and Great Wall will/contain factors capable at any moment of precipitating further trouble for Japanese will

oppose

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F/H/S  
793.94/6352

JUN 7 1933  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

REP

2-#497, From Peiping, June 2, 5 p.m.

oppose entry of that area by Chinese forces sent to suppress these armed independents and it is doubtful whether Chinese police can handle them. Hallett Abend informs me that Japanese military at Tientsin state that South Manchuria is taking over Peiping-Mukden Line between Shanhaiwan and Lutai and will operate line on same basis as Peiping-Mukden Line between Shanhaiwan and Mukden assuming all financial obligations to British bondholders. This indicates permanent occupation of railway right of way. I expect that Japanese will now endeavor to open negotiations at Nanking on all questions outstanding between China and Japan and will probably use threat of encouraging establishment of opposition government in North China for the purpose of furthering these negotiations.

JOHNSON

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

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CONFIDENTIAL

P A R A P H R A S E

JUN - 5 1933

A telegram dated June 2, 1933, from the American Minister at Peiping, reads substantially as follows:

Referring to a telegram dated May 31, 6 p. m., from the American Consul-General at Tientsin, wherein was contained the text of the agreement for the cessation of hostilities, the Minister states that according to information furnished by Vice Minister Liu, all matters on which agreement was reached or which formed subjects of discussion are disclosed by the text mentioned above. It was also stated by Vice Minister Liu that the transactions took place altogether between the military of Japan and China, and Minister Johnson was promised that there would soon be furnished him a copy of the official Chinese text.

Although it was the desire of the Chinese that a stipulation be comprised in the agreement for the withdrawal of the allegedly independent forces of Li Chi-chun, the Japanese did not consent. With friendly assistance from the Japanese, these troops, who are well armed, have been active in the district of the Lwanh6. Some uncertainty as to these troops was expressed by the Vice Minister, who, however, gave it as his belief that they could be dealt with by the Chinese.

The telegram states that factors which may at any time bring about further trouble will still exist in the territory between the Great Wall and the line described in the agreement  
unless

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

- 2 -

unless the forces mentioned can be brought by the Chinese to revert to their allegiance to China, since it is not at all certain that the Chinese police could handle them, and any advance into that territory by Chinese troops with the mission of putting down the so-called independent troops would meet with opposition from the Japanese.

Minister Johnson states that he learns from Abend that according to the Japanese military at Tientsin, the section between Lut'ai and Shanhaikuan of the Peiping-Mukden Railway is being taken over by the South Manchuria Railway, which intends to operate that section just as the section between Mukden and Shanhaikuan of the Peiping-Mukden Railway is being run, and that all obligations of a financial character to British bondholders are to be assumed by the South Manchuria. Minister Johnson considers that a permanent occupation of the right of way of the railway is indicated by the foregoing.

Minister Johnson expects that efforts will now be made by the Japanese looking to the commencement at Nanking of negotiations on all outstanding Sino-Japanese questions, and he considers it likely that in order to advance these negotiations Japan will threaten to encourage the formation of an opposition government in North China.

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

June 2, 1933.

F.W. 793.94/6352

The Secretary of State encloses for the information of the President a copy of the telegram indicated below.

As the telegram was transmitted in one of the Department's confidential codes, it would be appreciated if it could be returned to the Department at the President's convenience for appropriate disposition.

793.94/6352

Enc. rtd  
McKen 7-10-33.

Enclosure:  
Telegram No. 497, June 2, 5 p.m., Peiping,  
from Minister Johnson.

S MHR

*E. Ken*  
A true copy of the original is  
1234  
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

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REP

TELEGRAM RECEIVED

*Paraphrase sent to ONI & M(1)*

This telegram must be closely paraphrased before being communicated to anyone. (A-1)

PEIPING

*in Confidence*

FROM Dated June 3, 1933

Rec'd 3:18 a.m.

Secretary of State,  
Washington.

499, June 3, 11 a. m.

CONFIDENTIAL FOR THE SECRETARY.

My telegram No. 497, June 2, 5 p. m.

I called upon Huang Fu this morning. He stated that recent discussions had been limited entirely to military questions; that problem now before them was to find means of reestablishing Chinese authority in the evacuated area. With reference to Li Chi Chung, he stated that he was a native of Fengjun; that he had five or six thousand soldiers. Huang Fu said that he formerly knew Li. It is his hope that Li and his forces, after the elimination of disorderly elements, can be amalgamated with Chinese forces and moved elsewhere. As regards railway between Lutai and Shanhaikwan Huang Fu stated that it was his expectation that the Chinese would take over railway but that preliminary thereto it was necessary for the authorities of Peiping-Mukden line and the authorities of South Manchuria Railway to liquidate certain expenses to which the South Manchuria Railway had been put because of necessary repairs; it was believed also that South

Manchuria.



F/G 793.94/6353

JUN 7 1933

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

REP

2-#499, From Peiping, June 3, 11 a. m.

Manchuria Railway may have made payments to the British bondholders for recovering section of line occupied and that this item would have to be liquidated.

Huang Fu expressed the hope that the United States authorities would appreciate difficult situation which China faced here in the North.

JOHNSON

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

P A R A P H R A S E

JUN - 5 1933

Telegram dated June 3, 1933, from the American Minister at Peiping, reads substantially as follows:

The Minister states that he had been to see General Huang Fu on the morning of June 3rd, and that he had learned from General Huang that only questions of a military nature had been brought up in the discussions which had recently taken place.

General Huang stated that the finding of means to re-establish the authority of China in the territory evacuated was the immediate problem; that he had known Li Chi-chung, who was born at Fengjun, and hoped that after disturbing elements have been removed Li and his troops, consisting of some five to six thousand men, can be transferred to some other place after being brigaded with Chinese troops.

Minister Johnson learned that General Huang expected China to take over the Shanhaikuan-Lut'ai section of the Peiping-Mukden line but considered that before doing so the authorities of that railway must defray expenses incurred by the South Manchuria Railway for repairs needed. General Huang's belief was that the British bondholders of the Peiping-Mukden line may have received certain payments from the South Manchuria Railway for the recovery of the portion of the former railway occupied, and that it would be necessary to repay to the South Manchuria Railway the funds thus expended.

That the difficulties confronting China in the North would be appreciated by the American Government was General Huang's hope.

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

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

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

REP

TELEGRAM RECEIVED

GRAY

DEPARTMENT OF STATE  
RECEIVED  
JUN 3 1933  
U.S. DEPARTMENT OF STATE

Shanghai via N. R.

FROM Dated June 3, 1933

Rec'd 8:10 a. m.

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS  
JUN - 3 1933  
Department of State

107, June 3, noon

Shanghai reaction to armistice agreement in North is on the whole favorable, particularly among business men as indicated by investment transactions. Foreign owned press both NORTH CHINA DAILY NEWS and SHANGHAI TIMES in editorials expressed satisfaction at conclusion of truce agreement and hope that it marks definite end of hostilities. The China press expresses satisfaction and declares "all except those who allow themselves to be blinded by their animus against the government will agree that China has gained more than at one time appeared probable and has emerged from a desperate situation with her dignity unimpaired". The SHUN PAO criticises the provisions of the truce that Japanese are to watch by airplane the withdrawal of Chinese troops and the fact that Japanese troops will withdraw only after Chinese have withdrawn. Paper believes these provisions will cause future complications. SIN WAN PAO in editorial neither approves nor condemns agreement but declares that had China heeded the lesson of Sino-Japanese War of 1895 she would not have suffered present humiliation.

Repeated to the Legation.

CUNNINGHAM

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F/G 793.94/6354

JUN 3 1933  
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

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REP

TELEGRAM RECEIVED

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

GRAY



FROM

Tientsin via N. R.

Dated June 3, 1933

Rec'd 1:50 a. m.

Secretary of State,  
Washington



June 3, 1 p. m.

793.94

General Hsiung Pin has arrived in Tientsin for the purpose of consulting with the chairman of the Hopei Provincial Government and the Japanese military authorities concerning the disposition of troops remaining in the Langshan area, the restoration of rail traffic and policing of areas to be evacuated.

General conditions at Tientsin have greatly improved since the signing of truce.

LOCKHART

CSB

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F/G 793.94/6355

JUN 9 4 40 PM '33

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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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REP

FROM

GRAY

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

Tientsin via N. R.

Dated June 5, 1933

Rec'd 6:30 a.m.

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS  
JUN 5 1933  
Department of State

June 5, 1 p. m.

A Japanese military plane, presumably in pursuance of paragraph two of truce of May 31, flew over Tientsin yesterday morning for a period of 20 minutes.

The disposal of the so-called renegade troops of Li Chi Chun near Lutai and Tangshan is causing serious concern as neither side seems to want them. It is known that this problem is an obstacle in the way of restoring through traffic on the Peiping-Shanhaikwan Line and that the refugees referred to in my May 22, 2 p. m., are refusing to return to the countryside until it is solved.

Refugees are returning in large numbers to the Chinese city from the foreign concessions.

LOCKHART

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JUN 6 1933

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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

June 8, 1933.

MMH:

Warrington Dawson's report  
No. 1248 of May 22, 1933,  
summarizes an article in LA REVUE  
DE PARIS of May 15, 1933, by  
Pierre Lyautey, which criticizes  
very adversely League intervention  
in the Far Eastern situation. No  
new ideas are advanced in the  
article.

FE:LS/ZMK

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

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WEDD  
EMBASSY OF THE  
UNITED STATES OF AMERICA



Paris, May 22, 1933

JUN 3 33

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DEPARTMENT OF STATE  
JUN 9 1933  
DIVISION OF  
WESTERN EUROPEAN AFFAIRS

FE  
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SPECIAL REPORT  
(No. W. D. 1248)

Division of  
FAR EASTERN AFFAIRS  
JUN -5 1933  
Department of State

To the Secretary of State  
Washington, D. C.

The American Chargé d'Affaires ad interim  
forwards herewith Mr. Warrington Dawson's  
Special Report No. W. D. 1248, dated May 22, 1933.

JUN 10 1933  
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton C. Gustafson NARS, Date 12-18-75



EMBASSY OF THE  
UNITED STATES OF AMERICA

Paris, May 22, 1933

Serial No. W. D. 1248

SPECIAL REPORT

By Warrington Dawson  
Special Assistant



SUBJECT: The Far East and the League of Nations

Writing in LA REVUE DE PARIS of May 15, 1933 an article entitled "The Far East and the League of Nations," Pierre Lyautey declares that the Sino-Japanese conflict would never have been aggravated to such a point if the League of Nations had not intervened. If the West had left the Chinese and Japanese diplomacies to themselves to settle their differences, it would have assisted in the stabilization of conditions rather than in complicating matters so as to bring about a war.

The League of Nations, according to Lyautey, is not regarded by the Far East as a universal society

but

-2-

but rather as an outgrowth of the West, and belonging to the League does not mean being a member of a universal society but virtually demanding the West to intervene against a rival race.

Lyautey remarks that in its interventions the West has committed many errors. The League of Nations has not understood the true character of recent developments in Japan. That country no longer entertains its glorified vision of the West. The economic and financial failures of England and America have stimulated Japan to fulfilling her mission in Asia. She has learned that it is a mistake to imitate the West; her attempts at developing her industry on the American plan, of establishing a gold standard, and resorting to inflation, all have carried with them the same consequences as in the West. Many banks failed, three-quarters of the farms fell into the hands of the bankers, famine was threatened, and Communist propaganda was rampant.

In the light of these economic facts, which acted so effectively upon Japanese politics, Lyautey considers it comprehensible that this nation should resolve to become more Asiatic and ignore the present advice of a judge who has committed so many errors. The Japanese

discovered

-3-

discovered that they had been honoring false gods and now are determined to revert to the traditions of their ancestors and fuse the present with their past.

Lyautey goes on to say that sharing American and English partiality to China, the League of Nations had become the laughing stock of Asia. The author relates that every Chinaman he spoke to claimed that they owed any peace they had to Japan, that "life in the concessions has just become tolerable since the Japanese invasion of last March, no-one would care to put it in writing, but the Japanese Policemen saved us."

Men of good faith assembled to serve on various commissions at Geneva and they formed conclusions, but their recommendations were immediately interpreted by an impassioned Asia as declarations of war, and the speculators profited of the occasion. These members of the League incurred grave responsibilities, thrusting the League into an adventure which compromised its prestige and further retarded the economic reconstruction of China which should be the aim of all the friends of Asia.

Lyautey says that Asia, which has been thrown upon itself is now preparing its economic, social and moral revenge, and concludes as follows:

"It

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

-4-

"It is essential that the League of Nations renounce these troublesome interventions in a hemisphere which it hardly knows and understands. The procedures and methods of the League of Nations must be revised since a simple incident such as that of Mukden, instead of being settled can entail a real war. Pacts drawn up after the World War in consideration of European situations must not again be so thoughtlessly compromised."

Very respectfully,



Warrington Dawson  
Special Assistant

Enclosure:

Article from LA REVUE DE PARIS of May 15, 1933

In quintuplicate

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WD/DG

Copy to E.I.C!

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

Enclosure to Special Report N° W.D. 1248 of May 22, 1933  
From American Embassy at Paris  
Extract From "LA REVUE DE PARIS" of May 15, 1933

## L'EXTRÊME-ORIENT

ET

## LA SOCIÉTÉ DES NATIONS

A Pâques, en Italie, j'ai rencontré des caravanes d'étudiantes et d'étudiants américains. Avant la crise, cette superbe jeunesse visitait les chefs-d'œuvre d'Europe en bousculant les guides : « Pas mal celui-là, mais montrez-moi le suivant. » Aujourd'hui, elle regarde, et commence à savoir écouter. Jadis, elle dominait et condamnait les velléités d'intervention de son gouvernement dans les misérables affaires du monde. Les désastres économiques et financiers l'auraient-ils rendue attentive? Il y a eu plus. Beaucoup plus. L'orgueil national a été comme humilié d'abord depuis que la diplomatie de la Maison-Blanche a reçu en Extrême-Orient des leçons sévères, c'est-à-dire depuis que le Japon n'a pas obéi aux notes de M. Stimson. Il y a eu enfin le conflit Sino-Japonais. Cependant qu'un soir, je regardais de Fiesole les dômes et les donjons de Florence, un Américain, le covenant de la S. D. N. à la main, concluait avec quelque anxiété : « Comment va-t-on désormais définir l'agresseur? »

Cette question condamne deux années d'erreurs genevoises. Avec une hâte brouillonne, sans respecter la part de la diplomatie de chancellerie et celle de l'arbitrage international, la S. D. N. s'est engagée, s'est fourvoyée même dans une aventure dans laquelle elle a compromis son prestige et celui des Pactes.

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Enclosure to Special Report N° W.D. 1248 of May 28, 1933  
From American Embassy at Paris  
Extract From "LA REVUE DE PARIS" of May 15, 1933

DOCUMENTS NOUVEAUX SUR ROUSSEAU ET VOLTAIRE 325

gueurs et en cherchant à clarifier le style çà et là quand il est par trop anglicisant. Et nous tenons à exprimer, une fois de plus, notre reconnaissance à MM. Isham et Pottle qui veulent bien nous autoriser à reproduire, pour la première fois un si gros fragment des *Boswell Papers*.

« J'espère que votre santé est meilleure aujourd'hui. — Oh! n'en parlons pas. » Il paraissait exceptionnellement gai... On parla d'abord de choses variées. Il lui fit *Le Spectateur*. « On y trouve, dit-il, des allégories; je ne les aime pas, les allégories quoique votre nation les aime beaucoup. » Je lui parlai du docteur Johnson. Il dit avec force: « J'aimerais cet homme-là. Je l'estimerais. Si je pouvais le branler dans ses principes, je ne le ferais pas. Je voudrais le voir, mais de loin, de peur qu'il ne me rossât. » Je lui dis l'aversion de M. Johnson pour écrire, et comme il a chez lui des « levers ». « Ah! dit-il, je comprends; c'est un homme qui aime à pérorer. » Je lui rapportai le bon mot du docteur sur les innovateurs: La vérité est une vache qui n'a aujourd'hui plus de lait à donner, et alors ils vont traire le taureau!... « Alors, reprit M. Rousseau, il me détesterait; il dirait: Voici un corrupteur d'hommes qui vient ici traire le taureau... »

ALBERT SCHINZ

(A suivre.)

L'EXTRÊME-ORIENT ET LA S. D. N. 327

La S. D. N. a, sans doute, des textes pour elle, mais nous devons dire franchement, après avoir consulté sur place les personnalités les plus opposées, qu'elle a ignoré dans toute cette affaire les climats passionnels de la Chine et du Japon. Les races en présence sont deux joueurs, des joueurs orientaux, et jouent depuis plusieurs siècles une partie qui ressemble aux jeux des fumeries de Shanghai. Parfois, Chinois et Japonais semblent s'alanguir, parfois, au contraire, ils deviennent frénétiques. Les conflits qui divisent la Chine et le Japon tiennent donc plus du jeu que de la guerre, si bien que les relations diplomatiques ne sont pas rompues. Pendant que j'étais à Pékin, des télégrammes comminatoires à l'endroit du Japon étaient câblés à l'Europe, et cependant les fêtes se succédaient, offertes par les différents Maréchaux chinois en l'honneur du Ministre accrédité du Japon. Alors que vient faire l'Occident dans cette comédie?

Dans l'autre hémisphère, la Ligue, comme on appelle là-bas la S. D. N., apparaît, non pas comme une Société Universelle, mais comme une émanation de l'Occident. Appartenir à la Ligue, ce n'est pas être membre d'une Société Universelle, mais c'est demander à l'Occident d'intervenir contre une race concurrente. Genève est alors un Monte-Carlo qui donne les cartes et les deux joueurs essayent d'arracher des atouts. Si les cartes sont bonnes, on part en guerre; si elles sont mauvaises, on crie à l'oppression. Car l'Occident est une entité qui a des concessions, des soldats, une marine, des victoires à son actif. L'Occident est en outre un maître d'école et un banquier puissant. Voilà des conditions psychologiques qui n'ont pas été prises en considération lorsque nos covenants et pactes ont été rédigés au lendemain de la Grande Guerre en tenant compte des drames qui venaient de déchirer l'Europe. Que viennent alors faire nos pactes en Extrême-Orient?

C'est au Japon et en Chine enfin, qu'il faut observer les relations de l'Asie et de l'Europe; c'est là que sont les phénomènes profonds et cependant la S. D. N. s'obstine à tenir l'incident Mandchourien pour l'essentiel. Par une résolution du 10 décembre 1931, le Conseil de la Ligue décide d'envoyer sur place une Commission. Celle-ci présidée par lord Lytton établit

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un dictionnaire de huit chapitres dont la plupart, six exactement, sont consacrés à la Mandchourie. Le monde, dans son désir de paix, attendait un document vivant, des témoignages sur les évolutions et révolutions de l'Asie. Il a reçu un rapport de juge d'instruction. C'est ainsi que l'explosion qui eut lieu sur la voie ferrée de Moukden, dans la nuit du 18 au 19 septembre, est étudiée selon les procédures qui rappellent l'affaire de Landru à Gambais. Je suis venu à Moukden quelques semaines après la Commission et j'ai constaté que tous les témoignages également de « bonne foi » pouvaient être fabriqués ou recueillis. L'explosion a-t-elle été voulue par des Chinois? A-t-elle été préparée par des Japonais et alors réalisée par des Chinois? On se perdra toujours en conjectures. Il faut cependant avoir été dans des bleds d'Asie et d'Afrique pour savoir que, dès qu'il y a tension politique, les incidents s'additionnent et que finalement les fusils partent tout seuls. Les responsabilités immédiates sont alors difficiles à déterminer. Les enquêteurs ont ensuite étudié heure par heure les péripéties de cette nuit célèbre au cours de laquelle le Japon occupait Moukden, son arsenal, son quartier général, ses casernes. Mais ces mots : arsenal, caserne, etc., sont occidentaux, supposent une armée, un chef, un ordre, alors que la Chine interdit ces précisions. L'État-Major japonais est au contraire précis et c'est là sans doute ce qui condamne l'hypothèse de la préméditation. Dans tous les pays du monde, des États-Majors élevés selon les procédures classiques des écoles de guerre ne déclenchent une attaque de cette envergure qu'au petit jour pour bénéficier de l'effet de surprise. Or ici, vers dix heures du soir, un lieutenant a dit à son capitaine : « Comme je suis attaqué, je charge. » Un capitaine a rendu compte à son commandant : « Je suis attaqué, pour mieux me défendre, je prends l'offensive. » Le commandant arrive sur les lieux et envoie son bataillon à l'assaut. Le colonel alerté décide un mouvement combiné. Les camarades prévenus aussitôt, tout le long du chemin de fer sud-mandchourien, marchent au canon. Les nerfs tendus par dix années d'atermoiements, ils sentent que l'heure est venue. Le général en chef quitte aussitôt Port-Arthur et, confiant dans le résultat, part s'installer à Moukden. Voilà le fait. Il s'est produit dans une cer-

taine atmosphère. Le Japonais patient comme un insecte avait agrandi un chemin de fer. Auprès de la voie ferrée, il avait élevé des villes. Dans les villes, il avait fait de l'urbanisme. Ici, il a mis en exploitation des houillères; là, il a aligné des hauts fourneaux. Ailleurs, il a construit un port gigantesque. Et c'est cet ordre qui a été compromis par un banditisme que ni l'Amérique ni l'Angleterre n'ont jamais toléré sur leurs frontières. Dans la prochaine livraison de la *Revue de Paris*, le témoin qui m'a suivi de quelques jours dira ce qu'il pense, lui aussi, de ce qu'il a vu sur place<sup>1</sup>. Sans anticiper sur son jugement des hommes et des choses, je tiens donc à dire que le fait Mandchourien, dans le conflit Sino-Japonais, est localisé. Jamais les incidents ne se seraient aggravés à ce point si la S. D. N. n'était pas intervenue. L'Occident a compliqué les choses à ce point que les différends locaux ont dégénéré en guerre. En laissant tout simplement face à face les diplomaties chinoises et japonaises, l'Occident aurait assisté à la stabilisation de la situation et à l'un de ces compromis dont l'Extrême-Orient a le secret.

Les erreurs de la S. D. N. concernant la Chine et le Japon ont entraîné une guerre. Nous devons les étudier pour en éviter le retour et reconnaître qu'une modification des méthodes et des procédures de Genève est nécessaire. Pourquoi le Japon a-t-il négligé l'arrêt de la S. D. N. et s'est-il retiré de la Ligue? Quels sont exactement les rapports de la Chine et de l'Occident représenté par la S. D. N.? Telles sont les deux questions qui se posent en Extrême-Orient à tout observateur.

LES MASSES JAPONAISES

L'Occident a vite fait de définir le Japon une dictature et de stigmatiser la néfaste influence de la caste militaire. Il faut faire justice de ces vues sommaires dues souvent à des Européens qui colportent en Extrême-Orient leur sectarisme politique et révéler au contraire le caractère populaire des événements récents. Tout contribue à donner au Japon une impression de masse. Masse d'enfants dans la rue. Masse

1. On lira dans la prochaine livraison : *En Mandchourie*, par le D<sup>r</sup> L. H. Grofféijs.  
(N. D. L. R.)

0134

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

Enclosure to Special Report N° W.D. 1248 of May 22, 1933  
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de collégiens dans le vieux pays où on est toujours précédé ou suivi par des milliers de petits potaches en casquette et de demoiselles en blouse blanche qui visitent Nara et Nikko avec respect. Masse industrielle à Osaka. Masse de pèlerins. Auprès de Tokio, lors des premiers chrysanthèmes, j'ai été une nuit à l'un des pèlerinages les plus fameux : Omori-Nichren. Le temple est perché sur une colline qui, dès dix heures du soir semble enflammée. Une ruelle y accède, encombrée de boutiques où se vendent des objets de piété ou des tambourins. Les familles et les corporations défilent par groupe de vingt à trente dames et messieurs, serrés auprès d'un reposoir que portent des forts de la halle. L'autel en vermillon est orné de fanfreluches aux couleurs nationales. De jeunes gars, le front ceint d'une bandelette d'or, frappent en cadence leurs tambourins sur une mesure à cinq temps. Cette foule ardente est canalisée par un cordon d'agents debout sur des baquets. Pour la dernière fois en Asie — car ensuite je verrai les foules de Canton ou celles de Bénarès — je rencontre une humanité propre. Rien de sordide. Ce n'est pas une pègre comme aux Indes, mais une masse correcte qui s'amuse sans se bousculer et en orchestrant un invraisemblable tintamarre. Au pied des degrés du temple, je suis le seul blanc. Personne ne m'insulte, ne me regarde de travers ou ne crache sur mon passage. Je suis ce flot qui hurle en grimant les escaliers, je vois au-dessus des têtes les autels qui montent et ceux qui descendent. A droite et à gauche des pèlerins de blanc vêtus, coiffés d'un parasol d'argent, récitent des litanies mais ne mendient pas. Il n'y a plus de policiers. Le flot montant et le flot descendant se respectent. Je n'ai jamais vu dans une masse pareil ordre spontané.

Après avoir recueilli ces premières observations, j'ai cherché le dictateur. Ni le général Araki, ni les Officiers de l'État-Major, ni les Membres du Conseil Privé, ne m'ont laissé la forte impression que j'ai éprouvée dès que je me suis trouvé en contact avec les masses japonaises. Ce peuple a ses propres réflexes et sait ce qu'il veut. Pourquoi a-t-il voulu, par le retrait de la S. D. N., se dégager de l'Occident?

Je ne puis répondre à cette question qu'en étudiant le drame économique et financier japonais. Je vais ici résumer

mes conversations. Mon enquête a été faite dans l'automne 1932, alors que le Japon était dans la situation commerciale et monétaire la plus difficile. Beaucoup d'observateurs se demandaient s'il n'était pas « surfait », s'il n'était pas à la veille d'une faillite retentissante.

#### LE JAPON EST-IL SURFAIT?

Dès mon arrivée, je suis littéralement bombardé d'arguments pessimistes. Le commerce extérieur, d'abord, me laisse-t-on constater, en est revenu aux chiffres de 1916. Après la guerre russo-japonaise, ce commerce était passé de 500 à 850 millions de yens. Pendant la Grande Guerre, il s'était élevé à 4 milliards. La balance était alors favorable, et évoluait de 200 à 500 millions. Mais, depuis lors, les importations l'ont toujours emporté sur les exportations et, depuis 1929, les échanges ont diminué de 50 p. 100. Je note plus simplement que c'est là la proportion de tous les grands pays du monde.

Le budget et son équilibre sont aussi l'objet de bien des conversations. On leur consacre de nombreux articles. Trois fois la semaine, des Ministres donnent des interviews, — trop d'interviews, — sur les dépenses qui sont désormais nécessaires pour l'armée et pour la marine. Les esprits raisonnables s'inquiètent de ces charges nouvelles dont les évaluations varient, du reste, de jour en jour. J'assiste aussi, au ministère des Finances, à de nombreuses discussions sur la possibilité d'établir des impôts nouveaux. On reconnaît que la fiscalité est tendue au maximum, et que des taxes supplémentaires n'auraient qu'un rendement insuffisant. La Direction du mouvement de fonds m'informe des problèmes de change. A la fin de 1931, les obligations en or, à l'étranger, s'élevaient à 2 milliards 230 millions de yens, sur lesquels 1 500 millions étaient dus par le Gouvernement. Avec la baisse du change, la charge actuelle n'a fait que s'aggraver. Cependant comme il n'y a pas de remboursement important à faire avant 1936, les arrérages n'atteignent pas actuellement des proportions catastrophiques.

Le point d'interrogation le plus important est celui du financement des importations, du paiement en dollars du

0135  
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By Milton O. Gustafson NARS, Date 12-18-75

Enclosure to Special Report N° W.D. 1248 of May 22, 1933  
From American Embassy at Paris  
Extract From "LA REVUE DE PARIS" of May 15, 1933

332

LA REVUE DE PARIS

coton américain indispensable à l'activité industrielle du Japon. On m'a laissé entendre que les grandes banques avaient pris leurs précautions et s'étaient assuré des couvertures de change. La situation monétaire de l'Amérique et la dévaluation du dollar modifieront du reste le problème dans un sens favorable.

Dans le courant de septembre, chacun venait me trouver pour me dire : « Vous savez, nous ne sommes pas tous d'accord sur le problème de la Mandchourie. Était-ce utile de s'engager dans cette grande guerre? Ne valait-il pas mieux poursuivre lentement notre pénétration économique en Chine? N'avons-nous pas tort de devenir des continentaux? Comment allons-nous résoudre les problèmes économiques qui se présenteront et qui vont, en raison des faibles salaires de l'Asie intérieure, diviser les intérêts de la Mandchourie et ceux du Japon. Nous ferions mieux, concluait-on, d'assurer simplement l'équilibre de notre budget au cours de cette grave crise universelle. » Et mes interlocuteurs, en soupirant, me signalaient le flot grossissant des Bons du Trésor : 600 millions de yens, depuis le début de l'exercice. Près de 900 millions de yens sont depuis lors prévus pour l'exercice 1933-1934.

« Connaissez-vous M. Poincaré ? — me demandait-on. — Alors, parlez-nous de lui. Comment a-t-il pu redresser les finances françaises en 1926 ? » Et devant l'élite des banquiers et des économistes de Tokyo, je donne une conférence sur sa politique. En rentrant chez moi, je trouve tout un courrier. On me donne raison. « Il faut équilibrer le budget; il faut faire des économies », m'écrit-on.

Si l'on se contentait alors de ces faits, on pourrait penser que le Japon se trouve pris dans un véritable engrenage, et qu'il est à la veille d'une faillite. Mais à consulter l'ouvrage de mon collègue Andréadès sur les finances japonaises, on remarquerait que l'histoire financière du Japon est faite de virtuosité, que les dépenses publiques ont toujours excédé les facultés contributives du pays, et que les budgets annexes s'enchevêtrent. Le Japon a résolu d'année en année des équations toujours plus difficiles grâce à sa ténacité.

Sur ces entrefaites, le rapport Lytton paraît. Je sens alors dans Tokio un grand silence. Tous ceux qui me confiaient leurs

L'EXTRÊME-ORIENT ET LA S. D. N.

333

hésitations semblent désormais éviter l'entretien, et j'entends seulement dire : « L'Occident veut nous humilier et nous oblige à la guerre. »

Les dés sont jetés, le Japon va devenir plus asiatique, parce que l'attitude de l'Occident coïncide avec ce qu'il convient d'appeler le drame de l'imitation et les faillites occidentales.

#### L'IMITATION DE L'OCCIDENT

Le véritable drame n'est pas en effet celui qu'évoquent les étrangers de Tokio, mais bien plutôt celui de l'imitation. En trois bonds, avec trois guerres, une industrie comparable à celle des États-Unis, est née sur les rives du Pacifique.

Par le machinisme, le Japon espérait devenir l'égal des grands Occidentaux. Une industrie gigantesque est née, et l'imitation de l'Amérique a été d'autant plus accentuée qu'un courant commercial se dessinait d'une rive à l'autre du Pacifique, plutôt que vers l'Europe. Osaka avait besoin de coton. Le quart des importations viennent des États-Unis qui absorbent, à leur tour, 40 p. 100 des exportations japonaises. Un grand courant d'échanges se dessine ainsi tout naturellement entre Yokohama et San-Francisco : d'un côté, les matières premières, de l'autre les produits fabriqués à bon marché. La situation eût été catastrophique si le tremblement de terre de 1923 n'avait, toutefois, freiné ces intempérances de la surproduction.

Les exagérations industrielles à l'occidentale ont alors hypothéqué, c'est vraiment le mot, l'agriculture. Les dirigeants du Japon ont, avant tout, et pour des raisons de prestige, songé à l'industrie, si bien que le poids de la fiscalité pèse encore surtout sur la terre. C'est en étudiant ce déséquilibre entre l'usine et la campagne qu'on peut se demander si le Japon n'est pas réellement dans une situation difficile. Je vais consulter le ministère de l'Agriculture, des propriétaires fonciers, des directeurs de groupements agricoles. Depuis la chute des cours du riz, on estime que les trois quarts de la terre sont entre les mains des prêteurs. Cinq boisseaux de riz se vendent 17 yens et leur production revient à 30 yens.

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Extract From "LA REVUE DE PARIS" of May 15, 1933

334

LA REVUE DE PARIS

Comme en Amérique, des banques rurales ont fait faillite, du fait des prêts fonciers surévalués. Les émeutes dans les préfectures, la famine n'ont cessé que lorsque le Gouvernement s'est décidé à acheter du riz au dehors et à faciliter les ventes. Les Parlementaires sont naturellement obsédés par cette détresse de l'agriculture, rançon de la surindustrialisation. Ils se sont, à de certaines époques, inquiétés des progrès de la propagande communiste. Ils sollicitent alors un grand emprunt échelonné sur plusieurs années. La presse s'emplit de leurs déclarations. Les doléances de la campagne montent dans les salles de rédaction des villes. 200 millions de yens sont prêtés chaque année aux chômeurs, aux paysans des régions les plus éprouvées. Les finances publiques sont obérées à ces prêts. Le Deposit-Bureau qui recueille les fonds des Caisses d'Épargne avance 200 millions de yens à la Japan Hypotek Bank et accepte 200 millions d'obligations de la Banque Centrale des Sociétés Coopératives. Il finance enfin les préfectures et les associations agricoles victimes de taux d'intérêts trop élevés.

Au drame de l'imitation industrielle s'ajoute celui de l'imitation financière. Depuis 1927, M. Inouyé, ministre des Finances, rêvait de mettre le yen japonais à la parité des monnaies de New-York et de Londres. Il voulait, lui aussi, que le Japon eût une industrie au niveau de celle des grandes puissances, mais il tenait à une monnaie d'or, symbole de victoire économique. Il gagnait à sa doctrine nombre de partisans, en leur disant que cette stabilisation développerait les échanges de coton et de tissus de soie et tout spécialement le commerce entre l'Amérique et le Japon. La double erreur de M. Inouyé a été alors de stabiliser trop haut et trop tard, au moment où la grande crise universelle était commencée, le 1<sup>er</sup> janvier 1930. Les prix des grands produits agricoles commençaient déjà à baisser. Entre juin 1929 et octobre 1931, le prix du riz est tombé de 34 p. 100; celui de la soie, de 60 p. 100; celui des autres produits, de 50 p. 100. Tandis que les prix baissaient, la stabilisation a été effectuée trop haut. M. Einzig a écrit tout un livre pour démontrer que la France avait stabilisé trop bas, et il dénonce ce qu'il appelle « l'astuce

L'EXTRÊME-ORIENT ET LA S. D. N. 335

de M. Poincaré ». D'autres ont stabilisé trop haut. L'Angleterre et le Japon sont de ceux-là.

L'ALERTE DES FAILLITES OCCIDENTALES

Dès que l'Angleterre abandonne l'étalon-or, en septembre 1931, le Japon prend peur. C'est une véritable panique. En quelques jours, 400 millions de yens s'enfuient à l'étranger. M. Inouyé doit se rendre à l'évidence. L'imitation monétaire des grandes puissances a été une erreur. Les faillites économiques américaines, la chute de la livre ont donc distribué des avertissements redoutables — le gouverneur de la Banque du Japon me le souligne. Le Japon a eu, après ces deux alertes de 1929 et de 1931, une véritable « indigestion d'imitation ». Certes, la guerre russo-japonaise, la Grande Guerre ont fixé le destin industriel du Japon, et l'ont élevé au niveau des plus grands fournisseurs du monde, mais après l'armistice, la France, par exemple, s'est contentée d'une politique de mesure, tandis que le Japon, au contraire, a continué à imiter l'Angleterre et les États-Unis. Mais il s'est aperçu, en 1931, que ses idoles s'étaient laissés déboullonner de leurs piédestaux. Il a compris qu'il avait imité et honoré de faux dieux et que, maintenant, il lui fallait suivre sa voie nationale. Le Japon n'abandonne aujourd'hui rien de ses conquêtes industrielles et de ses découvertes. Ses ingénieurs, ses spécialistes tiennent, au contraire, à assurer à leur profit la production de tous les articles que, jadis, ils achetaient à l'Occident, et veulent même fournir désormais, grâce à leur technique, des articles de qualité. Mais le Japon entend revenir à ce qu'il appelle la tradition de ses ancêtres et veut effectuer une fusion entre le passé et le présent. Dans le monde du xx<sup>e</sup> siècle, il s'est décidé à être lui-même et à se fortifier par ses disciplines nationales. Les vertus historiques de sa féodalité sont pratiquées à nouveau et avec ferveur.

A la lumière de ces faits économiques qui ont agi si vivement sur la vie politique japonaise, on comprend qu'un peuple se soit résolu à devenir plus asiatique et à négliger alors les arrêts de l'Occident, et par voie de conséquence de la S. D. N. La révolution japonaise de 1931 est aussi importante que celle

0137  
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336

LA REVUE DE PARIS

de 1868; il est possible qu'elle conduise à une véritable Renaissance.

#### LE LAISSER-FAIRE MONÉTAIRE

Après l'abandon de l'étalon-or les économistes japonais ont d'abord songé à l'inflation. J'interroge la Banque du Japon, les Banques privées, le ministère des Finances. Chacun pensait trouver une solution dans la politique dite d'argent facile. Mais l'inflation n'est ici aisée qu'en période de prospérité, alors que le commerce extérieur et intérieur exige un nombre croissant de billets. Le législateur décide d'élargir le pouvoir d'émission de 120 millions à 1 milliard de yens, de réduire la taxe sur la circulation de 5 à 3 p. 100. Mais comme les besoins diminuent, que personne ne veut vendre car personne ne peut acheter, les billets rentrent à la banque d'émission. Les deux partis politiques, tour à tour, ont mis en tête de leur programme, l'inflation fiduciaire. Les faits les obligent à chercher d'autres remèdes.

« Le Japon en vient alors, me dit le Ministre des Finances, au laisser-faire monétaire. » Or, ce laisser-faire est une ruse utile, car le Japon vit dans un climat très particulier : celui de l'argent-métal en baisse. La Chine, les îles du Pacifique sont, de temps immémorial, des pays à circulation d'argent. Shanghai est le grand centre commercial de l'Extrême-Orient où le métal blanc s'achète et se vend. Toutes les transactions s'effectuent sur la base de l'argent ou plutôt des argents, car il existe quelque quarante unités monétaires différentes. Le Japon a voulu s'adapter au milieu. Jadis, il tenait à être dans le Pacifique un morceau d'Occident. Mais les événements lui ont imposé un retour à l'asiatisme. C'est dans cette atmosphère d'asiatisme qu'il doit trouver, désormais, sa voie monétaire, et cela d'autant plus que la Chine représente le quart de ses exportations et importations. Quoi qu'il arrive, c'est un de ses meilleurs clients et fournisseurs.

Le Japon s'est d'abord adressé à l'Europe, comme me le rappelle le Ministre du Commerce, pour lui demander de faire cesser le boycottage chinois qui entrave ses échanges. Genève a reçu à ce sujet rapports sur rapports. L'Europe n'ayant

L'EXTRÊME-ORIENT ET LA S. D. N.

337

pas su imposer à la Chine la cessation du boycottage, le Japon s'est trouvé dans l'obligation de laisser sa monnaie diminuer de valeur de jour en jour, pour pouvoir tourner l'obstacle chinois. Et comme l'Occident, malgré sa suffisance, n'a pas eu assez d'autorité pour imposer à l'Extrême-Orient le maintien des relations économiques normales, le produit japonais monte aux Indes, traverse l'Asie, franchit le canal de Suez où il grossit le flot du courant sud-nord, s'installe en Égypte, envahit les pays de la Méditerranée, gagne la France dans des conditions de bon marché et de qualité qui sont un sérieux avertissement. Tout cet afflux nous eût été évité si nous avions su interdire à la Chine le boycottage des produits japonais.

On peut se demander si, dans de pareilles conditions, il n'y a pas perte de substance. Le Japon, en travaillant à si bon compte, ne mange-t-il pas son capital? Entre 1924 et 1928, la France perdait sa substance, car elle vivait dans un monde où régnaient la livre et le dollar, et qu'elle travaillait à perte; tandis que le Japon vit dans un milieu d'argent métal en défaillance, et s'est, au contraire, adapté par un laisser-faire monétaire aux conditions normales de son milieu. La baisse du yen transforme, pour un temps, les problèmes économiques et financiers qui se posaient au Japon. Quand les usines travaillent, les impôts peuvent rendre; la matière imposable ne se volatilise pas, et le problème budgétaire s'aggrave moins. Quand les grands centres industriels sont en activité, il n'y a pas de chômage, pas de raison de difficultés sociales, et le communisme manque alors d'arguments et de tremplin.

A la Fédération économique, à la Chambre de Commerce de Tokio, on m'a affirmé que la politique commerciale serait dictée désormais par la nécessité de trouver des débouchés dans l'Océan Pacifique et en Asie. Le milliard de consommateurs des Indes, de la Chine, des Indes Néerlandaises, de l'Australie, des îles du Pacifique, est recherché par les dirigeants de l'économie japonaise. Le commerce s'était, autrefois, basé sur deux axes : Tokio-New-York, et Tokio-Londres. C'était une grande ligne de longitude, de pensées et de trafics. Aujourd'hui les vues ont changé, car le Japon est devenu plus asiatique et se spécialise dans l'exploitation des marchés du Pacifique.

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4

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From American Embassy at Paris  
Extract From "LA REVUE DE PARIS" of May 15, 1933

336

LA REVUE DE PARIS

Alerté par les faillites anglaises et américaines, le Japon a donc pris conscience de l'exagération de ses imitations occidentales. Ses méfiances économiques et financières se sont transposées sur le plan politique. L'Occident s'était à notre insu discrédité en Extrême-Orient par ses échecs industriels et monétaires. Quand survient l'incident mandchourien, le Japon n'est plus disposé à écouter un juge qui a commis de telles erreurs.

Si la S. D. N. avait étudié cette évolution psychologique de l'Asie, elle aurait modifié son attitude. Froissé par des ignorances qui semblaient voulues, le Japon a alors tenu le rapport Lytton pour un document européen insuffisant et négligeable. Conscient de son rôle en Asie, il a poursuivi sa mission. La S. D. N. s'est entêtée, a compromis son prestige, les pactes et l'idée même de la paix. Après avoir attendu pendant seize mois une compréhension de l'Europe, le Japon a finalement réglé seul et à sa guise les événements d'Extrême-Orient.

LA CHINE ET LA S. D. N.

Pour apercevoir les rapports de la Chine et de la S. D. N. il faudrait d'abord rappeler que la Chine attend, sans la souhaiter, sa définition. Elle est aujourd'hui encore une entité géographique sans frontières, et sans contours. Des dizaines de provinces et des milliers de villages indépendants sont juxtaposés sur une immensité. Deux millions d'hommes armés y vivent au détriment des cultivateurs et des bourgeois. Pendant une surprenante anarchie de vingt années, cette Asie de l'est s'est désarticulée et dans chacun de ses morceaux on vit au ralenti en restreignant les échanges aux horizons d'un simple canton. Parfois le nord, souvent le sud, de temps à autre le Yang-Tsé, révèlent des tendances à la cohésion au gré des condottieri. Selon les vicissitudes de la politique intérieure, Nankin signale ses intentions administratives aux régions voisines. Ici encore, nos mots latins et logiques ne peuvent saisir des situations politiques dont le caractère comme l'attrait résident dans leur insaisissabilité.

Dans cette Asie de l'est, il est des hommes spécialisés dans

L'EXTRÊME-ORIENT ET LA S. D. N.

339

la guerre intérieure, dans les spéculations provinciales; il en est d'autres qui se sont familiarisés de longue date avec le commerce des étrangers. Ceux-là déploient un talent admirable. Selon qu'ils sont nés ou ont été élevés dans telle ou telle concession, ils connaissent à merveille la psychologie de tel ou tel pays. Ce sont des diplomates de premier ordre. Certains se sont aussi fait une spécialité de la S. D. N.

De leur côté, les fonctionnaires permanents de Genève ont regardé la Chine comme le plus obéissant de leurs enfants. Ailleurs les Gouvernements faisaient des objections, quand il leur fallait appliquer des règlements internationaux qui leur semblaient impossibles à adopter. Mais ici, la S. D. N. avait affaire aux Chinois qui sont les êtres les plus subtils et les plus séduisants, les plus souples et les plus philosophes. Nul peuple plus que le peuple chinois dans son culte du vague et de l'indécis ne pouvait aussi bien se satisfaire du flottant des résolutions et recommandations genevoises. Le voyage en Chine était enfin pour les fonctionnaires permanents une vacance fameuse. Ils étaient choyés dès l'arrivée et promenés de mirage en mirage. Entre les diplomates de Genève et de Chine, il s'est ainsi conclu tacitement un charmant pacte d'amitié si bien que, dès l'incident de Moukden, le parti des bureaux de Genève était pris, la S. D. N. défendait son enfant préféré et les Chinois, en défendant leur propre situation, engageaient la Ligue dans la plus fâcheuse des aventures.

Comment, au reste, résister au charme de la diplomatie chinoise? J'évoquerai toujours volontiers l'audience que m'a accordé M. T. V. Soong, le membre le plus influent de la dynastie des Soong, ministre des Finances de Nankin, ses trois sœurs sont des femmes de tout premier plan: madame Sun Yat Sen, femme du fondateur et prophète de la République; madame Kung et madame Chang Kai Chek, femme du plus illustre généralissime.

Il a ainsi l'heureuse fortune d'être par alliance dans la tradition de Sun Yat Sen, d'inspirer confiance à Shanghai et d'apporter ainsi un appui appréciable au général, son beau-frère. Les banquiers l'apprécient, puisque ce sont les troupes de Chang Kai Chek qui les défendent. Au carrefour de l'armée, de la politique et de la finance, M. T. V. Soong est le person-

0135  
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nage le plus curieux de la Chine. Il appartient à la génération de quarante ans. Élevé à l'américaine, il a retenu des États-Unis le goût du risque et met son sport préféré, l'action, au service de la politique.

Sa conversation est la plus habile des plaidoiries.

Parle-t-on du crédit de la Chine, il souligne la tenue des valeurs nationales sur les marchés étrangers. Il faudrait lui répondre aussi aimablement, que cette tenue tient aux garanties qu'assurent les gouvernements étrangers. S'inquiète-t-on de l'insécurité de son pays, il signale les paiements qui sont régulièrement effectués; et pour faire jaillir une image favorable, il rappelle, souriant, que la liste s'allonge des débiteurs défaillants, même parmi les grands pays. Il est vrai que les annuités qui sont régulièrement versées par la Chine aux prêteurs le sont grâce à des droits de douane perçus par une administration dans laquelle les Européens jouent encore un rôle.

Reproche-t-on à son parti de n'avoir pas de respect budgétaire, il vous produit aussitôt des rapports annuels qui sont des modèles de rédaction.

Il excelle aussi à faire vivre l'avenir, au point de lui donner figure de réalité. C'est alors qu'il vous soumet les différents plans de reconstruction économique, ceux qui sont publiés, ceux qui sont discutés de comité en comité, selon des phases de lente amplitude prévues avec prudence. Il marque qu'il est décidé à faire appel aux compétences étrangères, aux experts techniques et à donner aux capitaux qui s'investiraient les garanties et le contrôle qui seraient estimés indispensables pour la sécurité des entreprises. Et quand je lui demande si ce sont là ses idées personnelles ou celles de son parti, il me répond, sans hésitation, qu'en tenant ce langage, il est l'interprète du Kuomintang<sup>1</sup>, et que les idées de reconstruction économique font des progrès dans l'esprit de ses militants.

De ces considérations, il est aisé de dégager des rapports documentés et qui font bonne figure dans les réunions internationales. Mais en étudiant, de sang-froid, la situation économique, on constate que ceux qui veulent une coopération avec la Chine recherchent, avant toute chose, le noyau

1. On sait que le Kuomintang est le parti du gouvernement de Nankin.

d'hommes qui s'emploiera à mettre en œuvre la coopération économique de deux, trois ou quatre provinces. Mis en présence d'une nébuleuse qui se désagrège sans cesse, ils voudraient provoquer la possibilité d'une agrégation. Car la Chine financière ressemble à un pays dont les différents centres bancaires seraient assiégés. Avant d'avoir débloqué ces places, il ne peut être question de hâter par une procédure exclusivement technique la circulation des richesses. Comment en serait-il autrement quand on songe aux difficultés de transport dans des pays qui n'ont, le plus souvent, ni voies ferrées, ni routes entretenues, ni voies d'eau sûres? L'argent métal ne peut davantage circuler à l'intérieur de la Chine et se trouve, en raison de l'insécurité, enfoui dans des cachettes ou dans les caves des ports à traité. Enfin ajoutez à cela les inondations et leurs ravages, les sécheresses, la famine. Il en résulte des écarts de prix dus aux disettes qui surviennent à quelques heures de distance des régions où le stockage est en abondance. Le tout tient aux querelles intérieures et aux batailles que se livrent les condottieri.

Les ports à traité sont alors le seul îlot de sécurité et la seule garantie de la richesse latente de la Chine. Shanghai, entre autres, est demeurée la véritable armature de l'Asie de l'Est.

Si les relations amicales de la S. D. N. et de la diplomatie de Nankin ont ainsi déterminé un véritable mirage chinois et faussé les rapports de l'Europe et de l'Extrême-Orient, c'est sur place qu'on recueille des témoignages importants qui révèlent le véritable aspect des choses. Il n'est pas une personnalité consultée en Chine qui ne m'ait dit : « Voyez-vous, cette coopération économique avec la Chine, nous la souhaitons tous. Malheureusement les œuvres de création et de construction sont encore impossibles. Ce n'est que lorsqu'il s'agit de marchands d'armes et d'achats d'armes que les dollars sortent de leur cachette. »

Il n'est pas une personnalité consultée en Chine qui ne m'ait dit aussi : « Vous le sentez, si nous pouvons causer aussi tranquillement, c'est que la xénophobie a quelque peu cessé. La vie dans les concessions est seulement devenue tolérable depuis le coup de poing japonais de mars dernier. Personne n'osera

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From American Embassy at Paris  
Extract From "LA REVUE DE PARIS" of May 15, 1933

342

LA REVUE DE PARIS

vous l'avouer par écrit, mais le gendarme japonais nous a sauvés. » Le Japonais, me signifiait-on, fut ainsi en 1931 le gendarme qui a assuré la sécurité des biens, des personnes et des transactions. Je constatais enfin que, depuis le conflit Sino-Japonais, le problème communiste passait en Chine au second plan et que la dynastie de Soong excellait, devant la menace nipponne, à développer une propagande en faveur de l'unité.

#### LES PARTIALITÉS ANGLO-SAXONNES

Les rapports de l'Occident et de l'Extrême-Orient ont été, en outre, faussés par les partialités britanniques et américaines. L'Angleterre a 30 milliards de francs en sommeil en Chine. Malgré la dévaluation de la livre sterling, son commerce diminue d'année en année et le dernier rapport de la mission anglaise est à ce sujet d'une redoutable sincérité.

Elle a perdu la « face » depuis le boycottage de 1927 et tremble de voir à nouveau ses marchandises consignées sur les quais et dans les cales des navires. Hong-Kong laisse ainsi une profonde impression d'inquiétude.

Le cas de l'Amérique est plus frappant encore. Les États-Unis, en grandissant, ont rêvé de se tailler, l'Europe leur étant fermée, une annexe de l'autre côté du Pacifique. Si le premier *Far-West*, était aux temps héroïques, entre Chicago et le Grand-Cañon, le deuxième s'appellerait le *Far-East* et serait en Chine. Une gigantesque expansion économique a été ordonnée depuis dix ans, largement stipendiée, façonnée par une presse audacieuse, soutenue par des banques et de solides comptoirs. Ici, l'Amérique peut raisonner par grandes masses économiques. Quatre cents millions de consommateurs attendent les produits de Ford et de sa métallurgie, payables à crédit et en dollars désormais dévalués.

C'est à Canton qu'on aperçoit le mieux l'emprise et les desseins de l'Amérique. En apparence, Canton est entièrement chinoise; à Shanghai, à Pékin, les hommes portent veston, feutre et lunettes; ici, ils affectent de demeurer fidèles à la robe; les dames sont drapées d'une gaine bleu marine, la couleur nationale, mais ce nationalisme est-il hostile à toutes

L'EXTRÊME-ORIENT ET LA S. D. N.

343

influences étrangères? Hier il y eut l'emprise russe et aujourd'hui ... il y a l'influence américaine.

On a taillé dans le vif pour dessiner des rues perpendiculaires et les amis de la vieille Chine ne retrouvent plus le Canton couleur locale et si médiéval qu'ils célébraient jadis. Les architectes qui ont donné ces coups de ciseau ont été élevés à l'américaine; les propriétaires d'immeubles ont à comprendre que ces destructions gratuites leur vaudront par la suite un profit. Les façades américaines s'élèvent alors sur des rues asphaltées à l'américaine où déambulent non sans nonchalance des étudiants pénétrés d'américanisme. L'impression qui se dégage n'est donc pas celle d'une Chine psychologiquement indépendante, mais d'une Chine subissant encore une emprise américaine — qui fut particulièrement marquée jusqu'en 1929. On a tout voulu américaniser. Sous l'Empire, on visitait les bas-fonds de Canton; aujourd'hui, les gens qui veulent faire la tournée des grands-ducs doivent aller au sommet des gratte-ciel pour y trouver des Luna-Park, des théâtres, des toboggans, qui dominent la Rivière des Perles.

Une visite nécessaire est celle de l'Université Sun Yat Sen. C'est le temple du bleu et du blanc; les immeubles s'alignent tout peinturlurés selon la même ordonnance. Étudiants et étudiantes semblent se promener indéfiniment sous les préaux et dans les jardins; vifs, intelligents, ils vous dévisagent. Au premier étage, dans un parloir, je vois le recteur. C'est un homme parfaitement chinois d'apparence; sa culture est étendue, il a beaucoup voyagé; il a séjourné en France et il adore discuter les problèmes d'éducation. Il me confie qu'il songe à supprimer les vacances; le travail serait ainsi plus continu, mais il se poserait un problème financier, celui du paiement des professeurs. Je m'incline devant tant d'audace. Je suis devant un réformateur et notre conversation devient vive et bondit de sujet en sujet. Je cherche à l'interroger sur ce qui caractérise son Université, les facultés rivales et sur les méthodes qu'il a cru devoir employer. Je voudrais savoir ce qui est véritablement chinois dans son enseignement. Je le demande.

La réponse me déconcerte un peu. « Je suis, me dit-il, un grand admirateur des universités américaines et ce sont les

0141  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure to Special Report N° W.D. 1248 of May 22, 1933  
From American Embassy at Paris  
Extract From "LA REVUE DE PARIS" of May 15, 1933

méthodes américaines que j'emploie, car l'expérience prouve que... etc... »

L'Université Sun Yat Sen ne m'a pas appris ce que j'attendais ou plutôt elle m'a révélé ce que je ne savais pas. Je vais le lendemain saluer les présidentes des principales associations de femmes. Je trouve qu'il n'est rien de plus intéressant que de causer dans tout l'Extrême-Orient avec celles qui sont à la tête des mouvements. Au Japon, ce sont les sportives qui m'ont donné le plus d'indications sur l'évolution de leur pays. A Shanghai les intellectuelles et les femmes de banquiers ont une ténacité que leurs époux n'ont pas. Elles veulent avec une patience qui leur permet d'attendre des nuits et des heures avant de saisir leur chance.

Ici, je suis en présence de femmes politiques; le parti Kuomintang a des militantes qui sont des êtres de premier ordre. Le féminisme ne se perd pas en vains discours sur le rôle de la femme, mais a des buts précis, immédiats, qui répondent à une situation politique donnée. Dans un bureau, à côté d'une salle de conférences, je vois une présidente jeune, astucieuse, une ancienne élève. elle aussi, des universités américaines; c'est aux États-Unis qu'elle a trouvé les matières nécessaires à sa propagande. Quand je lui demande de quoi elle parle aux femmes qu'elle va voir, elle me montre tout un échantillonnage de tissus fabriqués en Chine et je comprends que sa propagande a pour but de faire acheter des articles chinois. Tout ceci me paraît ordonné en parfaite liaison avec les industriels et les commerçants de la ville. Je m'inquiète aussi des visites qu'elle fait à domicile. Sur une carte, sont inscrites toutes les industries de la ville, les quartiers ouvriers et les principaux faubourgs sur lesquels s'exerce l'action de cette association de femmes.

A ma question : « Quand vous entrez dans les maisons, que demandez-vous aux travailleurs? » elle répond : « De l'argent, des souscriptions pour la guerre contre le Japon. » Je comprends que ces dames visiteuses ne seraient pas reçues par les ouvriers et leurs familles, si elles n'avaient pas un but direct national. Ce sont donc de merveilleux agents de propagande; elles ont en ce moment fort à faire, puisque le gouvernement de Canton veut prouver à Nankin qu'il existe toujours. Le

printemps dernier, la XIX<sup>e</sup> armée cantonaise a de même été envoyée en face de Shanghai pour démontrer à la Chine du centre qu'elle était trop inerte.

L'une des directrices m'accompagne dans un faubourg où je vais visiter une école professionnelle. Tous les contrastes se sont réunis comme pour me satisfaire. Une rue qui est un cloaque au milieu de laquelle des ouvriers creusent un fossé, tandis que d'autres posent des conduites d'eau; un vieux temple qui demeure là comme un témoin du passé, des câbles et des fils électriques, un soldat baïonnette au canon, et une école dans un rez-de-chaussée où de petites filles s'exercent à taper à la machine ou à fabriquer des tissus. Ici, d'un seul regard, on perçoit toute la diversité de la Chine d'aujourd'hui.

Et je retrouve sur les murs des cartes, des graphiques, comme dans les universités de Michigan ou de Jersey; ces enfants entrent dans la vie avec une obsession de statistiques.

Je suis peut-être dans la Chine du sud qui se dit intégrale, mais vraiment l'Amérique est passée par là, et à chaque pas je rencontre son empreinte. Dans mes conversations avec les chefs de service, je comprends tout le rôle que joueraient les conseillers anglo-saxons en préparant les projets destinés demain à développer les débouchés de l'industrie américaine. En revenant à mon hôtel je lis les derniers télégrammes de Genève : « Les États-Unis estiment que le respect du pacte Briand-Kellogg... », et les hurlements des coolies et des sampanières font à l'horizon image de la colère de l'Asie. On lit « Pacte Briand-Kellogg » dans le texte, et c'est en réalité la supériorité navale des traités de Washington qu'il faut comprendre. L'Amérique de 1932 ne peut avoir que la politique extérieure de sa détresse économique; il lui faut stabiliser la situation maritime actuelle, amener les puissances du Pacifique à s'interdire tout programme de construction et donc chercher le moyen d'encercler son véritable concurrent, le Japonais. Cette peur du Jaune devient chez ce grand peuple une puérité et une obsession.

Je vais, ensuite, dans l'ancien lycée français, consulter M. Chou, commissaire aux affaires étrangères pour les provinces du Sud. Impulsif, persuasif, il me fait une véritable conférence. Il ne me cache pas qu'au cours des réunions qui

0142

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

Enclosure to Special Report N° W.D. 1248 of May 22, 1933  
From American Embassy at Paris  
Extract From "LA REVUE DE PARIS" of May 15, 1933

346

LA REVUE DE PARIS

se tiendront à Nankin au Comité central exécutif et au Comité central de contrôle, à partir du 15 décembre, ses amis insisteront vivement pour que ce soit le parti de la guerre qui l'emporte. « Comme les puissances ont des capitaux considérables investis en Chine et qu'elles en ont peu au Japon, elles devront prendre parti pour nous, me dit-il. Nous allons donc les forcer à prendre une décision qui ne pourra être qu'en notre faveur. Nous avons une arme diplomatique et nous tenons à nous en servir. »

En Mandchourie, j'avais constaté en octobre 1932 que la zone de rébellion s'étendait depuis la publication du rapport Lytton. Les généraux et leurs troupes fuyaient l'allégeance mandchoue et se soulevaient dans toute la Mandchourie du Nord depuis qu'ils pensaient compter sur l'appui de l'Europe contre le Japon.

A Pékin, à Tien-Tsin, à Shanghai, j'avais vu le rapport Lytton exploité par les marchands d'armes qui se promenaient de roitelets en gouverneurs en déclarant : « Signez-moi ce contrat. L'Occident est pour nous. La S. D. N. marche contre le Japon. Maintenant, il n'y a plus à hésiter. Il faut faire la guerre. » — A Canton, les télégrammes arrivaient chaque jour expédiés par des agences genevoises. « Le représentant de tel pays qui hier était encore hésitant a fait, ce matin, une déclaration en faveur de la Chine et contre le Japon. » — Ces dépêches explosives soulevèrent l'Asie de l'est à un véritable traitement électrique. Le parti de la guerre triomphait à Canton et j'observais une vive réaction contre l'apathie du Nord. Les souscriptions affluaient dans le parti Kuomintang, et dans les banques chinoises. Ravitaillement, équipement, armes, munitions partaient vers le nord, vers le Jehol, et traversaient un pauvre pays épuisé déjà cependant par vingt années de guerre civile. La guerre, encouragée par les conseils de l'Occident, a été le résultat de ces duperies et de ces confusions.

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Dans ses interventions l'Occident a donc commis erreurs sur erreurs. La S. D. N. n'a pas compris le véritable caractère des récentes évolutions du Japon alerté par les faillites éco-

L'EXTRÊME-ORIENT ET LA S. D. N. 347

nomiques et monétaires de l'Angleterre et de l'Amérique et décidé à remplir sa mission en Asie. La S. D. N. a cédé à certains mirages en Chine. Du fait des partialités américaines et anglaises, son arbitrage péchait par la base et son jugement est devenu la risée de l'Asie. Des hommes de bonne foi assemblés dans divers Comités de Genève ont ensuite arrêté des conclusions, mais leurs recommandations ont été interprétées aussitôt dans une Asie passionnée et joueuse comme des déclarations de guerre. Dans une Chine désarticulée, les spéculateurs ont aussitôt flairé des affaires faciles et des profits. Ceux-là ont donc encouru de graves responsabilités qui ont fourvoyé la S. D. N. dans une aventure qui a compromis son prestige et retardé encore la reconstruction économique de la Chine qui doit être le but de tous ceux qui aiment l'Asie.

Le Japon, à la suite du boycottage chinois, a dû chercher d'autres débouchés : il nous inonde d'ores et déjà de ses produits, fabriqués par une main-d'œuvre habituée à d'infimes salaires. La jeune Chine qui avait mis sa confiance dans nos organismes internationaux s'exaspère. L'Asie que nous avons rejetée sur elle-même nous prépare alors des revanche économiques, sociales et morales.

Il est donc grand temps de lancer ce cri d'alarme et de dégager quelques conclusions.

Il est indispensable que la S. D. N. renonce à des interventions fâcheuses dans un hémisphère que l'Occident connaît et comprend mal. Il faut que les procédures et les méthodes de la S. D. N. soient révisées, puisqu'un simple incident tel que celui de Moukden, au lieu d'être localisé, peut entraîner de proche en proche une véritable guerre. Il est nécessaire que des pactes rédigés en tenant compte, au lendemain de la Grande Guerre, des situations européennes, ne soient plus aussi maladroitement compromis. Le bilan de ces erreurs et de ces duperies étant ainsi déposé, il faut interdire à la S. D. N. de nouvelles incohérences.

PIERRE LYAUTEY

0143  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure to Special Report N° W.D. 1248 of May 22, 1933  
From American Embassy at Paris  
Extract From "LA REVUE DE PARIS" of May 15, 1933

## L'OFFICIER NOIR<sup>1</sup>

Voilà des années de cela, on voyait plusieurs navires faire à la fois leur chargement à l'Estacade des Docks de Londres. Je parle des environs de 1880, du temps où Londres comptait une foule de beaux voiliers dans ses bassins, quoique moins de belles constructions dans ses rues.

Les navires à l'Estacade avaient belle apparence : ils étaient amarrés l'un derrière l'autre, et le *Saphir*, le troisième en commençant par le bout, était un tout aussi bon navire que les autres, ni plus ni moins. A l'Estacade chacun d'eux avait naturellement, comme tout navire au bassin, son second à bord.

Les policemen de service aux portes les connaissaient tous de vue, sans être pourtant capables de dire immédiatement à quel navire appartenait tel ou tel d'entre eux. En fait, les seconds de tous ces navires amarrés dans les Docks de Londres étaient, comme la majorité des officiers de la marine marchande, des gens solides, travailleurs, résolus, peu romantiques d'allure, qui appartenaient à différentes classes de la société mais chez qui l'empreinte professionnelle effaçait les caractères individuels d'ailleurs peu marqués.

Ceci était vrai d'eux tous, à l'exception toutefois du second du *Saphir*. Les policemen ne pouvaient avoir la moindre hésitation à son sujet. Celui-là avait une marque distinctive.

Ils le reconnaissaient de fort loin dans la rue, et lorsqu'il suivait l'Estacade, le matin, pour se rendre à son navire, les

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0144  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 026 Foreign Relations/619 FOR Instruction

~~FROM~~ ( ) DATED May 29, 1933  
TO China (Johnson) NAME 1-1127 \*\*\*

REGARDING:

Foreign Relations of the United States, 1919.  
Requests permission to publish certain  
correspondence in -, on file number  
793.94/810

793.94/6358

med

3145  
DECLASSIFIED: E.O. 11652, 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 026 Foreign Relations/621 FOR Instruction

FROM ( ) DATED May 29, 1933  
TO Japan (Grew) NAME 1-1127 \*\*\*

REGARDING:

Foreign Relations of the United States, 1919.  
Requests permission to publish certain  
correspondence in -, on file number  
793.94/841

med

793.94 / 6359

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

0148

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cib

TELEGRAM RECEIVED

CANTON VIA NR

FROM Dated June 6, 1933.

Recd 3:55 p.m.

Secretary of State  
Washington.

Division of  
FAR EASTERN AFFAIRS  
JUN -7 1933  
Department of State

June 6, 3 p.m.

Referring to my telegram of May 19, 5 p.m., to the Legation, I am reliably informed that the Southwest Political Council is now preparing a second communication to be dated tomorrow and addressed to the League of Nations and signatories of the Nine Power Pact repudiating in the name of the Chinese people the truce concluded with Japan by the Nanking Government.

My informant stated that Wang Ching Wei and Sun Fo have not responded to an invitation of the southern leaders to join them in this protest. He stated also that they have information here that Chiang Kai-Shek after disposing of Feng Yu Hsiang will endeavor to eliminate the Nineteenth Route Army and that therefore the detachments of this army in Northern Kwangtun are now being hastily withdrawn to Fukien to present a solid front against him. Repeated to the Department, Legation and Nanking.

BALLANTINE

CSB

F/HS

793.94/6560

JUN 8 1933 5

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

DCR  
480

DEPARTMENT OF STATE

DIVISION OF COMMUNICATIONS AND RECORDS

DCR:

Mr. Salmon:

*We agree with you. M.M.H.*  
June 7, 1933.



FE:

Referring to telegram from the American Consulate General at Canton, China, June 6, 3 p. m., reading in part as follows: "Referring to my telegram of May 19, 5 p. m., to the Legation, I am reliably informed that the Southwest Political Council is now preparing a second communication to be dated tomorrow and addressed to the League of Nations and signatories of the Nine Power Pact repudiating in the name of the Chinese people the truce concluded with Japan by the Nanking Government", this office is now in receipt of a service via Naval Radio stating: "Peiping advises cancel dispatch Canton, check 119, State, sixth, 1830 addressed to Secstate in error".

It would seem that the message was of immediate importance to the Department and although it may not have been the intention to send it to the Secretary of State, nevertheless, as long as it has been received and put on record it should stand. However, if FE is of a different opinion I shall be glad to cancel it.

*D.G.S.*

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

DOCUMENT FILE

NOTE

SEE 550. S 1 Agenda/102 FOR Memo.

FROM State Department FE (Hornbeck) DATED April 4, 1933.  
TO NAME 1-1127 ...

REGARDING:

Sino-Japanese Controversy: Memorandum indicating the possibilities of the Monetary and Economic Conference in relation to the -. Suggests that Subject of reconstruction of China be placed on the Agenda.

MN

793.94/6361

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

0145

*FE*

TELEGRAM RECEIVED  
GRAY

RR

Tientsin via N. R.  
FROM  
Dated June 7, 1933.  
Recd. 12:05 p. m.

Secretary of State,  
Washington.

*File*  
Division of  
FAR EASTERN AFFAIRS  
JUN -7 1933  
Department of State

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O.N.I. AND M.I.D. *\**

F/HS

793.94/6362

793.94

June 7, 2 p. m.

Reliable authority Chinwangtao reports train passed  
3 p. m. yesterday on route Shanhaikwan with troops (presum-  
ably Japanese or Manchukuo), supplies and three flat cars  
with cargo trucks. This represents first evidence Chin-  
wangtao area of actual withdrawal of Japanese to wall under  
terms of peace truce.

HPD

LOCKHART

JUN 8 1933  
PRT 107

*12*

0150

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

June 9 1933

No.

To the American Consul,  
Geneva, Switzerland.

The Acting Secretary of State encloses for the information of the Consul two copies of a digest of certain telegrams received by the Department in regard to developments in China for the period May 25 to June 7, 1933.

In the event that other Governments are communicating to the Secretary General of the League of Nations information of similar character, the Acting Secretary of State would have no objection to the Consul transmitting to the Secretary General, for his discreet use, confidential as to source, a copy of the enclosed digest. The Secretary General should not disclose the names or designations of persons mentioned in this digest.

793.94/6362

793.94/6362

Enclosure:

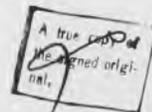
Two copies of digest  
of telegrams.

FE: BCC

FE

VI-8-33

Jun. 8 1933



*[Handwritten signature]*

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

DIGEST OF TELEGRAMS FROM AMERICAN OFFICIAL SOURCES  
IN REGARD TO DEVELOPMENTS IN CHINA FOR THE PERIOD  
MAY 25 to JUNE 7, 1933.

The Consul General at Tientsin reports (May 26) that on May 26 three Japanese military airplanes visited Tientsin but dropped no bombs; that, according to the Japanese military command in Tientsin, no truce negotiations are under way; and that tension in Tientsin has relaxed considerably.

The Consul General at Tientsin reports (May 27) that, according to Japanese military authorities, "Manchukuo" and Japanese troops are withdrawing from the areas east of Tientsin and east of Peiping, respectively; that the situation in Tientsin has greatly relaxed; and that the exodus of refugees from Chinese areas has practically ceased.

The Consul General at Tientsin reports (May 29) that an unexplained but comparatively small movement of artillery, armored and other trucks is taking place westward through Chinwangtao by rail.

The Consul General at Tientsin reports (May 31) that on May 31 the Commander of the Japanese garrison at Tientsin (Nakamura) announced that an agreement had been signed at Tangku by Chinese and Japanese military authorities terminating the present hostilities. The terms of the agreement, which is to come into effect immediately, are substantially as follows:

(a) The Chinese troops shall withdraw immediately to districts south and west of a line running roughly from a point northwest of Peiping in a southeasterly direction to a point about 35 miles northeast of Tientsin and shall not advance over this line

or

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

or repeat any provocations;

(b) In order to insure enforcement of the above term Japanese troops will occasionally visit the points beyond which the Chinese are to withdraw and the Chinese shall afford them protection and facilities for inspection;

(c) When fully satisfied that the Chinese have carried out the first term the Japanese will voluntarily withdraw to the Great Wall;

(d) The maintenance of peace and order in the area north and east of the line specified above and south of the Great Wall shall be carried out by the Chinese police authorities.

The Consul General at Harbin reports (June 1) that on May 31 through freight traffic between the Chinese Eastern Railway and the Ussuri Railway at Suifonho (eastern border of Kirin Province) was suspended by order of "Manchukuo" pending the return by Russia of rolling stock removed to Russia and "parity" of "Manchukuo" in control of the Chinese Eastern Railway.

The Minister at Peiping reports (June 2) that, according to a reliable source, the Japanese military authorities at Tientsin state that the South Manchuria Railway is taking over the Peiping-Mukden line between Shanhaikwan and Lutai (35 miles northeast of Tientsin) and will operate the line assuming all financial obligations.

The Consul General at Shanghai reports (June 3) that the reaction in Shanghai to the truce agreement in North China is on the whole favorable, particularly among business

- 3 -

ness man and the foreign owned press. 753.94/6355

The Consul General at Tientsin reports (June 3) that a Chinese general has arrived in Tientsin to consult with the Chairman of the Hopeh Provincial Government and the Japanese military authorities in regard to the disposition of troops remaining in the Tangshan area, the restoration of rail traffic and policing of areas to be evacuated; and that general conditions in Tientsin have improved greatly since the signing of the truce agreement. 753.94/6356

The Consul General at Tientsin reports (June 5) that on June 4 a Japanese military airplane, presumably in pursuance of term (b) of the truce agreement of May 31, flew for twenty minutes over Tientsin; that the so-called renegade Chinese troops in the area northeast of Tientsin are an obstacle to the restoration of through traffic on the Peiping-Shanhaikwan Railway; and that their disposal is causing serious concern as neither the Chinese nor the Japanese appear to want them. 753.94/6362

The Consul General at Tientsin reports (June 7) that, according to a reliable authority, a train passed through Chinwangtao on June 6 en route to Shanhaikwan with troops (presumably Japanese or "Manchukuo"), supplies and three flat cars with cargo trucks.

0154  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 741.94/215..... FOR MEMORANDUM.....

FROM State Department..... (Hornbeck and) DATED May 25, 1933. <sup>6213</sup>  
TO Division of Far Eastern Affairs Salisbury NAME 1-1127 ...

REGARDING:

In view of the informal nature and limited scope of the 1928 agreement, its provisions and purport appear to be scarcely pertinent to recent developments in the Far East and at Geneva.

hs

790.94/6563

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

*Copy sent to Hugh Cummings  
American Delegation*

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS  
THE UNDER SECRETARY  
MAY 26 1933  
DEPARTMENT OF STATE

Division of  
FAR EASTERN AFFAIRS  
MAY 26 1933  
Department of State

May 23, 1933.

CONFIDENTIAL

In connection with conversations which will be held  
with Viscount Ishii, --

*See 793.94/5851  
6319*

Despatches from Japan have in several instances  
indicated that Japan's interest in the preliminary con-  
versations and the Economic Conference arises in great  
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and of the American Government's "non-recognition" policy.

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In case Viscount Ishii brings up any such question,  
it may be useful to the President and the Secretary of State  
to know that Viscount Ishii is on record in his own Memoirs

(published

F/H/S

793.94/6364

Confidential File

- 2 -

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In this connection, it is also interesting to turn to the position taken by the Japanese Government itself in 1904. In that year, in February, the Japanese Government in correspondence with the Russian and other Governments made it very clear that it regarded Manchuria as an integral part of China, that it was definitely concerned in support of the principle of respect for China's territorial integrity and that it based its grievance against Russia in part upon "the successive refusals of the Imperial Russian Government to enter into engagements to respect China's territorial integrity in Manchuria which is seriously menaced by their (Russia's) continued occupation of the (that) province, notwithstanding their  
treaty

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

- 3 -

treaty engagements with China and their repeated assurances to other powers possessing interests in those regions . . . ." (See Department of State, Japan, 78)

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0158

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

May 23, 1933.

79294/630

In connection with conversations which will be held  
with Viscount Ishii, --

Despatches from Japan have in several instances  
indicated that Japan's interest in the preliminary con-  
versations and the Economic Conference arises in great  
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Department of State letter, August 10, 1972  
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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

- 3 -

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0161

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

May 25, 1933.

My dear Mr. President:

I enclose for your information a strictly confidential memorandum prepared for me by Dr. Stanley Hornbeck, the Chief of my Far Eastern Division, which, I think, may be of interest to you.

Faithfully yours,

Cordell Hull

793.94/6364

Enclosure:  
As stated.



The President,  
The White House.

S HSC:CBS

Confidential File

A true copy of the signed original

HSC

0162

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

June 2, 1933.

CONFIDENTIAL

Dear Hugh:

793.94/585-1  
793.94/6364

I enclose a copy of a confidential despatch No. 574 of January 20, 1933, from The Hague, on the subject "The Sino-Japanese Dispute and the Lytton Commission's Report" and a copy of an <sup>confidential</sup> memorandum of May 23, 1933, in regard to the position taken by the Japanese Government in years past to the effect that Manchuria is a part of China. The original of the memorandum has already been brought to the attention of the Secretary, who sent it to the President.

You may find the enclosures of interest and use. I suggest that you show both of them to Ray Atherton and that you bring them back to the Department with you.

With all best wishes,

Yours sincerely,

Enclosures:  
Copy of despatch of January 20, 1933;  
Copy of memorandum of May 23, 1933.

Mr. Hugh S. Cumming, Jr.,  
Care of American Delegation,  
World Monetary and Economic Conference,  
Claridge Hotel,  
London, England.

MMH/REK

A true copy of the signed original. FE/

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 D. Gustafson NARS, Date 12-18-75

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



DEPARTMENT OF STATE  
WASHINGTON

June 2, 1933.

CONFIDENTIAL

AUG 14 1933

DIVISION OF COMMUNICATIONS AND RECORDS

Dear Hugh:

793.94/5851

I enclose a copy of a confidential despatch No. 574 of January 20, 1933, from The Hague, on the subject "The Sino-Japanese Dispute and the Lytton Commission's Report" and a copy of an <sup>confidential</sup> FE memorandum of May 23, 1933, in regard to the position taken by the Japanese Government in years past to the effect that Manchuria is a part of China. The original of the memorandum has already been brought to the attention of the Secretary, who sent it to the President.

You may find the enclosures of interest and use. I suggest that you show both of them to Ray Atherton and that you bring them back to the Department with you.

With all best wishes,

Yours sincerely,

*Stanley K. Hambick*

Enclosures:  
Copy of despatch of January 20, 1933;  
Copy of memorandum of May 23, 1933.

Mr. Hugh S. Cumming, Jr.,

Care of American Delegation,

World Monetary and Economic Conference,

Claridge Hotel,

London. England.

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Confidential File

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0164  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

COPY

Department of State  
-----  
DIVISION OF FAR EASTERN AFFAIRS

STRICTLY CONFIDENTIAL

793.94/6364  
May 23, 1933.

In connection with conversations which will be held with Viscount Ishii, --

Despatches from Japan have in several instances indicated that Japan's interest in the preliminary conversations and the Economic Conference arises in great measure from the hope of the Japanese that in the course of the conversations and the Conference opportunity may arise or occasion be made to introduce political questions that are of maximum current interest to Japan. Some of these reports have carried the suggestion that the Japanese delegation may attempt to trade adherence on Japan's part to the proposals of the American Government for some kind of assent by the American Government to the policy which Japan is following in relation to China. There has even been the suggestion that the Japanese may bring up expressly the question of Manchuria and of the American Government's "non-recognition" policy.

In case Viscount Ishii brings up any such question, it may be useful to the President and the Secretary of State to know that Viscount Ishii is on record in his own Memoirs (published in 1930) to the effect that Manchuria is a part of China. He wrote: "It is an arbitrary assertion, without basis of fact, that Manchuria is not a part of China."

- 2 -

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In this connection, it is also interesting to turn to the position taken by the Japanese Government itself in 1904. In that year, in February, the Japanese Government in correspondence with the Russian and other Governments made it very clear that it regarded Manchuria as an integral part of China, that it was definitely concerned in support of the principle of respect for China's territorial integrity and that it based its grievance against Russia in part upon "the successive refusals of the Imperial Russian Government to enter into engagements to respect China's territorial integrity in Manchuria which is seriously menaced by their (Russia's) continued occupation of the (that) province, notwithstanding their treaty engagements with China and their repeated assurances to other powers possessing interests in those regions . . . ." (See Department of State, Japan, 78)

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

No. 574

The Hague, Netherlands,  
January 20, 1933.

SUBJECT: THE SINO-JAPANESE DISPUTE AND THE LYTTON  
COMMISSION'S REPORT.

793.94/5851

CONFIDENTIAL

CONFIDENTIAL

The Honorable  
The Secretary of State,  
Washington.

Sir:

With reference to my despatch No. 322, of April 2, 1932, and to my despatch No. 561, of December 30, 1932, I have the honor to transmit herewith a confidential copy of an outline of a plan for the reconstruction of China by means of international cooperation and assistance and for dealing with the present impasse in the Sino-Japanese dispute regarding Manchuria.

I have obtained this document from Dr. A. D. A. de

Kat Angelino...

0167

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

- 2 -

de Kat Angelino, who prepared it for the Lytton Commission, to which it was submitted on the second instant.

It will be observed that Dr. de Kat Angelino considers an early solution of this problem absolutely necessary for the peace of the world. He expresses the opinion that "the interdependence of China's unification and Manchuria's reintegration as Chinese territory would provide the most powerful stimulus to cause China's leaders to keep peace and to cooperate energetically with the League." He adds: "The Japanese delegation could be approached and sounded out regarding a solution of the Manchurian question as a part of the Chinese problem as a whole. In case such a solution is found to be acceptable in principle to Japan, the Chinese might then be approached in the last place."

Dr. de Kat Angelino was invited last March by Lord Lytton to join the League of Nations Commission of Inquiry into the Sino-Japanese dispute, chiefly as an expert counselor on the political phases of the investigation.

In an interview which I had with Dr. de Kat Angelino yesterday he stated that after having traveled for about six weeks with the Commission in Manchuria he had proceeded to Peking for the purpose of making preparatory studies from documents collected in Manchuria on the matter in dispute. Later on he accompanied the Commission to Geneva. In our conversation Dr. de Kat Angelino...

0168

DECLASSIFIED: E.O. 11652, 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 -

Angelino referred to Japan's contention that the Sino-Japanese dispute is in reality due only to the chaotic conditions prevailing in China and that consequently any effort to solve the difficulty by various measures concerning Manchuria is simply dodging the issue, as it leaves China herself too much out of the picture. "I may tell you", he said, "that some of the Japanese delegates at Geneva admitted to me that the reconstruction of China as suggested in the Lytton Report was a fundamental idea, but they were not convinced that there was any serious intention to really reconstruct China, inasmuch as no concrete plan had ever been proposed."

With regard to Japan's action, Dr. de Mat Angelino said: "As a member of the League and a signatory to the Kellogg Pact and the Nine Power Treaty Japan is in the wrong a hundred per cent; but I must add that the provocation had made the situation almost unbearable, for instance the boycotts, the persecutions of the Koreans and the Japanese in Manchuria, and the violation of treaty rights.

My opinion therefore is that a purely legalistic attitude on the part of the League at this juncture would be unwise. As I see it there is only one way out and that is to deal with the Manchurian problem not as an independent, isolated problem but as a part of the whole Chinese problem, including such questions as extraterritoriality, the status of foreigners, concessions and settlements, and the domestic problems of debts, civil war, and...

- 4 -

and Communism.

"The United States would have to play the leading role in this reconstruction. China cannot restore law and order without international assistance with executive power back of it.

"Although I have been in close touch with developments in China for years, I was terrified on my recent visit at the spread of Communism in the country.

"In the event that conciliation fails at Geneva China may throw herself into the arms of Russia, and I do not consider Communism and revolution precluded even in Japan.

"I have done my utmost to impress the seriousness of the situation on the Commission and have stated frankly to them that they have not presented a concrete plan of reconstruction as they ought to do.

"I am satisfied that Japan's only purpose was to overthrow an ultrahostile government in Manchuria and to replace it with a friendly one. However, from my investigation I firmly believe that the Japanese blew up the railway and that they -- not the Chinese -- made the attack. Lord Lytton is of the same opinion. The French member, General Claudel, did not agree, holding that there had not been a preconcerted plan but that events had forced the Japanese to act as they did."

Respectfully yours,

Laurits E. Swenson.

File No. 710  
Enclosure:  
Copy of plan.  
In quintuplicate  
LBS:EKD

R.M.

0170

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

C O P Y.

COMMUNICATED TO: TO: \_\_\_\_\_  
DATE: \_\_\_\_\_

Confidential copy of an  
Outline of a plan for the solution  
of the Manchurian question and the  
reconstruction of China by means of  
international cooperation and assis-  
tance, prepared by Dr. . . . de  
Bat Sangelme for the League of Nations  
Commission of Inquiry into the Sino-  
Japanese dispute and handed to Mr.  
Swenson by the author.

American Legation,  
The Hague, Netherlands,  
January 20, 1933.

STRICTLY CONFIDENTIAL.

1. The discouraging attitude taken by the Japanese Government towards the attempts which so far have been made in the interest of conciliation is apparently to be ascribed to the fact that these attempts, necessarily, had to concentrate upon the military and political action taken by Japan, since September 18th 1931, in Manchuria. For, although it was this action that has brought the Sino-Japanese dispute to the official notice of the League, the dispute itself, nevertheless, according to Japanese opinion ought to be seen exclusively against the background of the continuous international friction and domestic unrest accompanying political and social transi- tion in China. The Japanese feel that the Manchurian issue has arisen out of the unsatisfactory conditions existing all over China, and since they believe that an improvement of conditions in China is out of the question they insist on a solution of the Manchurian issue consisting in a permanent separation of Manchuria from China. The only way to cause the Japanese to change this attitude would, therefore, .....

- 2 -

therefore, be to convince them of the possibility of improvement and reconstruction in China.

It is, in fact, the Japanese view that the Sino-Japanese dispute, like the very grave Sino-British dispute of 1926-27, the Sino-Soviet dispute of 1929 and the perpetual state of tension between China and foreign powers, is, fundamentally, the outcome of China's "revolutionary diplomacy", which, in its turn, results from an unfortunate discrepancy which exists, in China, between the nationalist aspiration to abolish the so-called unequal treaties and recover lost sovereign rights, and the national capacity to establish a stable Government capable of undertaking the pacification and reconstruction of the country and thus winning the confidence of the foreign powers.

Taking into account the vastness of China's territory, the lack of adequate communications, and the fact that China has lost, with the imperial dynasty, the focal point of her millennia-old political and cultural unity, it is almost superfluous to remark that China will not be able to execute her superhuman task by her own unaided efforts. Outside assistance is necessary. If such assistance had been forthcoming before the Boxer-uprising or, later, after the establishment of the Republic, China's civil wars would probably never have occurred and the buying power of a peaceful and prosperous China might well have averted or, at least, have mitigated the present economic world crisis. If, on the other hand, international support is again delayed, the discrepancy between nationalist aspirations and .....

- 3 -

and national capacity will persist, and all the domestic and international evils inherent in the present situation will be aggravated. War with and over China, in that case, assuredly cannot be avoided.

In a word, now, that the Manchurian affair which is only one important aspect of the Chinese problem, has brought the situation in China to the notice of the League with more emphasis than ever before, the moment has come to consider whether the reconstruction of China has not become the foremost Far-Eastern problem to be solved with the help of the League. It would be possible, to mention only one instance, with such help, to end civil war in China within a short period and with comparatively modest means, thereby greatly diminishing the communist danger, and in addition, enabling the Treaty Powers to meet China's nationalist aspirations in the course of the following period of reconstruction.

- II. Japan's difficulties in China and, especially, in Manchuria, may be classed in the same category as those of other Powers having exceptional rights or important interests in China. Japan decided to solve her Manchurian problem by force. But, according to Japanese opinion, her action and uncompromising attitude thereafter, are mainly to be attributed to her despair of China's capacity to establish a stable Government able and willing to respect the treaties and to protect foreign life and interests. Attempts at conciliation which place the reintegration of Manchuria as part of China in the foreground whereas the unification, .....

- 4 -

unification, pacification and reconstruction of China are mentioned only in the second or in the last place are, therefore, not likely to meet the Japanese stern demand that realities must be considered. If conciliation is still possible at all, recourse must be had to a concrete plan combining China's reconstruction, under the auspices of the League, and Manchuria's re-integration as Chinese territory, as complementary parts of one program which have to be executed simultaneously. In other words, Manchuria's re-integration becomes part of the reconstruction of China, and the solution of the Manchurian problem becomes part of the solution of the Chinese problem.

In order to solve the Manchurian question, this plan of reconstruction, would have to distinguish between the immediate re-affirmation of China's sovereignty over Manchuria and the gradual re-instatement of the actual exercise of China's authority in that territory. As the plan of reconstruction would cover all China, including Manchuria and Jehol, it would by its very scope and from the very outset amount, in itself, to a re-affirmation of China's sovereignty over Manchuria. It would, therefore, meet China's principal demand concerning the non-recognition of Manchoukuo and the re-affirmation of her sovereign rights over the lost territory. It would, thus, uphold the principles of the League and also of the Paris Pact as interpreted according to the recent Stimson doctrine.

It would, then, possess the advantages of the plan embodied in the Ten Principles laid down in the ninth

chapter .....

- 5 -

chapter of the Lytton Report. In providing for simultaneous and interdependent action both in China and in Manchuria in a more definite way than is the case, according to Japanese opinion, in the Lytton Report, it would moreover establish a more explicit causal connection between the action considered under the tenth and under the preceding Principles of that Report. An apparent gap, which has been made the main target of the Japanese objections to the solution as suggested in those principles, would thereby be bridged.

To restate the main idea of the plan, as far as it concerns the Manchurian affair: China's reconstruction and the transfer of actual authority in Manchuria to China must be interdependent and proceed simultaneously, whereas the re-affirmation of China's sovereignty over Manchuria will be immediate. An immediate transfer of actual authority is impossible and is, on the part of China, not really expected. A delay of such transfer may appear to be of a rather exceptional nature, but is fully motivated in the light of the exceptional conditions prevailing in China. The plan starts, however, from the principle of China's sovereignty over Manchuria and possesses features which allow of actual transfer of authority to China in the near future and in an ever increasing degree. The plan has, for China, the additional advantage of not pre-judging the question as to the status ultimately to be given to Manchuria. In the case of China's reconstruction meeting with reasonable success, there is no single reason why the very high degree of autonomy as suggested in the Lytton Report should be given to Manchuria. ....

- 6 -

Manchuria. In that event, the Manchurian provinces can very well be administered like all other ordinary Chinese provinces. This point will probably carry much weight with the Chinese Government, once its sovereignty over Manchuria is assured in principle, because Manchuria's status is a very grave question to China as it may constitute a precedent. It may be expected, however, that the principal reason, for China, to agree to this plan, will be seen in the prospect of immediate re-affirmation by all powers, including Japan, of her sovereignty over Manchuria, and in the possibility to save, with international assistance, the country from complete perdition which is threatening.

- III. As far as Japan is concerned, her principal objection would be met by a plan which recognizes the interdependence of China's pacification and reconstruction, and the re-establishment of China's actual authority in Manchuria. Japan claims to have been instrumental in delivering the Manchurian population out of the hands of militarist despotism and to have a moral obligation to prevent the return of the earlier oppressive administration. Under the plan actual authority will revert to China according as reconstruction in China proceeds, so that Japan will be able to co-operate. The simplicity of the plan which does not pre-judge time or procedure of the transformation of Manchoukuo into ordinary Chinese provinces or into a more or less autonomous territory, would enable her to take an honorable part, in Manchuria, in .....

- 7 -

in the co-operation with China under the auspices of the League. Most of the reforms undertaken or considered by Manchoukuo can be retained under the plan and be continued, but future action will be different in this respect that it will be taken on behalf of the reconstruction of an integral part of China, not of Manchoukuo. Japan's national susceptibilities will be least hurt by such a plan and this is, at present, of the greatest importance with a view to making a plan of conciliation acceptable to Japanese public opinion. In accepting to co-operate with the League in the execution of the plan of reconstruction of China, including Manchuria, Japan would by implication recognise in principle the sovereignty of China over Manchuria. She would also implicitly agree to assist in the gradual transformation of the present Manchoukuo regime in accordance with the execution of the plan of China's reconstruction. Nothing more must or need be demanded of Japan. Agreement on the part of Japan will thereby be much facilitated, as incriminative statements regarding past actions, verdicts as to her guilt and formal resolutions as to the non-recognition of Manchoukuo will not be needed any longer in view of the scope and nature of the plan of reconstruction.

Should Japan, however, still refuse to co-operate, the League would plainly have exhausted all efforts. Japan would forfeit the sympathy of those who so far have shared some of her reasonable objections to the solutions suggested. Action taken by the League would, then, find the unreserved moral support .....

- 8 -

support of the world; it is needless to remark that this would be a great advantage.

IV. The plan of reconstruction aims at the pacification, unification and reconstruction of China. It must enable the National Government to become in reality the central authority obeyed by all military and civil authorities in the provinces and districts. In theory, such a plan should cover all the manifold and very complicated matters involved in the situation existing today in China. In practice, however, none such elaborate plan is necessary. Many problems will look after themselves if only the right start in the reconstruction of China is made. In this connection, the remark must be made that lack of communications is the most important cause of the difficulty confronting the central Government in its attempts to make its authority respected in the more distant provinces. Experience in other countries, and especially in Colonial territories, has proved also that the establishment of an adequate system of communications is the key to the solution of the problem of national reconstruction.

The League has already, in directing its principal efforts in assisting China towards the extension and improvement of China's system of communications, struck upon the right method. Under a plan of reconstruction worthy of the name much more will no doubt have to be done in this respect. The rehabilitation of existing railways and the building of some additional trunk lines will, for instance, have to be embodied in such a plan. But, a much more important part in China's system of communications will have to be played by the ordinary road which, .....

- 9 -

which, now-a-days, is almost completely lacking in China. In this respect, the means to provide China with an adequate road-system are ready to hand. China possesses an immense reservoir of labour which, after the agricultural season is over, remains almost idle. Taxation in labour, wholly or partly taking the place of taxation in money, as is customary in economically backward parts of Colonial territories, would constitute the proper means to cover China in a few years, and with little cost, with a network of roads which would open up the whole country and could, at the same time, function as feeders of the existing railways and the new trunk lines yet to be built. Such extension of communications would transform the face of the country. Domestic production and commerce which, now-a-days, in large parts of China are almost limited within the narrow spheres of self-contained villages or sub-districts, would increase by leaps and bounds, and so would China's foreign trade. It is, moreover, as already stated above, by means of communications only that the unification of China can be accomplished, and that a Central Government can make its authority generally respected. However, an efficient organisation of this taxation in labour is necessary to avoid arbitrariness, hardship, wastage, and ill-directed road-building. As the League has already valuable experience in this respect, it may be trusted to be able to provide adequate direction and to improve gradually the organisation of systematic road-building.

An international loan, to be floated under the auspices of the League and with the guarantees of individual Governments, should furthermore be considered in order to improve  
the .....

- 10 -

the existing railways which have greatly deteriorated as a result of civil war, and to build some additional trunk lines. The loan agreement would have to contain stipulations regarding league control and supervision of expenditure under the loan and regarding adequate protection of the system of communications by a special corps of railway and road guards trained and controlled by officers appointed by and responsible to the league. The Chinese Customs Service and the Postal and Cable Services set up by it have shown that efficient organizations by a handful of men in this way is possible. The Peking Gendarmerie provides another instance. The railways and important highways would thus become truly national communications and would, at one stroke, have been placed outside the reach of the more or less independent local military commanders. In the most important provinces of China and, gradually, in all provinces, civil war would then become impossible.

The Central Government would simultaneously acquire definite controlling power over most or all provincial administrations and could set up a truly national Civil Service system. Disbandment of provincial armies, contemplated for many years, would then have become possible. Soldiers could be settled as agriculturists in sparsely populated parts of China's north-western provinces, Chinese Turkestan and Manchuria. With the disappearance of civil war, China's progress would be completely assured. Wealth would accumulate rapidly and reconstruction could soon be left to the Chinese nation itself. The difficulty consists in starting China on the right track. Once started she will soon

be .....

- 11 -

be able to look after herself.

- V. It must be evident from the foregoing remarks that League assistance in a plan to establish an extensive, efficient, and truly national system of communications in China will accomplish far more towards an all-round reconstruction of China than might appear at first sight. The beneficent effects thereof would, in fact, be felt in the remotest corners of the country, and would be noticeable in every field of China's national life. It will be evident also that gigantic loans are not needed to achieve this end. League organization, control and supervision will be much more needed than mere financial assistance. The latter, however, is also necessary during the initial stage of the execution of the plan of reconstruction, while conversion of some loans bearing exceptionally high interest might perhaps be considered also. Financial assistance is, moreover, from a psychological point of view necessary because it would be a definite and concrete action convincing China of the sincere intentions of other nations to stand by her in her hour of distress, and proving to her the beneficial results of her confidence in the League and in international co-operation. Some concrete action is necessary to allay suspicions both in Japan and in China that reconstruction is only an empty phrase, and an international loan would be such an action. It would, moreover, avert the danger of China's intelligentsia turning, in despair, towards an alliance with communism as the last means to save the country.

The financial means to be placed at China's disposal would have to be spent largely in the purchase of materials

to .....

- 15 -

to be furnished by the industry of the creditor countries. They would thus be instrumental in assisting these industries to a certain extent. A more important advantage of financial assistance in the building up of China's system of communications would consist in the rehabilitation of China's greatly deteriorated railways, while the protection thereof by League controlled guards would at once restore their earning power. Payments of interest and capital of railway loans which are long overdue could be resumed at once, and huge investments which appear now to be irretrievably lost could be recovered. China's credit would thereby be gradually restored. The floating of additional loans might thereupon become possible again without having recourse to special guarantees. China's buying power could, after some years of domestic peace and constructive endeavour, become a most important factor to all industrial countries of the world.

It is, however, not necessary to mention these and other results of the reconstruction of China, which can be easily imagined. The object of the foregoing remarks is rather to show why and in what form League assistance must be considered without delay, and what should be the starting point of a plan of reconstruction which, apart from its possible significance with regard to the solution of the Sino-Japanese dispute, is absolutely necessary in the interest of the peace of the world.

- VI. If Japan should agree to co-operate in the execution of such a plan covering all China, including Manchuria, the dispute would have been solved in principle because it would imply Japan's re-affirmation of China's sovereignty over Manchuria. ....

0182

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

Manchuria. China's acceptance would mean the end of the boycott in China and of guerilla warfare in Manchuria. The Japanese Army could, in that case, be withdrawn into the South Manchuria Railway Zone and League controlled railway and road guards would take their place in all other parts of Manchuria. Such foreign guards or other forces, Japanese or otherwise, as would function outside the S.M.R. Zone, would function as international organs on behalf of China and not of Manchukuo, which in this and other respects would gradually be transformed into Chinese provinces. In conclusion, the remark may be made that the interdependence of China's unification and Manchuria's reintegration as Chinese territory, to be laid down in the plan, would provide the most powerful stimulus to cause China's leaders to keep the peace and to co-operate energetically with the League.

EW 792.94/6364

The plan as described above is given in its mere outline, which may, however, be sufficient to consider whether it may be useful as an instrument to facilitate conciliation and to find an approach to some kind of compromise before the Committee of Nineteen meets again on January 16th, 1933. It might be advisable to ascertain whether international assistance to China, in the view of the statesmen of the Powers most interested, would be possible provided a solution of the Sino-Japanese dispute could be found along this way. In the second place, the Japanese delegation could be approached and be sounded regarding a solution of the Manchurian question as part of the Chinese problem as a whole. If such a solution should be acceptable, in principle, to Japan, the Chinese delegation might be approached in the last place.

De K. A.

1/2/33.

TELEGRAM RECEIVED

REP

This telegram must be closely paraphrased before being communicated to anyone. (A-1)

FROM PEIPING

Dated June 9, 1933

Rec'd 7:07 a.m.

Secretary of State,  
Washington.

507, June 9, 11 a. m.

CONFIDENTIAL FOR THE SECRETARY.

Legation's 497, June 2, 5 p. m. and 499, June 3, 11 a. m.

Yama Kami, local correspondent for Rengo News Agency informed Timperley, local A. P. correspondent, that he had interviewed Okumura, General Muto's Vice Chief of Staff, at Tientsin a few days ago and was told by him that at the time of signing of ~~truce~~ agreement the following oral agreements were made by Chinese and Japanese representatives: Chinese to withdraw from North China troops recently sent by Chiang Kai Shok to check activities of Kuomentang in North China; to resume rail traffic with Shanhaikwan; and to enter into unofficial negotiations for resumption of trade through the various passes into Jehol. (Note- It is believed that this refers particularly to Jehol opium exports). In return Japanese to refrain from encouraging any independent or separatist movement in North China and to accept Huangfu (who is persona grata to the Japanese) and his administration here. Timperley states that he is inclined to give full credence



F/H/S

793.94/6365

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

REP

2-#507, From Peiping, June 9, 11 a.m.

credence to Yama Kamils report since in all past dealings with  
him he has proven very frank and dependable.

JOHNSON

RR

KLP

0185

DECLASSIFIED: E.O. 11652, 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

1-118 TO BE TRANSMITTED  
 CONFIDENTIAL CODE  
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Collect  
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Department of State

1933 JUN - 12 - AM 9:59

Washington, *Gray*  
June *12*, 1933.

DEPARTMENT OF STATE  
DIVISION OF  
COMMUNICATIONS & RECORDS

*10 a.m.*

AMLEGATION,  
PEIPING (China).

*195*

Your 507, June 9, 11 a.m.  
Inform Tokyo.

*Phillips*  
Acting.

*Skat*

793.94/6365

793.94/6365

*MMH*  
FE:MMH:REK

*PA*  
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*Skat*

*OR*  
*12 1933*

DEPARTMENT OF STATE  
DIVISION OF  
COMMUNICATIONS & RECORDS

1933 JUN - 12 - AM 10:29

Enciphered by .....

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

0186  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Huefner NARS, Date 12-18-75

REP

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

TELEGRAM RECEIVED

Peiping via N. R.

Dated June 9, 1933

FROM

Rec'd 7:30 a.m.

Secretary of State,  
Washington.



511, June 9, 5 p. m.

*793.94*  
Yesterday Japanese military plane, after circling low over Peiping, landed Manyuan <sup>*aerodrome*</sup> south of city allegedly in order to permit Japanese officer to express to Chinese military authorities the condolences of the Kuantung army for loss of Chinese life during recent hostilities. Finding no Chinese officer at Manyuan, Japanese emissary then flew low over diplomatic quarter and dropped message requesting Japanese Commandant here to convey Japanese condolences to the Chinese military authorities. Message allegedly particularly pointed out that landing of plane and extended flight over city was not to be considered as unfriendly demonstration but as one of sympathy.

Chinese military headquarters on June 7th issued bulletin stating that Japanese are to hold memorial services at Miyun for Japanese dead and that arrangements have been made to pass local Japanese officials and residents through the Chinese lines to attend such services. Japanese allegedly desirous that Chinese shall not interpret this as victory celebration and prior message of condolence to the Chinese was possibly prompted by this consideration.

WWC-RR

JOHNSON

F/H/S

793.94/6366

JUN 10 1933

P.T. RIT

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

TELEGRAM RECEIVED

REP



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

BLAIN

FROM Peiping via N. R.

Dated June 10, 1933

Rec'd 3:18 a. m.

Secretary of State,  
Washington.

512, June 10, 10 a. m.

REUTER FROM TOKYO, ninth.

"At today's Cabinet meeting Foreign Minister Count

Uchida reported favorable turn of Japan's trade with China which he ~~attributed~~ <sup>ascribed</sup> to subsidence of anti-Japanese agitation in various parts of China especially Canton.

Explaining North China situation to the Cabinet General Araki, War Minister, said negotiations concerning detailed regulations concerning Sino-Japanese armistice agreement were progressing smoothly. He added that maintenance of peace and order in demilitarized zone in North China would be undertaken by special constabulary which would be composed of five thousand regular Chinese troops and five thousand peace preservation corps."

JOHNSON

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not  
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F/G 793.94/6367

JUN 12 1933  
FILED

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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

June 13, 1933.

Subject: Letter from Hu Han-min to the  
Secretary of State under date  
May 9, 1933.

The attached letter addressed to the Secretary of State is signed by Hu Han-min as "Former Minister for Foreign Affairs and President of the Legislative Yuan". The letter itself is typed on stationery of "The South-western Political Council, Canton, China". Mr. Hu, who was formerly an important official of the National Government at Nanking, relinquished his position with that Government and went to Canton about a year and a half ago where he has since identified himself with the so-called "South-western Political Council" which is opposed to the policies and personnel of the National Government at Nanking.

In the attached letter Mr. Hu states that the Chinese people will not recognize any sort of direct negotiations with Japan at this stage as such negotiations would constitute an ignominious surrender. For this reason the Chinese people are opposed to the Soong Mission to the United States as they believe that this Mission has as its ulterior motives the sounding out of the opinion of the United States in regard to the question

0185

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

of direct negotiations and the obtaining of loans from the United States to the Nanking Government, with which financial support that Government will further entrench itself to the detriment of the Chinese people.

In accordance with the past policies of the Department in regard to letters of this kind which come from unrecognized political groups in China, it is suggested that the letter be filed without acknowledgment.

*D/K.*  
*gch*

J EJ/VDM

*J. E. J.*

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

0190

*FE*

# The South-western Political Council.

CANTON, CHINA.



JUN 4 0 33 *1* May 9 1933

793.94



*file. No work.*

F/HS

Hon. Coruell Hall  
Secretary of State  
Sir,

793.94/6368

I take this occasion of addressing you because I feel that you will be in a position to help discover a solution towards the Far Eastern situation which would serve the interests of the world at large at this crucial hour. The complexity of the problem is the gravest that has ever confronted the statesmen of the world.

At this juncture, it seems, however, that China can only rely on American statesman of your unchallenged wisdom and integrity to think out a remedy as the key to peace in the Far East. Since the enunciation of the Hay Doctrine in 1899 against various infringers on China's territorial rights, the United States have pressed endless series of actions in that direction. This means that American statesmen have always realized that peace in the Far East is also world peace: as so interdependent have our societies become that any clash of nations today will almost certainly involve all the world. And certainly civilization cannot endure another world conflict without bringing greater calamity upon mankind than ever.

FILED JUN 29 1933

## The South-western Political Council.

CANTON, CHINA.

2

193

Now that Japan has virtually annexed the four provinces, she will have increased her territory three times the size of Japan proper and about one and half time her own population. In addition, she can have at her command unlimited natural resources and most strategic centres which are all vital to her interests in the event of entering into conflict with any other great power. Little wonder that she can "sit tight" at the moment and defy all interpretations of treaty obligations.

In such impregnable position as she is at present, she can easily try conclusions with America, or any other power that may obstruct her ambition. So long as Japan is in that bellicose mood, world peace is a futile hope.

At the same time, rumours coming from certain reliable quarters have it that Japan is intriguing hard for direct negotiations with China, in the hope of forcing her to recognise her "rights" over the four provinces. This is tantamount to legalisation of Japan's deeds of violence in Manchuria and Jehol. Any sort of direct negotiations with Japan at this stage would be an ignominious surrender. As a consequence, these rumours have roused a great gust of popular feelings against the Nanking Government doing anything of that sort to appease the military party in Tokio. The wrath and impatience of the people against the weak-knee

## The South-western Political Council.

CANTON, CHINA.

.....193.....

policy and opportunism of Nanking vis-a-vis Japan have been strained to the breaking point: and if direct negotiations are brought about, the passions of the people, I am afraid, will be so aroused that it will lead to most serious consequence in her political life, the unity of which is so vital to her existence against aggressive neighbour. Therefore the Chinese people not only oppose direct negotiations, but also encouragement of any kind from any quarter to the Nanking Government or its high officials that suggest or foster the idea of direct negotiations. Recently, when certain high officials of the Nanking Government were delegated to proceed to the United States for the Economic Conference at Washington, we notice that the mission has given rise to considerable adverse comments in the press and in various sections of China. The people are clamoring against the mission because they feel that its ulterior motive is at bottom to sound the opinion of the United States in respect to the question of direct negotiations. Simultaneously, the people suspect that the mission is to obtain loans from the United States with which the Nanking Government, whose policy has been non-resistance, aims to entrench its position and avert any possible rise against its mishandling of the Sino-Japanese situation. That

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

## The South-western Political Council.

CANTON, CHINA.

4

193

will be doing a great harm to the Chinese people.

Briefly I trust you understand why the Chinese people are looking upon the Nanking Government with so much distrust for having envisaged any direct negotiation with Japan at all.

With renewed distinguished considerations,

I remain,

Sir,

Yours very truly,

*Hu Han min*

(former minister for foreign affairs )  
(and president of the Legislative Yuan)

0194

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

June 19, 1933.

*S/H*  
M.H.H.  
J.S.P.

Peiping's despatch No. 2114, dated May 15, 1933, encloses a memorandum of conversation between Mr. Johnson and Mr. Suma, the First Secretary of the Japanese Legation, in which Mr. Suma stated that (1) the Japanese army was under instructions not to come to Peiping, (2) the Japanese army was no longer in control of the policies of the Japanese Government and all the branches of the Government were now cooperating for the purpose of stabilizing conditions and bringing the present hostilities to a halt, (3) the army was under strict instructions to limit its activities to the Wall and were not interested in making difficulties in north China, (4) Osaka merchants had been suffering because of adverse trade conditions in China and were supporting the Government in the hope that some solution of the Sino-Japanese embroglio might be found, (5) Osaka has recently been enjoying a régime of prosperity due to an increased market in India, the Philippines and the South Seas as a result of the fall in the Yen and the ruination of many Chinese merchants in those areas

0195

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

on account of anti-Japanese activities of the Chinese, (6) he was very hopeful that the new branch Political Council which was to be set up in Peiping under Huang Fu would better conditions in north China as Huang Fu had much influence with the Chinese and also had the confidence of the Japanese, (7) he believed that cooperation between Generals Ch'en Chi-t'ang and Chiang Kai-shek was a guarantee that the Cantonese would not be able to oust the Nanking Government, and (8) a more dangerous situation existed in the north possibly under the leadership of General Yu Hsueh-chung.

There is also enclosed with the despatch a memorandum of conversation dated May 8 between Mr. Johnson and Mr. Hallett Abend in which the latter stated that General Nakamura had told him that the Japanese planned a large military movement which would surround Peiping, smash the forces of the Central Government in north China and give the opponents of Chiang Kai-shek, possibly under Han Fu-chu, an opportunity to organize conditions in the northern area.

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ETW/VDM

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

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LEGATION OF THE  
UNITED STATES OF AMERICA

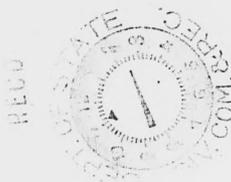
Peiping, May 15, 1933.

FE

No. 2114

Subject: Japanese military activities  
in North China.

793.94



JUN 10 33

F/HS



793.94/6369

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

Sir:

I have the honor to transmit herewith a memo-  
1/ randum of an interview I had with Mr. Yakichiro Suma,  
First Secretary of the Japanese Legation, who usually  
resides in Shanghai or Nanking but who called on me  
on May 6, 1933, during a brief stay in Peiping.

Mr. Suma assured me that the Japanese army had  
instructions not to come to Peiping, but that the  
Chinese forces had to be driven far enough from the  
border of Jehol to prevent their counter-attacking.

Referring

JUN 26 1933

FILED

- 2 -

Referring to conditions in Japan, Mr. Suma said that while in the beginning the Army had been in control of the policies of the Government, that was no longer the case and the Army was now cooperating with the other branches of the Government. With regard to the economic situation he stated that although the Osaka merchants had suffered because of adverse trade conditions in China, the fall of the yen had given them wider markets and many of their Chinese competitors had been ruined.

Turning to the political situation in North China, Mr. Suma expressed himself as hopeful that the new Political Council in Peiping under the chairmanship of General Huang Fu would bring about a better state of affairs. He considered Huang Fu a man of courage who had much influence with the Chinese and, being a returned student from Japan, he also enjoyed the confidence of the Japanese.

Interesting by way of contrast, in this connection, was a conversation I had two days later (May 8, 1933) with Mr. Hallett Abend, of the NEW YORK TIMES, who informed me that General Nakamura, commanding the Japanese troops in Tientsin, had told him that the Japanese were about to commence a military movement on the largest scale yet undertaken. While he did not say that they would occupy Peiping, he stated that they would "surround" it by seizing Miyun in the west and the Lwan River in the east. This, General Nakamura intimated, would give the elements

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

- 3 -

elements hostile to Chiang Kai-shek an opportunity  
2/ to organize a government in Peiping. A memorandum of  
my talk with Mr. Abend is likewise enclosed.

Respectfully yours,

*Nelson Trusler Johnson*

Nelson Trusler Johnson.

Enclosures:

- 1/ Memorandum of conversation  
May 6, 1933.
- 2/ Memorandum of conversation  
May 8, 1933.

800.

CVHE/js.

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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 No. 1  
Despatch No. 2114

Conversation.

Peiping, May 6, 1933.

Mr. Y. Suma, First Secretary Japanese Legation  
residing in Shanghai.

Subject: Sino-Japanese situation.

Mr. Suma called and in the course of conversation I asked him whether he had any information in regard to the situation here in North China and possible action of the Japanese army.

Mr. Suma stated that he could assure me the Japanese army was under instructions not to come to Peiping. He stated that the situation in the neighborhood of Kupeikow was very delicate and that the Japanese army was under the necessity of making an attack for the purpose of clearing up the situation at Miyun from which base the Chinese had made a very serious attack upon the Japanese forces at Kupeikow, but that the Japanese would not come beyond that point. Their only desire was to drive the Chinese forces far enough from the border of Jehol so that Japanese lines there might be secure.

He further stated that, whereas it was quite true that early in the present Sino-Japanese difficulty the Japanese army was for a time in control of the policies of the Japanese Government, it was not so now. During his recent visit in Japan with the Japanese Minister he found

- 2 -

found that all the branches of the Government were now working in cooperation, and that the army was cooperating with the rest of the Government for the purpose of stabilizing conditions and bringing the present hostilities to a halt. The army was under strict instructions to limit its activities to the Wall; he could assure me that they were not interested in making difficulties in North China.

Mr. Suma dwelt upon the difficulties which the Osaka merchants had been suffering because of adverse trade conditions in China due to China's resentment of Japan, and he stated that Osaka merchants were of a single mind in the matter now and were giving complete support to the Government in the hope that some solution of the Sino-Japanese embroglio might be found. Osaka, he said, was enjoying a régime of prosperity for the moment, due to the fall in the value of the yen, which had given it an increased market for Japanese goods in India, Philippines and the South Seas. Part of this prosperity was due to the fact that, owing to anti-Japanese activities of the Chinese in those regions many Chinese merchants had been ruined and were returning home leaving the field to the Japanese.

Mr. Suma stated that the Japanese were very hopeful that the new branch Political Council which was to be set up at Peiping under the chairmanship of Mr. Huang Fu would bring about a better condition of af-

airs

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

- 3 -

fairs in North China. He pointed out that Mr. Huang Fu was a returned student from Japan, that he was a man of courage, that he had much influence with the Chinese and also had the confidence of the Japanese. He indicated that the appointment of Mr. Ho Ch'i-kung as Secretary General to the Political Council indicated that General Chiang Kai-shek had succeeded in establishing a rapprochement with General Feng Yu-hsiang inasmuch as Mr. Ho Ch'i-kung was a protégé of Feng Yu-hsiang.

With reference to the situation in South China, Mr. Suma expressed the opinion that cooperation between General Ch'en Chi-t'ang and General Chiang Kai-shek was a guarantee that the Cantonese would not be able to oust the Government at Nanking, although he recognized that there was a delicate situation there due to the activities of General Ch'en Chi-t'ang and other Cantonese leaders. He remarked upon the fact that a more dangerous situation existed in North China possibly under the leadership of General Yu Hsueh-chung of Tientsin.

Nelson Trusler Johnson,  
American Minister.

NTJ.EA

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

EX-107 No. 21  
EX-108 No. 2116

Conversation.

Peiping, May 8, 1933.

Mr. Hallett Abend.  
Mr. Roberts.

Subject: Japanese military activities  
in North China.

Mr. Abend called and in the course of conversation stated that General Nakamura, commanding Japanese forces at Tientsin, informed him that the Japanese military were about to commence a military movement on the largest scale yet undertaken. General Nakamura stated that the Japanese army would advance through Kupeikow, seize Miyun, and then turn southward for the purpose of isolating Peiping from Tientsin; that in the meantime a thrust would be made through Shanhaikwan into the Luan River sector. General Nakamura stated that the Japanese would not enter Peiping, but would in a sense surround it, and it was expected that this movement would force the retirement of Chinese forces southward from the area between the Japanese and the Luan River sector.

The purpose of this movement, according to General Nakamura, was to smash the forces of the Central Government in North China and thus give an opportunity for forces hostile to Chiang Kai-shek to come out and organize conditions here. General Nakamura intimated that the Japanese were counting on General Han Fu-chu to lead this movement.

Nelson Trusler Johnson,  
American Minister.

NTJ.EA

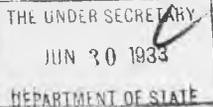
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

RE  
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS  
June 29, 1933.

U:  
Mr. Phillip

In the attached despatch of May 17 from Peiping, Minister Johnson reports that the British Minister at Peiping (Sir Miles Lampson, one of the ablest and most experienced of British diplomatic officers) told him in confidence "that the Japanese seemed to have far-reaching plans for establishing Japanese control in Asia and that it was difficult to foresee how far these plans might carry them".



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 19, 1933.

SKH  
Peiping's despatch No. 2119, dated May 17, 1933, encloses four memoranda of conversations in regard to the political situation in north China prior to the signing of the truce agreement. The conversations are briefly outlined in the covering despatch. The two most interesting items are (1) the possible establishment of a buffer state in north China under Huang Fu; and (2) the British Minister's statement that he believed that the Japanese seemed to have in mind far-reaching plans for establishing Japanese control in Asia.

ETW  
ETW/VDM

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



LEGATION OF THE  
UNITED STATES OF AMERICA

Peiping, May 17, 1933.

*FE*

No. 2119

Subject: Political Situation in North China.

*793.94*

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U.S. STATE DEPT.  
CONFIDENTIAL  
*1033*

F/HS

*copy in FE*  
Division of  
FAR EASTERN AFFAIRS  
JUN 12 1933  
Department of State  
*Feb*

793.94/637C

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

JUL 3 1933  
FILED

Sir:

1/4/ I have the honor to transmit herewith four mem-  
oranda of conversations I had on May 15 and 17, 1933,  
with Mr. Liu Chung-chieh, Vice Minister of Foreign Af-  
fairs, Mr. S. G. Cheng, Manager of the Continental  
Bank (Chinese) in Nanking, and Sir Miles Lampson, Brit-  
ish Minister.

When I called on Vice Minister Liu I took occasion  
to inform him that I was not taking any special precau-  
tions for the American colony in Peiping as a result of  
the

- 2 -

the flight of Japanese planes over the city, but that in the event of a real emergency I would, of course, arrange to have them come into the Diplomatic Quarter. Incidentally, Mr. Liu told me that General Chang Ching-yao, who was murdered on May 7, 1933, at the Wagons-Lits Hotel in the Diplomatic Quarter, was suspected of having been implicated in a plot to start "trouble" in Peiping, presumably at the instigation of the Japanese.

Mr. Cheng, of the Continental Bank, told me that he had come to Peiping on behalf of General Huang Fu, the chairman of the new Political Council in Peiping, to look over the situation prior to his (Huang's) arrival. He stated that Huang Fu hoped it might be possible to come to an arrangement with the Japanese for the cessation of hostilities, as was done in Shanghai last spring. But the Chinese would not negotiate regarding any of the major problems. I gathered that Huang Fu might attempt to organize something in the nature of a buffer state in North China, but under the Nanking Government.

In my interview with Sir Miles Lampson - in the course of which I informed him also of the reasons which had prompted me to advise American women and children to leave Tungchow - Sir Miles told me that Mr. Yakichiro Suma (see Legation's despatch No. <sup>6369</sup>2114, May 15, 1933) and Mr. S. G. Cheng, mentioned above, had also called on him and had talked to him along the same lines. Sir Miles stated that he had made it clear to them that while he was quite willing to act in a friendly capacity in an endeavor

3208

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

- 3 -

endeavor to arrange for an armistice, he did not wish to be merely used as a channel for the delivery of a Japanese ultimatum to the Chinese. The British Minister also told me in confidence that the Japanese seemed to have far-reaching plans for establishing Japanese control in Asia and that it was difficult to foresee how far these plans might carry them.

Respectfully yours,

*Nelson Trusler Johnson*  
Nelson Trusler Johnson.

Enclosures:

1/	Memorandum of conversation	May 15, 1933.
2/	" " " "	May 15, 1933.
3/	" " " "	May 17, 1933.
4/	" " " "	May 17, 1933.

800.

CVHE/js.

4 Carbon Copies  
Received *FP*

0207  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 1  
Despatch No. 2119

Conversation.

Peiping, May 15, 1933.

Mr. Liu Chung-chen, Vice Minister for Foreign Affairs.

Subject: Sino-Japanese situation.

I went to see Mr. Liu at his house. He told me that the Chinese forces had evacuated Shihhsia and had repaired to within about five or six miles of Miyun; and that they had lost very heavily in the fighting up there. He said that the Japanese were pushing across the Luan River. He asked me whether I had any information. I stated that I had none, except the confirmation of a report from Tientsin to the effect that the Japanese military spokesman there had stated that Japanese forces intended to take Tungchow.

Mr. Liu asked me whether we had done anything or said anything about the flight of Japanese planes over Peiping last week. I said that we had not. He asked whether my people were not threatened; I said that they were. He asked whether I had prepared to lead them to a place of safety; I said that I did not know where to send them; that we were living in the city of Peiping, all of us; that we were watching the situation carefully; and that I could not think of any place safer for them than their own houses; but that of course in case of an emergency I would have to arrange for them

to

0208

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

- 2 -

to come into the quarter. That did not seem necessary now; it might not in any case be necessary.

I asked Mr. Liu if he had any information as to what was behind the assassination of General Chang Ching-yao. He stated that he had seen papers indicating that with the capture of Kupeikow and the advance of the Japanese troops as far as Miyun Chang Ching-yao had undertaken to start trouble in Peiping. A part of the plot was for them to seize the Palace, and for this reason the military had closed the Palace, in order to keep suspicious people out of it. He seemed to think that danger from this direction had been eliminated.

Nelson Trusler Johnson,  
American Minister.

NTJ:RA

0209

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

Excluded from 21  
Date 2/19

Conversation.

Peiping, May 15, 1933.

Mr. S. G. Cheng, Manager Continental Bank, Nanking.

Subject: Mr. Huang Fu and conditions in  
Peiping-Tientsin area.

Mr. Cheng called and stated that before leaving Nanking he had endeavored to see Mr. Peck in order to get Mr. Peck to tell me of his coming, but had not succeeded. He said that while nominally he was here for the purpose of looking after the interests of his bank, his real purpose in coming to Peiping was to look over the situation on behalf of Mr. Huang Fu who was scheduled to leave Nanking to-night for Peiping. He asked me what I thought about the situation.

I told him that I did not know what to think about the situation; that I was not certain what the plans of the Japanese were, although it seemed to me that it was quite likely that the Japanese intended to come to Peiping. I said that I had been informed that the Japanese military spokesman in Tientsin had stated that the Japanese intended to capture Tungchow. I said that I thought Mr. Huang Fu should come up quickly to Peiping; that the sooner he got here the better it would be, for he should be here in order to have an opportunity to see the situation for himself.

Mr.

- 2 -

Mr. Cheng told me that Mr. Huang Fu hoped that it might be possible to arrange for a cessation of hostilities in this area somewhat after the fashion at Shanghai last year. He asked me what I thought about this. I told him that I was at a loss to know what to tell him, inasmuch as I did not know what the plans of the Japanese were, nor did I know what the plans of the Chinese Government were. I said that I had no advice to give or suggestions to make other than that Mr. Huang Fu arrive at Peiping at an early date, and that if the Central Government was really prepared to work out an armistice a public statement to that effect in Nanking would probably help more than anything else. I said that I did not wish to become responsible for any movement of that kind, especially when I was not certain as to what the Chinese wanted to do. I stated that I would be quite willing to assist as an observer in any discussions for a cessation of hostilities here provided such discussions could be arranged.

Mr. Cheng stated that Mr. Huang Fu was hopeful that something of the kind might be done, but realized that there were difficulties, as the Japanese were determined not to assent to any discussions in the presence of a third party. He said of course the Chinese were not prepared to negotiate directly with the Japanese on the greater questions involved, such as the

question

3211  
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Department of State letter, August 10, 1972  
By Milton D. Hueston NARS, Date 12-18-75

- 3 -

question regarding Manchuria. They merely wanted to arrange for a cessation of hostilities pending settlement of the other questions.

I gathered from what Mr. Cheng stated that under Mr. Huang Fu it might be possible to organize North China so that it could in a sense become somewhat of a buffer between the Yangtze Valley and Manchukuo, and still be under the control of the Nanking Government.

Nelson Truesler Johnson,  
American Minister.

NTJ:EA

0218

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

Confidential

Conversation.

Peiping, May 17, 1933.

Sir Miles Lampson, British Minister.

Subject: Sino-Japanese situation. Conditions  
at Peiping.

I called on Sir Miles to-day. I explained to him the reason why I had advised American women and children to leave Tungchow, stating that we were very much concerned about the school for American children at Tungchow in the light of recent information to the effect that Tungchow might shortly be involved in the military operations now going on to the north and east.

Sir Miles said that he quite understood, and agreed that the action which I had taken was the only proper action to take. We both agreed that there seemed to be no occasion for taking any precautionary steps here at Peiping.

Sir Miles told me of a conversation which he had had on last Saturday (May 13th) with Mr. Suma. I told him of what Mr. Suma had said to me on May 6th. Sir Miles said that Mr. Suma's statements to him were along the same lines and apparently quite optimistic, as he seemed to place great hopes upon what Mr. Huang Fu might be able to accomplish here. He said that Mr. Suma had described his mission to Peiping as being for the purpose

- 2 -

pose of getting the atmosphere of the place. Sir Miles told me that he had said to Suma that the Japanese were creating plenty of atmosphere here, and that he thought that if the Japanese expected any results from Mr. Huang Fu's coming it would be necessary for them to take some action to make it possible for Mr. Huang Fu to accomplish these results. After all, Mr. Huang Fu had no one on the Japanese side here in the North with whom he could talk. Mr. Suma admitted this and stated that he had recommended that Mr. Ariyoshi, the Japanese Minister, come shortly to Peiping.

Sir Miles stated that he had also had a conversation with Mr. Cheng, with whom I had talked on May 15th, and along the same lines. He said that he had told Mr. Cheng that if and when the Chinese made up their minds that they wanted to arrange for a truce they should announce their desires in no uncertain way through some one in authority. Sir Miles stated that he had said to Mr. Cheng and also to Mr. Suma that he was quite willing to act in a friendly capacity in these matters, but that he did not wish to be placed in a position where he would be merely a channel for the delivery of a Japanese ultimatum to the Chinese.

Sir Miles stated that he had also said to Suma that the Japanese must take into consideration the Chinese point of view, namely, that they were not in a position to settle questions relating to Manchuria, and that what they wanted was a cessation of hostilities, leaving the other questions to be settled subsequently. Mr. Suma said that he realized this.

Nelson Trusler Johnson,  
American Minister.

NTJ.EA

0212

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

4  
219

Confidential.

Conversation.

Peiping, May 17, 1933.

Sir Miles Lampson, British Minister.

Subject: Japanese position in the Far East.

In the course of conversation to-day Sir Miles stated that more and more it was being borne in upon him that the Japanese seemed to have in mind far-reaching plans for establishing Japanese control in Asia, and it was difficult to foresee how far these plans might carry Japan. He said that these thoughts had been in his mind for some time, although he had not mentioned them in any communications to his Government.

I stated that I also had been somewhat impressed with this possible interpretation of Japanese activities on the Asiatic mainland and that, unlike himself, I had mentioned these thoughts to my Government.

Sir Miles stated that he thought this was a very serious aspect of the situation, and one that would bear watching.

Nelson Trusler Johnson,  
American Minister.

NTJ.EA

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

3215

FE

TELEGRAM RECEIVED

REP

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

FROM GRAY

Tientsin via N. R.

Dated June 12, 1933

Rec'd 12:50 p. m.

F/HS

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS  
JUN 12 1933  
Department of State

June 12, 2 p. m.

793.94/6371

That the withdrawal of Japanese and Manchukuo forces from Tangshan area is gradually progressing is confirmed in Chinese official quarters here as is fact that Hopei provincial authorities have been instructed to organize a special police force to protect demilitarized zone. The prospect of restoring through traffic on Peiping-Shanhaikwan Railway in the near future is improving, the principal impediment at present ~~stage~~ <sup>still</sup> being the renegade troops of Li Chi Chun in the Lutai area.

LOCKHART

RR  
McL

FILED  
JUN 13 1933

021E  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 19, 1933.

~~MMF:~~

Tientsin's despatch to the Legation No. 385 dated May 16, 1933, encloses a copy of a letter to the Japanese Consul General transmitting a list of American owned property adjacent to the cities of Peiping and Tientsin and to the railroads and highways in this vicinity. The letter states that it is hoped the information will prove helpful to the Japanese authorities in their endeavors to prevent the occurrence of possible damage to American property.

The despatch also encloses copies of ~~consular~~ letters to certain American citizens and mission stations suggesting that, in view of the possible extension of military operations to the area in which they reside, they withdraw to a place of safety.

~~ETW~~  
ETW/VDM

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

Extra Copies Sent To The Department Without Covering  
Receipt. MAY 19 1933

FE  
D/c

No. 385.

AMERICAN CONSULATE GENERAL

Tientsin, China, May 16, 1933.

*g for Mosher*

SUBJECT: Protection of American Owned Properties.

PM RECD  
DEPARTMENT OF STATE  
RECEIVED  
MAY 23 1933

DEPARTMENT OF STATE  
MAY 23 1933  
M  
MAY 23 1933

The Honorable  
Nelson Trusler Johnson,  
American Minister,  
Peiping, China.

copy in FE  
Division of  
FAR EASTERN AFFAIRS  
MAY 13 1933  
Department of State  
*Jib*  
*JH*

793.94  
3.93  
3.11

F/LC  
793.94/3872

Sir:

I have the honor to acknowledge the receipt of the Legation's telegraphic instruction dated May 15, 5 p.m., concerning the reported intention of the Japanese forces to advance on T'ungchow and certain measures to be adopted in preparation for such an event.

In reply to the Legation's instruction under acknowledgment I have the honor to enclose copies of the Consulate General's circular letter of warning, dated May 16, 1933, to certain American citizens and mission stations, of the list of those to whom the circular was sent, of the Consulate General's despatch of May 16, 1933, to the Japanese Consul General at Tientsin, and of the list of American properties transmitted with that despatch.

The lists

FILED  
MAY 3 1933

0218

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

- 2 -

The lists of American owned properties which may be affected by an invasion of T'ungchow and the descriptions thereof are believed to be incomplete, since the Consulate General is not in possession of the requisite information. Not more than half of the Missions circularized under date of March 6, have so far replied, several of the replies were inadequate and had to be returned for completion, and but three responses have been received to the Consulate General's further circular of May 8 requesting, in accordance with the Legation's circular instruction No. 217 of April 20, 1933, detailed descriptive information as to the situations and environments of the various properties.

As soon as the Consulate General receives information of further American owned properties which may be affected by a possible invasion of T'ungchow, or more detailed descriptions of such properties, it will communicate again with the Legation and the Japanese Consulate General at Tientsin.

Respectfully yours,

F. P. Lockhart,  
American Consul General.

Enclosures:

- 1/ Letter to Japanese Consul General,  
dated May 16, 1933.
- 2/ Circular letter of warning, dated May 16, 1933. —

800  
300  
JSM:t

Original and three copies to the Legation, Peiping.

*2 copies, substantially the same*

A true copy of the signed original. <i>km</i>
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0219  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Glustein NARS, Date 12-18-75

American Consulate General,  
Tientsin, China, May 16, 1933.

Sir and dear Colleague:

I have the honor to transmit herewith for your information a list, in duplicate, of properties owned by Americans in the territory adjacent to the cities of Peiping and Tientsin and to the railroads and highways in their vicinity, with the request that you be so good as to bring it to the attention of the appropriate Japanese military authorities.

It is hoped that this information will prove helpful to the Japanese authorities in their endeavors to prevent the occurrence of possible damage to American owned properties which might arise in connection with the general situation now reported to prevail in this area.

I may

K. Kuwashima, Esquire,  
Consul General for Japan,  
Tientsin.

3221  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

I may add that there are believed to be other American properties not shown in the enclosure, and I have the honor to assure you that the Consulate General will hasten to inform you of the locations of such properties as soon as they may be made known to it.

I may add, further, that, according to information now in my possession, a part of the Chinese Boys' School owned by the American Board Mission at T'ungchow at present houses some wounded Chinese soldiers.

I have the honor to be,

Sir and dear Colleague,

Your obedient servant,

F. P. Lockhart,  
American Consul General.

Enclosure:

List, in duplicate, as described.

300

300

JSM:t

A true copy of  
the signed original.  
JSD

LIST OF AMERICAN OWNED PROPERTIES.

- An T'zu Hsien, South of Langfang.  
Methodist Mission.
- Ch'ai Kou Pao, Chahar.  
Methodist Protestant Mission.
- Chang Peh Hsien, via Kalgan, Chahar.  
Assemblies of God Mission.
- Ch'ang P'ing Hsien, on the Peiping-Suiyuan Railway.  
Methodist Mission.
- Chi Hsien, East of San Ho Hsien.  
Methodist Mission.
- Ch'ing Ho, near Peiping.  
Presbyterian Mission, 24 Ch'ing Ho Street.
- Feng Jun Hsien, North of Tangshan.  
Methodist Mission.
- Feng T'ai, near Peiping.  
Seventh Day Adventists Mission, Hsin Fang Chuang Ts'un.
- Hsin Ho, near Tangku.  
Socony-Vacuum Corporation Installation.
- Hsiang Ho Hsien, Southeast of Tunghsien.  
American Board Mission.
- Huai Jou Hsien, West of Miyunhsien.  
Methodist Mission.
- Huai Lai Hsien, Chahar.  
Methodist Mission.
- Hsuan Hua Fu, near Kalgan, Chahar.  
Methodist Protestant Mission.
- Hwang Ts'un, South of Peiping on the Peiping-Tientsin Railway.  
Methodist Mission.
- Kalgan, Chahar.  
Methodist Protestant Mission  
Seventh Day Adventist Mission, Han Chiao Chieh.
- Kaoliying, Half way between Shun I and Ch'ang P'ing.  
Methodist Mission.
- Ku An Hsien, South of Nanyuan, Peiping.  
Methodist Mission.
- Lang Fang, on the Peiping-Tientsin Railway.  
Methodist Mission.  
Women's Foreign Missionary Society of the Methodist Mission.
- Miyunhsien, Northeast of Peiping.  
Methodist Mission.
- Nank'ou, North of Ch'ang P'ing Hsien.  
Methodist Mission.  
Women's Foreign Missionary Society of the Methodist Mission.

- 2 -

Nanyuan, South of Peiping.  
Methodist Mission.

Niu Lan Shan, Hwai Jou Hsien.  
Methodist Mission.

Pa Hsien, West of Yangliutsing.  
Methodist Mission.

Pao Ti Hsien, East of Hsiang Ho Hsien.  
American Board Mission.

P'ing Ku Hsien, Southeast of Miyun and northeast of Sanho.  
Presbyterian Mission.

San Ho Hsien, East of P'unghsien.  
American Board Mission.

Presbyterian Mission,  
Sheng Fang, Southwest of Tientsin.  
Methodist Mission.

Shun I Hsien, North of T'ung Hsien.  
American Board Mission.

T'ai P'ing Chuang, Ch'ang P'ing Hsien.  
Methodist Mission.

Tientsin.

American Board Mission,  
Kang Wei Lu, 2 lots with buildings, near the  
Hopi Park and the Wireless Station, Hopel.  
Hsi Ku, near the Tan Hwa Match Company and not  
far from the Peiyang University.  
Ex-Russian Concession, House, corner Poppe and  
Alexander Roads (4-5 mou).

Methodist Episcopal Mission,  
Nan Kwan, not far from the Japanese Barracks.  
San Yi Chuang, 1st Special Area.  
West Gate Church, West Gate of the Native City.

Seventh-Day Adventists Mission, Shai Mi Ch'ang, Inside  
the Native City.

Y. M. C. A., Tung Ma Lu, near the East Gate of the  
Native City & Ch'ung Jen Kung, Tung Ma Lu,  
opposite and north of the main building.

Socony-Vacuum Corporation, San T'iao Shih, Hopel, on  
the Peiho River Bank.  
Socony-Vacuum Corporation Installation, 3rd Special Area.

The Texas Company Installation, 4th Special Area.

MacLay Estate property, Russian Road and Bund Road,  
and Lapteff Road, Third Special Area.

- 3 -

Tientsin (continued)

R. T. Evans,

Bureau Street No. 2, First Special Area.  
Tongku Road No. 2, First Special Area,  
Tongku Road Nos. 3, 4 and 5, First Special Area.  
Ningpo Road Nos. 10, 11, 12 and 13, 1st Special Area.  
Woodrow Wilson Street No. 132, First Special Area.  
Corner of Poppe and Consular Roads, 3rd Special Area.  
To Ai Li, near Wireless Station, Kang wei Lu, Hopei.

Koulaeff, Basil John.

Woodrow Wilson Street, First Special Area.

Tunghsien, near Peiping.

American Board Mission Compound:

Jefferson Academy (Lu Ho Academy).

Outside the South Gate, near the Railway Station.

American School, Outside the South Gate.

Lu Ho Hospital, near South Gate.

Primary school and girls' school, Fu Hsing Chuang,

Outside the South Gate, near the Railway Station.

American Board Mission Chapels:

Inside the South Gate,

South of the Drum Tower, Tunghsien city.

Jefferson Academy Faculty Residences:

Several Chinese houses.

American Board Mission Residences:

Outside the South Gate, near the Railway Station.

Yang Liu Tsing, west of Tientsin.

Methodist Mission.

Yu T'ien Hsien, Northeast of Paotih sien.

Methodist Mission.

0224

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

130  
FPL:1

C O P Y

American Consulate General,  
Tientsin, China, May 16, 1933.

Mr. Karl B. Olsen,  
Changpeh, via Kelgan,  
Chahar.

Sir:

In view of the possible extension of military operations to the area in which you reside, it is suggested that you withdraw to a place of safety pending more settled conditions. While definite information concerning future developments in the situation is not available, it is believed that as a precautionary measure you would be well advised temporarily to remove from an area which might conceivably shortly be within the zone of operations. At least I trust that you will remove to a place of safety at the first sign of any danger due either to military operations or to disorder from retreating soldiers or to threatened bandit raids.

Very truly yours,

F. P. Lockhart,  
American Consul General.

the stated orig-  
inal.

0225

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

An identic letter to the attached has also been sent to the following:

- Miss Agnes T. Moy,  
Sin Pao An, Chahar.
- Mrs. Mary Rodgers Larson,  
Hattin Sumu,  
Chang Pei Hsien, via Kalgan, Chahar.
- Mrs. Esther Shluger,  
Yingchengtze, Kalgan.
- Mr. Gilmer T. Lee,  
Pacific Alkali Company,  
Tangku, Hopei.
- Mrs. Zoe E. Alfsen,  
Care of Scandanavian Alliance Mission,  
Kalgan, Chahar.

0228

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

130  
FPL:1

American Consulate General,  
Tientsin, China, May 16, 1933.

Krimmer Mennonite Brethren Mission,  
Chotzeshan, Suiyuan.

Sirs:

In view of the possible extension of military operations to the area in which your Mission is located, it is suggested that members of your Mission withdraw to a place of safety pending more settled conditions. While definite information concerning future developments in the situation is not available, it is believed that as a precautionary measure members of your Mission would be well advised temporarily to remove from an area which might conceivably shortly be within the zone of operations. At least I trust that members of your Mission will remove to a place of safety at the first sign of any danger due either to military operations or to disorder from retreating soldiers or to threatened bandit raids.

Very truly yours,

F. P. Lockhart,  
American Consul General.

This was copy of  
the original file  
1980

0227

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

An identic letter to the attached has also been sent to the following:

Hephzibah Faith Mission,  
Pingtichuan, Suiyuan.

Methodist Protestant Mission,  
Kalgan, Chahar.

Scandinavian Alliance Mission,  
Kalgan, Chahar.

Seventh Day Adventist Mission,  
Kalgan, Chahar.

DECLASSIFIED: E.O. 11652, 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  
BUREAU OF INDEXES AND ARCHIVES

*agc*

Please place the stamp of  
your office on the  
attached paper and return  
to the Tally Desk.



DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS  
June 16, 1933.

~~SECRET~~  
~~SECRET~~

Nanking's despatch No. D-488,  
dated May 11, 1933, reporting the  
views of the Chinese Minister for  
Foreign Affairs in regard to the  
Sino-Japanese Controversy contains  
an adequate digest.

*E. H.*

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

*FE*  
*etc*

No.D-488

AMERICAN CONSULATE GENERAL,

Nanking, China, May 11, 1933.

*g for Beck*

Subject: Views of the Chinese Minister for Foreign Affairs in regard to the Sino-Japanese Controversy.

PM RECD  
JUN 12 1933

The Honorable

The Secretary of State,  
Washington.

*copy in FE*

*79394*

*4*  
*93*

Sir:

Division of FAR EASTERN AFFAIRS  
JUN 15 1933  
Department of State

F/LS  
793.94/6573

I have the honor to state that on April 27, 1933, the Ministry of Foreign Affairs issued a press release to the following effect:

"Spokesman of Chinese Foreign Office categorically denies the report in London Daily Express alleging that peace discussions regarding North China situation are under way between China and Japan and reiterates determination of Chinese Government to continue resistance against further invasion."

JUN 17 1933

On April 28 the Chinese press published an account of statements made by Dr. Lo Wen-kan, Minister for Foreign Affairs, in regard to the fighting then going on, and since then recommenced, in the area near the mouth of the Luan (or Lan) River, near Chinwangtao. His remarks were so interesting that I had them translated and likewise obtained confirmation through the secretary of Dr. Lo Wen-kan that the account was an accurate one. A translation is attached to the present despatch.

The

0231

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

- 2 -

The Department will note that Dr. Lo Wen-kan announces the fixed determination of the Chinese armed forces to resist Japanese invasions and that he predicts that China's future will be dangerous if the country relies on the enemy voluntarily to retreat, or on other countries for help. The Minister for Foreign Affairs explains that economic conditions inhibit the members of the League of Nations from taking military or economic measures to restrain Japan from invading China and that the same reasons have dissuaded China from asking that the League restrain Japan.

The Minister urged that the Chinese people cease to look for such extraneous help as might be expected from strained Soviet-Japanese relations or from the Washington conversations, and declares that it is China's duty to settle, through her own efforts, those problems which arise in her relations with Japan.

In the last paragraph of the statement the Minister for Foreign Affairs asserts that discussions will be started for a Sino-Russian Commercial Treaty and a Non-Aggression Pact after the Soviet Ambassador has presented his credentials. In this connection I have the honor to state that the new Ambassador has presented his credentials and that I am informed that he began, on May 10,

1933,

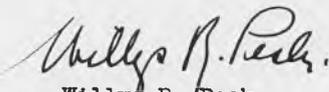
66/9331  
70/6193  
76/9311

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

- 3 -

1933, discussions with Dr. Hsu Mo, Vice Minister for  
Foreign Affairs, with a view to the signing of a Sino-  
Soviet Non-Aggression Pact.

Respectfully yours,

  
Willy R. Peck,  
American Consul General.

Enclosure:

1/ Translation of Interview with Dr. Lo  
Wen-kan, published in the MIN SHENG PAO,  
Nanking, April 28, 1933.

In quintuplicate to the Department of State.  
In duplicate to the American Legation, Peiping.

800

WRP:MCL

0232  
DECLASSIFIED: E.O. 11652, 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 to the Department No.D-488,  
of Willys R. Peck, American Consul General at Nanking,  
China, dated May 11, 1933, entitled "Views of the  
Chinese Minister for Foreign Affairs in regard to the  
Sino-Japanese Controversy".

Source: THE PEOPLE'S LIVELIHOOD,  
Nanking, April 28, 1933.

An Interview with Dr. Lo Wen-kan

OPTIMISM DIFFICULT RE SINO-JAPANESE CONTROVERSY

Future dangerous if Chinese  
people fail to unite.

The future of Sino-Japanese problems can scarcely  
be considered as optimistic. The Japanese troops in the  
Luantung-Hsifenkow region seem to have the intention of  
retreating as a result of the attack by Chinese forces.  
This apparent victory of the Chinese forces at the front  
may possibly be accounted for<sup>by</sup>/the reported plan of the  
enemy to invade Charhar from Jehol. Regardless of  
developments in Luantung or east Charhar, the fixed  
determination of Chinese forces at the front to defend  
our territory and to fight a desperate war will absolute-  
ly not be affected by the advance or retreat of the enemy.  
If our fellow countrymen will make similar efforts to  
save the country, we will surely be able to preserve our  
territory and to resist the aggressions of the foreigner.  
However, if the people expect the enemy to retreat  
voluntarily and if they rely upon other countries for  
help, our future is very dangerous.

The League of Nations has not as yet abandoned its  
attempt to restrain Japan. But even this is a question  
of time. At present, economic relations between European  
countries, especially the various Powers, have become

more

Enclosure No. 1

-2-

more and more intensified. They naturally hesitate to restrain Japan before their internal questions are settled and, for this reason, they are unable to resort to a policy of armed force. They must thoroughly consider the seriousness of the situation, and must exercise every care even for the imposition of economic sanctions.

With regard to diplomatic measures, Japan has already withdrawn from the League. On our part, we shall first formulate adequate plans for ultimate success, and then proceed to enforce such plans. We have not acted hastily, and have not hurried to request the League to restrain Japan.

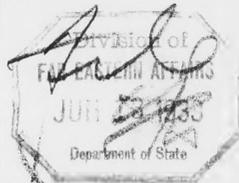
Many people think that the increasing gravity of Russo-Japanese relations seems advantageous to China. Others think that the economic discussions called by the American President will probably be beneficial to the future of Sino-Japanese problems. These views are dangerous. It is our own duty to settle problems which concern Japan. Our primary obligation is to awaken to our situation and carry on a vigorous defense. We can never obtain satisfactory results if we ourselves are not energetic. Nations, like individuals, cannot expect help from others unless they help themselves.

The Five Year Plan of Soviet Russia succeeded because all Russians strove for its enforcement. Although the Chinese Eastern Railway question is grave, Soviet Russia will not carelessly resort to war in order to help China. As regards a Sino-Russian Commercial Treaty and a Non-aggression Pact, discussions will be started after the Russian Ambassador presents his credentials.

0234  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Hunt NARS, Date 12-18-75

DIGEST

Despatch No. D-488 dated May 11, 1933.  
From: The American Consulate General, Nanking, China.  
To: The Department of State, Washington.



Foreign Office press release of April 27, 1933, denies that peace discussions are under way between China and Japan and reiterates determination of the Chinese Government to continue resistance.

An interview with the Minister for Foreign Affairs published on April 28, 1933, announced definite continuance of resistance policy and urged that no reliance be placed on the League of Nations for military or economic measures to restrain Japan.

It is China's duty to settle, through her own efforts, her difficulties with Japan and if China relies on foreign help the future of the country will be dangerous.

Discussions have begun between the Soviet Ambassador and the Chinese Foreign Office for the non Aggression Pact.

ENCLOSURE

The League of Nations has not abandoned its attempt to restrain Japan but this will be a question of time.

It is a mistake for the Chinese people to expect advantage in settling the Sino-Japanese problems from strained Russo-Japanese relations or from the economic discussions called by the American President.

China must, first of all, save herself; without those efforts no foreign assistance may be expected.

793.94/6373

0235

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 24, 1933.

~~MMH:~~  
JED:

Shanghai's despatch No. 8925 under date May 20, 1933, encloses translations of two editorials from the local Chinese press in regard to the Sino-Japanese "war" in north China. The editorials criticize the ineffectual resistance of the Chinese forces and urge them to increase their efforts and prevent the capture of Peiping.

*ETW*  
ETW/VDM

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

NO. 8925

FE  
A-90

AMERICAN CONSULATE GENERAL,

Shanghai, China, May 20, 1933.



M for Josselyn



SUBJECT: Chinese Press Comment on Japanese Threat to Peiping and Tientsin.

F/LS  
790.94/6074

THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.



SIR:

In connection with the recent advance of the Japanese and "Manchukuo" forces in the direction of Peiping and Tientsin, I have the honor to transmit herewith editorial comments from the Shanghai Chinese press. The summary translation of the editorials from the CHINA TIMES (Shih Shih Hsin Pao) and the SHUN PAO were made by the KUO MIN NEWS AGENCY and checked by this office. The editorial from the SIN HAI PAO of May 12, 1933, was translated by this office. It is not believed that any special comment is necessary. The three journals in question are the leading Chinese vernacular newspapers published in Shanghai.

JUL 3 1933  
RECEIVED

Respectfully yours,

*Edwin S. Cunningham*  
Edwin S. Cunningham,  
American Consul General.

Enclosures:

0237  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

-2-

✓  
Enclosures:

- 1/- Summary translation of editorials from  
CHINA TIMES (Shih Shih Hsin Pao) and  
SHUN PAO.
- 2/- Translation of editorial from SIN WAN  
PAO.

800  
PRJ:HEC

In Quintuplicate to Department.  
One Copy to Legation, Peiping.

Enclosure No. 1 to despatch No. 8925 of Edwin S. Cunningham, American Consulate General, Shanghai, China, Dated May 20, 1933, on the subject: "Chinese Press Comment on Japanese Threat to Peiping and Tientsin".

SOURCE: CHINA TIMES (Shih Shih Hsin Pao) and SHUN PAO, translation by KUO MI NEWS AGENCY (Chinese: semi-official) May 16, 1933.

#### SUMMARY TRANSLATION

Shanghai, May 16.--"We must defend Peiping and Tientsin to the utmost of our ability and when it is no longer possible to hold them, let us destroy them," the China Times declares in an editorial on the Japanese advance towards Peiping and Tientsin.

Pointing out the imminence of the fall of these cities, the journal dwells at length upon some of the possible consequences, in case they fall into Japanese hands.

In the first place, as the aggressive ambitions of Japan know no bounds, the occupation of the Old Capital will lead to further aggressions into Shantung, Shansi and other northern provinces. They will either extend the dominion of "Manchukuo" to these new acquisitions or set up a separate puppet regime in north China. In either case, they will attempt to win over the people by seemingly benevolent policies in order thus to achieve their aggressive object.

Secondly, while, in view of the large foreign interests in the Peiping-Tientsin area, Japanese occupation of these two cities may give rise to international complications, it would be futile however to hope that China can thereby find a way out of the crisis. In fact, the probabilities are that the foreign Powers would adapt themselves to the new situation and would even support the invaders at the expense of China.

In the third place, the journal expresses the fear that the desire to preserve their lives and properties may prompt the people to submit to the new rulers. Thus, the bombardment of Peiping and Tientsin may be the signal for a movement in favour of peace and surrender.

Concluding, the journal reminds the nation of the miserable plight of the people under the Japanese yoke, and of the lessons afforded by India, Annam and Korea. It urges the people to realize that there is no way to escape from the danger and that, instead of surrender, it would be far more wisely to fight to the finish.

Commenting upon the same subject, the Shun Pao emphasizes the absolute meaninglessness of the ineffective, planless and uncoordinated resistance which has been offered since the outbreak of hostilities in Jehol.

It is

0235

DECLASSIFIED: E.O. 11652, 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-

It is high time, the journal says, that the government adopt some rational policy in place of the present aimless and disastrous plan. It points out that there are two possible courses open to the nation; i.e., either compromise or war. The former course, though it may give temporary relief, is attended with grave dangers; while the latter, though apparently dangerous, is really the only possible solution of the present situation.

The journal therefore advocates that the nation be mobilized for a systematic and well-planned campaign of resistance against the Japanese.--Kuo Min.

Copied by HEC: *Sa*  
Compared with: *Sa*

0241

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

Enclosure No. 2 to despatch No. 8925 of Edwin S. Cunningham, American Consulate General, Shanghai, China, dated May 20, 1933, on the subject: "Chinese Press Comment on Japanese Threat to Peiping and Tientsin."

SOURCE: SHEN KAI PAO (Daily - Chinese Independent) May 12, 1933, translated by this office.

TRANSLATION

In an editorial commenting upon the flight of Japanese planes over Peiping, the SHEN KAI PAO expresses the belief that such an aerial demonstration plainly indicates Japan's desire to occupy the Old Capital since Japanese troops are in the habit of sending their planes as a forerunner to any city which they mean to take. Speaking of the measures that must be taken to meet the emergency, the journal regrets to say that, as a matter of fact, China has never adopted any settled policy vis-a-vis the inroad of Japanese aggressors and that the declaration of the Chinese authorities who insist on the use of diplomacy and the offering of resistance at the same time does not amount to anything when one is convinced of the imbecility of the League of Nations as an international machinery of peace movement and of the farcial manner in which Chinese generals have been professing to restore the lost territory. Reference is here made to the failure of the League even to settle the dispute between Paraguay and Bolivia and of the want of confidence on its ability to apply sanctions to Japan. As to the question of armed resistance, the journal declares that China is not active but passive everywhere and that she never thinks of defense until the enemy is in sight. As cases in point, mention is then made of the fall of Tolun and of the precarious situation at Luantung and Kuyuan where Tang Yu-lin is said to have again resorted to the tactics that he used at Jehol.

In the concluding paragraph, the journal points out that the fall of Peiping would be a far more serious matter than that of Jehol or Luantung; that, if it is desired to avert such a mishap, China should see that the old tactics are altogether discarded while every possible exertion is made to defend the Luan River on the one hand and Miyun on the other hand. At the same time, the journal adds, a strenuous effort must be made to prevent things going from bad to worse on the east of Chahar; no isolated army should be made to bear the brunt; and no further use should be made of any man who has forsaken the territory under his control. The fear is then expressed that Peiping might follow in the wake of Jehol and Luantung unless the defenders are now prepared to hold it to the death or to offer a resistance in the real sense of the word.

Copied by IEC: Cap  
Compared with: BT

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

3241

TELEGRAM RECEIVED

FE

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

MET

FROM

GRAY

Canton via N.R.

Dated June 13, 1933

Rec'd 9:40 a. m.

793.94  
note  
893

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS  
JUN 14 1933  
Department of State  
16360

June 13, 5 p. m.

Referring to my telegrams of June 6, 3 p. m. and  
June 9, 5 p. m., I have today received a note from the  
Mayor enclosing a communication dated today and addressed  
by the Southwest Political Council to the League of  
Nations and to the signatories of the Nine Power Pact  
declaring that it will not recognize the validity of  
the armistice concluded by Nanking and that it will be  
compelled to take steps to safeguard Chinese honor and  
vital interests. It states that civil war is certain,  
that the outcome if the Chairman of the Nanking Military  
Commission carries out his deal with the help of General  
Staff. The Mayor requested that I transmit this communi-  
cation to the Legation. Copies by mail.

A high official has informed me that this communi-  
cation was to have been issued a week ago but that there  
was a delay in obtaining final agreement to the text.  
This informant stated confidentially that conferences look-  
ing to the establishment of this government are proceeding

in

F/HS

793.94/6575

JUN 14 1933

FILED

3248  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

MET

2--from Canton via N.R.,  
June 13, 5 p. m.

in Canton and Hong Kong, but he doubted whether a formal break would come for two months. Another usually reliable informant stated that there is a difference of opinion on policy within the Kwangtung military clique, but that a decision may be expected in a week. There is also a rumor that the discussions have been temporarily checked by dispute between Chen Chi Tang and Chen Min Shu over certain privileges in Kwangtung demanded by latter. Repeated to the Department, Legation and Nanking.

BALLANTINE

RR-WWC

024

DECLASSIFIED: E.O. 11652, 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

June 19, 1933.

~~MM:~~

Tientsin's despatch No. 311, dated April 26, 1933, encloses under cover of a despatch to the Legation a copy of a letter from the Japanese Consul General at Tientsin which states that the information contained in Mr. Lockhart's letter of April 22 in regard to the bombing of American mission property at Miyun has been sent to the Japanese military authorities.

*ETW*  
ETW/VDM

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

AM RECD

NO. 311.

AMERICAN CONSULATE GENERAL,

Tientsin, China, April 26, 1933.

*FE*  
*A-8/c*

DEPARTMENT OF STATE  
A-110  
JUN 3 0 1933  
M  
ASSISTANT SECRETARY OF STATE

JUN 12 33

*M for Lockhart*

*793.94*  
*note*  
*393.1163/M-5*

SUBJECT: Bombing of Property of American Methodist Episcopal Church at Miyun, Hopei.

F/H/S

THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.

*copy in FE*  
w  
Division of  
FAR EASTERN AFFAIRS  
JUN 13 1933  
Department of State  
*fil*  
*88*  
*6336*

793.94/5376

SIR:

I have the honor to refer to my despatch No. 310 of April 22, 1933, on the above-mentioned subject, and to enclose herewith copies, in quintuplicate, of my despatch No. 370, of identic date, to the Legation at Peiping, with further reference to this matter.

Respectfully yours,

*F. P. Lockhart*  
F. P. Lockhart,  
American Consul General.

JUL 3 1933

Enclosure:  
1. To Legation, April 26, 1933.

800  
FPL/DA:w

Original and four copies to Department.

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

Enclosure No. 4 in Despatch  
No. 211, Dated April 1933  
From the American Consulate General  
at Tientsin, China.

No. 370.

AMERICAN CONSULATE GENERAL,

Tientsin, China, April 26, 1933.

Subject: Bombing of Property of American Methodist  
Episcopal Church at Miyun, Hopei.

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping.

Sir:

I have the honor to refer to my despatch No. 368  
of April 22, 1933, on the above-mentioned subject, and  
1/ to enclose herewith a copy of a letter addressed to me  
under date of April 25, 1933, by the Japanese Consul  
General at Tientsin, acknowledging receipt of my letter  
of April 22 and informing me that the information con-  
tained therein was immediately communicated to the  
Japanese military authorities.

Respectfully yours,

F. P. Lockhart,  
American Consul General.

Enclosure:

1/ From Japanese Consul General,  
Tientsin, April 25, 1933.

800  
FPL/DA:w  
Original and one copy to Legation.  
In quintuplicate to the Department.

0248  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Quisenberry NARS, Date 12-18-75

C O P Y

JAPANESE CONSULATE GENERAL  
Tientsin, China.

Tientsin, 25th April, 1933.

Sir and dear Colleague,

With reference to your letter of April 22,  
1933, I have the honour to inform you that the  
matter has been immediately communicated to the  
Japanese Military authorities.

I have the honour to be,

Sir and dear Colleague,

Your obedient Servant,

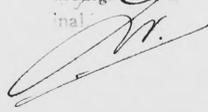
(Sgd) K. KUWASHIMA

Consul General for Japan.

F. P. Lockhart, Esquire,

Consul General for America,

Tientsin.

A true copy of  
the signed original  
is herewith  


0247

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

June 19, 1933.

~~RCM~~  
MH:

Tientsin's despatch No. 316 dated May 2, 1933, encloses under cover of a despatch to the Legation a copy of a letter from the Japanese Consul General at Tientsin which states that the Methodist Episcopal Mission at Peiping will be reimbursed for its losses incurred through the bombing of the Mission's property at Miyun.

*ETW*  
ETW/VDM

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

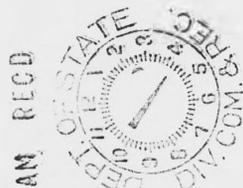
0248

NO. 316.

FE  
A-4c

AMERICAN CONSULATE GENERAL,

Tientsin, China, May 2, 1933.



JUN 12 1933

M for Lockhart

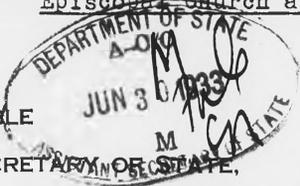
SUBJECT: Bombing of Property of American Methodist Episcopal Church at Miyun, Hopei.

79394  
note  
393.1163 MSB

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.



Copy in FE

SIR:

I have the honor to refer to my despatches  
Nos. 310 and 311, dated April 22 and 26, 1933,  
respectively, on the above-mentioned subject, and  
to enclose herewith copies, in quintuplicate, of my  
despatch No. 374, dated May 2, 1933, to the Legation  
at Peiping, with further reference to this matter.

Respectfully yours,

*F. P. Lockhart*  
F. P. Lockhart,  
American Consul General.

Enclosure:  
To Legation, May 2, 1933.

800  
EPL/MRE:w

Original and four copies to Department.

F/H/S  
793.94/6377

JUL 3 1933  
F. P. M.D.

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

No. 374

Enclosure No. 1 in Despatch  
No. 374 Dated May 2, 1933  
From the American Consulate General  
at Tientsin, China.

AMERICAN CONSULATE GENERAL,

Tientsin, China, May 2, 1933.

Subject: Bombing of Property of American  
Methodist Episcopal Church at  
Miyun, Hopei.

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping.

Sir:

I have the honor to refer to my despatches Nos.  
368 and 370, dated April 22 and 26, 1933, respectively,  
on the above-mentioned subject, and to enclose herewith  
1/ a copy of a letter from Mr. K. Kuwashima, Consul General  
for Japan, informing me that the Methodist Episcopal  
Mission at Peiping will be reimbursed for its losses  
incurred on its property at Miyun by reason of bombs  
dropped from a Japanese airplane on April 18, 1933.

Respectfully yours,

F. P. Lockhart,  
American Consul General.

Enclosure:

1. From Japanese Consul General,  
Tientsin, dated May 1, 1933.

800  
FPL/MRE

Original and one copy to Legation.  
In quintuplicate to the Department.

A true copy of  
the signed origi-  
nal. MRE

0250  
DECLASSIFIED: E.O. 11652, 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

(SEAL)

JAPANESE CONSULATE GENERAL  
TIENTSIN, CHINA.

Tientsin, 1st May, 1933.

Sir and dear Colleague,

With reference to my letter of April 25, 1933,  
I have the honor to inform you that the Methodist  
Episcopal Mission at Peiping shall be reimbursed  
for its losses incurred on the property possessed  
by the Mission at Miyun by bombs dropped from a  
Japanese aeroplane on April 18, 1933.

Will you be good enough to communicate the  
above-mentioned to the Mission so that they may  
produce a detailed list of losses ?

I have the honour to be,

Sir and dear Colleague,

Your obedient Servant,

/sgd/ K. KUWASHIMA  
Consul General for Japan.

F. P. Lockhart, Esquire,  
Consul General for America,  
Tientsin.

True copy of  
original letter  
sent

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

To the Hon. The Secretary of State,  
Washington, U.S.A.

*File 11-11*  
Division of  
EASTERN AFFAIRS  
JUN 14 1933  
Department of State

*1933-94-636*  
DEPT. OF STATE  
DIV. COM. & REC.  
JUN 13 33  
Instruction to Corp  
C. Linnick,  
Ireland  
June 1, 1933

*1933-94-636*  
Franklin, I sent you on road ~~per~~ per  
Registered Letter, a Newspaper Cutting  
showing, *inter alia*, that if Japan were  
permitted to seize what we call the  
Chinese Empire, with its ~~resources~~ *though unworked*  
of all kinds, from ~~man to minerals~~, she  
could, when she had fully developed  
them in the future become a veritable  
nightmare to the nations, and you own  
great nation in *horticula*.

Well understood that money may be  
hard to procure at present, still, if you fail  
now, future generations will create you  
memory.

*11*

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

0253

RE

I further asked you to show it<sup>2</sup>  
to the President & the other members  
of Government, and in ~~that~~ <sup>short</sup> make  
any use of it you judge proper, and  
then kindly return it to me in the self-  
addressed Envelope enclosed with it for  
the purpose - sorry I could not get any  
American stamps here so that I could stamp it  
- with an intention that you received and  
read it, with anything else you ~~may~~  
may think well to add, but it did not  
come to hand yet. May I ask you to  
be so now in the self-addressed Envelope  
I enclose herewith.

Sorry to trouble you who must of  
necessity be very busy, but the goodness  
of the cause must plead for me.  
I have the honor to,  
G. Funnell.

F/ESP 793.94/6378

JUN 23 1933

PRT 111)

325

DECLASSIFIED: E.O. 11652, 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*

*V.S. Some handwriting  
in the papers cut their own words,  
though through fear of John F.*

X

F/ESP

793.94/6378

JUN 23 1933

PTT 577

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

June 23 1938

To the American Consul,  
Cork, Irish Free State.

The Acting Secretary of State has received from Mr. E. Fennell, Church Street, Elin, County Limerick, Ireland, a letter dated June 1, 1933, requesting the return of a newspaper clipping which he enclosed with a previous letter dated March 24. The Acting Secretary of State transmits the newspaper clipping in question and requests that the Consul, unless he perceives objection thereto, return the clipping to Mr. Fennell at the address indicated on the attached self-addressed envelope.

793.94/6378

Enclosure:  
Newspaper clipping.  
Self-addressed envelope.

793.94/6378

FE:EGC:KC  
6-15-33

FE

JUN 26 1938

*6-22-33 print*  
*WE*  
*PM*

A true copy of the signed original

*mmh*

025°  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Hanking/65 FOR Despatch #D- 491.

FROM Hanking ( Peek ) DATED May 15, 1933.  
TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1127 \*\*\*

REGARDING:

Wang Ching-wei, in commenting upon the Sino-Japanese controversy, declared China's policy to be one of "Resistance without closing the door of diplomatic negotiations".

hs

793.94/6379  
627  
1379

b. Relations with other countries

793.94

Wang Ching-wei, in commenting upon the Sino-Japanese controversy, declared China's policy to be one of "resistance without closing the door of diplomatic negotiations". He emphasized the need for peace and economic reconstruction, but he insisted that these things were impossible before the end of the Japanese invasion and the Communist disturbances. He advised development of district autonomy and enforcement of a program of administrative reforms.

On April 11 the Foreign Office issued a formal statement characterizing as preposterous the report that the Chinese were willing to surrender their sovereignty over Manchuria in exchange for the abolition of extra-territoriality. It was formally denied that Dr. Lo had

already

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tsinan/60 FOR Despatch # 33  
FROM Tsinan ( Stevens ) DATED May 6, 1933  
TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1127 ...

793.94/6380  
6370

REGARDING:

Sino-Japanese Conflict.

States there is about equally divided opinion in regard to possibility of invasion of ~~SHANGHAI~~ Shantung by Japanese and reports meetings and conversation of various officials who visited General Han Fu-chu en-route to Nanking and Peiping.

0258

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

Probability of Shantung Invasion

71394  
Notwithstanding the recent advance of Japanese military forces inside the Great Wall, official opinion in Tsinan seems to be fairly evenly divided on the probability of an early Japanese invasion of Shantung. Several members of the Provincial Government expressed

a belief

- 3 -

a belief that Japan would not attack Shantung so long as all forms of anti-Japanese agitation here are suppressed and official support continues to be withheld from the voluntary boycott of Japanese goods. Other officials have stated that, for strategic reasons, the Japanese military will invade Shantung and the Tientsin-Peiping areas simultaneously, and that this development is a foregone conclusion unless the Powers do something effective to restrain Japan. All seem to agree that the Chinese forces in Hopei will continue an active resistance against the invaders and that there is no truth in rumors of a pro-Japanese separatist movement among the leading northern generals.

A Rumor of Official Intrigue

793.94  
The attitude of General Han Fu-chu, Chairman of Shantung and Commander-in-Chief of the 3rd Route Army, is believed by some persons to be obscure. Judging from statements made in conversation with a member of this Consulate, General Han is a staunch supporter of the Central Government insofar as the latter's Japanese policy is concerned. During the month there was an unconfirmed rumor that General Han and the local Japanese Consul General had come to a mutual understanding over the maintenance of peace and order in Shantung in case the Japanese find it necessary to occupy the Peiping-Tientsin areas and other territory north of the Yellow River. The rumor had it that Japan would not send forces to Shantung if the Shantung troops remained neutral to happenings in other parts.

This

- 4 -

This rumor has its logical aspects but is discredited in official quarters. It is a known fact, however, that during April the Japanese Consul General had frequent and long interviews with General Han at the latter's headquarters.

#### Visiting Officials Discuss Sino-Japanese Crisis

192  
During the month an unusually large number of prominent Chinese officials visited Tsinan. Some of these gentlemen came on special missions and remained as guests of the Provincial Chairman. Most of them, however, only passed through on their way to and from Nanking, Peiping, and Tsingtao.

The following are a few abstracts translated from reports which appeared in the Pingmin Jih Pao and the Shantung Republican Daily News. In a way, they show the trend of feeling towards the Japanese trouble as expressed vocally.

April 1.

"Messrs. Chao Pei-lien (趙丕廉) and Liu Shou-shung (劉守中), members of the Central Government Committee at Nanking, arrived here yesterday from Nanking. They called upon General Han at 11 a.m. and in the afternoon went to the Provincial Party Board (Kuomintang Headquarters) for inspection and consultation. In a conversation with our reporter, Messrs. Chao and Liu made the following statement:

'We have been instructed by the Central Government to come here for consultation with General Han. We will remain for four or five days. Our object is to work for agreement among officials in the north to a plan of uniform resistance against the enemy.'

April 3.

- 5 -

April 3.

"Admiral Shen Hung-lich (沈鴻烈), Mayor of Tsingtao, arrived from Tsingtao this morning. According to Admiral Shen, he has reached an agreement with the Central Government regarding the defense of the Shantung coast."

April 9.

"Mr. Feng Jung (馮庸), President of Feng Jung University, Peiping, and concurrently Commander-in-Chief of Volunteer Troops Fighting the Enemy, passed through Tsinan yesterday morning enroute to Nanking. In an interview with our reporters, Feng stated:

"I returned to Peiping from the front only a few days ago. Although our Volunteer Troops have done some fine fighting, they are now running short of food and equipment. Because of this, most of them have recently been incorporated in the armies commanded by Generals Sung Che-yuan (宋哲元), Sun Tien-ying (孫殿英), and Shang Chen (商震). I am going to Nanking to report the situation to the Central Government and ask for funds to support those volunteers who are still maintaining an independent resistance against the enemy."

April 13.

"Mr. Feng Jung returned to Tsinan today from Nanking. He informed one of our representatives that the Central Government had ordered the dissolution of all volunteer bands now fighting at the front in order that they can be incorporated in the regular armies, thus establishing discipline and unity of command."

April 14.

"Mr. Liu Tsung-chieh (劉崇傑), Vice-Minister of Foreign Affairs at Nanking who has been stationed at Peiping since the departure of Marshal Chang Hsueh-liang (張學良) passed through Tsinan yesterday morning on his way to Nanking. A conversation between the Vice-Minister and our pressman at the station is quoted below:

Q. Is it true that China has agreed to direct negotiation with Japan over the Sino-Japanese case?

A. Under present circumstances it is impossible for China to negotiate directly with the Japanese.

Q. How are relations between Russia and Japan?

A. The two are on very bad terms. The situation in other countries is also uncertain.

Q. When

- 6 -

- Q. When will you return to the North?  
A. Very soon."

April 20.

"Mr. Huang Shao-hsiung (黄紹雄), Minister of Interior at Nanking, arrived in Tsinan today to visit General Han before proceeding to Peiping. Mr. Huang conversed with the writer as follows:

- Q. Why have you come north?  
A. I am going to Peiping on a special mission connected with the urgent situation.  
Q. Will Marshal Feng go to Nanking?  
A. Not in the near future.  
Q. What is General Chiang's attitude towards General Feng's advice and recommendations?  
A. In his statement Marshal Feng raised the question of finance and whether all Chinese troops could be sent to the front. General Chiang will put into effect as many of Marshal Feng's ideas as possible.  
Q. How does the Central Government propose to deal with the situation?  
A. Fighting is the only way.  
Q. Will you go to Kalgan this time to see Marshal Feng?  
A. Most likely."

April 21.

"Representing Mr. Wang Ching-wei (汪精衛), President of the Executive Yuan, Mr. Ch'en Kung-po (陳公博), Minister of Industry, passed through Tsinan last night enroute to Peiping where he will encourage the soldiers at the front. Mr. Ch'en carried with him thirteen cases of supplies and a sum of \$50,000. in cash for the soldiers."

793.94  
It is common knowledge that twice during the month (April 1 and 26) the Shantung Headquarters of the Kuomintang held mass meetings and issued circular telegrams to people and officials in other provinces to form a united front against the enemy and requesting better support of the troops engaged in fighting. On the 26th they sent a telegram to General Ch'en Chi-t'ang (陳濟棠) at Canton urging him to expedite the despatch of Cantonese troops to the north.

The Provincial

726  
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

- 7 -

The Provincial Bureau of Education is fostering a campaign for subscriptions for wounded Chinese soldiers. On April 4, over \$12,000. was reported to have been collected for this purpose.

DECLASSIFIED: E.O. 11652, 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. Mukden/65 FOR Despatch # - .

FROM Mukden ( Myers ) DATED May 15, 1933.

TO NAME 1-1127 ...

REGARDING: Occupation of Jehol.  
Interest centered on the developments  
in the North China political situation  
and the - .

793.94/6381

hs

OCCUPATION Interest naturally centered on the  
OF JEHOL. Jehol campaign, with its attendant  
and consequent developments in the  
North China political situation and the growing  
threat of extension of hostilities within the  
Great Wall. As the Legation is in possession of  
detailed information on these matters, they need  
be but briefly reviewed here.

It may be recalled that the Jehol campaign  
was officially launched on February 20th, the  
Japanese forces of attack, estimated at between  
35,000 and 50,000 strong, advancing in three main  
columns, from Tungliac via Kailu in the north,  
from Chinshow via Peipiao in the center, and from  
Suichung in the south, under the respective command  
of Generals Sakamoto, Nishi and Hattori.\* Except  
in the south where the Hattori Brigade was held  
up several days near the Jehol border by fairly  
stiff resistance on the part of strongly entrenched  
Chinese regulars, advance was sensationally rapid.  
Defended only by confused groups of miserably  
qualified irregulars who were already demoralized  
by irresponsible control, Japanese intrigues and  
air bombings, the wide area of Jehol lying north-  
east of the strategic Chihfeng-Lingyuan line  
offered but insignificant guerilla opposition to  
the onrushing northern and center invading columns,  
with the result that the end of February found the

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\*Despatch No. 736, dated March 29, 1933.

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

DOCUMENT FILE

NOTE

SEE 740,0011 Four Power Pact/104 FOR Memorandum

FROM State Department ( Phillips ) DATED June 8, 1933  
TO Under Secretary NAME 1-1127 ...

REGARDING: Future political situation in Manchukuo. Conversation between the Under Secretary of State and the Italian Ambassador concerning ...

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793.946382  
1239

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Shanghai/57 FOR #8927

FROM Shanghai (Cunningham) DATED May 20, 1933  
TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1127 \*\*\*

REGARDING: visit of Japanese Minister for Foreign Affairs,  
which was thought to be in connection with opening  
of parleys between China and Japan. No Sino-  
Japanese incidents of serious nature during month.

793.94/6383  
12/12

793.94

0258

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

b. Relations with Japan: Mr. K. Yoshizawa, former Japanese Minister for Foreign Affairs, spent some days in Shanghai early in the month, at the beginning of his tour of China and Manchukuo." His visit was declared to be purely on private business although the Chinese press insisted that it was connected with the opening of parleys between China and Japan.

Mr. Araki Ariyoshi, Japanese Minister to China,

returned

0265

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

-4-

returned to Shanghai on April 24th after an absence of several weeks in Tokyo. According to press reports he stated that he did not believe the time ripe for direct negotiations between China and Japan but that there might well be negotiations between China and "Manchukuo" on matters of mutual interest.

There were no Sino-Japanese incidents of a serious nature during the month. However, the various anti-Japanese organizations kept up their campaign of threatening and damaging Chinese shops allegedly dealing in Japanese goods. A total of three bombing incidents of this character were reported during the month.

During the latter part of April a letter was received by the Japanese Consulate General, purporting to be from the "Blood and Iron Society," threatening to bomb that office in retaliation for Japanese actions in the north. Increased police precautions were taken but no overt act against the Consulate was committed.

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

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*FCE*

TELEGRAM RECEIVED

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

cib

PLAIN

FROM

PEIPING VIA NR

Dated June 14, 1933.

Recd 12:05 a.m., 15th.

F/H/S 793.94/6384

*793.94  
note  
793.94119*

Secretary of State  
Washington.

Division of  
FAR EASTERN AFFAIRS  
JUN 15 1933  
Department of State  
*file*

528, June 14, 10 p.m.

Reuter from Tokyo, today.

"According to spokesman of Foreign Office generally speaking Chinese troops are faithfully observing Sino-Japanese truce agreement recently concluded at Tangku. He said it was true that about twenty divisions of Chinese troops were stationed near Peiping but that was due to necessity for watching General Feng Yuhushiang in Chahar and also to shortage of transportation facilities. General Ho Yingchin, however, had ordered them to make further withdrawal southward. Spokesman declared withdrawal of Japanese troops to Great Wall would be completed in a week adding that area already evacuated by Japanese troops is being satisfactorily policed by Chinese special constabulary."

JOHNSON

JS CIB

JUN 15 1933

EE

TELEGRAM RECEIVED

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

REP

FROM

GRAY

Tientsin via N. R.

Dated June 15, 1933

Rec'd 7:20 a. m.

F/H S

793.94/6385

793.94  
793.94/119

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS  
JUN 15 1933  
Department of State

June 15, 3 p. m.

American military authorities at Chinwangtao report further movements towards Shanhaiwan of Japanese military equipment on the railway. Railway authorities confirm above. The <sup>withdrawal</sup> ~~undertaking~~ from Tangshan area apparently slowly progressing.

Japanese military plane flew over <sup>Chinese</sup> ~~clearing~~ house and foreign areas of Tientsin yesterday morning and again this morning for half an hour.

JUN 16 1933

LOCKHART

WSB

RR

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

**CHINESE LEGATION  
WASHINGTON**

DEPARTMENT OF STATE  
RECEIVED  
JUN 12 1933  
DEPARTMENT OF STATE

*The Chinese  
Legation requests  
that this not  
be made public*  
June 2, 1933.

*4*  
*FE*  
*DCR files*  
*M.M.H.*

Dr. Stanley K. Hornbeck,  
Chief, Far Eastern Division,  
Department of State,  
Washington, D. C.

Division of  
FAR EASTERN AFFAIRS  
JUN -3 1933  
Department of State

THE UNDER SECRETARY  
JUN 5 - 1933  
DEPARTMENT OF STATE

*F/H/S*

Dear Dr. Hornbeck:

*7/13/42*  
*7931411*

*Translation  
made in FE  
is attached.  
M.M.H.*

I am instructed by Dr. Sze to send  
you herewith a copy of the text of the Truce  
Agreement, which has not yet been officially trans-  
lated into English, and two copies of a statement  
issued today by Mr. Wang Ching-wei, President of  
the Executive Yuan.

793.94/6386

Yours sincerely,

*C. L. Hsia*

C. L. Hsia,  
First Secretary of the Legation.

Enclosures as above.

CLH/T.

DECLASSIFIED TO SECRET  
Authority: State letter of 1-14-71  
By [Signature] NARS, Date 2-24-75

FILED  
JUN 12 1933

DECLASSIFIED  
E.O. 11652, Sec. 3(E) and 5(D) or (E)  
State letter of 7-15-75  
By [Signature] NARS, Date 2-24-76

027

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

TEXT OF A STATEMENT ISSUED BY MR. WANG CHING-WEI, PRESIDENT  
OF THE EXECUTIVE YUAN, DATED NANKING, JUNE 2ND.

After the fall of Jehol the Chinese troops along the Great Wall fought fearlessly against the Japanese military forces, in order to defend and recover Chinese territory. Handicapped by the lack of deadly weapons and sinews of war, but thanks to the loyalty and bravery of our officers and soldiers, we were able to engage in the severest fighting continuously for three months without our troops relaxing in the least their energy. The battles, which the troops under the command of Generals Miao Cheng-liu, Sun Che-yuan, Shang Chen and Hsu Ting-yao respectively fought at Lamatung, Shifengkow, Lengkow and Kupeikow, demonstrated their fearlessness of powerful enemies and resulted in the glorious and noble sacrifice of their lives. The recent fighting around Nantien-men during which the casualties of the troops despatched there by the Central Government exceeded one half of the total number was especially terrible and proved unmistakably the patriotic spirit, in which they made their supreme sacrifice.

The Japanese army with such superior offensive weapons as heavy guns, tanks and bombing planes ceaselessly attacked the Chinese troops who fought as it were with their own flesh. But the Chinese troops tenaciously held their ground until their defence works were completely destroyed by the bombing of the Japanese airplanes and it was only then that the Chinese troops were compelled to retreat

./.

-2-

for strategic reasons. The bombing from the air was not confined to the Chinese military camps, but it was also wantonly extended to the civilian population who took no part in military engagements, resulting in the slaughter of innocent people and the ruthless destruction of their property.

On May 22nd and 23rd, the Japanese troops were advancing rapidly on Tientsin and Peiping, where there is a large population and where foreign nationals and Chinese live in close propinquity. Such atrocities as are mentioned above threw them into a panic fright and they ardently hoped that measures would be adopted to relieve the tension of the situation, so that the catastrophe might be averted.

The Chinese Government urged as well as encouraged the troops to continue the defense of the country with heart and soul and to the best of their ability. At the same time the Government would permit the cessation of local hostilities, provided that the territorial sovereignty of China be not impaired and the various international agreements concerning the maintenance of world peace and justice remain unprejudiced.

The Agreement relating to cessation of fighting in Hopei Province has now been signed by the representatives of the military commanders at the front. Needless to say, it is most painful to examine this document. However, as it is confined to military matters and touches upon no political issues, it does not in the least affect the fundamental policy which the Chinese Government has adopted. China will seek a just and equitable settlement of the whole situation in the Far East under the same principles which have hitherto guided her efforts in this regard and which have been upheld practically by //.

0274  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

-3-

all the nations of the world.

Chinese Legation,

Washington, D. C.

June 2, 1933.

休戰協定如下(一)中國軍即撤退延慶昌平  
高麗營順義通州香河寶坻林亭口甯  
河蘆台所連之綫以西以南地區不再前  
進又不為一切挑戰擾亂之舉動(二)日本  
軍為確悉第一項實行之情形可用飛  
機或其他方法視察中國方面應行保護  
並予以便利(三)日本軍確認中國軍已撤至  
第一項協定之綫時不超越該綫續行追

擊且自動概歸還長城之綫(四)長城綫以  
南第一項協定之綫以北及以東地域內之  
治安維持由中國警察機關任之(五)本協  
定簽字後即發生效力

中華民國二十二年五月三十一日訂於塘沽

(Translation of text of truce agreement signed at T'angku on May 31, 1933, by Maj.-Gen. Okamura, Vice-Chief of Staff of the Kwantung Army, and Lt.-Gen. Hsiung Pin, of the Chinese Army; Chinese text received from the Chinese Legation at Washington under cover of informal note dated June 2, 1933, addressed to the Chief of the Division of Far Eastern Affairs by the First Secretary of the Legation.)

(Trans. FJC)

(Dated: May 31, 1933)

It is agreed for the cessation of hostilities as follows:

(1) Chinese troops shall immediately withdraw to territories to the west and to the south of a line connecting Yench'ing, Ch'angp'ing, Kaoliying, Shunyi, T'ungchow, Hsianghō, Paoti, Lint'ingk'ou, Ninghō, and Lut'ai, and shall not engage in any activities whatsoever of a provocative nature or subversive of order.

(2) The Japanese military, in order to be accurately informed of the manner in which Article (1) is carried out, may make observations and inspections by airplane or otherwise, and the Chinese for their part shall accord them protection and afford them facilities.

(3) The Japanese military, when recognizing for a fact that the Chinese troops shall have actually withdrawn to the line agreed upon in Article (1), will not cross that line to continue pursuit and  
attack,

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

- 2 -

attack, but will voluntarily withdraw again to the line of the Great Wall.

(4) The Chinese police organizations shall be responsible for the maintenance of law and order within the territory lying to the south of the line of the Great Wall and to the north and east of the line agreed upon in Article (1).

(5) This Agreement shall become effective immediately following its signature.

Agreed to at T'angku this thirty-first day of the fifth month of the twenty-second year of the Republic of China.

MA  
FJC/VDM

3284

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

DOCUMENT FILE

NOTE

SEE 800.00 P.H. Tientsin/00 FOR Dispatch #417

FROM Tientsin ( Lockhart ) DATED May 8, 1933  
TO NAME 1-1127 ...

REGARDING: REKABEY

Rumors of informal agreement between China and Japan.  
Gives evidence which might tend to prove existence of  
such agreement which has since been broken, apparently  
because Chinese failed to live up to their promises.

793.94 / 6387

esp

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

1374

b. Relations with other countries.

There were many rumors current in the course of the month that an informal agreement had been arranged between the Japanese military authorities and representatives of the Central Government with a view to amicably adjusting the local military situation along the railway in the territory east of the Lwan river. The identity of the Central Government representatives, if any there were, who participated in the alleged understanding, was not divulged, but the withdrawal of the Japanese forces from the Lwan river region to Chinwangtao during the latter part of the month under review led to the conclusion that the withdrawal was by agreement between the Chinese and Japanese. This report has never been confirmed, nor has any evidence been unearthed which would completely disprove the common belief that the withdrawal was by agreement. The Japanese, as is well known, stated that the withdrawal was in pursuance of a previously announced policy to withdraw to the Wall. The recent reversal of this situation by which the Japanese and/or "Manchukuo" forces are attempting to reoccupy the region which they recently vacated leads to the conclusion that,

if

0282

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

-5-

if there had actually been an agreement entered into, the Chinese did not live up to their bargain to keep their forces on the east side of the Lwan river. The Japanese have repeatedly announced that any despatch of Chinese troops to the region east of the Lwan river would only result in a renewal of the fighting and the ultimate driving out of the Chinese troops to positions east of the river. That situation is developing as this despatch is being written. In connection with the withdrawal of the Japanese and "Manchukuo" troops from the Lwanchow region during the latter part of the month, the Chinese assiduously spread the report that the withdrawal was due entirely to developments in connection with the controversy between the Soviet Republic and the "Manchukuo" Government over certain railway equipment belonging to the Chinese Eastern Railway. But little credence was given to these reports at Tientsin. The visit of Chen Kung-po and associates to Tientsin at the time of the withdrawal may have had something to do with the withdrawal.

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

DOCUMENT FILE

NOTE

SEE 883.48/739 FOR Tel.

FROM Kuo Min Tang of (.....) DATED June 8, 1933.  
TO America NAME (Rec'd)

6388

793.94/ 6388

REGARDING:

Objections to loan to Nanking Government by  
the Reconstruction Finance Corporation in  
view of the difficult Sino-Japanese situation.

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0284

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

June 26, 1933.

~~RCM:~~  
~~WAT:~~  
~~WEL:~~

Canton's despatch No. 196 under date May 19, 1933, to the Legation, encloses under cover of a copy of a letter from the Mayor of Canton to the Consul General a translation of a communication addressed by the Southwest Political Council to the League of Nations and to the signatories of the Nine Power Treaty. The substance of the communication was reported to the Department in Peiping's telegram No. 457 of May 20, 9 a.m., a copy of which is attached to this file.

In commenting on the communication, Consul General Ballantine states in his covering despatch that the communication appears to have been drafted in English, evidently by Eugene Chen, and that possibly the chief source of apprehension on the part of the Southwest leaders is alluded to in the alleged fourth term under negotiation which provides, according to one version, for Japanese assistance in enabling the Nanking Military Commission to suppress other military forces in China.

0285

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

- 2 -

Mr. Ballantine points out that the above may have stimulated the recent military defensive preparations in Kwangtung and Kwangsi. He also points out that reading between the lines of the communication one can discern an appeal to the Powers to support the Southwest in their stand against Chiang and Japan.

*ETW*

ETW/VDM

028F

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

no. 196

A-9/c



May 19, 1933.

Subject: Communication of Southwest Political Council to League of Nations.



JUN 10 33

G for Ballantine



The Honorable Trusler Johnson,  
American Minister,  
Peiping.

F/H/S  
795.94/6389

Sir:

- I have the honor to refer to my telegram of May 19, 5 p. m. and to enclose a translation of a letter of today's date from the Mayor of Canton transmitting a communication addressed by the Southwest Political Council to the League of Nations and to the Signatories of the Nine Power Treaty. Copies of the "original" text as well as of the "translation" of the communication are enclosed.
- 1/
  - 2/
  - 3/

An examination of the communication indicates that the English version represents the original draft, evidently the work of Eugene Chen, who has recently come to Canton to take a seat in the Southwest Political Council.

The communication, after affirming the irrevocable opposition of the Chinese people to any agreement with Japan based on the recognition of Manchukuo, states that the Council is informed that negotiations are in train between agents of the Japanese General Staff and emissaries of the Hanking Military Commission for a settlement of the dispute

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

dispute relating to Manchuria in utter disregard of the vital interests of China. It describes the alleged terms under negotiation as providing not only for a de facto recognition of Manchukuo, but also for the extension by Japan over the rest of China of the system of "cooperation" which the Japanese are working out in Manchukuo. The communication explains that as there does not exist in China political machinery enabling the Chinese people to register their opposition, otherwise than by civil war, to these alleged terms, it has devolved upon the Southwest Political Council first, to register the nation's opposition to the alleged negotiations and second, to inform the League of Nations and the friendly Powers that the Chinese people will refuse to recognize the validity of any agreement which the Government at Nanking may be coerced to conclude with Japan in violation of Chinese territorial and administrative integrity.

Possibly the chief source of apprehension on the part of the Southwest leaders is alluded to in the alleged fourth term under negotiation. Perhaps the military defensive preparations in both Kwangtung and Kwangsi during the last few months have been stimulated by the fear that Chiang Kai-shek will enlist the cooperation of Japan in subjugating these two provinces.

Reading between the lines of the communication, one can discern an appeal to the Powers to support the Southwest in their stand against Chiang and Japan.

Respectfully yours,

J. W. Ballantine,  
American Consul General.

Enclosures:

- 1/ Translation of letter from Mayor.
  - 2/ Copy of original text of enclosure.
  - 3/ Copy of translation of enclosure.
- 5 to Department.  
1 to Legation  
1 to Nanking.

4 Carbon Copies  
Remain  
JWB:CL  
1000  
JWB:CL

0288

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

(TRANSLATION)

File No. 800

From: The Mayor of Canton,  
Despatch No. 811,  
Character "Chiao".

Subject: Note of the Southwest Political Council to  
the American Minister at Peiping.

Municipal Government of Canton,  
Canton, May 19, 1933.

Sir:

I have the honor to state that I have received an instruction from the Kwangtung Provincial Government, reading as follows:

"This government is in receipt of an instruction from the Southwest Political Council of the National Government to the following effect:

'This Council is addressing a note to the Foreign Ministers at Peiping of the signatories to the Nine Power Treaty.

'You are hereby directed to instruct the Canton Municipal Government to forward a copy of this note to each of the Consuls of the various Powers at Canton for transmission to their respective Ministers at Peiping.

"You are hereby directed to comply with this instruction and take prompt action in this matter".

In compliance therewith, I have therefore the honor to forward herewith the note, together with an English translation thereof, addressed by the Southwest Political Council to the Minister of your Government at Peiping for proper transmission.

I have the honor to be, Sir,  
Your obedient servant,

Liu Chi-wen (seal)  
Acting Mayor of Canton.

Enclosures:

1/- Copy of note from Southwest Political Council.  
2/ Copy of translation.

(Seal of the Municipal Government of Canton)

The Honorable J. W. Ballantine,  
American Consul General,  
Canton.

0285

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

TRANSLATION

The Southwest Political Council is constrained to address this communication to the League of Nations, which is seized of the Sino-Japanese dispute relating to Manchuria, and to the signatories of the Nine Power Treaty which guarantees the territorial sovereignty and administrative integrity of the Chinese Republic, as well as to the Government of the Union of Soviet Socialist Republics as a signatory of the Sino-Soviet Agreement of 1924.

2. The Chinese People as a whole are irrevocably opposed to any compromise or agreement with Japan based on Chinese recognition of the Japanese-created state of Manchukuo. Manchuria together with Jehol is an integral and vital part of the Chinese Republic whose territory is one and indivisible; and for this reason among others, the tearing away of Manchuria and Jehol cannot be suffered by China save at the risk of such material and moral enfeeblement that her survival as an independent and sovereign state would become a matter of incalculable difficulty.

3. This Council is informed that negotiations are in train between agents of the Japanese General Staff, which is the real government of Japan, and emissaries of the Nanking Military Commission, to which the Government at Nanking is entirely subservient, for a settlement of the dispute relating to Manchuria including Jehol on terms not only inconsistent with the League of Nations' resolution condemning Japanese policy and action in Manchuria as well as with the provisions of the Nine Power Treaty but in utter disregard of the vital interests of China as a self-respecting and independent country.

4. The terms under negotiation include the following:

- (a) The Japanese Government considers it impossible to demand the Chinese National Government to recognize the independence of Manchukuo, but hopes that the Chinese Government will, from the commencement of negotiation, effectively stop all activities toward disturbing the peace of Manchukuo and will consider the Manchukuo Government as de facto. To ensure everlasting peace between China and Japan, these two governments will mutually agree to include provinces north of the Yellow River as "non-war" area.
- (b) The Chinese Government will give full guarantee that the boycott of Japanese goods will not be a measure of national policy.
- (c) Should the foregoing two principles be agreed to, the Japanese Government will voluntarily abolish unilateral treaties, and will surrender all rights and privileges pertaining to concessions, extra-territoriality and river navigation, and will further proceed to conclude treaties with the Chinese Government on equal and reciprocal basis with a common object of maintaining an "Asiatic Monroe Doctrine".

5. A fourth

0290

DECLASSIFIED: E.O. 11652, 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-

5. A fourth term is also under negotiation which pledges the Japanese Government to give "the Chinese Government every assistance economically, financially and militarily" in order (according to one version) "to suppress Red bandits" but, according to another version, to enable the Nanking Military Commission to suppress other military forces in China.

6. The real meaning of the foregoing terms is clear. Not only must the Chinese Government agree to a de facto recognition of Manchukuo and thus in effect consent to the permanent severance of Manchuria and Jehol from China but Japan is to extend over the rest of China the system of "cooperation" which the Japanese General Staff and its agents are working out in Manchukuo. It is hardly necessary to emphasize the danger to the Chinese people and the menace to the world involved in these terms.

7. As there does not exist political machinery enabling the Chinese people to effect (otherwise than by civil war) a change of government in Nanking in order to mark their opposition to the aforesaid terms, it devolves on the Southwest Political Council as a duly constituted and nationally recognized political organ, first, to register the Nation's opposition to the negotiations now in train between the agents of the Japanese General Staff and the Nanking Military Commission or its emissaries whether or not the said negotiations are being conducted, at this stage, with the knowledge of the members of the Government at Nanking; and, secondly, to inform the League of Nations and the friendly powers to whom this communication is addressed that the Chinese people will refuse to recognize the validity of any agreement which the Government at Nanking may be coerced to conclude with the Japanese Government in violation of Chinese territorial sovereignty and administrative integrity in Manchuria and Jehol and in contradiction with the terms of the League of Nations' resolution relating to the Manchurian question as well as with the provisions of the Nine Power Treaty. Tong Shao Yi, Shao Fu Sheng, Tang Chak Yue, Chan Chi Tong, Li Chung Yen, Chau Lu, Members of the Standing Committee of the Southwest Political Council.

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

RECEIVED  
JAN 17 1933  
THE UNDER SECRETARY  
DEPARTMENT OF STATE

*From Chinese Legation  
Jan. 17, 1933*

Division of  
FAR EASTERN AFFAIRS  
JAN 17 1933  
Department of State

COMMUNICATIONS SECTION  
FROM THE MINISTRY OF FOREIGN AFFAIRS, NANKING  
DATED JANUARY 14, 1933.

DEPARTMENT OF STATE  
RECEIVED  
JAN 17 1933  
OFFICE OF THE SECRETARY

793.94

793.94/6090

A telegraphic communication from Mayor Wu Vich-cheng of Shanghai reported to the Ministry of Foreign Affairs an interview with a representative of the Japanese Minister to China. The Japanese representative stated that the Japanese Cabinet and the Japanese War Department have now approached an agreement of policy which is milder than before and which regards the Shanghai-kwan affairs as essentially a local one. The Japanese government, according to this representative, has ordered the commanding officers at the front not to advance any further, and expresses the hope that for fear of possible aggravations of the situation, the commands of the two countries now at the front should confer to seek a local settlement of the affair.

The Japanese representative then inquired about the authenticity of the following rumors:

- (1) That the 88th. Division has been ordered to Wanshan and Huangtu (suburbs of Shanghai) to prepare for action against Japan;
- (2) That the Central Executive Committee of the Kuoming-tang has ordered all local organs of the party to start a large-scale anti-Japanese movement;
- (3) That the Shanghai Chamber of Commerce has ordered all local chambers of commerce to start a similar movement; and
- (4) That the Newspapers Labor Union of Shanghai has resolved to initiate a wide campaign of anti-Japanese propaganda.

JAN 17 1933

0292

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

*From Chinese Legation*  
*Jan. 17, 1933*

- 2 -

Mayor Su, in his personal capacity, answered

(1) That no responsible official in the Chinese government hopes to see a further aggravation of the situation between China and Japan, but it is impossible to foresee the limits of the present conflict owing to the repeated aggressive and militaristic activities of the Japanese;

(2) That the Shanghaiwan affairs, being a part of a well-conceived plan of aggression, cannot be settled with reservations and cannot be regarded as a local incident.

Mayor Su further maintained that the rumors as stated by the Japanese representative have absolutely no foundation in facts.

The Japanese representative further inquired whether there is any satisfactory solution of the Shanghaiwan affair. Mayor Su answered, again in his personal capacity, that a solution of that affair depends entirely upon whether Japan is willing to restore the status quo ante as of January the first.

Chinese Legation, Washington

January 14, 1933.

DECLASSIFIED: E.O. 11652, 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



June 16, 1933.

JUN 19 33

*Handwritten:* letter to Interior Dept. June 23, 1933

Division of  
FAR EASTERN AFFAIRS  
JUN 20 1933  
Department of State

*Handwritten:* 793.74 / 6365

Mr. Hu Han Min,  
The South-western Political Council,  
Canton, China.

My dear Sir:

The Secretary of the Interior, Honorable Harold L. Ickes, has asked me to acknowledge receipt of your letter of May 9 regarding the Far Eastern situation, and to thank you for this expression of your views. Your letter is being referred to the Secretary of State.

Sincerely yours,

(Sgd.) HARRY SLATTERY

Harry Slattery,  
Personal Assistant to the Secretary.

F/G 793.94/6391

JUN 29 1933

FILED

Copy to Secretary of State,  
Department of State,  
Washington, D. C.

*Handwritten:* enclosure

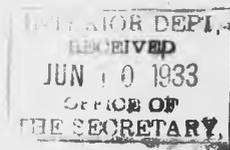
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

## The South-western Political Council.

CANTON, CHINA.

1 ..... May ..... 9 ..... 1933

Hon. Harold L. Ickes  
Secretary of the Interior



Sir,

I take this occasion of addressing you because I feel that you will be in a position to help discover a solution towards the Far Eastern situation which would serve the interests of the world at large at this crucial hour. The complexity of the problem is the gravest that has ever confronted the statesmen of the world.

At this juncture, it seems, however, that China can only rely on American statesman of your unchallenged wisdom and integrity to think out a remedy as the key to peace in the Far East. Since the enunciation of the Hay Doctrine in 1899 against various infringers on China's territorial rights, the United States have pressed endless series of actions in that direction. This means that American statesmen have always realized that peace in the Far East is also world peace: as so interdependent have our societies become that any clash of nations today will almost certainly involve all the world. And certainly civilization cannot endure another world conflict without bringing greater calamity upon mankind than ever.

JUN 29 1933  
FILED

## The South-western Political Council.

CANTON, CHINA.

2

193

Now that Japan has virtually annexed the four provinces, she will have increased her territory three times the size of Japan proper and about one and half time her own population. In addition, she can have at her command unlimited natural resources and most strategic centres which are all vital to her interests in the event of entering into conflict with any other great power. Little wonder that she can "sit tight" at the moment and defy all interpretations of treaty obligations.

In such impregnable position as she is at present, she can easily try conclusions with America, or any other power that may obstruct her ambition. So long as Japan is in that bellicose mood, world peace is a futile hope.

At the same time, rumours coming from certain reliable quarters have it that Japan is intriguing hard for direct negotiations with China, in the hope of forcing her to recognise her "rights" over the four provinces. This is tantamount to legalisation of Japan's deeds of violence in Manchuria and Jehol. Any sort of direct negotiations with Japan at this stage would be an ignominious surrender. As a consequence, these rumours have roused a great gust of popular feelings against the Nanking Government doing anything of that sort to appease the military party in Tokio. The wrath and impatience of the people against the weak-knee

## The South-western Political Council.

CANTON, CHINA.

3

193

policy and opportunism of Nanking vis-a-vis Japan have been strained to the breaking point: and if direct negotiations are brought about, the passions of the people, I am afraid, will be so aroused that it will lead to most serious consequence in her political life, the unity of which is so vital to her existence against aggressive neighbour. Therefore the Chinese people not only oppose direct negotiations, but also encouragement of any kind from any quarter to the Nanking Government or its high officials that suggest or foster the idea of direct negotiations. Recently, when certain high officials of the Nanking Government were delegated to proceed to the United States for the Economic Conference at Washington, we notice that the mission has given rise to considerable adverse comments in the press and in various sections of China. The people are clamoring against the mission because they feel that its ulterior motive is at bottom to sound the opinion of the United States in respect to the question of direct negotiations. Simultaneously, the people suspect that the mission is to obtain loans from the United States with which the Nanking Government, whose policy has been non-resistance, aims to entrench its position and avert any possible rise against its mishandling of the Sino-Japanese situation. That

## The South-western Political Council.

CANTON, CHINA.

4

193

being the case, it is clear that whatever support accorded the Officials from Nanking on such basis, the United States will be doing a great harm to the Chinese people.

Briefly I trust you understand why the Chinese people are looking upon the Nanking Government with so much distrust for having envisaged any direct negotiation with Japan at all.

With renewed distinguished considerations,

I remain,

Sir,

Yours very truly,

*Hu Han Min*

(former minister for foreign affairs )  
(and president of the Legislative Yuan)

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

*gc*

JUN 16 1933

In reply refer to  
FE 793.94/6391

My dear Mr. Secretary:

Referring to the copy of the letter of acknowledgment sent by Mr. Slattery under date June 16, 1933, to Mr. Hu Han-min, a copy of which was forwarded to this Department with the original letter to you from Mr. Hu Han-min, I may say that Mr. Hu Han-min addressed a similar communication to the Secretary of State and that, as this communication is adversely critical of the Chinese Government recognized by the American Government, no acknowledgment is being made by this Department of Mr. Hu Han-min's communication.

793.94/6391

Sincerely yours,

William Phillips

Acting Secretary.

The Honorable

Harold L. Ikes,

Secretary of the Interior.

A true copy of the original  
*M*

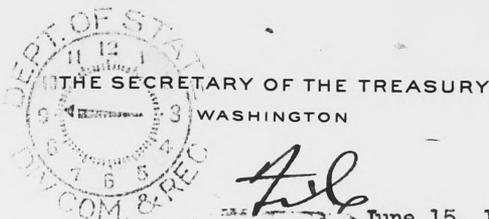
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JUN 28 1933

*mmh*  
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6/22/33

*FE*

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

PM RECD



793.94/6368

JUN 20 1933



June 15, 1933.

*Letter to Secretary Dept.*  
*by June 23, 1933*

My dear Mr. Secretary:

The Treasury is in receipt of the enclosed communication from Mr. Hu Han Min, The South-western Political Council, Canton, China.

Mr. Min states that he was formerly Minister for Foreign Affairs, and presents his views with respect to certain phases of the situation in the Far East. Since his comments appear to relate to matters within the jurisdiction of the Department of State, I am referring Mr. Min's letter for your consideration.

No acknowledgment has been made by this Department.

Very truly yours,

*Dean Rusk*

Acting Secretary of the Treasury.

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

*enclosure*

F/G 793.94/6392

JUN 29 1933

FILED

## The South-western Political Council.

CANTON, CHINA.

1 ----- May ----- 9 ----- 1933 -----

Hon. William Hartman Woodin  
Secretary of the Treasury

Sir,

I take this occasion of addressing you because I feel that you will be in a position to help discover a solution towards the Far Eastern situation which would serve the interests of the world at large at this crucial hour. The complexity of the problem is the gravest that has ever confronted the statesmen of the world.

At this juncture, it seems, however, that China can only rely on American statesman of your unchallenged wisdom and integrity to think out a remedy as the key to peace in the Far East. Since the enunciation of the Hay Doctrine in 1899 against various infringers on China's territorial rights, the United States have pressed endless series of actions in that direction. This means that American statesmen have always realized that peace in the Far East is also world peace: as so interdependent have our societies become that any clash of nations today will almost certainly involve all the world. And certainly civilization cannot endure another world conflict without bringing greater calamity upon mankind than ever.

## The South-western Political Council.

CANTON, CHINA.

2

193

Now that Japan has virtually annexed the four provinces, she will have increased her territory three times the size of Japan proper and about one and half time her own population. In addition, she can have at her command unlimited natural resources and most strategic centres which are all vital to her interests in the event of entering into conflict with any other great power. Little wonder that she can "sit tight" at the moment and defy all interpretations of treaty obligations.

In such impregnable position as she is at present, she can easily try conclusions with America, or any other power that may obstruct her ambition. So long as Japan is in that bellicose mood, world peace is a futile hope.

At the same time, rumours coming from certain reliable quarters have it that Japan is intriguing hard for direct negotiations with China, in the hope of forcing her to recognise her "rights" over the four provinces. This is tantamount to legalisation of Japan's deeds of violence in Manchuria and Jehol. Any sort of direct negotiations with Japan at this stage would be an ignominious surrender. As a consequence, these rumours have roused a great gust of popular feelings against the Nanking Government doing anything of that sort to appease the military party in Tokio. The wrath and impatience of the people against the weak-knee

## The South-western Political Council.

CANTON, CHINA.

3

193

policy and opportunism of Nanking vis-a-vis Japan have been strained to the breaking point: and if direct negotiations are brought about, the passions of the people, I am afraid, will be so aroused that it will lead to most serious consequence in her political life, the unity of which is so vital to her existence against aggressive neighbour. Therefore the Chinese people not only oppose direct negotiations, but also encouragement of any kind from any quarter to the Nanking Government or its high officials that suggest or foster the idea of direct negotiations. Recently, when certain high officials of the Nanking Government were delegated to proceed to the United States for the Economic Conference at Washington, we notice that the mission has given rise to considerable adverse comments in the press and in various sections of China. The people are clamoring against the mission because they feel that its ulterior motive is at bottom to sound the opinion of the United States in respect to the question of direct negotiations. Simultaneously, the people suspect that the mission is to obtain loans from the United States with which the Nanking Government, whose policy has been non-resistance, aims to entrench its position and avert any possible rise against its mishandling of the Sino-Japanese situation. That

## The South-western Political Council.

CANTON, CHINA.

.....193.....

4

being the case, it is clear that whatever support accorded the Officials from Nanking on such basis, the United States will be doing a great harm to the Chinese people.

Briefly I trust you understand why the Chinese people are looking upon the Nanking Government with so much distrust for having envisaged any direct negotiation with Japan at all.

With renewed distinguished considerations,

I remain,

Sir,

Yours very truly,

*Hu Han Min*

(former minister for foreign affairs )  
(and president of the Legislative Yuen)

0304

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

June 23 1933

In reply refer to  
FE 793.94/6392  
6392

My dear Mr. Secretary:

I acknowledge the receipt of the Treasury Department's letter of June 15, 1933, forwarding a communication of May 9, 1933, from Mr. Hu Han-min of the Southwestern Political Council, Canton, China, in regard to the situation in the Far East. In this connection I may say that Mr. Hu Han-min addressed a similar communication to the Secretary of State and that, as this communication is adversely critical of the Chinese Government recognized by the American Government, no acknowledgment is being made by this Department of Mr. Hu Han-min's communication.

793.94/6392

Sincerely yours,

William Phillips

Acting Secretary.

The Honorable

William H. Woodin,

Secretary of the Treasury.

A true copy of the original  
*M*

JUN 23 1933

*mmh*  
FE:MMH:REK  
6/22/33

*5,124*  
FE

030  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.48/730 ..... FOR MEMORANDUM.

FROM State Department ( Hornbeck ..... ) DATED May 25, 1933.

TO FE NAME 1-1127 \*\*\*

REGARDING:

Japanese representatives expressed opposition to the U. S. attempt to lend assistance to countries needing assistance. Discusses views of Japanese particularly in relation to the China Consortium Agreement.

793.94/6393

hs

DECLASSIFIED: E.O. 11652, 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 Advisory Committee/45 FOR Despatch # -

FROM General Disarmament (Wilson) DATED June 4, 1933  
TO Conference, AMDELGAT NAME 1-1127 \*\*\*

REGARDING: Assistance of Mr. Gilbert desired in connection  
with work on the Advisory Committee.

793.94/6394

hs

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

TELEGRAM RECEIVED

REP

FROM

This telegram must be closely paraphrased before being communicated to anyone. (A-1)

PEIPING

Dated June 24, 1933

Rec'd 4:48 a.m.

Secretary of State,  
Washington.

554, June 24, 11 a. m.

CONFIDENTIAL FOR THE SECRETARY.

Tientsin's May 31, 6 p. m., reporting the text of

Sino-Japanese truce agreement, with reference to Article 4 of the agreement, my information is that situation in the evacuated area from Miyun to the east remains obscure. Japanese retirement continues; presence of Li Chi Chuen continues to be difficult factor; Li has received at least 1500 recruits from Manchuria. It is probable that Chinese in the course of negotiations orally agreed to take over Li. This is borne out by what Huang Fu told me, reported in my 499, June 3, 11 a. m. Since then Chinese have found that Li has more men than they thought and in addition it would appear that Japanese are supporting Li in his demand that he be given control of military police force Tangshan-Shan-haikwan area and along railway. This Chinese are naturally unwilling to do. It is estimated that there are some 30,000 Manchukuo troops between Tangshan and north of Miyun. It is also believed that Japanese plan is to keep Li on railway with Shih Yu San north of Li and between Li and some other general

*Paraphrase sent to ONI + MID in confidence*

*FF*

Division: *File*  
FAR EASTERN AFFAIRS  
JUN 24 1933  
Department of State

F/G 793.94/6395

793.94

030

3308

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

REP

2-#554, From Peiping, June 24, 11a.m.

general further north. This plan if carried out would effectively establish a buffer between Nationalist China and Manchukuo controlled by Chinese leaders subservient to and dependent on the Japanese.

Japanese are retaining military control of railway between Tangshan and Shanhaikwan and it is believed that Manchukuo-Fengtien-Shan~~haikwan~~ Railway is using presence of Japanese military to extend its control over section of railway between Tangshan and Shanhaikwan.

JOHNSON

HPD

RR

0309

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

CONFIDENTIAL

CONFIDENTIAL

P A R A P H R A S E

JUN 27 1933

A telegram dated June 24, 1933, from the American Minister at Peiping, reads substantially as follows:

The Minister refers to a telegram of May 31 from the American Consul General at Tientsin which gave the text of the truce agreement between the Chinese and Japanese and, with reference to the agreement's Article 4, states that his information is that an uncertain situation still exists from Miyun to the east in the evacuated area. The Minister reports that a difficult factor is the presence of Li Chi Chuen; that from Manchuria at least fifteen hundred recruits have been received by Li; and that the Japanese continue to retire. Probably the Chinese verbally agreed to take over Li during the course of the negotiations. The Chinese have discovered since that time that Li has more troops than they thought he had and moreover it would seem that Li is being supported by the Japanese in his demand that control of the military police force along the railway and in the Tangshan-Shanhaikwan area be given to him. Naturally the Chinese are not willing to do this. An estimate places the "Manchukuo" troops north of Miyun and between Tangshan as numbering about thirty thousand. The plan of the Japanese is believed to be to keep Li on the railway with Shih Yu San north of him and between him and some other northern general. If this plan is carried out  
it

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

- 2 -

it would effectively set up a buffer between "Manchukuo" and Nationalist China controlled by Chinese leaders dependent on the Japanese and subservient to them.

Military control of the railway between Shanhaikwan and Tangshan is retained by the Japanese and it is believed that the presence of the Japanese military is being used by the "Manchukuo"-Fengtien-Shanhaikwan Railway to extend its control over the section of the railway between Shanhaikwan and Tangshan.

0311

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 1, 1933.

~~ROM.~~  
~~JEI.~~  
~~WGL:~~

Peiping's despatch No. 2135 under date June 1, 1933, encloses a copy of an editorial which recently appeared in a local newspaper under the heading of "What is Aggression?". The editorial states that the Security Committee of the Disarmament Conference has accepted the definition of aggression brought forward by the Soviet Delegation. Under this definition the editor feels that Japan is guilty of aggression under three of the five points, namely, invading the territory of another without a declaration of war, bombarding the territory of a neighboring state from the air, and landing or establishing on land naval or air forces within the territory of another state without prior permission. The editorial then asks what collective effort is being made for the restraint of Japan and the relief of China. In concluding the editorial questions the sincerity of the Soviet Government in formally defining an aggressor and then almost simultaneously negotiating with Japan for the sale of the Chinese Eastern Railway which Russia owns jointly with China, "a state against whom aggression has been practiced."

<sup>ETW</sup>  
ETW/VDM

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



LEGATION OF THE  
UNITED STATES OF AMERICA

No. 2135

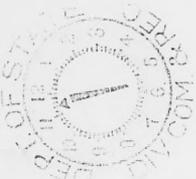
Peiping, June 1, 1933.

Subject: Applicability of Soviet Definition of  
Aggression to Sino-Japanese Dispute.

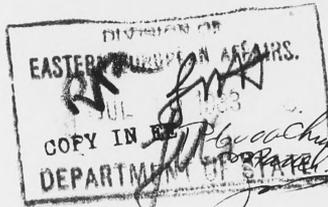
793.94  
note  
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~~WF~~  
WF

PM RECD



JUN 24 33



F/HS

793.94/6596

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

Sir:

I have the honor to transmit herewith, as of possible interest to the Department, a copy of an editorial on the above subject which appeared in the PEIPING CHRONICLE (government controlled, but British edited) on May 25, 1933.

In the opinion of the editor Japan is guilty of aggression under points (2), (4) and (5) of the Soviet definition. According to press reports of recent discussions that have taken place at Geneva, when a state has been judged an aggressor, "collective efforts" shall be made by the Powers to restore peace. The editor asks  
what

JUN 12 1933

031

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

- 2 -

what "collective effort" is being made to restrain Japan and to relieve China from further aggression, and questions the sincerity of the Soviet government in formally defining an aggressor, and then almost simultaneously negotiating with Japan, a Power that is an aggressor according to her own definition, for the sale of the Chinese Eastern Railway, which she owns jointly with China, "a State against whom aggression has been practiced."

Respectfully yours,

*Nelson A. Rockefeller*

Enclosure:

1/ Editorial from PEIPING CHRONICLE  
of May 25, 1933.

800/877

RLB/k

Copies to: Tokyo and Geneva.

0314

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

2135

THE PEIPING CHRONICLE, Thursday, May 25, 1933

### WHAT IS AGGRESSION?

The way of transgressors is hard, but apparently the way of aggressors is easy. There are two reasons for this. The first is that nobody until a few days ago had clearly defined what aggression was; and the second is that nobody seems to have courage to deal with an aggressor, if he is bulky in size and blustering in performance. It would seem, however, that the first difficulty is being removed. Two of the three most notable contributions to the Disarmament Conference have come from non-members of the League, under whose auspices the Disarmament Conference is meeting; and those two contributions bear closely on this matter of aggression. First we had the Soviet contribution. On the 17th instant the United Press Geneva correspondent reported that at the final session of the Security Committee of the Disarmament Conference, the definition of aggression brought forward by the Soviet delegation had been accepted. The Soviet defined an aggressor State as:

- (1) Any State that should be the first to declare war;
- (2) Any State that should invade the territory of another State without a declaration of war;
- (3) Any State that should establish a naval blockade;
- (4) Any State that should bombard the territory of a neighbouring State from the air;
- (5) Any State that should land or establish on land its naval or air forces within the territory of another State without prior permission.

President ROOSEVELT has recently also defined an aggressor State in much the same terms, and it is certain, in view of his recent declarations that, the Disarmament Conference having adopted this definition of an aggressor State, President ROOSEVELT would feel himself bound by the definition. He has however, made a second contribution, through his representative, Mr. NORMAN DAVIS, who, on the afternoon of the 22nd instant, ranged the United States alongside the League in dealing with a recognized aggressor. He clearly defined the United States position. He said:

In a case where nations after mutual consultation had decided that any state was guilty of an attempt to break the peace, and they had decided on the necessary measures to be taken against the aggressor, the United States would abstain from all action that was capable of interfering with the collective efforts of those countries to restore peace, provided the United States were in agreement with the judgement rendered. It is to be noted that the slightly hypothetical element in the foregoing, the condition set forth in the final provisory clause, loses a great deal of its hypothetical character when read in connexion with the earlier statement in the same speech:

The United States is prepared to consult other nations, and in the event that consultation proved one nation to be the aggressor, the Washington Government would abstain, etc. The proviso is virtually excluded from operation by the fact that the United States Government undertakes to consult at the stage where the decision of aggression is being made; in other words, the United States would already be seized of the facts and would in practically every case be already a party to a verdict of aggression.

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

Now, apply all this to the case of Japan in China. Japan has: (1) not declared war, so she is free in regard to that point; (2) invaded the territory of another State (China) without declaring war; (3) not established a naval blockade, so she escapes condemnation there; (4) bombarded the territory of a neighbouring State (China) from the air, and (5) has landed air forces within the territory of another State (China) without prior permission. On counts (2), (4) and (5) Japan stands within the definition of an aggressor state, as accepted by the Disarmament Conference. What "collective effort" is being made in the matter for the restraint of Japan and the relief of this country?

It is, incidentally, pertinent to ask also: whether Soviet Russia accepts her own definition of an aggressor, and whether, if she does, she feels that it is consistent with the acceptance of that definition to enter into negotiations with an aggressor State, to wit Japan, for the sale by Russia of property, to wit, the Chinese Eastern Railway, to which Russia herself does not hold sole title, but which Russia holds only in partnership with the State against whom aggression has been practised, namely China.

0318

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 30, 1933:

*(Handwritten initials)*

Peiping's despatch No. 2132, under date May 27, 1933, encloses two memoranda of conversations in regard to the Sino-Japanese hostilities in north China. The first memorandum covers a conversation between Mr. Johnson and a confidential aide to Mr. Huang Fu. The Aide told Mr. Johnson that a preliminary understanding for the cessation of hostilities had been reached on the night of May 23. He stated that he thought the Chinese had lost about 40,000 in the recent hostilities; that it was impossible to keep up further resistance; and that the Chinese Government hoped to be able to withdraw southward all its troops from the area of Peiping.

The second memorandum covers a conversation with the British Minister who verified the above statement regarding a preliminary understanding and remarked that difficulties were ahead because at the coming discussions the Japanese would undoubtedly present certain demands in regard to demilitarized areas.

*(Handwritten initials)*  
ETW/VDM

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



LEGATION OF THE  
UNITED STATES OF AMERICA

Peiping, May 27, 1935.

No. 2132

Subject: Preliminary Truce Agreement.

F/H/S



JUN 24 33

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

Sir:

Referring to the Legation's telegram No. 482  
of May 24, 1 p.m. (1933),<sup>6315</sup> I have the honor to trans-  
mit herewith two memoranda of conversations I had on  
1/2/ May 24th with Mr. S. G. Cheng and Sir Miles Lampson,  
respectively.

Mr. Cheng, who is one of General Huang Fu's con-  
fidential assistants, informed me that a preliminary  
understanding regarding a truce had been arrived at  
on May 23rd between the Chinese and Japanese military.

He

FILED  
JUL 17 1933

- 2 -

He added that the Chinese casualties in the recent fighting had amounted to about 40,000 men and that they were unable to offer further resistance.

Sir Miles confirmed this information, and also a report that the arrangements for this truce were made by Chinese and Japanese officers at Miyun.

Respectfully yours,

  
Nelson Trusler Johnson.

Enclosures:

- 1/ Memorandum of conversation with Mr. S. G. Cheng, May 24, 1933.
- 2/ Memorandum of conversation with Sir Miles Lampson, May 24, 1933.

8CC.  
CVHE/js.

0319

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

STRICTLY CONFIDENTIAL

2132

Sino-Japanese conflict.

Peiping, May 24, 1933.

Mr. S. G. Cheng.

Mr. Cheng called. He is confidential aide to Mr. Huang Fu. He told me that Chinese military and Japanese military had entered into a preliminary understanding for a cessation of hostilities as of last night. He said that this was merely a preliminary arrangement which would provide that the Chinese remain in their present lines and the Japanese in theirs without interfering with one another; and that it was to be followed by discussions between delegates duly appointed by the military on both sides.

He stated that he thought perhaps the Chinese had lost about 40,000 in recent hostilities. He said that it was impossible for them to keep up resistance, as they had no means of opposing the more modern equipment which the Japanese could bring to play. He said that it was the hope of the Government to be able to withdraw all of its troops from the area of Peiping southward. Mr. Cheng stated that they had reason to believe that orders had been issued from Tokyo instructing the Japanese to cease advance.

Nelson Trusler Johnson,  
American Minister.

NTJ.EA

0320

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

7  
2137

Sino-Japanese situation.

Peiping, May 24, 1933.

Strictly Confidential.

Sir Miles Lampson.

I informed Sir Miles this morning of my conversation with Mr. S. G. Cheng, and Sir Miles confirmed this. He also confirmed report made to me by Military Attaché this morning to the effect that two Chinese military officers accompanied by one Japanese left Peiping last night to go to Miyun for the purpose of discussing arrangements with the Japanese.

Sir Miles stated that difficulty was ahead; that present arrangement was merely for truce; that at coming discussions Japanese would doubtless present certain demands in regard to demilitarized areas.

Nelson Trusler Johnson,  
American Minister.

NTJ:EA

0321

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 6, 1933.

~~IBJ:~~  
~~ONG:~~  
~~MNH:~~

~~SKH:~~  
Peiping's despatch No. 2136, under date of May 30, 1933, encloses a memorandum in regard to an informal meeting of certain of the foreign Ministers at Peiping at which it was decided to take no action on the recent reinforcements to the Japanese Legation Guard, the incident of the attack of a Japanese sentry by a Chinese, or the notification issued by the Commandant of the Japanese Guard to the effect that small patrols were to be periodically sent into the area occupied by Japanese citizens for the purpose of affording them protection. There are also enclosed with the despatch a letter from the Senior Minister to his colleagues stating that under the Protocol of 1901 the number of the Japanese Legation Guard is set down as from 350 to 400 men and a letter from the Commanding Officer of the United States Marine Corps at Peiping stating that the Protocol of 1901 is not binding in regard to the size of the various Legation Guards and that the size of the reinforced Japanese Guard is not out of proportion to the work allotted to it.

*ETW*  
ETW/VDM

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



LEGATION OF THE  
UNITED STATES OF AMERICA

Peiping, May 30, 1933

LEGAL ADVISER  
JUL 10 1933  
DEPARTMENT OF STATE

No. 2136

Subject: Legation Guards and the Boxer Protocol.

F/ESP

PM HEDU



JUN 24 33

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

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*Codyman Fe.*  
Division of  
FAR EASTERN AFFAIRS  
JUN 26 1933  
Department of State  
*File*  
*Bank*

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

JUL 19 1933

PTT, PTT

Sir:

I have the honor to report that at an informal meeting on May 23, 1935, which was attended by the diplomatic representatives of the interested powers, the Senior Minister (Don Justo Garrido y Cisneros, Minister of Spain) referred to the recent arrival of some 600 Japanese soldiers to reenforce the Japanese Legation Guard, and also to the incident on May 20th in front of the Japanese Legation. (See Legation's telegram No. 460, May 20, 3 p.m.). We all agreed that there seemed to be no ground on which we could

make

- 2 -

make a protest against the reinforcements, and that as regards the incident we should take no steps unless the Chinese themselves protested. A memorandum 1/ of this meeting, together with an interesting enclosure, is transmitted herewith.

2/ There is also enclosed a copy of a letter from the Spanish Minister, dated May 24, 1933, in which he refers to certain documents attached to the Protocol of 1901 regarding the strength of foreign Legation Guards in Peiping. This letter was referred to the Commandant of the American Legation Guard for comment, 3/ and there is enclosed herewith a reply dated May 30, 1933, from Lieutenant Colonel W. W. Buckley, U.S.M.C., in which he expresses himself to the effect that there is no ground for objection to the reinforcement of the Japanese Guard. He points out, among other things, that Japanese nationals here are more numerous than any other foreigners and that, under the present defense plan, the Japanese are responsible for the ex-Austrian area in addition to their own.

Respectfully yours,

*Nelson Trusler Johnson*

Nelson Trusler Johnson.

Enclosures:

- 1/ Memorandum of conversation May 23, 1933.
- 2/ Copy of letter from the Spanish Minister, May 24, 1933.
- 3/ Copy of letter from Lieutenant Colonel W. W. Buckley, May 30, 1933.

701.

CVHE/js.

0324

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

1  
2136

Application of Boxer Protocol.

Peiping, May 23, 1938.

Mr. Garrido, Spanish Minister and  
Senior Minister.  
Sir Miles Lampson, British Minister.  
Mr. Wilden, French Minister.  
Mr. Anfuso, Italian Charge d'Affaires.

The Senior Minister stated that he desired to see us informally and unofficially for the purpose of obtaining our views as to applicability of Boxer Protocol to recent incidents. He referred to the arrival of some six hundred Japanese soldiers to reinforce the Japanese Guard who had marched through the Legation quarter with flags flying and bugles blowing at a time when conditions were very bad. He referred to the incident of the attack on a Japanese sentry by a Chinese, the arrest of that Chinese by the Japanese, and the holding of that Chinese by the Japanese without turning him over to the police of the quarter.

As regards the question of the Japanese Guard, he pointed out that the Japanese reinforcements had arrived with the permission and knowledge of the Chinese, and within the rights of the Japanese under the Protocol; and that, while we might feel that the Japanese were guilty of bad taste in doing what they did, there

seemed

0325

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

seemed to be no ground upon which we could make a protest.

As regards the act of the Japanese in arresting the Chinese who had attacked their sentry, it was our opinion that we should take no steps, unless the Chinese were to protest, and we agreed that it would be unwise to incite the Chinese to make a protest.

1/ We also discussed the attached notice communicated to the Commandants of the several guards by the Japanese Guard notifying them that the Japanese proposed to send small patrols into the area occupied by Japanese citizens for the purpose of affording them protection, and stating that the Japanese had previously considered the advisability of bringing Japanese residents into the quarter but had reached the conclusion that this would be difficult.

We agreed that while the situation thus presented was fraught with danger, it was inadvisable for us to take any steps in the matter, as the only alternative that we could suggest to the Chinese in the plan which they proposed to follow was the plan which they informed us they had abandoned. We had to rely upon the Japanese to maintain the peace. The responsibility was now on their shoulders, and might easily be shifted to ours if we suggested an alternative method and something happened which could be easily manufactured by the Japanese themselves if they so desired.

Nelson Trusler Johnson,  
American Minister.

Enclosure: Notice, as stated.

NTJ.EA

032F

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

Copy.

JAPANESE LEGATION GUARD  
Peiping, China.

May 23, 1933.

The Commandants,

International Legation Guards.

Dear Sirs:

I have the honor to inform you that our Commandant, in view of the fact that the troops belonging to the Chinese Southern Armies, which had retreated from the front lines, have come into this city these days and, occupying the houses of the citizens in the east south part of the city where most of the Japanese residents live, settled down, being mixed up with our residents, and it is not necessarily deniable that an ugly trouble may happen and thus lives of our brethren be exposed to danger, will from time to time send a detachment to patrol the district where the Japanese most closely live and protect them from any unexpected threat.

I have the honor to be, Sirs,

Your obedient servant,

(s) S. WATANABE,

Captain, Japanese Legation Guard.

By Order

Our Commandant at first had an intention to call the Japanese residents in the Legation Quarter, but thinking that such a step as this will cause a big anxiety among all the residents in that part of the city has not realized it, and instead of it has decided to send patrols.

(A true copy EA)

0327

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

COPY

Legation d'Espagne

Decanat No. 18.

Peiping, May 24, 1933.

Monsieur le Ministre and dear Colleague,

With reference to our exchange of views of yesterday and particularly referring to the entrance of additional Japanese troops into the Quarter to reinforce the Guard of the Japanese Legation, I have the honor to inform you that, after returning to my house, I examined the documents attached to the final Protocol of 1901, and found one, No. 53, entitled "Rapport de la Commission militaire chargée d'étudier le projet de défense du Quartier des Légations à Péking." In Article 16 of this document is set forth a list of the numbers of the various Guards which was deemed necessary for the defence of the Quarter, and the number of the Japanese contingent is set down as from 350 to 400 men, with 4 - 6 cannons and some machine-guns. This Report was signed by all the members of the said Commission, including the Japanese officer, Colonel Shiba.

I avail myself of this opportunity, Monsieur le Ministre and dear Colleague, to renew to Your Excellency the assurance of my high consideration.

(Signed) GARRIDO CISNEROS.

His Excellency  
Mr. Nelson Trusler Johnson,  
American Minister,  
etc., etc., etc.,  
PEIPING.

Copied by: js  
Compared with: GL

0328

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

COPY

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1136

JWT/tow

UNITED STATES MARINE CORPS  
Marine Detachment, American Legation  
Peiping, China. 30 May, 1933.

Mr. C. Van H. Engert,  
First Secretary,  
Legation of the United States,  
Peiping.

Dear Mr. Engert:

Receipt is acknowledged of your note of May 26th, addressed to Colonel Gulick, enclosing a copy of a communication to the American Minister, from M. Garrido Cisneros, regarding the recent reinforcement of the Japanese Guard. In order to avoid delay incident to Colonel Gulick's illness, I submit the following answer.

I have examined the Protocol of 1901, with its attached documents, as well as the files of this office. I note that all statements, recommendations, and memoranda on the subject of Legation Quarter Defense, both in connection with the Protocol of 1901, and subsequently, are in the nature of recommendations, and are in no case mandatory or binding upon any parties to the same.

The exact strength of the International Guards in total, or in units, does not appear definitely stated anywhere.

Increases have been made from time to time above the strength recommended in the papers referred to by M. Garrido Cisneros; but you will note that Russia, Germany, Austria, and the Netherlands no longer maintain Legation Guards. The strength of the Legation Quarter Defense Force is, however, now approximately what it was in 1901, by reason of increases in the Guards now maintained. Of these, the American Guard, given as 100 in 1901, is 514. Such increases would appear to be a matter for decision by the nations concerned, acting upon estimates of the current situation submitted by their representatives on the ground.

Two factors seem pertinent in consideration of the recent Japanese reinforcements: the Japanese nationals are now more numerous in Peiping than any other foreign element; and the Japanese are, under the present defense plan, responsible for the ex-Austria area in addition to their own compounds.

In view of the foregoing, I see no ground for objection to the reinforcement of the Japanese Guard.

Very sincerely yours,

(Signed) W. W. BUCKLEY  
Lieutenant Colonel, U.S. Marine Corps,  
Commanding.

Copied by: js  
Compared with: GL

0325  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 29, 1933.

~~RCM:~~  
~~MMH:~~  
JES:

Peiping's despatch No. 2122, under date May 20, 1933, refers to previous telegrams and despatches of the Legation and the American Consul General at Tientsin in regard to protection of American citizens and American owned property in the zone in north China in which Sino-Japanese military operations were being carried on. The despatch states that a copy of Mr. Lockhart's letter, transmitting to the Japanese Consul General at Tientsin information in regard to the location of American property in that area, has been sent by the Legation to the Japanese Legation under cover of a note expressing the hope that the information thus supplied would assist the Japanese authorities in their endeavors to prevent the infliction of damage to American owned property.

*ETW*  
ETW/VDM

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

LEGATION OF THE  
UNITED STATES OF AMERICA



No. 2122

Peiping, May 20, 1933.

Subject: Protection of American lives and prop-  
erty in the Tientsin and Peiping areas.

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note  
393-11



JUN 24 33

F/H/S

793.94/6399



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

Sir:

793.94/6219

JUN 31 1933

In reference to my telegram No. 403 of May 4,  
5 p.m., and to previous communications concerning  
damages inflicted upon American-owned property as  
a result of bombing by Japanese military airplanes,  
I have the honor to refer to Consul General Lock-  
hart's despatch No. 385 of May 16, 1933, to the Le-  
gation (copy to the Department in May 19th pouch  
without covering despatch), transmitting a copy of  
his letter of May 16, 1933, to the Japanese Consul  
General at Tientsin, in notification of the loca-  
tion of American-owned property in the territory

adjacent

033

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

- 2 -

adjacent to the cities of Peiping and Tientsin, and to the roads and highways in their vicinity.

Consul General Lockhart's despatch also transmitted copies of his circular letter of warning, addressed to certain American missionaries who appeared to be in a zone which would be affected by Japanese military operations in Hopei Province.

In reference to my telegram No. <sup>793-94/6281</sup> 438 of May 15, 4 p.m., to the Department, quoting the Legation's telegraphic instruction of May 15, 4 p.m., to Consul General Lockhart in regard to the evacuation from Tungchow of American women and children, including the teachers and pupils of the North China American School, there is quoted Consul General Lockhart's urgent telegram of May 16, 11 a.m., notifying the Legation of the action which he had taken preliminary to receipt of the Legation's telegraphic instruction referred to:

"URGENT. May 16, 11 a.m. I notified principal of Tungchow School last Saturday by letter of reported plans of Japanese military and advised evacuation at first sign of danger. I also informed Japanese Consul General yesterday morning of location of Tungchow School and presence large number American children there. He promised notify military authorities immediately. School is closing to-day. Am sending letters to other areas which might possibly be involved in military operations.

"I am preparing list of American owned properties for transmission to Japanese Consul General and to Legation."

In supplement to Consul General Lockhart's letter of May 16th to the Japanese Consul General at Tientsin, concerning the location of American property in the Pei-

ping

- 3 -

ping and Tientsin areas, I have to-day transmitted a copy of Mr. Lockhart's letter with its enclosed list to the Japanese Legation, expressing the hope that the information thus supplied will prove of assistance to the Japanese authorities in their endeavors to prevent the infliction of damage on American-owned property in the areas where military operations are carried on. A copy of my letter to the Japanese Legation is transmitted herewith. A copy of the letter addressed by me to the Japanese Legation under date of April 25, 1933, in regard to the protection of American lives and property, was transmitted to the Department without covering despatch in the pouch which left Peiping on April 28th.

Respectfully yours,



Nelson Trusler Johnson.

Enclosure:

1. Copy of Legation's communication to Japanese Legation, May 20, 1933.

300.

CJS-SC

0333

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

1  
122

Peiping, May 20, 1933.

Sir:

In supplement to my letter of April 25, 1933, concerning damage suffered by American mission properties as a result of bombing by Japanese airplanes, I have the honor to enclose for your information a copy of a letter addressed by the American Consul General at Tientsin to the Japanese Consul General at that city on May 15th, transmitting for the information of the Japanese authorities a three page list of American-owned properties in the territory adjacent to the cities of Peiping and Tientsin and to the roads and highways in their vicinity.

1/  
It is hoped that the information contained in this and other communications addressed to you by this

S. Nakayama, Esquire,  
Secretary of Legation,  
Japanese Legation,  
Peiping.

0332  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

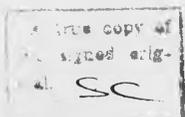
this Legation will prove of assistance to the Japanese authorities in their endeavors to prevent the infliction of damage on American-owned properties in the areas where military operations are carried on.

I avail myself of this opportunity to extend to you, Sir, the renewed assurance of my high consideration.

(Signed) Nelson Trusler Johnson

Enclosure:  
1. Copy of letter from  
American Consul General,  
Tientsin, to K. Kuwashima,  
Esquire, May 16, 1953.

CJS-SC



0335  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE  
UNITED STATES OF AMERICA

Tokyo, June 9, 1933.

No. 426.

SUBJECT: Japanese Opinion regarding the  
Sino-Japanese Truce and Opinions  
of Foreign Observers regarding  
Japan's Objectives.

793.94



JUN 24 1933

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

F/H/S

793.94/64CC

Copy to FE  
Division of  
FAR EASTERN AFFAIRS  
JUN 26 1933  
Department of State  
JTB  
JTB

The Honorable  
The Secretary of State,  
Washington.

JUL 3 1933  
FILED

Sir:

While the Japanese public in general received the news of the military truce between the Japanese and Chinese forces in North China with satisfaction, believing that it presaged a return of friendly relations and a revival of trade with China, certain sections of opinion, as expressed by official spokesmen and reflected in the press, seem inclined to doubt the sincerity of the Chinese

motives

- 2 -

motives and appear uncertain as to the outcome of the political situation in North China. Thus the Foreign Office statement, issued after the conclusion of the truce, states (JAPAN ADVERTISER translation):

"If China makes a new start on the conclusion of this truce and endeavors to restore peace and order in the country, it will be able to escape from the present disagreeable conditions and establish a foundation for the welfare of the nation. Hoping the responsible persons in China, especially North China, will not take a mistaken course, we will watch over developments in the situation."

The War Office statement, as translated by the JAPAN TIMES AND MAIL, after recounting the history of the truce negotiations and reiterating Japan's desire to secure peace along the borders of "Manchukuo", states:

"The War Office will calmly watch future developments in North China. We will take a friendly attitude to those who strictly control anti-Japanese activities, but if anyone violates the truce, we intend to make our troops stationed at Peiping and Tientsin take drastic measures."

The JIJI SHIMPO (June 1, 1933) states:

"In the immediate past repeated failures to stand by international agreements has characterized, uniformly, every Chinese government. At present China, driven to the wall, has learned to obey; danger to peace may again arise when temporary crisis is overcome."

The CHUGAI SHOGYO of June 2, 1933, doubts that China will observe the truce faithfully and states that "China has a tradition of being reckless in policy and of resorting to tactics". It further states that, if anything untoward occurs, the Japanese Army will be compelled to occupy Tientsin and Peiping and urges mutual reliance between

China

- 3 -

China and Japan as the key to the solution of the dispute.

There has been a hint from several sources that, if General Chiang Kai-shek will adopt a friendly attitude toward Japan, assistance will be given him in the unification of China. Both the Foreign Office and War Office statements quoted above contain veiled references to the benefits which will follow the adoption of a friendly attitude toward Japan, while the KOKUMIN SHIMBUN of June 1, 1933, states more definitely that

"With Japan's aid he (Chiang Kai-shek) could hope to clear North China of all trouble-makers. Indeed, it would not be impossible for him to become supreme master of all China. The time has now arrived for him to make a supreme decision, and unless he makes a mistake in choosing the right course he will go down in history as the creator of order out of twenty years chaos."

The JIJI SHIMPO of June 1, 1933, also states that, in spite of the truce, China is still using anti-Japanese tactics in its political and economic policies, caused by China's under-estimation of Japan's military and economic strength, and that China should alter its ways and seek the cooperation of Japan for the unification of the country.

Several of the newspapers stress the fact that China has at last come to the realization of the futility of expecting assistance from abroad in resisting the Japanese and has been compelled to abandon its alleged policy of "opposing one barbarian with another". Lieutenant-General Okamoto issued a statement pointing out that the facility

with

- 4 -

with which the truce was concluded was due to the absence of third parties, and the TOKYO NICHI NICHI alludes to this factor and states that the truce negotiations furnish an example of the way in which Sino-Japanese questions should be handled.

Only one newspaper, the MIYAKO SHIMBUN of Tokyo, expressed any sympathy for the Chinese. This newspaper on June 1st pointed out that the Chinese are humiliated by the terms of the truce and expressed the hope that Japan will be especially cautious toward China at this juncture, in order not to irritate Chinese feelings more than is necessary. The paper states that Japan should show the way to goodwill and sincerity.

Financial, industrial and commercial circles in Japan appear to be relieved by the truce. They are optimistic regarding a revival of trade with China, and they hope that China will not now increase tariffs on Japanese goods or impose anti-dumping duties on imports. It is reported that the Osaka Chamber of Commerce and Industry has petitioned the Foreign and War Offices in regard to future negotiations with China, asking that Japan endeavor to secure the abolition of tariff increases, anti-dumping duties, trade boycotts, and regulations requiring the marking of goods with the name of the country of origin.

In view of the indecisive character of the Japanese activities of the moment, both military and political, in North China, in Tokyo foreign observers of the situation are somewhat puzzled as to Japan's immediate objective.

It

- 5 -

It is evident that any dreams which may have existed of placing Pu Yi on the Dragon Throne in Peiping have been dissipated. Trial balloons sent up to test the reaction to this idea some months ago failed to arouse any enthusiasm in North China or in Occidental countries. The prompt action of Chiang Kai-shek in taking over the government of North China after the abdication of Chang Hsueh-liang forestalled any plans which may have existed for the immediate installation of an independent government friendly to Japan in that region. The consensus of opinion among foreign observers in Tokyo now is that the Japanese authorities are adopting a simple policy of opportunism; that they will wait for further developments, with the hope that a government, independent or semi-independent of Nanking and amenable to Japan's wishes in regard to "Manchukuo", will evolve from the political chaos of North China. It is possible, according to these observers, that the Japanese intend to assist any faction which may arise and exhibit a friendly attitude toward Japan.

The principal Japanese objective, of course, is to compel or induce any government in authority in North China to consent to the present status of "Manchukuo" and to Japan's position in Manchuria, and the Japanese are

prepared

0340

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

- 6 -

prepared to deal with Nanking or with any other government, whether or not subordinate to Nanking, which will offer a possibility of accomplishing this purpose.

Respectfully yours,



Joseph C. Grew

800.  
ERD:g

Copy to Legation, Peiping  
" " " Berne

0341  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

~~MMH~~  
~~SKH~~



Embassy,  
Tokyo.

Despatch No. 426

Date: June 9, 1933.

*Summary*

JUN 24 33

Subject: Japanese Opinion regarding the Sino-Japanese Truce and Opinions of Foreign Observers regarding Japan's Objectives.

Summary: The news of the Sino-Japanese military truce in North China was received with satisfaction by most elements in Japan, as they believed that it meant a revival of friendly relations and of trade with China. Some sections of opinion doubted the sincerity of the Chinese, and there were hints that assistance would be given to Chiang Kai-shek in the unification of China should he show a friendly attitude toward Japan. Foreign observers in Tokyo are somewhat puzzled as to Japan's immediate objective in North China, as definite plans to place Pu Yi on the Dragon Throne or to set up a government independent of Nanking have apparently been dropped. It is believed that a simple policy of opportunism has been adopted, and that Japan is prepared to deal with any government in North China or in Nanking which will consent to Japan's wishes in regard to "Manchukuo".

0342

DECLASSIFIED: E.O. 11652, 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

July 6, 1933.

~~JEL:~~  
~~CEG:~~  
~~MDF:~~

Mr. Peck's letter under date of May 22, 1933, to Mr. Johnson, encloses an account obtained from a newspaper reporter of a speech of Mr. Wang Ching-wei at the Weekly Memorial Service held on May 22nd. Mr. Wang is reported to have strongly criticized the Canton régime for not supporting Nanking either against communists or Japan, to have admitted the danger of treasonable activities in the Peiping-Tientsin area, and to have admitted that China had reached an impasse from which she could not extricate herself. He is said to have stated that watchful waiting was the only policy to be pursued and that one favorable aspect of the situation was that, should the Japanese attack Peiping, foreign intervention would be certain. He is also reported to have stated that although President Roosevelt's letter to President Lin Sen showed a very helpful attitude toward China, it was nevertheless the duty of China to awake to its own mistakes and not trust too much to the friendly assistance of other parties.

*ETW*  
ETW/VDM

034  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

AM. RECD  
Extra Copies Sent To This Department Without Covering  
Dispatch.



*FE*

JUN 23 33



Banking Office.  
May 22, 1933.

F/ESP

753-94

Dear Mr. Minister:

Confirming my telegram of today's date reporting the address given by Mr. Wang Ching-wei, President of the Executive Yuan, at the weekly Memorial Service of the National Government, I beg to state that this report was given to me by a Chinese newspaper reporter who obtained it from a man in the audience. The reporter's telegram to his paper summarizing the report was denied transmission by the censors. It appears that an "authorized version" of the address is being disseminated, which is in some respects quite different from what actually transpired.

793.94/6401

The strongest impression made by the address upon my informant was that Mr. Wang Ching-wei confessed that the National Government had no "pan fa", which means, in this connection, no positive policy for the settlement of the Sino-Japanese controversy. He regarded this as a regrettable confession of weakness.

I enclose herewith an account of the address as my informant gave it to me and confirmed it. On reading it my own reaction was that Mr. Wang Ching-wei stated the

JUL 8 1933

FILED

cafe

case very sensibly. His idea seems to be that it would be folly for the National Government to attempt by military measures to recover the territory occupied by Japan. On the other hand, it would be equally disastrous for China to initiate discussions with the Japanese for a settlement. "Watchful waiting" is the only course open to the National Government, which is prepared to deal with changes in the situation as they arise. Apparently intervention by third parties would be extremely welcome.

Perhaps in partial excuse for the helplessness of the National Government, Mr. Wang bitterly criticized the Canton regime, because of its failure either to assist in the suppression of the Communist forces or to send troops to assist in resisting the Japanese.

Mr. Wang Ching-wei openly admitted the danger of treasonable activities in the Peiping-Tientsin area, thus confessing that the National Government can expect support from neither the southern nor the northern sections of the country.

Chinese newspapers are allowed to publish only "official" reports of what transpires at the Weekly Memorial Services held in the Capital and it is not easy, therefore, to learn what really happens. I believe that the enclosed report is, at least in its broad outlines, reliable.

ROM

034

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

- 3 -

From what I have read in the papers emanating from Japanese official sources, the Japanese Government, as well as the Chinese Government, believes that the time has not come to initiate negotiations for the settlement of the Sino-Japanese controversy.

Sincerely yours,

Willys B. Beck.  
Counselor of Legation.

✓  
Enclosure: Memorandum dated May 22, 1955.

In quintuplicate to the Legation.  
No copy to the Department.

800

WRP/LOH



0348

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

MEMORANDUM

May 22, 1938.

On the morning of May 22, Mr. Wang Ching-wei, President of the Executive Yuan, addressed the Weekly Memorial Service of the National Government.

In regard to internal politics Mr. Wang Ching-wei uttered a strong criticism of the Canton regime, his principal points being that the Canton regime had neither sent troops to help suppress the Communist forces, nor had it sent troops to help resist the Japanese invasion. The National Government had issued a mandate appointing General Chen Chi-tang to command the South Route Army against the Communists in Kiangsi, but the Canton regime had taken no notice of this.

In regard to the Sino-Japanese controversy Mr. Wang said that the National Government was prepared to be guided by circumstances in the matter of a settlement with the Japanese. However, in the face of the Japanese invasion, an offer for a settlement could come only from the aggressors; the only course open to those who were being invaded was to resist the invasion to the bitter end.

Nevertheless, Mr. Wang admitted, China had reached an impasse from which she had no means to extricate herself. Diplomacy and military efforts were equally unavailing. Mr. Wang pointed out to his audience that all they could do in this situation was to be careful of the propriety of

their

- 2 -

their own conduct and to say little. (On the other hand, the situation, Mr. Wang said, had its favorable aspect, since the Japanese forces had reached their limit. If they were to continue and attack Peiping, foreign intervention would be certain. Under the circumstances China will not, of course, seek any compromise. Those who complain that the National Government has no definite policy do not realize that the duty of the National Government at the present juncture is to say nothing and closely watch the conditions which arise to confront it.

Speaking of the duty of the Executive Yuan Commission for the Readjustment of Political Affairs in the North, Mr. Wang explained that part of its duty was to prevent subversive actions by traitors in the Northern area.

In regard to the letter of President Roosevelt to President Lin Sen, Mr. Wang observed that President Roosevelt showed an attitude very helpful to China. However, it is the duty of the Chinese nation to awake to its own mistakes and not trust too much to the friendly assistance of other parties.

WRP/ECH



0348

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 6, 1933.

~~JES:~~  
~~CEC:~~  
~~MEH:~~

Mr. Peck's letter under date of May 23, 1933, to Mr. Johnson, encloses a copy of a memorandum of a conversation with Dr. Lo Wen-kan in regard to the Sino-Japanese situation in the vicinity of Peiping. The substance of Dr. Lo's observations is as follows: Fifteen thousand Chinese soldiers have been killed or wounded as a result of the warfare in the North; the military hospitals are filled; the troops of Generals Sun Tien-ying and Sung Che-yuan were practically wiped out; the only good troops left in the North are those of General Yu Hsueh-chung which might oppose the capture of Tientsin; there is no money left to carry on further resistance; opposition will not be offered to the capture of Peiping; and ~~that~~ there ~~was~~ nothing further for the Chinese to do in regard to the Japanese aggression except avoid provocative acts and hope for the Treaty Powers to act. Dr. Lo expressed gratitude for President Roosevelt's letter of May 16 to the President of China and states that in replying he had not dwelt on the Japanese matter for fear of embarrassing the United States. He told Mr. Peck in confidence that he did not expect the Japanese forces to enter

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

- 2 -

Peiping for he felt that their advance was merely to overawe China into capitulation. He also felt that the Japanese had been encouraged in their advance by the "funk" of the students, professors and other non-governmental classes in Peiping and concluded by stating that in a political game of this sort China's part was to maintain her self-possession and yield nothing.

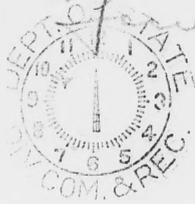
In the covering letter, Mr. Peck notes that Dr. Lo later gave out in confidence to a gathering of Chinese press men much of the information contained in Mr. Peck's memorandum.

ETW  
ETW/VDM

0350

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

AM FEED



*[Handwritten initials]*

793.94

793.94



Ranking office.  
May 28, 1933.

F/ESP

793.94/6402

Dear Nelson:

1/

I enclose herewith an account of my interview with Lo Wen-kun on the afternoon of May 28. I had called on him to carry out my instructions in reference to the patent matter and he detailed me to talk over the situation in Peiping.

He told me that Ingram had been to see him to get his views regarding what would be the next development and he, Lo, had remarked to Ingram numerous times that Sir Miles must now be prepared to meet General Huto coming in through the Chienmen and to call upon Emperor Ku Ti in the Throne Hall. Lo said he did not know what Ingram would think of the Minister for Foreign Affairs descending to a humerus level at such a serious time. He seemed to regret having taken such a tone with Ingram.

While I have been typing this draft (approaching eight o'clock) a Chinese newspaper man has telephoned me to say that he and a number of his confreres were getting an interview with Lo when I called this afternoon. Lo

gave

The Honorable Nelson Trusler Johnson,  
American Minister,  
Peiping.

JUL 8 1933

FILED

0351

DECLASSIFIED: E.O. 11652, 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 -

gave them a lot of "background", with injunctions against publication. My informant repeated a good deal of the talk and I found that Lo talked to me in much the same way in which he had just talked with the newspaper men. For instance, he gave them the same illustration of the man who threatens to murder, but has no such intention. When Lo divulged to me this view of his, he enjoined me to secrecy, probably in view of the fact that his prophecy may turn out unreliable!

At the same time, it occurs to me that the basis of his certainty that the Japanese will not enter Peiping may be some knowledge on his part that pourparlers are in progress.

I was not very pleased that I had been observed calling on the Minister for Foreign Affairs at this juncture, since the public would be bound to infer some connection with the "situation", but my informant promised that he would not, for his part, publish the fact that I had had an interview with Lo. I assured him that I had called in regard to a purely routine matter.

Yours sincerely,

Willys R. Peck.

✓  
Enclosure: 1/ Memorandum of Conversation dated May 23, 1933.

In duplicate to the American Minister.  
No copy to the Department.

WRP/ECH

1 copy of  
this memo orig-  
inal  
ECH

Memorandum of Conversation.

May 23, 1933.

Subject: Japanese advance on Peiping.

Dr. Lo Jen-kan, Minister for Foreign Affairs.  
Mr. Peck.

After concluding the business on which Mr. Peck had called on Dr. Lo, the latter made certain observations in regard to the situation at Peiping. What follows is a summary of his observations.

Dr. Lo said that there had been fifteen thousand Chinese soldiers killed or wounded as the result of the warfare in the North; that all the military hospitals were filled to over-flowing; and that the forces of Generals Sun Tien-ying and Sung Che-yuan were practically wiped out. The only good troops left in the North were those of General Yu Hsueh-chung, Chairman of the Provincial Government of Hopeh. The Government had no more money with which to carry on further resistance to the Japanese. He led Mr. Peck to infer that the Japanese would be allowed to enter Peiping without obstruction, but that if they attempted to capture Tientsin the forces of General Yu Hsueh-chung might oppose them. Mr. Peck suggested that the loss of the Customs revenue at Tientsin would prove a serious blow to the National Government, but Dr. Lo did not say whether this circumstance would, or would not, lead the Government to contest the capture of Tientsin more stubbornly than it had the investment of Peiping.

Dr. Lo

035

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

- 2 -

Dr. Lo said that the Japanese had China "by the throat" and that there was nothing further for the Chinese to do. He said that even in this situation China would avoid "provocative" acts. Under these circumstances it was the duty of the League members to act. He referred gratefully to the fact that the United States had done its best recently for China.

Dr. Lo said that another reason deterring the Government from contesting further the advance of the Japanese was reluctance to cause loss of life and suffering to the Chinese troops when no tangible result would be likely to result. He referred with approbation to the REUTER message dated London, May 22, which quoted the LANCETIER GUARDIAN as saying that it would be impossible to blame the Chinese Government if it shrank from the enormous losses which would be entailed by further resistance to Japan and that if China were to yield, the fault would not be China's, but the League's.

Dr. Lo expressed gratitude for the letter addressed by the President of the United States to the President of the National Government on May 16, 1933. He asked Mr. Peck what he thought of China's reply. Mr. Peck said that he thought it was well-written and that he had especially admired it because it dealt so lightly with the Chinese-Japanese controversy. Dr. Lo said that the American letter had not specifically mentioned the Japanese aggressions and on this account the Chinese reply had not emphasized this point. Dr. Lo said that he had feared that if he dwelt on the Japanese matter, it might embarrass the United States,

ever

- 3 -

even to the extent of embroiling the United States in trouble with Japan, and it was not his desire to do this. He said that when a rescuer was attempting to pull a drowning man out of the water, the latter should, in all decency, avoid pulling the rescuer into the water, too, for in that case the man on the bank would be involved in the same catastrophe and both might perish.

Dr. Ho said that he might confide to Mr. Beck, but in confidence, that he did not expect that the Japanese forces would actually enter Peiping. He said that the whole advance of Japan toward Peiping had been an attempt to overawe the Chinese into capitulation: an attempt made in the hope that it would result in inducing the Chinese to surrender the occupied areas, or at least to give some token of surrender. If the venture succeeded in bringing about this result, Japan would be so much the gainer, if not, very little had been lost. In a political game of this sort China's part was to maintain her self-possession and yield nothing. He did not think the Japanese would have carried their experiment so far, had it not been for the "funk" of the students, professors, and other non-Governmental class in Peiping, which encouraged the Japanese. One reason he did not think the Japanese would enter Peiping was that they had threatened to do this. When a man grasps another by the throat and shouts that he is going to kill the victim, the chances are he won't do it. If it were his intention to kill, he would do it without announcing his intention. The Japanese might have entered Peiping at will at any time during the last few days.

This is a copy of  
the signed origi-  
nal  
*ELH*

WRP/ECH

0355  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS  
June 29, 1933.

~~MEMO~~  
~~JTG:~~

To note the attached memorandum of conversation between Mr. Johnson and Mr. Roger S. Greene under date May 23, 1933, concerning General Ho Ying-chin's communication to educational institutions in regard to permitting their student bodies to leave.

*ETW*  
ETW/VDM

035F

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



*Handwritten mark*

Local Situation

Peiping, May 22, 1933.

Mr. Roger S. Greene.

793.94

Mr. Greene called up and stated that he had learned that General Ho Ying-chin had called in heads of educational institutions and had told them that they should permit their students to leave. He said that he understood that General Ho Ying-chin had implied, if he had not said, to these educators that he had entered into an arrangement with the Japanese which the Japanese now were not apparently willing to carry out because of the incident in front of the Japanese Legation connected with the wounding of a sentry.

F/H/S  
793.94/6405

I told Mr. Greene that I had been informed of Ho Ying-chin's communication to the heads of educational institutions by Mr. Galt of Yenching, and that I had told Mr. Galt he should take action similar to that of other educational institutions and not keep the Yenching student body here should the others go.

Nelson Trusler Johnson,  
American Minister.

NTJ:LA

0357

DECLASSIFIED: E.O. 11652, 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

July 1, 1933.

RCM:

~~JED: C.F.~~

~~EDH:~~

Tientsin's despatch No. 388, under date May 19, 1933, to the Legation, encloses a copy of a letter from the Japanese Consul General stating that he has brought to the attention of the appropriate Japanese military authorities the list of American properties which the American Consul General at Tientsin transmitted to him.

There is also enclosed with the despatch a copy of a form letter dated May 18, sent to the American citizens at Tungchow advising withdrawal to a place of safety at the first sign of danger.

A third enclosure with the despatch is a list of American owned properties in the Tientsin consular district.

*ETW*  
ETW/VDM

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

0358

No. 388

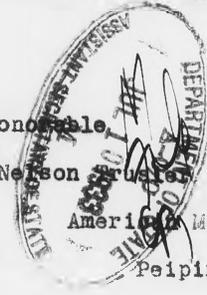
AM 7:00  
AMERICAN CONSULATE GENERAL

Tientsin, China, May 19, 1933.

*M for Lockhart*

Subject: Protection of American Owned Properties.

The Honorable  
Nelson A. Rockefeller, Johnson,  
American Minister,  
Peiping, China.



F/HS  
793.94/64C4

Sir:

I have the honor to refer to my despatch No. 385 of  
1/ May 16, 1933, and to enclose herewith a copy of a letter  
addressed to me under date of May 18, 1933, by the  
Japanese Consul General stating that he has brought to  
the attention of the appropriate Japanese military  
authorities the list of American properties transmitted  
to him as an enclosure to my letter of May 16, 1933.

With reference to my telegram of May 16, 11 a.m.,  
addressed to the Legation, I beg to state that my Japanese  
colleague has informed me orally that he has notified the  
appropriate military authorities of the location of the  
Tungchow school and the presence there of American children.  
It is my understanding that the graduating class of that  
school has returned to Tungchow on the understanding that  
they will withdraw to Peiping at the first sign of any  
approaching danger. In connection with the presence of  
American citizens at Tungchow, I beg to state that on  
yesterday I sent to those still remaining there a letter  
similar to the one enclosed in my despatch No. 385 of  
May 16, 1933, advising withdrawal to a place of safety at

the

JUL 13 1933  
FILED

*793.94*

*793.94 6372*

- 2 -

- 2/ the first sign of danger. A list of the American citizens at Tungchow to whom the letter was sent is enclosed herewith.

For the convenience of the Legation, and in connection with my telephone conversation of May 16 with Minister Johnson, at which time the Minister stated that the Legation would communicate with the Japanese Legation at Peiping with reference to avoiding any damage to American property in that city, and that it would not be necessary for the Consulate General to communicate a list of American owned property at Peiping to the Japanese Consulate General

3/ at Tientsin, I beg to enclose herewith a list of American property at Peiping as shown by the records of this office. More detailed information is being sought from the owners of these properties with reference to the exact location and surrounding physical characteristics of the properties but some difficulty is being experienced in obtaining this information from the owners. It is possible, however, that the enclosed list will serve the Legation's purpose at least for the time being.

Respectfully yours,

F. P. Lockhart,  
American Consul General.

3 ✓  
Enclosures:

- 1/, From the Japanese Consulate General at Tientsin, May 18, 1933.
- 2/, List of American citizens at Tungchow to whom notice has been sent.
- 3/, List of American owned property at Peiping.

800  
300  
FPL/DA:ti

Original and three copies to the Legation, Peiping.

A true copy of  
the signed original  
nal 12/10

0360

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

JAPANESE CONSULATE GENERAL

Tientsin, China.

Tientsin, 18th May, 1933.

Sir and dear Colleague,

I have the honour to acknowledge the receipt of your letter of May 16, 1933, transmitting a list, in duplicate, of properties owned by Americans in the territory adjacent to the cities of Peiping and Tientsin and to the railroads and highways in their vicinity and to inform you that I have brought it to the attention of the appropriate Japanese Military Authorities.

I have the honour to be,

Sir and dear Colleague,

Your obedient Servant,

(Signed) K. Kuwashima.

Consul General for Japan.

F. P. Lockhart, Esquire,

American Consul General,

Tientsin.

A true copy of  
the original  
MAJ. GPO

0361

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

300/800  
GW:1

American Consulate General,  
Tientsin, China, May 18, 1933.

Mr. William B. Stelle,  
American Board Mission,  
Tunghsien, Hopei.

Sir:

In view of the possible extension of military operations to the area in which you reside, it is suggested that you withdraw to a place of safety pending more settled conditions. While definite information concerning future developments in the situation is not available, it is believed that as a precautionary measure you would be well advised temporarily to remove from an area which might conceivably shortly be within the zone of operations. At least I trust that you will remove to a place of safety at the first sign of any danger due either to military operations or to disorder from retreating soldiers or to threatened bandit raids.

Very truly yours,

F. P. Lockhart,  
American Consul General.

A true copy of  
signed origi-  
*epd*

0362  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Hueston NARS, Date 12-18-75

An identic letter to the attached has been sent  
to the following:

Miss Helen L. Kintner,  
American Board Mission, Tunghsien.  
Miss Alice M. Huggins,  
American Board Mission, Tunghsien.  
Miss Jeannie E. Blacklock,  
American Board Mission, Tunghsien.  
Miss Helen E. Campbell,  
North China American School, Tunghsien.  
Mr. William E. Daugherty,  
North China American School, Tunghsien.  
Mr. Donald R. Fessler,  
Jefferson Academy, Tunghsien.  
Mr. Harry S. Martin,  
Jefferson Academy, Tunghsien.  
Mr. Theodore F. Hottwalker, jr.,  
Jefferson Academy, Tunghsien.  
Mr. James A. Hunter,  
Jefferson Academy, Tunghsien.  
Dr. Hugh L. Robinson,  
American Board Mission, Tunghsien.  
Dr. George D. Wilder,  
American Board Mission, Tunghsien.  
Mrs. Alice b. Frame,  
American Board Mission, Tunghsien.

LIST OF AMERICAN OWNED PROPERTIES

PEIPING:

American Board Mission, 26 Teng Shih K'ou, East City.  
T'ung Fu Chia Tao, Teng Shih K'ou.

American Methodist Episcopal Mission:

Hsiao Shun Hutung, Inside Hatamen.  
Peiping (Hui Wen) Academy, Ch'uan Pan Hutung, Inside Hatamen.  
Johns Hopkins Memorial Hospital, Hatamen Street.  
Hui Wen Primary Schools, K'ui Chia Ch'ang, Inside Hatamen.  
Western Hills Sanatorium, Western Hills.  
Language School Hostel, Ch'ao Yang An, Western Hills.  
Theological Seminary Faculty Residence, 16 Chen Chiang Hutung.  
Methodist Mission Churches at:  
Chu Shih K'ou, Outside Ch'ienmen.  
Ma Chia Ch'ing, South City.  
Fang Chin Hsiang.  
43 Hatamen Street.  
Hua Shih Ta Chieh.  
Liu Li Ch'ang.  
Shun Chih Men Wai.  
Nan Hsi Men Wai.  
Pai Chih Fang.  
Cheng Yi Men Wai.  
Tso An Men Wai.  
Yungtingmen Wai.

American Presbyterian Mission:

T'ou T'iao, Erh T'iao, San T'iao and Fang Chia Hutungs.  
West of the Drum Tower, Ya Erh Hutung.  
Chapel on Ti An Men Street.  
1 Liu Ho Yen, South of Drum Tower.  
Church at Hsi Chieh K'ou, Hsi Chih Men Street.  
Lao Ying Fang, An Ting Men Wai.

China Medical Board (Peiping Union Medical College and Hospital):

5 San Tiao Hutung.  
32 San Tiao Hutung.  
Shuai Fu Hutung.  
San Tiao Hutung and Hatamen Street.  
Wai Chiao Pu Chieh Hutung.  
Hsin Kai Lu.  
Pei Chi Ke  
Outside Chi Hua Men.

Yenching University, Haitien, Peiping West.

American Bible Society, Hatamen Street, and Mei Char Hutung.

Assemblies of God Mission, 111 Hsi Ssu P'ai Lou Ta Chieh.

7364  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

Seventh-Day Adventists Mission:  
314 Ch'ao Yang Men Ta Chieh.  
62 Ta Fang Chia Hutung.

Women's Foreign Missionary Society of the Methodist Episcopal.  
Church:  
15 Nan Ch'eng Ken  
5 Hou Kou  
Lao Ch'ien Chü  
14 Hsiao Shun Hutung.

Y. M. C. A.  
Mi Shih Ta Chieh and Chih Yü Hutung.  
1 Hsiao Shun Hutung.

0365

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS  
June 29, 1933.

~~MEM:~~  
~~JES:~~

Peiping's instruction under date May 25, 1933, to Consul General Lockhart acknowledges the receipt of Tientsin's despatch in regard to the evacuation of Americans at Tungchow and states that the Legation has sent to the Garrison Commander and the Peiping Bureau of Public Safety lists of American institutions and American individuals in the Peiping area with a request that adequate protection be rendered them.

*ETW*  
ETW/VDM

036E

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



Copies Sent To The Department Without Comment  
th. June 2/33

*[Handwritten mark]*

Peking, May 25, 1933

Wm. P. Lockhart, Esquire,  
American Consul General,  
Tientsin.



1933  
393-11

Sir:

I wish to acknowledge the receipt of your despatch No. 388, May 19, 1933, informing me that you had advised the remaining Americans at Tientsin to evacuate to a place of safety and enclosing a list of American property in Peiping for the convenience of the Legation in connection with any measures the Legation may wish to take to protect American lives and property within the city of Peiping.

With reference to the question of the protection of Americans in Peiping, you may wish to know that the Legation has prepared and sent to the Ping-tsin Garrison Commander and to the Peiping Bureau of Public Safety a list of American institutions where Americans reside, and another list of individual Americans living apart from institutions, giving their addresses and the number of persons in each home. The authorities were re-

quested

F/H/S  
793.94/6405

JUN 29 1933  
PIT

0367  
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Department of State letter, August 10, 1972  
By Milton C. Gustafson NARS, Date 12-18-75

- 2 -

requested to instruct those concerned to provide adequate protection to the American institutions and citizens listed and to any other Americans who might be in Peiping.

Very truly yours,

(Signed) Nelson Trusler Johnson.

PWM-SC

A true copy of  
the signed original  
SC

0368

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R./66 FOR Despatch #2103

FROM China- (Johnson) DATED May 12, 1933  
TO NAME 1-1127 \*\*\*

793.94/6406

REGARDING: **Encroachments of the Japanese south of the Great Wall subsequent to the fall of Jehol, and rumors reported toward negotiations of peace.**

esp

- 12 -

2. Sino-Japanese Relations.

a. The Military Situation.

793.9d  
The debacle in Jehol early in March, when large Chinese forces cracked up although faced only by ludicrously small Japanese contingents, not only led to the incorporation of a fourth province with "Manchukuo", but it made it almost unavoidable that military operations should be carried within the Great Wall. We have already seen the thin end of the Japanese wedge at Shan-haikwan (Legation's despatch No. 1994, March 13, 1933, pp. 1-2), and with the loss of Jehol the Chinese were bound sooner or later to lose control of the passes leading into North China.

The resignation of Marshal Chang Hsueh-liang (March 10th) having deprived the Japanese of the somewhat shop-worn excuse that he was plotting against them, they now announced that the military situation required that there should be no Chinese forces within artillery range south of the Wall. To enforce this decision they launched a series of attacks against the Chinese positions from Kupeikou to the sea. On April 1st the Japanese occupied Shihmenchai, some 12 miles north of Chinwangtao, and by the middle of the month the Hsifengkou, Chiehlingkou and Lengkou Passes had been captured, but not without some very sanguinary fighting, especially near Lengkou, and with heavy casualties on both sides.

These Japanese successes cleaned up the region along the Great Wall and obliged the Chinese to withdraw

to

- 13 -

to the right (west) bank of the Lwan River. However, after occupying Chinwangtao (April 15), Peitaiho, and Changli (April 17th), the Japanese suddenly announced that they would not proceed farther, and on April 23rd they actually retired from the Lwan River to a line just west of Shanhaikwan. No satisfactory explanation has been forthcoming for this decision. And the fact that it coincided with fierce Japanese attacks on the Ku-peikou front, which resulted in the capture of Nantienmen, a strong position on the road to Miyun, only adds to the mystery. The Chinese, of course, claim that it was due to their stout resistance and also, perhaps, to Japanese anxiety regarding a possible conflict with Soviet Russia over the Chinese Eastern Railway. It is much more likely, however, that this voluntary retirement was due to political, rather than military, considerations and that it had some connection with the rumors current at the time of an attempt to create in the Lwan River triangle (Lwantung) an "independent" or pro-Manchukuo zone which could be neutralized. (See page 17, below). But the immediate reoccupation of this region by Chinese troops apparently frustrated this plan and invited a fresh Japanese advance - to quote Tokyo - "for practical considerations necessitated by the constant Chinese attacks on the Japanese positions"!

As a matter of fact, the Chinese armies in North China are very much demoralized by the incessant Japan-

ese

- 14 -

ese bombing raids from the air. They are poorly led and have no confidence in their officers, and they know from bitter experience that they have nothing to compare with the superior equipment and organization of the highly mechanized Japanese troops. Although individual units - notably the divisions under General Sung Cheh-yuan and General Shang Chen - have offered stubborn resistance and held their ground rather well at and near the passes, the leaders realize that fighting the Japanese has become largely a point of national honor, and is no indication of any hope of effectively checking further Japanese advances, let alone of assuming the offensive or even of counter-attacking locally.

T. V. Soong himself, on hearing of the Chinese rout in Jehol, issued a scathing indictment of Chinese military incompetence in which he refers to generals who have been used to "fighting with telegrams and proclamations" and who "strut about in field-grey uniforms with Sam Brown belts". He speaks of

"....an army with no staff work, with the generals staying hundreds of miles behind, with no transport except of the most primitive sort, which took several weeks for supplies to reach the front, no liaison between the different commands, no anti-aircraft guns and trenching materials or artillery, and soldiers trained only in drill ground rudiments...."

"The blame lies not so much with individuals but in the system which permits the existence of vast armies of ill-fed, ill-armed and ill-trained soldiery which in time of crisis degenerate into helpless mobs...."

"The world looks with wondering eyes on the rabble fleeing back to the gates of Peiping....corrupted and paralyzed by the taint of archaic and incompetent military professionalism".

b. Rumors

- 15 -

b. Rumors of Sino-Japanese Negotiations.

Such frank recognition of the facts as they really are is doubtless shared by General Chiang Kai-shek and, though to a lesser extent, by Mr. Wang Ching-wei and other leaders. If then, the futility of further military resistance be admitted in high quarters, it seems only natural that reports of negotiations with the Japanese should obtain currency and a certain amount of credence.

The immediate occasion for the revival of such rumors was the unexpected withdrawal of the Japanese from the Luen front. (See page 13, above). It was interpreted as a possible forerunner of armistice negotiations between the local army commanders. It has been known for some time that the Japanese Government has entertained hopes of establishing a neutral zone this side of the Great Wall in order to avoid becoming seriously involved in large-scale military operations in North China. As recently as March 10th a spokesman of the Japanese Foreign Office was reported to have suggested that if the Powers interested in China really wished to prevent hostilities from spreading they should induce Nanking to agree to such a zone.

This suggestion was, of course, not acted upon; but since then much publicity has been given to the important British mining interests in northern Hopei (Chihli) which it is claimed are endangered by the Japanese occupation of Chinwangtao, the great coal port of China, which was built by the Chinese Engineering and Mining Company, Ltd., a British concern, to take care  
of

- 16 -

of the output of its collieries. These mines are located in the Kailan coal area near Tongshan, which is said to include the largest single colliery in the world, and their total output is about five million tons per annum. The capital invested is believed to be in the neighborhood of fifteen million dollars (gold), and if the railway between Kaiping and the sea should be cut or interrupted by military activities the losses to the company, not to mention the danger to its staff and plant, would be considerable. It is also pointed out that British investors have an interest in the Peiping-Shanhaikwan Railway - on which some three and a half million dollars (gold) is still owing - and in the Tongshan-Shanhaikwan section, which was doubletracked with loans from a British company. While British interests predominate, those of the United States, France, and the Netherlands are by no means negligible, and together they far exceed those of Japan.

That the argument of the "protection of foreign interests" should be used by both the Japanese and the Chinese is perhaps the best proof that both sides have reached a point where they would welcome a sign that foreign Powers are interested in the local situation: the Japanese, in the hope that moral pressure might be brought to bear on Nanking to negotiate, and the Chinese in the hope that the Powers might stop further

Japanese

- 17 -

Japanese aggression. As reported in the Legation's telegrams No. 357 of April 22, 8 p.m. and No. 358, April 23, 12 noon, Sir Miles Lampson, the British Minister, was in fact approached by the Japanese and the Chinese to try and arrange for an armistice. What the Chinese may have in mind is an armistice along the lines of the Shanghai Agreement of May 5, 1932 (see Legation's despatch No. 1571, June 16, 1932, pp. 2-8), which put an end to hostilities in the Shanghai area without touching upon the real problems of the Sino-Japanese controversy.

Whether such local negotiations - even with the participation of neutral witnesses - could still save the situation is doubtful. The Japanese seem determined to establish a new régime in North China which must be friendly or at least neutral, and with which a working arrangement regarding "Manchukuo" could be arrived at. Whether this scheme includes the restoration of Henry Pu Yi to the Dragon Throne in the Forbidden City it is yet too early to say. For the past year such a Manchu restoration has been freely predicted as the simplest solution of the most important Sino-Japanese problem, for it would create an independent North China under one sovereign which would extend from the Yellow River to the Amur, and which might eventually include Inner and Outer Mongolia. For the present, however, we only know that the Japanese have been trying to persuade a number of prominent anti-Nanking personages, such as Tuan Chi-jui, Wu Pei-fu, Sun Chuan-fang,

and

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

- 18 -

and others, to form a northern government favorably disposed toward "Manchukuo" and Japan. Tuan Chi-jui, the former Anfu leader, appears to have definitely turned down their overtures and left for Shanghai last January, and it is not known what success they have had with the others; but intrigues with various Chinese warlords in North China continue and may at any time pave the way for another "puppet régime" and the domination of the Peiping-Tientsin area by Japan.

The only alternative to these developments would presumably be direct negotiations between Nanking and Tokyo. The visit to China of Mr. Kenkichi Yoshizawa, a former Japanese Foreign Minister (in the Inukai Cabinet) and at one time Minister to China, which lasted from the beginning to the middle of April, and in the course of which he stopped at Shanghai, Nanking, Peiping, and Tientsin, not unnaturally caused some speculation whether he had been sent on a "secret mission" to sound Chinese officials (among whom he enjoys a wide acquaintance) as to the possibility of direct negotiations. The fact that his stay in China coincided with a trip to Japan of Mr. Akira Ariyoshi, the Japanese Minister to China, lends color to this surmise. But when questioned on the subject in Peiping (April 12th) Yoshizawa declared that the time was not yet ripe for direct negotiations, and Dr. Lo Wen-kan was even more emphatic in denying that the Chinese Government would consider direct negotiations "so long as Japanese troops are on Chinese soil".

As a matter of fact, although it is possible that Chinese leaders have in private conversations been

sounded

- 19 -

sounded regarding their attitude, not one of them would, in the present state of public feeling, dare to come out openly in favor of direct negotiations. In the first place, because the Chinese Government is anxious to keep its record with the League clear by abiding strictly by its resolutions and the relevant treaties; but more particularly because Nanking fears that a wave of popular indignation might overthrow the Government. Although it is by no means certain that the Chinese people themselves really feel very strongly on the subject, all elements hostile to the present Central Government would be quick to combine and to try and sweep Chiang Kai-shek and his followers out of office for "betraying the country". They would, of course, maintain that direct negotiations were the result of Nanking's "cowardly" policy of non-resistance and could only end in unconditional and ignominious capitulation before any demands the Japanese militarists chose to present. It would be a peace dictated by the aggressor to his victim.

And yet, the Chinese Government has learned to its sorrow that Japanese threats cannot be taken lightly. Japan's typical method has been to assume a lofty moral tone and to accuse the Chinese of provoking reluctant Japanese armies to acts of strict self-defense! By this means the Japanese have been able to use every little incident as a pretext for an ever wider extension of Japanese control. If this process is permitted to go on much longer the whole of North China will soon be at Jap-

an's

- 20 -

an's mercy. And considering that neither the League of Nations nor any of the Powers individually are in the mood to force Japan to accept the recommendations of the Lytton Report, one cannot help but wonder whether it would not, after all, be in the interest of China to make the best of a bad situation by at least agreeing to an arrangement for the cessation of hostilities.

Such an agreement should not be looked upon as a betrayal of the League, and it could be readily explained to the Chinese public as in the nature of a temporary compromise. In other words expediency, rather than abstract principles, may force a rapprochement between China and Japan, and the greatest difficulty may consist in finding a formula which would enable Nanking to enter into conversation without losing "face", and to satisfy the Opposition that it is not intended to renounce forever all attempts at resistance. But if further bloodshed is to be avoided and Peiping and Tientsin are not to share the fate of Shanghai a little over a year ago, the Chinese must face the inevitable conclusion that as neither they nor foreign Powers are able to bar Japan's way to the realization of her ambitions, it would be no disgrace to throw out preliminary peace feelers.

Unless a state of strained relations is to exist indefinitely some kind of settlement with Japan will sooner or later have to be effected, and the sooner the two peoples seek approaches, however tacitly or informally, that will bring them closer together, the better for everybody concerned.

III. Internal

0378  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 894.00 P. R./66 FOR Despatch # 419.

FROM Japan (Grew) DATED June 1, 1933.  
TO NAME 1-1127 ...

6407

793.94/6407

REGARDING:

*by* The month of May opened with the Japanese troops drawn up on a line in the region of the Great Wall having withdrawn from certain more advanced positions in North China.

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- 8 -

II. POLITICAL RELATIONS WITH OTHER COUNTRIES.

(a) China.

The month of May opened with the Japanese troops drawn up on a line in the region of the Great Wall. They had withdrawn from certain more advanced positions in North China. Negotiations for peace appeared to be under way. It was reported that the Chinese had approached the British Minister to China and asked him to act as mediator. There appeared to be some hope that the tension between the two countries would ease. However, this hopeful situation did not last long, or, it might be more correct to state, appearances had been deceptive. On May 6 the Japanese launched a new and unlimited offensive. In explanation the Kwantung Army issued a statement that the Chinese had greatly presumed upon the Japanese withdrawal and while proposing an armistice on the one hand they had been harassing the Japanese troops continuously. It soon appeared that the Japanese had discontinued their policy of advancing and then withdrawing and were aiming to advance far into North China, possibly to Peiping and Tientsin, with the object of being able to dictate peace to the Chinese.\*

On May 20 the Japanese Staff Office stated that the Japanese troops were within 25 miles of Peiping on the north and east but that occupation of the city would probably not be necessary.\*\* On the 23rd the press announced that the troops were within two miles of Peiping and that the Japanese

\* Embassy's telegram No. 96, May 9, Noon.

had

\*\* Embassy's telegram No. 104, May 20, 1 p.m.

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

0381

*Handwritten initials*

TELEGRAM RECEIVED

MP

FROM

GRAY

*Hong Kong*  
~~Manila~~ via N.R.

Dated June 28, 1933

28

Rec'd June/midnight

F/HS

Secretary of State,  
Washington.

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

Division of  
FAR EASTERN AFFAIRS  
JUN 29 1933  
Department of State

June 28, 2 p.m.

CONFIDENTIAL.

793.94  
note  
893.48  
893.00

793.94/6408

I was present when Hu Han Min gave a lengthy interview today to Sweetland of CHICAGO DAILY NEWS and Carr of LOS ANGELES TIMES. Among other things Hu Han Min said Chiang Kai Shek had long been close to Japan and is now greatly under Japanese influence. He said Chiang Kai Shek would obtain loan from Japan in the near future and Japanese influence over Nanking regime would continue to grow if Cantonese and associates did not check it.

JUN 29 1933  
RECEIVED

In answer to question Hu Han Min said it is possible Cantonese will resort to military measures with Nanking. He declared Cantonese are bitterly opposed to truce and in conjunction with Feng will continue to resist Japanese. He said Cantonese boycott will also continue. Referring to recent assassination in Shanghai Hu Han Min said *it was* he has-

net-

038  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

MP

2-From Yunnanfu, June 28, 2 p.m.

*the work of secret organizations*  
~~not been able to work~~ with defective organization under  
Chiang Kai Shek's control.

Touching wheat-cotton loan Hu Han Min said money  
from the United States will be used by Nanking for  
military purposes or at least to suppress Canton and  
other opposition. Like Dr. Sun Yat Sen, he said he is  
opposed to loans to China. Hu Han Min estimated  
communists in interior now number 100,000 men and  
declared Canton powerless to suppress them.

American Legation Peiping informed .

JENKINS

WSB

RR

0382

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

July 5, 1933.

~~JDS:~~  
~~JBS:~~  
~~BTW:~~  
~~MMH:~~

Warrington Dawson's Special Report No. W. D. 1261 dated June 17, 1933, is a summary of an article which appeared in LE TEMPS of June 12 over the signature of the Far Eastern Editor, M. Duboseq. A copy of M. Duboseq's article is enclosed.

M. Duboseq points out that the May 31 agreement between Japan and China is merely a military truce and he hopes that negotiations now being conducted between the two countries will bring "a compensation to China for the useless and ruinous conflict into which she has been driven by nefarious and irresponsible influences" (page 2). He believes that Japan will continue its organization of "Manchukuo" but that it will not find there a solution for its population problem.

CAB:EJL

CAB

038

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



AM 0000

EMBASSY OF THE  
UNITED STATES OF AMERICA



*PK*  
*WE*

JUN 20 1933 Paris, June 17, 1933

793,94



SPECIAL REPORT  
(No. W. D. 1261)



*File*  
*to*

F/G  
793.94/6409

To the Secretary of State  
Washington, D. C.

The American Ambassador forwards herewith  
Mr. Warrington Dawson's Special Report No. W. D.  
1261, dated June 17, 1933

✓

JUL 11 1933  
FBI

WD/DG

*WD*

0382  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE  
UNITED STATES OF AMERICA

Paris, June 17, 1933

Serial No. W. D. 1261

SPECIAL REPORT

By Warrington Dawson  
Special Assistant

SUBJECT: Sino-Japanese Perspectives as  
Viewed by André Duboscq

Writing in the issue dated June 12th, the Far Eastern Editor of LE TEMPS begins by saying that it is generally agreed that the Sino-Japanese Accord signed on May 31st is of a military nature, a species of truce, and that the negotiations conducted with the two governments are not yet concluded. The Chinese have had a care to make this very clear, and nobody has contradicted them. Nevertheless, Duboscq expresses the firm hope that these negotiations will lead to a conclusion and that as a result great ad-

vantages

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

-2-

vantages may be gained by both the Chinese and the Japanese. He goes on to remark:

"We have often stated that all periods of tension in Sino-Japanese relations are invariably followed by an era of good relations lasting whether for a long or a short time. If the duration of these good relations were proportionate to the acute period, there would be occasion for great optimism. At all events, for our part we wish to see in the happy perspectives which are now opening a compensation to China for the useless and ruinous conflict into which she has been driven by nefarious and irresponsible influences. Ever since this affair began in 1931, and frequently in the course of its development, we expressed regrets that China should have involved herself so deeply in a road which could lead to no other issue than that of May 31st."

Duboscq adds that a very complete program for the organization of Manchuria naturally exists in Tokio, and considering the methodical spirit of the Japanese it may well be believed that this will be put into application. Many difficulties will be encountered, but the Japanese have not pretended that they will

attain

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

-3-

attain their end by the stroke of a magic wand.  
Among the points of this program, the one concerning the immigration of the Japanese is to be noted. It is evident that immigration to Manchuria will bring no solution for the problem of the surplus population in Japan. In his conclusion, Duboscq comments upon reports to the effect that the proximity of Japanese troops to the Great Wall might render possible an understanding between Japan and either Nanking or Canton, according to events. Further wars among the Chinese themselves are expected, while the Japanese continue to organize Manchuria.

Very respectfully,

*Warrington Dawson*

Warrington Dawson  
Special Assistant

✓  
Enclosure:  
Article from LE TEMPS of June 12, 1933

In quintuplicate

851.9111/6a

WD/DG

Copy to E I C

Enclosure to Special Report N°W.D. 1261 of June 17, 1933  
From American Embassy at Paris  
Extract From "LE TEMPS" of June 12, 1933

Questions extérieures

**PERSPECTIVES SINO-JAPONAISES**

Il est entendu que l'accord sino-japonais du 31 mai est un accord militaire, une sorte de trêve aux hostilités et que les négociations menées par les gouvernements ne sont pas terminées. Les Chinois ont tenu à le bien spécifier et personne n'y contredit. Toutefois, nous avons le ferme espoir que ces négociations aboutiront et qu'il en résultera pour les Chinois et les Japonais des avantages considérables. Nous avons souvent fait remarquer qu'à toute période de tension dans les rapports sino-japonais succédait infailliblement une ère plus ou moins longue de bonnes relations. Si la longueur de ces bonnes relations devait être proportionnée à celle de la période aiguë, on aurait lieu d'être très optimiste. Nous voulons voir, en tout cas, pour notre part, dans les perspectives heureuses qui s'ouvrent, une compensation pour la Chine à l'inutile et ruineux conflit où l'ont poussée d'irresponsables et néfastes influences. Nous avons dès le début de l'affaire, en 1931, et à maintes reprises au cours de son développement, exprimé le regret qu'elle se soit engagée à fond dans une voie sans autre issue que celle du 31 mai. Nous n'avons jamais varié d'opinion à cet égard et l'événement ne nous a que trop donné raison.

Mais il est parfaitement oiseux de revenir sur ce qui aurait dû être fait ou évité, quand les destins ont prononcé; mieux vaut supporter les chances d'un avenir meilleur que de ratiociner sur les vicissitudes d'un passé malheureux.

Un programme d'organisation très complet de la Mandchourie existe naturellement à Tokio, et l'on croira aisément, vu l'esprit de méthode des Japonais, qu'il sera appliqué. Certes les difficultés, pour mille raisons, ne manqueront pas; mais à chaque jour suffira sa peine et personne au Japon n'a la prétention de tout réaliser d'un coup de baguette de fée.

Parmi les différents points de ce programme, il en est un qui touche à l'immigration des Japonais. Si nous nous en rapportons aux informations venues de Tokio, le programme prévoit, en l'espace de dix ou quinze ans, l'installation en Mandchourie de cent mille familles de paysans japonais, comprenant en moyenne cinq personnes chacune, soit environ cinq cent mille immigrants au total.

Ce chiffre, pour une population qui augmente annuellement de près du double, confirme l'opinion depuis longtemps admise que la Mandchourie ne saurait apporter de solution au problème de la surpopulation japonaise. Colonie d'exploitation, la Mandchourie ne sera jamais, pour le Japon, même dans les conditions nouvelles où elle se présente à ce dernier, colonie de peuplement. Son climat avant tout s'y oppose. D'aucuns s'en consolent en disant qu'après tout les Japonais ont encore de la place chez eux. « De temps à autre, écrit M. Kawakami, publiciste japonais connu résidant à Washington, dans un article de l'*Esprit international* du 1<sup>er</sup> avril dernier, des observateurs superficiels et même des critiques sérieux, appartenant aux nations occidentales, daignent

nous informer que le Japon n'est pas surpeuplé et qu'il possède encore de nombreuses régions susceptibles d'être avantageusement mises en valeur. On dirait d'un millionnaire préchant l'économie aux indigents... Le Japon proprement dit se compose de quatre îles. Le moindre écolier sait que ces îles se composent de chaînes de montagnes volcaniques... Pourquoi masquer le fait évident qu'il y a trop de Japonais vivant au Japon et que la politique d'exclusion des nations étrangères étrangle lentement mais sûrement les Japonais? »

Voilà pour la place au Japon. L'industrialisation du Japon a été donnée par d'autres comme un moyen de retenir et de faire vivre cette population débordante.

Après l'« Immigration Act » de 1924, qui fermait la porte des Etats-Unis aux jaunes, des hommes politiques japonais, faisant front par amour-propre sans doute, voulurent voir eux-mêmes dans l'industrialisation un remède à la surpopulation; mais l'inefficacité de ce remède ne tarda pas à éclater aux yeux de tous. Le problème reste intact et le programme japonais en Mandchourie n'y changera malheureusement rien.

Par contre, l'émigration chinoise très intense depuis une vingtaine d'années peut continuer. La main-d'œuvre chinoise abondante et extrêmement bon marché occupera la place. On peut être certain qu'elle sera attirée et retenue dans le pays par l'ordre qui vraisemblablement y régnera. Ce même ordre facilitera les affaires en général et le commerce avec la Chine en particulier. Ou nous nous trompons fort ou les membres des chambres de commerce chinoises escomptent à l'heure qu'il est des affaires en Mandchourie qui les dédommageront de bien des choses, et entre autres de la gêne considérable que le conflit récent a apportée à leur trafic.

A quelque chose souvent malheur est bon. Si la Chine, après la dure épreuve qu'elle vient de supporter courageusement, concentrait son effort sur les provinces qui constituent son territoire proprement dit, territoire immense, et s'appliquait à en tirer le rendement qu'il permet, nul doute que le voisinage d'une Mandchourie organisée ne fût pour son commerce un inappréciable débouché. Mais tout est dans le sort que lui réservent les fameux généraux qui jusqu'ici tiennent son territoire pour un champ clos où ils vident leurs querelles sans plus se soucier du reste. Malgré l'amélioration qu'on nous prédit sans cesse à cet égard, nous voyons toujours se reproduire les mêmes compétitions, les mêmes batailles pour le pouvoir sur une région ou sur une autre, les mêmes collusions qui se terminent par des trahisons, des défections, et tout cela au grand dam d'une population pacifique, laborieuse, qui ne demande qu'à cultiver ses champs ou à exercer tranquillement ses divers métiers. Au moment où nous écrivons on n'est pas certain que le Sud ne repartira pas en guerre contre le Nord. Vu la présence de forces japonaises à proximité de la Grande Muraille, on parle de leur entente, en cas de conflit, avec Nankin, d'autres disent avec Canton. On ne sait. On entrevoit encore des guerres entre Chinois, tandis que les Japonais organisent la Mandchourie. Nous faisons des vœux sincères pour la paix en Chine.

ANDRÉ DUBOSQ.

0388

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

*[Handwritten initials]*

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

cib

GRAY

FROM

TIENTSIN VIA NR

Dated June 29, 1933.

Received 6 a.m., 30th.



F/G 793.94/6410

Secretary of State  
Washington.



June 29, 3 p.m.

793.94

Chinese authorities confirm negotiations are in progress here looking to disposal of Li Chichun's troops in Tangshan area and assumption of police control over that area under authority of General Yuhshueh Chung, Chairman of Hopci Provincial Government, and now concurrently Mayor of Tientsin. An official expressed confidence today that an amicable adjustment would be arranged within a week if no new obstacles arise and that rail traffic to Chinwangtao will be restored immediately thereafter. Successful outcome of negotiations is promising but by no means certain.

LOCKHART

JS CIB

JUN 30 1933

15

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

0385



JAMES A. FARLEY  
CHAIRMAN

DEMOCRATIC NATIONAL COMMITTEE  
NATIONAL PRESS BUILDING  
WASHINGTON

July 6 1933

*Ack'd* *FE*



*File*  
*Ag*

JUN 29 33

793.94

June 26, 1933

F/G  
793.94/6411

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

My dear Mr. Secretary:

I am attaching a letter regarding the Sino-Japanese situation from Honorable Hu Han Min for your information.

Sincerely,

*JAF*  
Chairman

JAF:RFR

*End*

FTT:END  
JUL 8 1933

0390  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

## The South-western Political Council.

CANTON, CHINA. 276

1

.....May.....1933.....



Hon. James Aloysius Farley  
Postmaster General

Sir,

I take this occasion of addressing you because I feel that you will be in a position to help discover a solution towards the Far Eastern situation which would serve the interests of the world at large at this crucial hour. The complexity of the problem is the gravest that has ever confronted the statesmen of the world.

At this juncture, it seems, however, that China can only rely on American statesman of your unchallenged wisdom and integrity to think out a remedy as the key to peace in the Far East. Since the enunciation of the Hay Doctrine in 1899 against various infringers on China's territorial rights, the United States have pressed endless series of actions in that direction. This means that American statesmen have always realized that peace in the Far East is also world peace: as so interdependent have our societies become that any clash of nations today will almost certainly involve all the world. And certainly civilization cannot endure another world conflict without bringing greater calamity upon mankind than ever.

793.94/6211

## The South-western Political Council.

CANTON, CHINA.

.....193.....

2

Now that Japan has virtually annexed the four provinces, she will have increased her territory three times the size of Japan proper and about one and half time her own population. In addition, she can have at her command unlimited natural resources and most strategic centres which are all vital to her interests in the event of entering into conflict with any other great power. Little wonder that she can "sit tight" at the moment and defy all interpretations of treaty obligations.

In such impregnable position as she is at present, she can easily try conclusions with America, or any other power that may obstruct her ambition. So long as Japan is in that bellicose mood, world peace is a futile hope.

At the same time, rumours coming from certain reliable quarters have it that Japan is intriguing hard for direct negotiations with China, in the hope of forcing her to recognise her "rights" over the four provinces. This is tantamount to legalisation of Japan's deeds of violence in Manchuria and Jehol. Any sort of direct negotiations with Japan at this stage would be an ignominious surrender. As a consequence, these rumours have roused a great gust of popular feelings against the Nanking Government doing anything of that sort to appease the military party in Tokio. The wrath and impatience of the people against the weak-knee

## The South-western Political Council.

CANTON, CHINA.

3

.....193.....

policy and opportunism of Nanking vis-a-vis Japan have been strained to the breaking point: and if direct negotiations are brought about, the passions of the people, I am afraid, will be so aroused that it will lead to most serious consequence in her political life, the unity of which is so vital to her existence against aggressive neighbour. Therefore the Chinese people not only oppose direct negotiations, but also encouragement of any kind from any quarter to the Nanking Government or its high officials that suggest or foster the idea of direct negotiations. Recently, when certain high officials of the Nanking Government were delegated to proceed to the United States for the Economic Conference at Washington, we notice that the mission has given rise to considerable adverse comments in the press and in various sections of China. The people are clamoring against the mission because they feel that its ulterior motive is at bottom to sound the opinion of the United States in respect to the question of direct negotiations. Simultaneously, the people suspect that the mission is to obtain loans from the United States with which the Nanking Government, whose policy has been non-resistance, aims to entrench its position and avert any possible rise against its mishandling of the Sino-Japanese situation. That

**The South-western Political Council.**  
CANTON, CHINA.

4

193

being the case, it is clear that what ever support accorded the Officials from Nanking on such basis, the United States will be doing a great harm to the Chinese people.

Briefly I trust you understand why the Chinese people are looking upon the Nanking Government with so much distrust for having envisaged any direct negotiation with Japan at all. With renewed distinguished considerations,

I remain,

Sir,

Yours very truly,

*Hu Han-min*

(former minister for foreign affairs )  
(and president of the Legislative Yuan)

0394  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 6, 1933.

Although the attached letter from Mr. Farley, enclosing a letter from Mr. Hu Han-min, was written on stationery of the Democratic National Committee and signed by Mr. Farley as Chairman of the Committee, I have addressed the Department's acknowledgment to the Postmaster General, inasmuch as Mr. Hu Han-min's letter was addressed to Mr. Farley as Postmaster General and it is assumed that the use of the Committee's stationery was an oversight.

E.G.C.

0395

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

July 6 1953

In reply refer to  
FE - 793.94/6411.

My dear Mr. Postmaster General:

I acknowledge the receipt of your letter of June 26, 1953, enclosing a letter of May 9, 1953, from Mr. Hu Han-min of the Southwestern Political Council, Canton, China, in regard to the situation in the Far East. In this connection I may say that Mr. Hu Han-min addressed a similar communication to the Secretary of State and that, as this communication is adversely critical of the Chinese Government recognized by the American Government, no acknowledgment is being made by this Department of Mr. Hu Han-min's letter.

793.94/6411

Sincerely yours,

William Phillips  
Acting Secretary.

The Honorable

James A. Farley,  
Postmaster General.

840  
23:00  
VII-6-53

7/6/53  
PH

90

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

0396

*JH*

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GRAY

MET



Tientsin via N.R.

Dated July 1, 1933

Rec'd 5:20 a.m., 3rd

Secretary of State, Division of  
Washington, FAR EASTERN AFFAIRS

JUL 3- 1933

July 1, noon Department of State

*Del. to Peiping July 5, 1933*

*793.94  
not  
893.77*

F/H/S

793.94/6412

FILED

JUL 10 1933

A special train having on board 132 Japanese soldiers fully armed, and approximately 50 railway police, all Chinese and armed only with revolvers, left for Tangshan this morning ostensibly to open traffic on railway. A number of railway workmen accompanied train. So far as can be ascertained no arrangements have been made with Li Chi Chun's forces for passage of train through their territory and there is accordingly possibility of class. CONFIDENTIAL. Reliably informed Chinese managing director of railway originated plan and made proposal to Japanese. Japanese commandant offered American, British and French commanders on Saturday officially to share in responsibility of operating train but offer was *declined.* Japanese commandant also inquired of each commander whether any objection to proposal and received negative reply.

WSB-RR

LOCKHART

135

scored only 22 runs and the Senators were guilty of only four errors.

**Cubs Lead National in Hits.**

The Cubs topped the National League batters with 55 runs and 86 hits and with five homers were only one behind the Braves.

They had a good defense but not equal to that of the Giants, who allowed opponents only 22 runs in seven games.

The week's records of games won and lost, runs, hits, errors, opponents' runs, and home runs follow:

AMERICAN LEAGUE.						
	W.	L.	R.	H.	E.	O.R. H.R.
Washington	6	2	61	90	4	22 3
New York	5	2	52	74	11	39 5
Boston	4	2	39	69	6	29 4
St. Louis	4	4	60	92	6	68 6
Phil'phia	4	5	68	116	6	60 8
Chicago	3	4	29	65	5	37 0
Detroit	2	5	30	60	11	44 3
Cleveland	2	6	31	77	11	69 1

NATIONAL LEAGUE.						
	W.	L.	R.	H.	E.	O.R. H.R.
Chicago	5	2	55	86	8	26 5
Boston	5	2	29	64	6	26 6
New York	4	3	36	71	7	22 5
Brooklyn	4	4	40	83	12	44 2
Phil'phia	3	3	35	67	10	37 3
Pittsburgh	3	5	35	70	11	47 5
St. Louis	2	4	12	41	6	22 2
Cincinnati	2	5	27	64	9	45 3

**RESORTS AND TRAVEL TOURS.**

Foreign military commanders at Pei-  
SHANGHAI, July 3 [Monday].—  
[Chicago Tribune Press Service.]  
BY JOHN POWELL.

**Foreign Army Chiefs Act  
in North China.**

**U.S. AIDS IN MOVE  
TO OPEN RAILWAY  
HELD BY JAPAN**

Chicago Daily Tribune

JUL 3 1933

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

0397

JUL 3 1933

## Chicago Daily Tribune

# U. S. AIDS IN MOVE TO OPEN RAILWAY HELD BY JAPAN

## Foreign Army Chiefs Act in North China.

BY JOHN POWELL.

[Chicago Tribune Press Service.]

SHANGHAI, July 3 [Monday].—

Foreign military commanders at Peiping and Tientsin, including the Americans, today dispatched a military train from Peiping toward the seaport Chnwangtao in an effort to reopen the railway to the sea, in accordance with the terms of the Boxer protocol.

The Japanese have been insisting on control of the section of the railway between Shanhaikwan and Tangshan through the Lwanchow area, in which are located properties of the British Kailan mining administration. This is in the neutral zone recently established by China and Japan.

### More Trouble for China.

The Chinese government at Nanking, which recently was forced to permit Manchukuo troops to aid in policing this so-called neutral area, extending south from the Great Wall to the environs of Peiping and Tientsin, is now having other trouble. The "Christian general," Feng Yu-hsiang, has definitely refused conciliation proposals.

Nanking's representatives went to Kalgan yesterday with a truce proposal, but were snubbed by Feng's chief lieutenant, Fang Chen-wu. He declared that the Christian general has sufficient financial support to enable him to recruit many more soldiers under his banner. Feng's force now exceeds 70,000, it is said.

Feng's position is further strengthened due to the adherence to his banner of Gen. Liu Kuei-tang, formerly an ally of the Japanese in Manchukuo. Feng has thus been enabled to reoccupy several towns in northern Chahar province which were formerly under the jurisdiction of Manchukuo.

### Much Anti-Japan Sentiment.

Nanking's representative who visited Gen. Feng's headquarters at Kalgan stated that the anti-Japanese atmosphere is strong and that there is also a strong anti-Nanking sentiment. As a result Nanking's Gen. Ho Ying-chin, national government war minister at Peiping, has sent an armored train in the direction of Kalgan. Chinese advices from Peiping claim that forces are being mobilized for an advance against Gen. Feng.

Meanwhile Nanking military commanders at Peiping and Tientsin are continuing discussions of the policing of the neutral area. Other Chinese delegates have been sent to Dairen, Manchukuo, for similar negotiations.

0395

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

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PREPARING OFFICE  
WILL INDICATE WHETHER

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Department of State

PLAIN  
VIA NAVAL RADIO

Washington,

1933 JUN - 5 - PH 4:23

July 5, 1933.

DEPARTMENT OF STATE  
DIVISION OF  
COMMUNICATIONS & RECORDS  
AMLEGATION,

234 PEIPING (China).

*Tientsin July 1 noon to Department*

CHICAGO/DAILY TRIBUNE of July 5 carries item dated  
John Powell, Shanghai, July 3, first paragraph of which  
reads as follows:

QUOTE Foreign military commanders at Peiping and  
Tientsin, including the Americans, today dispatched a  
military train from Peiping toward the seaport Chinwangtao  
in an effort to reopen the railway to the sea, in accordance  
with the terms of the Boxer protocol. UNQUOTE

793.94/6412

*Phillips*

Acting.

793.94/6412

*SKH*

FE:SKH/LMK

FE

JUL 5 1933

*ms*

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

0400

DEPARTMENT OF COMMERCE  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE  
WASHINGTON

HISTORICAL ADVISER  
JUN 15 1933  
REPT. OF STATE  
and - 6-21-33

June 13, 1933

793.94

DEPARTMENT OF STATE  
RECEIVED  
JUN 23 1933  
DIVISION OF  
COMMUNICATIONS AND RECORDS

Division of Publications,  
State Department,  
Washington, D. C.

IN REPLY REFER TO 43

F/H/S

Gentlemen:

This Bureau would appreciate receiving for official use, a copy of the Sino-Japanese dispute, report adopted on February 24, 1933, by the Assembly of the League of Nations.

If copies of this publication are available for gratis distribution, kindly forward a copy to Miss E. O. Hainsworth, 2857 Commerce Building, Washington, D. C.

Your courtesy and cooperation will be appreciated.

Very truly yours,

*E. O. Hainsworth*

E. O. Hainsworth,  
Asst. Chief, Supply Division.

793.94/6413

JUN 23 1933

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

In reply refer to  
HA

June 23 1933

The Acting Secretary of State presents his compliments to the Honorable the Secretary of Commerce and with reference to a communication dated June 13, 1933, from Miss E. O. Hainsworth, Assistant Chief, Supply Division, Bureau of Foreign and Domestic Commerce, encloses a copy of the publication entitled "Sino-Japanese Dispute: Report Adopted on February 24, 1933, by the Assembly of the League of Nations".

793.94/6413

Enclosure:  
Sino-Japanese Dispute: Report  
Adopted on February 24, 1933,  
by the Assembly of the  
League of Nations.

HA:LMP:AS:SS

*HHB*  
JUN 26 1933  
*ellw*

A true copy of  
the signed origi-  
nal.

*ellw*

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

DOCUMENT FILE

NOTE

SEE 800.43 International Federation FOR Dispatch 622 (Political)  
of League of Nations Societies/14

FROM Geneva ( Elake ) DATED June 20, 1933  
TO NAME 1-1127

6414

REGARDING: Sino-Japanese Conflict.  
The 17th Congress meeting at Montreux, June 3-7, adopted a  
resolution in view of -suggesting as a means of enforcing the  
Covenant an embargo against imports coming from Japan.

795.94 / 6414

drp

C. SINO-JAPANESE CONFLICT.

With regard to the Sino-Japanese conflict, the latest developments of which were briefly discussed in the light of Japan's proposed withdrawal from the League, the Congress

adopted

- 6 -

adopted a resolution suggesting as a means of enforcing the Covenant an embargo against imports coming from Japan. Lord Cecil is understood to have played a prominent part in the drafting of this resolution. While more severe in content, this draft, in direct contrast to the sensation caused by the resolutions on the Jewish and minority questions, failed to provoke similar incidents owing undoubtedly to the absence of a strong Japanese representation at the Congress. The Japanese delegate, who was the sole representative of his country's Association, made no extensive effort to dispute the draft but quietly withdrew when the voting took place. The reaction of the Japanese Association to the vote of the Congress, and as a result of this, its final attitude with regard to the Federation, have not yet been made known in Geneva.

A copy of the Congress' resolution referred to above is enclosed herewith as Annex F.

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

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Mukden/66 FOR Despatch # - .

FROM Mukden ( Myers ) DATED June 9, 1933.  
TO NAME 1-1127 \*\*\*

REGARDING:

Developments in North China have provided  
the most common topic of interest in the  
Mukden consular district.

hs

793.94/6419

RELATIONS WITH CHINA      Developments in North China naturally provided the most common topic of interest, although the growing friction with Russia over Chinese Eastern Railway matters received much publicity and appeared to some observers of possibly greater significance. As Russian relations have been covered in detail by the Consul General at Harbin, they need not be treated here.

Having achieved the swift rout of Chinese opposition from Jehol and secured their position along the Great Wall by the middle of March, Japanese military quarters had been irritated to find themselves still faced by an obstinately unbeaten foe who gave no promise of the general collapse which they so impatiently awaited as a necessary preliminary to political maneuvers for liquidation of organized resistance to Japan's Manchurian venture. Anticipations that April would accordingly witness further Japanese attempts to hasten desired political developments by force of arms were fulfilled by news that Japanese forces had stormed and occupied Shihmanchai, a strategic flank covering Chinese stronghold just below the Wall to the northwest of

Shanhaikwan

040F

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 21, 1933.

WE:  
VD:  
G:

*File*  
*File*

I think that you will be interested in the attached document which gives the results of a vote by the members of the Commonwealth Club of California - Section on International Relations - on various questions relating to the Manchuria situation and Japanese Immigration Question.

Please return this file to FE.

THE UNDER SECRETARY  
JUN 29 1933  
DEPARTMENT OF STATE  
JUN 30 1933

MMH/REK

0407  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

*From MID*  
*June 19, 1933*

June 5, 1933

Colonel Wm. H. Wilson, G. S. C.,  
Executive Officer, A. C. of S., G-2,  
War Department General Staff,  
Washington, D. C.



F/ESP 793.94/6416

My dear Colonel Wilson:

I am forwarding you herewith an expression of representative California opinion regarding United States policy re Manchuria.

It may be of interest to you as indicating the general sentiment held here on developments in the Far East.

The troops are deep in the forests out here by this time, proving again that the Infantry can always march another mile, fire another shot, and establish another C.C.C. camp. The Infantry, of course, is being assisted by the Coast Artillery.

Hastily and sincerely,

A. M. JONES,  
Major, G. S. C.,  
A. C. of S., G-2.

793.94

0 4 0 8

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

COPY:KC

COMMONWEALTH CLUB OF CALIFORNIA  
Hotel St. Francis, San Francisco  
Telephone DOUGLAS 4903

June 3, 1933.

SECTION ON INTERNATIONAL RELATIONS.

To the Section Members:

Subject: "WHAT SHOULD BE AMERICA'S POLICY CONCERNING  
MANCHURIA?"

Speaker: V. S. McCLATCHY,

Executive Secretary,  
California Joint Immigration Committee.

Newspaper publisher for forty years.

Authority and writer on immigration  
problems.

Active member of the Section.

Mr. McClatchy has kindly undertaken to indicate and discuss some of the courses, other than quota, that are open to the United States by means of which the objective of question 5 (c) Section III of the Section's Manchurian questionnaire might be attained.

The meeting will be held at the

HOTEL ST. FRANCIS,  
2nd floor,  
on

THURSDAY, JUNE 8th, 1933, AT 12:15 P.M.

If you CAN come, please return the enclosed card as it is necessary to aid us in making luncheon reservations. Should your plans change after mailing your card, please notify Commonwealth Club office (Telephone DOUGLAS 4903).

Very truly yours,  
FRANK S. GAINES, Chairman,  
Section on International Relations

P.S. The contract of the Commonwealth Club with the Hotel provides that the luncheon price of 85 cents includes the tip.

CONFIDENTIAL: For use of members only

Commonwealth Club of California  
SECTION ON INTERNATIONAL RELATIONS  
Minutes of May 25, 1933.

Chairman: Frank S. Gaines  
Secretary: Lee L. Stopple

-----  
ROUND TABLE DISCUSSION

PRESENT:

Frank S. Gaines	Lee L. Stopple	Clyde M. Eye
Thomas D. Boardman	William R. Spinney	C. B. Lastreto
Joseph C. Sharp	David E. Snodgrass	M. W. Moss
Herman de Fremery	Wm. L. Montgomery	G. G. Davis
Paige Monteagle	Merle E. Mitchell	Saburo Kido
William L. Peet	James de Fremery	Albert Lyser
Kaspar Pischel	Roy H. Parkinson	Alvin Seale
Gurdon Bradley	Harry L. Kingman	H. A. Finch
Lewis C. Hunter	William Davis	W. C. Cole
Louis L. Norton	Robert H. Fouke	James Mills
V. S. McClatchy	Robert Burns, Jr.	A. T. Parsons
William L. Hudson		

The meeting was called to order at 12:55 p.m., with Chairman Gaines presiding.

The Chairman announced the results of the postcard vote on the questionnaire submitted to members of the Section for the purpose of securing a cross-section of informed opinion concerning the Manchurian problem.

A detailed result of the vote follows:

MANCHURIAN QUESTIONNAIRE

TOTAL BALLOTS CAST - 80

	<u>YES</u>	<u>: NO</u>	<u>:</u>
<u>I. General Questions.</u>			
1. Have Japan's actions since September, 1931, been contrary to her agreements under the Nine Power Pact? (Yes 24-1)	72		3
2. Has Japan's action in Manchuria upset the military and naval status quo established at the Washington Conference? (Yes 20-1)	60		3

3.

- 2 -

3. Has Japan broken her agreements under the Pact of Paris (Kellogg-Briand Pact)?	(Yes 36-1)	72	2
4. Has the League of Nations been correct in indicating Japan as the aggressor?	(Yes 36-1)	73	2
5. Has the resort to force by Japan imperiled the attempt of the nations of the world to establish peace through law? (Yes 18-1)		72	4

II. Questions relating to cooperation with other Powers.

1. (a) Should the United States act independently of other nations in safeguarding her interests in the Far East? (No 4-1)		15	61
(b) Should the United States act in close cooperation with the League of Nations and Associated Powers but reserve the right to determine the extent of cooperation until the merits of the particular case have been determined? (Yes 7-2)		58	17
(c) Should the United States deal with the League of Nations and Associated Powers through a diplomatic mission permanent in residence leading to simultaneous action? (Yes 7-2)		55	17
(d) Should the United States announce in advance its intention to cooperate fully with the League of Nations and Associated Powers in all measures short of war to restrain an aggressor nation? (Yes 3-1)		57	18
2. Should the United States participate with the League of Nations and Associated Powers in a concerted attempt to restrain Japan in the Far East:			
(a) By refusal of credits? (Yes 3-1)		58	17
(b) By an arms and munitions embargo? (Yes 5-1)		59	13
(c) By a commercial boycott? (Yes 3-2)		44	28
3. Should a World Conference be held to consider such matters as access to raw materials and over-population for Japan and other nations facing similar problems? (Yes 4-1)		57	15

III. Questions for independent determination by the United States.

1. Should the United States seek to maintain in the Far East:			
(a) The Policy of the Open Door?(Yes 24-1)		74	3
(b) The policy of the political and territorial integrity of China? (Yes 5-1)		61	11
2. If Japan ceases to be a member of the League			

of

- 3 -

of Nations, should the United States demand relinquishment of the mandates she holds:

(a) Acting independently? (No 9-1)	7	63
(b) In cooperation with the League of Nations and Associated Powers? (Yes 3-1)	56	20
3. Should the United States refrain from any further action (i.e., adopt a policy of laissez-faire) in connection with the Manchurian Problem? (No 6-1)	11	60
4. Should the Hoover-Stimson Doctrine of non-recognition of the fruits of aggression be continued as a principle of American foreign policy? (Yes 5-1)	63	13
5. Should the United States take the following steps which have a direct or indirect bearing on the Manchurian problem?		
(a) Build up the navy to Treaty agreements? (Yes 4-1)	60	16
(b) Enter into diplomatic relations with Soviet Russia? (Yes 5-2)	61	24
(c) Seek a course which will tend to alleviate the unfriendly attitude of the Japanese people toward America's immigration policy? (Yes 3-1)	55	19
(d) Amend our policies under the Monroe Doctrine, in such a way as to exclude military intervention by a single Power? (Yes 2-1)	40	22

Attention was called to the receipt of several ballots after the closing date of the poll, and Mr. Boardman moved that such ballots as may arrive prior to the final count of the vote be included in the complete tally. There being no opposition to this motion, it was adopted.

Attention was directed to the affirmative vote on the question referring to America's immigration policy and its effect on Japanese opinion toward the United States. The vote on this question, No. 5 (c), was 55 to 19, indicating a desire on the part of Section members to study this matter in all its phases.

Mr. Peet spoke in favor of avoiding all reference to an immigration quota. The vote, as interpreted by him, did not imply any change of policy.

Admiral Cole urged that we refrain from discussing the quota, not that it was not important, but that we were likely to over-emphasize it; there are other factors worthy

- 4 -

worthy of study and which may have just as important a bearing on the subject.

Mr. Boardman spoke in favor of the attitude expressed by the two preceding gentlemen; there is some likelihood that we may divert our studies off the main subject under consideration, i.e., what should the attitude of America be toward the Manchurian situation?

Mr. Montgomery expressed the opinion that a discussion of the quota would tend to exclude other matters that enter into the subject. He had a brief to show that we had been guilty habitually of violating our commercial treaties with Japan; we could profitably take up consideration of these phases.

Mr. Kingman stated that the immigration policy of the United States and its bearing on the racial question should be studied. The feeling engendered in the Orient because of our racial prejudices has a bearing on our attitude toward the Manchurian problem. We should see if there is any course, other than a quota, by which we can alleviate the antagonistic feeling of the Japanese toward us; they consider our immigration policy to be based on racial discrimination and an affront to their national honor.

Mr. Lyser said that resentment against American foreign policy is predicated upon resentment against our immigration policy. The matter of the quota is not settled by ignoring or evading it.

Mr. McClatchy said that the quota can be eliminated by assuming that the matter is entirely obliterated. We should decide upon what course our studies should take, and he suggested we abandon further discussion of quota and seek other methods.

A motion was thereupon made by Mr. McClatchy as follows:

Be it Resolved, That in taking up consideration of Section III, Question 5 (c), it be done with the understanding that we shall consider matters entirely apart from the grant of an immigration quota to Japan.

This motion was seconded by Admiral Cole.

Discussion followed on this motion, participated in by Messrs. Kingman, Cole, Sharp, Mills, Spinney, and Herman de Fremery.

Upon

741  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Hueston NARS, Date 12-18-75

- 5 -

Upon being put to vote, the motion carried, 16 to 12.  
Adjournment at 2 p.m.

Respectfully submitted,

LEE L. STOPPLE, Secretary,

Section on International  
Relations.

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

TELEGRAM RECEIVED

FROM

MET

GRAY

Peiping via N.R.

Dated July 7, 1933

Rec'd 12:15 a. m.

Secretary of State,  
Washington.

580, July 7, noon.

Your 234, July 5, 4 p. m.

Item telegraphed by Powell from Shanghai is a complete misstatement as indicated by Tientsin's July <sup>1</sup>/<sub>2</sub> noon, to the Department. American, British and French commandants at Tientsin all refused to participate when offered opportunity by the Japanese.

JOHNSON

KLP-HPD



FE  
~~CF~~  
FE

F/G  
793.94/6417

JUL 12 1933  
FILED

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

DOCUMENT FILE

NOTE

SEE 851.9111/121 ..... FOR WD 1266 ..... 6418

FROM France ..... ( Dawson ) DATED June 21, 1933  
TO ..... NAME ..... 1-1127 \*\*\*

REGARDING: Relations between China and Japan. Article in LA REVUE  
HEBDOMADAIRE of June 17th by Colonel de Lapomarede which in  
the text of an address by him in which he discusses "France  
and the Western Powers in the Face of China and Japan".

793.94/6418

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

Paris, June 21, 1933

SPECIAL REPORT  
(No. W. D. 1266)

To the Secretary of State  
Washington, D. C.

The American Ambassador forwards herewith  
Mr. Warrington Dawson's Special Report No. W. D.  
1266, dated June 21, 1933.

RD/DG

3417  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

Paris, June 21, 1933

Serial No. W. D. 1266

SPECIAL REPORT

By **Harrington Dawson**  
Special Assistant

SUBJECT: **French Relations with the Far East**

LA REVUE HEBDOMADAIRE published on June 17th an article by Colonel de Lapomarde, which is, in fact, the text of an address which he made, discussing "France and the Western Powers in the Face of China and Japan."

In the course of his remarks, Colonel de Lapomarde declared that "The Anglo-Saxon peoples and especially the United States" took exception to the steady gains of Japan on the Asiatic continent, and he said that it was because England kept well informed concerning Far

Eastern

-2-

Eastern matters that she understood the permanent dangers of a conflict and applied perfect continuity of policy even under the Labor Government for proceeding with work on the Singapore base, which de Lapozière regards as assuring the security of colonizing nations and being the supreme guarantee of the Western world.

As for France, he declared that the dominant fact, which was too often overlooked, was that France must be considered as an Asiatic Power exercising her sovereignty over territories which were formerly civilized, governed, or protected by the Middle Empire, the greater part of the French interests in the Far East being either in China properly speaking or in the Indochinese peninsula.

Among France's possessions in China he enumerates railroads, concessions in the form of French towns, leased territory, landed property in many directions, and various religious or lay educational missions, France's moral interests being however far greater than her material interests. As for Indochina, he considers it as nothing less than an empire.

He declares that Indochina is seriously threatened

by

-3-

by the disturbed situation in China and he regards the loss of Manchuria as a very grave matter. As for the progress of Bolshevism, it is not as rapid as the Soviets would desire but it affords opportunities to both Russia and Japan for extending their intervention in various directions, reorganizing affairs for their own exclusive benefit.

He deplors that the situation has developed on lines such that the West has lost prestige in the eyes of the Far East. If China ever believed in the justice and especially the authority of Europe, she can no longer believe in it now. The decisions reached in Geneva have remained a dead letter, the Powers are not able to do anything about it, and America is not stirred.

Colonel de Lapomarde declares in his conclusion that French and British diplomacy should now work hand in hand with a view to establishing a plan for the reconstruction of China, in which it would be absolutely essential for both Japan and the United States to collaborate. Indeed, a rapprochement between the United States and Japan promoting this Chinese reconstruction plan is declared to be both

possible

0421

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

-4-

possible and necessary, British diplomacy being well situated for arranging this with the United States while France could more readily secure the ear of Japan. A block of the four Powers could thus be formed, and difficulties would thus be smoothed away. But Lapomarde also recalls the efforts made by Monsieur Gérard, French Ambassador in Tokio, among others between 1907 and 1913, for establishing a rapprochement between Russia and Japan, so that relations with Russia and China would also have to be improved.

LA REVUE HEBDOMADAIRE followed up this article with a summary of a reply made by Monsieur Maurice Pernet to the address of Colonel de Lapomarde, Pernet having declared that he considered it impossible to effect a common front of the six great Powers named. Pernet took the stand that the United States and Japan could not be "sincerely" associated in any common enterprise and as alternative he proposed that the three great European Powers having truly common interests in the Pacific should allow Japan to restore order in the anarchy of China, while "the fleets of England, France, and Holland, closely associated

remind

3421  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

-5-

remind both China and Japan of the respect due to  
Europe."

Very Respectfully,

(Signed) WARRINGTON DAWSON

Warrington Dawson  
Special Assistant

Enclosure:  
Article from LA REVUE HEBDOMADAIRE of June 17, 1955

In quintuplicate

SS1.9111/6a

RD/DG

Copy to E I. C.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

April 26, 1933.

~~RES.~~  
MMH:

The attached report of March 16, 1933, from the Military Attaché at Peiping quotes verbatim a telegram from Lockhart to the Minister at Peiping, the contents of which are already known to the Department.

*EJL*  
CC:EJL

0423

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

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G-2 Report



CONFIDENTIAL  
2657-N-377  
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DECLASSIFIED  
E.O. 11652, Sec. 3(E) and 5(D) or (E)  
OSD letter, May 3, 1972  
NARS Date 3/9/73

Japanese Protest to Hopei Government

With reference to fortification of the Hai Ho River and the protests made by the Japanese, referred to in G-2 Reports No. 8525 and No. 8533, the following confidential despatch from the American Consul inientsin to the American Minister in Peiping is quoted:

F/H/S

795.94/6413

"I have the honor to refer to my telegram of March 6, 5 p.m. on the above-mentioned subject, and to state that the Japanese Consul General has now lodged a further protest with the Chairman of the Provincial Government who has in turn referred the protest to Nanjing for instructions. The note reviews the statement made in the note referred to in my March 6, 5 p.m., and states that the position of the Chairman of the Provincial Government is not understood and that it is deemed unnecessary to argue the point. The note then states that as regards the Shanhaikuan incident the Chinese authorities are responsible therefor and imposed restrictions upon the movement of Japanese troops for which reason the latter determined to drive the Chinese soldiers out of Shanhaikuan and occupy the city. The note denies the charge that the Japanese are illegally abusing the privileges of the 1901 protocol and it is suggested that a review of the terms and articles of the exchange of notes of 1902 will clearly establish that the conditions previously set forth by the Chairman of the Provincial Government are without any basis of fact. The note also asserts that Tokienchwang is within the 20-li zone and that the stationing of Chinese troops there violates the exchange of notes of 1902. The note further states that the Japanese will not consent to the stationing of Chinese troops at that place and the charge previously made that the Japanese have individually made use of the privileges of the Protocol of 1901 is described as ridiculous and not a point upon which it is necessary to argue. As concerns the trenches at the mouth of the Hai Ho, this construction violates the spirit of the protocol of 1901 and such preparations are described as semi-permanent and it is intimated that it is not correct to say that the trenches were constructed merely for practice and manoeuvring. It is asserted that the entrenchments are a threat to safe communication of the Hai Ho and that the Protocol prohibits any such activity. Special emphasis is laid upon the Tengku entrenchment work and the Chairman is charged with offering this excuse only to prevent the Chinese from being accused

MAY 2 1933

0424  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

G-2 Report

CONFIDENTIAL

Japanese Protest to Hobei Government

of violating the Protocol. The Chairman is also charged with trying to shift the blame onto Japanese who cannot understand or perceive this plan of procedure and who cannot tolerate it. The note then requests that the Chinese quickly correct their illegal actions and reminds them that if any unfortunate consequences arise they will be to blame because of their insincere attitude as expressed in the Chairman's note.

"The above summary has been obtained from an authoritative source and it represents the main points in the note received from the Japanese Consul General on Sunday. I may add that the Chinese are somewhat perturbed over the insistence of the Japanese and the reply of the Nanking authorities is being anxiously awaited."

W. S. Brysdale  
Lieutenant Colonel, Infantry  
Military Attache

0425

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 19, 1933.

~~SEI:~~  
~~MMF:~~

Canton's despatch No. 200 under date June 13, 1933, to the Legation encloses under cover of a copy of a note from the Mayor of Canton a copy of the communication addressed by the Southwest Political Council to the League of Nations, the Signatories of the Nine Power Treaty and the Government of the U.S.S.R. in regard to the recent armistice in north China. The substance of the communication was reported to the Department by telegraph under date of June 13, 5 p.m. and a copy of the telegram will be found attached to the file.

*etw*

0426

DECLASSIFIED: E.O. 11652, 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. 200

*for Sept 7/2*  
*A-etc*

AMERICAN CONSULATE  
GENERAL,  
CANTON, CHINA.

June 18, 1933.

Subject: Communication from Southwest  
Political Council.

F/G  
793.94/6420

The Honorable  
Mr. Arthur Johnson,  
Chinese Minister,  
Beiping.



*M for Ballantine*  
*Copy in FE*  
Division of  
FAR EASTERN AFFAIRS  
JUL 11 1933  
Department of State  
*File*  
*etc*

Sir:

*79394/6375*

In confirmation of my telegram of June 18, 5 p. m.

I have the honor to enclose a translation of a note from the mayor of Canton forwarding a communication addressed by the Southwest Political Council to the League of Nations, the signatories of the nine-power treaty and the Government of the Union of Soviet Socialist Republics affirming its decision not to recognize the validity of the armistice concluded by the Nanking military commission with the Japanese General Staff

It will be noted that the mayor requested that I transmit this communication to the Legation for its information. Translations are therefore enclosed.

Respectfully yours,

J. W. Ballantine,  
American Consul General.

Enclosures:

- 1/- translation of note from mayor.
- 2/- " " " enclosure to mayor's note.

Copies sent: 5 to Department,  
1 to Nanking.

JWB:GL

FILED  
JUL 21 1933

0427

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

File No. 800

From the Mayor of Canton, No. 987  
Character "Chiao".

Subject: Opposition to the Sino-Japanese  
Truce Agreement.

(TRANSLATION)

---  
Municipal Government of Canton,  
Canton, June 13, 1935.

Sir:

I have the honor to inform you that I have received an instruction from the Kwangtung Provincial Government reading as follows:

"This Government has received the following instruction from the Southwest Political Council of the National Government:

'This Council proposes to forward a despatch to the Foreign Ministers of the Signatories to the Nine-Power Pact at Peiping. You are directed to instruct the Canton Municipal Government to send it separately to the various Consuls at Canton for transmission to their respective Ministers at Peiping.'

"In compliance therewith, a copy of the above despatch together with an English translation thereof is forwarded herewith, and you are instructed to take appropriate action accordingly."

Having received the above I have the honor to forward the same for your information and to request that it be transmitted immediately for the information of the American Minister at Peiping, China.

I have the honor to be, Sir,

Your obedient servant,

Liu Chi-wen (seal)  
Acting Mayor of Canton.

(Seal of the Municipal Government of Canton)

Enclosures:

Copy of despatch  
Copy of translation of despatch

The Honorable J. W. Bellantine,

American Consul General, Canton, China.

SOUTHWEST POLITICAL COUNCIL OF THE NATIONAL GOVERNMENT  
OF CHINA

The Southwest Political Council is again constrained to address a communication to the League of Nations, the signatories of the Nine-power treaty and the Government of the Union of Soviet Socialist Republics on the subject of the so-called armistice concluded with the Japanese by the Nanking Government under instructions of the Chairman of the Nanking Military Commission or Council.

2. In its communication of 18th May last, the Council mentioned some of the terms then under negotiation between the Japanese General Staff and the Nanking Military Commission, and it declared that there would be national opposition to any agreement violating Chinese territorial sovereignty and administrative integrity in Manchuria and Jehol and conflicting with the terms of the League resolution relating to Manchuria. This declaration has been widely endorsed and supported by people's organizations and representative bodies throughout the country and in particular by General Feng Yu-hsiang as Commander-in-Chief of the People's Armies in North China and by the Generals commanding the Nineteenth Route Army who enjoy the confidence of the nation for their memorable resistance to the Japanese in Shanghai.

3. It was the hope of the Council that the national opposition registered in its declaration might cause the Chairman of the Nanking Military Commission and the Government at Nanking to refrain from further negotiation with the enemy and thus prevent the development of an internal situation in which the Chairman would employ his armed forces to fight and kill those of his own countrymen who are determined at any cost to resist the Japanese invaders.

4. This

-2-

4. This shameful and tragic consequence is inherent in the policy which finds expression in the armistice. This pact, in truth, disregards the vital interests of the Chinese People as a whole and objectively acknowledges defeat so that the Chairman of the Nanking Military Commission may preserve his personal armies for the purposes of civil war.

5. Civil war in China is certain to be the outcome of the armistice if the Chairman of the Nanking Military Commission carries out his deal with the Japanese General Staff. Before he can implement it, the Chairman must first fight and try to destroy the People's Armies under General Feng Yu-hsiang and the famous men of the Nineteenth Route Army as well as the other armed forces of the Southwest who are all resolutely opposed to the armistice.

6. The armistice is opposed because, so far as its disclosed terms are concerned (secret clauses are also reported), it is in reality a pact of surrender which, if sustained, would bind China to a de facto recognition of the Japanese-created state of Manchukuo and to the creation of a situation in North China entirely at variance with Chinese sovereignty and administrative integrity in a vitally strategic region. There is also a provision susceptible of interpretation by the enemy in a sense prohibiting the continuance of the boycott as a means of self-defence; and because Japanese war-finance is based largely on foreign consumption of Japanese goods, such an interpretation would be tantamount to a Chinese obligation to buy Japanese goods for the specific purpose of assisting Japan to finance her present war of aggression in China. Besides these material consequences, there is the over-riding moral effect on the Nation and the enfeeblement of its morale and will and power to resist alien conquest. It is the sober truth to say that Japan has not only materially robbed four Chinese provinces but, psychologically, is conquering China through her domination

of

-3-

of the mind of the official leadership at Nanking.

7. The Council rejects the contention that the conclusion of the armistice was a necessity in order to avoid further bloodshed. The armistice, if implemented, must cause bloodshed with this difference, that, without an armistice, Japanese would cause bloodshed, whereas it will be the Chairman of the Nanking Military Commission who will cause Chinese blood to flow under the armistice. The Council also repels the other contention which seeks to justify the armistice on the pretext that resistance is impossible. The Council declares that ever since the date of the Japanese invasion --more than twenty months ago -- the Chairman of the Nanking Military Commission, whom the Nation and history must hold responsible, has never offered real resistance to the invading foe. Indeed, his policy appears to encourage the enemy to get on with his job of conquering China. In January 1932, for instance, he published a statement that Japan could conquer China within three days with the intimation that no resistance would be offered to any action which Japan might choose to take in China, and within seventy-two hours Japanese marines inaugurated a reign of terror in the richest section of Greater Shanghai. More recently, the Chairman of the Nanking Military Commission has expressly forbidden the Chinese Delegation at Geneva to invoke the economic sanctions under Article XVI of the League Covenant, although Dr. W.W. Yen, Dr. Wellington Koo and Mr. Guo Tai-chi, as members of the Delegation, officially recommended the severance of diplomatic relations with Japan as a step preparatory to the invocation of Article XVI. This was known to the Japanese General Staff at the beginning of the recent Japanese offensive in the region south of the Great Wall.
8. It is true that effective resistance, military and otherwise, is difficult unless it is conducted on a nation-wide

-4-

scale and that this is impossible in the absence of national unity; and it is also true that national unity is politically and morally impossible whilst the Chairman of the Nanking Military Commission continues to be the real power in Nanking. Leaders and political workers, whose presence in Nanking is essential to make national unity a reality, do not and cannot trust the Chairman because his conduct in the past towards his colleagues has been marked by political and moral lapses which prevent real cooperation with him in the service of the country. Such cooperation has a moral as well as a political basis, and it is not humanly possible to cooperate with one who has forfeited confidence by acts of political and moral turpitude.

9. The Southwest Political Council declares that it will not recognize the validity of the aforesaid armistice and that it will be compelled to take steps to safeguard the honour and the vital interests of China as a nation determined not to be conquered.

Tong Shao-yi, Shao Fusang, Tang Chak Yue,  
Chen Chi Tong, Li Chung Jen, Chau Lu, Members of the Standing  
Committee of the Southwest Political Council, Canton.

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

DOCUMENT FILE

NOTE

SEE 893.01 Manchuria/921 FOR # - .

FROM Great Britain ( ) DATED April 18, 1933  
TO NAME 1-1127 \*\*\*

REGARDING:

Recent hostilities between Japanese and Chinese troops in the vicinity of the Great Wall.

hs

793.94/6421

043

DECLASSIFIED: E.O. 11652, 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. Tsinan/61 FOR Despatch # 36.

FROM Tsinan (Stevens) DATED June 5, 1933.  
TO NAME 1-1127 \*\*\*

793.94/6422  
✓

REGARDING: Reaction in Tsinan toward military  
developments in the Tientsin-Peiping area.

hs

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

b. Relations with other countries

Reaction Towards Military Developments  
in the Tientsin-Weiping Area.

Considerable uneasiness was shown in official quarters at Tsinan between May 17 and 25 when the invading Japanese forces advanced to within a few miles of Weiping and when peace and order in Tientsin became threatened by the activities of subversive agents having pro-Japanese or "Manchukuo" affiliations. This uneasiness did not express itself in any particular form of local emergency activities. Officials of the Shantung Provincial Government seemed content in "watching" developments without becoming involved.

In a statement to the press on May 28, the Provincial Chairman is reported to have said that foreign aggression and domestic difficulties had reduced China to such a state today that the situation could only be retrieved by a fundamental awakening on the part of all responsible leaders. General Han continues to reaffirm his allegiance to the Central Government and makes it known that if attacked by the Japanese in Shantung he will resist to the best of his ability.

His

0435  
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 25, 1933.

~~JED~~  
~~MMH:~~

Peiping's despatch No. 2153 under date June 14, 1933, refers to a telegram from Tientsin to the Department setting forth the terms of the truce agreement recently concluded at Tangku and encloses a copy in translation of the Chinese text of the agreement which is substantially the same as that contained in Tientsin's telegram.

*ETW*  
ETW/VDM

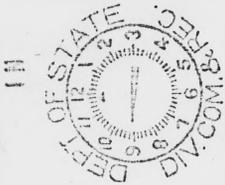
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

LEGATION OF THE  
UNITED STATES OF AMERICA  
Peiping, June 14, 1933.



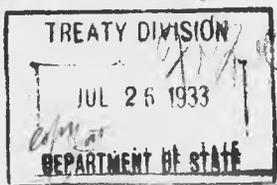
No. 2158

Subject: Truce Agreement Concluded Between  
Chinese and Japanese Military Au-  
thorities at Tangku.



JUL 14 1933

793.94



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

Sir:

With reference to the telegram of the American  
Consul General at Tientsin to the Department and to  
the Legation, under date of May 31, 6 p.m. / 6344 setting  
forth the terms of the truce agreement concluded be-  
tween the Chinese and Japanese military authorities  
on that date at Tangku, in termination of the hosti-  
lities in the area between Peiping and the Great Wall,  
I have the honor to enclose for the Department's in-  
1/ formation a copy in translation of the Chinese text

of

~~Handwritten marks~~  
FD

F/ESP

793.94/6423

JUL 28 1933

FILED

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

- 2 -

of such truce agreement which text was supplied to me informally by Vice Minister for Foreign Affairs Liu Ch'eng-chieh on June 2nd. It will be noted that the enclosed translation is substantially the same as that supplied by Consul General Lockhart in his telegram of May 31, 6 p.m. to the Department.

Respectfully yours,

*Nelson Trusler Johnson*  
Nelson Trusler Johnson.

Enclosure ✓

1/ Copy of translation of the  
Chinese text of the Sino-  
Japanese truce agreement.

800.  
CJS/js.

1  
22/503

(TRANSLATION)

(Trans. PWM)

On May 25th at Miyūn the Commander of the Kwantung Army accepted the formal proposal for truce submitted by Hsü Yen-mou, a staff officer and military representative of Chairman Ho Ying-ch'in. On the basis of that proposal, Major-General Okamura, Vice-Chief-of-Staff to the Kwantung Army and Representative of the Kwantung Army, and Lieutenant-General Hsiung Pin, Representative of the Chinese Army of North China, signed at Tangku at 11:10 a.m. on May 31st a truce agreement, the gist of which is as follows:

1. Chinese troops shall immediately withdraw to regions west and south of the line connecting Yenking, Changping, Kaoliying, Shunyi, Tungechow, Siangho, Paoti, Lintingkow, Ningho and Lutai and will not advance again nor take any provocative or disturbing action.

2. In order to ascertain definitely the manner in which Item No. 1 is being carried out, the Japanese Army may employ airplanes or other means to make inspections and the Chinese side should give protection and afford facilities.

3. When the Japanese Army definitely ascertains that Chinese troops have withdrawn to the line provided for in Item No. 1 of the Agreement, it will not cross the line mentioned, will not continue to pursue or attack, and will voluntarily all return to the line of the Great

Wall.

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

-2-

Wall.

4. Chinese police organizations shall be responsible for the maintenance of the law and order in the regions to the south of the line of the Great Wall and to the north and east of the line provided for in Item No. 1 of the Agreement.

5. The present Agreement shall become effective immediately after having been signed.

PWM:T

(A true copy: *CHT.*)

3441

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 26, 1933.

~~JEL:~~  
~~RCM:~~  
~~MAH:~~

Nanking's despatch No. D-498 under date June 5, 1933, reports that the National Government issued no explanation or formal communique in regard to the truce signed at Tangku.

A press statement on the subject, however, was issued by Wang Ching-wei and a summary of the five salient points of the same will be found in the attached covering despatch.

*ETW*

ETW/VDM

044

*FE*

No.D-498

AMERICAN CONSULAR SERVICE

American Consulate General,  
Nanking, China, June 5, 1933.

Subject: Sino-Japanese Truce in  
the Peiping Area.

793.94

F/ESP  
793.94/6424

The Honorable

The Secretary of State,  
Washington.

*copy in FE*  
Division of  
FAR EASTERN AFFAIRS  
JUL 15 1933  
Department of State  
*filed*  
*new*

Sir:

On May 29, 1933, Japanese and Chinese military commanders signed at Tangku, near Tientsin, a truce ending the hostilities in the Tientsin-Peiping area.

It was expected by the public that the National Government would issue an explanation of the origin and contents of the agreement but no formal communique of this sort appears to have been issued.

JUL 28 1933

FILED

On June 2, Mr. Wang Ching-wei, President of the Executive Yuan, issued to the press a statement regarding the truce agreement, the salient points of which statement were as follows:

(1) It praised the loyalty and bravery of the Chinese troops which had been resisting the Japanese in the Great Wall area for three months;

(2) The superiority of the Japanese material equipment was such that the Chinese troops and the Chinese civilian population were practically defenseless and were subjected to appalling slaughter by bombing;

(3) On

- 2 -

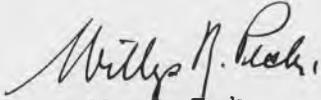
(3) On May 22 and 23 the Japanese advance on the Tientsin-Peiping region threw the Chinese and foreign communities into a panic and both communities ardently hoped that means would be taken to avert a catastrophe;

(4) The National Government urged its troops to continue the defense of the country, but permitted the cessation of local hostilities, provided China's territorial sovereignty was not impaired and international agreements to which China was a party were not prejudiced;

(5) The National Government is distressed at the nature of the agreement which has been signed, but points out that the agreement in no way affects the policy of the Chinese Government, which will continue to seek a settlement of the Far Eastern situation on the same principles which it has hitherto pursued, such principles having been upheld by practically all the nations of the world.

1/ A copy of this statement as issued in English by the Chinese Ministry of Foreign Affairs on June 2, 1933, is enclosed herewith.

Respectfully yours,

  
Willys R. Feck,  
Counselor of Legation and  
American Consul General.

Enclosure:

1/ Copy of statement issued by the Ministry  
of Foreign Affairs June 2, 1933.

In quintuplicate to the Department.  
In duplicate to the Legation.

800  
WRP:ECH:T

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

Enclosure to despatch to Department of Willys R. Peck,  
American Consul General at Nanking, China, dated June 5,  
1933, on the subject of "Sino-Japanese Truce in the Pei-  
ping Area".

STATEMENT ISSUED BY MR. WANG CHING-WEI, PRESIDENT OF THE  
EXECUTIVE YUAN, CONCERNING THE TRUCE AGREEMENT.

After the fall of Jehol, the Chinese troops along the Great Wall fought fearlessly against the Japanese military forces in order to defend and recover Chinese territory. Handicapped by the lack of deadly weapons and sinews of war but thanks to the loyalty and bravery of our officers and soldiers, we were able to engage in the severest fighting continuously for three months without our troops relaxing in the least their energy. The battles which the troops under the command of Generals Miao Cheng-liu, Sung Che-yuan, Shan Chen and Hsu Ting-yao respectively fought at Lamatung, Shefengkow, Lengkow and Kupeikow demonstrated their fearlessness of powerful enemies and resulted in the glorious and noble sacrifice of their lives. The recent fighting around Nantienmen during which the casualties of the troops despatched there by the central Government exceeded one half of the total number was especially terrible and proved unmistakably the patriotic spirit in which they made their supreme sacrifice.

The Japanese army, with such superior offensive weapons as heavy guns, tanks, and bombing planes, ceaselessly attacked the Chinese troops who fought, as it were, with their own flesh. But the Chinese troops tenaciously held their ground until their defence works were completely destroyed by the bombing of the Japanese airplanes and it was only then that the Chinese troops were compelled to retreat for strategic

reasons.

- 2 -

reasons. The bombing from the air was not confined to the Chinese military camps, but it was also wantonly extended to the civilian population who took no part in military engagements, resulting in the slaughter of innocent people and the ruthless destruction of their property.

On May 22nd and 23rd the Japanese troops were advancing rapidly on Tientsin and Peiping where there is a large population and where foreign nationals and Chinese live in close propinquity. Such atrocities as are mentioned above threw them into a panic fright, and they ardently hoped that measures would be adopted to relieve the tension of the situation so that the catastrophe might be averted.

The Chinese Government urged as well as encouraged the troops to continue the defense of the country with heart and soul and to the best of their ability. At the same time the Government would permit the cessation of local hostilities, provided that the territorial sovereignty of China be not impaired and the various international agreements concerning the maintenance of world peace and justice remain unprejudiced.

The agreement relating to cessation of fighting in Hopei Province has now been signed by the representatives of the military commanders at the front. Needless to say, it is most painful to examine this document. However, as it is confined to military matters and touches upon no political issues, it does not in the least affect the fundamental policy which the Chinese Government has adopted. China will seek a just and equitable settlement of the whole situation in the Far East under the same principles which have hitherto guided her efforts in this regard and which have been upheld practically by all the nations of the world.

Nanking, June 2, 1933.

DECLASSIFIED: E.O. 11652, 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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Extra Copies Sent To The Department Without  
Receipt. AM JUL 23/33



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JUL 14 33

Nanking Office,  
June 3, 1933.

CONFIDENTIAL



F/HS

Dear Mr. Minister:

On June 3 I had a conversation with a Chinese friend, who related to me a report received by him of the remarks made by Mr. Wang Ching-wei at a meeting of the Central Political Council after his return from the conference at Kuling. This information was given to my informant by a member of the Central Political Council, who attended the meeting held, presumably, on June 1.

793.94/6425

According to my informant, Wang Ching-wei said that the principal reason why China could not further resist Japanese military incursion in the north was that the Government could not detach any further troops from Communist suppression work in order to augment forces in the Peiping area. Mr. Wang is reported to have admitted that the Communist problem was not capable of solution through military means. The Communist area in Kiangsi is thoroughly organized with central and branch Communist Party headquarters, etc., and the Communist troops are fully as well equipped

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping.

- 2 -

equipped as the Government troops which oppose them. They are provided even with airplanes and radio. Mr. Wang is said to have stated that the Communist troops are composed to a large extent of Government troops who have gone over to their side, and the equipment they possess was acquired from those Government troops who have been defeated, either actually defeated or from those troops which have pretended defeat and left their equipment on the field.

Mr. Wang is said to have called attention to the fact that Kwangtung and Kwangsi had not assisted the Government in any way in the work of suppressing the Communists. He is said to have made the startling declaration that hope of suppressing the Communist forces in Kwangsi by military means must be abandoned and resort must be had to "political means", i.e. by recognizing their status and making some sort of an alliance with them.

I have not, of course, any incontrovertible evidence that Mr. Wang Ching-wei's remarks were reported to me with complete accuracy, but knowing the two persons through whom the report came to me, I believe that the report is substantially accurate. I would be inclined to suppose that Mr. Wang Ching-wei received an alarmist view of the Communist situation during the course of the Kuling conference, except that in my conversation with him on the night of May 28th, he assured me solemnly that as late as a month before there had been a serious risk that the Communist forces would be able to penetrate to Nanking,

if

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

- 3 -

if General Chiang Kai-shek had left his post in order to  
join the fighting against the Japanese in the north.

Yours sincerely,

Willys R. Peck,  
Counselor of Legation.

In duplicate to the Legation.

WRP:MM

70 Carbon Copies

Received *[Signature]*

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

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JUL 14 1933



Banking Office.  
June 5, 1933.

F/HS

793.94/6426

Confidential

Dear Mr. Minister:

Colonel Brysdale, Military Attache, arrived in Hanking on the morning of June 4. This morning he and I called upon Mr. Lo Wen-kan, Minister for Foreign Affairs.

Because of the resignation which Dr. Lo had submitted to the Government on June 3, he is not attending office and we were received by him in a small pavilion in the garden of his residence.

Dr. Lo, as was natural, showed great interest in the situation in the Peiping area and in the statements made by Colonel Brysdale regarding the fighting along the Great Wall and in the events which preceded and, in Colonel Brysdale's opinion, justified and necessitated a truce.

JUL 9 1934

FILED

Dr. Lo

The Honorable Nelson Trusler Johnson,

American Minister,

Peiping.

- 2 -

Dr. Lo attributed the debacle to the cowardliness of the former Fengtien troops. He said that when the time came to decide definitely whether or not there should be a truce, it was obvious that to continue the hostilities would have been sheer inhumanity. The reason he assigned was not that which I should have expected. I expected him to say that to continue a hopeless fight would have been to involve the troops in needless slaughter; what he said was that the former Fengtien troops were retreating, throwing away their arms, seizing the work animals of the farmers (referred to by him as forming themselves into a "mule cavalry"), and looting the population, all of which made it imperative that the Government should call a halt to hostilities in order that it might give attention to the matter of restoring order and of affording protection to the population. He remarked that when soldiers met death in conflict, they were but doing their duty. What was unbearable was that soldiers should lose all discipline and subject peaceful citizens to treatment which served to alienate their sympathy from their own country and Government.

Dr. Lo explained to Colonel Drysdale and me fully his reasons for submitting his resignation from his post of

Minister

- 3 -

Minister for Foreign Affairs. He asked that the whole matter be kept very confidential and stated that he had endeavored to prevent news of his resignation from reaching the press. He said that he had had two reasons for resigning: one was to raise the morale of the troops at the front, and the second was to raise the morale of the Government and of the people of the country. He felt that the soldiers would be disheartened by the armistice and would feel that not only was their fighting rendered valueless, but that it would be useless to exert themselves against the Japanese in the future. The armistice might lead the officials of the Government to think that an end had been put to their troubles. His resignation, he felt, would bring sharply to the attention of the army and of the Government the fact that the struggle was still in process. As it so happened, while Colonel Drysdale and I were conversing with Dr. Lo, Mr. Chen Kung-po, Minister of Industries, and another high officer of the Government whose identity I did not discover, called to see Dr. Lo. The latter told us that he knew why they had come, that is, to persuade him to withdraw his resignation. I suggested that we take our leave, but he refused to acquiesce in this. Then I insisted that he receive his visitors and promised that

Colonel

0451  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 4 -

Colonel Drysdale and [redacted] would remain until his return.

Dr. Lo then entered his residence to receive his guests.

When Dr. Lo returned he told us that his callers had had the mission which he anticipated and that he had told them, briefly, that if he felt sure that the truce would <sup>not</sup> make any difference in the energy and persistence with which the Government would carry on opposition to Japan, he would return to his office in the Waichiaopu the same afternoon. He said that he had reminded them that after the Shanghai incident, he had, on May 4, 1938, given his consent to the signing of the agreement with the Japanese and that within a week or two after the signing, Government officials were again frequenting the pleasure haunts in the foreign settlements at Shanghai and were otherwise showing that they felt that there had been a great relaxation in the international tension. On the present occasion, Dr. Lo said, if he consented to take up again his post of Minister for Foreign Affairs, there must be no relaxation in the Government's policy of resistance and there must be no giving way to a feeling of reassurance, ease and comfort.

Dr. Lo did not tell us whether he had consented to withdraw his resignation, but I inferred that he had received assurances which would ultimately lead to

his

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

- 5 -

his doing so.

Very sincerely yours,

Willis W. Beck,  
Counselor of Legation.

In duplicate to the American Minister.  
No copy to the Department.

WRP/ACH

A true copy is  
being stored in  
the  
*ACH*

no Carbon Copy  
Received *JJN*

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

Extra Copies Sent To The Department Without Charge  
Dispatch

6/33/33



*[Handwritten mark]*

793.94

Hankow office.  
June 9, 1933.

F/HS

The Honorable Nelson Trusler Johnson,  
American Minister,  
Peiping, China.

*Copy in FE*



793.94/6427

Sir:

I have the honor to enclose herewith a copy of a  
KUN MING news release dated Shanghai, June 5, reporting  
observations made by Dr. Sun Fo, President of the  
Legislative Yuan, regarding the "truce" concluded on  
May 29, 1933, between the Japanese and Chinese military  
authorities.

FILED  
JUL 7 1933

The observations of Dr. Sun Fo seemed to me so  
interesting that I submitted the report to him, with a  
request that he inform me whether it was sufficiently  
accurate to form the basis of a despatch to the Legation.  
He has returned it to me with the statement that, after  
making a few minor revisions, the report is substantially

correct

- 2 -

correct. He cordially authorized me to make use of it in any way I liked. His changes have been incorporated in the enclosed copy.

Significant statements made by Mr. Sun to include the following:

- (1) The truce agreement was signed in order to avert the fall of Peiping and Tientsin and the establishment of another puppet government in North China.
- (2) The initiative leading to the truce was taken by the Japanese, at 11 p.m. on May 22.
- (3) The truce was concluded by the Chinese under a threat from the Japanese to resume the attack on Peiping on the morning of May 23.
- (4) The plot was well under way for the creation of an independent state in North China to be called the "Military Government of the Republic of China" and another compelling reason for the cessation of hostilities was the necessity of averting what might be the loss of the whole of North China.
- (5) General Feng Yu-hsiang's assumption of command of the so-called "People's Anti-Japanese Allied Forces" placed the National Government in a quandary, since the Government could neither exercise control over General Feng nor assign troops to him for the defense of Chahar; on the other hand, if the Government ignored Feng, this might

result

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

- 2 -

result in the loss of the provinces  
of Shahr and Huiyuan to the Japanese.

Very respectfully yours,

Willys W. Peck,  
Counselor of Legation.

Enclosure: 1/ Copy of ABC news release dated  
Shanghai, June 5, 1938.

In quintuplicate to the Legation.

WRP/ESH

One copy of  
this letter  
is being  
forwarded  
to  
[Signature]

(KUO MIN NEWS AGENCY)

June 5, 1933.

Shanghai, June 5. -- In an interview last night, Mr. Sun Fo, President of the Legislative Yuan, denied the rumours that negotiations would shortly be opened between General Huang Fu and Mr. Akiyoshi, the Japanese Minister, for a settlement of the Manchurian and other outstanding Sino-Japanese issues. General Huang, President Sun pointed out, has no authority to discuss political issues affecting the Sino-Japanese situation.

Recalling the circumstances leading to the signing of the Tangku armistice agreement, President Sun claimed that the agreement was signed in order to avert the fall of Peiping and Tientsin and the establishment of another puppet government in north China.

He said that before the 21st of May, the situation at the front had become very tense and the Peiping branch of the Military Affairs Commission had decided to make a last stand at Peiping and Tientsin regardless of consequences.

At 11 p.m. on May 22, however, the Japanese approached General Huang Fu to discuss terms for a truce. After conferring with General Ho Ying-chin, General Huang immediately telegraphed to the Government for instructions.

Following

- 2 -

Following careful consideration, President Sun continued, the Central Authorities decided upon three principles as the basis for a truce, these being: (1) the agreement to be verbal only, (2) the agreement to be confined to military affairs only, and (3) negotiations to be conducted by military representatives. As the Japanese threatened to resume their attack on Peiping on the morning of May 23rd, the Chinese authorities were compelled to conclude a truce under the basic condition that it should be confined to military matters and should not touch upon political affairs.

President Sun then went on to describe the activities of seditious elements in Tientsin and Peiping prior to the signing of the agreement. The most notorious of these traitors were Sun Chuan-fang, Shih Yu-san, Chi Hsi-yuan (? Ch'i Hsieh-yuan) and Chang Ching-yao; the last-named having been assassinated at Peiping. President Sun stated that Chang Ching-yao had been supplied with \$1,800,000 for the seditious elements as well as to attempt to suborn our defence troops.

Evidence which had fallen into the hands of the police following Chang's assassination revealed that these seditious elements were conspiring to set up a so-called "Military Government of the Republic of China",

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

- 3 -

China", which would in fact be only another puppet organization. As the preservation of north China depended upon the safety of Peiping and Tientsin, the Government was compelled to authorize the cessation of hostilities in order to consolidate the situation and to avert what might be the loss of the whole of North China.

Regarding the situation in Charhar, President Sun pointed out that the assumption by General Feng Yu-hsiang of the post of Commander-in-Chief of so-called People's Anti-Japanese Allied Forces had created serious tension, the Japanese forces being reported to be advancing toward that province. General Feng's action had also placed the Central Authorities in a quandary, Mr. Sun said. The Government could neither exercise control over General Feng nor assign troops to General Feng for the defence of Charhar. On the other hand, to adopt a policy of indifference might result in the loss to the Japanese of Kalgan and the provinces of Charhar and Suiyuan. He intimated however that General Huang Fu, who was a personal friend of General Feng, had sent a special representative to arrange with the latter a satisfactory modus vivendi.

Regarding

0458

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

- 4 -

Regarding his trip to Kuling with President Wang Ching-wei and Minister Lo Wen-kan, he said that the conference with General Chiang Kai-shek was entirely informal in nature, and was confined only to an exchange of views. Both the northern situation and the problem of Charhar were discussed, according to President Sun.

Questioned concerning the C.E.C.'s decision to cancel the proposed Emergency National Congress of Party Delegates, President Sun said that the original purpose of convening the Congress was to cement unity both in the Party and in the nation. But as it might lead to complications within the Party, it had therefore been decided to cancel the proposal so as to dissipate misunderstandings on the part of the South-Western leaders.--

KUO MIN.

A copy of the signed original. 

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

0461

No. 393

A Copy Sent To The Department Without Comment.

*Handwritten initials and scribbles*

AMERICAN CONSULATE GENERAL,

Tientsin, China, May 26, 1933.

*793.94  
393.11*

*M for Lockhart*

F/H/S



Subject: Protection of American Owned Properties.

793.94/6428

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping.



Sir:

I have the honor to refer to my despatches Nos. 385  
*793.94/6404*  
and 388 of May 16 and 19, 1933, respectively, on the

1/ above-mentioned subject and to enclose herewith a copy  
of a letter addressed to me under date of May 24, 1933,  
by Mr. George D. Wilder of Tunghsien giving an account  
of conditions obtaining in that city during the past  
few days. The information contained in Mr. Wilder's  
letter would seem to make it quite clear that the  
withdrawal of the school children from the Tungchow  
school was a wise precaution. Aside from the danger  
which might have arisen to the children incident to  
possible

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AUG 4 - 1933

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

- 2 -

possible airplane raids, artillery fire from the advancing Japanese forces or disturbances incident to retreating Chinese soldiery out of control, it is evident that a grave danger arose from the sanitary conditions growing out of the admission to the compound of many thousands of refugees.

While I have already communicated with the Japanese Consul General at Tientsin, as indicated in my despatch No. 385 of May 16, 1933, with reference to American properties at Tungchow, I have taken occasion again to bring to the attention of my Japanese colleague the fact that many refugees are now within the compound of the mission premises at Tunghsien. This information has been communicated orally and is in response to the request contained in Mr. Wilder's letter herewith enclosed. There are 2/ enclosed herewith, as of possible interest, translations of propaganda pamphlets dropped from Japanese airplanes which circled over Tunghsien a few days ago.

Respectfully yours,

F. P. Lockhart,  
American Consul General.

Enclosures:

- 1/, From Mr. George D. Wilder, May 24, 1933.
- 2/, Translations from two propaganda pamphlets.

800  
FPL/DA:w

Original and three copies to Legation.

A true copy of  
the signed original.

046  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

C O P Y

Enclosure No. 1 in Despatch  
No. 253, Dated MAY 26 1933  
From the American Consulate General  
at Tientsin, China.

Tunghsien, May 24th, 1933.

Hon. F. P. Lockhart,  
American Consulate General,  
Tientsin.

Sir,

My colleagues and I have you to thank sincerely for your kindness and care for us in informing us of the imminence of warlike operations in this vicinity and your advice to remove to a place of safety at the first sign of danger due either to military movements or other social disorder.

As you are doubtless aware the American School students left some time ago and Mrs. Hunter and children has been in Peiping ever since the same date, Tuesday May 16th.

The evacuation of the school was the signal for a panic in the city and a great evacuation took place, large numbers however remaining here on the promise that our gates would be thrown open to them. Owing to homes being occupied by soldiers as never before, because of their fear of using tents that would draw the fire of aeroplanes, in part, women and girls began to take refuge in school buildings emptied for the purpose on, Saturday May 20th. On Sunday the ingress of refugees became very rapid accelerated by the visits of aeroplanes and shots fired at them from the city walls, until we had three or four thousand, increased on Monday to perhaps five or six thousand filling recitation rooms, dormitories of the students who had left, church etc, with hundreds camping under our trees.

The police and magistrate went into hiding and the policing by the 29th army was most effective, in their place. Tuesday

the 29th

0465

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

- 2 -

the 29th army gave place to the 40th, P'ang Ping Hsün's. This control seems just as effective however. The effort of some of the Eighth Army artillery to loot was quelled twice in the city but as soon as these soldiers went into the country villages they broke loose and whole villages were emptied, many coming to us from the region around.

The presence of these refugees, and the goodwill of the community is a tremendous protection to us from lawless soldiers and bandits too. There has been little trouble from the latter but a good deal from the former in the last few days or months. In case of attack on these premises there is every opportunity for hiding among the common people, for us men and our wives, but we do not anticipate any such necessity. We have some of the former police force engaged among our own watchmen--local men on whom we can depend.

Today the former Miyün Hsien official has been stationed here, and has come to call, and to address our refugees, explaining to them his power to restore order and protect them in the pursuit of their usual callings, and in their own homes. If fighting stops, he will doubtless be able to restore order easily but so long as it continues the refugees will probably stay.

At a meeting of the executive committee of the "Fu Ju Chiu Chi Hui" on Monday I was asked as chairman to acquaint you with the efforts we have made to protect these women and girls, to thank you for the protection of the American flag, (which however we have not as yet had time to fly), and to ask you if it would not be an aid against any injury from the Japanese forces, if you or our Minister in Peiping were to inform the Japanese officers of the nature of the premises and the use to which they are now being put. If that is a proper mode of procedure for you to take will you not do whatever you think

best

- 3 -

best in the case.

For some time we had a Red Cross unit established in our assembly hall with about 50 wounded at one time. The doctors however preferred not to fly the Red Cross flag as they considered it more of a danger than a protection owing to the abuse to which it has been put by the Chinese army at times. The wounded were all taken away and the unit evacuated just in time so that the building was available for us to use as a refuge. The wounded in our hospital also are all gone.

We are now applying for proclamations from the military officers here to post at our gates, warning soldiers from trespass on our premises. We have been entirely free from such trespass so far, though a military body marched through our road once or twice. This road we are able now to close by gates at both ends.

Lieutenant Boatner has just called on us and suggests that I, as chairman, post statements for the Japanese that we have no Chinese soldiers in our premises or any contraband materials of any sort, which I shall proceed to do at once. You may hear his report of his trip to our place later.

Although aeroplanes visit us daily they have thrown nothing on us until today when they dropped four sheets of propaganda into our compound, samples of two of which I enclose.

I have not made the request suggested by our committee for notifying the Japanese of our refuge and absence of soldiers in our premises, to the Minister as yet but was asked to do so.

Sincerely yours,

(Sgd) GEO. D. WILDER.

A true copy of  
the signed original.

0465  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Huatzen NARS, Date 12-18-75

Translations from two propaganda pamphlets.

Enclosure No. 2 in Despatch  
No. 382 Dated MAY 28 1933  
From the American Consulate General  
at Tientsin, China.

TO EXPEL SOUTHERN MILITARISTS IS THE FIRST AND  
FOREMOST WAY TO SAVE THE PEOPLE OF NORTH CHINA

TO EXTERMINATE THE "KUOMINTANG" IS THE PRIME STEP  
IN THE RECONSTRUCTION OF THE CHINESE REPUBLIC

TO QUICKLY KILL CHIANG KAI-SHEK IS THE ONLY ROAD  
TO RELIEF FOR THE THIRTY MILLION TROOPS AND  
CIVILIANS IN NORTH CHINA

-----

IF YOU STAND STILL, YOU WILL BE KILLED BY JAPANESE  
AND MANCHUKUO GUN FIRE

IF YOU WITHDRAW, YOU WILL BE KILLED BY YOUR GENDARME

THE ONLY WAY TO REMAIN ALIVE IS TO SURRENDER TO THE  
JAPANESE TROOPS

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0468  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 16, 1933.

U.  
Mr. Phillips.

S:  
Mr. Secretary.



The attached despatch from Minister Johnson at Peiping under date June 12, 1933, on the subject "Japanese Activities on Asiatic Mainland. Probable Effect on American Interests in the Pacific Area" is a very thoughtful discussion and will be, I believe, of decided interest to you.

*I have sent copy to the President.*  
*WJ*

*MMH*

MMH/REK

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 16, 1933.

U:  
Mr. Chapin.

S:  
Mr. McBride. *absent*

Mr. Hornbeck suggests that it would be well for you to read not only Minister Johnson's despatch but the enclosures as well.

*M.M.H.*  
MMH/REK

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 1, 1933.

~~SEC~~  
~~SEC~~  
~~SEC~~  
~~ROM~~  
~~MMH~~  
~~SIX~~

In despatch No. 2147 under date June 12, 1933, from Peiping, Minister Johnson discusses the situation in the Far East from the standpoint of the interests of Japan, Russia, the United States and Great Britain.

It seems advisable to read the entire despatch as it is concise, interesting and well written.

The despatch is based upon conversations which Minister Johnson held with the Counselor of the Soviet Embassy; with Mr. Roy Howard of the Scripps-Howard newspapers; with the Commander-in-Chief of the British Asiatic Fleet; and with the British Admiral's Chief of Staff. Memoranda of these conversations (except that with the Russian Counselor) are enclosed. The memoranda contain no information of interest not covered in the despatch.

*ETW*  
ETW/VDM

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

0468



LEGATION OF THE  
UNITED STATES OF AMERICA  
Peiping, June 12, 1933.

No. 2147.

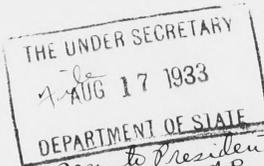
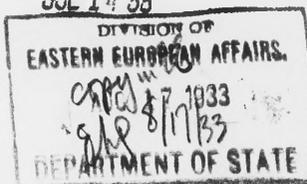
Subject: Japanese Activities on Asiatic Mainland.  
Probable Effect on American Interests in  
the Pacific Area.

STRICTLY CONFIDENTIAL



*Handwritten marks:* 8, H, EE, HUR

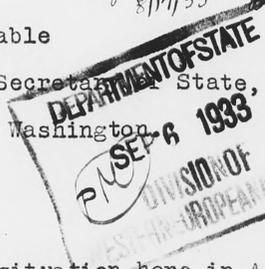
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*Copy to President, 8/17/33*

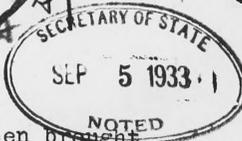
The Honorable

The Secretary of State,  
Washington



*Handwritten:* file, sent to Peiping

Sir:



The situation here in Asia which has been brought about by the activities of the Japanese Army on the mainland since September 18, 1931, furnishes a number of problems for the powers which will require consideration and must inevitably bring about a reorientation of their policies vis-à-vis one another.

Perhaps the power most immediately concerned is Soviet Russia. Russian interests are at this moment being gradually but effectively eliminated from North Manchuria by the Japanese. In a conversation which I had on May 25th with Mr. Vladimir Barkov, Counselor of the Soviet Embassy, the latter stated that it was increasingly necessary for the Soviet Government to liquidate its interests in North Manchuria, as it was impossible for Soviet Russia to retain these interests in North Manchuria without danger of conflict with Japan,

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793.94/6429

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- 2 -

an eventuality that Soviet Russia desires to avoid at all costs. We may expect to see Japanese influence extending westward through Inner Mongolia, with consequent threat to Soviet interests in Outer Mongolia, and it is the opinion of those who know conditions in Sinkiang that the recent break-down of Chinese authority there may be expected to bring about a revival of Russian interest in that area.

American policy in the Pacific and the Far East may be expected to be vitally affected by Japanese expansion on the continent, and particularly by the Japanese attitude toward the various treaties under which American policy in the Pacific - in matters relating to naval armament, the status of the Philippines and freedom of opportunity for American business enterprise in China - has been based. The Japanese have served notice upon the world, and upon the United States in particular, that they do not intend to be bound by treaty restrictions when they consider their national interests to be involved.

1/ On May 31st Mr. Roy Howard, of the Scripps-Howard newspapers and editor of the New York World Telegram, came to see me. He informed me that he had come to the East for the purpose of acquainting himself with the situation, in order that he might adapt the editorial policy of his papers to the realities growing out of developments in the Far East. Mr. Howard continued his journey to the Philippines and then is to return home by way of Japan. I gathered from Mr. Howard's statements to me that he feels that the potentialities of direct American trade with China and Asia are not of sufficient

- 3 -

11-30-75  
2/4

sufficient importance to justify the United States in undertaking the expense that would be necessary to maintain a naval force in the Pacific adequate to maintain the United States in the Philippines, and keep open under all conditions access to Chinese ports by American goods in American ships.

It is my personal conviction that northern Asia, densely populated as it is in all of its habitable parts by Chinese, will never satisfy the needs of the Japanese in so far as colonization and relief from pressure of population are concerned, and that the departure of the United States from the Philippines will be the signal for the beginning of a Japanese advance southward. Therefore, American policy as regards the future of the Philippine Islands is a matter of first importance to the British and to the French, and also to the Dutch, who hold valuable colonies in that area.

2/4 This fact is brought out in three conversations which I have had within the last few days with Admiral Sir Frederic Dreyer, the newly-appointed Commander-in-Chief of the British Asiatic Fleet, and his Chief of Staff, Commodore Thomson. Memoranda of these conversations are enclosed. The statements made by the Admiral and his Chief of Staff were not sought by me, but were voluntary in the course of ordinary social meetings, and while both officers insisted that the views stated by them were their personal views I have no doubt that they clearly indicate the tenor of reports which they are making to their own authorities at home responsible for British naval and national policy in the East.

I would invite particular attention to the statements

- 4 -

ments made to me by Admiral Dreyer. While he purposely couched his statements in a somewhat vague and indirect way, I distinctly drew the inference that Great Britain might consider the occupation of the Philippines and the valuable naval harbor of Manila Bay by a friendly power so necessary that there would be a probability of her taking over the Philippines to prevent their falling into the hands of the Japanese.

It is my understanding that the Hawes-Cutting Bill provides for the retirement of the United States from the Philippines at the expiration of a period of nine years, after the Philippines have adopted a Constitution, and that arrangements are to be made whereby the United States will retain a naval base in the islands, the islands to be neutralized by agreement among the interested powers.

The value of Japanese participation in any international arrangement for the neutrality of the Philippines naturally becomes somewhat questionable in view of the utter disregard of Japan for its obligations under the treaties of 1922 and the Kellogg Pact; and it would not be unnatural for the British and the French also to take this fact into consideration in any realignment of their policies vis-à-vis Japan as the result of the American intention to withdraw from the East. Great Britain and France, and also the Netherlands, must be prepared either to align their policies with that of the Japanese, or to resist Japanese advance southward. In either case I feel convinced that the United States may expect both sides to shape their policies to exclude its interests and build a bar against its enterprise in Asia.

It

- 5 -

It is of further interest to note in this connection the following quoted from a personal letter that I have received from General Crozier, informing me of a conversation that he had at Tokho recently with Zumoto:

"He laid the principal stress on Japan's economic position, not on the grievances against China or the Russian threat. Said that in modern times a nation must not be economically limited to its political boundaries. Continental Europe was proposing an economic bloc; England had such a bloc in the British Empire, and the United States was so big that it was a bloc in itself. Japan could not survive without one, and so it had been necessary to create it out of Manchuria and herself. He admitted that Japan's actions could not all be defended in argument, but claimed that she had been impelled by imperative economic necessity."

Respectfully yours,

*Nelson Trusler Johnson*

NELSON TRUSLER JOHNSON.

4 Carbon Copies

Received

1 copy detached  
for note ... 1/5

7/15/33

2 copies  
destroyed

9-29-33 nk

Enclosures:

1. Copy of memorandum of conversation with Mr. Howard, May 31st.
2. Copy of memorandum of conversation with Admiral Dreyer, June 5th.
3. Copy of memorandum of conversation with Commodore Thomson, June 6th.
4. Copy of memorandum of conversation with Admiral Dreyer, June 9th.

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- 5 -

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Respectfully yours,

*Nelson Trusler Johnson*

NELSON TRUSLER JOHNSON.

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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

Strictly Confidential

Editorial policy of the Scripps-Howard  
papers vis-a-vis Japanese activities  
in Asia.

Peiping, May 31, 1933.

Mr. Roy Howard, Editor of the World Telegram  
of New York.

Mr. Howard called, accompanied by Mr. Ekins and Mr. Vaughan of the United Press, and we conversed for a considerable time on the subject of the effect of Japanese expansion upon the policy of the United States.

Mr. Howard stated that he had just been in Japan and in Manchuria; that he was going as far south as Manila, and then back to Japan and home; and that one of the purposes of his visit to the East was to attempt to orient himself in order that he might know how to direct the editorial policy of his papers in so far as it might have to do with the relations of the United States with Asia and with the Pacific.

He said that as an editor he might be considered one of Japan's severest critics since the incident of September 18, 1931, at Mukden and the beginning of Japanese military action in Manchuria. He said that from the beginning his papers had taken a very strong stand in favor of the so-called peace treaties and their maintenance.

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

- 2 -

maintenance, and that he had watched with interest and approval the efforts of the American Government to maintain these treaties and to pursue a policy in accordance with those treaties. He had in mind the so-called Washington Treaties of 1922 and the Kellogg Pact outlawing war. He had wanted to see us go as far as it was possible for us to go, even to the point of leaning over backwards in the pursuit of a policy in international affairs in keeping with the letter and spirit of those treaties. He had approved of them, even though in the Treaty for the Limitation of Armaments signed in 1922 we had done what no other nation had ever done except in response to force: we had agreed not to defend our holdings in Asia and had therefore practically left our holdings the prey of any nation that might wish to take them.

Now what was the situation? Japan, declaring that the situation upon which those treaties were based had changed (although for his part he could not see that it had in any way changed), had proceeded, in defiance of her pledged word and in violation of the terms of those treaties, to take over a large part of Chinese territory on the plea that the necessities of her situation demanded this action. It was not foreseeable that the new position which Japan occupied on the Asiatic mainland would be changed, either by Japanese action or through

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

- 3 -

through any action on the part of the powers. Therefore, it was necessary for him as an editor to reach the conclusion that there was no use for his going on and saying that all of this was wrong and should be corrected, when it was not going to be corrected, no matter how wrong it was; it was a situation which had to be accepted. He said that he had practically reached the conclusion that the only thing for him to do in following out any editorial policy on the subject at all was to say: "All right, Japan, you are right; we do not question your decision as to your needs; we accept your statement that your destiny as a nation demanded that you expand in the way that you are expanding; we accept your statement that these treaties must no longer bind you or hamper you in the pursuit of your destiny. But the United States, knowing that you are no longer bound by the treaties in so far as your own needs are concerned, must take stock of its position. The continuance of friendship between Japan and the United States must go on and must not be interrupted. But in taking stock of its position in a world where these treaties are not to be held binding by one party to them, the United States must build its Navy with a view to putting it upon a basis permitted by the treaty, and this may not be looked upon by you as in any way an act hostile to you, any more than the United States can legitimately

look

- 4 -

look upon your action in expanding into Asia as an action hostile to it."

Mr. Howard asked me in view of this situation what I thought we should do about the Philippines: whether we should carry out the provisions of the Hawes-Cutting bill, whether we should stay in the Philippines, or whether we should get out altogether. He stated here in parenthesis that it was his horseback judgment that we should get out of the Philippines and concentrate upon Hawaii, for he felt that to remain in the Philippines would involve so much expense in the matter of fleets and other appropriations that it would not be justified by any return which we might expect either from the Philippines themselves or in trade which we might enjoy with China or Asia.

I told Mr. Howard that it was my own personal feeling that we should not leave the Philippine Islands, for I felt sure that the day we walked out of the Philippines would see the Japanese walk in, as they were the only power interested, and that the present leaders in Japan would not hesitate a minute to do this thing. I said that the day the Japanese took over the Philippines they would have reached a position where they could lay down an impenetrable barrier to Asia through which our trade could not penetrate except with the permission of Japan and after payment of such toll as Japan might be disposed to collect. I admitted that of course it was questionable

0478

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

- 5 -

questionable whether the protected trade which we might enjoy with the Asiatic continent by holding the Philippines would be worth the expense of maintaining ourselves in the Philippines; but that nevertheless my convictions were that it was better for us to stay and attempt to hold what we had rather than to walk out before we were attacked. (I had in mind, although I did not say this, the feeling that Japan would hesitate a long time before she would really attempt to drive us out of the Philippines.)

I said on the other hand that if we are determined to get out of the Philippines and to follow some such method as that laid down in the Hawes-Cutting bill, I thought this plan a mistake, for it would leave a lot of uncared for, unmanageable questions, and that our holding of a naval base in territory over which we had no control and in which we had no interest would be merely a provocation and an invitation to trouble. It was my conviction that if we were going to get out of the Philippines we should get out quickly and cleanly, and take our fleet and our people home, leaving the Philippines to their fate. Here, however, I expressed my own personal conviction, which I admitted was probably not shared by others, namely: that it would not matter much how we got out of the Philippines; that having given the Philippines independence, our people would always be interested in that fact and that there would always exist  
the

- 6 -

the possibility, nay, the probability that we could be roused to the point where we would attempt, even unsuccessfully, after we had left the Philippines, to defend them in the enjoyment of their independence against an outside attack.

I stated that Mr. Howard should remember that the continuance of the United States in the Philippines was a matter of extreme interest, not only to Japan, but also to England and France.

In reply to Mr. Howard's question as to why France and Great Britain had not given more immediate and wholehearted support to the United States in its attempt to persuade Japan to refrain from a violation of the Kellogg Pact, I stated that in the first place I was not prepared to say that we had not received complete support from those countries, but that in any case he must remember that England's policy in Asia was based first, last, and at all time, upon England's interest in India, while France's policy was based upon her interest in Indo-China; and that, having no intention of retiring from their holdings in Asia, England and France would be realists in their dealings with an expansive and aggressive Japan; therefore, we could not hope for hearty British and French support in a policy merely founded on abstractions; we could only expect complete and hearty cooperation from Great Britain and France if and when we were prepared to play the international

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

- 7 -

national game in the way they had played it.

I pointed out that there was one more country which had to be reckoned with in this matter, and that that was Russia. These countries are playing the game among themselves with real money in the pot, and we cannot expect much consideration from them here in the East unless we are willing to put equally hard cash in- to the game.

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S44*

Nelson Trusler Johnson,  
American Minister.

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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

Strictly Confidential

Conditions in Asia.

Peiping, June 5, 1933.

Admiral Sir Frederic Dreyer, Commander-in-  
Chief of the British Fleet.

Admiral Dreyer called, and in the course of conversation we discussed the present activities of the Japanese military in Manchuria and North China.

Admiral Dreyer expressed the belief that Japanese expansion in North Asia carried out by the military might very well be followed by a similar expansion southward carried out under the leadership of the Japanese Navy. He said that the three critical points in Southern Asia to British and Americans were Manila, Hongkong and Singapore; and it was a matter of concern to know how Japanese expansion - now so rapidly going forward in Northern Asia - might later direct itself into a field which might involve these three points. We agreed that the whole question was one of serious concern to the nationals of our two countries.

Nelson Trusler Johnson,  
American Minister.

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

Strictly Confidential

Japanese activities on the Asiatic  
mainland.

Feiping, June 6, 1933.

Commodore Thomson, Chief of Staff to Admiral Dreyer.

I was introduced to Commodore Thomson this evening at the home of Sir Eric Teichman and he inquired as to my ideas concerning the effect of Japanese activities on the Asiatic mainland.

I told the Commodore that it was very difficult for any one at the present moment to foresee any limit to the activities of the Japanese military. I reminded him of the fact that when the Japanese Emperor was restored to power in 1868 by the united efforts of the Choshu and Satsuma clans, the leaders of those clans in the subsequent negotiations for the organization of a constitutional government saw to it that the patronage of the Army should go to the Choshu clan, while the patronage of the Navy should go to the Satsuma clan. Subsequently, when the constitution was adopted, it was laid down that the Minister of War should always be a line officer, while the Minister of the Navy should always be a naval officer of high rank in active service, and that these two Ministers should have direct

*not in the  
constitution  
Army, Navy  
Department  
of War  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

direct access to the throne over the head of the Prime Minister, thus putting into their hands complete control of the Cabinet, and the fate of party government in Japan.

I said that since the Great War, which was followed by efforts on the part of the great European powers to establish machinery for the peaceful settlement of international affairs, followed by the Washington treaties and the Kellogg Pact, the situation in Japan for the Army and the Navy had been somewhat difficult. Party government had been increasing in influence and stability, as opposed to control by either the Choshu or Satsuma clans through the instrumentality of the Army and the Navy. A severe blow had been dealt to the Navy by the Naval Treaty of 1922, and the natural outcome of this was that the Navy had since been demanding a decrease in army personnel and appropriations so as to maintain the balance of power between the two elements in the Japanese Government. By 1931 the prestige of the Army was very low.

I called attention to the fact that, while I could not prove this statement, I assumed that the personnel of the Army was in a major part recruited from the country districts of Japan, while the personnel of the Navy was recruited in the main from the city peoples, and that therefore there was a lack of sympathy between the personnels

- 3 -

personnels of the two branches of the Government. A difference of viewpoint - accentuated in recent years - was the fact that the peasant population of Japan had been suffering considerably owing to the increasingly heavy burden of rural debt which was causing a great deal of unrest among the tenant farmers. I pointed out that the leaders of the Army, realizing the intimate relationship which exists between the Army and the peasant population of Japan, had taken unto themselves the peasant problems and I felt sure that the activities of the Japanese armies in Manchuria in September, 1931, began as an effort to raise the prestige of the Army among the people at home and win the support of the peasant population to the Army as the saviours of the nation. I pointed out that the Japanese Army leaders, young and old, were in a sense a cloistered lot, shut off from contact with the outside world and deprived by limitations of language and experience of any adequate knowledge of the dependence of Japan upon the good will of the world for an outlet for her industrial products.

The plans of the Army in Manchuria and Inner Mongolia have met with great success. There is no doubt that at the present time the Army and its leaders are very popular at home, especially among the great rural population. I agreed with Commodore Thompson, however, that the areas in which the Army activities have thus

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

- 4 -

far taken place were little calculated to relieve the population pressure, for climatic and other conditions there were not hospitable to the Japanese for purposes of settlement. And I agreed with him also that a southward movement might very well be expected, but it was difficult to forecast when that might take place.

Commodore Thomson stated as his belief that sooner or later the Japanese Navy must be heard from. He did not believe that the Japanese Navy would attempt to drive the United States out of the Philippines, but in view of our policy to abandon the Philippines would wait ten years until that policy had been accomplished and then move in. He felt that British interests were threatened even more than American interests, especially at Hongkong and at Singapore, and he thought it only a question of time until the Japanese would make a thrust in that direction.

Nelson Trusler Johnson,  
American Minister.

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

Strictly Confidential

Japanese activities on the Asiatic  
mainland.

Peiping, June 9, 1933.

Admiral Sir Frederic Dreyer, Commander-in-  
Chief of the British Fleet.

I returned Admiral Dreyer's call to-day, and  
after a conversation which turned on general subjects  
we went back to the question which we had discussed  
on the 5th.

Admiral Dreyer said that in view of the actions  
of the Japanese on the mainland of Asia he was curious  
to know what I thought might be the future relations  
between the Japanese and the Chinese. He expressed  
the opinion that he thought these relations might be  
very close, in view of the fact that there would ap-  
pear to be a great affinity between the peoples of the  
two countries.

He pointed out that Japanese leaders were now  
preaching on the subject of the unity of the Asiatic  
peoples as opposed to the white peoples; that the Jap-  
anese at the present moment were giving evidence of  
courage, determination and "guts" in putting their  
plans into effect; that on the other hand the Chinese

were

- 2 -

were showing a lack of all of these qualities; and he wondered how the two peoples might work out their separate or united destinies under viril Japanese leadership.

I said that I had no answer to this question, but that there were certain facts known to me which were interesting in that they threw a certain light upon the attitudes of the two peoples one toward the other. In the first place, the Chinese as a race despised the Japanese intellectually as upstarts. The Chinese attitude toward the Japanese might be likened to that of, say, the old Spanish families of Mexico descendants of the people who conquered and ruled Mexico, now living in retirement and behind closed shutters, incapable of doing anything, but entertaining feelings of hostility and scorn for the new régime in Mexico which they considered of "peon" origin. On the Japanese side there was a feeling of intellectual and physical superiority toward the Chinese: a feeling that the Chinese were a degenerate, worn-out people, incapable of governing themselves or of offering adequate resistance to aggression from abroad.

There was one other fact known to me, and that was that whereas in the seventh and eighth centuries there had existed a willingness on the part of the Japanese and Chinese to intermarry, as evidenced by the

- 3 -

the influx of Chinese intelligentsia after the downfall of the Tang Dynasty and the introduction of Chinese art and culture to Japan, at present there would appear to exist a feeling of physical and sexual repugnance between the two people; for the existence of a family composed of a Chinese husband and a Japanese wife, or a Japanese husband and a Chinese wife, was so rare an occurrence as to be a subject for comment even among the Chinese and Japanese themselves. It was known, for instance, that the result of a survey made in Hawaii in 1918 and 1919 showed that whereas Japanese, Korean and Chinese living in Honolulu all appeared to intermarry freely with Kanaka stock, and whereas Chinese and Koreans appeared to intermarry, intermarriage between Koreans and Japanese, or between Chinese and Japanese was an unusual occurrence.

One other fact of interest in this connection was also worthy of note, namely: that there was little inclination on the part of Japanese to colonize areas previously settled by either Chinese or Koreans. I had noted this particularly on visits to Korea and to Formosa, where I found Koreans and Chinese living their own life, while Japanese colonies, devoted almost entirely to the business of exploiting the resources and the man power of those areas, existed merely as islands in the midst of those populations. I said that while these facts threw an interesting light upon the relations

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- 4 -

tions between the two people, I was at a loss to speculate with any degree of confidence as to what might develop in the future relations of these people.

Admiral Dreyer stated that he hoped he might speak to me without offense, as a blunt sailor who had spent his life as a policeman of the seas in Britain's interest, and as one who was speaking his own mind and not as one who had any special mission from his Government to perform. He recalled the fact that as confidential aide to Admiral Jellicoe he had made a trip around the world in 1919 to devise with the dominions as to how they might best contribute to the naval defense of the Empire. He recalled the treaties of Washington in 1922 under which the United States, Great Britain, Japan and other countries had agreed to a limitation of their naval armaments, and certain provisions relating to naval bases and fortifications in the Pacific.

He recalled a conversation which he had had at Rio in 1922 with Admiral Hilary Jones, in the course of which Admiral Jones, who had known of his connection with the higher authorities in the British Navy, had remarked on the publication in the press of an intention on the part of the Labor Government of Great Britain not to build the "Rodney" and the "Nelson". He quoted Admiral Jones as having said at the time with some emphasis that in agreeing to the treaty for the limitation of naval armaments in 1922 the United States had relied upon

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- 5 -

the British building those two ships.

Admiral Dreyer, after some other references to the possible threat to the position of Great Britain and America from present activities of the Japanese military leaders, remarked that men's memories were inclined to be short. He then referred to the manner in which, in 1914, the Japanese had entered the War, using the Anglo-Japanese alliance as their reason for attacking Germany at Tsingtao. He recalled that some two and a half years later, in 1917, when Allied forces were at a somewhat low ebb in Europe, Japanese military and the Japanese press, apparently under official inspiration, suddenly changed their tone, having presumably reached the conclusion that the Germans would win the War, and arguing somewhat bluntly that it would better suit Japanese aims if Japan were to make common cause with Germany. He also recalled the fact that under official inspiration the tone of the Japanese press changed again in 1918 after America joined the Allies and after it had landed some two million men in France, and after it was apparent that the German thrust in the spring of that year had failed and the German armies were being turned back. He commented to the effect that this was a peculiar attitude for a nation, bound to England by an alliance, to have taken; and remarked somewhat cryptically that the attitude of Japan at that time indicated a readiness

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

readiness on the part of the Japanese to take advantage even of an ally if Japanese purposes might be benefited thereby, all of which led to the query as to where Japan might be found - in spite of the Washington Treaties and the Kellogg Pact - if it should seem to the Japanese to suit their purposes to attack the position of Great Britain in the East. And again he referred to our conversation of the other day and remarked once more that, as a naval strategist, he believed the great harbor of Manila, capable of sheltering a great fleet, was the key to the future position of Great Britain and America in the Pacific, and that Japan could hardly remain inactive as long as this position threatened the flank of her advance.

Conversation here passed on to other subjects. I remarked that I was extremely interested in the Admiral's point of view; that for my own part I saw no reason to believe that the Japanese would not seek a pretext for entering the Philippines as soon as we withdrew.

Nelson Trusler Johnson,  
American Minister.

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

August 17, 1933.

My dear Mr. President:

I feel sure that you will wish to read this extremely interesting and confidential despatch from Minister Johnson at Peiping entitled "Japanese Activities on Asiatic Mainland. Probable Effect on American Interests in the Pacific Area". The despatch encloses an interesting memorandum of a conversation with Mr. Roy Howard of the Scripps-Howard Service, together with memoranda of conversations with certain high British naval officers.

Faithfully yours,

William Phillips

Enclosure:  
From Peiping, No. 2147,  
June 12, 1933, with  
enclosures.

The President,  
The White House.

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793.94/6429

Confidential File

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

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AUG 15 1933

STRICTLY CONFIDENTIAL

No. *1159*

The Honorable

Nelson T. Johnson,  
American Minister,  
Peiping.

Sir:

The receipt is acknowledged of your strictly confidential despatch No. 2147 of June 12, 1933, on the subject "Japanese Activities on Asiatic Mainland. Probable Effect on American Interests in the Pacific Area".

Officers of the Department have read this despatch with much interest and the Department desires to commend you for this thoughtful presentation of this important subject.

Very truly yours,

For the Secretary of State:

William Phillips

793.94/6429

793.94/6429

Noted on this copy. Requested.  
*M.V.D.*

AUG 17, 1933  
*MM*

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*MMH*

A true copy of the original  
*MMH*

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

DOCUMENT FILE

NOTE

SEE ..... 893.00 P.R.Tientsin/60 ..... FOR Report #334

FROM Tientsin ..... ( Lockhart ) DATED June 2, 1933

TO ..... NAME ..... I-1187 ...

REGARDING: Sino-Japanese military operations.  
Latest developments in --.

793.94/6430  
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Department of State letter, August 10, 1972  
By Milton D. Chas. Jefferson NARS, Date 12-18-75

b. Relations with other countries.

793.94  
The Chinese authorities, both civil and military, were faced with serious problems during May in connection with Sino-Japanese military operations. The Japanese-"Manchukuo" drive to reoccupy the territory which had been previously given up by them began on or about May 7 and continued until practically all of the territory  
between

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

between the Great Wall and Lutai and westward to a point a short distance north of T'ungchow, together with an extensive area west of the Great Wall in the direction of Kalgan, was occupied. The advance of the Japanese-"Manchukuo" troops moved with but little resistance on the part of the Chinese army and it was not until Lutai was reached about the middle of May that a halt was called. Similarly the southward move of the Japanese-"Manchukuo" troops from Kupohk'ou and that region met with but little opposition. It appears that the occupation of Miyun and Lutai by the Japanese-"Manchukuo" forces suddenly brought the Chinese to a realization that some drastic step was imperative in order to prevent the extension of military operations to Peiping and Tientsin and the consequent loss of these two cities. The Chinese troops had shown such poor resistance that it seemed hopeless to stem the tide by force of arms whereupon overtures were apparently made to the Japanese military authorities at Miyun by the Chinese looking to the negotiation of a truce. Conflicting reports were circulated both by the Chinese and the Japanese regarding the steps that were being taken and the utmost effort was put forward to preserve secrecy concerning the negotiations. The TA KUNG PAO, a Chinese newspaper published in the French concession at Tientsin, published an extra edition on the morning of May 23 in which it was stated that a truce would be negotiated under the following terms:

(1)

- (1) Chinese troops should withdraw to Yench'ing, Ch'angp'ing, Shunyi, Kaoliying, T'ungchow, Hsiangho, Paoti, Lingtingchen and Ninghohsien.
- (2) Chinese should depute an officer to Miyun to meet a high Japanese military officer and inform him of Chinese willingness to cease war, whereupon Japanese will stop further advance.
- (3) The Japanese military should depute an officer to discuss with the Chinese the foregoing armistice.
- (4) The peace agreement should be signed at a specially chosen point on the Peiping-Liaoning Railway.

Inquiry of the Provincial authorities evinced the information that the above terms of a truce had been communicated to the TA KUNG PAO by the Chairman of the Provincial Government by telephone early on the morning of May 23. Notwithstanding this assurance, which on its face seemed to be authoritative, both the Chinese and Japanese authorities were denying that any truce negotiations were under way. The cessation of hostilities, however, gave very substantial credence to the current belief that at least preliminary negotiations were actually in progress. At the same time the Japanese military authorities at Tientsin were informing newspaper correspondents and others that it was the plan of the Japanese Kwantung Army to occupy both Peiping and Tientsin within a few days and that military operations would be extended even further if necessary. These contradictory reports led to great confusion in the public mind and strengthened the general desire to have military operations concluded even at great sacrifice on the part of the Chinese, since it seemed hopeless to

oppose

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

oppose further the superior forces of the invading army. The uncertainties and anxieties felt by Chinese residents of both Peiping and Tientsin, as well as in the smaller towns within the threatened area, brought on a condition of near-panic and as a consequence many thousands of Chinese hurriedly left Peiping and sought refuge in the south or in the foreign concession areas at Tientsin. There also was a tremendous exodus from the Chinese areas at Tientsin into the foreign concessions. Thousands of Chinese from the countryside which had been invaded by the Japanese-"Manchukuo" troops, or in which retreating or revolting troops of the Chinese army were present, gathered up their household and personal belongings and sought refuge in the protected areas. A striking example of this exodus from the rural sections was found adjoining the East (French) Arsenal at Tientsin where refugees estimated in numbers from 6,000 to 10,000, finally, were huddled together in carts and improvised shelter of varying degrees of dilapidation. These refugees were panic-stricken and had precipitately fled to what they believed to be a haven of safety in case of the further advance of the Japanese-"Manchukuo" troops or the disorderly retreat of Chinese regulars. Chinese charitable organizations, through the aid of substantial private subscriptions, undertook the task of feeding and caring for these refugees\*. These panicky conditions among the Chinese population and the prospect of the  
loss

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\* Telegram of May 22 - 2 p.m., to Department and Legation.

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

loss of both Peiping and Tientsin aroused the Chinese to the absolute necessity of finding a solution of their pressing difficulties.

The first definite information that a concrete plan had been evolved looking to a suspension of hostilities was obtained about noon on May 30 when two special trains, composed partially of armored cars, arrived at Tientsin Central Station bearing delegates en route to Tangku, where they would meet other delegates, for the purpose of discussing the terms of a truce\*\*. The train remained at Central Station about two hours during which time the strictest martial law was enforced throughout the Chinese City. While the identity of the delegates was scrupulously guarded, information came to light later which indicated that the following composed the personnel of the negotiating commission: Lieutenant General Hsiung Pin, chief delegate, and six other members as follows: Major General Chien Chung-cho, Mr. Lei So-yung, Colonel Hsu Yen-mo, Mr. Ying Ju-ken, Colonel Chang Hsi-hsien, and Mr. Li Che-yi; Japanese: Major General Okamura and eleven other members as follows: Colonel Kida, Lieutenant Colonel Nagatsu, Major Kono, Major Ento, Major Fujimoto, Captain Okabe, Captain Ito, Captain Shishi, Major Ohashi, Commander Fujihara and Mr. Nakayama.

As reported in my telegram of May 31 - 6 p.m., the delegates signed at 11:11 that morning at Tangku an agreement the terms of which were given to the public by the Japanese military authorities at 4:00 p.m., of that day and were substantially as follows:

1. The

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\*\* Telegram of May 30 - 5 p.m., to Department and Legation.

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

1. The Chinese troops shall immediately all withdraw to districts south and west of a line connecting Yencheng, Changping, Kaoliying, Shunyi, Tungchow, Sanho, Paoti, Lintingshen, Ningho and Lutai. They shall make no advance over this line nor repeat any provocations.
2. The Japanese troops in order to ensure the enforcement of No. 1 will visit these places occasionally by airplane or otherwise and Chinese authorities shall afford them protection and facilities for inspection.
3. The Japanese troops when fully satisfied that the Chinese have carried out No. 1 term will not continue pursuit across the above line but will voluntarily withdraw to the Great Wall.
4. The maintenance of peace and order north and east of the line specified in No. 1 term and south of the Great Wall shall be carried out by the Chinese police authorities.
5. This agreement shall come into force immediately.

The terms of the agreement as signed are quoted above for the purpose of comparison with the purported terms published by the TA KUNG PAO on May 23 and set forth on page 5 of this report. The similarity of the terms published in the TA KUNG PAO on May 23 and the actual terms signed on May 31, coupled with the announcement of the Japanese military authorities that the Kwantung military command had been approached at Miyun on May 25 make it reasonably clear that the Chinese authorities had actually taken the initiative in proposing the ending of hostilities as early as May 23.

The news of the signing of the truce was received with great satisfaction at Tientsin. The exigencies of the situation appeared to leave no other course open to the Chinese as a failure to sign would have undoubtedly led to the loss of two of the most important cities in China proper. The Chinese troops were becoming more and

more

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

more disorganized, what little enthusiasm they had for fighting had practically disappeared, pay was not forthcoming, ammunition and supplies were wholly inadequate and desertions on a large scale had greatly impaired the strength of some of the organizations in the Tangshan area, and perhaps elsewhere as well. There were innumerable reasons why a further delay in terminating hostilities would lead to disastrous consequences and the loss of territory and populous cities which could not possibly be recovered. The Chinese were, therefore, driven to the necessity of signing a truce the terms of which could have probably been much more humiliating had the Kwantung Army authorities so elected. The resignation with which the Nanking authorities and Chinese officials elsewhere, as well as the Chinese people in general, have accepted the arrangement is proof of the critical situation in which the Government had found itself through the futile effort of trying to regain lost territory.

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

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Nanking/64 FOR Despatch #D- 497.

FROM Nanking ( Peck ) DATED June 5, 1935.  
TO NAME 1-1127 \*\*\*

REGARDING: Sino-Japanese truce.  
Departure of General Huang Fu, newly appointed  
Chairman of the Peiping Political Affairs Read-  
justment Committee for Peiping probably for the  
purpose of negotiating some form of a - .

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793.94/6431

b. Relations with other Countries

Cessation of Hostilities North of Peiping.

793.44  
General Huang Fu, the newly appointed Chairman of the Peiping Political Affairs Readjustment Committee, left Hankin for Peiping on the evening of May 18th. There have been many rumors current in Hankin that General Huang was sent to Peiping with instructions to negotiate some form of truce with the Japanese in order to bring the fighting north of Peiping to a close and to stop the Japanese advance on that city.

Now that an agreement has been reached the Chinese press is beginning to take notice of the situation. It is careful, however, to point out that the agreement was reached by the military leaders and involves only the cessation of hostilities.

It is considered significant that while the negotiations for a truce were in progress, although the foreign press carried full but varying reports of the negotiations supposedly being carried on surreptitiously in Peiping, the local Chinese newspapers, with the exception of one editorial which roundly denounced any dealing with the Japanese, were silent on the subject. This would seem to indicate that the Government, with the hope of giving General Huang Fu an opportunity quietly to make some working arrangement with a view to ending hostilities, muzzled the press in order to

prevent

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS  
July 27, 1933.

~~JED:~~  
~~ESB:~~  
~~WAT:~~

Mukden's despatch under date June 27, 1933, encloses a copy of a despatch to the Legation reporting on the movements of the various sections of the army under Li Chi-ch'un in the demilitarized zone.

The despatch states that Li Chi-Ch'un's position in the demilitarized zone depends entirely on the Japanese military who undoubtedly furnish him with the necessary supplies and equipment. It is also believed that Japanese officers are serving with his troops and that it is felt that the Japanese military intend to secure the continuance of their control of the demilitarized zone through Li Chi-ch'un.

The despatch concludes by stating that there have been large withdrawals of Japanese troops from north China in preparation for the anti-bandit operations in Manchuria.

*ETW*  
ETW/VDM

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

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*A-c/c*

AMERICAN CONSULATE GENERAL

Mukden, Manchuria, June 27, 1933.

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

SUBJECT: Situation in the Demilitarized Zone.

CONFIDENTIAL - For Staff Use Only.

*g for Myers*

THE HONORABLE

THE SECRETARY OF STATE  
WASHINGTON.

*copy in FE*  
Division of  
FAR EASTERN AFFAIRS  
JUL 21 1933  
Department of State

AM RECD  
STATE  
REC'D  
SIR:  
JUL 16 1933

DEPARTMENT OF STATE  
SECRETARY OF STATE  
WASHINGTON  
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*FE*  
*7/5*

F/HS  
793.94/6432

I have the honor to enclose herewith a copy of my despatch No. 790 to the Legation at Peiping, China, dated June 27, 1933, on the above subject.

Respectfully yours,

*M. S. Myers*  
M. S. Myers  
American Consul General.

✓  
Enclosure:

Copy of despatch No. 790  
to the Legation at Peiping.

FILED  
AUG 4 - 1933

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4 Carbon Copies  
Received *J. J. H.*

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

No. 790.

AMERICAN CONSULATE GENERAL

Mukden, Manchuria, June 27, 1933.

CONFIDENTIAL - For Staff Use Only.

SUBJECT: Situation in the Demilitarized  
Zone.

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping, China.

Sir:

With reference to press reports from China concerning the reenforcement of the pro-"Manchukuo" force under the command of Li Chi-ch'un (李際春), alias Ting Ch'iang (丁强), in the demilitarized zone, I have the honor to report that according to reliable information one brigade, commanded by Ting Hai-t'ing (丁海亭) left here about three weeks ago for points inside the Wall. This was the Fourth Brigade which numbered about 3,000 men. It has also been learned that a few days later various units of the Sixth Brigade were on the point of leaving Kangping, Tiehling, Taonan and other towns where they were recruited when they were ordered by the Japanese military not to move. The alleged reason given for this order was that the commander of the

Fourth

0507

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

- 2 -

Fourth Brigade had reported to the authorities that all authorized recruiting (for Li Chi-ch'un's forces) had been completed. Sun Shou-shan, the commander of the Sixth Brigade, who was formerly a colonel in the Northeastern Army is now endeavoring to have this embargo lifted in order that he may leave for Funing, his alleged destination. Sun's men who now number about 2,000 are made up of former Feng Yung University (Mukden) students who had been in Chang Hsueh-liang's service and subsequently became bandits because their pay was stopped, ex-bandits and others. The recruits are mostly armed but have little ammunition. Should they be permitted to join Li Chi-ch'un it is expected that they will be provided with ammunition and other supplies by the Japanese. It is claimed that as the departure of these recruits has been delayed for several weeks and as they have received no pay they are living on the communities where they are stationed. From the same source it was learned that it is the desire of Li Chi-ch'un to increase his force to ten brigades.

It is obvious that Li Chi-ch'un's position in the demilitarized zone is dependent entirely upon the Japanese military who undoubtedly furnish him with such military supplies and equipment as may be needed or as may be considered advisable to give him. The sending of reinforcements inside the Wall for Li's command has been corroborated by other sources. Too, it is claimed and is generally

0508

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

- 3 -

generally believed that Japanese officers are serving with his troops. It seems that the Japanese military intend to secure the continuation of their control of the demilitarized zone through Li Chi-ch'un. That this policy is induced by political reasons rather than military ones may be taken for granted.

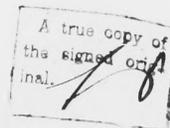
In this connection it may be mentioned that there have been large withdrawals of Japanese troops from North China in preparation for the anti-bandit operations in Manchuria which were reported in my confidential despatch No. 783, of June 17, 1933 under the subject "New Plan for the Suppression of Insurgents."

Respectfully yours,

M. S. Myers,  
American Consul General.

Original to Legation.  
Five copies to Department.  
One copy to Embassy, Tokyo.  
One copy to Consulate General, Harbin.

800  
MSM;mhp



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

DOCUMENT FILE

NOTE

SEE 495.11 Rine, Victor/1 FOR letter

FROM Victor Rine ( ) DATED July 12, 1933  
TO NAME 1-1127 \*\*\*

6433

REGARDING:

Claim against China of Victor Rine for the  
copyright use of his book, MACHIAVELLI OF JIPPON.

Settlement; Request for assistance in securing-

793.94/6433

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

United States Senate

Washington, D. C., July 10, 1933, 192

Respectfully referred to

Department of State,  
Washington, D. C.



JUL 12 33

F/H S  
793.94/6434



Respectfully,

*Gay Hamilton Lewis*  
U. S. S.

RECEIVED  
JUL 17 1933

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

COPY

*Original returned to  
Senator Lewis*

Geneseo, Illinois, <sup>1935</sup>  
July 7, 1933.

Senator J. Ham Lewis,  
Senator from Illinois,  
Washington, D. C.



F/HS

Dear Sir:

I am a resident of Geneseo, Illinois. During the summer months I have been working on a paper dealing with the Sino-Japanese situation in Manchuria. This paper must be handed in when I return to the University this fall.

In this city the material available on the subject is rather limited. Consequently, I am asking you to aid me in securing any material that might be pertinent in the form of governmental publications, excerpts from the Congressional Record, or any statement from the foreign office.

If you can aid me in this matter I shall be very grateful.

Sincerely yours,

Robert H. Farber,

429 West First Street,  
Geneseo, Illinois.

F. W. 793.94/6434

FILED  
JUL 20 1933

COPY: EM

0512

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

July 20 1933

In reply refer to  
HA

My dear Senator Lewis:

The receipt is acknowledged of your communication of July 10, 1933, transmitting a letter of July 7, 1933 addressed to you by Mr. Robert H. Farber, 429 West First Street, Geneseo, Illinois, in which Mr. Farber requests information regarding the Sino-Japanese situation.

A copy of a letter upon the subject which has been sent to Mr. Farber by the Department of State is enclosed for your information, and Mr. Farber's letter is returned to you herewith.

Sincerely yours,

William Phillips

Acting Secretary.

Enclosures:  
From Mr. Farber, July 7, 1933;  
To Mr. Farber,

The Honorable  
J. Hamilton Lewis,  
United States Senate.

HA:EWS:BMS:SS *JWS*

A true copy of  
the signed original  
*[Signature]*

Routine

*CR*  
*JUL 20 1933*  
*routine*

*FE*  
*m.m.k.*

793.94/6434

0513

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

793.94

July 20 1933

In reply refer to  
HA

Mr. Robert H. Farber,  
429 West First Street,  
Geneseo, Illinois.

Sir:

Your letter of July 7, 1933, in which you request available material regarding the "Sino-Japanese situation in Manchuria", has been referred to the Department of State by the Honorable J. Hamilton Lewis, United States Senator from Illinois.

There are enclosed copies of Senate document No. 55, 72nd Congress, entitled "Conditions in Manchuria", which contains certain diplomatic correspondence of the United States regarding Manchuria, of an address by former Secretary of State Stimson entitled "The Pact of Paris", in which reference is made to the Sino-Japanese situation, of a letter of February 23, 1932 to Senator Borah, of releases containing certain correspondence on the subject between the Department of State and the Secretary General of the League of Nations, and of the text of the treaty of February 6, 1922 between the United States and other powers, regarding principles and policies to be followed in matters concerning China.

It

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

-2-

It is also suggested that you may be interested in the publications entitled "Manchuria: Report of the Commission of Inquiry Appointed by the League of Nations" (Department of State publication No. 378) and "Sino-Japanese Dispute: Report adopted on February 24, 1933 by the Assembly of the League of Nations" (Department of State publication No. 449), copies of which may be obtained for seventy-five cents and twenty-five cents, respectively, from the Superintendent of Documents, Government Printing Office, this city, who is the authorized distributor of government publications.

As of possible interest there is enclosed also a copy of the pamphlet "Publications of the Department of State", and your attention is invited to the statement concerning the system of distributing the publications of the Department on page one of the pamphlet.

Very truly yours,

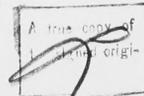
For the Acting Secretary of State:

E. Wilder Spaulding,  
Assistant to the Historical Adviser.

Enclosures:  
Conditions in Manchuria;  
The Pact of Paris;  
Treaty Series No. 723;  
Publications of the Department of State;  
Publication No. 296;  
Press releases of February 25 and March 13, 1933.

HA:EWS:BMS:SS

*GMS*



*FE m.m.H.*

0515

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

~~LES:~~  
LES:

~~MAH:~~  
MAH:

Despatch No. 467.

Date: July 13, 1935.

Subject: Transmitting Copies of Rea's Article,  
"A Conspiracy of Silence".

Summary: In the June issue of his journal, the FAR EASTERN REVIEW, George Bronson Rea published an article in the nature of propaganda for Japan and "Manchukuo". It deals with the Li-Lobanoff treaty of alliance between China and Russia, which Rea asserts to have been a valid treaty designed for aggression against Japan and in contradiction of the Open Door policy. By distortion of facts, Rea makes it appear that this treaty is a justification of Japan's occupation of Manchuria and entitles Japan to claim an indemnity from China. He then proceeds to accuse the Department of State of the United States of conspiracy against Japan in that the Department did not make public the full text of the treaty, which apparently was given to the Department by the Chinese Delegates to the Washington Conferences in 1922.

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



EMBASSY OF THE  
UNITED STATES OF AMERICA

*FE*

No. 467.

Tokyo, July 13, 1933.

SUBJECT: Transmitting Copies of Rea's Article,  
"A Conspiracy of Silence".

*Copy in FE*  
Division of  
FAR EASTERN AFFAIRS  
JUL 23 1933  
Department of State  
*Feb*  
*JA*  
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F/HS

793.94/6435

*793.94*  
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The Honorable  
The Secretary of State,  
Washington.

FILED  
AUG 14 1933

Sir:

As of possible interest to the Department, I am  
1/2/ transmitting herewith copies of an article by George  
Bronson Rea entitled "A Conspiracy of Silence", which  
appeared in the June number of Rea's magazine, the  
FAR EASTERN REVIEW. Mr. Rea, as the Department is a-  
ware, is a propagandist for Japan and "Manchukuo",  
and for this purpose utilizes his monthly magazine,  
the FAR EASTERN REVIEW, which is published in Shanghai  
and

- 2 -

and supported principally by Japanese advertising.

The article, which is a clever piece of propaganda, assumes that the Li-Lobanoff treaty of alliance between China and Russia was a valid, effective treaty, although Mr. Rea adduces no proof that the treaty was ever ratified. He lightly ignores the fact that the unofficial text of the treaty specifically states that the treaty is to become effective in case of "aggression directed by Japan, whether against Russian territory in Eastern Asia, or against the territory of China or that of Korea", and he proceeds to the thesis that "the Treaty clearly signifies hostility and aggression against Japan". Again, he ignores that part of the supposed text of the treaty which states that "The junction of this railway with the Russian railway shall not serve as a pretext for any encroachment on Chinese territory nor for any infringement of the rights of sovereignty of his Majesty the Emperor of China" and avers that "...John Hay, ignorant of the existence of this pact, induced the Powers to subscribe to the Open Door Doctrine carrying with it a guarantee of China's territorial integrity and sovereignty at the very time she had surrendered her territory to Russia".

Having thus, by perversion of facts, built up his theory that the Li-Lobanoff treaty was a valid treaty designed as a means of aggression against Japan and was in contradiction of the principle of the "Open Door",

Mr.

0518

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

- 3 -

Mr. Rea proceeds to the thesis that Japan should have been given the benefit of a consideration of this treaty in connection with the League's deliberations over the Manchuria incident, and refers to the alleged treaty as "the one document that establishes her (Japan's) rights to Manchuria". He then indirectly accuses the Department of State of conspiring against Japan by withholding the true text of the Li-Lobanoff treaty, which he believes was received by the Department of State from China after the Washington Conference of 1922, and makes certain rhetorical demands of the Department.

In this connection it may be stated that this is apparently the treaty which Count Uchida, when Japanese Minister to China, is reported to have defeated. According to Tsunego Baba, (CHUO KORON, May, 1932) Count Uchida prevented, by the free use of money, the ratification of the treaty of alliance between China and Russia, as such an alliance would have "deprived Japan of any pretext upon which she could make war on Russia to assert her interests in Manchuria".

Respectfully yours,

  
Joseph C. Grew

✓ Enclosures:  
1 & 2 as stated.

800.  
ERD:g  
Copy to Legation, Peiping.  
" " " Berne.

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

Enclosure No. 1 to despatch  
No. 467 of July 13, 1933 from the  
Embassy at Tokyo.

C O P Y.

THE FAR EASTERN REVIEW

Shanghai, June 1933.

A CONSPIRACY OF SILENCE

Japan Has Been Tried and Condemned by the  
Suppression of Vital Evidence.

By GEORGE BRONSON REA

On November 12, 1921, the Chairman of the Washington Conference (Secretary of State Charles Evans Hughes), said that he had received from the Chinese Delegation a telegraphic summary of the secret Treaty of Alliance between China and Russia concluded in May, 1896, which had been received by the Chinese Delegation from Peking. The Chinese Delegation added that they would send a copy of the full text of the treaty as soon as it was received. The telegraphic summary in French and in English, was submitted to the Committee for the purpose of being reported to the Conference. He then read the English summary.

Although reference to this Treaty had been made in various publications and memoirs, this was the first official admission on the part of either High Contracting Party that it had actually existed. So well had the secret been guarded, that the Open Door Doctrine had been subscribed to by the Powers, the Russo-Japanese War fought and peace signed by Japan in utter ignorance that the Treaty existed.

There is no statute of limitations to the acts of a nation. When China confessed to the existence of the Treaty in 1921, fifteen years after the Russo-Japanese War had been fought, she became legally and morally liable for any indemnity that Japan might claim. That Japan has not availed herself to date of this privilege does not invalidate her claim, for the simple reason that the full text of the Treaty has never been revealed. Until the full text in the original language is released by the American Government as an official document of the Washington Conference it cannot be quoted as evidence. Only a few Americans interested in these problems have official and legal confirmation of the existence of this Treaty and of its full text. The rest of the world remains in ignorance. Even the League of Nations has no official knowledge of its existence. The following brief reference appears in the Report of the Commission of Enquiry:-

"In

- 2 -

"In 1896, a secret defensive alliance was concluded between the two countries and in the same year, in consideration of the services above referred to, Russia was authorized by China to carry a branch of the Trans-Siberian Railway across Manchuria in a direct line from Chita to Vladivostok. This line was said to be needed for the transportation of Russian forces to be sent to the East in case Japan should again attack China. The Russo-Chinese Bank (later the Russo-Asiatic Bank) was established to mask somewhat the official character of the enterprise.."  
(Italics are my own. G.B.R.)

The wording of the above is clear evidence that even the League Commission of Enquiry was uninformed of the full text of the Treaty. The object of the Railway is plainly defined in Clause IV. Had its text been available to the Commission, it would have been quoted in full. Furthermore, had the existence of this Treaty been legally established by the publication of its full text as part of the Records of the Washington Conference, the League Commission as an impartial body, would not have failed to invite attention to its bearing on subsequent events and especially on the dispute between China and Japan over Manchuria, nor would it have been so solicitous for the interests of Russia.

#### CASE AT GENEVA IS CLOSED

The Commission's Report goes on to describe the events leading up to the Russo-Japanese War and the Peace of Portsmouth, but makes no further reference or comment on the Secret Treaty which admitted the Russian army into Manchuria to "defend China against Japan". The Commission's report has been accepted as final. The League refuses to reopen the case or admit any evidence which might compel revision of its verdict.

There are certain legal facts that the Report ignored. The Treaty was signed. China and Russia were allied against Japan. Although disguised as defensive, the Treaty clearly signifies hostility and aggression against Japan. It was never denounced. It accomplished its purpose. No matter what Russia did after she gained entrance into Manchuria, the indisputable fact remains that China faithfully carried out her part of the bargain. China dared not openly denounce the Treaty without inviting the immediate hostility of Japan and Great Britain and bringing down upon her vengeance of

Russia.

0521

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

- 3 -

Russia. She remained silent while John Hay, ignorant of the existence of this pact, induced the Powers to subscribe to the Open Door Doctrine carrying with it a guarantee of China's territorial integrity and sovereignty at the very time she had surrendered her territory to Russia in order that the armies of the latter could entrench themselves along the Korean frontier. Japan subscribed to the Open Door doctrine without reservations, the only Power that came out frankly and honestly in support of American policy. Yet in subscribing to these principles, she unwittingly bound herself to respect the sovereignty of China at the precise time that China and Russia were sharpening their swords in preparation for her undoing.

The inevitable clash came in 1904. Japan fought for her existence, not against China but against the then most powerful military nation of the world. Japan lost 100,000 men killed in action and another 100,000 or more were wounded. She nearly bankrupted herself to carry on the struggle and went to Portsmouth buoyed up by the hope that she would be paid an indemnity. In the interests of peace and in ignorance of the existence of the secret treaty of alliance, Theodore Roosevelt prevailed upon Japan to forego a cash indemnity and restore Manchuria to China. On learning of the peace terms, the people of Japan held the United States responsible for the loss of the indemnity and the intense feeling of disappointment and resentment gave rise to violent anti-American demonstrations.

#### AN OPPORTUNITY THAT PASSED

Not until the Washington Conference did the dumb-founded Japanese realize how they had been miserably duped and buncoed out of an indemnity or a cession of territory that would have compensated them for their sacrifices. For reasons of their own, they declined to comment on the confession of China when the telegraphic summary was handed in. The British Delegates had the opportunity to point out that the Russo-Chinese Treaty of Alliance forced the Anglo-Japanese pact and justified their own policies, then under fire. The British deserted their old and tried Ally at this moment and the American Secretary of State hastily closed the incident by turning to another subject before the Conference. Everybody was looking out the window admiring the scenery along the Potomac when the evidence that justified Japan was read out in open Conference. The Japanese are still awaiting official confirmation of the existence of the Treaty by the publication of its full text.

The printed Report of the Washington Conference does not include the full text of this Treaty, which indicates, either that it was not received in time  
for

- 4 -

for publication or, that it was suppressed by the editors of the Report. That it has not as yet been released, gives rise to the following pertinent questions:

1. Did the Chinese Delegation comply with its promise to send a full text of the Treaty as soon as it was received?
2. If so, on what date was the full text received?
3. If the Chinese did send in the full text of the Treaty, why has it not been made public as part of the Records of the Washington Conference?

Although the State Department as the Repository or Guardian of the documents of the Washington Conference may technically have no obligation to transmit documents received subsequent to its termination, failure to do so might easily be construed by Japan as evidence of a desire to conceal its sinister character.

If subsequent indiscreet revelations, such as "The American Black Chamber" can be relied upon as accurate, the Washington Conference was first proposed by Great Britain in order to bring about the termination of the Anglo-Japanese Alliance and its real objective was then screened by calling a Conference for the Limitation of Armaments and a settlement of China's problems by negotiating a new Treaty giving effect to American policies. Had the Chinese Delegation handed in the full unabridged text of the Secret Treaty of Alliance, the Conference would have been compelled to face facts that would have made impossible any peaceful solution of the problems under discussion without recognizing Japan's legitimate claims to an indemnity from China. That the Conference terminated successfully is due in large part to the suppression of evidence that would have defeated its aims. American diplomacy scored at the expense of Japan.

Private inquiries addressed to the State Department have elicited the information that the Chinese did comply with their promise (but no date is given) and, that an unofficial English translation of the French text will be found on Page 81 of "MacMurray's Treaties and Agreements with and Concerning China". This compilation of documents, issued just prior to the Washington Conference, reproduced the Treaty from an article appearing in the London DAILY TELEGRAPH of February 15, 1910, written by an "Admirer of Li Hung-Chang." This version, however, cannot be accepted as official. The Treaty in its original language still remains a well guarded secret.

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- 5 -

#### A CASE OF CAREFUL EDITING

Accepting, however, that the above mentioned unofficial English translation of the document filed by the Chinese Delegation is authentic, comparison of the telegraphic summary with the full text betrays the reason why it was carefully edited before handing it in to the Conference and why the Chinese Delegation delayed complying with their promise to file the full text until long after the official Report of the Conference had been printed and distributed.

A few days previous to filling the telegraphic summary, the Committee on the Chinese Eastern Railway submitted its Report and Resolutions basing their conclusions on the Commercial Convention of September, 1896. The full text of this Treaty signed in May, 1896, clearly establishes the purposes and objects of the Chinese Eastern Railway (and its South Manchuria branch) as a military weapon designed to facilitate the transport of the Russian armies to the "menaced points on the (Korean) frontier" and for their subsistence," and reveals that the Commercial Convention of September, 1896, was merely the screen which concealed the real purpose of the line. When the existence of this Treaty is legally established, the Chinese Eastern Railway Convention and all subsequent agreements concerning the operation and management of the line are invalidated.

It is common knowledge that the French Government is pressing the claims of the Russo-Asiatic Bank against the Chinese Eastern Railway for a sum considerably in excess of its actual cost of construction. These claims derive their legitimacy from the provisions of the Commercial Convention of the Chinese Eastern Railway of September, 1896. As long as the legal existence of the Master Treaty is not established, the claims of the Russo-Asiatic Bank rest on a solid foundation but the moment the full text of the Master Treaty is published as an official document, the French Government must admit either that it knowingly financed the line as a military instrument directed against Japan, thus becoming a third party to the secret alliance, or, that her Russian Ally maintained her in ignorance of its pact with China. The validity of the French claims rests upon a contract deliberately designed and made public at the time in order to conceal the existence of a military alliance which came into force on the signing of the contract.

#### DIPLOMATIC RETICENCE

Failure on the part of the Chinese Delegation to comply with its promise to file the full text of the

Treaty

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

- 6 -

Treaty until long after the Conference was terminated and the Report of its proceedings published, implies that they were anxious to keep the truth out of the records. Chinese secret diplomacy again scored.

When the full text of this Treaty is published as an official document of the Washington Conference, should the Japanese Government ask Washington the following questions; what would be its reply?

1. Had John Hay known of its existence in 1898 would he have invited the Powers to subscribe to the Open Door Doctrine? Would he have asked Japan to adhere to principles that bound her to respect the sovereignty and territorial integrity of China at the precise time that China had handed over her territory to Russia in order that the armies of the latter could get into position to fight Japan?

2. Had Theodore Roosevelt known of the existence of the Treaty would he have invited Japan and Russia to the Conference Table at Portsmouth and used his influence to induce Japan to forego a cash indemnity and restore Manchuria to China?

3. Had the Japanese Delegation to the Washington Conference requested that the full text of this Treaty be communicated to the Conference and then demanded a reopening of the whole Manchurian question based on this confession, could the Nine Power Treaty have been signed?

4. The Japanese Government might with equal propriety, ask the French Government if it knew of the existence of this Treaty when it sanctioned the loans to Russia for the construction of the Chinese Eastern Railway?

That the Japanese Delegation did not take advantage of the opportunity at Washington to reopen the whole Manchurian question, was due to the fact:

First, that their Government had accepted the invitation to attend the Conference on the condition that its rights and position in Manchuria should not come up for discussion, and Second, that they sincerely desired to facilitate the high aims and objects of the Conference looking forward with faith and hope to a new era of peace in the Pacific and to a new understanding with China in which the past would be buried and forgotten.

For the last two decades the whole trend of Chinese diplomacy, publicity and propaganda has been to embroil the United States in a war with Japan. Chin-

ese

- 7 -

ese statemen openly declare that the United States must fight Japan; that we are in honor bound to uphold our position by force; that we cannot shirk our duty. The publication of the full text of the Secret Li-Lobanoff Treaty of Alliance in its original language will disclose that the policies we are expected to go to war to uphold were formulated at the precise time that China was a full partner with Russia in provoking a war with Japan. The American people are now asked by the statesmen of China to go to war with Japan in defense of policies and treaties whose existence and binding power was made possible through the sacrifices of Japan and her unwillingness to date to press an advantage that any Western Power would have used to advance its interests.

#### ONE VITAL DOCUMENT OVERLOOKED

The League and the United States have judged and condemned Japan squarely on their own interpretation of the Treaties, yet the most vital document bearing on the whole complex Far Eastern problems remains closely guarded in the archives of the American State Department. Too proud to admit her mistakes or explain her position and unwilling to embarrass the American Government by requesting it to release a document that should long ago have been published as part of the Records of the Washington Conference, Japan has also discarded the legalities and is standing pat on her own conception of justice. All other Treaties bearing on the problems of Manchuria have been invoked and searched carefully to make out a case against Japan, but it seems to be tacitly agreed that the one document that establishes her rights to Manchuria shall not be given legal sanction by its publication. Is it not time for Americans to ask themselves where their diplomacy is leading the nation?

Can we deny that the American Open Door Doctrine was promulgated in complete ignorance of the existence of this Treaty; that it bound Japan to respect the sovereignty and territorial integrity of China at the precise time that this Treaty, breathing aggression and hostility against Japan, was in full force; that after fighting a victorious war with Russia an American President prevailed upon Japan to forego a cash indemnity and to restore Manchuria to China; that the Nine Power Treaty was made possible by Japan's forbearance and refusal to break up the Washington Conference by demanding a reopening of the whole Manchurian dispute; that another American President enunciated a new Doctrine declining to recognize the independence of Manchukuo because, in his opinion, it was created as the result of force applied by Japan; that the League of Nations has accepted the Hoover Doctrine as its own and drafted resolutions which if enforced in practice, may create a situation that may lead us

into

0528

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

- 8 -

into a war in the Pacific. In view of these facts, is it not time for Americans to try and understand Japan's viewpoint and live up to the slogan of the New Administration by giving her a New Deal?

By every known and established rule of warfare, Manchuria should belong to Japan. She emerged the victor from two wars fought for its possession. Bludgeoned out of the fruits of her victory over China by the then three most formidable military powers of the world; buncoed like a rube out of cash indemnity at Portsmouth by reason of China's secret diplomacy; thwarted during the Great War from establishing her security in Siberia after the Allied Supreme War Council had voted to concede her a slice of territory for keeping the Trans-Siberian line open; compelled to restore Shantung to China; her late Allies are once more solidly lined up behind the League supporting China in her long drawn out fight to escape the consequences of her secret diplomacy of 1896! Is it any wonder that the Japanese Army has defied the rest of the world to oust them from Manchuria?

They remember the past. They saw the last fruits of their victories being taken away from them by a new type of warfare legalized by the treaties. Slowly but surely they were being driven out of Manchuria. Their backs were against the wall, their feet held fast in a treaty-trap while the Chinese had slung a noose around their neck and were slowly strangling them to death. The other Powers looked on and approved and when Japan broke out of the trap, they condemned her for breaking the law!

The Russo-Japanese War has cost Japan to date nearly five billion gold dollars. Add to this, her billion dollar investment in Manchuria and the half billion that Korea has cost her to safeguard her security, and the total is over six and a half billion dollars! The Japanese people are still paying for the war that was forced upon them by China. They have paid enough! It is time the account was settled.

The American Government has a duty to perform. As the Custodian of the Documents of the Washington Conference it should immediately release the full text of the Secret Treaty of Alliance between China and Russia of May, 1896, establish it as a legal document and, in view of its provisions ask itself whether or not it has been fair to Japan all these years. The success of American policy in the Far East has been made possible by the sacrifices of Japan. Let us make the amende honorable, set aside the Hoover Doctrine and extend re-

cognition

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

- 9 -

cognition to the new State of Manchoukuo as soon as it  
merits such recognition. If we are to have Peace in  
the Pacific, it is the only way. - G.B.R.

47 <sup>2</sup> despatch  
July 13, 1933 from the

SECRET TREATY OF ALLIANCE OF  
RUSSIA AND CHINA AGAINST JAPAN (1896-1911)

- A.- Telegraphic summary, furnished by China and read by Secretary of States Hughes at the February 6, 1922, session of the Washington conference.
- B.- Complete text, though unofficial, from MacMurray, p81, tacitly endorsed by the State department as an "unofficial copy of the French text," a copy of which was filed in Washington by China several years after the conference. MacMurray's text is from an article in the LONDON DAILY TELEGRAPH, February 15, 1910, by "An Admirer of Li Hung Chang."
- "A" AND "B" TREATY OF ALLIANCE BETWEEN CHINA AND RUSSIA - MAY 1896.

ARTICLE I.

- A.- The High Contracting Parties engage to support each other reciprocally by all the land and sea forces at any aggression directed by Japan against Russian territory in Eastern Asia, China or Korea.
- B.- Every aggression directed by Japan, whether against Russian territory in Eastern Asia, or against the territory of China, or that of Korea, shall be regarded as necessarily bringing about the immediate application of the present treaty. In this case the two High Contracting Parties engage to support each other reciprocally by all the land and sea forces of which they can dispose at that moment, and to assist each other as much as possible for the victualing of their respective forces.

ARTICLE II.

- A.- No treaty of peace with an adverse party can be concluded by either of them without the consent of the other.
- B.- As soon as the two High Contracting Parties shall be engaged in common action, no treaty of peace with the adverse party can be concluded by one of them without the assent of the other.

ARTICLE III.

0528

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

- 2 -

- A.- During military operations all Chinese ports shall be open to Russian vessels.
- B.- During the military operations all the ports of China shall, in case of necessity, be open to Russian warships, which shall find there on the part of the Chinese authorities all the assistance of which they may stand in need.

ARTICLE IV.

- A.- The Chinese Government consents to the construction of a railway across the Provinces of Amur and Kirin in the direction of Vladivostok. The construction and exploitation of this railway shall be accorded to the Russo-Chinese Bank. The contract shall be concluded between the Chinese Minister at St. Petersburg and the Russo-Chinese Bank.
- B.- In order to facilitate the access of the Russian land troops to the menaced points and to ensure their means of subsistence, the Chinese Government consents to the construction of a railway line across the Chinese provinces of the Amur (Heilungkiang) and of Guirin (Kirin) in the direction of Vladivostok. The junction of this railway with the Russian railway shall not serve as a pretext for any encroachment on Chinese territory nor for any infringement of the rights of sovereignty of His Majesty, the Emperor of China. The construction and exploitation of this railway shall be accorded to the Russo-Chinese Bank and the Clauses of the Contract which shall be concluded for this purpose shall be duly discussed between the Chinese Minister in St. Petersburg and the Russo-Chinese Bank.

ARTICLE V.

- A.- In time of war, Russia shall have free use of the railway for the transport and provisioning of her troops. In time of peace Russia shall have the same right for the transit of her troops and provisions.
- B.- It is understood that in time of war, as indicated in Article I, Russia shall have free use of the Railway mentioned in Article IV, for the transport and provisioning of her troops. In time of peace, Russia shall have the same right for the transit of her troops and stores, with stoppages which shall not be justified by any other motive than the needs of the transport service.

ARTICLE

0530  
DECLASSIFIED: E.O. 11652, 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 -

ARTICLE VI.

- A.- The present treaty shall come into force from the day on which the contract stipulated in Article IV, shall have been confirmed. It shall have force for fifteen years.
- B.- The present treaty shall come into force on the day when the contract stipulated in Article IV, shall have been confirmed by His Majesty, the Emperor of China. It shall have from then, force and value for a period of fifteen years. Six months before the expiration of this term, the two High Contracting Parties shall deliberate regarding the prolongation of this treaty.

0531  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

August 2, 1933.

~~ERS:~~  
~~ETW:~~  
~~JIS:~~  
~~WAC:~~

Dairen's despatch to Peiping under date July 3, 1933, states that, according to Japanese press reports, negotiations commenced on July 2 at Dairen for a settlement of the problems related to the Tangku Truce Agreement, particularly those connected with the disposition of the Yi Yung Chun (Li Chi-ch'un's volunteers) and the operation of trains on the Tientsin-Shanhaikwan section of the Peking-Mukden Railway.

Major General Okumura, Vice Chief of Staff of the Kwantung Army, is the Japanese delegate and Mr. Lei Shou-lung (probably an assumed name) is the chief Chinese delegate.

The press states that an immediate settlement is expected, which may mean that the Chinese will sign anything put before them without delay or questioning.

*CAB*  
CAB:CLS

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

Copy for Department

AMERICAN CONSULATE

Dairen, Manchuria, July 3, 1933.

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ms  
793.97

The Honorable  
Nelson Trusler Johnson,  
American Minister,  
Peiping, China.

28



Sir:

I have the honor to inform the Legation that today's local Japanese press carries reports of negotiations commenced yesterday at Dairen between Japanese and Chinese delegates for a settlement of the problems related to the recent "Truce Agreement" signed at Tangku, particularly those connected with the disposition of the Yi Yung Chun (義勇軍) under Li Chi-ch'un (李際春) and the operation of trains on the Tientsin-Shanhaikuan section of the Peiping-Mukden Railway.

Major General Okumura, Vice Chief of Staff of the Kwantung Army, is the Japanese delegate. He arrived in Dairen yesterday afternoon, attended by Colonel Kita. Mr. Lei Shou-lung (雷壽榮) is the chief Chinese delegate. He is accompanied by Mr. Yin Tung (殷同) and five other Chinese. The party arrived in Dairen on July 1st. The Japanese press states that Lei Shou-lung is an assumed name as the delegate does not wish to disclose his identity. The press also reports that a "leading figure" in the Yi Yung Chun arrived with Major General Okumura

to

F/HS

793.94/6436

AUG 7 - 1933

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0533

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

- 2 -

to take part in the negotiations.

The first meeting of the delegates took place at the Ryoto Hotel (Japanese) yesterday evening. The Japanese delegate is quoted by the press as saying that the opinions of both parties are in agreement. The Chinese delegate informed the press that an "immediate settlement is expected", which may be interpreted to mean that he will sign anything put before him without delay or questioning. Negotiations with regard to the details of the settlement commenced today and will continue for two or three days, according to the press.

Further information concerning the meeting will be reported to the Legation when it is possible to obtain it. The progress of the negotiations and the identity of the Chinese participants are now being kept strictly secret.

Respectfully yours,

John Carter Vincent  
American Consul.

800  
JCV:L

Two copies to Department  
1 copy to Embassy, Tokyo - sent by FE Aug. 8, 1933  
1 copy to Consulate General, Tokyo - sent by FE Aug 8, 1933  
1 copy to Consulate General, Mukden  
1 copy to Consulate General, Harbin. *[Signature]*

A true copy of  
the signed original  
sent. Q.M.L.

0534  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Shusterman NARS, Date 12-18-75

Copy for Department

AMERICAN CONSULATE

Dairen, Manchuria, July 3, 1933.

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping, China.

Sir:

I have the honor to inform the Legation that today's local Japanese press carries reports of negotiations commenced yesterday at Dairen between Japanese and Chinese delegates for a settlement of the problems related to the recent "Truce Agreement" signed at Tangku, particularly those connected with the disposition of the Yi Yung Chum (義勇軍) under Li Chi-ch'un (李際春) and the operation of trains on the Tientsin-Shanhaikuan section of the Peiping-Mukden Railway.

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to

0535

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

- 2 -

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Respectfully yours,

John Carter Vincent  
American Consul.

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JCV:L

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1 copy to Consulate General, Tokyo  
1 copy to Consulate General, Mukden  
1 copy to Consulate General, Harbin.

a true copy of  
the signed original.  
Jm.L.

053F  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 2, 1933.

~~LES:~~

~~ETW:~~

~~WJG:~~

~~MMK:~~

Dairen's despatch to Peiping under date July 6, 1933, states that, according to press reports with regard to the negotiations between the Chinese and Japanese delegates at Dairen, "Yi Yung Chun" shall be disposed of in a reasonable manner by the Central Government of China and that Li Chi-ch'un's <sup>own</sup> men will be reorganized and incorporated into the Hopei Police Corps.

According to the same reports, an indefinite agreement has been reached with regard to traffic on the Peking-Mukden Railway. This agreement makes provision for (1) the use of the Shanhaikwan railway station as a junction point for the two lines, that is, the Peking-Shanhaikwan and the Mukden-Shanhaikwan, (2) the joint use of the railway shops at Shanhaikwan, (3) the disposition of railway employees, (4) distribution of rolling stock, (5) employment of railway guards, (6) temporary administration of the railway in the occupied area while the Japanese troops are being withdrawn.

These agreements were not considered to be of a diplomatic or political nature because of the Chinese fear that a traffic agreement

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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  
DIVISION OF FAR EASTERN AFFAIRS

-2-

might subsequently be construed as a recognition  
of "Manchukuo" by China.

*CAB*  
CAB:CLS

0538

DECLASSIFIED: E.O. 11652, 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

Copy for Department

AMERICAN CONSULATE

Dairen, Manchuria, July 6, 1933.

*A/C*

793.94  
793.97

(G)

28

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping, China.



F/H/S

793.94/6437

I have the honor to refer the Legation to my despatch of July 3, 1933, reporting that negotiations were underway in Dairen between Chinese and Japanese delegates for a settlement of questions related to the disposition of the Yi Yung Chun (義勇軍) and traffic on the Peking-Mukden Railway.

Today the local Japanese press prints what purport to be summaries of memoranda exchanged by the delegations providing for a settlement of Yi Yung Chun and railway issues along rather indefinitely broad lines. With respect to the Yi Yung Chun, the report states that "in conformity with the Sino-Japanese Truce Agreement, the stationing of the army in the district is not considered necessary, and therefore the Yi Yung Chun and attached groups shall be disposed of in a reasonable manner by the Central Government (of China)". The army under Li Chi-oh'um (李際春) is treated separately. As these troops are "numerous and powerful, men of superior ability who are suitable for police work will be reorganized and incorporated into the Police Corps of Hopei province". Another article states that "the

AUG 11 1933

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

- 2 -

Central Government shall not reprove Li Chi-ch'un for his past behavior." The Government is to treat him "with generosity and instruct him with regard to his future movements." Incidentally Li Chi-ch'un is the "leading figure" mentioned in my despatch of July 3rd as having arrived in Dairen with Major General Okumura to take part in the negotiations.

The agreement regarding traffic on the railway is even more indefinite than that with respect to the Yi Yung Chum. There are two articles, one providing for traffic between the line from Peiping to Shanhaikwan and that from Mukden to Shanhaikwan, and the other for a system of temporary administration of the railway in the occupied area while the Japanese troops are being withdrawn. These two articles, according to the press, make provision for (1) the use of the Shanhaikwan railway station as a junction point for the two lines, (2) joint use of the railway shops (at Shanhaikwan), (3) disposition of railway employees, (4) distribution of rolling stock, (5) employment of railway guards, and (6) compensation to the railway between Peiping and Shanhaikwan (apparently for losses incurred during the military operations) to be paid by the Chinese Government.

The agreements outlined above were signed yesterday afternoon at a meeting held at the Dairen Headquarters of the Japanese Gendarmerie. It appears that detailed arrangements are to be worked out by railway experts. Mr. Hsu Chi-fu, secretary of the Peking-Mukden Railway is in Dairen. Colonel Atamiya,

Advisor

0540

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

- 3 -

advisor to the South Manchuria Railway Company's Railway Board at Mukden, and Mr. Kan To, who is in charge of the Mukden-Shanhaikwan line, have come to Dairen to take part in working out the detailed arrangements.

The Japanese press in commenting on the agreements states that the discussions concerning the railway were made difficult because the Chinese feared that a traffic agreement would be construed as recognition of "Manchukuo" by China. The paper adds however that matters of a political or diplomatic nature were left to future negotiations.

The identity of the chief Chinese delegate has not yet been disclosed but the Legation may be able to recognize him in the enclosed photograph of the delegates which was taken yesterday afternoon after the agreements were signed. The Chinese delegates are returning to Tientsin tomorrow.

Respectfully yours,

John Carter Vincent  
American Consul.

Enclosure:  
Photograph of Delegates (enclosed only with original)

800  
JCV:L

Two copies to Department  
1 copy to Embassy, Tokyo  
1 copy to Consulate General, Tokyo  
1 copy to Consulate General, Mukden  
1 copy to Consulate General, Harbin.

A true copy of  
the signed original  
sent.  
A.M.L.

0541

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS  
August 4, 1933.

~~JEB:~~ *To write*  
~~WHT:~~ *p. 20*

Nanking's despatch No. D-510 under date July 5, 1933, encloses translations of three newspaper articles in regard to a rapprochement between Japan and the United States.

The covering despatch gives a brief summary of each of the articles.

*EXW*  
ETW/VDM

0542  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Justiman NARS, Date 12-18-75

No. D-510

AMERICAN CONSULATE GENERAL,

Nanking, China, July 5, 1933.

THE UNDER SECRETARY  
AUG 12 1933  
DEPARTMENT OF STATE

*M for Peck*

Subject: Japanese Reports of an Inter-  
view between the President of  
the United States and Viscount  
Ishii.

The Honorable  
The Secretary of State,  
Washington.

*Copy in file*  
Division of  
FAR EASTERN AFFAIRS  
JUL 31 1933  
Department of State

Sir:

I have the honor to state that Dr. Lo Wen-kan, Chinese Minister for Foreign Affairs, recently handed to me some Chinese translations of articles published in Japanese newspapers. Internal evidence shows that these Chinese translations were made by the Chinese Military Affairs Committee, of which General Chiang Kai-shek is the Chairman.

Two of these articles have been selected for translation into English and these retranslations are enclosed herewith.

The first is from the TOKYO TIMES of June 11, 1933, and is entitled "Japan and United States Discussing Cooperation at London Economic Conference". In this article the President is represented as as-

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793.94/6438

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AUG 16 1933

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

- 2 -

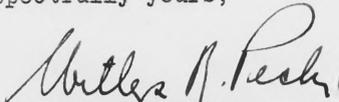
uring the Japanese Delegate that the United States will in no way interfere with Japan's policy in Manchuria, and as otherwise making a strong bid for Japan's support at the World Economic Conference. The whole article will repay reading.

The second article is from the same paper, of the same date, and is entitled "Four Important Points of the Arbitration Treaty". The article purports to give the substance of an arbitration treaty under discussion between the United States and Japan. A significant assertion is that "Japan will recognize the Monroe Doctrine of the United States." \* \* \* \* \* "and causes the United States to recognize Japan's Asiatic Monroe Doctrine".

3/

There is enclosed, also, a copy of a despatch dated June 23, 1933, published by the semi-official KUO MIN NEWS AGENCY, asserting that "authoritative quarters in Washington have denied the truth" of the Japanese press reports concerning the proposed conclusion of the Treaty of Arbitration between the United States and Japan. The despatch denies, also, that the American Government subscribes to the Japanese interpretation of the Monroe Doctrine.

Respectfully yours,

  
Willys R. Peck,  
Counselor of Legation  
and  
American Consul General.

054

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

- 3 -

✓  
Enclosures:

- 1/ Translation of article from TOKYO TIMES, dated June 11, 1933, entitled "Japan and United States Discussing Cooperation at London Economic Conference."
- 2/ Translation of article from same paper and of same date, entitled "Four Important Points of the Arbitration Treaty".
- 3/ Translation of article from the KUO MIN NEWS AGENCY, dated June 23, 1933.

In quintuplicate to Department  
Single copy to Tokyo  
Single copy to Legation

800.

WRP:MM

054

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

Translations into Chinese from Japanese papers, made by  
the Chinese Military Affairs Committee.

Tokyo Times  
(東京時事新報)  
June 11, 1933,  
evening issue.

JAPAN AND UNITED STATES DISCUSSING CO-  
OPERATION AT LONDON ECONOMIC CONFERENCE

The contents of conversations between Ishii and  
Roosevelt on May 25 and 26 were originally kept confi-  
dential. Until today, the contents have not been made  
entirely known. From 2:30 to 4:30 p.m., May 25, the  
details of a conversation between Ishii and Roosevelt  
were as follows:

Roosevelt: The Manchurian question has become a  
past issue. I hope that you will understand that  
all the American Government hopes for is peace in  
the Far East. My desire is to overcome the world  
crisis and to promote international peace. In order  
to attain this goal, I wish to expand and strengthen  
the Anti-War Pact. I wish to propose to various  
countries the conclusion of a supplementary treaty  
to the Anti-War Pact -- "Consultation Treaty".  
However, your Government seemed to have difficulties  
in agreeing to this. The American Government thorough-  
ly appreciates the position of Japan in regard to the

Manchurian

- 2 -

Manchurian question. The Japanese Government may make reservations concerning the Manchukuo. In a word, the American Government earnestly hopes that Japan will accept the Consultation Treaty.

Ishii: Japan has as neighbors two countries of a particular kind - China and Soviet Russia. China is engaging in an Anti-Japanese movement, and enforcing an economic invasion. Russia has taken actions which indicate that it is making preparations for war. In view of such circumstances, Japan regrets not being able to agree with your proposal of forbidding armed soldiers to cross national borders.

Roosevelt: I received yesterday a letter from MacDonald stating that failure of the United States to consider the question of war debts would adversely affect the success of the Economic Conference in London. This statement lacks common sense. I hope that Japan will support the United States at the Economic Conference. (Note: Even if Roosevelt did have this in mind, he would not speak in such language. The statement published in the Japanese paper more or less involves the idea of stirring up trouble. Comment of Chinese Military Affairs Committee.)

Ishii: I have exactly the same thing in mind. But Japan can not unconditionally participate in the "Consultation Treaty", nor can it support the Disarmament Treaty without reserves. China's anti-Japanese and boycott activities constitute the most serious difficulty. On the other hand, it must not

be

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

- 3 -

be ignored that Russia is making preparations to fight against Japan. I shall submit a proposal to the Economic Conference requesting prohibition of anti-Japanese and boycott activities in China. Unless the "Consultation Treaty" forbids anti-Japanese and boycott activities, Japan absolutely disagrees with the statement that the entrance of troops of one nation into the territory of another country, for self-defence purposes, shall be considered as an invasion.

Roosevelt: I heard that China's boycott of Japanese goods is a well organized movement. This is very reprehensible. If Japan proposes to the Economic Conference the prohibition of boycott movements, the United States will exhaust its efforts to support Japan.

0548

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

Translations into Chinese from Japanese papers,  
made by the Chinese Military Affairs Committee.

TOKYO TIMES  
(東京時事新報)  
June 11, 1933.  
evening issue.

#### FOUR IMPORTANT POINTS OF THE ARBITRATION TREATY

The important points in the Arbitration Treaty which is being considered by Japan and the United States are as follows:

1. Disputes arising between Japan and the United States, which cannot be settled by exhausting diplomatic means, shall be handled by the "Standing Reconciliation Committee". The Committee shall make a report within one year in order to facilitate settlement. However, neither country shall be restrained by the report.
2. The Committee shall consist of five members: Japan and the United States shall each have one member and one designated member and there shall be one member of a third country. The discussions of the Committee shall be kept confidential.
3. Disputes between the two countries relating to laws or relating to the interpretation of existing treaties between themselves, which cannot be settled by diplomatic means, shall be referred to the Investigation Committee for investigation.

The

- 2 -

The above disputes do not include the "independence", "reputation" and "interests" of both countries, nor interests connected with a third country.

4. The Treaty shall take effect after it is ratified and exchanged. The period of validity is five years.

At present, the following questions are awaiting further discussions by both countries.

- (a) No third country shall be allowed to participate in the Reconciliation Committee. It is undecided whether the Standing Committee, formed by members representing the countries concerned, shall be able to make a settlement.
- (b) The United States requests the recognition of its Monroe Doctrine. It makes the control of internal affairs an exception, and makes reserves in regard to the immigration question. It has not been decided whether these shall be included in the treaty.

In view of the Covenant of the League, Japan will recognize the Monroe Doctrine of the United States. In this Treaty, it recognizes the Monroe Doctrine of the United States on the one hand, and causes the United States to recognize Japan's Asiatic Monroe Doctrine on the other. This must be included in the treaty. The Asiatic Monroe Doctrine shall not be defined, and may be interpreted freely.

The above points are being studied.

0550  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

(KUO MIN NEWS AGENCY)

June 23, 1933.

Nanking, June 23.-- With reference to Japanese press reports concerning the proposed conclusion of a Treaty of Arbitration between the United States and Japan, it is learned that there is absolutely no foundation in these reports. It is stated that authoritative quarters in Washington have denied the truth of the reports. Official quarters in the United States are also reported to have pointed out that the Japanese interpretation of the Monroe Doctrine is entirely different from the American view and that the American Government does not subscribe to the Japanese view.

DECLASSIFIED: E.O. 11652, 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./67 FOR Despatch # 2149.

FROM China ( Johnson ) DATED June 14, 1933.  
TO NAME 1-1127 \*\*\*

REGARDING:

Tangku Agreement.

Signing of a Sino-Japanese truce agreement at Tangku on May 31, 1933, was one of the major events of the month.

hs

793.94/6439

2. Sino-Japanese Relations.

a. The Tangku Agreement.

The event of the month was, of course, the signing of a Sino-Japanese truce agreement at Tangku (near Tientsin) on May 31, 1933. For weeks the situation in North China had been of the utmost gravity and the fate of Peiping and Tientsin hung by a hair.

The Japanese had resumed their offensive in the Lwan River area on May 7th and, meeting with little or no resistance, soon reached points way beyond the territory which they had voluntarily evacuated in the latter part of April. (See Legation's despatch No. 2103, May 12, 1933, p. 13). By May 12th no Chinese troops remained on the left bank of the Lwan River, and by the 21st the Japanese had reached the outskirts of Tungchow, some 14 miles east of Peiping. As there is a relatively large American community there the Legation advised all American women and children to leave temporarily. In the meantime the Japanese thrust from Kupaikou south had met with determined resistance from a division of the National Government which could only be overcome by intensive

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

DOCUMENT FILE  
NOTE

SEE 894.00 P.R./67 FOR Despatch #459

FROM Japan (Grew) DATED July 6, 1933  
TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1127 \*\*\*

*459*

793.94/6440

REGARDING: It is believed that Sino-Japanese military truce in North China means a revival of friendly relations and of trade with China, in most circles in Japan.

esp

(g) Relations with China.

The news of the Sino-Japanese military truce in North China was received with satisfaction by most elements in Japan, as they believed that it meant a revival of friendly relations and of trade with China. Some sections of opinion doubted the sincerity of the Chinese, and there were hints that assistance would be given to Chang Kai-shek in the unification of China should he show a friendly attitude toward Japan. Foreign observers in Tokyo are somewhat puzzled as to Japan's immediate objective in North China, as definite plans to place Pu Yi on the Dragon Throne or to set up a Government independent of Nanking have apparently been dropped. It is believed that a single policy

- 24 -

policy of opportunism has been adopted, and that Japan is prepared to deal with any Government in North China or in Nanking which will consent to Japan's wishes in regard to "Manchukuo".\*

According to the Japanese press the signing of the military truce was followed by a change in the commercial policy of China toward Japan. The Japanese Consul General at Nanking reported to his government that the Chinese had decided not to enact the anti-dumping tariff against Japan which she had threatened. Furthermore, the Tokyo press reported that the anti-Japanese boycott in Shanghai had eased.

Toward the latter part of the month the press reported anti-Japanese agitation in Fukien Province necessitating Japanese warships to stand in readiness to go to the relief of Japanese subjects there.

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

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Nanking/65 FOR Despatch # D-512.

FROM Nanking ( Pack ) DATED July 6, 1933.

TO NAME 1-1127 \*\*\*

6441

REGARDING: Tangku Agreement.  
Owing to a strict censorship and to the strong backing given the - by the National Government, practically no comments regarding it appeared in the local press.

hs

793.94/6441

- 3 -

truce which it was made with the Japanese military in North China. Moreover, the Canton leaders have seized this opportunity to attack the honesty and personal integrity of Chiang Kai-shek and T. V. Soong by accusing them of having used Government funds to enrich themselves and by hinting that a goodly portion of the present loan will eventually find its way into their personal accounts. Note: For a fuller discussion of this loan see a report from this office dated June 30, 1933.

b. Relations with Other Countries - The Truce Agreement in North China

Owing to the imposition of a strict censorship and to the strong backing given the Tangku Agreement by the National Government, practically no comments regarding it appeared in the local press. An undercurrent of criticism was caused by Article 2<sup>d</sup>, given in the press as follows:

2. The Japanese troops, in order to insure the performance of Article 1 (the withdrawal of Chinese troops) at any time may with airplanes or other means inspect this area, the Chinese troops giving all necessary protection and facilities.

This criticism was, however, tempered by the realization that the agreement was the only way out of a most difficult situation. Moreover, the assurance given by Wang Ching-wei that the Truce was only a local arrangement and that China's territorial rights and international position were not affected thereby had a tendency to allay the public's alarm.

The disclosure by Sun Fo to representatives of the press that the Government was forced to conclude the truce in order to avert the fall of Peiping and Tientsin and the establishment of another puppet state in North China brought

home

055

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

DOCUMENT FILE

NOTE

SEE 893.00/12396 FOR Tel.#-1 p.m.

FROM Tientsin (Lockhart) DATED July 29, 1933  
TO NAME 1-1127 \*\*\*

6442

793.94/6442

REGARDING: Refusal of Japanese and "Manchukuo" authorities to allow newly appointed Chinese authorities for Luantung area, to detrain at Shanhaikwan. Police withdrawn at request. Except for this incident transfer of Luantung zone being accomplished with ease; Tangshan-Shanhaikwan section of Railway still being operated by Japanese.

esp

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

0558

7.6  
1/09

MP

GRAY

Tientsin via N.R.

Dated July 29, 1933

Rec'd 5:50 a.m.

Secretary of State,  
Washington.

July 29, 1 p.m.

According to the Yi Shih Pao special train carrying newly appointed magistrates and commissioners and newly ~~oriental~~ <sup>organized</sup> police force for Luantung area proceeding as far as Shanhaikwan distributing officials and police guard at important points but on arriving Shanhaikwan large number Japanese gendarmes and Manchukuo police suddenly appeared at station and refused to let police leave train in absence of orders and requested that police be withdrawn which was done at 11:30 yesterday morning after lengthy negotiation. Except for this development taking over of Luantung zone by the Chinese is being accomplished with fair degree of smoothness but Tangshan-Shanhaikwan section of the railway still being operated by Japanese.

note  
893.77  
793.94

893.00/12296

LOCKHART

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

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Shanghai/50 FOR Despatch # 9002.

FROM Shanghai (Cunningham) DATED July 5, 1933.  
TO NAME 1-1127 ...

REGARDING:

The Sino-Japanese armistice concluded at Tangku at the beginning of the month was generally accepted locally if not with actual relief, at least with equanimity, and it was conceded that the government had made the best of a bad bargain.

hs

793.94/6443

6443

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

7 23 94

3. Internal Political Activities:

a. National: The Sino-Japanese armistice concluded at Tsingku at the beginning of the month was generally accepted locally if not with actual relief, at least with equanimity, and it was conceded that the government had made the best of a bad bargain. A report gained considerable currency shortly after the armistice was signed that there were certain secret annexes attached to it which were particularly derogatory to Chinese sovereignty. This report was emphatically denied by Mr. Sun Fe in the course of a press interview at Shanghai on June 4th. Mr. Sun is also reported, in the same interview, to have declared that the Chinese Government had decided not to institute negotiations looking to a settlement of the various outstanding issues with Japan until the conclusion of the World Economic Conference at London and until the powers were again free to turn their attention to Far Eastern matters.

With

0561

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R.Tientsin/61 FOR Despatch #345  
#416 to Legation

FROM Tientsin (Lockhart) DATED July 3, 1933  
11911 NAME 1-1127 ...

REGARDING: Sino-Japanese Relations: Turning point was the signing of the truce, terminating military operations, signed at Tangku on May 31, 1933. Gives situation following the truce.

fp8

793.94/6444

6444

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

793.94

b. Relations with other countries.

The month under review was in great contrast to the previous month as regards Sino-Japanese relations. The turning point was the signing of the truce, which terminated military operations, at Tangku on May 31 as described in the political review for May. The suspension of hostilities removed the fear that had existed for some weeks that Tientsin and Peiping would be occupied by the Japanese troops. While the terms of the truce were decidedly to the advantage of the Japanese, the absence of criticism from other parts of China denoted unmistakably that the decision to terminate hostilities, whatever the sacrifice might be, was generally accepted by the Chinese as the inevitable. There was some opposition in quarters which usually denounce those in authority for any and all their official acts, but the only formidable movement, known as the Peoples' Allied Anti-Japanese Campaign, was launched by Feng Yu-hsiang, following the signing of the truce.

Feng's

0568

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

-4-

Feng's original announcement of a plan to organize an anti-Japanese campaign created considerable uneasiness in Chinese political and military circles and caused the Nanking Government to take steps, both directly and through the Peiping Political Readjustment Council, to persuade Feng to abandon his plan, especially since a number of Generals had immediately pledged their allegiance and some headway had been made towards recruiting a new army. This concern led Chinese officials to bring pressure to bear on Feng and caused him, at least temporarily, to cancel his plans and to acquiesce in the selection of a Nanking appointee as Chairman of the Chahar Provincial Government to take the place of his own appointee. Towards the middle of the month it seemed evident that Feng had practically given up any intention whatever of pushing his campaign against the Japanese, but shortly thereafter there was a further reversal of form when he again appeared in the limelight as the leader of a campaign against the Japanese. The reason for again reversing his policy is not clear, but in some quarters it is believed that his failure to placate a group of subordinate officers made it more or less necessary for him to attempt to go ahead with his original military plan of opposition to the truce. Although Feng's reversal of attitude may have been due to pressure by his subordinate officers reports are in circulation that he was promised substantial financial support by the Canton Government in the belief that an anti-Japanese campaign would be a source of great embarrassment to the Nanking Government and to Chiang Kai-shek in particular.

0564

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

-5-

particular.

Reports were current in the course of the month that Feng was receiving ammunition and supplies from Urga and that he had sent representatives to workshops and factories in Kalgan with instructions to spread propaganda against capitalism and to improve the condition of workingmen. No attempt will be made to set forth in detail the numerous reports that have been current purporting to give the reasons for Feng's attitude nor will the course of the alleged negotiations between him and the representatives of the National Government be described.

At the close of the month Feng was still ostensibly making preparations to start a campaign against the Japanese, but the indications were that the movement would again collapse as it did early in the month under review. That representatives of the Nanking Government and of the Peiping Political Readjustment Council are negotiating with Feng with a view to an amicable adjustment of the differences which have arisen between him and the recognized Government are not denied and the month of July will probably determine whether Feng will or will not be a factor to be further reckoned with in North China.

It has become increasingly evident that there were important omissions in the Tangku truce which worked to the serious detriment of the Chinese. One of these was the omission of any plan for the disposal of the renegade troops belonging to Li Chi-chun in the Lutai-Tangshan area.

Another

-6-

Another important omission was a fixed date within which the Japanese would withdraw all of their troops to the Great Wall. Editorial comment in both the foreign and vernacular press has dwelt at considerable length on the effect on the general situation of omitting these two requirements from the Tangku truce. The prolonged delay in restoring traffic on the Peiping-Shanhaikuan section of the Liaoning Railway has been due largely to the presence of Li Chi-chun's forces on the railway. It will be recalled that under the terms of the truce the Chinese were not permitted to send troops to the area involved. Briefly stated, the Chinese could not drive the renegade troops out by force and the Japanese would take no steps either to negotiate for their removal or themselves to clear the area, by force of arms or by persuasion. It has only been within the past few days that any concrete steps have been taken to meet this situation. These steps apparently originated with the Chinese and were represented by the formation of a "Commission for the taking over of the territory evacuated by the Japanese" as reported in my despatch No. 411 of July 1, 1933 (Department's No. 343, dated July 1, 1933). The Peiping Branch Military Council announced the following as members of this Commission: Chien Tsung-chei, Managing Director of the Peiping-Mukden Railway, Wei Kien, Hopei Provincial Government Civil Commissioner, Li Chei-yi, Tao Sang-ming, Liu Shih-sun, Yin Tsung, Lei Shou-jung and Hsueh Chih-hang. It was understood that the Commission would work under the guidance  
of

-7-

of Yu Hsueh-chung, Chairman of the Hopei Provincial Government. Representatives of the Commission proceeded to Dairen where it was expected that they would carry on direct negotiations with General Li Chi-chun.

A further important development in connection with the presence of Li's troops in the Lutai-Tangshan area occurred this morning when 132 fully armed Japanese soldiers, accompanied by about fifty Chinese railway police armed only with pistols, left on a special train for Tangshan\*.

Japanese news agencies have from time to time endeavored to create the impression that the Chinese have not been living up to the terms of the Tangku truce and hints have been made that unless the movement described by the agencies as "anti-Japanese" is suppressed further drastic steps will be necessary by the Japanese military. In this connection the following statement issued on June 14 by Lieutenant General Kotaro Nakamura, in command of the Japanese North China Troops in Tientsin, may be of interest:

"It goes without saying that the truce agreement governs military operations alone. However, if the Chinese would faithfully observe the terms of the truce, they should control all anti-Japanese movements. It is too hasty a conclusion to suppose that all questions with China have been settled because of the truce agreement.

In the past, China deceived Japan on many occasions. Japan's lessons have been bitter. In the present case, the Chinese allege a strict control has been placed over anti-Japanese agitations but anti-Japanese mediums such as Nationalist headquarters and others exist as they did in the past. Chinese friendliness may be regarded as merely superficial. Who can say that the Chinese conciliatory attitude is not a camouflaged trap set against Japan?

The

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\* Telegram of July 13, 12 Noon, to Legation and Department.

-8-

The complete suppression of anti-Japanese movements in China once and for all time is the only step to pave the way to settle all pending issues between Japan and China. Before this, no real friendship is possible.

In order to impress the importance of this Japanese point of view upon China, any violation of the terms of the truce, however immaterial, must be promptly chastised.

I admit that the situation in North China has improved somewhat and that trade is gradually reviving. However, in Central and South China, particularly in the Yangtze Valley, anti-Japanese feeling is raging unabatedly. In fact the atmosphere there is said to be going from bad to worse.

We should not stick to any silly idea regarding the establishment of a new Chinese regime in North China but must rush on towards a thorough suppression of anti-Japanese movements in all China."

To the ordinary observer, the Chinese appear to have lived squarely up to the terms of the agreement, at least so far as the presence of Chinese soldiers outside the demilitarized zone is concerned. Japanese military planes made frequent reconnaissance flights over North China cities and military lines during the course of the month. Several such flights were made over Tientsin, including the foreign concession areas, in the course of the month. The military value of such inspection flights was not evident to the layman.

Shortly after the signing of the Tangshan truce, which document was confined entirely to military questions, efforts were made by Japanese news agencies to influence feeling in the direction of settling all the political questions now outstanding between China and Japan by the negotiation of a new treaty. There was practically no response,

response, however, in Chinese quarters to suggestions of this kind and during the latter half of the month practically no attention was being paid to the proposal. One strong argument advanced by the Japanese in support of a definite settlement of all outstanding political questions was the alleged desire on the part of a large number of followers of the deposed Young Marshal to return to their old homes in Manchuria. There are undoubtedly a large number of Chinese who desire to return to "Manchukuo" but whether they are willing to see their government make concessions to the Japanese in order that they might return there is questionable.

To summarize, at this writing the only two obstacles to the restoration of normal conditions in North China inside the Wall appear to be the presence of Li Chi-chun's troops on the Lutai-Tangshan section of the railway and the continued presence of Japanese and "Manchukuo" troops at various places on the Lutai-Shanhaikuan section of the railway and at various villages south and west of the Wall to a point as far west as Dolonor. The removal of these two causes of friction would be a tremendous relief to the foreign and Chinese population in this area and a substantial step towards permanent stability and a better feeling.

An incident which gave promise for a short time of leading to serious complications occurred in Peiping on the morning of June 21 at which time it is alleged that shots were fired from the window of a passing tramcar at a squad of Japanese soldiers from the Japanese Legation Guard who

were

3568  
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Department of State letter, August 10, 1972  
By Milton D. Hunt NARS, Date 12-18-75

-10-

were marching in a northerly direction along Hatamen Street. It was alleged by the Japanese that the shots were fired by a Chinese soldier in uniform, but an investigation conducted by the Chinese authorities, as the result of representations made by the Japanese authorities, indicated that the pistol was discharged in connection with a quarrel among Chinese passengers on the tramcar. For several days after the incident Japanese news agencies endeavored to emphasize the seriousness of the incident but at the close of the month no drastic measures had been taken and it was believed that the matter would be amicably adjusted.

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

DOCUMENT FILE

NOTE

SEE 033.9365/1 FOR Despatch #92

FROM Italy ( Long ) DATED July 21, 1933.  
TO NAME 1-1127 ...

REGARDING: Conversation between Dr. Soong, Chinese Finance Minister with Chang Hsueh-Liang, former Manchurian Marshall, upon occasion of the former's visit to Italy, the Marshall having taken up residence in Rome.

793.94 / 6445

6445-

drp

Rome, July 21, 1933.

No. 92.

Subject: Visit to Rome of Chinese Finance Minister.

STRICTLY CONFIDENTIAL

For the Secretary and Undersecretary of State.

The Honorable  
The Secretary of State,  
Washington.

Sir:

I have the honor to transmit herewith a memorandum of a conversation I had with Doctor T.V. Soong, Vice President of the Chinese Executive Council and Minister of Finance, who called at the Embassy on July 15, 1933, during a brief visit at Rome.

Dr. Soong arrived at Rome on July 11, 1933, from London, where he had been attending the World Economic Conference, and left on July 17, 1933, for Turin and other points in Northern Italy. While at Milan, he made a statement to the press concerning his Rome visit, a

translation

033.9365/1

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

-2-

translation of which is also transmitted herewith.

In addition to the official courtesies shown him during his stay, which could leave no doubt as to the genuineness of the Italian Government's welcome, Mr. Seong had the opportunity also to confer with Chang Heuck-liang, former Manchurian Marshall, who has taken up temporary residence in Rome.

Respectfully yours,

Breckinridge Long.

Enclosures: Copy of memorandum.  
Translation of statement.

CAB/eh

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057

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

Enclosure No. 1 to Despatch No. 92 of July 21, 1933,  
from the Embassy at Rome.

M E M O R A N D U M

Highly Confidential

Dr. T. V. Soong, the Minister of Finance of China, called upon me at the Embassy. He had had a conversation with Mussolini and is leaving tonight for Paris and Berlin.

He talked about the aggressions of Japan against China, and characterized it as a permanent policy of Japan and said that she desired to take the whole of China and the three maritime provinces of Russia and then the islands of the Pacific. He said that Japan had the ambition to dominate the world and that sooner or later the other powers of the world would have to stop her. He said that Mussolini had told him that he was of that opinion also and said that Italy would at the proper time take her place in opposition to the aggressions of Japan. He said that the French Government had told him that they were of the same opinion and that at the proper time France would take her position. But he said that England was very slow and would not commit herself and that England had called the problem "an American problem;" that England felt that it was the work of the United States whose interests in the Pacific were paramount and were associated with the interests of Japan and that the United States would have to lead the opposition. Soong felt that England would follow the lead of the United States.

0574  
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Department of State letter, August 10, 1972  
By Milton C. Gustafson NARS, Date 12-18-75

-2-

He said that the people of Manchuria resented the presence of the Japanese and that eventually Japan would have to withdraw from Manchuria just as they had been made to withdraw from Shantung.

July 15, 1933.

BL:WA/eh

Enclosure No. 2 to Despatch No. 92 of July 21, 1933,  
from the Embassy at Rome.

GIORNALE D'ITALIA, Rome,  
July 20, 1933.

Translation of Statement to the Press by T.V. Soong,  
Vice President of the Chinese Executive Council  
and Minister of Finance, while at Milan on  
July 19, 1933.

Concerning his impressions of Italy, the Minister  
said:

"I saw a youthful people, ardent, willing, tensely  
peering toward the future."

What impressed him most profoundly in Italy was the  
fervor of productive activity which revealed itself to  
him in all regions, as well in the fields as in the of-  
fices which he visited extensively.

The system of perfect highways also, in places where  
nature manifestly rendered the work of construction and  
maintenance most difficult, appeared to him as among the  
highest signs of the great culture of Italy which was re-  
vealed to him by many other aspects.

He wished to be acquainted with Fascist institutions  
in their essence and in their minutest particulars and  
which he admired.

"It is a field in which every statesman should study  
and about which they should think deeply."

"I saw the Duce twice and on the second occasion had  
a long conversation with him."

"He is a wonderful man. It is not easy to find words  
adapted to express the admiration which describes him and  
his work. I am happy to have seen him. If only for that,  
my voyage to Italy has been fortunate."

CAB/eh

0578

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS  
August 9, 1933.

~~MSC:~~  
~~JES:~~  
~~MBP:~~

Mukden's despatch to Peiping under date July 11, 1933, states that those of Li Chi-chun's troops, who have not been incorporated into the Chinese police, have been refused financial help from the Japanese military and have been disbanded.

If the men of these units are refused reentry into "Manchukuo" and are merely turned loose south of the Wall, the bandit element in the demilitarized zone would be greatly increased and the possibility of future Sino-Japanese trouble in this area correspondingly enhanced.

*CAB*  
CAB/VDM

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

NO. -----

AMERICAN CONSULATE GENERAL,  
Mukden, Manchuria, July 11, 1933.

AUG 5 33

SUBJECT: The National Salvation Army in the  
Demilitarized Zone.

*Handwritten initials and marks*

(C)

F/ESP

793.94/6446

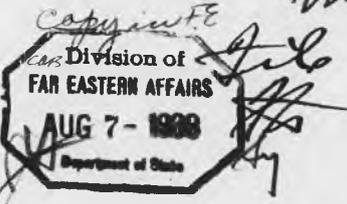
793.94

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

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON



SIR

I have the honor to enclose herewith a copy of my  
despatch No. 799 to the Legation at Peiping, China,  
dated July 10, 1933, on the above subject.

Respectfully yours,

*M. S. Myers*  
M. S. Myers  
American Consul General.

AUG 18 1933

FILED

Enclosure.

Copy of despatch No. 799  
to the Legation at Peiping.

800  
HTW

FOR DISTRIBUTION - CHECK

To the Field   
In U. S. A.

Administrative routing table with handwritten checkmarks and initials.

0578

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

No. 799.

AMERICAN Consulate General

Kukden, Manchuria, July 10, 1933.

CONFIDENTIAL - For Staff Use Only.

SUBJECT: The National Salvation Army in the  
Demilitarized Zone.

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping, China.

Sir:

753.94/4432

Referring to my confidential despatch No. 790,  
dated June 27, 1933, under the subject "Situation in  
the Demilitarized Zone" in which it was reported  
that the newly recruited Sixth Brigade of the National  
Salvation Army (救國軍) under Li Chi-ch'un  
(李際春) was awaiting permission to proceed in-  
side the Wall, I have the honor to report that accord-  
ing to reliable information this brigade has been dis-  
banded. It is claimed that one of the officers who  
had exhausted the funds for his unit applied to the  
Japanese military for financial assistance and was  
told that the matter was no concern of theirs and  
that no help could be given.

It will be recalled that in my confidential des-  
patch No. <sup>753.94/4346</sup> 749, of April 29, 1933, it was reported  
that the pro-"Manchukuo" volunteers under Li Chi-  
ch'un were recruited in Manchuria and trained by  
Japanese

0575

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

- 2 -

Japanese officers at Mukden before the Jehol campaign. Additional units, recruited mainly from bandits, were sent south of the Wall when the Japanese invaded the Luantung area and contiguous territory. These irregular units were known also as the National Salvation Army, of which the eldest son of the Minister of Defense, Chang Ching-hui, was said to be one of the high officers.

From another trustworthy source, non-Japanese, it was learned that this force was organized under the direction of the Japanese military who provided it at the outset with arms and ammunition, but that after the defection of large numbers in the Luantung area this assistance was discontinued. Subsequent recruiting, it is said, was limited to men who provided their own arms. It is alleged also that the Japanese troops along the Great Wall were instructed not to permit the return of these levies to "Manchukuo". In view of the agreement recently reached at Dairen providing for the incorporation of a large part of Li Chi-oh'un's force in the Police Corps of Hopei Province, the discharge of the remainder becomes a matter of interest. As far as is known no plan for their disposition was made at Dairen. Should they be turned loose south of the Wall and not be permitted to return to "Manchukuo" as seems probable, the bandit element in the demilitarized zone would be greatly increased and the possibility of future Sino-Japanese trouble in that area

correspondingly

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

- 3 -

correspondingly enhanced. It may be added that the  
alleged strength of Li Chi-ch'un's forces is 40,000.

Respectfully yours,

M. S. Myers,  
American Consul General.

Original to Legation.  
Five copies to Department.  
One copy to Embassy, Tokyo.  
One copy to Consulate General, Harbin.  
One copy to Consulate, Dairen.

800  
MSM:mhp

A true copy of  
the signed orig-  
inal.

058

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

No. 5799

PM RECEIVED  
DEPT. OF STATE  
AMERICAN CONSULATE GENERAL  
HARBIN CHINA, July 6, 1933.

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

*JF*  
*ER*  
F/ESP  
*ayde*

AUG 5 33

(20)

SUBJECT: REPORTED JAPANESE TROOP MOVEMENT IN NORTHERN  
HEILUNGKIANG PROVINCE.

793,94

DEPARTMENT OF STATE  
A-O/O  
SECRETARY OF STATE

The Honorable

The Secretary of State  
Washington.

DIVISION OF  
EASTERN EUROPEAN AFFAIRS  
AUG 9 - 1933  
COPY IN RE  
DEPARTMENT OF STATE

*Copy in T. 8*  
Division of  
FAR EASTERN AFFAIRS  
AUG 7 - 1933  
Department of State

793.94/6447

I have the honor to enclose herewith a copy of my  
despatch No. 2652 of today's date, addressed to the  
Legation at Peiping on the above subject.

Respectfully yours,

*G. C. Hanson*

G. C. Hanson  
American Consul General

Enclosure:

1/ Copy of despatch No. 2652, dated July 6,  
1933, to the Legation at Peiping.

In quintuplicate.

820  
CBC/av

FILED  
SEP 7 1933

0583  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

No. 2652

AMERICAN CONSULATE GENERAL

HARBIN, CHINA, July 6, 1933.

SUBJECT: REPORTED JAPANESE TROOP MOVEMENT IN NORTHERN  
HEILUNGKIANG PROVINCE.

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping.

Sir:

I have the honor to state that a responsible and usually well informed American citizen reports that he was recently informed by a Japanese military officer whom he has known for some time, that he (the officer) was proceeding at the end of June to Lungchen (龍鎮), situated in Heilungkiang Province one hundred miles north of Hailun and midway between that place and Tabeiho (Blagovestchensk) on the AMUR River, attached to a column of 3,000 Japanese troops. The officer expected to be stationed at Lungchen indefinitely.

While this Consulate General has been unable to confirm this report, it is interesting, if accurate, inasmuch as the stationing of a Japanese force of this size at Lungchen at this time, may be significant. The publication of such intelligence in the press would doubtless be prohibited. The information is therefore transmitted for whatever it may be worth.

Respectfully yours,

G. C. HANSON

G. C. Hanson,  
American Consul General.

In duplicate.  
In quintuplicate to the Department.  
Copy to Embassy, Tokyo.  
Copy to Consulate General, Mukden.  
Copy to Consulate, Dairen.

True copy of  
the original.

830  
CBC/av

158  
DECLASSIFIED: E.O. 11652, 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. Tsinan/62 FOR #37

FROM Tsinan (Stevens) DATED July 7, 1933  
H0///// NAME 1-1127 ...

REGARDING: The Tangku Truce between China and Japan: No  
opposition in this quarter. Editorial comment in  
the vernacular press discouraged by censorship.  
Remains to be seen whether this is to be the  
first important milestone toward a settlement  
of the Manchurian affair.

fps

793.94/6448

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

793.94

The Tangku Truce

The truce concluded at Tangku between Japanese and Chinese military representatives in northern China bringing hostilities to an end has so far produced no important opposition in this quarter. A strict censorship over the vernacular press has discouraged editorial comment on this phase of the Sino-Japanese conflict. Judging from outward appearances, the general public appear disinterested, while officials who have been watching developments anxiously consider that there is a possibility of this truce becoming the basis of further direct negotiations between the two countries. If that turns out to be the case, it is said that the end of the conflict may be in sight, although considerable time must yet elapse before relations can be restored to anything like normal. By averting what threatened to become the most serious crisis of the conflict, a crisis likely to cause Shantung either to declare its neutrality or become actively involved in the struggle against Japan, the truce has been particularly welcome here.

Local critics of the truce point out that it means the abandonment of the so-called policy of "resistance" which has been lauded and pursued ever since the Jehol campaign was launched. Such persons profess to see no lasting or satisfactory settlement of the nations

difficulties

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

difficulties with Japan and deride any suggestion of a Japanese intention to observe the terms of the truce in good faith. Even the most optimistic admit that it still remains to be seen whether the truce is to represent merely a lull in the conflict or whether it is to be the first important milestone toward a settlement of the entire Manchurian affair.

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

TELEGRAM RECEIVED

*FE*

FROM

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

MET

GRAY

Tientsin via N.R.

Dated August 9, 1933

Rec'd 6:45 a. m.

F/G 793.94/6449

793.94

Secretary of State  
Washington.

Division of  
FAR EASTERN AFFAIRS

AUG 9 - 1933

Department of State

URGENT.

August 9, 3 p. m.

The War Office announcement from Tokyo, reported by Reuter, that the withdrawal of the Japanese troops from South of the Great Wall was completed on August 7 does not conform to information obtained here. There are still Kwantung troops at Shan haikwan, according to non-Japanese military authorities here, estimated at about one brigade. While the Shanhaikwan garrison has been reduced and practically all Manchukuo and Japanese Kwantung troops along the railway up to Shan-kaikwan have been withdrawn, Shanhaikwan is still occupied.

General Yu Hsueh Chung, chairman Hopci Provincial Government, left for Kuleing to confer with Chiang Kai Shok.

RR-WWC

LOCKHART

APR 8 1945

0587

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 11, 1933.

MS:  
MMH:

San José, Costa Rica's despatch under date August 2, 1933 encloses a copy of a section of a San José daily, which is composed of eight pages of Chinese propaganda. The following subjects are treated in the articles published: (1) Japan is responsible for disturbing the peace of the world, (2) Causes and pretexts for the invasion of China by Japan, (3) The attack on Mukden, (4) How the aggressive policy of Japan affects the world, (5) The assault on Shanghai, (6) A puppet state, (7) The condemnation of Japan by the League of Nations.

The Chinese colony in Costa Rica paid approximately \$100 for the publication of these articles. The articles were published probably because of the Chinese reaction to (1) the rumored Japan- Costa Rica commercial agreement and (2) the anti- Japanese articles in the PANAMA AMERICAN.

Chinese texts of two of the articles appear. These texts bear the signature of the Chinese Chamber of Commerce of Cuba.

CAB/



LEGATION OF THE  
UNITED STATES OF AMERICA

San José, Costa Rica

No. 1568

August 2, 1933.

ANTI-JAPANESE ACTIVITIES  
COSTA RICA

DIVISION OF  
LATIN AMERICAN AFFAIRS

AUG 16 1933

DEPARTMENT OF STATE

Division of  
FAR EASTERN AFFAIRS  
AUG 19 1933  
Department of State

AUG 9 1933

DAR  
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F/G

793.94/6450

FOR DISSEMINATION - CHECK	Y	No
To the		
In U. S.		

793.94

The Honorable  
The Secretary of State  
Washington

DEPARTMENT OF STATE  
DIVISION OF  
COMMUNICATIONS AND RECORDS  
PUBLICATIONS SECTION  
AUG 10 1933

AUG 18 1933

FILED

Sir:-

As of possible interest to the Department, I have the honor to transmit herewith a copy of the second section of LA PRENSE LIBRE, San José daily, of July 24, 1933, which is composed of eight pages of articles in Spanish (with two apparent translations thereof in Chinese characters) and photographs, all concerning Japanese activities in China. The following subjects are treated in the articles published:

1. Japan is responsible for disturbing the peace of the world;
2. Causes and pretexts for the invasion of China by Japan;

- 2 -

3. The attack on Mukden;
4. How the aggressive policy of Japan affects the world;
5. The assault on Shanghai;
6. A puppet State;
7. The condemnation of Japan by the League of Nations.

As was immediately assumed when this relatively unimportant evening newspaper appeared with an eight-page section devoted to such a subject, propaganda was the object. At my request, the office of the Military Attaché in this city made discreet inquiries as to the source of this material, and I have been informed that the Chinese Colony in Costa Rica (most of whom reside in Puntarenas) paid approximately \$100 United States currency for its publication.

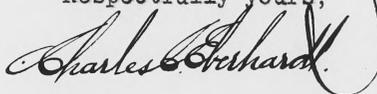
After considerable investigation and inquiry during the past year, I am of the opinion that there are no Japanese permanently located in the country. There has been, however, an occasional article in the newspapers concerning an official communication from Japanese sources, notably that referred to in my despatch No. <sup>618,743/1</sup>1480 of June 7, 1933, when the Japanese Consul in Panamá was reported to have taken initial steps toward the negotiation of a commercial treaty with Costa Rica. Possibly this latter case was responsible for the Chinese propaganda.

In

- 3 -

In this connection, it has been suggested to me that the anti-Japanese articles published recently in the PANAMA AMERICAN at Panamá City may also be the result of subsidies paid that daily by the Chinese resident on the Isthmus.

Respectfully yours,



CHARLES C. EBERHARDT

Enclosure:-

1. One copy of second section of LA PRENSA LIBRE, San José daily, of July 24, 1933.

Copy sent to American Legation, Panamá (by pouch). ✓

800 - China-Japan

EZ/BZ



# Causas y Pretextos de la Invasión China por Japón

## I.- Wampaoshan, la Serajevo del Oriente

La conquista de la Manchuria por el Japón, en violación de todos los tratados, de todas las reglas de derecho internacional, de toda práctica entre las naciones, no se produjo repentinamente, sino como consecuencia de un plan vastamente concebido, y preparado por el Imperio del Sol Naciente durante una década, o quizás más tiempo. El Japón, sacando provecho de una propaganda hecha por la Gran Bretaña, para servicio de sus intereses, cuando tuvo necesidad de que alguien detuviera la preponderancia de Rusia en el Oriente, sin correr los riesgos de una guerra en Europa, prestó su apoyo a los japoneses contra el Imperio Ruso, y desarrolló una intensa propaganda haciendo creer al mundo que, como Jehová el primer día de Génesis, con un "fiat" rotundo y vigoroso, del feudalismo nipón había surgido una democracia perfecta, que había imitado las instituciones alemanas. Era una época aquella en que la Gran Bretaña no sólo temía que el Imperio Moscovita se hiciera demasiado poderoso en el Oriente, dando salida a sus materias primas por la Manchuria, sino que, de las concesiones arrebatadas de China le vinieran graves perjuicios. La política rusa no actuaba aisladamente en el Extremo Oriente. Casi al mismo tiempo, Francia, extendiendo su influencia por los países situados sobre la Península de Malaca, se colocaba, en cuestiones coloniales, como adversario de la Gran Bretaña. La ratificación de los convenios entre el Gobierno francés y el emperador del An-Nam, la amenaza de que esa espada penetra en Siam, que ya estaba amenazado por Francia, la consolidación de los "intereses especiales" franceses sobre el sur de Kwantung, la isla de Hai-Nam, y parte del Yu-Nam, fueron hechos que la Gran Bretaña vió con alarma. La alianza ruso-francesa en el Oriente, habría marcado, para el Gobierno de Londres, un serio peligro, y decidió entonces apoyar al Sol Naciente en Asia, exagerando sus progresos y también, haciendo ver que el "Chogunado" y la casta militar habían desaparecido, que el autocratismo imperial ruso había sido aplastado enteramente por el Japón progresista. De entonces data la intensa propaganda del niponismo que ha caído sobre el mundo, haciendo ver a las gentes que el Nipón era la Grecia de Oriente, el pueblo que habría de redimir a los pueblos de Asia en todas sus luchas.

La violación de todo derecho y de todo convenio por los japoneses en Corea se echó al olvido. Los abusos perpetrados en la península, no recibieron atención de nadie. El régimen de bota militar que sobre esa tierra se impuso no metió ni siquiera una protesta de los Estados Unidos, que andaban ocupados por entonces en otras aventuras.

Durante años y años, el Ferrocarril del Sur de la Manchuria, después de la empresa militar contra Rusia, desarrolló en el mundo entero una intensa

propaganda, so capa de expansionar allí el turismo. Hacia 1923, en varias revistas norteamericanas, la dirección de ese ferrocarril proclamaba que el capital japonés había convertido de pantanos en tierras prósperas las provincias manchúes. Se hacía ver que allí gobernaba el Sol Naciente, que bajo la administración del Yamato se encontraba el país. Quien leyera aquellos anuncios, habría quedado sorprendido de ver con cuánto cinismo se hacía creer al mundo entero, que la Manchuria era una prolongación del territorio nipón.

Simultáneamente con esa propaganda, se predicaba que el Japón con tres nacimientos por minuto, terreno volcánico, poca superficie cultivable, ánimo emprendedor y amor a la justicia, necesitaba expansionarse, para no perecer en su archipiélago. El mismo dicho se repetía una y otra vez. Los comentaristas se copiaban unos a los otros. El Japón merecía, gracias a la propaganda, las simpatías del mundo. Cuando se dijo que los Estados Unidos prohibirían la entrada de los japoneses en sus dependencias, se creyó que era una injusticia. Era un abuso. Era no juzgar de las necesidades ajenas en una forma altruista. Los Estados Unidos, cerraron sus puertas a la emigración nipona, que ya amenazaba con tragarse las Hawaii, los Estados del Pacífico. El argumento de superproducción humana, se admitía, pero el Gobierno de Washington, insistió en no permitir la entrada de mayor número de japoneses en la Unión.

Además, los países más poblados que el Japón son muchos de los europeos, entre ellos, Bélgica y Holanda. En China, además, hay regiones donde la densidad es de 800 habitantes por milla cuadrada, cuando en el Japón el promedio es de 322 por igual superficie. El tanto por mil de los nacimientos es también mayor que en el Japón, en China y en muchos países de Europa, Java y Corea son, también, países más poblados que las islas niponas.

Esta propaganda, repetida una y otra vez por el partido militar del Japón, que conserva el llamado "espíritu del Bushido" o de conquista, como los viejos samurayes y los "ronin" (organizaciones de criminales al servicio de las castas políticas, verdaderos, individuos de compañías mercenarias), estuvo avivándose desde la terminación de la guerra ruso-japonesa hasta nuestros días, avizorando el momento oportuno para justificar las empresas bélicas que de largo se tenían proyectadas.

Europa no se hallaba en condiciones de evitar que los tratados se pisotearan. Los ánimos se encontraban encorvados. Ni un solo batallón saldría de ninguna parte, a guerrear contra el espíritu del Bushido, a enfrasarse en una guerra romántica, por puros ideales, contra el Sol Naciente. Así fue posible que el Japón creyera llegado el momento de decir al mundo entero:

—En el tratado Briand-Kellogg, ustedes se olvidaron de definir la guerra; yo me quedo con el territorio de mi vecino, porque me da la gana. Interpretando las cosas al pie de la letra, yo no hago la guerra. Que ustedes muestren lo contrario. Si no aceptan mi interpretación, vengan a pelear conmigo. China no está en condiciones de hacernos frente. ¿Qué nos importa el tratado de las nueve potencias? ¿Qué nos importa a nosotros el convenio de la Sociedad de las Naciones? La necesidad, no reconoce moral.

Movieron los argumentos de siempre — los argumentos que la Gran Bretaña había ayudado a que se esgrimieran contra Rusia — y, ante el asombro y la indignación del mundo civilizado sin más derecho que la fuerza, primero los "ronin" y luego el Imperio entero, cavó un canal para traer agua del río militar, intacta a través de la guerra europea, que le sirviera para perfeccionarla, se arrojaron a la invasión de China.

Para la guerra se requiere un pretexto. La Sarajevo de este conflicto, se produjo en Wampaoshan, un apacible lugar de la provincia de Kirin, a título de salir a la defensa de unos campesinos coreanos, que, construyendo un canal, movieron la intervención militar japonesa. De un hecho insignificante, la prensa de Tokio hizo pretexto para

exaltar las pasiones en Corea, mover el brazo de los "ronin" y causar la muerte a 220 chinos, heridas graves a 372, y enormes daños a la propiedad. Las protestas de China, por estos actos de barbarie, cayeron en oídos sordos.

El incidente de Wampaoshan, ha sido relatado de la siguiente manera en el periódico de Shanghai, "China Weekly Review" (publicado en inglés por una empresa norteamericana), por su corresponsal en Jarbin:

"El incidente que surgió el 2 de julio de 1931 en Mao-Kias-Kow (a 20 millas chinas de la ciudad de Changchun), depende de la tercera comandancia de policía de esta última ciudad. Fue fomentado por los japoneses con la deliberada intención de provocar disturbios. Comenzó por una controversia entre agricultores chinos y coreanos, respecto de si era o no oportuno cavar un canal para traer agua del río Itung, con finalidades de irrigación, sin haber antes obtenido permiso de los terratenientes chinos del distrito, ni tampoco la ratificación que para ello se requiere de las autoridades chinas. Al principio, 207 chinos del distrito de Mao-Kia-So-Kow, protestaron ante los funcionarios de gobierno que 188 (130 hombres y 58 mujeres) coreanos, habían llegado con el fin de abrir un canal de unas 2 millas chinas (7 millas geográficas) de longitud, 8 de profundidad y 15 de ancho, bajo la direc-

ción de japoneses, con lo cual habían quedado inundados unos 333 acres de tierra de cultivo y otros 6,700 bajo la misma amenaza. Desgraciadamente, el magistrado de Changchun, Ma Tsung Yuan, no actuó de manera alguna en respuesta de la petición de dos campesinos. Con el fin de defender sus intereses, el 1 de julio unos 700 agricultores, armados de sus aperos de labranza, levantaron las esclusas, inundaron el foso, y destruyeron las obras de irrigación enteramente.

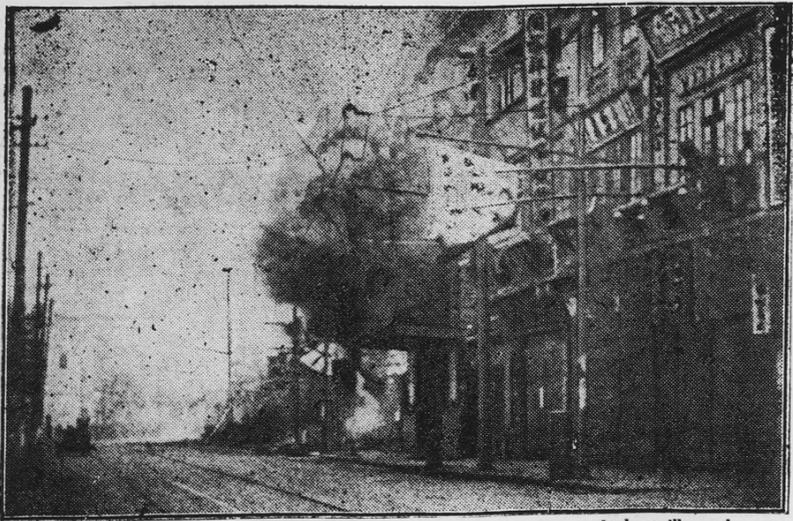
"De regreso a la población, la policía japonesa les preguntó: —¿Se atreverán ustedes a volver mañana a ese lugar? —"Naturalmente que regresaremos," respondió Chu Hsiang-Lu, en representación de los labradores. —¿Cuántos, entonces? — insistieron en preguntar. —"Hoy fuimos setecientos, — replicaron, — y mañana iremos mil. —"Entonces, nuestro Gobierno imperial mandará a estas tierras muchos soldados con ametralladoras, cañones y aeroplanos — insistió el oficial de la gendarmería japonesa.

"—Traed también mil sarcófagos. —"Aquella misma noche, el destacamento de policía japonés soltó palomas mensajeras pidiendo auxilios al Cónsul del Japón en Changchun. En las primeras horas de la mañana, a consecuencia de esta petición llegaron a Wampaoshan, 30 gendarmes japoneses perfectamente armados. Tomaron posiciones junto a la zanja (2 de julio). A las diez, llegó el Cuerpo de Vecinos Chinos al lugar. El comandante de las fuerzas japonesas dispuso entonces que su gente impidiera el avance de los labriegos y el arresto de los que venían al frente de ellos. Sin detenerse a pensar en nada, dos representantes de los campesinos, Sun Yung Ching y Chu Hsiang Lu, dieron un paso hacia adelante diciendo a los soldados japoneses: — "En protección de nuestra tierra, reclamamos la restauración de nuestro derecho de propiedad; hasta que evacuen ustedes de nuestro suelo, no repararemos en sacrificios".

"Al escuchar estas palabras, el jefe del pelotón japonés se apoderó de los individuos, haciéndoles maniatar. Pero sobre él se arrojó la gente que el pueblo había venido, arrebatándolos a la fuerza japonesa. En estos momentos, la gendarmería nipona disparó unos treinta tiros. Los campesinos corrieron en busca de sus familias, mientras los restantes se mantenían en una casa, con objeto de observar los movimientos de los japoneses que hicieron fuego sobre la posición, obligándolos a abandonarla. Cuando al cabo de una hora llegó el jefe de la estación de policía china, los campesinos ya se habían marchado. Del lado japonés, no se registró baja alguna. Los japoneses, publicaron en los periódicos de Corea informaciones oficiales del incidente, según las cuales re-



¡Hacia Chinchow! He aquí una fotografía de un destacamento chino en la época de fuertes operaciones, dirigiéndose a la zona de guerra.



Una espléndida fotografía, que reproduce el aterrador momento en que uno de los millares de proyectiles japoneses lanzados contra indefensos barrios chinos, hacía explosión en una casa de Chapei.

sultaba que los chinos habían iniciado una matanza de coreanos y que habían sometido a procedimientos atroces a mujeres y niños. Consecuencia de ello fueron las matanzas de chinos en las principales ciudades de Corea, a la vista de las autoridades japonesas que no hicieron el menor esfuerzo en hacer cesar aquella horrenda carnicería. El ministro de China en Tokio, describe, en una comunicación oficial, de esta manera, los hechos de aquel día trágico, aquel 5 de julio que se recuerda con honor e indignación a la vez, en China:

"El domingo por la mañana (5 de julio) los representantes de la Cámara de Comercio China recibieron seguridad del jefe de policía local de más alta graduación, que se habían tomado las necesarias disposiciones para proteger a los residentes chinos contra posibles actos de violencia. Se había aconsejado que las tiendas chinas cerrasen más temprano de lo acostumbrado y que los residentes chinos se abstuvieran de entrar en discusiones con los coreanos que intentasen mover querrela.

"Empero, a las siete de la misma tarde, gran número de tumultuarios armados de porras, cuchillos y hachas llevando linternas, acometieron un ataque sistemático sobre las casas chinas, saqueando, quemando, destruyendo los libros de contabilidad. Cuantos chinos encontraban eran apaleados hasta matarlos, sin reparar en mujeres o niños. "El ataque estaba perfectamente organizado, actuando los tumultuarios bajo la dirección de jefes, que guiaban el asalto mediante silbatos de policía. El pillaje y la matanza continuaron durante la noche entera y no cesó a la siguiente mañana. Contra la turba de criminales nada podía hacer la policía desarmada por completo.

"De acuerdo con las investigaciones que se hicieron, fueron asesinados 119 ciudadanos chinos, 200 heridos. Desde que se comenzó a investigar esto, los japoneses han comprobado que en Heijo fueron muertos 108 chinos y 3 en los distritos vecinos".

Contra estos hechos, tan deliberados, el Ministro de Relaciones Exteriores de China, presentó una protesta al Japón, solicitando el castigo de los culpables, explicaciones por la conducta de las tropas japonesas y enjuiciamiento de sus oficiales por tolerar esos crímenes, compensación por los daños sufridos y garantía contra la reproducción de esos hechos. La Cancillería Japonesa, no ha atendido a esos requerimientos. China carecía de armas, de buques poderosos, de un ejército perfectamente organizado para la guerra, y no pudo actuar por la fuerza contra el invasor. Apeló al boicot. El efecto de éste, penetró en la carne del adversario hondamente. Y decidió tomar venganza haciendo la guerra en la Manchuria, conquistando las provincias de China.

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

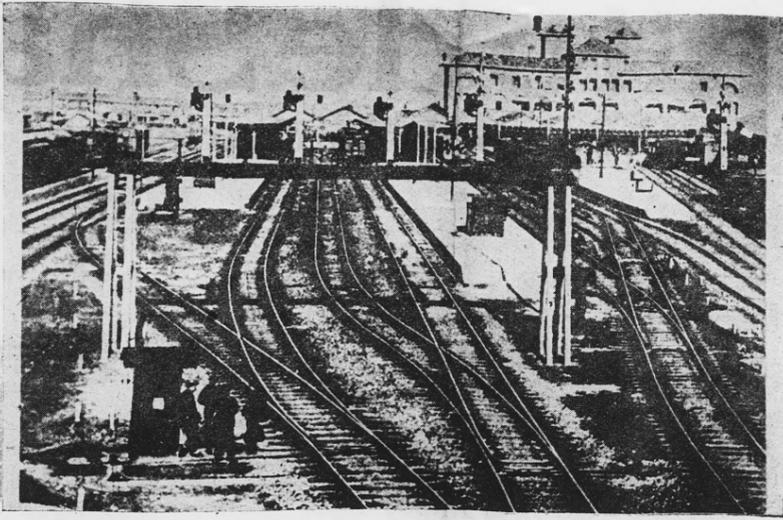
059







Wellington Koo, ilustre diplomático chino, que ha rendido a su país brillantes servicios de la contienda ante la Sociedad de las Naciones



Vista de la Estación del Norte en Shanghai que fue destruida por los japoneses la noche del 29 de Enero.



Chang Sueh Liang, uno de los más destacados héroes del patriotismo chino

# Mundo la Política del Japón

**日本侵略影響全球之鐵證**  
古巴中華總商會  
軍事上為直接之橫暴侵略  
商務上為間接之橫暴侵略

日本自明治維新後，即以侵略為主旨。其侵略之方針，在於擴張其領土，以資其工業之發展。其侵略之手段，在於利用其經濟之力量，以收買人心，而後發動其軍事之進攻。其侵略之結果，在於使中國之領土，日益縮小，而中國之經濟，亦日益凋敝。此種侵略之影響，不僅限於中國，而波及於全球。其影響之深遠，實非筆墨所能形容。茲將日本侵略影響全球之鐵證，分述於後：

(一) 經濟方面：日本之侵略，使中國之經濟，日益凋敝。其侵略之手段，在於利用其經濟之力量，以收買人心，而後發動其軍事之進攻。其侵略之結果，在於使中國之領土，日益縮小，而中國之經濟，亦日益凋敝。此種侵略之影響，不僅限於中國，而波及於全球。其影響之深遠，實非筆墨所能形容。茲將日本侵略影響全球之鐵證，分述於後：

(二) 政治方面：日本之侵略，使中國之政治，日益腐敗。其侵略之手段，在於利用其經濟之力量，以收買人心，而後發動其軍事之進攻。其侵略之結果，在於使中國之領土，日益縮小，而中國之經濟，亦日益凋敝。此種侵略之影響，不僅限於中國，而波及於全球。其影響之深遠，實非筆墨所能形容。茲將日本侵略影響全球之鐵證，分述於後：

(三) 軍事方面：日本之侵略，使中國之軍事，日益衰弱。其侵略之手段，在於利用其經濟之力量，以收買人心，而後發動其軍事之進攻。其侵略之結果，在於使中國之領土，日益縮小，而中國之經濟，亦日益凋敝。此種侵略之影響，不僅限於中國，而波及於全球。其影響之深遠，實非筆墨所能形容。茲將日本侵略影響全球之鐵證，分述於後：

plan tan monstruoso cuya ejecución habría de desarrollar en tan vasta escala, pero es un hecho palpable que el Japón abriga tal proyecto, y la evidencia ante nuestros ojos nos indica que ya está empeñado en su ejecución y que la conquista del mundo es el sueño dorado no sólo de sus elementos militaristas sino de todo su pueblo.

Al comentar someramente el aspecto económico o comercial de la cuestión, hemos de recordar que el Japón es un país que se encuentra industrializado en alto grado, y los productos de sus fábricas pueden hallarse en todos los rincones del mundo. Aparte de China, su mercado lo constituyen principalmente los Estados Unidos, las colonias británicas y la Rusia asiática. Es un hecho que allí donde entran los artículos de manufactura japonesa, sufren invariablemente los artículos del país, con los consecuentes perjuicios para la vida económica de las naciones, porque los efectos japoneses son provechialmente de calidad inferior y de precios bajos. La situación que se crea por este proceso ha escapado a la atención de los gobiernos respectivos, quizás por el motivo bien conocido de que los gobiernos suelen no preocuparse gran cosa de los procesos económicos que se desarrollan en su suelo, aunque stos perjudiquen notoriamente los intereses de sus propios ciudadanos. A lo que dejamos apuntado, se debe con toda probabilidad al hecho de que a pesar de la crisis que agobia en estos momentos a todos los demás pueblos de la tierra, se oye hablar muy poco de las consecuencias de tal crisis en el Japón y es que el producto de sus exportaciones trae a los japoneses la prosperidad a costa de los otros pueblos. De modo que si esos otros pueblos desean verdaderamente empeñarse en salir de la crisis que atraviesan, es imprescindible que tomen medidas de protección contra la agresión comercial de los japoneses.

Los apuntados son los aspectos principales que presenta la agresión japonesa contra el mundo. Si el mundo, una vez conocido el mal, se esfuerza en remediarlo, la tarea no debe de ser difícil. Será necesario, des de luego, someterse a algunos sacrificios para contravenir la ejecución del programa planeado por este implacable agresor de los tiempos modernos, pero la paz y la tranquilidad del mundo merecen algún sacrificio de los pueblos civilizados. Las operaciones quirúrgicas suelen ser dolorosas y lamentables, pero el remedio radical salva la vida al paciente. Sabido ya que la política japonesa de agresión contra el mundo constituye un mal para la civilización moderna, a la que hay que salvar, los pueblos deben unirse en un esfuerzo supremo para lograr esa salvación, manteniendo a toda costa los principios de la paz y de la justicia.



Alfredo Sze que, como Delegado ante la Sociedad de las Naciones, ha sostenido brillantemente la defensa de su país en el actual conflicto



El mapa anterior reproduce exactamente el teatro de la defensa china ante la invasión japonesa a Shanghai. El número 1 señala las líneas de defensa chinas en Chapei y Kiangwan. El 2 las líneas japonesas en Hongkew y Chapei. El 3 las líneas del invasor en Wosung. El 4 las defensas chinas en el mismo lugar. El 5 la posición de la escuadra japonesa en el Yangtze y el 6 la posición de las tropas japonesas en Liuhu.



Eugenio Chen, que tan brillantemente ha cooperado en los esfuerzos diplomáticos en favor de la autonomía china



General Chang Tze Chang, Jefe del V Cuerpo de Ruta, que combatió en Shanghai



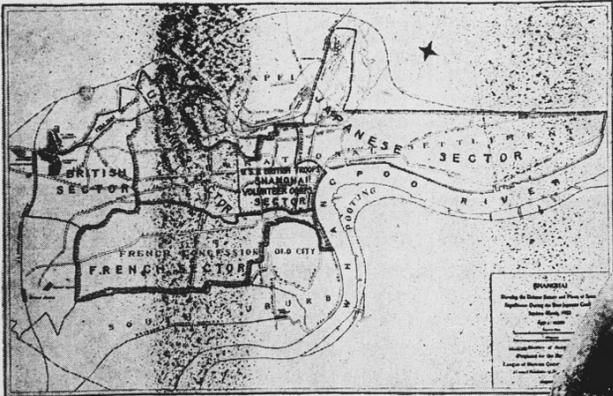
La defensa desesperada de Mukden, donde perecieron tantos heroes patriotas para resistir al invasor japonés, queda fielmente captada en esta fotografía tomada en uno de los sectores de lucha.

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By Milburn D. Clark for NARS, Date 12-18-75

0595

# III.-El Asalto de Shanghai

## (Un acto de barbarie)



Croquis de Shanghai, que muestra los barrios extranjeros y la zona sobre la que los japoneses lanzaron su maquinaria militar destruyendo gran número de propiedades chinas.



Como esta bomba, de 250 libras, los japoneses lanzaron ininidad, destruyendo totalmente el barrio de Chapei.

La heroica resistencia del general Ma Chan Shan en la provincia de Heilungkiang, la bravura de los voluntarios y de la población de la Manchuria entera, levantada en armas contra los invasores, intensificaron en el pueblo chino el fervor patriótico, y pronto, no se pensó en otra cosa sino en enardecer los espíritus para la guerra, para la denodada defensa contra los ejércitos del Sol Naciente. El boicot, iniciado en el mes de julio, a consecuencia del incidente de Wampasham y las matanzas de la Corea, durante el mes de septiembre por la implacable campaña de la Manchuria y los preparativos del Japón para nuevas expediciones contra China, dueños ya los militaristas de la maquinaria política de la nación, causaba enormes daños al comercio japonés y lanzaba a la calle a millares y millares de obreros, que entraban, por lo ineluctable, a reforzar el número de los trabajadores de las factorías militares.

La Asociación para el boicot antinipón, organizada espontáneamente, actuando energicamente, recibía la protección más resuelta de las entidades comerciales chinas y del pueblo. Frente a los establecimientos que osaban expender mercancías japonesas, los miembros de las Ligas para el Boicot se estacionaban, llegando al extremo de golpear a los comerciantes que expendían efectos de la industria del Arhipielago. Los ánimos se exaltaron. En Shanghai, los japoneses se prepararon para un golpe de mano, semejante al ensayo en Mukden. Sólo que en el momento, fallaron, porque Shanghai respondió a la agresión defendiéndose, no retirándose como había hecho Chang Hsueh Liang en la Manchuria.

El 18 de enero de 1932, cinco japoneses, algunos de entre ellos monjes budistas, en el momento de pasar frente a la fábrica de toallas de San Yeh fueron atacados, según informan los agentes de la Sociedad de las Naciones, a palos por varios individuos, miembros, conforme a las declaraciones de las autoridades japonesas, de una sociedad secreta que se acababa de organizar. Uno de los lesionados murió a consecuencia de las heridas; el otro, quedó en grave estado. La policía china llegó demasiado tarde al lugar de los hechos, para arrestar a los culpables. Eso en sí, frente a los acontecimientos de Corea y de Manchuria, donde millares de personas habían perecido bajo el hierro nipón, era apenas un hecho vulgar.

Pero los japoneses son implacables. El 20 de enero, a las 2.30 de la madrugada, unos cincuenta miembros de la sociedad secreta japonesa "Seinen Doshi Kai", armados de dagas y porras, marcharon sobre la fábrica de toallas de San Yen, e incendiaron el edificio. De regreso a la concesión japonesa, atacaron a la policía china de la Municipalidad. Aquella misma tarde, ya en la febrilidad de la agresión, los residentes nipones de la ciudad ce-

lebraron una manifestación, demandando del Gobierno el envío de barcos de guerra y unidades del ejército de tierra "para acabar de una vez con el movimiento antinipón que en la ciudad se ha desarrollado". Entregaron sus peticiones en el Consulado del Japón y en la comandancia de marina japonesa. El cónsul ofreció transmitir la petición al Gobierno. De regreso, atacaron a cuantos chinos encontraron en las calles, rompieron las vidrieras de los establecimientos e hirieron a un sargento de la policía británica, que trató de dispersar a la muchedumbre.

El cónsul del Japón expresó al J. K. Murai, el cónsul general de la Gran Bretaña, el pesar que el suceso le causaba. Siete nipones — de un millar que participaron en estos actos — se presentaron en las oficinas consulares, entregándose para ser sometidos a juicio. Los enviaron a Nagasaki, para ser sometidos a un tribunal nipón.

Se pretendía con esto hacer ambiente. El cónsul general de Japón, Murai, presentó el mismo día al general Wu Te Chen, alcalde de Shanghai, una petición que se refería a los sucesos del 19, omitiendo en ella toda referencia a los actos cometidos con posterioridad por los japoneses que habían sido, sin disputa, más graves que los que por los chinos se cometerían. Las exigencias japonesas eran del siguiente tenor:

- (1) Plenas satisfacciones por los daños perpetrados por turba china sobre los bonzos.
- (2) Inmediato arresto y castigo de los asaltantes.
- (3) Pago de dietas y cuidado médico de los heridos japoneses.
- (4) Freno completo de las actividades contrarias al Sol Naciente en todo el área de Shanghai.
- (5) Disolución inmediata de todas las sociedades que expandan la hostilidad o la animosidad contra los japoneses.

El general Wu Te Chen expuso al cónsul Murai que, por su parte, estaba dispuesto a entrar en discusiones en cuanto a los tres primeros puntos; pero que respecto a los restantes, era imposible, por escapar la materia completamente de su dominio.

Entonces, momentos más tarde de entregado el memorial consular, el almirante Shiosawa, comandante en jefe de la flotilla japonesa fondeada en el río Wangpú, emitió la siguiente nota: "Se siente la vehemente esperanza de que el alcalde de Shanghai, Wu Te Chen, dé cumplimiento a las demandas a él sometidas por el cónsul general del Japón. Sr. K. Murai, en relación con los casos que tienen que ver con las actividades de las asociaciones antijaponesas, al igual que con los ultrajes de que fueron víctimas los bonzos budistas japoneses, que dará una cumplida satisfacción al Japón y ejecutará las referidas demandas sin más dilación. En el caso de que el alcalde Wu Te Chen no actúe de esta manera, estoy resuelto a dar los pasos que sean menester para proteger los derechos e intereses del Imperio del Japón".

En respuesta de esta nota, se presentó en el Consulado General del Japón, el Secretario de la Municipalidad, O. K. Yoin, haciéndole presente el agravio que se había inferido a China, respondiendo el cónsul que ya se había remitido a Nagasaki a los detenidos. Luego de esto, el cónsul expresó a las autoridades de la zona internacional, el pesar por la parte que los súbditos del Mikado habían tenido en los hechos del día anterior. Todo, en las palabras, indicaba deseo de paz. Pero, en aguas de Shanghai, ante la sorpresa del mundo entero, se hallaban ya un buque aeródromo, un crucero de combate y cuatro destroyers, que venían a reforzar la flotilla de Shiosawa anclada en el Wangpú, consistente ya en cuatro unidades. La premura en la movilización de estas fuerzas, que llegaron el 24 de enero al río, demostraba bien a las claras que se estaban operando en la ejecución de un plan preconcebido. Las tropas de la guarnición china de Chapei, se reforzaron, a causa de que los "ronin" y los grupos de las sociedades japonesas, se mostraban activos en la comisión de actos de terrorismo contra la población china. El ambiente era de tensión, de enorme tirantez, nuncio de acontecimientos de amplísima consecuencia.

El día 27, ya protegido por las fuerzas de la escuadra, el cónsul Murai entregó al alcalde, Wu Te Chen, un ultimátum, exigiendo que a las seis de la tarde de aquel mismo día respondiera a las peticiones hechas con anterioridad, o, de lo contrario, las autoridades japonesas procederían como más de acuerdo resultara a sus intereses. El alcalde manifestó a los representantes de los países neutrales el deseo de cooperar a la paz, aunque advirtiendo que cuanto hiciera sería inútil, dadas las intenciones que los japoneses mostraban. La noche del 27 al 28 de enero, se procedió, por la policía china, a la clausura de las sociedades que ejecutaban el boicot, aboliéndolas por completo.

El día 28, el almirante Shiosawa — que no había quedado satisfecho con la respuesta del alcalde Wu Te Chen, aunque sí el cónsul Murai, que era la autoridad competente, — después de haberse jactado públicamente de que con las fuerzas de que disponía podía arrasar con Nan Tao, Chapei, Wusung y Lungwa, notificó a las 7.30 a. m. a los comandantes de las restantes unidades internacionales, que si los chinos no respondían en una forma que él considerase satisfactoria, procedería energicamente a obligarlos a entrar en acción.

El cónsul del Japón, a las 4.30 de la tarde notificó al Consejo Municipal del Establecimiento Internacional, que se hallaba reunido a la sazón para declarar la existencia de un "estado de intranquilidad pública", que había recibido la respuesta china, hallándose satisfecho de su contenido, advirtiendo que quedaba sólo por ver si el alcalde contaba con elementos suficientes para hacerse obedecer de la población. En

tanto, del Club Japonés salían incitaciones a la población japonesa y a la Armada, para que tomara una decisión final contra los chinos. Se decía, además, que el vecindario chino se rebelaría contra las disposiciones del alcalde, por considerar absurdo que cesara el boicot, cuando los japoneses invadían el territorio nacional, valiéndose de la falta de preparación militar del país. En el establecimiento internacional, las tropas francesas, italianas, inglesas y norteamericanas, tomaron posiciones.

A las once de la noche, una escuadra japonesa que se acercaba a Shanghai, disparó cuarenta granadas sobre los fuertes de Wusung, situados a la desembocadura del Wangpú, al mismo tiempo de emitir el almirante Shiosawa dos proclamações, que el alcalde recibió a las 11.20 p. m., diciendo en una de ellas "que la Armada Imperial, sintiéndose inquieta sobre la situación reinante en Chapei, donde habitan muchos japoneses, ha resuelto enviar tropas a esa sección, para el mantenimiento de la ley y el orden en ese distrito", esperando que las tropas chinas se retirarían de allí con todo su material defensivo, en beneficio de la causa de la paz. La otra proclamação se refería a los deberes y obligaciones de los japoneses respecto de la zona internacional. Cuando Wu Te Chen tuvo en sus manos estas comunicaciones, ya los japoneses entraban, en son de guerra en el distrito de Chapei, con un ataque por sorpresa. Para justificar esto, se falseó la verdad, se inventaron pretextos de todo género, desmentidos por la prensa neutral, unánimemente.

Las fuerzas de Infantería de Marina y algunas reservas japonesas residentes en Shanghai, que conocían al dedillo las calles, emprendieron el avance por la gran avenida norte de Szechuen, por un lado, y por otro, en dirección norte, sobre la de Honan. Ambos grupos, a la hora de media noche, a una orden dada, por dos caminos a la vez, cargaron sobre la estación del ferrocarril. Un grupo de unos cien marinos desembarcados de la flota de Shiosawa, protegidos por un carro blindado, intentó forzar el paso a través de la portada que divide el barrio internacional de la Ciudad China, siendo rechazados por la fuerza del Cuerpo de Voluntarios de la plaza.

El alcalde de Shanghai se encontraba imposibilitado de proceder a la retirada de las fuerzas, en el poco tiempo que le dieron, por lo cual, no cumplió con las exigencias de Wu Te Chen, que, además, había tenido la hostilidad general del pueblo, partidario de la más denodada resistencia. Por este motivo, tan pronto como las tropas japonesas entraron en contacto con las fuerzas regulares chinas se trabó batalla, continuando, a pesar de esto, y bajo el fuego de los guerrilleros, hasta la avenida de Pao-Shang, sin poder seguir hasta el objetivo que se habían señalado. Un tren blindado chino que salió del paradero de Wusung, batió toda la línea, impidiendo que los nipones consumaran su propósito.

La destrucción, los hechos de sangre perpetrados en las calles, durante el avance por las calles, aquella noche memorable, en que casa por casa fueron efectuando registros las tropas de desembarco, matando a bayonetazos a los vecinos, fusilando a los que en las calles hacían aparición. El tren se refugió en la estación, defendida por fuerte guarnición china. En el curso de la madrugada, los aviones nipones volaron sobre la estación, bombardeándola, y destruyendo el tren blindado, y muchas casas de la vecindad, donde se hallaban — un distrito de dos millones de habitantes — multitud de inocentes, que en aquella lucha nada tenían que hacer. Las bombas incendiarias arrojadas por los japoneses sobre multitud de edificios de aquellos alrededores, que fueron destruidos por las llamas. Esta suerte la corrió la "Commercial Press" que perdió treinta millones de pesos.

El alcalde Wu Te Chen protestó de estos hechos ante el Cuerpo Consular, exponiendo cómo el cónsul general Murai había aceptado la nota suya, allanándose a las demandas que le presentara. Los nipones respondieron a la acusación manteniendo que "no se trataba esta vez sino de la necesidad de proteger a los nacionales japoneses que habitaban en Hongken (dentro de la Ciudad Internacional) y Chapei, puntos que, en su concepto, estaban comprendidos dentro de los planes de defensa del municipio".

Durante todo el día 29 no se cesó de combatir. El 30 se intentó llegar a una tregua, que no fue sino un pretexto de los japoneses, para restablecerse de los daños que, a manos de las fuerzas defensoras, en su avance, habían sufrido. El día 31, a pesar de la tregua, volaron sobre la ciudad, en son de amenaza, 17 máquinas japonesas de bombardeo, que arrojaron pasquines; pero no bombas. Shiosawa, además, exponía que los chinos habían estado enviando refuerzos a Chapei y que el tren blindado, que ellos mismos habían destruido tres días antes, había salido de la estación, todavía en posesión de sus bravos defensores. Todo indicaba que el almirante aguardaba la llegada de refuerzos para mayores operaciones.

El 2 de febrero, nuevamente, Shiosawa manifestó ante los cónsules que las tropas chinas habían quebrantado el acuerdo de tregua, acusación que no se pudo sustanciar nunca, por la Comisión Especial de la Sociedad de las Naciones. Esto fue pretexto para que a mediodía, los aviones del Sol Naciente volaron no tan sólo sobre la ciudad china, sino también sobre el barrio internacional, violando toda práctica. Las máquinas niponas arrojaron bombas sobre Chapei, devolviendo los chinos el fuego con vigor. Las bombas cayeron en su mayor parte entre los combatientes, causando una horrenda destrucción, en violación abierta de todas las leyes de la guerra.

Durante todo el día, el cañón estuvo lanzando la muerte sobre los barrios de Chapei y Hongkeu. Ni un momento cesó de tronar el cañón ni la Infantería — de uno y otro lado — de moverse. Shiosawa no contaba con aque-

lla resistencia; él, que se había jactado de que en muy pocos momentos no quedaría piedra sobre piedra de una sola obra de defensa de los chinos, en Shanghai.

El día 3, llegaron a Shanghai cuatro mil soldados japoneses. Los buques en que venían, arrojaron unas cuantas granadas sobre los fuertes de Wusung, que defendían las entradas del río. El general Uyeda ordenó que se cargara sobre las líneas chinas, que se despejara todo aquel frente. Encontró la trisima resistencia. El Cuerpo de la Ruta XIX de Cantón, que ya había tomado posiciones, se negó a retirarse. Comenzó entonces el ataque en regla. Las hostilidades, ya fuera de toda consideración de tregua, comenzaron con todo rigor. Los bombardeos aéreos sobre Wusung y Chapei, reiterados; la Artillería e Infantería, no descansaban ni un momento. En plena ciudad se combatía como en campo abierto. Los nipones, obtenían considerable ventaja de estar empleando la Zona Internacional, para base de sus operaciones. El distrito de Hongkeu, dentro por completo de aquella, fue ocupado por las tropas del Sol Naciente, en violación de las leyes y los convenios.

Se registraban las casas. Se fusilaba expeditamente en las calles a los chinos, sin ningún motivo, pretextando que los guerrilleros sostenían un sistemático método de guerra de emboscadas. Los nacionales japoneses cometieron tales crímenes, tales excesos, que no pudo negarse el cónsul Murai a expresar su sentimiento.

Fracasaron varias gestiones de tregua. Los chinos, parapetados en Kiangwan y Miachungchen, resistieron con denuedo, con una bravura ejemplar, el asalto de fuerzas superiores.

Los nipones, sorprendidos de la contumacia y de la brava resistencia del Cuerpo XIX y del Ejército número V, tuvieron que solicitar refuerzos. En Kiangwan durante días enteros se estuvo combatiendo, atacándose y contratacándose furiosamente los contendientes, hasta que un día, en silencio, se retiraron los chinos de sus trincheras.

Los días 28 y 29 de febrero, llegaron las divisiones 28 y 29 al mando del zeniente general Shirakawa, q' asumió el mando. Ya Wusung no podía resistir más. La heroica defensa de los fuertes, donde había cañones montados a últimos del siglo pasado, cesó al fin. Sin embargo, se siguió combatiendo, hasta el momento en que el desembarco por el Liusho amenazó los flancos, y Tsai Ting Kai decidió retirarse sobre Quinsán, ocupando los nipones el 3 de marzo, después de 17 días de intenso bombardeo, la posición. El repliegue sobre Quinsán, efectuado con matemática precisión y buen espíritu militar, dió terminación a la batalla de Shanghai. Los términos señalados el 18 de febrero, se habían cumplido sí, pero después de haber sufrido unas veinte mil bajas las arrogantes fuerzas del Mikado.

Desde entonces, discurrieron las negociaciones de tregua, hasta principios del mes de mayo, en que los nipones se retiraron definitivamente del Wangpú.



Idea exacta de los preparativos que tenía Japón para realizar por sorpresa la invasión de Shanghai, podrá darla también este camión repleto de nipones, en fotografía obtenida durante la audaz intrusión a Chapei.

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

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DOCUMENT FILE

NOTE

793.94/6451

SEE 893.00 P.R. Mulden/67 FOR Despatch #-

FROM Mulden (Myers) DATED July 7, 1938  
TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1127 \*\*\*

REGARDING: Offensive on May 7th from Great Wall almost to Peiping  
indicating Manchukuoan control over portion of North  
China as possibility. Signing of truce on 31st at Tangku.

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

RELATIONS WITH CHINA      The sudden mysterious withdrawal of  
   Japanese invading forces from their

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\* Despatch Nos. 754 of May 17, and 766 of June 5, 1933.  
\*\*Despatch No. 756 of May 22, 1933.

positions

- 3 -

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positions along the Luan River during the latter part of April, followed as it was by news that large contingents of them were being sent northward through Manchuria and that Chinese troops were promptly reoccupying the evacuated territory without Japanese opposition, led some observers here to connect these developments with the growing Russo-Japanese tension then noticeable and apparently resulting from the unexpectedly assertive attitude of Soviet Russia with respect to Chinese Eastern Railway issues as expressed in its note to Tokyo of April 17th.

Indications during early May, however, that the Soviet Government was agreeable to negotiations for disposal of its claim to the railway evidently reduced materially such immediate influence as Russo-Japanese relations may have been exerting upon military tactics in North China.\* In the meanwhile Japanese Military Headquarters - with a promptness which offered grounds for suspicion that their April withdrawal may have been primarily inspired by motives unrelated to the Russian situation - seized upon the action of the Chinese troops in reoccupying their own territory as a serious hostile manifestation which justified new punitive operations. Press reports of the Military's concern over the provocative Chinese behaviour, need for positive action, etcetera, according to the customary, well-worn formula, appeared on May 7th, and a general advance by the Japanese armies from their bases along the Wall was announced under way on the same day.

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\* For relations with Russia see despatches and telegrams of Consul General, Harbin.

- 4 -

The remainder of the month was featured on the one hand by a smashing military offensive from Chahar to the sea which swept the tide of Japanese invasion back to its April high water mark at the Luan River and then swiftly on to the very gates of Peiping, and on the other hand by an immense amount of obscure subterranean work on the part of Japanese and "Manchukuo" agents, which, from indications revealed by occasional news items and the wording of official announcements, was evidently concerned with undermining the Chinese will to resist and laying the groundwork for a North China coup d'etat of pro-Japanese-"Manchukuo" complexion to be availed of in event of Nanking's failure to come to satisfactory terms.

While the consistent success of their military operations was entirely obvious, vague and conflicting reports received here until very nearly the end of the month made it impossible to estimate how far this double method of attack was assisting the Japanese towards attainment of their ultimate objectives and what conditions they would require before undertaking to halt their armies. Declarations by Marshal Muto and the Japanese War Office made towards the middle of the month provided assurance to the effect that their offensive had been launched purely with the purpose of safeguarding the Great Wall "frontier" line from hostile Chinese activities and that their troops would be recalled so soon as the Chinese abandoned provocative tactics and left the vicinity of the Wall in peace. But whether these and subsequent similarly ambiguous statements could be taken as a pledge that Japanese

troops

- 5 -

troops would not occupy Peiping and Tientsin became increasingly doubtful as the invasion passed the Luan and continued on without any signs of cessation.

It was evident from the tone of military communiques and other official releases that Japan was bent on keeping up the illusion of partnership with enthusiastic native populations and also that the early extension of "Manchukuo" control, in fact if not in name, to a frontier embracing at least portions of the Luan region and Chahar was a possibility to be seriously reckoned with. Japanese quarters took care to exaggerate the humble role played in the military operations by "Manchukuo" contingents, including the so-called Pro-Manchukuo Volunteers of Li Chi-ch'un, whose progress along the Shanhaikwan-Peiping Railway in the safe wake of the Japanese advance was advertised in heroic vein. In this connection it may be inserted that, according to reliable information, the military achievements of "Manchukuo" forces, both in Chahar and in the south, were far less notable than the looting in which they indulged on large scale to the misery of affected communities.

Rumors of Chinese moves for capitulation, circulated during the latter part of the month, vied for credence with accounts of plans and preparations for determined defence of the Peiping area. On May 31st, however, the situation was somewhat cleared by news that Major General Okamura, Vice Chief of Staff of the Kwantung Army, was that day at Tangku concluding a truce agreement with representatives of the Nanking Government, the provisions of which, it was understood, would include

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

- 6 -

as a minimum the creation of a demilitarized zone inside the Great Wall and the cessation of hostile Chinese activities.

Hailed by the press generally as "a turning point in Sino-Japanese relations", it was interesting to note that the truce was commented on very guardedly by the Tokyo War Office and that its conclusion was effected almost simultaneously with the reported despatch from Manchuria to North China of substantial reinforcements for the Japanese forces of occupation.

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

DEPARTMENT OF STATE

~~JED~~  
DIVISION OF FAR EASTERN AFFAIRS

July 27, 1933.

~~HE~~  
~~MATT~~  
~~SKH~~  
Japan's Acts of Treaty Violation and  
Encroachment upon the Sovereign  
Rights of China in the North-Eastern  
Provinces (Manchuria).

Herbert Hantao Wu, M.L., Ph. D.

The North-Eastern Affairs Research  
Institute, Peiping, China. 1932.



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This volume pretends to be a legal study of the Japanese position in Manchuria but it is nothing more than a poorly-prepared bit of Chinese propaganda. It levels charges against Japan which are ill-substantiated and often illogical. It adds little, if anything, to the oft-repeated Chinese side of the case.

Its conclusions are that Japan should maintain those rights and interests in Manchuria which have been legally acquired, but should discard those privileges which have been obtained in violation of international treaties and infringement of the sovereignty of China. The problem of the Northeast should be solved and settled in the light of three definite principles:

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AUG 10 1933

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- 2 -

1. The Northeast should be developed economically in strict accord with the policy of the Open Door and the doctrine of equal opportunity.
2. All foreign political influences should be eliminated from the Northeast.
3. All diplomatic and legal Sino-Japanese problems should be settled by international arbitration or other legal means.

As the premises for these conclusions, the author emphasizes the privileges which have been obtained in violation of international treaties and infringement of the sovereignty of China. He contends that

1. Port Arthur and Dairen should be retroceded to China.

The original lease of these territories expired on March 15, 1923. The extension of the lease was obtained by superior force and is therefore invalid.

2. The Kuantung Government should be dissolved.

It is illegal in at least five respects: its chief executive has the title of "Governor General"; its civil and military administrations are separate entities; it exercises rights which violate the sovereignty of China; it refuses the use of Port Arthur to Chinese ships; it does not permit Chinese participation in the administration of the city of Chinchow (located in Kuantung).

3. In

- 3 -

3. In conformity with the original agreement, the South Manchuria Railway Company should be made a joint Sino-Japanese enterprise of a commercial nature.

Upon the expiration of the original contract, the S.M.R., together with its subsidiary enterprises, should be redeemed by China. The seal of the S.M.R. and the mandates of the directors should have emanated from the Chinese Government and the right to acquire capital stock should be shared by the Chinese people.

4. Political administrative rights which have been usurped by Japan in the leased territory of the S.M.R. should be handed back to China.

The Japanese jurisdiction over police, judiciary, education, and communications is illegal. It is based upon a misinterpretation of the "right of exclusive management". "Exclusive management" really means "exclusive management" as a business man understands the phrase and it does not imply any rights of political administration.

Japanese troops and Special Police should be withdrawn. China can not accept Japan's propositions that the Chinese right of protection is only operative against extraneous attacks and that Article II of the Sino-Japanese Treaty of December 22, 1905 (Japan agrees to withdraw railway guards simultaneously with Russia when China is able

- 4 -

able to afford adequate protection to foreign life and property) constitutes a tacit recognition of Japan's right to station troops in the railway zone.

Extraterritorial privileges in the railway zone have been abused and the Japanese have unduly interfered in cases which should have been adjudicated by the Chinese authorities. This has been conspicuously true in cases involving naturalized Koreans.

Schools for the diffusion of Japanese culture have replaced Chinese schools. The Japanese have prohibited the study of the SAN MIN CHU I even in schools located outside the railway zone.

Telegraph and telephone systems which were built originally for the purposes of the railway have been extended and converted into permanent commercial organizations. Forty-three Japanese postoffices are maintained in the Northeast and, in some instances, Japanese post boxes are located in Chinese territory.

5. Japan should surrender its monopolistic role in the economic development of Manchuria.

It has used unfair loan agreements as a means of limiting railway construction and administering lines already built. It has consistently lodged diplomatic protests

- 5 -

protests against Chinese railways which are allegedly parallel to or in the neighborhood of the S.M.R.

Japanese subjects have extended their mining properties beyond legitimate boundaries; they have engaged in unauthorized mining operations; and have refused to register or pay taxes on many of their extensive holdings.

They have destroyed all competition (including Chinese) in the public utilities of Manchuria; they have gained complete control of the lumbering industry; and, in violation of treaty obligations, have acquired more than 2,000,000 mou (one mou equals .15 acre) of land which they use for agricultural and other purposes. They have utilized the Yokohama Specie Bank and the Bank of Chosen as financial agencies with which to assure the success of their multifarious economic enterprises.

6. Japan should abandon its Machiavellian continental policy.

In the past, it has been a party to the assassination of Chang Tso-lin; it has encouraged the forcible seizure of Chinese land; it has supplied arms to bandits; and it has contributed to political confusion and civil war in China. Japan should abandon such unjustified activities as these to which it has resorted merely as means to carry out its continental policy.

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

FE

DEPARTMENT OF STATE  
THE SECRETARY

CONFIDENTIAL



AUG 15 1933  
August 10, 1933.

Copies to  
Tokyo and  
Peking 8/14/33  
FE (CREK)

F/ESP 793.94/6453

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY HULL AND THE  
JAPANESE AMBASSADOR, MR. KATSUJI DEBUCHI.

Withdrawal of Troops.

793.94

The Japanese Ambassador further said, in his conversation with me today, that on the eighth of September, I think it was, the Japanese troops would be withdrawn to a place north of the Wall and that there would be peace in China from that time following. He indicated generally the extreme desire of his Government to get back in every way to its former international relationships and standing.

C. H.

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

AUG 15 1933

STRICTLY CONFIDENTIAL

No. 338

The Honorable

Joseph C. Grew,  
American Ambassador,  
Tokyo.

Sir:

There is enclosed for your confidential information  
a copy of a memorandum of a conversation which I had on  
August 10, 1933, with the Japanese Ambassador, Mr. Katsuji  
Debuchi, concerning the withdrawal of Japanese troops in  
China.

Very truly yours,

Cordell Hull

Enclosure:  
Copy of memorandum  
dated August 10,  
1933.

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793.94/6453

A true copy of  
the signed orig-  
inal. *M*

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AUG 16. 1933  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

AUG 13 1933

STRICTLY CONFIDENTIAL

No. 1156

The Honorable

Nelson T. Johnson,  
American Minister,  
Peiping.

Sir:

There is enclosed for your confidential information  
a copy of a memorandum of a conversation which I had on  
August 10, 1933, with the Japanese Ambassador, Mr. Katsuji  
Debuchi, concerning the withdrawal of Japanese troops in  
China.

Very truly yours,

*Gordon Hux*

Enclosure:  
Copy of memorandum  
dated August 10,  
1933.

793.94/6453

793.94/6453

A true copy of  
the signed orig-  
inal.

AUG 16 1933

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



LEGATION OF THE  
UNITED STATES OF AMERICA  
Guatemala, July 31, 1933.

No. 991.

Subject: Chinese Propaganda in Guatemala

CONFIDENTIAL.

DIVISION OF  
LATIN AMERICAN AFFAIRS  
AUG 16 1933  
DEPARTMENT OF STATE

FOR DISTRIBUTION - CHECK		Yes	No
AUG 11 1933			

793.94

Division of  
FAR EASTERN AFFAIRS  
AUG 12 1933  
Department of State

The Honorable  
The Secretary of State,  
Washington.

Sir:

1/ I have the honor to enclose, as of possible interest to the Department, a printed sheet published by the Chinese National Salvation Publicity Bureau, 844 Stockton Street, San Francisco, California, entitled "A Plan of Japan's Proposed Military and Naval Conquest as Revealed in the Strategic Map". This document was mailed to the Legation in an envelope bearing the letter-head "Kuo Ming Fang" of Guatemala City. I have been unable, without giving evidence of particular interest in the matter, to obtain additional copies of this sheet. I have

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AUG 17 1933

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Enclosure

Despatch No. 991

## A PLAN OF JAPAN'S PROPOSED MILITARY AND NAVAL CONQUEST AS REVEALED IN THE STRATEGIC MAP

The strategic map has been prepared by the Japanese Imperial Military Intelligence Department with a detailed plan of Japan's proposed conquest of the Far East and Hawaiian Islands. Unfortunately we do not have the secret detailed plan. However, we may still see Japan's military program by means of the rough outline map of conquest recently discovered.

This map is but another evidence of Japan's aggressiveness and of her desire for world conquest. In the late Tanaka Memorial of July 25, 1927, to the Emperor of Japan, Premier Tanaka said, under the item of "general policy," ". . . Japan cannot remove the difficulties in Eastern Asia unless she adopts a policy of blood and iron. But in carrying out this policy we have to face the United States. . . In the future if we want to control China, we must first crush the United States just as in the past we had to fight the Russo-Japanese War." Again he said in the same Memorial, under the item "The Necessity of Changing the Organization of South Manchuria Railway," "with such large amounts of iron and coal at our disposal we ought to be self-sufficient for at least seventy years. We shall have to acquire the secret for becoming the leading nation in the world. Thus strengthened, we can conquer both the East and West."

Japanese militarists have been wont to say that Japan planned to conquer the world within ten years after the Mukden Incident of September 18, 1931. The occupation of Manchuria and Mongolia is a necessary step for conquest of the Pacific. After North China has been acquired, the whole Pacific area can be absolutely under her control. The next step is to take over Guam, the Philippine and Hawaiian Islands, and even Hongkong and India are included in this scheme.

When we turn our eyes on the map, our minds become increasingly clear as to the real intention and motive of Japanese militarists. Their repeated assertions that Japan has no territorial ambitions on the mainland of Asia are in direct contrast to her repeated acts of aggression; her subsequent occupation of China's three Eastern Provinces and of Jehol where she has created the puppet state of Manchukuo; and the present Japanese threat of occupying the whole of North China. China now is like a convalescent, too weak to resist the pois-

onous aggressive Japan and prevent the occupation and ruin of her territory. And China is too weak to prevent the future, more serious tragedy of a world war.

According to the strategic map Japan has almost accomplished the first part of her military conquest. In this first period of aggression her naval sphere of influences is not to expand. But the army must be mobilized in the three Eastern Provinces, Jehol and Mongolia. She thus first extends her grip over the whole of Korea, Manchuria and Mongolia, the parts of the Asiatic Continent nearest to her, not only in order to increase her territorial sway, to enrich her resources with coal, iron and fertile lands, and to find more room for her over-crowded population, but also in order to lay the foundation for the second step of conquest proper.

The strategic map shows that the line of the first conquest extends from Karafuto to Shantung Province, including Manchuria and Mongolia. It also shows that after she has accomplished the first step of this military occupation in Korea, Manchuria, Mongolia and Shantung Province, she will have acquired a sufficient supply of material to enable her to mobilize forces and extend her power to Chekiang and Fukien Provinces, thus securing naval bases for future world conquest. Once well settled in Manchuria and Mongolia, she has iron deposits, estimated by Japanese experts at 1,200,000,000 tons; coal deposits, 2,500,000,000 tons; timber, 200,000,000 tons, which will last Japan 200 years, and many other resources, more than enough to enable Japan to wage war with England and the United States. According to Japan's military program, she will fight England in the north of the Philippine Islands and drive the British out of Asia, thus securing Hongkong for the Japanese. A proposed naval battle between the United States and Japan is to give the latter the Hawaiian Islands, then the Philippines and Guam must be under the control of Japan according to this military program. This will enable, as Tanaka has said, the enlarged Japan to become the leading nation of the world.

If the well-planned Japanese military program, as shown by the map, is carried out in the future as well as it is today, another world war (perhaps



war between England, the United States, and Japan) cannot be avoided. An eminent British journalist-statesman, David Lloyd-George, Predicted another world conflict as a result of current disagreements, and he pointed out, "possibly the issue may for a little time be delayed by pretexts and expedients, by counsels and discussions. . . ." But, in any event, the world war of which the Far East battle is but the beginning, will occur sooner or later.

Japanese diplomats formerly used as a pretext the necessity of protecting her treaty rights in China. But, as we know only too well, the three Eastern and Jehol Provinces are now under Japanese domination. Japanese officials and advisers control the puppet government and the public services, educational institutions, banks, industrial and commercial enterprises. A book published by the so-called "Manchukuo" government gives a statistical chart of the ninety-eight executive offices: sixty-nine of them are appointed and sent by the Tokio Government, the other twenty are for the most part graduates of Japanese institutions. And also, north of the Great Wall, the Japanese have seized all the Chinese railways and their funds. Are all these essential in safeguarding treaty rights? The most unbiased person must certainly answer—No!

Recently, April, 1932, the Japanese War Minister Araki published a signed article in the Records of the Marchers Club, an influential monthly among the Japanese reservists, under the title "Japan's Mission under the Reign of Showa" (present Emperor of Japan). This essay was divided into ten chapters. The most out-spoken words in it are: "The imperialism . . . a product of the fusion of the spirit in which our nation was founded and the Great Vision of our people, stands in urgent need of being proclaimed to the corners of the 'four seas' and established in this world." Japan means to carry out such "Imperialism," for according to General Araki: "We must take decisive action to get rid of any obstacle in the way, even resorting to force." Chapter VII, reveals, ". . . this Great Vision was defined when Emperor Jumu . . . issued the imperial proclamation of his ascension to the Throne in Kashibara, Yamato . . . after his conquest of the eastern barbarians. The proclamation read: 'To accept with regard to the past, the mission of our ancestors to give life to the state and greatly to nourish and increase with regard to the future. In accordance with our imperial ancestors' ambitions, I now establish my capital to conquer the whole world and embrace

the whole universe as our state.' Now to fulfill the vision 'to conquer the world and embrace the universe as our state' so as to pacify the Emperor Jumu's desire 'greatly to nourish and increase' has been our traditional policy . . . The Manchurian Incident viewed in this light has very great significance. Under the direction of Heaven, Japan has put forward the first step."

Concluding Chapter VI, Araki remarks: "When we observe carefully, no other country has a culture with the spirit of our Imperialism. Countries in Eastern Asia are objects of the White Man's oppression. Awakened Japan, however, cannot allow this. If actions of any of the powers are not conducive to our imperialism, our blows shall descend on that power. This is the mission of our Imperialism . . ."

According to his essay the first step to achieve this Vision was the capture of Manchuria. "Next we must think of far-away Mongolia. . . Both Manchuria and Mongolia must come under Japanese imperialism. For Manchuria and Mongolia are the gates through which we shall proclaim our imperialism. Our problems of population, food-stuffs, raw materials and national defense all have important bearing on the problem of Manchuria and Mongolia . . . if we do not firmly establish our prestige in these countries, we cannot develop the Great Vision that has been by tradition ours for over two thousand years . . ."

"Therefore, whenever any country disturbs the peace in Eastern Asia, Japan must quiet her, even resorting to force if necessary. If we realize this, and it is within our power to do so, then we may rule the whole world without shooting an arrow."

In a word, this strategic map reminds us of Araki's essay, for what he wants is that Japan conquer the whole of Eastern Asia. With that prestige, he would then like to dominate the entire world. It reminds us also of the passage in the Tanaka Memorial which reads: ". . . in order to conquer China, we must first conquer Manchuria and Mongolia. In order to conquer the world, we must first conquer China, then the rest of the Asiatic and South Sea Countries will fear and surrender to us. The whole world thus will realize that Asia is ours and will not dare violate our rights. This is the plan left to us by Emperor Meiji, the success of which is essential to our national existence." In the light of these documents, including the strategic map, we certainly believe Japan has the fixed intention of bringing Chinese territory under her control as the first step in her more ambitious program of world conquest.

Published by Chinese National Salvation Publicity Bureau  
844 Stockton Street, San Francisco, Calif.

贈印會傳宜國救日反僑華美旅

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

AUGUST 10 1953

In reply refer to  
FE 793.94/6455

Dr. Ben Dorfman,  
Hotel Durant,  
Berkeley, California.

793.94/6455

Sir:

The receipt is acknowledged, by reference from  
the White House, of a copy of an address, entitled  
"Is Manchuria the Solution to Japan's Economic Prob-  
lems?", which you delivered at the Conference on  
International Relations held at International House  
of the University of California.

Your courtesy in forwarding this document,  
which has been read with care and interest, is appre-  
ciated.

Very truly yours,

For the Secretary of State:

AUG 19 1953

*M. M. Hamilton*  
Maxwell M. Hamilton,  
Acting Chief,  
Division of Far Eastern Affairs.

FE:EE:CLS  
8-18-33.

rel  
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*[Handwritten initials]*

A true copy of  
this document  
*[Handwritten signature]*

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



President Franklin Roosevelt  
Washington, D.C.

After 5 days Return to  
**HOTEL**  
**DURANT**  
BERKELEY - CALIFORNIA

August 19 1953  
Division of  
FAR EASTERN AFFAIRS  
AUG 12 1953  
Department of State

An address delivered before the CONFERENCE ON INTERNATIONAL RELATIONS held at International House of the University of California, by Dr. Ben Dorfman (William Harrison Mills Fellow), who recently returned from the Far East where he served as an Advisor to the Lytton Commission.

IS MANCHURIA THE SOLUTION TO JAPAN'S ECONOMIC PROBLEMS?

During the few months since I returned to the States from the Far East, I have been asked many questions vis-a-vis the Manchurian Controversy. One of the most frequently asked is, "What does Japan stand to gain economically as a result of her Manchurian adventure?", or more specifically, "What economic problems which confronted Japan in 1931 will she be better able to solve as a result of her control of Manchuria; and what problems, if any, will this control likely aggravate or precipitate?" I can think of no more profitable way to spend the next half hour or so, than in attempting to answer these questions. Please bear in mind that I shall make no attempt to deal with the moral, legal or military aspects of the controversy-- only the economic.

First of all, what were the major economic problems which confronted Japan in 1931? The most serious, and the one from which many of the others followed, was the so-called "population problem." As you know, Japan Proper occupies an area slightly less than that of our own State of California; and only about one-sixth of the land is cultivable. On this relatively small plot of ground, Japan is at present supporting a population in excess of 66 1/2 millions -- over half the population of the United States -- and is faced with the prospect of having to support even a larger number in the near future, or to provide the means for settling them outside of the country. Certain decelerating forces, such as fewer and later marriages and the increasing use of contraceptives are already at work and will very definitely prevent Japan from ever attaining the enormous numbers in the future of which alarmists both here and in the Orient frequently speak. The most competent students of the subject are of the opinion that Japan will never have as many as 100,000,000 people; that it is highly improbable that she will even have as many as 90,000,000; and that it is not unlikely that she will strike a plateau at not much over 80,000,000. Most of this increase will take place during the next decade or two, and it is during this period that Japan must face a great strain in providing necessities and employment for her expanding numbers. She must take care of at least nine millions more people by 1945 and in the meantime provide employment for at least 200,000 to 250,000 additional workers annually. No amount of birth control, incidentally, will have any bearing on this latter problem, for the working population of the next two decades has already been given birth. I wish to stress the time element particularly. The needs of population must be provided as it expands; food, raw materials, markets and the like which the distant future may hold in store -- no matter in what abundance -- are of no avail in feeding, clothing and sheltering an existing population or in giving it employment.

Manchuria is often spoken of as providing, either directly or indirectly, the solution to Japan's population problem. Many people, particularly those not well acquainted with economic conditions in Manchuria, are of the opinion that this region will provide a direct outlet for a substantial part of Japan's annual increase. Some other persons are of the opinion that while Manchuria cannot absorb many Japanese, it can assist in supporting the larger numbers in Japan by making possible a greater industrialization of the Islands. These people believe that Manchuria will supply Japan with such a splendid and dependable source of food and raw materials on the one hand, and a market for finished goods on the other, that the resultant expansion of manufacturing and foreign trade will at least keep pace with the requirements of the expanding population. Such ideas have been given considerable publicity, particularly in discussions of a "Japan-Manchoukuo Economic Bloc." I shall presently have more to say about these possibilities.

A second important economic problem which faced Japan was that of balancing her foreign trade, that is to say, of selling enough goods and services to foreigners to pay for her imports of goods and services from them. This problem, as we shall later see, is very intimately related to the population problem.

In the past, Japan has generally found it impossible to sell enough goods to foreigners to pay for her imports of goods from them. Only for a few years in recent times has Japan been able to sell more goods than she has purchased, and not since 1918 has she had a so-called "favorable" balance of trade. It is perhaps worth a few moments to explain why this has been the case.

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- 2 -

Japan's principal imports during recent years have been: raw cotton, machinery, wool, iron and steel, lumber, peas and beans, bean cake, wheat, coal, ammonium sulphate, mineral oil, sugar and rubber. Japan is dependent on imports for her entire supply of cotton, wool, rubber and nickel; for over 90% of her iron; and for over three-fourths of her lead, zinc, oil, dyes and chemicals. The great bulk of these imports may be considered basic necessities. To cut down on the consumption of these would seriously injure her peoples and hamper her industries. Further, several of Japan's most important export industries are wholly or partly dependent on imported raw materials. Such important Japanese exports as cotton tissues and yarns, knitted goods, refined sugar, wheat flour, paper, iron and manufactures thereof, will call some of these to mind.

During recent years, Japan's principal exports have been: raw silk, cotton tissues, silk tissues, knitted goods, potteries, paper, refined sugar, aquatic goods, wheat flour, coal, iron manufactures, and tea. The great bulk of the exports, in terms of value, have been either luxury or quasi-luxury goods, or manufactures of imported raw materials. In attempting to increase her sales of these goods, Japan has been confronted in recent years with such obstacles as a world-wide depression, low silver, rising tariff walls, increasing manufacture in consumption areas, natural disasters, and very keen foreign competition. Further, such is the nature of world demand for certain of her most important exports, that when Japan cuts prices to expand the volume of sales, she often obtains less in the aggregate for a greater volume than she probably would have for a smaller. Her price cutting has likewise invited the promulgation of numerous retaliatory or protective measures abroad.

To sum up the visible trade situation, we may say that Japan has found it well nigh impossible to sell goods enough to pay for her imports of goods. She is not blessed with natural resources and so must depend largely on imports to satisfy many of her domestic needs and those of her export industries. Her important domestically produced exports tend toward the luxury class and have been saleable only in narrow markets which have become either periodically antagonistic or which have been hard hit financially. If Japan cuts down on imports, she tends to lower domestic efficiency and check exports; while if she attempts to expand exports, she tends to increase her imports and, in many instances, this expansion can only be effected by non-economic and suspicion-inviting price cuts. In addition, during the world depression, Japan has found that she must often buy in sellers' markets and sell in buyers' markets.

Japan's invisible trade, while not as discouraging as her visible, has likewise met with difficulties in recent years. Despite this, however, she has ordinarily maintained a "favorable" invisible balance on current account, that is to say, she has ordinarily been rendering services to foreigners of a greater value than she has been hiring of them. Her receipts from shipping have been substantial though of shrinking importance more recently, a large portion of this income having been derived from the China trade. In passing, I should like to mention that one of Japan's foremost financiers -- recently assassinated -- had high hopes of Japan expanding her shipping activity as a means of increasing her income from abroad. So far as China is concerned, I suspect that Japan has permanently lost the opportunity of doing this. Another considerable source of income for Japan was derived from her business undertakings abroad, most of which were in Manchuria and China Proper. These receipts were only slightly offset by the outpayments to the few foreigners having establishments in Japan. Although Japan received considerable revenue on insurance account, she paid out to foreigners about as much as she received, and so this did not provide her with any net income. Somewhat the same situation prevailed with respect to tourist expenditures. Japanese tourists spent about as much abroad as foreign tourists spent in Japan. Payments to foreigners of interest and dividends on Japanese securities held abroad ordinarily exceeded, several times over, the receipt of interest and dividends on foreign securities held by Japanese -- this may not be the situation at present, however. Likewise the expenditures of the Japanese government abroad exceeded her receipts from abroad. On miscellaneous accounts, however, Japan received somewhat more from foreigners than she was obliged to pay to them.

To sum up the trade situation, Japan in recent years has regularly been buying more goods than she has been selling; and, while she has been rendering services to a greater value than she has been hiring, she has not often been able to balance her aggregate current expenditures abroad against her current income from abroad. She must find some way of increasing her sales of goods and services to foreigners

- 3 -

in relation to her consumption of goods and services from them. Neither her international capital position nor her ability to export treasure will permit otherwise. This is the essence of Japan's trade problem. Will her better hold on Manchuria enable her to solve this trade problem? I shall discuss this presently.

I have now considered at some length two of the outstanding economic problems which confronted Japan in 1931, population and the balancing of her foreign trade. She was faced with other serious and closely related economic problems as well, but considerations of time will allow me no more than the mere mention of them. These consisted or grew out of widespread unemployment, budgetary difficulties, currency and banking problems, burdensome and maldistributed taxation, agrarian discontent, and a host of others which even yet are plaguing the entire civilized world.

Will Japan's more intimate and agreeable relations with Manchuria enable her to solve these major economic problems either wholly or to any appreciable extent? Let us examine, first of all, what have been the economic consequences of Sino-Japanese hostilities up to the present.

Immediately following the "incident" of September 18, 1931, there was fanned into full flame an anti-Japanese boycott of unprecedented proportions and effectiveness. Japanese steamship lines, banks, manufactures and mercantile houses were forced either to suspend or greatly limit operations not only in China Proper but in those regions in the South Pacific where the Chinese dominate the business. Industry and commerce in Japan were likewise upset.

Japan's international credit rating was greatly lowered, her Gold Dollar bonds, for example, dropping in the New York market by almost 50% within the first eight months of the conflict. Since then, these bonds have recovered somewhat, due chiefly to the United States' abandoning the gold standard and cancelling the significance of the "gold clause." Japan's credit position abroad yet remains so bad that she cannot borrow except at ruinous rates, if even then. This is particularly significant in view of the fact that Japan has never repudiated a foreign obligation, a record second to none in the world.

Within three months after the outbreak of hostilities, Japan was forced to abandon the gold standard, and the yen began to drop rather irregularly until it had depreciated to about 40% of its former gold value, a position from which it has recovered only slightly. Whether or not Japan had embarked on her continental adventure, she would probably have been forced off gold shortly after Great Britain went off; but it is extremely doubtful that the yen would have dropped to such a low value as it has, had it not been for her military operations in China. I make a special point of this because I want it to be clear that many of the internal and external economic difficulties growing out of the extremely low value of the yen, are to be traced to Japan's recent military adventures in China. The extreme depression of the yen has imposed very heavy burdens on Japan in paying for her imports and in meeting the service charges on her foreign loans. To a certain extent, it has helped stimulate exports, but this has not been an unmixed blessing, in view of the rather general -- but not always well-founded -- charges of "dumping" that have been lodged against Japan. This is particularly serious, for many of her best customers, China, India, Egypt, Malaysia, and sections of Africa, for example, are already beginning to restrict their imports of Japanese goods. As we Americans know, trade obstacles once raised are not easily removed. The depressed yen is likewise responsible for the present rising costs and labour disturbances in Japan, concerning which we may expect to hear much more in the future.

Thus far I have said nothing about the actual costs of Japan's military operations in China. Reliable figures are not at present available -- if for no other reason than that the operations have not yet ceased. I venture the guess, however, that Japan's costs of the Manchurian Adventure in "blood and treasure" have at least wiped out every cent she has made in Manchuria to date.

I have said a good deal about the immediate--but more or less enduring-- hardships which hostilities have imposed. Now may I say something about the benefits, many of which I believe to be only temporary?

Hostilities created a boom in the war and certain other industries, and the enormous depreciation of the yen gave a belated impetus to export industries and industry in general, and served--even more belatedly--to check imports. I have already alluded to the mischief which the extremely low yen has precipitated.

- 4 -

Japanese-Manchoukuo trade has increased very substantially since the beginning of hostilities. This has been due primarily to the erection of trade barriers by both Manchoukuo and China against reciprocal trade; to the large Japanese investment and construction program in Manchuria; and to the extremely low value of the yen. The forces supporting this trade may soon spend themselves.

With the boom in industry in Japan there has been a consequent lessening of unemployment, and a possible temporary check to the spread of the ever present and highly contagious "dangerous thoughts."

The depreciation of the yen has brought some measure of agrarian relief, but much less than enough to satisfy the tax-ridden and debt-burdened peasants.

The creation of Manchoukuo under Japanese auspices created a number of lucrative posts for the Japanese officials in, and advisors to, the new state. It is doubtful, however, that the new government will need or can afford a much larger Japanese personnel to direct its destinies in the future.

Other advantages which the birth of the new State has given to the Japanese are the rights to own and lease land, and to exploit the natural resources of the country. These are rights which the Japanese feel --and with some justice -- they were entitled to exercise by virtue of certain treaties with China which the former Manchurian officials, for one reason or another, chose to ignore in large measure. The present Manchoukuo Government has practically promised to accept its creator's interpretation of any and all Japanese treaty claims in Manchuria, and so this may be reckoned the most important and enduring achievement growing out of the new State's establishment. Important as this gain unquestionably is, its importance in solving Japan's economic problems, I feel, has been greatly overestimated. Concerning this matter, I shall say more presently.

From the opening of hostilities in September 1931 to the present, Japan has undergone many hardships and her peoples have courageously made many sacrifices. As I have mentioned, these hardships and sacrifices have been offset in part by certain gains, but without question, the aggregate of losses during this period have more than offset the aggregate of gains. I doubt that even any Japanese would dispute this. But if the sacrifices to date have not yet brought commensurate returns, what promise is there that they shall in the future?

Will Manchuria provide Japan with the solution to her population problem? First, can she do it by providing a direct outlet for mass Japanese emigration? I think not, but there is such a widespread belief to the contrary, that I think it worth while to offer the objections. Those most frequently advanced are the following:

- (1) The Japanese are not accustomed to mass emigration. For about two and one-half centuries prior to 1868, Japan was a closed country and its inhabitants were forbidden to leave, and so the Japanese have no tradition of emigration. I do not consider this argument particularly compelling, for if the Japanese were welcome in countries where they could make a decent living, they would emigrate-- lack of tradition notwithstanding.
- (2) Another argument often advanced is that the Japanese are not accustomed to the type of cultivation in vogue in Manchuria. Instead of intensive cultivation, and heavy irrigation and fertilization on small plots of ground which return a high yield per acre, the Japanese colonist must cultivate extensively in Manchuria, get along without irrigation and fertilization, and be satisfied with low yields per acre. This again, in my opinion, is not a serious objection, and would not stand in the way of Japanese colonization.
- (3) Yet another argument, and one very frequently advanced, is that the Manchurian climate is too severe for the Japanese people, i.e., they would not be able to withstand Manchuria's cold winters. As I see it, it is not the cold per se that is the vital objection, but rather the additional costs which it imposes. There is an abundance of evidence to prove that the Japanese can withstand the cold as well as other peoples, provided they be properly clothed,

- 5 -

housed, and fed. The rigours of Manchuria are objectionable, then, not for the reasons ordinarily ascribed, but rather because of their economic implications.

- (4) But there is one reason, above all others, why Japanese cannot hope to settle Manchuria in large numbers. Their standard of living is too high in comparison with their efficiency to permit of any large-scale competition with the Chinese settlers already there. While the difference in their respective standards may often be exaggerated, there is a marked difference nevertheless, and this in my opinion is the only important reason why Japanese will never be able to settle Manchuria in large numbers. Japanese professional and "white collar" men, in limited numbers, will find opportunities in Manchuria, but not the ordinary farmer or worker.

You may possibly be interested in the explanation of this difference in standards. The Japanese settler demands better food than his Chinese competitor. The Japanese stomach is a much more delicate mechanism than the Chinese; it requires rice, fish and other comparatively expensive foods, whereas the Chinese functions quite satisfactorily on such coarse fare as kaoliang, soya beans and the like. The Japanese settler demands better dwellings than the Chinese, and he wants them kept cleaner. He insists on solid and durable structures, whereas the Chinese is content to live within mud walls. The Japanese must have more fuel and water, not only for his cooking and housecleaning, but for his person as well. He wants his daily bath, while the Chinese is content to do without it. Bathing requires soap, water, fuel, towels, laundering, space and facilities-- all of which cost money. The Japanese demands better and more clothing than the Chinese, not only for the sake of variety but to allow for frequent change as well. Where the Japanese feels he must have good cottons and possibly some woolens and silks, the Chinese is satisfied with the coarsest of cottons, which he "piles on and peels off" as the season dictates. The Japanese is more literate than the Chinese. He wants books, magazines and papers for himself, and good schools for his children. The illiterate Chinese--and the bulk of them in Manchuria are illiterate--very largely avoid such expenses. I don't think I need labour the point that without financial assistance from their government, no large number of Japanese settlers can hope to compete with the Chinese settlers already in Manchuria. So far as I know, there is not an informed person, Japanese included, who believes to the contrary.

But what if the Japanese Government should attempt to give assistance in settling Japanese in Manchuria, would this be any solution to the problem? I think not. If Japan is badly pinched now, how much more will she be pinched if she burdens herself with grants to her overseas nationals? Further, no subsidized settlement schemes that I know of, are planned on proportions to take care of more than a small fraction of Japan's annual increases in population. The yearly gains are of the order of hundreds of thousands, whereas the wildest of subsidized emigration schemes plan for only tens of thousands, and the more sane deal only in terms of thousands and hundreds. Even if we were to grant that tens of thousands of Japanese could be settled in Manchuria annually--economically or otherwise--would we not yet be compelled to admit that Manchuria is no solution to Japan's population problem insofar as direct emigration is concerned?

If Manchuria cannot solve Japan's population problem by absorbing Japanese settlers, can she do it by providing Japan with the food and raw materials which she needs on the one hand, and a market which she requires on the other? In other words, will the resources and markets of Manchuria solve Japan's population problem by providing the means for a greater industrialization of the Islands? Purely economic considerations would not dictate that Manchuria necessarily send increasing amounts of goods directly to Japan, or that Japan send increasing amounts of finished goods in exchange, directly to Manchuria; the trade expansion--in part at least--might conceivably take place through third countries. For example, Japan might ship silk to the United States which would be paid for by the United States' sending machinery to Manchuria. Japan's claim on Manchuria could then be settled by Manchuria shipping soya beans to Germany, and by Germany shipping photographic and optical equipment to Japan. This, I say, is the manner in which the trade expansion might conceivably take place; but it is not the manner in which the expansion is expected to take place. A further industrialization of Japan is postulated chiefly on an expansion of a direct Japan-Manchoukuo trade--this at least being the contemplation

- 6 -

of the "Japan-Manchoukuo Economic Bloc" enthusiasts. If this expansion of industry and commerce is to rest on sound economic grounds, Japan must be able to deal with Manchoukuo on as good or better terms than she can with alternate suppliers and customers. If the terms are not as good, Japan loses; and if they are not better, she cannot take care of the larger numbers of people at the present standard of living. Further, it is only by bettering the terms of her international commerce that she can solve her trade problem of having her current exports pay for her current imports.

Much is made of the fact that Manchuria offers Japan a more secure market and source of raw materials than she can hope to find elsewhere. I concede the point, but may I suggest that unless Manchoukuo can adequately and economically provide the raw materials and markets, it can only furnish inadequate and non-economic security to Japan, which in reality is no security at all. What promise, then, does Manchoukuo hold for satisfying Japan's industrial and trade aspirations?

At the outset, may I say that while Japan's trade with Manchuria has been important in the past, its importance should not be overestimated, and efforts to expand it should not have been undertaken at too great a sacrifice. During the recent years prior to the outbreak of hostilities, Japan's exports to Manchuria amounted to only a little over 8% of her total exports, and her imports from Manchuria, to something less than 7% of her total imports. Japan has had and has far better customers and suppliers outside of Manchuria than she has in it and she can ill afford to antagonize them even for the sake of considerable gain in Manchuria.

You have heard a great deal concerning the abundance and possibilities of Manchurian agricultural and mineral resources. How important and promising are they actually? To date, Japan's only important agricultural import from Manchuria has been the soya bean. This has been used as food, forage, and fertilizer. The prospects are that Japan's soya bean requirements for food and forage will increase, but that for fertilizer, they will decrease, due to the heavy inroads now being made by chemical fertilizers. Since the principal use of the soya bean (in cake form) is for fertilizer, Japan's imports of this from Manchuria are more apt to decrease than increase. Her imports of such cereals as maize, kaoliang and millet have been small and will remain small as long as the Japanese prefer rice to such substitutes. Manchuria at present raises little rice--the only important Japanese "breadstuff"--but in the future, if need be, can raise considerable amounts. Heavy expenditures in irrigation projects will first be necessary, however. For the time being, Japan is more than self-sufficient in the matter of rice and need have no misgivings for the immediate future. In time to come, Manchuria may likewise come to supply Japan with wheat, beef, and mutton. At present, however, Manchuria is a net importer of wheat (in the form of flour) and must become self-sufficient before she can commence supplying Japan. Before looking to Manchuria for large supplies of beef and mutton, Japan might do well to examine more closely the live-stock possibilities of her own Islands. In the future Manchuria may also supply Japan with cotton and wool. Some Manchoukuo officials are of the opinion that in 20 years Manchuria will be raising an abundance of fine quality cotton. At present, they admit that the cotton is poor in quality and meagre in output and that its production is not economically profitable. Wool production is in somewhat the same position. Newspapers from Japan report that a group of Japanese wool experts after thoroughly investigating the possibilities of Manchuria recently, rendered the opinion that it would take about 30 years for Manchuria to improve its breeds sufficiently to provide Japan with wool in the amounts she now consumes. In the meantime, they felt, Japan would continue to be dependent on Australia. I am not qualified to say whether at any time in the future Manchuria will be able to produce satisfactory cotton and wool economically and in abundance, but certainly that day, if indeed it shall ever come, is not close at hand.

Manchurian mineral resources are often described in such glowing terms that a very large circle of persons have been led to believe that these will one day make Japan independent of the rest of the world for her supplies of at least coal, oil, and iron. At present Japan is quantitatively self sufficient in the matter of coal, but she is not self sufficient qualitatively. She is lacking in coking coal. Manchuria has limited reserves of such coal, but they are far from sufficient to meet Japan's needs for any considerable period in the future even if Manchuria were entirely to ignore her own needs, an economically irrational postulate. Manchuria can continue to supply Japan with ordinary varieties of coal, and at lower prices than they can be produced for in Japan, but before these imports can be increased

-7-

the powerful and stubborn opposition of Japanese mining interests must be overcome. Manchuria can likewise supply Japan with limited amounts of oil. There is no free oil in Manchuria and so the extraction will have to be from shale, a process which requires heavy outlays for plant and which at present is generally regarded as uneconomical by petroleum engineers. Barring unanticipated technological improvements in the extraction of oil from shale, Japan can never hope to meet her oil requirements from Manchuria at other than prohibitive costs. Some Japanese have placed high hopes in the possibilities of liquefying Manchurian coal. This may occur one day, but no one pretends to know when. Another widely entertained expectancy is that Manchuria will provide Japan with the iron which she is so sorely in need of. At present Japan Proper produces less than a tenth of the iron she consumes, and most of her pig iron is produced from imported ores. In order to take care of her iron ore, iron, and steel requirements, Japan would have to produce about fifteen times more ore than she does at present. Chosen makes good a small portion of this deficit--producing in fact more ore than does Japan. Can Manchuria supply any substantial portion of the balance? Manchuria contains large deposits of iron ore, but with negligible exception, their ferrous content is very low. The most distinguished and competent foreign geologists and experts who have made studies and surveys in Manchuria are of the opinion that its known reserves are wholly inadequate to support an economically sound iron and steel industry of substantial proportions. It is estimated that not even one per cent of the ore contains more than 60 per cent iron, and it is known beyond reasonable doubt that the great bulk of the ore contains only between 30 and 35 per cent iron and from 45 to 55 per cent silica. One outstanding authority states that we have millions of tons of similar material in the Lake Superior region which we do not even count as ore. A number of important countries with larger and better reserves than Manchuria find it economically expedient to import their ores. Manchuria's low quality ores can and are being employed in the production of iron, and without question this production can and probably will be expanded, but in the opinion of foreign students of the problem, a large iron and steel industry based on Manchurian ores does not appear economically warranted. From its inception to date, the largest iron works in Manchuria and one which has been entirely under Japanese control, has been operated at a substantial loss almost yearly. While I was in Manchuria, a responsible Japanese, now holding a high post in the Manchoukuo Government, remarked that Japan could have constructed an iron mountain in the vicinity of Osaka out of rich imported ores at a lower cost than she has had to bear in developing Anshan--the works I just referred to--and that this ore would then have been not only better but more economically available, particularly in times of emergency, than that at Anshan.

To sum up the iron possibilities, one might say that while Manchuria can supply Japan with considerable quantities in the future, she probably cannot do so economically, due to the poor quality of the ore, the relative scarcity of coking coal, and the considerable extraction, concentration and transportation costs.

Time prevents me from considering the other mineral possibilities in Manchuria, but I may say that Manchurian copper, lead, asbestos, feldspar, magnesite, dolomite, clay, salt and gold will in varying degree prove of assistance to Japan in the future. Likewise will Manchuria's enormous tracts of timber. At present, Japan obtains only about 1% of her total timber imports from Manchuria. There are certain important commodities, however, which Manchuria will probably never supply Japan.

I have now spoken at some length concerning the possibilities of Manchuria supplying Japan with needed raw materials; now may I discuss the possibilities of Manchuria supplying Japan with an adequate market?

In the past, Manchuria's chief imports from Japan have been cotton piece goods, machinery, iron and steel, wheat flour, clothing, miscellaneous piece goods, refined sugar, paper, potteries, and a great variety of miscellaneous manufactures and foodstuffs. By far the most important of all of these has been cotton piece goods and Japan has in recent years been the chief outside supplier. What are the prospects of Japan increasing her sales of goods to Manchuria in the future? If Manchuria is to be allowed to develop rationally, the prospects are that she may take fewer of the goods which she has been accustomed to buy from Japan. If cotton production should succeed, there would be no point in sending much of the raw material to Japan for fabrication and then buying back piece goods. The same holds true for wheat flour, iron castings, and paper; and to a lesser degree for woollens, clothing, miscellaneous piece goods, potteries and many other commodities. Manchuria might even produce her own sugar and more of her silks. If Manchuria should be

-8-

permitted to develop without undue interference on Japan's part, she is as likely to evolve an economy that will conflict with Japan's as one that will complement it. If such should turn out to be the case, Japan might find that Manchoukuo could not only supply most of its own needs but that it could compete with Japan in her own and foreign markets.

But what if Japan should attempt to prevent Manchoukuo from developing rationally, i.e., what if she should attempt to "plan" Manchoukuo's economy in such a way as to keep it in a colonial or semi-colonial status? I may say that there are already evidences that Japan does not intend to allow Manchoukuo to develop as might suit only Manchoukuo, but if Japan should attempt to interfere too seriously she might invite embarrassing and costly opposition from the Chinese populace and even certain Japanese interests. Contrary to what you may have heard from some quarters, the Chinese population of Manchuria did not welcome the Japanese military as "benefactors and liberators"--or else they so successfully concealed their emotions as to deceive every foreign consul and neutral observer, including myself, who were on the spot when hostilities began and when Manchoukuo was established. It is my impression that few of the Chinese feel particularly grateful to Japan for what she has done; that most of the rest are either indifferent or passively hostile; and that some few are actively hostile enough to refuse any cooperation whatsoever with Japan. Under these circumstances, Japan may not find it economically expedient, at least for the present, to do with Manchoukuo altogether as she would like.

To sum up the possibilities of Japan solving her population problem by a greater industrialization of the Islands based on Manchurian raw materials and markets, I should say that they have been greatly overestimated. Japan at present can buy only a few important commodities in Manchuria more cheaply than elsewhere, and vested interests in Japan are in many instances opposed to their entrance. Other essential commodities now being imported are being produced either quite definitely at a loss or at no profit, or in insignificant amounts, and were their outputs to be increased, this could only be done uneconomically. Certain other commodities, cotton and wool for example, show possible promise but not for the immediate future. Timber and gold, however, may shortly be of economic importance. In my opinion there is no prospect that Manchurian resources will supply Japan in the near future with such an abundance of cheap raw materials as to allow for the very large industrialization necessary to feed, clothe, shelter and employ her additional hundreds of thousands. Cheap raw materials which may come from Manchuria fifteen years hence will not take care of the pressing needs of the next decade, and Japan cannot reasonably expect early returns from Manchuria. The construction of railroads, highways, irrigation projects and electric plants, the improvements in stock farming and agriculture, the establishment of a new government, the educating of hundreds of thousands to citizenship, and the restoration and maintenance of "peace and order"--the very program which Japan has dedicated herself to in Manchuria--all require heavy outlays; and if they are to yield returns at all--and many will--they will yield them slowly and perhaps more to Manchoukuo than to Japan. In this connection, the high military and police costs which Japan must bear in having her way in Manchuria should not be overlooked. Manchuria is not yet the "Paradise" it is painted. Ironically enough, there has never been as little peace and order in Manchuria as there has since the Japanese have attempted to restore it.

In the matter of market expansion, Manchoukuo will be only of limited importance for some time to come. At the moment, trade is exceptionally brisk, but the basis of it does not promise to endure. Japan is expending and investing heavily in Manchuria; her highly depreciated yen is giving her an enormous advantage over domestic and other foreign competition; and the newly erected Manchoukuo tariffs against imports from China are likewise playing in her favour. Once she discontinues making these expenditures and investments--which she can ill afford in the present state of her finances--and once Manchoukuo's economy is adjusted to the new local conditions and the mounting yen prices of imported merchandise, the present basis for the unusual trade will disappear. Should the Manchurian market at a later time become educated to "higher" wants and have the purchasing power to indulge in them, Japan of course would be in an excellent position again to expand her trade and on a more enduring basis.

For some time to come Manchuria will be of only slight assistance in solving Japan's population problem. There is no prospect whatsoever for mass emigration, and the Manchurian raw materials and market will not, in my opinion, economically

- 9 -

support the expansion of Japanese industry and trade rapidly enough to take care of the hundreds of thousands of additional Japanese who will require sustenance and employment during the next decade. The assistance which Manchuria may conceivably render Japan in the distant future will be of little service in satisfying the urgent and non-postponable needs of the immediate future.

Earlier I told you that Japan's problem of balancing her foreign trade was very intimately related to her population problem. I believe that you can now clearly see what this relation is, and also why controlling Manchuria does not provide the solution to it--at least not for some time to come. Manchuria's resources do not give promise of an early or great Japanese industrial expansion based on cheap raw materials, and if Japan hopes to compete in world markets, she cannot handicap her industries with high priced raw materials. Further, she must bear in mind that her manner of gaining control of Manchuria has injured her trade opportunities and credit standing in certain important areas, and that the extremely low yen, for which her military operations are greatly responsible, has provoked--justly or not--widespread "anti-dumping" duties. How lasting these injuries will be is difficult to predict, but for some time to come Japan must continue to accept them as part of the price she must pay for controlling Manchuria. A huge internal debt and high taxes will likewise serve to remind her of another portion of the price.

In closing may I say that I do not believe that controlling Manchuria will provide Japan with adequate solutions to her most pressing economic problems. Her population and trade problems are yet before her and time is of the essence in their solution. Further, the heavy costs of the venture and the venture itself have aggravated and precipitated other problems, the magnitude and seriousness of which have yet to be fully realized. With a more judicious handling of her Manchurian problem, Japan was destined to gain much of what she will obtain in Manchuria, and insofar as net economic gain is concerned, she could easily and might wisely have spared herself the cost of the entire venture. She may get more out of Manchuria economically than she otherwise would have, but this possible gain in my opinion has been bought too dearly.

Berkeley, California  
June 26, 1933

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 17, 1933.

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Warrington Dawson's report of August 1, 1933, summarizes an article by J. Delebecque which appeared in L'ACTION FRANCAISE of July 29. Delebecque remarks that Chinese-Japanese relations are becoming more friendly and that a time may now be foreseen when China will resign herself to the inevitable and Japanese diplomacy will gain a distinct advance.

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



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EMBASSY OF THE  
UNITED STATES OF AMERICA



Paris, August 1, 1933

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DEPARTMENT OF STATE  
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DIVISION OF  
WESTERNEUROPEAN AFFAIRS

SPECIAL REPORT  
(No. W. D. 1288)

To the Secretary of State  
Washington, D. C.

The American Ambassador forwards herewith  
Mr. Warrington Dawson's Special Report No. W. D.  
1288, dated August 1, 1933.

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



EMBASSY OF THE  
UNITED STATES OF AMERICA

Paris, August 1, 1933

Serial No. W. D. 1288

SPECIAL REPORT

By Warrington Dawson  
Special Assistant

SUBJECT: L'ACTION FRANCAISE Foresees a  
Sino-Japanese Accord

L'ACTION FRANCAISE published on July 29th an editorial by J. Delebecque drawing attention to the recent improvement in relations between Nanking and Tokyo, remarking that the most nationalistic among Chinamen were gradually calming down since they observed that they could depend upon no-one except themselves, the League of Nations having had nothing to offer but speeches and reports and having revealed itself as being radically incapable of bringing effective aid. In the meanwhile, the relative moderation of the Japanese, who abstained from the vain satisfaction

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

-2-

of entering Peking, had facilitated a friendly settlement between the parties interested. It would be premature to consider that all the difficulties had been settled, since some remained and Mr. Soong is at present in Europe, endeavoring to throw oil on the flames. But these subsisting difficulties are not insurmountable, according to Delebecque, and a time may now be foreseen when China will resign herself to the inevitable and Japanese diplomacy will gain a distinct advance with the help of the firmness and flexibility of which it has already given proof.

Delebecque goes on to say:

"China, which has endured several foreign dominations, has always ended by absorbing its conquerors; it has confidence in its perennial quality. If events turn definitely in favor of a lasting understanding with Japan, the prestige and the interests of Westerners would undoubtedly be delivered a severe blow. If Europe, represented by the League at Geneva, and America had wished to secure this brilliant result, they could not have gone about it any better. Their action in the Far East has indeed been a lamentable farce. Knowing in advance that they would

do

-3-

do nothing for China, they endeavored to stir the country up, encouraging it in a useless resistance only to withdraw and leave China isolated at the decisive moment. We believe and we say once again that any action against Japan would have been sheer madness. But it was no less mad to draw on the Chinese with false hopes. The fault committed in this way will probably prove to be irreparable and a heavy price will be paid for it. If China never believed in the dogma of the spiritual and moral superiority of the white race, it at least believed in a material superiority. This belief is fading and very soon will have disappeared entirely."

Very respectfully,

*Warrington Dawson*

Warrington Dawson  
Special Assistant

✓  
Enclosure:

Article from L'ACTION FRANCAISE of July 29, 1933

In quintuplicate

851.9111/6a

WD/DG

Enclosure to Special Report No W.D. 1288 of August 1st, 1933  
From American Embassy at Paris  
Extract From " L' ACTION FRANCAISE " of July 29, 1933

## Vers l'accord sino-japonais ?

Les relations entre Nankin et Tokio se sont, depuis quelque temps, sensiblement détendues. Les Chinois les plus nationalistes se calment peu à peu, en constatant qu'ils n'ont à compter que sur eux-mêmes, la S. D. N. n'ayant su mettre à la disposition de la Chine que des discours et des rapports, et s'étant montrée, en fin de compte, radicalement incapable de lui apporter une aide efficace. En même temps, la modération relative des Japonais, qui se sont refusés la vaine satisfaction d'amour-propre d'entrer à Pékin, pourtant à leur merci, a facilité un règlement amiable entre les parties intéressées. Certes, tout n'est pas arrangé (M. Soong, en tournée en Europe, s'efforce de jeter de l'huile sur le feu), et des difficultés subsistent. Mais elles ne sont pas insurmontables et on peut prévoir le moment où, la Chine s'étant résignée à l'inévitable, la diplomatie nipponne, qui a su faire preuve de fermeté et de souplesse en même temps, marquera un point sérieux.

Il faut bien se convaincre d'ailleurs que les événements d'Extrême-Orient ne doivent pas être considérés avec nos yeux d'Européens. L'état de guerre officiel n'a jamais existé entre le Japon et la Chine, et tout porte à croire que le gouvernement de Nankin, connaissant la disproportion énorme de ses ressources et de celles de l'adversaire, n'a pas eu d'autre intention, lors de la campagne du Jehol, que de sauver la face et d'opposer seulement une apparence de résistance à l'envahisseur pour apaiser l'indignation, réelle ou simulée, des patriotes de Canton et autres lieux. Au plus fort du conflit, — le fait est souligné par l'excellent collaborateur du *Journal de Changhaï* qui signe « Un Chinois », — les relations entre les autorités japonaises diplomatiques et consulaires d'une part, et les autorités chinoises centrales, provinciales et municipales de l'autre, ont toujours conservé un « caractère amical ». Tragi-comédie? dirait-on. Peut-être bien. Le « Chinois » du *Journal de Changhaï*, qui connaît son pays et ses concitoyens, ne s'en indigne pas et approuve la diplomatie chinoise d'avoir temporisé. « A quoi cela aurait-il servi de couper les nœuds derrière soi? »

En fin de compte, l'opinion publique chinoise, « si elle a jamais existé » (c'est le *Journal de Changhaï*, confirmant ce que nous avons toujours pensé, qui parle), s'est calmée et ne manifeste aucune réaction en apprenant que le ministre du Japon en Chine est en conversation avec le président du Conseil exécutif de Nankin, afin d'arriver à la coopération des deux puissances « pour la grande cause de l'établissement de la paix et de l'ordre en Extrême-Orient », c'est-à-dire à la constitution d'une sorte d'« Empire jaune » où l'influence japonaise serait naturellement prépondérante.

Le gouvernement de Tokio est en train de recueillir les fruits de sa patience et de sa ténacité. Dans beaucoup de milieux chinois, on commence à se dire en effet qu'une alliance sino-japonaise pourrait être la meilleure, ou la moins mauvaise, des solutions. Au cours de sa longue histoire, la Chine en a vu bien d'autres. Rien de ce qui s'y passe aujourd'hui n'est nouveau. Révolutions, déchirements, brigandage, catastrophes de toute nature, ébranlent périodiquement ce vaste organisme qui, malgré les épreuves les plus terribles, ne s'est jamais décomposé. La Chine, qui a subi plusieurs dominations étrangères, a toujours fini par absorber ses vainqueurs; elle a confiance en sa pérennité.

Si les choses tournent définitivement dans le sens d'une entente durable avec le Japon, le prestige et les intérêts des Occidentaux en recevront sans doute un coup sérieux. L'Europe, représentée par l'assemblée de Genève, et l'Amérique auraient voulu obtenir ce brillant résultat qu'elles n'auraient pas manœuvré autrement. Elles ont joué en Extrême-Orient une lamentable comédie. Sachant d'avance qu'elles ne feraient rien pour la Chine, elles se sont appliquées à la surexciter, à l'encourager à une inutile résistance pour se dérober et la laisser seule au moment décisif. Nous croyons et nous répétons qu'une action contre le Japon eût été insensée. Mais il a été non moins insensé de leurrer les Chinois de fausses espérances. On a commis là une faute probablement irréparable, qu'on paiera cher. Si la Chine n'a jamais cru au dogme de la supériorité spirituelle et morale de la race blanche, elle croyait du moins à celui de sa supériorité matérielle. Foi qui s'évanouit et dont il ne restera bientôt rien.

J. DELEBECQUE.

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



EMBASSY OF THE  
UNITED STATES OF AMERICA  
Tokyo, July 29, 1933.

~~7E~~  
EE

No. 484

SUBJECT: Japan's interest in the Activities of  
Marshal Feng Yu-hsiang.

793.94

Division of  
FAR EASTERN AFFAIRS  
AUG 14 1933  
Department of State

copy in FE

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

AUG 12 1933

DIVISION OF  
EASTERN EUROPEAN AFFAIRS  
AUG 18 1933  
COPY IN 77-6000-10  
DEPARTMENT OF STATE

F/E SP

793.94/6457

The Honorable  
The Secretary of State,  
Washington.

Sir:

The attention of the Department is invited to the concern with which the Japanese are viewing the activities of the so-called "Christian General", Marshal Feng Yu-hsiang, in the border province of Chahar. Marshal Feng recently commenced an independent military campaign, defeated a pro-"Manchukuo" army under General Li Shou-shen, and with the occupation of Dolonor on July 11th assumed control over a district immediately to the west of the

"Manchukuo"

-2-

"Manchukuo" province of Jehol, immediately north of the Peiping area, and immediately south of western Heilunkiang in "Manchukuo". The territory under Feng's control includes the important city of Kalgan.

Marshal Feng's action is a source of great embarrassment to the Nanking Government and to the Kwantung army alike and both sides have registered vigorous protests. His activities have disturbed the comparative quiet in North China and are a menace to the Tangku Sino-Japanese Armistice Agreement.

On the Chinese side, Marshal Feng has been offered several inducements to cease his military activities, the chief inducement being the somewhat mysterious position of "Director General of Reforestation and Reclamation". Inducements being of no avail a Chinese punitive expedition under General Lung has been despatched by the Peiping authorities to deal with Feng, but it is very questionable whether a Chinese punitive expedition will prove as efficacious as its Japanese counterpart.

On the Japanese side, the Kwantung army has not been idle. Feng, whose forces are estimated by the Japanese to number 60,000 men, controls Dolonor, some fifteen miles from the "Manchukuo" border and, facing this town just across the mountains within "Manchukuo" are three Japanese detachments which have been moved there should military action be deemed necessary. The terrain in this part of Jehol and Chahar is exceedingly unfavorable

- 3 -

unfavorable for military operations, an expedition would prove very costly, and accordingly it is reported that the Japanese Army hopes that the troublesome General will be eliminated in some other manner. They further realize that Feng himself would in all probability elude capture.

Meanwhile in Japan the question of Marshal Feng is gradually being brought before the public eye. Opinion is united in condemning Feng, whose career has been marked by a degree of brigandage and betrayal which has earned him the thorough contempt of the Japanese. The public feels that the Kwantung army has been challenged, and it questions whether the "Manchukuo"-Japanese treaty does not obligate Japan to punish Feng despite the fact that he is without the present borders of "Manchukuo". On July 26 an editorial in the TOKYO ASAHI went so far as to state that "circumstances make it impossible for Japan and Manchukuo to wait" and again that "for the sake of the truce pact guaranteeing order in North China, punitive operations are badly needed".

But more important than the question of whether Japanese military action against Feng will occur are two possibilities latent in the situation. In the first place the War Office in Tokyo is convinced that Feng is receiving money and supplies from Soviet Russia via Urga. If an expedition should be despatched and this fact confirmed, it is apparent that it will have a most deleterious effect on Soviet-Japanese relations, already strained\*, and that

76.94/615

\_\_\_\_\_ the  
\* Embassy despatch No. 472, July 13, 1933, and No. 483, July 28, 1933.

- 4 -

the Japanese would be provided with a favorable opportunity for calling the Soviets to account. A crisis of some magnitude could hardly be avoided.

In the second place the present situation leads to the realization that the Japanese have been provided with a measure of provocation which might induce them to incorporate this region within the state of "Manchukuo". It is an upland plateau suitable for grazing, includes the important town of Kalgan, and is so situated as to form an undesirable salient into the western flank of "Manchukuo". The opinion has many times been expressed that Chahar would eventually be absorbed by "Manchukuo", and the Department's attention is accordingly invited to the possibility, occasioned by the activities of Marshal Feng, of the westward expansion of Japanese control in the not-distant future.

Respectfully yours,



Joseph C. Grew.

800.

JGP:r

In quintuplicate to the Department  
Copy to Legation, Peiping.

~~JEF~~  
~~SJA~~

Summary

EF

Despatch No. 484

Date: July 28, 1933

Subject: Japan's interest in the activities of  
Marshal Feng Yu-hsiang.

Summary:

The "Christian General" Marshal Feng Yu-hsiang, has seized control of the border province of Chahar by means of an independent military campaign. His action is a source of great embarrassment both to the Nanking Government and to the Kwantung Army and menaces the Tangku Armistice Agreement. The Chinese have despatched a punitive expedition of doubtful effectiveness while the Kwantung Army has stationed detachments in Jehol not far from the Chahar border. Owing to the difficulty of the terrain the Japanese army hope that it will not be necessary to proceed against Feng. In Japan Feng's actions are receiving more publicity, and the Tokyo ASAHI states editorially that "punitive operations are badly needed".

The situation contains two latent possibilities. First, the War Office in Tokyo is convinced that Feng is receiving supplies from Soviet Russia via Urga. If a Japanese expedition should confirm this, a serious crisis between Japan and Soviet Russia might eventuate. Second, Japan has been furnished with a measure of provocation and the opinion has often been expressed that Japan would incorporate the Chahar region within the borders of "Manchukuo". The Department's attention is therefore invited to the possibility of the westward expansion of Japanese control in the not-distant future.

.....

0635  
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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

August 23, 1933.

~~RCM:~~  
~~SFF:~~  
~~SEN:~~

The Minister transmits herewith a memorandum of a conversation with Sir Miles Lampson, the British Minister, during the course of which they decided that it would be unwise for the American and British troops at Tientsin to go to their summer camps at Chinwangtao and Shanhaikwan until the Peiping-Mukden Railway was again in Chinese hands. I think that you might be interested in reading the entire memorandum of conversation.

J.E.F.

JEJ/VDM

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



LEGATION OF THE  
UNITED STATES OF AMERICA

Peiping, July 15, 1933.

No. 2203

Subject: Railway Communications with  
Shanhaikwan.

793.94  
note  
893.77 Manchuria  
AM RECD  
STATE DEPT  
AUG 12 1933

Division of  
FAR EASTERN AFFAIRS  
AUG 14 1933  
Department of State

75

F/ESP  
793.94/6458

The Honorable  
The Secretary of State,  
Washington.

Sir:

893.00/12382

Referring to the Legation's despatch No. 2163 of  
June 21, 1933, and to its telegram No. 554 of June 24,  
11 a.m., I have the honor to transmit herewith a memo-  
1/ randum of a conversation I had on July 5, 1933, with  
Sir Miles Lampson, the British Minister, regarding the  
situation created by the Tangku Armistice of May 31,  
1933.

Sir Miles and I agreed, among other things, that

it

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AUG 28 1933

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

- 2 -

it would be unwise for our respective military forces to go to their summer camps at Chinwangtao or Shanhai-kwan until the railway line was again in Chinese hands. We did not feel that our troops should go there either under the protection of the Japanese or by an international military train.

Respectfully yours,

*Nelson Trusler Johnson*

Nelson Trusler Johnson,

✓  
Enclosure:

1/Memorandum of conversation  
July 5, 1933.

800.

CVHE/js.

Sir Miles said that he had no information.

I stated that my information was somewhat vague; that the terms of the truce had been published by the Japanese. So far as I knew, I had seen no official publication by the Chinese, although I had obtained an official copy in the Chinese language from Vice Minister Liu, and upon comparing it with the text published by the Japanese found them to agree. I said that it seemed to me that the text followed pretty closely the text of the truce agreement which had been signed under our supervision at Shanghai on May 5th of last year, except that there was no neutral commission to supervise its performance.

I added that publication of the terms by the Japa-

nese

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

1  
2203

Conditions along the Peking-Mukden Railway

Peking, July 5, 1933.

Sir Miles Lampson, British Minister.

I asked Sir Miles whether he had any recent information in regard to conditions along the Peking-Mukden Railway, and more specifically in the area which was to have been mutually evacuated under the truce signed at Tangku.

- 2 -

nese seemed to me to place the onus upon the Japanese of proving that the terms were not being sincerely complied with in so far as the Chinese were concerned. The terms, according to my reading of them, certainly called for evacuation by both sides. In so far as my information went, the Chinese had evacuated the area, while the Japanese had not. I was informed that the Japanese still maintained a force of over a thousand men at Miyun; that they had small forces at other places in the area; and that they were supporting, indirectly, if not directly, the so-called "Manchukuo" or renegade troops of Shih Yusan and Li Chi-chun now located in the area between Shanhaikwan and Tangshan.

Sir Miles stated that he had been very anxious to keep aloof from the whole situation there. He referred to the conversation which I had had with Mr. Holman of the British Legation regarding the proposal of our respective military units at Tientsin to seek to get a train through to Shanhaikwan. He said that Mr. Holman had reported my views and that he at that time agreed with my views and had instructed Holman so to inform the military.

I told Sir Miles that my feeling about the matter was that we did not wish our troops to go to Chinwangtao either with the permission or under the protection of the Japanese. Sir Miles stated that that was his own attitude

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

- 3 -

attitude in regard to his troops, and that furthermore he felt that, as a military matter, it would be a grave mistake to allow British forces to go to Chinwangtao and Shanhaikwan and there get cut off.

With reference to the proposal which the Japanese military at Tientsin had made to several of the military detachments of the other powers, offering them an opportunity to join in despatching a train to explore the situation between Tientsin and Tangshan, Sir Miles stated that his military had taken the same attitude that our military had taken, and had refused to join in the undertaking. He supposed that the Japanese had put this plan into operation for the purpose of showing their determination to assist directly in the business of opening up communications along the railway.

Nelson Trusler Johnson,  
American Minister.

NTJ.EA

3645  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 22, 1933.

~~RCM:~~  
~~SJF:~~  
~~SKH:~~

In the attached despatch  
Shanghai reports that Mr.  
Wang Ching-wei, President  
of the Executive Yuan,  
had delivered an address  
in which he gave his whole-  
hearted support to the Tangku  
armistice agreement and the  
American cotton and wheat loan.

JEJ/VDM

2.3.2

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

No. 9008

*Copy into FE*  
Division of  
FAR EASTERN AFFAIRS  
AUG 15 1933  
Department of State

*9/E*  
*etc*

AMERICAN CONSULAR SERVICE

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

American Consulate General,  
Shanghai, China, July 12, 1933.

Subject: Address by Mr. Wang Ching-wei regarding  
Tangku armistice agreement, American  
wheat and cotton loan and internal  
affairs.

*793.94*  
*note*  
*893.4*

AM 1100



THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.

FOR DISTRIBUTION - CHECK  
To the Field   
In U. S. A.

F/ESP

793.94/6459

AUG 29 1933  
FILED

I have the honor to transmit herewith as of interest  
an excerpt from the KUO MIN NEWS AGENCY bulletin of July  
11, 1933, giving the substance of an address by Mr. Wang  
Ching-wei, President of the Executive Yuan at the weekly  
memorial service at the Central Party Headquarters on  
July 10, 1933. Of particular interest is Mr. Wang's  
reference to the Tangku armistice agreement and the  
American wheat and cotton loan. To both of the fore-  
going Mr. Wang gives his unqualified approval. In re-  
gard to the armistice agreement Mr. Wang is reported to  
have stated that the agreement was concluded at his sug-  
gestion and that he assumes full responsibility therefor.  
With regard to the wheat and cotton loan Mr. Wang answers  
criticisms made against the loan by the southwestern  
leaders. He states that the proceeds of the loan should  
be used exclusively for reconstruction purposes, particu-  
larly agricultural reconstruction and that the Central  
Political Council were now considering measures covering  
the disposal of the proceeds of this loan.

There

*12*

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

- 2 -

There is nothing new in Mr. Wang's speech but it is transmitted primarily for the purpose of showing that he has apparently given his whole-hearted support to these two Nanking government measures. In view of his past record of vacillation this fact is not without interest.

Respectfully yours,

*Edwin S. Cunningham*  
Edwin S. Cunningham,  
American Consul General.

Enclosure:

1/- Copy of an excerpt from the  
KUO MIN NEWS AGENCY bulletin  
of July 11, 1933.

IN QUINTUPLICATE

Copy to the Legation.

800.  
PRJ/RN

Enclosure No. 1 to despatch No. 9008 of Edwin S. Cunningham, American Consul General, Shanghai, China, dated July 12, 1933, on the subject: "Address by Wang Ching-wei regarding Tangku Armistice Agreement, American Wheat and Cotton Loan and Internal Affairs."

( C O P Y )

( KUO MIN NEWS AGENCY )

July 11, 1933.

Nanking, July 11.-- Various questions of current interest, including the Tangku armistice agreement, the American wheat and cotton loan, the situation in Sinkiang and Szechuen, and the Tsingtao naval dispute were dealt with by Mr. Wang Ching-wei, President of the Executive Yuan, in an address at the weekly memorial service at Central Party Headquarters yesterday.

President Wang began by referring to a recent statement issued by Mr. Hu Han-min at Hongkong, in which it was alleged that he (Mr. Wang) had tendered his resignation on account of his opposition to the signature of the Tangku armistice agreement and that it was only after strong persuasion by General Chiang Kai-shek that he agreed to cancel his resignation.

Characterizing the allegation as entirely unfounded, President Wang emphasized that it was at his suggestion that the agreement was concluded. He drew attention to his statement of June 1 and the circular telegram he issued on June 2 explaining the reasons for the conclusion of the agreement. Whether the agreement be justifiable or not, he must assume the full responsibility therefor, as he had strongly advocated its conclusion. He pointed out that he had sent telegrams to Generals Chen Chi-tang, Li Tsung-jen, Pai Chung-hsi, Chen Ming-shu and Chiang Kwang-nai explaining that the agreement was concluded at his recommendation.

Regarding the criticisms levelled by the South-western leaders against the American wheat and cotton loan, President Wang said that the criticisms were unwarranted, as the critics appeared to have overlooked the fact that every year China had imported enormous quantities of wheat and cotton from abroad. The gist of the criticisms, he pointed out, was that the influx of large quantities of wheat and cotton to be purchased under the loan agreement would tend to lower the price of native cotton and thus prove detrimental to native cotton producers. This would not however be the case, as, even had no such loan been concluded, the country would still have to import from abroad about the same quantity of wheat and cotton provided for by the loan.

In this connection, President Wang quoted Customs figures to show that a total of \$315,754,357 worth of foreign cotton, flour and wheat was imported last year and that of this, \$196,950,006 worth was imported from the United States.

As

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As regards the disposal of the proceeds of the loan, President Wang said that it had been definitely decided by the Central Political Council, the Legislative and the Executive Yuans that the proceeds should not be used for the financing of domestic military campaigns nor for defraying military and administrative expenses, but should be used exclusively for reconstruction purposes, particularly for agricultural reconstruction. In this connection, he emphasized that agricultural reconstruction was of prime importance in bringing about the national recovery. He hoped that the nation would realize this cardinal principle.

President Wang further intimated that measures governing the disposal of the proceeds of the wheat and cotton loan as well as the custody thereof were now under careful consideration by the Central Political Council.

Referring to the situation in Sinkiang, President Wang enunciated what he described as the three fundamental principles which must be followed in the administration of Sinkiang. These were, firstly, that the power of diplomatic negotiation should be concentrated in the hands of the Central Government; secondly, military forces in Sinkiang should be subject to direct control by the Central Government; and thirdly, the principle of freedom of belief and racial equality must be faithfully enforced. Apart from these, reforms should also be introduced in the political and financial administration of the province and communications must be developed.

President Wang intimated that whether or not Mr. Sheng Shih-tsai and General Liu Wen-lung, respectively Acting Chairman of the Province and Acting Border Commissioner for Sinkiang, would be entrusted by the Government with permanent charge of the political and military administrations of the province would depend entirely upon whether they were ready to follow and observe the three fundamental principles referred to above.

Turning to the Szechuan situation, President Wang pointed out that the appointment of General Liu Hsiang as Bandit-suppression Commander for Szechuan was necessitated by the grave situation arising from the Communist banditry in Szechuan.

Deploring the complicated military situation in Szechuan, President Wang pointed out that this state of military rivalry was due primarily to the system of "garrison areas," whereby each commander was assigned to a certain specified garrison area. He hoped that by placing all the units under the control of General Liu Hsiang for bandit-suppression purposes, this undesirable practice might be removed.

President Wang further pointed out that the present situation in Szechuan was comparable to the state of "armed peace" which prevailed in Europe on the eve of the Great War. Hostilities could break out almost at any moment between the rival military leaders who were all armed to the teeth. He estimated that there

was

- 3 -

was at present a total of about 500,000 troops in Szechuan, who had proved such a drain upon the provincial resources that the farm tax had been collected in advance up to the 56th year of the Republic.

Continuing, President Wang said that the first step to be taken in the liquidation of the Szechuan situation was to put an end to civil strife and to suppress banditry. He intimated that should any commander remain recalcitrant, the Government would be prepared to take summary measures.

Regarding the Tsingtao naval dispute, President Wang pointed out that the resignation of Admiral Shen Hung-lieh as Commander of the North-Eastern Squadron has been accepted by the Government. Owing however to the opposition of the squadron, no successor to Admiral Shen had as yet been appointed. In this connection, President Wang deprecated the fallacious stand taken by the North-Eastern Squadron, which did not consider itself subject to the control of the Ministry of the Navy and would not, it would appear, accept a commander appointed by that Ministry. Such an attitude, President Wang emphasized, amounted to a disruption of the Government administrative system. He concluded by declaring that the Government would not allow itself to be influenced by this unreasonable stand and would do what it considered to be right. --Kuo Min.

Copied by Syz  
Compared with

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

DOCUMENT FILE

NOTE

SEE 883.00 P. R. Hankow/74 FOR Despatch # 528.

FROM Hankow (Adams) DATED July 12, 1933.  
TO \_\_\_\_\_ NAME \_\_\_\_\_

6460

REGARDING: Kuomintang-controlled WUHAN JIH PAO offered  
an apologia for Nanking's signing of the  
Tangku armistice agreement.

hs

7.93.94 / 6460

0652

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

b. Relations with Other Countries.

JAPAN. The Kuomintang-controlled WUHAN JIH PAO, as was to be expected, offered an apologia for Nanking's signing of the Tangku armistice agreement. In its editorial of June 2, it pointed out, in effect, that the campaign of resistance had been fruitless and costly besides, and moreover that the Japanese threat had reached the very gates of Tientsin and Peiping, hence it had been found politic to sign an agreement for the cessation of hostilities. It was the contention of the JIH PAO that the agreement was purely local, military, and temporary in its nature, and

\*See this office's No. 318 of June 19, 1933, to the Department.

065  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 22, 1933.

~~ROM:~~  
~~OT:~~  
~~SM:~~

In the attached letter to the Minister, Mr. Peck gives some interesting sidelights on the policy of the Chinese Government as gleaned from a conversation with Dr. Lo Wenkan, Minister for Foreign Affairs, on the evening of June 28, 1933. I think that the entire letter is worth reading.

J.E.J.

JEJ/VDM

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

Letter Copies Sent To The Department Without Charge.  
Nanking Office, June 29, 1933.

Nanking Office, June 29, 1933.

Division of  
EAST ASIAN AFFAIRS  
AUG 16 1933  
Department of State  
*Handwritten initials and signatures*

CONFIDENTIAL

The Honorable  
Nelson Trusler Johnson,  
American Minister,  
Peiping.

793.94

Sir:

I have the honor to refer to my letter of June 18, 1933, in which I reported a radical change of view point indicated by Dr. Lo Wen-kan, Minister for Foreign Affairs, toward the policy of resistance to the Japanese. The observations of Dr. Lo reported in that letter showed that he was no longer insisting upon forcible resistance to Japan.

I attended a dinner last night at which Dr. Lo was present and in the course of the evening we had another private talk. I reverted to his earlier remarks and Dr. Lo elucidated his position. He insisted that Chinese sentiment was in no way reconciled to Japan's oppression or to the loss of Manchuria and Jehol, but simply that the Government faced the reality that China could no longer fight against Japan. He apologized for the use of the colloquial English expression, but said that the best way to describe the position of the Chinese was to admit that "we're licked".

F/G 793.94/6461

AUG 28 1933

- 2 -

I remarked that I had been impressed by the arguments which he had quoted to me that China should desist from attempting to follow the historical precedent of Belgium at the beginning of the World War and should, rather, follow the example of France in regard to Alsace-Lorraine after the Franco-Prussian war, namely, accept defeat and defer the recovery of the lost territory until a suitable opportunity should present itself, even if this entailed waiting for many years. Dr. Lo, with surprising frankness, said that this was "eye wash" and was intended merely to throw a cloak of respectability over the Government's unavoidable decision.

I said that, things being as they are, the question which pressed for attention was what the next development would be. I said it was unbelievable to me that the situation would remain static, since the population of China constituted a quarter of the world's people and the Chinese were a nation of persistent and irrepressible activity; every Chinese was continually working at something. Consequently, I inferred that the economic activities of the Chinese would adapt themselves to the present situation and seek to expand under the altered circumstances, thus making these altered circumstances permanent, or there would be another attempt to change China's relations with Japan. I was very anxious, I said, to give my superiors some indication of the trend of events and of what the next development probably would be. From what direction, I inquired, would the next change in the situation come?

Following

- 3 -

Following this line of reasoning I recalled what Dr. Lo had said to me on the earlier occasion regarding the possibility that the Chinese nation might decide that its advantage lay in working with, instead of against, Japan. Dr. Lo said that he did not feel that this reorientation was inevitable, but only that it was greatly to be feared. I ventured the supposition that Chinese popular feeling might gradually become accustomed to the idea that Manchuria had been lost and might lose its feeling of resentment. Dr. Lo insisted that the resentment would not disappear and that it would tend to prevent Chinese-Japanese coalition. Dr. Lo did not by any means retract his earlier prophecy, but toned it down in such a way that it was clear that he hoped that his pointing out the threatened danger to Ingram and me would move the British and American Governments to take some steps to prevent the alinement of China with Japan.

Dr. Lo said that if China were to be dissuaded from following the counsels of despair and following the lead of Japan, there would have to be some indication of assistance from "outside". He referred again to the recent U.S. \$50,000,000 loan for the purchase of American wheat and cotton as an instance of "moral assistance" to China. He observed that international loans were generally of two sorts, one being a mere matter of security offered and interest paid, the other an indication of friendly sentiment. He pointed out that the circumstances under which it was made showed that the American wheat and cotton loan belonged to the second category. The

European

- 4 -

European "war debts" to the United States were, likewise, in the second category. He asked, rhetorically, what it was that won the World War for the Allies? It was not the joint warfare of the Allies, but their joint warfare reinforced by the assistance of the United States. He said that debts in the first category were subject to the ordinary risks of business, whereas debts of the second class were debts of honor and the debtors were in honor bound to make every effort to repay them, whatever the sacrifice involved. He observed that it was not his concern, but he could not approve of the unwillingness of the European debtors to repay loans made to them in the time of their distress.

To make the conversation more concrete, I asked what he thought the Japanese were going to do about the troops of Li Chi-chun in the Luanchow area. He said he thought that the Japanese would leave these troops in that region for the time being, to be utilized as a trading factor in future negotiations with China. He thought that the principal object of the Japanese was to bring about the abandonment of the boycott and that these troops would be retained as trading points to bring about the cancellation of the boycott or to obtain other advantages in a general settlement. He did not think that they would be left in Chinese territory indefinitely.

When I inquired whether Dr. Lo thought the Japanese would continue their incursions into China, he said that that would depend upon circumstances; the Japanese would observe the general international situation and would be

guided

- 5 -

guided by it. For instance, the nations are now occupied by the World Economic Conference; consequently, the Japanese are leaving the "Manchukuo" troops in the Luanchow area. If the world situation leaves Japan a free hand in dealing with China, Japan will not modify her past policy.

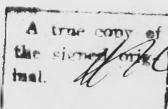
I asked Dr. Lo what the relations were between Canton and Nanking. He said that Mr. Shih Ying and Mr. Tuan Hsi-peng had returned to Nanking on June 27, from their mission of conciliation to Hongkong. He said he had not been informed definitely what results they had achieved, but he thought that, for the time being, the danger of an independent Government being set up in Canton and of an "anti-Nanking" expedition had been passed. Internal quarrels, Dr. Lo insisted, are merely a matter of "rice bowls" and will adjust themselves. They need not cause apprehension.

Respectfully yours,

Willys R. Peck,  
Counselor of Legation.

In duplicate to the Legation.

WRP:MCL



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

SEVENTY-THIRD CONGRESS

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FRANCES MARTIN, ASSISTANT CLERK

HOUSE OF REPRESENTATIVES

COMMITTEE ON MILITARY AFFAIRS

WASHINGTON, D. C.

August 2, 1933



26 1933

F/H/S

Division of  
FAR EASTERN AFFAIRS  
AUG 22 1933  
Department of State

*Ans*  
*file*  
*Ho*

AUG 22 33

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793.94

793.94/6462

Hon. Cornell Hull,  
Secretary of State,  
State Department,  
Washington, D. C.

My dear Mr. Secretary:

I hand you a statement by a number of prominent citizens of Greenville, South Carolina, urging that you invite Mr. T. J. League of Greenville, South Carolina, to Washington to confer with you on the situation in Manchuria and China. I know Mr. League personally and know that he is a well-educated and widely traveled man. It seems that he was in North China for about thirty-five years, and during that time he had the very best of opportunities to make observations, and these have since been followed by reading and reflection. I should be very pleased if you should see fit to invite Mr. League to give your Department the benefit of his knowledge and observations.

I regret to say that Mr. League's financial condition is such that he would be unable to defray his own expenses to Washington at this time. But I am sure that he would not accept anything for his services, and would expect merely his traveling expenses and hotel bills.

Yours very respectfully,

*J. J. McSwain*  
J. J. McSwain.

Enc. ✓

SEP 11 1933

FILED

Greenville, S.C.  
July 13, 1933

The United States Department  
Of State  
Washington, D.C.

We the undersigned citizens of Greenville, S.C. have read a number of articles written by T.J. League of Greenville, and most of us have had conversations with him, or heard lectures by him on the Manchurian problems.

The points of view presented seem to have a very solid background of important and well established evidence. Most of it is first hand information gained by apparently intimate contact with important men, largely Chinese, who were connected with the developments from 1889 to 1924- the period in which the problems were evolved.

So much have we been impressed that we wish hereby to respectfully express the opinion that the information is of sufficient value to warrant the Department in asking Mr. League to appear before it and present the results of his observations.

It is our understanding that your Department invites men from time to time, who have had unusual opportunities for obtaining information regarding questions of international concern. This we believe Mr. League to have had to a marked degree.

Soliciting your esteemed attention,

Signed

Name
<u>W. J. Martin</u>
<u>J. E. Brunson</u>
<u>William White</u>
<u>J. Martin</u>
<u>B. J. Brown</u>
<u>W. R. Hale</u>

Title or Occupation
<u>Pres. Textile Hall Corporation</u>
<u>Asst. Editor, Greenville News.</u>
<u>Physicians</u>
<u>Lawyer -</u>
<u>Pres. Furman University</u>
<u>Pres.</u>
<u>CAROLINA LOAN &amp; TRUST CO.</u>

0661

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

Outline of Experiences and Contacts- 1889-1923.

The time 1889-1894 spent studying language with daily exercise in speaking. 1894 came the war with Japan over the Korean disputes. Saw much of the movement of Troops on the way to Manchuria where the fighting mostly took place. Later came in contact with British Officer who was with the Chinese fleet at the battle of Yalu. Saw numbers of Chinese disbanded troops after the end of the war, and got much of their view point. Followed the course of treaty agreements bringing to close the Sino-Japanese War, with its resultant effects on Russian plans in the far East.

In the years 1895-1904 and 1905 came in contact with the noted Chao Family, two brothers of which were Viceroys under the Manchu Emperors. They were of the "Bannerman" class. The Elder brother Chao Er Shun was Viceroy of Manchuria, and Chao Er Feng Viceroy of the great province of S'ze C'huan, on the extreme Western border of China. This gave very valuable contact with the Manchurian status, and the relations of the later Chinese Republic of Manchuria.

Followed with great attention the Russe-Japanese war, 1904-5 and subsequent developments of Japanese interests in Manchuria. From 1907 to 1914 lived in Tsingtau, the German created and controlled port in Shantung. Came in contact where with Japanese who were naturally

-2-

a good deal concerned with the events leading up to the Manchu abdication, as their Manchurian interests would be affected seriously by the outcome of development.

From 1914 to 1917 was in Tientsin, to which place a considerable number of Germans who had been helped by Chinese to leave Tsingtau when it was invested by the Japanese as a result of the European War. Tientsin as well as Tsingtau was a very excellent place for observing the course of events. From 1917 to 1919 was in the employ of the British War Office, in charge of paycenters for the Chinese Labor Corps which was sent to France for the transport service of the British army. This was a most informative experience.

From 1919 to 1924 was in Tsinanfu, the capital of Shantung and the terminus of the German built Shantung Ry., and the point of junction of which with the Tientsin-Pukow Ry. During this time the Japanese were in charge of German built Tsingtau as also the Shantung Ry., - a most important and significant period.

From this brief outline it will be apparent that the main sources of information have been Chinese, so there is no reason to suppose that their side of the problem has in any way been neglected. The developments with their very clear historical background, create what is believed a very conclusive set of conditions a consecutive conception of which is of the utmost importance for a right basis of action in the case.

0663

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

August 26 1962

793.94/6462

In reply refer to  
NR - 793.94/6462.

My dear Mr. McSwain:

The receipt is acknowledged of your letter of August 21, 1962, enclosing a statement signed by a number of residents of Greenville, South Carolina, urging that Mr. T. J. League of that city be invited to Washington to confer with officers of the Department in regard to the situation in Manchuria.

The comments contained in your letter and its enclosure have been noted with care and the spirit which prompted the suggestion made by your constituents is appreciated. I regret to state, however, that the Department lacks funds with which to defray Mr. League's expenses in connection with a trip to Washington. If Mr. League should care to submit his views in writing,

the

The Honorable

J. J. McSwain,

House of Representatives.

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

- 2 -

the Department will be glad to give them appropriate consideration or, should Mr. League be in Washington at any time an officer of the Department will be glad to talk with him in regard to the situation in the Far East.

Sincerely yours,

Wilbur J. Carr

Acting Secretary.

FE:80J

VIII-25-33

J.S.G.  
FE  
[Signature]

CR  
AUG 28 1965

[Handwritten mark]

0665

WP

PLAIN  
TELEGRAM RECEIVED

Peiping via N. R.

Dated August 23, 1933

FROM  
Rec'd 11:20 p. m. 22nd.

RECEIVED  
AUG 23 1933  
DEPARTMENT OF STATE

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS  
AUG 23 1933  
Department of State

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

F/ESP

700, August 23, 9 a. m.

Reuter from Tokyo, twenty-second:

793.94  
"Japanese circles profess to see signs of big change in China's policy towards Japan in connection with reported resignation of Lo Wen Kan from Ministry of Foreign Affairs, concurrent assumption of Foreign portfolio by Wang Ching Wei, T. V. Soong's possible visit to Tokyo, return of General Chiang Tso Pin here as Minister and recent interview in Shanghai between Huang Fu and Ariyoshi.

On other hand it is prophesied that Japan's policy toward China will also witness change with visits which Hirota, Japanese Ambassador to Moscow and Sugimura minister plenipotentiary without portfolio are reported to be planning to pay Chinese leaders. It is emphasized in official circles however that there will be no change in Japan policy which remains one of watchful waiting though Japan is 'sincerely desirous that China will soon realize folly of anti-Japanese agitation and move in direction of resuming friendly relations with her neighbor'".

793.94/6463

AUG 24 1933

FILED

JOHNSON

CIB  
WP

←

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

No. 364.

(30)

*7/27*  
*dc*

AMERICAN CONSULATE GENERAL

Tientsin, China, July 22, 1933.

793.94

SUBJECT: Refugee Camps at Tientsin.

Division of  
FAR EASTERN AFFAIRS  
AUG 24 1933  
Department of State

THE HONORABLE  
THE SECRETARY OF STATE  
WASHINGTON.

AM RECD

DEPT OF STATE  
REC'D  
AUG 23 1933  
SIR:

I have the honor to transmit herewith a copy of my despatch No. 430, of identic date, addressed to the Legation at Peiping, on the subject of the refugee camps at Tientsin.

Respectfully yours,

*F. P. Lockhart*  
F. P. Lockhart,  
American Consul General.

Enclosure:  
1/, To Legation, July 22, 1933.

800  
FPL/DA:w

Original to Department.

FOR DISTRIBUTION - USE - You To  
To the Field   
In U. S. A.

F/G  
793.94/6464

AUG 31 1933  
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

No. 430

AMERICAN CONSULATE GENERAL,

Tientsin, China, July 22, 1933.

Subject: Refugee Camps at Tientsin.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Sir: 793194/6303

I have the honor to refer to my telegram of May 22, 2 p.m., and to pages 6 and 17, in my political and military reviews for May and June respectively, concerning the concentration of refugees in large numbers adjacent to the French East Arsenal, and to

1/ transmit herewith five photographs, all furnished by Consul A. I. Ward of this office, of the refugee camp. These photographs were taken a few days after the refugees began arriving in the vicinity of the Arsenal. Only a small part of the camp is shown in the photographs but some idea of the living conditions that

prevailed

0668

DECLASSIFIED: E.O. 11652, 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 -

prevailed may be had from the photographs. The refugees came from the territory east and northeast of Tientsin. an invasion of that area by Japanese-"Manchukuo" troops seemed imminent, but it is believed that the chief cause leading to the precipitate flight of the refugees to the environs of the French Arsenal was the looting and other unlawful activities of the Chinese troops. Prior to the arrival of the refugees at the East Arsenal many reports had been received in Tientsin indicating that small villages and the countryside in the general vicinity of Lutai and Tangshan were suffering from depredations committed by Chinese troops. The farmers and workers in the fields in that region hurriedly collected their few personal belongings and farm utensils and fled to the East Arsenal for protection.

As stated in previous reports, the task of furnishing food, and in many cases shelter, to the refugees was undertaken by charitable bodies in Tientsin and it was necessary to carry on this work for about six weeks. The number of refugees encamped at the Arsenal has been variously estimated, but a conservative number would probably be in the neighborhood of 8,000 to 10,000. Following the signing of the Tangku truce and the withdrawal of Chinese soldiers from the Lutai area practically all of the refugees drifted back to their former homes.

Only three sets of these photographs are available

and

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

- 3 -

and one set is being retained for the files of the  
Consulate General.

Respectfully yours,

F. P. Lockhart,  
American Consul General.

Enclosures:  
1/, Photographs, as stated.

800  
FPL/DA:w

Original to Legation.  
One copy to Department of State.

A true copy of  
the signed orig-  
inal.

DECLASSIFIED: E.O. 11652, 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.

Refugee camp at French (East) Arsenal, Tientsin, showing a portion of the thousands of carts in which the Chinese farmers, with their families and their personal and household effects, arrived.



2.

Same as number 1, above.



0671  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

3.

Family life in the refugee camp.



4.

Another view of family life in the camp.



0672

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

5.

Cooking facilities devised by refugees  
of the camp.



067  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

August 17, 1933.

~~EHD:~~  
~~SFP:~~

The Military Attaché at Costa Rica reported on August 1, 1933, that "La Prensa Libre" published on July 24 an eight page supplement violently attacking Japan. The Military Attaché finally learned that the Chinese Colony of Costa Rica had paid about \$110.00 to have the material published. He thinks that perhaps the Japanese spy scare stories which have been appearing recently in a Panama paper (several reports with regard to which have reached the Division) may possibly be paid for by Chinese.

MA  
LES:CLS

792.94

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

CONFIDENTIAL

A.R.H., Maj.G.S.  
8/1/33

G-2 Report.



4-2  
AUG 10 1933  
OFFICE CHIEF OF WARR  
MIL. INTEL. DIV.  
2657-P-480  
WAR DEPARTMENT

COSTA RICA (Population and Social)



/HS

Subject: Propaganda of Foreign Origin.  
Anti-Japanese Attack.

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

CSD letter, May 3, 1972

By XG NARS Date 3/19/73

793.94/6450

Without any preliminary warning or comment of any kind, "La Prensa Libre", the best afternoon paper in San José, came out with an eight page supplement on July 24th, violently attacking Japan, - and praising the heroic action of the Chinese in defending their homes from the blood-thirsty and heartless Jap invaders.

The article was divided into sections, all profusely illustrated, having headlines as follows:

**JAPAN IS RESPONSIBLE FOR DISTURBING  
THE PEACE OF THE WORLD.**

- I. Causes and Pretexts of the Invasion of China by Japan.
- II. The Conquest of Manchuria.
- III. The Attack on Shanghai. (An act of barbarism)
- IV. A Puppet State. (The Creation of Manchukuo)
- V. The Condemnation of Japan by the League of Nations.

The article as a whole was exceptionally well written in a scholarly manner.

The article was received with more or less indifference by the Costa Rican public. The only comment heard was that the American Legation must have paid quite a large sum to get so much anti-Japanese propaganda in a single paper.

It took this office several days to find out who had "inspired" the article. Through the efforts of Mr. Alex A. Cohen, it was finally learned that the Chinese Colony of Costa Rica had paid 500 colones (about \$110.00) and the cost of making cuts from mats, to have the article published.

NOTE: Having clearly established the fact that the Chinese in Costa Rica are subsidizing the Press to promote anti-Japanese feeling, it occurs to the Military Attache that possibly the Chinese in Panama are subsidizing the "Panama American" (a blatant journal which has been so freeing Jap-spy scare stories for several months) in the same manner.

Source: As stated.

Encl. A. R. Harris,  
From: M. A. Costa Rica Report No. 2,155 Major, G. S., M. A.  
Date: August 1, 1933.

793.94/6450

AUG 10 1933

ST

15

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

DEPARTMENT OF STATE

THE UNDERSECRETARY

May 16  
EASTERN AFFAIRS  
MAY 17 1933  
Department of State

Mr. Bullitt

You may be  
interested to glance  
through this memo.

WJ

Thanks! A veryable  
document.

S.C.B.

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

*Copies to Tokyo, London, Canton, Geneva, Paris, and Rome*

Division of FAR EASTERN AFFAIRS  
AUG 23 1933  
Department of State

NOTED  
MAY 17 1933

May 16, 1933.

MANCHURIA SITUATION

Suggestion that American Government  
Suggest to Italian Government Initiative  
by the Latter Toward Action by the Powers

DEPARTMENT OF STATE  
EXCERPT  
AUG 24 1933  
DIVISION OF FAR EASTERN AFFAIRS

CONFIDENTIAL  
DEPARTMENT OF STATE  
MAY 17 1933  
OFFICE OF THE SECRETARY

F/HS  
793.94/6466

793.94

The suggestion has been made that, in view of an expression of concern with regard to the Far Eastern situation made by the Italian Premier as reported by the American Ambassador at Rome, the American Government should suggest to the Italian Government that the Italian Government suggest to the French and the British Governments cooperative action on the part of those Governments and the American Government, such action to be taken presumably immediately after the anticipated occupation of Peiping by Japanese armed forces is consummated.

Comment:

It is the estimate and opinion of this Division that action in the sense of this proposal would not be advisable. In the absence of an indication of the end which it is believed might be served by such a concerted move, at such time, by the powers, we do not perceive that

FILED  
AUG 2 1933

Confidential File

- 2 -

that any purpose would best be served thereby. We would welcome suggestions with regard to that point from the source from which the suggestion of the action under reference has come.

As we see it, cooperative action by the major powers directed toward preventing the hostilities which are now taking place in the area north of Peiping and Tientsin, had it been possible to take such action before this movement began, might have served a useful purpose. The Ministers of the powers in Peiping have for weeks had under consideration the question of the possibilities, as a practical political matter, of taking such action. The American and the British Ministers in particular are known to have been in frequent conference and constant communication with their governments on that subject. Some time ago, the British Minister (who has had much experience and shown much skill in such matters), after carefully exploring the possibilities and having some conversations both with Chinese and with Japanese representatives, informed the American Minister that he felt it necessary to desist from any activity along that line. The simple fact is there is no firm ground for a would-be "go-between" to stand upon  
at

0678

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

- 3 -

at either end of the pathway on which, as a go-between, he must travel between the two contending parties.

The material interests most menaced by the Japanese advance in the area now under attention are British interests. Next, French. The initiative toward concerted action, if to be taken by any of the major powers without reference to the League of Nations, might best be taken by the British Government. Next best, by either the French or the Italians. To least advantage, by us. The British Government has as yet said nothing directly to us since the inquiry which they made shortly after the Japanese entered Shanhaikwan at the beginning of January; they have, however, talked with us on this subject through their Minister in Peiping, and we instructed our Minister that he should receive with favorable predisposition any definite proposals which the British or any other of his colleagues there might make -- and we told him that he might inform the British Minister of that instruction. The French Government has told us that it was apprehensive with regard to the situation. The Italian Government has now done the same. It may be assumed with reasonable confidence that those Governments have expressed the same views to one another and to the British Government. Even

if

- 4 -

if they have not done so, there is no reason why they should not without prompting from us do so.

We have repeatedly since October 5, 1931, told the Secretary of the League and representatives of the principal governments members of the League that we feel that a greater measure of responsibility in connection with the question of preventing, minimizing or restricting hostilities in the Far East rests upon the League and upon states members of the League than rests upon the United States, -- this by virtue of the fact that the members of the League, among whom are the disputant countries, are committed to one another and have a certain special group of rights and obligations inter se as the United States is not committed and which the United States does not have. Also, we have repeatedly stated that initiative should come from them rather than from us. In addition, we are in a position of jeopardy in relations with Japan more delicate than is theirs. We have communicated those views to them not only under the late Administration but under the present Administration. Mr. Hugh Wilson and Mr. Norman Davis, on the spot and in contact with their representatives, share our view in that connection and have communicated it faithfully.

Our

- 5 -

our Minister in China and our Ambassador in Japan are of the same view.

From time to time since September 18, 1931, we have offered suggestions and on some occasions we have taken the initiative toward inducing action. Practically without exception the fact of our having done these things has promptly been made known and has evoked unfavorable reactions from Japan. Furthermore, very seldom have we had favorable responses from the other major powers concerned. It has been our experience that where we have waited for and there has come initially from the British or the French Government a suggestion such as we have considered making but have withheld, the chance that the idea be adopted has been greatly increased.

The views of this Division advancing and in support of the thesis that a maximum of caution must be exercised by the powers in connection with any question of becoming involved in a project for inducing the Chinese and the Japanese to negotiate an agreement have already been expressed in a previous memorandum. *(A copy is attached to memo of May 7.)*

There is much more that might be said on this subject, and we would welcome an opportunity to discuss it with any proponent of the suggestion which has occasioned the writing of this memorandum.

FE:SKH:CLS

*SKH*



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

SEVENTY-THIRD CONGRESS

AM RECD

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HOUSE OF REPRESENTATIVES  
COMMITTEE ON MILITARY AFFAIRS  
WASHINGTON, D. C.

September 5, 1933.

J. B. KNIGHT, CLERK  
FRANCES MARTIN, ASSISTANT CLERK

SEP 6 33



Answered  
9/8/33  
REK  
September 9 1933

F/H/S

793.94/6468

793.94/6468

Hon. Cordell Hull,  
Secretary of State,  
State Department,  
Washington, D.C.

My dear Mr. Secretary:

I have written you two or three times concerning the very vast fund of information which Mr. T.J. League, of Greenville, S.C. acquired during his thirty years residence in China. Since his return about ten years ago, he has been reflecting upon his observations, and trying to interpret his experiences in the light of the history which he has studied, and trying to make application of all this to the present disordered and disturbed conditions.

You recall that Mr. League expressed himself as desiring to come to Washington to explain to your representatives in person his views, but he was unable to stand the expense of the trip himself. Then your office stated that if Mr. League would write out his views, you would be glad to have them considered. Accordingly, Mr. League has done so, and I am enclosing you not only his letter to me, but also a brief which he has written with his own hand, or rather with his own typewriter, stating some of his views.

I sincerely hope that some way may be found for your Department to defray the expenses of a trip for him to come to Washington to amplify his brief. The total expenses of such a trip should not exceed \$60 or \$75, depending on the length of time he might remain in Washington.

With great respect, I am

Yours truly,

2 enclosures

*J. J. McSwain*  
J. J. McSwain.

SEP 9 1933  
FILED

068

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

6

Greenville S. C., Sept. 1st. 1933.

Hon. John J. McSwain  
House Representatives,  
Washington D. C.

Dear Mr. McSwain,

I am in receipt of your letter enclosing the note from Mr. Hart I believe it is as Acting Secretary.

I am of course disappointed at the failure of the plan to meet someone of the Department in person, but the suggestion of a willingness to read some discussion of the subject is gratifying.

I have a fairly comprehensive article by me which I prepared for "ASIA", and I am enclosing that for your presentation to the Department. I have written a number of articles in addition going into various aspects of the case, but this one comes nearer to presenting a comprehensive view of the whole question than any other, and I trust it will have the effect of bringing into serious consideration the the recognition of Manchukuo.

There are other considerations which it would be possible to bring to bear in conversations. In particular it would be possible in conversations to clear up questions which will naturally arise, and which no document however long could accomplish. That is why I was so anxious to see some one of the Department in person.

For instance here is a point in question. Mr. Hamilton Butler said in reply to a letter I wrote him about an article in Harpers, that negotiations had by Japan with the Chinese Republic,

2

or whoever was representing it at the moment, in 1915, show that Japan recognized the Chinese claim to Manchuria. The obvious reply to that goes to strengthen Japan's position as showing her attitude of non-aggression. As I point out in this paper I am sending (which I hope you will read) China had by reason of the large Chinese population and the logical sequence of forcing the Manchu abdication, a sentimental claim which if made effective would have been recognized by the whole world including Japan. The latter would of course have stipulated that their interests developed in accordance with the treaty of 1895 should be safeguarded.

Not only was that not done, the Chinese established no real control at all. Not only so, they eventually annulled the agreements with the Manchu House and thus set the latter free to pursue whatever course, seemed best suited to preserve their interests. It suited the Japanese interests to encourage the establishment and protection of Manchukuo covering the original territory of this distinct unit. Chinese territory is in ~~now~~ay violated, and there is no reasonable ground on which they can complain.

American recognition would have a very wholesome reflex effect on China, as it would lay the illusory hope they have so long cherished of involving America and Japan in hostilities. It would offer the best possible guarantee of peace in the orient, as it would give Manchukuo a definite standing, and create a condition which Japan would be slow to interfere with, even supposing she had the idea of annexing Manchuria, which I do not at all believe. The evidence is all to the contrary. It would give to America an influence with Japan which would be of immense value in

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

3

shaping the policy of affairs in the Pacific. It would give them a confidence in our good will which would be invaluable, and there is every reason to expect that they would live up to the spirit of this good will.

It seems rather anti-climax to bring in commercial concerns, but these are always important, and it is easy to see the beneficial effect that such a degree of good will between America, Japan and Manchukuo, (the latter of which will be in the market for a great variety of supplies) would ~~suppose~~ have. That of course is a minor consideration.

In spite of all the adverse propaganda unfortunately disseminated by the ill informed American press, the Japanese are an appreciative, high minded people, and deserve that we should treat them with the respect we should demand for ourselves. I have the highest respect for the fine qualities of the Chinese people, and there would be no tendency whatever to minimize their side of the contention. My information is practically all of it gained from the Chinese standpoint, and with the utmost sympathy with their well being and fair treatment. But in this case I say to you deliberately, the Chinese haven't a leg to stand on.

There is a magnificent opportunity presented in the situation for our Government, and it will be a thousand pities if it should be missed. Unfortunately the whole trend of American public opinion is such that there is grave danger of missing it.

May I crave your earnest assistance.

Yours very truly,

*J. Reagan*

From  
T.J. League,  
230 Buist Ave.,  
Greenville S. C.

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

The extract below is taken from remarks by a merchant made on the occasion of the burning of goods taken from a shop in Tientsin by the "Student organization for anti-Japanese propaganda". The merchant was talking to a Chinese policeman who stood by and witnessed the destruction. Quotation follows:-

"Six of our neighbors have been ruined in this street in nine moons. First the Government collects taxes again after they have been paid, then it lets these anti-Japanese scouts complete our ruin. I have not heard that the Nationalist Government has prohibited the importation of Japanese goods. Such merchandise pays import duty to get here. If it were forbidden surely it would not be allowed to pass the customs. The merchants do not stock it to be impudent. They would not have it on their shelves if the people did not want it. Yet these school boys take it on themselves to punish the merchants by seizing everything their fancy prompts them to pronounce Japanese-made, and they trample and spoil hundreds of dollars worth of Chinese-made goods as well. By neglecting to stop the foolishness of these students, who ought to be at their books, you police are thrusting your thumbs through your own paper lanterns. It is the merchant who pay the taxes and make possible the modern luxury of a policeman at every corner in a nice uniform. When there are no more merchants you will be out of a job."

This extract represents clearly and definitely the attitude of Chinese merchants toward the so-called boycott. Such expressions of opinion by Chinese merchants could be duplicated by the million.

39

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

#### MANCHURIA - A DIFFERENT POINT OF VIEW.

In considering the Manchurian problem, the solving of which was undertaken on demand of the Chinese Republic, by the League of Nations, the most important item to be taken into account was the kind of evidence on the basis of which recommendations would be made by the League.

As the recommendations of the League were intended to affect the political status of Manchuria, the basic evidence for such recommendations should have been derived from the historical facts and developments which had created the situation to be dealt with.

The proportion of nationalities in the population of any disputed territory has never been recognized as exercising a determining role in deciding the political status of the territory in question. "The ancient Domain", still as ever holds the preeminence. Populations easily and continually fluctuate as to nationality by reason of many incidental results of immigration and infiltrations, and so possess no inherent determining effect on political divisions, except such as arise from revolution or conquest. The most that such populations can claim is fair treatment under the laws of the territory in which they reside.

The restoration of the Empire of Manchuria, with the logical and hereditary heir of that old Empire at its head, does not seem to have been given the benefit of the above stated well established principle by the Western commentators on the situation which has developed, or even by the League to whom the controversy raised was, appealed.

That the restoration was largely initiated and sponsored by Japan is scarcely open to doubt. As a consequence there has

2

been much of speculation as to the ultimate purpose of Japan in the course pursued. Indeed it is quite apparent that the decisions arrived at by the League, have been based largely on their suspicions and conceptions of Japan's motives and intentions. As usually happens in such cases, this course has led into a bewildering maze of cross currents made up of conjecture, intrigue, interest and propaganda which rendered any considered and worthwhile judgment impossible.

The simple, courteous, logical and conciliatory course would have been to accept the Japanese representations as to purposes of the action taken. In the improbable event of different motives being revealed by subsequent events, the interested nations would have held a much stronger position than is possible now, for the simple reason that stubborn irritations have been engendered by the innuendos, and suppositions of ulterior and sinister motives. The carrying out of the intentions outlined in the proclamation of restoration for the kingdom of Manchuria offer reasonable ground for the expectation of a very happy solution of the problem. Needless to say how much this solution would be facilitated by a friendly and conciliatory attitude.

Incredible as it appears, this so very important Manchurian problem has been considered and recommendations for its solution solemnly proposed, in the formulation of which recommendations no perceptible consideration was given to the historical facts and developments which produced the situation to be dealt with. League members seem to have followed the popular idea that Manchuria has been, as Dr. Koo so naively declared, "apart of China for three hundred years." The fact that the rulers of China and of Manchuria have been for that period of time identical has given color to

3

that assumption. It seems to have passed entirely without notice that during the whole time of the control of China by the Manchu Dynasty, Manchuria was kept as the private <sup>concern</sup> property of these rulers. Restrictions on many kinds such as limitation of duration of residence, ownership of land entirely denied Chinese, give clear evidence that they were not admitted to citizenship, in Manchuria.

There was a specially privileged class of Chinese called "Bannermen". These were the male descendants of Chinese who rendered some signal service to the Manchus when they took over the task of pacifying the contending factions of China resulting from the break up of the Ming Dynasty. These men were admitted to the ranks of Manchus, and were given many executive posts under the Empire, even to the rank of Viceroy.

Very late in the period of Manchu rule, after the incursions of Russia began to threaten the alienation of Manchuria, some of the restrictions were removed, in order to increase the population for offsetting Russian encroachments. But to those so encouraged to occupy Manchuria, citizenship was not granted.

In spite however of all the restrictions, Chinese energy and evasion had succeeded by a process of infiltration, in forming a large portion of the population. There seem to have been comparatively numerous cases of marriage between Chinese men and Manchurian women. This was facilitated by the custom of enlisting large numbers of Manchurian men for the Imperial army of occupation, which maintained garrisons in all the Chinese provinces during the whole period of Manchu rule.

When the Manchu abdication was obtained in 1911-12, the members of the Imperial Clan seemed more concerned for their personal

4

safety than for any other consideration. They were offered residence in Peking <sup>d</sup> under the protection of the newly constituted Chinese Republic, and liberal pensions for their maintenance were decreed, in consideration for which all rights and prospects by them and their descendants for the control of China, were forever surrendered. The question of their being returned to Jehol, the ancient seat of Empire, was considered, but it seemed best for them to remain in Peking according to the terms proposed.

They were not asked for renunciation of Manchuria, it being assumed that China having forced abdication, would recon Manchuria as one of the spoils. However the new born Republic soon began to be in difficulties of many kinds, and in a short while the whole of China was split into contending factions with no available resources or sufficiently united plans to create an organization capable of caring for or controlling Manchuria. After twenty years this factional strife continues unabated.

In this condition of affairs, the noted bandit, Chang Tso Lin saw the opportunity, usurped control of Manchuria, declared its independence and maintained it till 1928 -9. During this period a number of attempts were made by whatever leader of faction happened to be in the ascendancy in Peking, to reduce Chang to terms and so gain control of Manchuria, but without success. Indeed Chang much more nearly succeeded in gaining control of the Chinese provinces, and was returning from one of his incursions to Peking when he was killed in a bomb explosion.

After his death the attempts of the Chinese Republic to gain control of Manchuria were renewed, as a result of plans entered into for gaining over the son Chang Hsueh Liang. These plans were responsible for the creation of the situation which the League was

5

asked by the Chinese Republic to deal with.

In order to complete the setting, it is necessary to recount briefly how the Japanese came into the picture. As a result of the Sino-Japanese war 1894 - 5 a treaty of peace was ratified by which Japan was granted the control of two ports on the South M<sup>n</sup> Manchuria coast, and quite extensive concessions for commercial and industrial development of that territory, which included also mining privileges.

How Russia interposed and interrupted the carrying out of this treaty, how in the ten years following the Sino-Japanese war Russia practically preempted and alienated Manchuria, how 1904 -5 the Japanese waged a terrific war with Russia to regain her Manchurian rights, as a result of which war Russia was for a time at least eliminated from Manchurian affairs; is too well known to require an extended repetition.

On the close of that war Japan at once resumed actively the plans for development interrupted by Russia. For twenty five years, first under the Manchu rule, and later under the independent control of Chnag Tso Lin, carried forward the program as planned with great success. Not only were commerce and manufacturing industry, railway construction and mining interests developed, but agriculture was substantially enhanced by liberal terms granted to Chinese farmers from the nearby provinces of Chili and Shantung. Substantial numbers of these have been established on the land through the encouragement of Japanese protection and enterprise.

After the Manchu abdication, Japanese relations with the Chinese Republic were far from satisfactory. The Japanese were considered inimical to Chinese absorption of Manchuria, and a process of pinpricking irritations fortified by well planned world wide

6

propaganda designed to put Japan in an unfavorable light before the world, followed. The transition to a nominally republican form of government had developed in China, through a revolution in educational ideas, a class of immature, irresponsible students, imbued with undisciplined concepts of nationalism, which formed a useful tool in the hands of the leaders of contending factions.

Organizations of such students were formed, and these were encouraged by whatever leader of factions happened to be in the ascendancy, to engage in anti-Japanese activities. A considerable part of these activities was directed to the operations of what is mis-called "the boycott". The main reliance was centered on a process of terrorizing Chinese merchants by bands of these student organizations who undertook to see that Japanese merchandise should not be sold. Merchants' business premises were raided from time to time, and wrecked on suspicions even of dealing in Japanese products.

Complaints made by merchants to the authorities were blandly met by the plea that the government could not be reasonably expected to shoot patriotic boys and girls, inspired by such noble spirit of nationalism! Japanese protests were met by equally irresponsible subterfuges. Chinese merchants with <sup>few</sup> exceptions deprecated the policy pursued, but were entirely helpless. So much for the "sacred boycott", everywhere lauded by a misinformed Western press.

Within a short time after the death Chang Tao Lin, his son Chang Hsueh Liang, successor to the independent government of Manchuria, became involved with the Chinese factions, whose hope was renewed for extending their misrule to Manchuria by gaining over to their interests, Chang Hsueh Liang. The usual tactics

7

of annoyances began, taking the form of brigandage. The Japanese undertook to meet this in force, but the bandits when attacked always claimed to be soldiers of Chang Hsueh Liang, and charged they were ruthlessly set upon by the Japanese. Such events furnished good material for pressing the Chinese case before the League.

In the meantime an event of grave significance had occurred in Peking. That "most Christian General" Feng Yue Hsiang, had obtained a temporary success there, and planned to attack the ex Emperor P'u Yi. He was warned of the approach of Feng's troops and escaped through some back alleys. He made his way to the British Legation where he hoped to receive protection, but was refused admittance by the sentry at the gate. He then turned to the Japanese Legation which was nearby and was there received and protected, the gates being closed against Feng's soldiers.

General Feng was able to hold Peking only a short time, and when the officials whom he had temporarily displaced returned, P'u Yi applied for protection and the privilege of returning to his residence. Both were refused, and he was informed that the pension guaranteed by the Chinese Republic would be discontinued permanently. Suffice it to say without going into details, it was finally determined to bring the whole Manchurian contention to a head by restoring under P'u Yi, the original Manchurian Domain, and support the restoration with Japanese protection, calling the restored territory Manchukuo, meaning - The kingdom of Manchuria.

Ally these happenings tending to confuse the issue under debate before the League, it was decided to have a comprehensive Report prepared which should serve as the basis for recommendations. In the preparation of this, called the Lytton Report, a commission

8

was sent to Manchuria to collect evidence on which a decision was to be given as to whether the Chinese claim to control Manchuria should be sustained.

It must be clear that any investigations made in Manchuria could have no bearing on the political status of that region. It is a fair assumption that it was never intended to have. It was necessary for weighty reasons, chiefly of a commercial nature, that the Chinese be pacified by the League. In order to do this, the Commission was called on to find a way for the League to make a plausible gesture/satisfactory to the Chinese and at the same time do no violence to the historical evidence/which clearly indicated that China had no political claim whatever to Manchuria.

To frame such a report Manchuria was the logical place to find the material. The Commission found a substantial majority of the population to be Chinese. They found the commercial and industrial interests, apart from the Japanese developments, also preponderantly Chinese. They easily found numbers of these Chinese who admitted a preference for Chinese control. Other items of similar nature were found and embodied in a voluminous report.

On this showing there was no difficulty in arriving at the declaration - "Manchuria is indisputably Chinese"/ - all of which was quite as well known before the investigation as after. The only thing added was an appearance of fairness and thoroughness on the part of the League. Ostensibly the League's recommendation that Manchuria be "restored to China" carried the implication of previous political union with China, which as has been shown never existed. It was so understood by the press and people everywhere, and by all governments.

The phrase "indisputably Chinese" does not however, on the

9

evidence adduced by the Report support that meaning. To say that Manchuria is "indisputably Chinese" is not at all to say that it forms a part of or belongs to China. It means no more than to say - "New Orleans is French. - "Milwaukee is German" - "Omaha is Scandinavian" - "Quebeck is French". Each of these statements is true, but they have no bearing on the political status of the places mentioned. In the same way the Report meant nothing as to the political status of Manchuria.

The results are admirable all round. The Chinese obtained the favorable pronouncement of the League. The League made a recommendation according to this popular interpretation of the meaning of the Report, and thus absolved itself from further responsibility without having effected any change in the situation. Japan was freed from further obligation to the League, and could take up the work of stabilizing Manchukuo, ridding it of the presence of representatives of the Chinese Republic who were attempting to hold Manchuria as an integral part of China. How expeditiously this was accomplished needs no comment. The framers of the Lytton Report are doubtless thoroughly pleased with the results of their adroit maneuver. Admirable entirely!!

The reflex effect of the Manchurian disputes in America has been adversely affected by two unfortunate circumstances. The first of these is the attitude of an ill informed press which by the repetition of such unwarranted phrases as - "Japanese aggression" - "Annexation of Manchuria" - "The wresting of Manchurian provinces from China" - "Restoration of Manchuria to China" - create a conception utterly at variance with the evidence and facts, and so are grossly misleading. The constant repetition of <sup>such</sup> expressions, directed at a friendly nation, is a gross misuse of the

10

powers of the press at any time, but more especially at a time like this when international good will <sup>is</sup> ~~@@@~~ so greatly needed.

The second unfortunate circumstance was the Stimson Pronouncement of non-recognition for Manchukuo. The basis of this pronouncement was the supposed violation of the Kellogg Pact relative to aggressive infringements of the integrity of existing national boundaries and possessions. The assumption that either the action of Japan, or the restoration of the Manchurian Kingdom, violated that Pact is totally unjustified. It is clearly demonstrated that Manchuria did not become a part of China under the Manchus, It was not controlled even by the Chinese Republic after the Manchu abdication. The various abortive attempts to gain control could by no possibility give any sort of claim. The presence of a large Chinese population, accumulated against the regulations of the Manchu rulers, and through the favorably disposed Japanese interests, could not affect the political status of Manchuria. Therefore, had the Japanese indeed annexed it, as they <sup>a</sup> certainly did not, there would have been no violation of the integrity of China.

The restoration of the Manchurian Empire is a thoroughly logical and commendable event which the misinterpreted Lytton Report pronouncement in no way affects. The whole episode of the "Stimson Doctrine" is consequently a farce, a gratuitous affront to a friendly nation, and an ungenerous act against Manchukuo.

The erection of the original territory of Manchuria into Manchukuo easily takes rank as the most important development in the East in Modern times. Its favorable potentialities are beyond dispute. A stable nation, such as Manchukuo may reasonably be

11

expected to realize under Japanese protection, will assume a fairly determining role in all policies affecting the adjustment of problems arising in Eastern affairs.

Recognition of Manchukuo by the American Government would establish a degree of sympathetic understanding with both Manchukuo and Japan which would fairly preclude any act of subversion of the newly established kingdom by Japan, even supposing any such intention to exist, which most assuredly we have no right of reason to suppose.

A very unfortunate conception has been put forward to the effect that war between Japan and America is inevitable, as it will be necessary for the American Government to support the implications of the "Stimson Doctrine". No such necessity exists. On the contrary it would be unspeakable folly for America to resort to war with Japan to "restore" to China territory which never belonged to her - territory in which China has no political, moral or economic rights.

In fine the Manchurian problem is already solved, and it only remains for the rest of the world to accept with good grace an accomplished and desirable end, and adjust their several interests accordingly. For China there remains the all important task of setting their own house in order so that she may meet her international obligations in a responsible way. There is no reason to doubt that in this task she may confidently expect the sympathetic support of Japan.

T. J. League.

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

In reply refer to  
FE 793.94/6468

September 9 1933

My dear Mr. McSwain:

I acknowledge the receipt of your letter of September 5, 1933, with which you enclose a letter addressed to you by Mr. J. T. League, of Greenville, South Carolina, and the text of an article prepared by Mr. League, in which Mr. League discusses the status of Manchuria.

Mr. League's letter and article have been read with much interest; and I should be grateful if you would inform him of the Department's appreciation of his desire to place his knowledge and experience at the disposal of his Government.

Sincerely yours,

Cordell Hull

The Honorable

J. J. McSwain,

House of Representatives.

A true copy of the original

FE: EHD: ABW:

SEP 8 1933

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793.94/6468

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

DOCUMENT FILE  
NOTE

SEE 893.00/12431 ..... FOR # - .

FROM China ..... (.....) DATED August 11, 1933.....  
TO ..... NAME ..... 1-1127 ...

REGARDING:

Mr. Wang Ching-wei said that the Chinese Government will continue to withstand Japanese encroachments and will resolutely refrain from surrendering any Chinese rights or territory.

hs

793.94/6469  
1269

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

DOCUMENT FILE

NOTE

SEE ..... 893.00 P.R./68 ..... FOR ..... Despatch #2193.  
FROM ..... China ..... (Johnson) ..... DATED July 15, 1933  
TO ..... NAME ..... 1-1127 ...

793.94/6470  
6470

REGARDING: Implementing of Tangku Truce made difficult because of  
no provision being made for "irregulars" of Li Chi-chun;  
Pardon granted by China and 4000 of his troops taken over  
but to remain in Lwan region.

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- 5 -

dustries, the revival of rural prosperity, the development of irrigation projects, and of principal means of communications; under no circumstances is the money to be used for internal military operations. The Central Political Council accepted these conditions on June 28th, and the loan agreement may be considered as having been ratified as of that date.

Even after the Legislative Yuan had announced its conditions the public remained sceptical, and the following passage from an editorial in the CHEN PAO (Peiping, June 16, 1933) expresses the misgivings of many:

"Of course, it is easy to talk, but to act is difficult. So often in the past funds have been wasted. Honest and efficient officials are needed to administer this loan, or the people will be disappointed.....We fear that despite very praiseworthy talk, these funds will only be utilized on paper. Even if the Government is sincere, it may be doubted whether it can carry out its plans efficiently. Corrupt officials are plentiful. Will honest ones be found to administer this public enterprise?"

## 2. Sino-Japanese Relations.

793.92  
The Tangku Truce of May 31st (see Legation's despatch No. 2149, June 14, 1933, pp. 5-14) was approved at a special meeting of the Central Political Council in Nanking on June 4th. But the precarious nature of this armistice was much in evidence throughout the month of June. The Central Government's "face" was saved to a certain extent in that "no principle for which China has stood is compromised, no claim surrendered" (Peiping Chronicle, June 1, 1933), but the time for bluff and boastful talk has passed. The Chinese realized that unless they observed the armistice with the most scrupulous care, Japan would at once resume hostilities in which Chinese arms would not have the re-  
motest

- 6 -

motest chance of success.

Although it is not seriously claimed even by the Japanese that the Chinese have not strictly adhered to the terms of the armistice, the Japanese have been very slow in carrying out their end of the bargain. It is true that the Japanese regulars have gradually been withdrawn to the Great Wall, but they have left behind them a most vexatious problem which the Chinese have been utterly incapable of coping with. And that is the problem of disposing of the "irregular" Chinese forces under General Li Chi-chun in the Lwen River area, known as Lwantung. (See also Legation's despatch No. 2149, June 14, 1933, pp. 12-13). These "Manchukuo" forces had come down with the Japanese advance guard in the early spring, and were augmented locally by so-called "independents", as well as reinforcements from Manchuria. They were financed and officered by the Japanese who used them not so much to fight as to frighten the Chinese Government into believing that "Manchukuo" was about "spontaneously" to extend its territory into China proper and help North China to gain its "independence" from Nanking! Li Chi-chun and the nondescript Chinese deserters and bandits he succeeded in gathering around him then styled themselves the "National Salvation and anti-Chiang Army", and proceeded to go through the motions of setting up a State of their own by appointing magistrates and collecting revenue.

With the signing of the truce, however, these irregulars were left high and dry in the demilitarized zone. The provisions of the truce were significantly silent as to the disposition to be made of them, and

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370

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

- 7 -

as it is inconceivable that the negotiators were unaware of their presence, one can only conclude that all reference to them was deliberately avoided in order not to delay the cessation of hostilities by what was known to be a troublesome issue. But this failure to deal with an important phase of the situation has now for over a month prevented the restoration of normal conditions in Lwan-tung.

The responsibility is undoubtedly Japan's. For even admitting that the letter of the armistice agreement does not mention "Manchukuo" and "irregular" forces, China had a right to expect that if the spirit of the agreement were carried out in good faith, Japan would cause these auxiliary troops to withdraw together with her own. Her contention that she is not responsible for these Chinese elements is just as untenable as the claim that Japan had nothing to do with the creation of "Manchukuo". By leaving them behind the Japanese nullified the most important provision of the truce in a large section of the neutral zone, for as China is not permitted to engage in military operations there but only to "police" the area, the Chinese authorities are powerless to deal with these irregulars except by negotiation.

Negotiations with "rebels" and "traitors" are an awkward and embarrassing procedure, but particularly so when the rebels feel that they have the backing of a Great Power. China was therefore not at all anxious to tackle the question, being satisfied to let matters drift, except to remonstrate a little with Japan, and hoping in the meantime that foreign interests would soon find conditions so intolerable that a speedy solution would be demanded. For

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- 8 -

it so happens that Li Chi-chun and his men occupy the Lutai-Tangshan section of the Peiping-Mukden Railway and are preventing the resumption of regular train service to Shanhaikwan and Manchuria. The great British coal mining center at Tangshan has therefore been unable to ship any coal by rail into the Peiping-Tientsin area, and only limited quantities - owing to the damaged Lwan River bridge and a shortage of rolling stock - to Chinwangtao. Besides, thousands of foreigners who every summer flock to Peitaiho Beach have this year been unable to go.

The absurdity of the situation lies in the fact that Li Chi-chun's force only consists of between 3000 and 4000 men who could easily be ejected by either Japan or China. Li himself claims that he has 10,000 men and bases his demands upon that number. What he is after is of course recognition as another "regional warlord" with a fat subsidy from the National Government to keep him quiet. Hence his insistence that even if his forces are taken over by China and incorporated in the Chinese armies, they must be left in Lwantung as a "garrison". The Chinese Government is said to have expressed willingness to take over not more than 3,000 men, but with the right to transfer them anywhere it chooses, and to make its own arrangements for the maintenance of law and order in the evacuated zone.

Finally, towards the end of June, the Political Affairs Readjustment Council in Peiping (see p. 14, below) appointed what it called a "Commission for taking over War Zone Districts", composed of nine members under the chairmanship of General Yu Hsueh-chung, Governor of Hopei

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- 9 -

and Mayor of Tientsin. This Commission was empowered to "make preliminary arrangements with the Japanese military" and to undertake the necessary negotiations for the organization of a police force (Pao An Tui) and civil administration in the demilitarized zone, and for the restoration of the train service between Tientsin and Shanhaikwan. It began its labors in Tientsin on July 1st, and at once delegated three of its members to confer with the Japanese and Li Chi-chun. It was agreed to meet informally at Dairen, and as a result of a few conferences it seems to have been agreed (July 5th) that the "renegade" forces were to be moved "a certain distance from the railway" and that the Chinese would reorganize 4,000 of them (provided each has a rifle) and incorporate them in a police force to be stationed at Fengyun and Lwanchow, and to be paid by the Hopei Provincial Government. Li Chi-chun's position was not decided upon, but the Chinese Government promised to "pardon" him. The regular train service is to be restored as soon as possible, and several trains, heavily guarded by Chinese and Japanese, have already gone through to Tangshan.

The general impression these interminable negotiations, conferences, and agreements leave one with is that Japan has deliberately tried to delay the retrocession of the special zone to the Chinese, and is still determined to use Li Chi-chun and his men as possible pawns in future negotiations. Whether the Japanese have a definite plan in mind, or whether they are merely trying to be prepared against all eventualities, only the

future

- 10 -

future will show. "The essence of the question", according to one editorial writer, "is whether the demilitarized zone was intended to be a safeguard against attack on Manchukuo and Jehol, or a mere jumping-off place for a further invasion". It is possible that Japan feels that she cannot entirely ignore the fulminations of Canton (see p. 22, below) and of Feng Yu-hsiang (p.16), and must envisage hostilities on an even larger scale than heretofore. Whatever the reason, Li Chi-chun's "irregulars" will evidently be permitted to stay where they are, and China will pay for the upkeep of a force which has been, and will doubtless continue to be, an instrument in the hands of her enemies.

From the Chinese point of view the situation must seem most discouraging, if not hopeless. Although the Tangku Truce was only a military arrangement, the fact remains that it recognized an important fait accompli, namely the presence of Japanese forces on Chinese soil. For while after the Shanghai armistice (May 5, 1932) the Japanese troops had to leave the country, the present agreement only obliges them to retire as far as the Great Wall, i.e. another part of Chinese territory. And as China will admittedly not for many years be in a position to resume the struggle, she must perforce resign herself to the presence of a Japanese army within striking distance of her old capital.

The only unknown factor which offers a ray of hope to the Chinese is the question whether the Japanese people will prove economically and financially strong enough to stand the strain of a protracted deadlock,

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370  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 11 -

which would deepen and embitter Chinese feelings, and  
at the same time awaken and militarize a new China  
against them as a lasting enemy who must eventually be-  
come stronger than themselves.

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

DOCUMENT FILE

NOTE

SEE 893.51/5813 FOR Despatch # 502.

FROM Japan ( Grew ) DATED August 18, 1933.  
TO NAME 1-1127 ...

REGARDING: Japanese had hoped that anti-Japanese feeling in China would die down since the cessation of hostilities, but they think that the present loans to China predict further anti-Japanese activities.

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793.94/6471  
6471

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

DOCUMENT FILE

NOTE

SEE 893.01 Manchuria/943 FOR Report # 8610.

FROM Military Attache ( ) DATED July 3, 1933.  
TO China NAME 1-1127 ...

REGARDING: Manchurian incident.  
Conversations held by Mr. Harry Carr of the  
LOS ANGELES TIMES with certain prominent  
Japanese concerning the - .

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793.94/6472  
6472

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

DOCUMENT FILE

NOTE

SEE 894.00 P. R./68 FOR Despatch # 490.

FROM Japan (Crew) DATED August 9, 1933.  
TO NAME 1-1127 ...

REGARDING:

Sino-Japanese relations.

Japanese Foreign Office and the War Office  
are making plans for the development of  
economic enterprises in North China with the  
Yellow River as a center.

793.94/6473

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

- 1E -

793.94

According to the Tokyo NICHU NICHU the Japanese Foreign Office and the War Office are making plans for the development of economic enterprises in North China with the Yellow River as a center. They plan to make the port of Tsingtao (Shantung Province) into a second Shanghai and to insure its commercial predominance by extending the present Shantung railway to Hsi-an, the capital of Shensi Province, and to Kaolan of Kiangsi Province. It is reported that the Japanese hope to interest Britain and Belgian capital in this railway project.

Early in July the Japanese press gave some publicity to the inauguration of a Great Asia Confederation in Canton with Japan as its mainstay. It was claimed that the aim of the movement was to promote cooperation among Asiatic peoples.\* However, it was later reported that the organization had collapsed with the arrest and decapitation of its leaders.

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

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Tientsin/62 FOR Despatch # 369.

FROM Tientsin (Lockhart) DATED August 1, 1933.  
TO NAME 1-1127 \*\*\*

793.94/6474  
172

REGARDING:

The most important topic in Sino-Japanese affairs was the attempt to arrive at an amicable settlement of the vexatious question of the disposal of the so-called irregular troops under Li Chi-ch'un in the Luantung area.

071

DECLASSIFIED: E.O. 11652, 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

The most important topic in Sino-Japanese affairs was the attempt to arrive at an amicable settlement of the vexatious question of the disposal of the so-called irregular troops under Li Chi-ch'un in the Luantung area. A considerable portion of the month was devoted to negotiations between the Retrocession Commission appointed by the Chinese Government and representatives of the Kwantung Army looking to the taking over of the Luantung area by the Chinese authorities\*. There would seem to be no occasion to supplement in detail previous reports on this subject and at this writing it will suffice to say only that, while an arrangement was entered into by which 4,000 of the irregulars were utilized for the formation of a special police force

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\*Despatch No.420, July 11, to Legation (No. 349, July 11, to Dept.)  
Despatch No.431, July 22, to Legation (No. 365, July 22, to Dept.)

-6-

and the remainder were transferred to Machang, a city situated about fifty miles south of Tientsin, the Tangshan-Shanhaikuan section of the Peiping-Mukden Railway is still being operated by the Japanese military authorities. The Chinese had hoped that some arrangement could be made before now by which the operation of this section of the railway would be vested in them but all efforts in that direction have failed.

Another important factor in Sino-Japanese relations was the capture of Dolonor by troops under Feng Yu-hsiang. The fact that the "Manchukuo" troops offered no resistance and the further fact that the Japanese despatched none of their own troops to assist them in holding Dolonor, and the still further fact that no effort has been made by the Japanese-"Manchukuo" authorities to launch a counterattack on Dolonor lead to the conclusion that the Japanese were not particularly interested in holding the city. Various versions of the recapture of Dolonor by Feng Yu-hsiang have been published but the enclosed news account of an interview with Wang Ching-wei can perhaps be relied upon as giving a substantially correct version.

793.94  
While large bodies of Japanese and "Manchukuo" troops are concentrated near the Jehol-Chahar border, Chahar territory has not been reinvaded by them. A Japanese official of some standing at Shanghai is reported in the press to have stated that a counter-attack by the Japanese-"Manchukuo" forces against Dolonor is unlikely and that the Japanese are simply maintaining a "watchful-waiting" attitude

-7-

attitude as regards the Chahar situation. It is most likely that the Japanese feel that the Nanking Government will ultimately be able to dispose of Feng Yu-hsiang in which case Feng's threat to recapture Jehol will have been removed without any action on the part of the Japanese.

793, 94  
An interesting report was current in the course of the month that Feng Yu-hsiang had despatched two emissaries to discuss the Chahar situation with General Nakamura at Tientsin. Notwithstanding Japanese news agencies emphatically denied that General Nakamura had received any representatives of Feng Yu-hsiang, a local American resident informed a member of the staff of this Consulate General that he had attended a private dinner on or about July 22 at which were present two Feng representatives who, in the course of the evening, stated that their mission in Tientsin was to call on the Japanese military commander. Whether such a call was ultimately arranged is not known but the fact that General Nakamura's authority does not extend beyond his command of the Tientsin Garrison and the Legation Guard at Peiping and Japanese detachments along the railway under the Boxer Protocol, it is probable that the General did not interest himself in any overtures which might have been made by Feng.

In connection with Feng Yu-hsiang's capture of Dolonor, it is worthy of note that the Japanese news agencies published numerous news items in the course of the month alleging Soviet backing of Feng Yu-hsiang. To counteract this propaganda, however, the Tass News Service issued a categorical

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

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Another Sino-Japanese incident is alleged to have occurred at Shanhaikuan on the night of July 19 when a Japanese sentry on duty at the entrance to the Japanese Barracks at that place is said to have been fired upon and fatally wounded by an unidentified Chinese in civilian dress. Some mystery surrounds this incident and in Chinese circles but little credence is given to the report. Some significance may be attached to the fact that the Japanese military authorities apparently did not look upon the incident with the same degree of seriousness as they usually do.

In general it can be said that Sino-Japanese relations, in contrast with the past few months, were not subjected in July to any severe strain and that, with the exception of the open threat of the Japanese to prevent the rendering of technical assistance to the Chinese Government by the League of Nations, there is at present no prospect of a rupture.

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-9-

The Chinese at the close of the month were charging the Japanese with taking advantage of the Protocol of 1901 by continuing to keep Japanese troops at various stations along the railway between Tientsin and Chinwangtao. The privileges granted under the Protocol are undoubtedly being greatly exceeded by the Japanese and even other signatories to the Protocol are being deprived of long-established rights covering the movement of their military forces to summer training quarters.

793.94

According to information published in the YI SHIH PAO (Chinese), under a Tangshan date line of July 27, a circular instruction was delivered by Japanese military officers in the Luantung area to the newly appointed Magistrates and Commissioners of Public Safety on their arrival requesting that the following shall be done: (1) that all civil affairs should function strictly in accordance with the Sino-Japanese truce agreement, and (2) that as soon as the Magistrates and Commissioners of Public Safety assume office they shall submit promptly to the headquarters of the 14th Mixed Brigade (Japanese) at Shanhaikuan the following: (1) two copies of notice of assumption of duties and two copies of all other proclamations which may be issued from time to time, (2) reports showing the exact locations of the Bureaus of Public Safety, the number of police and the quantity and brands of arms and ammunition, (3) reports showing the assignment of the police force, and (4) reports setting forth the strength of the "Protection Corps" and the number of arms they possess. From the foregoing it would appear that the Japanese are taking every precaution

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

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Yunnan/58 FOR Despatch # 85.

FROM Yunnanfu ( Reed, II. ) DATED August 3, 1933.  
TO NAME 1-1127 \*\*\*

6475

REGARDING:

Anti-Japanese activities were more noticeable than in recent months, owing chiefly to the appointment of new members to the Anti-Japanese Association, who took the occasion to issue statements as to the duty of all patriotic Chinese to eschew from purchasing or using Japanese goods.

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793.94/6475

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

- 3 -

with the alleged backing by the British of the Tibetans in the Hsikang-Tibetan dispute.

793.94  
Anti-Japanese activities were somewhat more noticeable than in recent months, owing chiefly to the appointment of new members to the Anti-Japanese Association, who took the occasion to issue statements as to the duty of all patriotic Chinese to eschew from purchasing or using Japanese goods. Necessitated by the ordinance as to the widening of the streets, the two sealed Japanese stores were broken into and the contents removed to a place of safety - all goods therein being listed by reputable Chinese authorities and copies of the list being furnished to the Japanese Consul in Indo-China and to the Yunnanfu Consular Corps. Numerous organizations sent protests to Nanking in connection with the activities of Feng Yu-hsiang and also with regard to the sale of the Chinese Eastern Railway to "Manchukuo".

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

DOCUMENT FILE

NOTE

SEE 893.00 P.Swatow/69 FOR Despatch # 89 to Legation

FROM Swatow (Green) DATED August 7, 1953  
TO NAME 1-1127 \*\*\*

6476

REGARDING: Attitude of Canton Government against exportation of coppers,  
iron and lead to Japanese.

793.94/6476

0721

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

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The Ming Sheng Newspaper of July 18, 1933, states that in accordance with instructions received from Canton, the Mayor has notified the Chief of the Public Safety Bureau that he should take steps to prohibit the exportation of coppers, iron and lead, which it has been rumored the Japanese desire to purchase. Since the matter of exportation is in the hands of the Chinese Maritime Customs and not the Bureau of Public Safety, it would appear that this news item was published principally for the purpose of impressing the general public with the fact that although the Nanking authorities may be placating the Japanese, the Canton Government is still doing everything in its power to check the advance of the

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 25, 1933.

~~S.F.~~  
~~SKH.~~

Mr. Peck reports herein a conversation which he had on the evening of August 17 with Dr. Wang Shih-chieh, Minister of Education, in which Dr. Wang advanced a rather novel proposal (stated on page 3--marked passage) that the Sino-Japanese dispute might be settled if the friendly powers having special privileges in China should approach the Japanese Government with an offer that, if Japan would restore China's occupied territory, the said powers would annul all the "unequal treaties" and treat China on the same basis of justice and equality which they propose to Japan as the foundation of her own relations with China. Mr. Peck states on page 6 (marked) that he is fully conscious that the thing most to be avoided at the present time is any formal discussion of extraterritoriality and that he will take great care to ward off any tendency to allow such a discussion to assume a serious aspect. I believe that you would find it worthwhile reading this entire despatch.

J.S.F.

JEJ/VDM

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

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*File*

Nanking Office, August 18, 1933

Division of  
FAR EASTERN AFFAIRS  
SEP 15 1933  
Department of State

Subject: New Chinese Proposal for Method of  
Settling the Sino-Japanese Controversy.

*Dist. to Nanking (copy to Peiping)*

793-94

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Distribution-Check  
To field In U.S.A. Yes

*Peik*

Dear Mr. Minister:

I have the honor to report that Dr. Wang Shih-chieh, Minister of Education, dined at the Consulate General on the night of August 17. Other guests were Dr. Lo Wen-kan, Minister for Foreign Affairs, Dr. F.T. Cheng, Vice Minister of Judicial Administration, Dr. J. Heng Liu, Director of the National Health Administration, and Vice Consul Montamat. I desire to explain that although the Chinese guests occupied high positions in the Chinese Government, the conversation was on a very informal and friendly plane, since Messrs. Lo, Cheng and Liu are friends whom I constantly meet on terms of friendly familiarity.

Dr. Lo was obliged to leave comparatively early in the evening and shortly after his departure the Minister of Education said that he would like to ask my personal opinion regarding what should be done to settle the Sino-Japanese controversy. He observed

smilingly

F/H/S

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- 2 -

smilingly that the absence of Dr. Lo made it possible for me to be entirely "unofficial" and frank in expressing a personal opinion.

I considered what reply I should make and then said that I was obliged to answer Dr. Wang's question by saying, quite seriously, that the matter was so tremendously important that I did not venture to single out any one of the current theories for special concurrence, but that I had felt that the position taken by the Chinese Government as described in the circular telegram sent out by General Chiang Kai-shek and President Wang Ching-wei on July 28, following the Kuling conference, was on the whole sound, namely, to concede nothing formally to Japan and to await the development of events.

The two other Chinese gentlemen present laughed, to intimate that this was the evasive reply which might have been expected. It was evident, however, that Dr. Wang's question had been merely to afford an opening for him to express his own views on the subject.

Dr. Wang observed that Chinese opinion on the attitude which the Chinese Government should take toward Japan narrowed down, at the present time, to three principal schools of thought, that is, forcible resistance to Japan, active insistence that the League of Nations and the friendly Powers should fulfill their obligations under the Covenant and relevant treaties, and a third proposal, which last was comparatively new.

By way of introducing the new proposal, Dr. Wang observed that the relations of foreign nations to China

always

- 3 -

always had been based upon demands for special privileges in China, culminating in what he felt were aptly termed the "Unequal Treaties". The principal privileges he had in mind were extraterritorial jurisdiction and foreign concessions and settlements. Dr. Wang said that the new proposal which he had referred to was that the friendly Powers having special privileges in China should approach the Japanese Government with the offer that if Japan would restore the occupied territory to China, as well as Japan's special rights under existing treaties, the said Powers would, for their part, likewise annul all the "Unequal Treaties" and treat with China on the same basis of justice and equality which they then proposed to Japan as the foundation of her own relations with China.

I expressed some doubt whether Japan would be so powerfully influenced by such representations from other Governments as Dr. Wang appeared to believe would be the case, but Dr. Wang insisted that Japan could not deny the logic of the position, and would be obliged by general opinion to alter fundamentally her policy toward China.

I said to Dr. Wang that any new contribution to thought about the settlement of the Sino-Japanese controversy was interesting, if only because of its novelty, and I would be glad to report Dr. Wang's informal comments to the American Minister. Dr. Wang said that the view he had described was being held by an increasingly large number of Chinese. Such persons felt that the retention by certain Powers of the special privileges embodied in the "Unequal Treaties" was a bar to a solution of the

Sino-Japanese

- 4 -

Sino-Japanese controversy.

Ultimately, Dr. F. T. Cheng and I were left alone. I told Dr. Cheng that I had been genuinely interested in Dr. Wang's suggestion, but that, privately, I did not believe in the efficacy of the procedure which he proposed. I remarked that, with the exception of extraterritorial jurisdiction, the so-called "special privileges" enjoyed by American citizens in China were of slight importance and the only interest we had in any form of concession or international settlement was the partial interest we had in common with other nations in the International Settlement at Shanghai. I did not believe that our surrender of extraterritoriality would influence Japan and I did not think that the time had come to abandon the authority which certain foreign nations had in the administration of the International Settlement at Shanghai, since it seemed to me in the interests of all concerned, including China, to continue this form of administration as it is at present.

Referring first to the proposed annulment of the so-called "Unequal Treaties", Dr. Cheng observed that this could be done gradually. I rejoined that, in fact, it was actually being done gradually, since exactly in proportion to the advance made by China in economic and political matters, the conditions necessitating the special features of the present treaties were disappearing.

Turning to the possible effect on Japan of an offer by the extraterritorial powers to abandon their so-called "special rights", I remarked that newspaper

reports

- 5 -

reports of Japanese utterances would indicate that Japan has seized Manchuria under the urge of a belief in the imperialistic destiny of Japan and as a vital necessity to Japan for her international defense and her economic well being. If these were actually the reasons for Japan's military expansion into China, then whether other nations had, or did not have, special privileges elsewhere in China would be regarded by the Japanese as entirely irrelevant. Dr. Cheng seemed to agree with this opinion.

In talking with Dr. Wang and Dr. Cheng I did not attempt to analyse this latest proposal of a method to settle the Sino-Japanese controversy. From what these gentlemen said, however, I inferred that the idea underlying the proposal is as follows: Japan robs China of territory and attempts to excuse this by asserting that China is an "unorganized State"; other Powers, against China's will, insist on retaining special immunities like extraterritorial jurisdiction, and they, also, justify this by pointing to China's lack of development; thus the other Powers give aid and comfort to Japan, for what is a valid reason morally in the one case is, by inference, a valid reason morally in the other. Thus the "Unequal Treaties" operate to support Japanese aggression.

As a jurist and an official responsible for the development of judicial administration in China, Dr. Cheng evidently gives considerable thought to the matter of extraterritorial jurisdiction, foreign concessions, etc. He expressed the view that the retention by foreign Powers of their extraterritorial jurisdiction and of their concession areas at the ports is a positive hindrance to the development of Government in the country, not only because these features

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- 6 -

of its international relations diminish the prestige of the Chinese Government before Chinese militarists and others, but also because they actually deprive the Chinese Government of the ability to take measures which are necessary for the protection of the Government and for the consolidation of its authority. He said that he was of the opinion that when the time came when these rights should be abandoned, a "dictator" would come into being in China. When I expressed doubt whether any individual could be found possessed of the qualifications to occupy this position in China, Dr. Wang explained that within the meaning of "dictator" he had intended to include a centralized Government of some nature vested with authority over the whole country.

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In conclusion, I have the honor to state that I am fully conscious that the thing most to be avoided at the present time is any formal discussion of the extra-territorial regime. What has been recorded at some length in this despatch was, in reality, only an incidental part of an extended social conversation on general topics and, I am sure, attracted no special attention. I shall take great care to ward off any tendency to let discussion of treaty revision assume a serious aspect, if such tendency shows itself. At the same time, the Legation will probably be interested to learn of any drift in that direction which may become evident, no matter how slight it may be.

I have asked an American missionary who is in constant touch with Chinese student elements whether

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0729

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

- 7 -

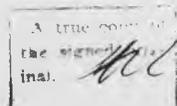
he has heard of the theory advanced by Dr. Wang Shih-chieh, and my informant has replied that he has not heard of it and believes that it can not have wide currency. He states that, so far as his observation goes, the student elements, at least, have given no attention to extraterritoriality for some years and are devoting their attention to pacifying and otherwise improving internal conditions in China. I observed that this was the policy advocated by President Wang Ching-wei and General Chiang Kai-shek. My informant remarked, incidentally, that the Chinese public opinion with which he comes into touch is less distrustful of General Chiang's attitude toward the Sino-Japanese controversy than it used to be, and is centering its animus against men of the type of T'ang Yu-lin, who is felt to have betrayed Jehol to Japan.

Respectfully yours,

Willys R. Peck,  
Counselor of Legation.

In quintuplicate to the Legation.  
No copy to the Department.

WRF:MCL



*2 extra copies*

0730

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 26, 1933.

~~JES:~~

~~EHD:~~

~~SP:~~

In despatch No. 379 under date August 10, 1933, Consul General Lockhart supplements the information contained in his telegram of August 9 reporting the withdrawal of Japanese troops from south of the Great Wall with the exception of a brigade which still remains in Shanhaikwan. The despatch notes that there is every probability that the Japanese troops withdrawn from the railway stations between Lutai and Shanhaikwan will be replaced by small detachments from the Japanese Tientsin garrison.

In commenting on the restoration of normal rail traffic between Peiping and Shanhaikwan, Consul General Lockhart states that negotiations are under way and it would not be surprising if a through traffic arrangement is entered into at an early date.

The despatch also states that the French, British and probably the Italian military authorities, by accepting Japanese assistance, recently moved contingents of troops to Chinwangtao and Shanhaikwan  
without

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

without changing cars at Tangshan. In moving the American troops to Chinwangtao, a considerable detachment was sent by boat. A number also went by rail at their own expense and changed cars at Tangshan. It is understood that American military personnel in uniform were given free transportation on the Japanese controlled section of the line.

*J. E. J.*

*ETW*  
ETW/VDM

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

REC'D

NO. 379.

AMERICAN CONSULATE GENERAL,

Tientsin, China, August 10, 1933

SEP 15 33

Copy in F.E.  
Division of  
FAR EASTERN AFFAIRS  
SEP 15 1933  
Department of State

793.94

SUBJECT: Withdrawal of Japanese Troops  
from the Tangshan Area.

F/H/S

Date		To field	
For		In U.S.A.	
G		<input checked="" type="checkbox"/>	
Lockhart		MID	

THE HONORABLE  
ASSISTANT SECRETARY  
OF STATE  
SIR:  
SEP 15 1933  
1/

THE SECRETARY OF STATE,

WASHINGTON.

COPY SENT TO  
M.I.D.

793.94/6478

I have the honor to refer to my telegram of August 9, 3 p.m., on the above-mentioned subject, and to transmit herewith copies, in quintuplicate, of my despatch No. 444, of identic date, addressed to the Legation at Peiping, on the same subject.

Respectfully yours,

*F.P. Lockhart*  
F. P. Lockhart,  
American Consul General.

Enclosure:  
1/, To Legation, August 10, 1933.

800  
FPL/DA:1

Original and four copies to the Department.

OCT 3 1933

FILED

073  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

No. 444

Enclosure No. 1 in Despatch  
No. 379, Dated AUG 10 1933  
From the American Consulate General  
at Tientsin, China.

AMERICAN CONSULATE GENERAL,

Tientsin, China, August 10, 1933.

Subject: Withdrawal of Japanese Troops from  
the Tangshan Area.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Sir:

793.94/6449

I have the honor to refer to my telegram of August 9, 3 p.m., on the above-mentioned subject, and to quote below the Reuter report referred to therein:

"REUTER. Tokyo, Aug. 8 - The War Office announce that the withdrawal of the Japanese troops from south of the Great Wall was completed yesterday."

1/ as a matter of record, there is enclosed a statement purporting to have been issued by the War Office at Tokyo on August 8 stating that the withdrawal of the Kuantung Army to "the line of the Great Wall" was completed on August 7. In this connection it is barely possible that the Japanese military authorities

consider

- 2 -

consider that Shanhaikuan, notwithstanding the city is well inside the wall, is on "the line of the Great Wall."

Investigation discloses that at least one Brigade of Kuantung Japanese troops still remained at Shanhaikuan on August 9 -- the Hattori Brigade of about 1200 men. Both the American and British military authorities at Tientsin have reported that Japanese troops are still at Shanhaikuan. An American citizen who travelled from Peitaiho Junction to Tientsin on August 7 stated that large numbers of Japanese troops were still in evidence at stations along the railway line between that place and Tangshan, but that it appeared as if they were being withdrawn. There is every probability that the Japanese Kuantung troops that have been withdrawn from the stations between Lutai and Shanhaikuan will be replaced by small detachments from the Japanese Tientsin garrison.

With reference to the restoration of normal rail traffic between Peiping and Shanhaikuan, it is known that a Chinese member of the retrocession commission has proceeded to Mukden or Changchun to conduct negotiations with the "Manchukuo" authorities looking to a through traffic arrangement between the Feng-Shan railway and the Peiping-Shanhaikuan railway. The

reluctance

- 3 -

reluctance of the Chinese to enter into negotiations, as is generally known, is due to the fact that such an arrangement might be regarded as a tacit recognition of the independence of "Manchukuo". It is now reported, but not confirmed, that the Feng-Shan railway has threatened to suspend all freight traffic on August 11 unless a through traffic agreement is signed at Mukden. In view of these tactics it would not be surprising if a through traffic arrangement is entered into at an early date.

The present arrangement for traffic between Tientsin and Beitaiho and Chinwangtao, as well as Shanhaikuan, has proved to be extraordinarily irksome and has caused great inconvenience to the travelling public due to the necessity of a transfer at Tangshan and to totally inadequate facilities. An interesting sidelight on these conditions has been the fact that the French and British military authorities, by special arrangement either through Mr. Steele of the Peiping-Shanhaikuan Railway, or more likely through General Nakamura, who is Commandant of the Japanese troops in Tientsin, effected an arrangement by which troops of these contingents have recently moved through to Chinwangtao and Shanhaikuan without the necessity of changing cars at Tangshan. Two cars of British troops

moved

- 4 -

moved under such an arrangement on July 24 and on August 8 a train of British troops was run through to Shanhaikuan without the necessity of changing at Tangshan. Inasmuch as the Japanese military authorities had offered similar facilities to the American military authorities about two weeks ago and also since that time, which offers were declined, it is reasonable to infer that both the British and French commands accepted the facilities offered by the Japanese military authorities. A considerable number of the Italian contingent also moved to Shanhaikuan recently and it is most likely that they, too, took advantage of the offer of the local Japanese commander. I have been informed that American military personnel have been given free transportation by the Japanese military authorities between Chinwangtao and Tangshan when such personnel have been in uniform, but on the Tientsin-Tangshan section either regular tickets or military warrants have been required by the Chinese railway authorities. If my information is correct, the officers and men of the 15th United States Infantry, with but few exceptions, together with their families, have gone to Chinwangtao at their own expense. A considerable contingent of officers and men -- approximately 100 -- proceeded to Chinwangtao by boat from Tangku, late in June, but the official movement over the railway has been very small and has been

0733  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 5 -

been by the regular facilities provided separately  
by the two sections of the railway, with the customary  
change at Tangshen as required of ordinary civilian  
passenger traffic.

Respectfully yours,

F. P. Lockhart,  
American Consul General.

Enclosure:

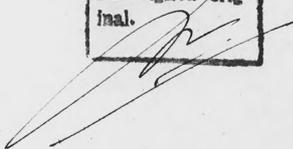
1/, Statement by the War Office at Tokyo.

800

FPL/DA:w

Original and one copy to Legation.  
In quintuplicate to the Department.

A true copy of  
the signed orig-  
inal.



0738

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

Enclosure No. 1.

THE DECLARATION.

Tokyo, Aug. 8.

The following statement has been issued by the War Office concerning the complete withdrawal of the Kwantung Army to the line of the Great Wall by August 7th:-

"The object of the advance of the Kwantung Army to regions inside the Great Wall must be clearly known as it was declared time and again. At the period when the Armistice Agreement was concluded, the Army declared that the troops would voluntarily be withdrawn to the line of the Great Wall should the Chinese authorities carry out the terms of the agreement in good faith. Since then the Kwantung Army noted the proofs of sincerity of the Chinese Authorities in North China in that peace and order in the disarmed areas were maintained and local people lived in peace. Accordingly, the Army was taken back gradually to the line of the Great Wall, and the work of retrocession was completed by August 7th.

"The Imperial Army makes it its primal object to set the mind of people at rest, observe righteousness, and act with discretion and impartiality, thereby demonstrating that it entertains no ambitious designs. On the other hand, the sincerity and efforts, with which the Chinese authorities in North China carried out the work of taking over the vast stretch of land measuring 100 k.m. from north and south and 200 k.m. from east to west, in strict observation of the terms of the Armistice Treaty, in spite of complicated political conditions at home, must be highly lauded. This may be interpreted as the first step taken by them towards establishing lasting peace in the Orient under Sino-Japanese cooperation. We must sincerely hope for Chinese officials and people sweeping away unpleasant feelings that lie between the two countries by advancing a step further, and marching on hand in hand for the establishment of peace in East Asia, in order to contribute toward securing happiness of the whole mankind in the world.

"The Kwantung Army has brought back its troops to the line of the Great Wall. But should any one ever attempt to threaten the independence of Manchukuo, disturb peace in the country, or act in a way of violating the Armistice Treaty, the Army is prepared and determined to resolutely suppress the offender without mercy, without questioning who the party is, or when or how it is attempted."  
HENGGO.

7738  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE ..... 893.00 P.R./70 ..... FOR Despatch #2253

FROM ..... China ..... (Johnson ..... ) DATED Aug.16,1933  
TO ..... NAME ..... 1-1127 ...

REGARDING:

Question raised whether Tanku Truce will lead to direct negotiation with Japan; whether Japan will offer sufficiently tempting concessions (relinquishment of extra-territoriality rights) to allow China to save "face and still come to understanding.

793.94/6479

esp

793.9L

2. Sino-Japanese Relations.

During the month of July, for the first time in almost two years, no startling developments took place in the relations between China and Japan. The retrocession of the Lwantung districts (see Legation's despatch No. 2193, July 15, 1933, Circular No. 227, July 18, 1933, pp. 5-11) and the area north of Peiping proceeded slowly but peaceably under the supervision of the Retrocession Commission, which held its first formal meeting on July 10th. Martial law in Peiping and Tientsin was abolished as from July 1st.

The actual taking over of the occupied areas did not begin till July 27th, when the Chinese magistrates proceeded to their respective districts to resume their functions. A special police force or gendarmerie, armed with rifles and portable machine guns, accompanied them. The reorganization of 4,000 of Li Chi-chun's irregular forces has also begun in accordance with the Dairen agreement,

while

- 12 -

while the remainder (about 6,000 men) will be paid off and disbanded at a cost of \$230,000 Mex. to the Hopei Provincial Government. Li Chi-chun has asked for \$500,000 for the "expenses" of his hordes in transforming themselves into a "Peace Preservation Corps", but the authorities seem to have been able to compromise on about \$300,000, of which a substantial portion was doubtless pocketed by Li himself. Incidentally, the total expenses in connection with retrocession have been estimated at \$5,000,000 Mex., of which one-fifth has already been received from the National Government in Nanking, and the remainder is to be raised by a loan issue of the Province of Hopei.

Besides Li Chi-chun's forces arrangements had also to be made regarding the disposition of some 2,000 men under the notorious rebel General Shih Yu-san near Chinwangtao. Considering his past history (see Legation's despatches No. 1121, August 13, 1931, pp. 2-8, and No. 1179, September 19, 1931, pp. 3-5) it is not surprising to find him in the pay of the Japanese, but it seems adding insult to injury that he and his rabble should have to be taken care of, together with the rest of the "bandits" and "renegades" in that area, which they will from now on be expected to "police"!

The train service from Tientsin north, although somewhat regularized since the middle of July, is still far from normal. In order to reach Peitaiho and other seaside resorts passengers still have to make two changes, and for points in "Manchukuo" of course another change at Shanhai-kwan. But it is expected that a through service at least

to

• 13 •

to Shanhaikwan will soon be functioning. Telegraphic communications between Tientsin and Chinwangtao, and mail services to the Lwantung districts, have already been restored. The Japanese have announced that by August 7th their armies will have been withdrawn to the Great Wall.

The Truce has stopped the Sino-Japanese conflict, but it can hardly be said to have solved it. It is true that China's spirit - or rather policy, for there never was much "spirit" - of resistance has been broken by the Japanese militarists, and having had to face without allies the prospects of a long and bloody war, the Chinese Government decided to give in and to salvage such sovereignty as it still possesses in North China. But the atmosphere of tension will doubtless continue so long as China refuses to recognize the independence of "Manchukuo", and the time has not yet come when a Chinese Government could publicly declare in favor of an understanding with Japan on any other basis.

Even so, many Chinese fear that the armistice is merely another step toward a humiliating peace which will ultimately have to be signed. They know that in the absence of effective assistance from the League - e.g. under Article XVI - or the United States, or Soviet Russia, direct negotiations on fundamental points cannot be avoided indefinitely. It will not do for China to wait supinely for some miracle to save her the trouble of deciding upon a definite policy. The old method of playing "battledore and shuttlecock" to evade responsibility - which, in the  
last

- 14 -

last analysis, did much to goad the Japanese military into action in 1931 - cannot be resumed without further disastrous consequence. If Japan's action did not rouse the world to something more than mere indignation it was precisely because many grievances of other foreign powers had likewise been ignored by China. Only Japan, being more restive and less inclined to be tolerant than the others, ruined what might otherwise have been a reasonably deserving cause by the blunder and impetuosity of her military party. This has exposed her to much hostile criticism even in quarters which viewed sympathetically her stand against China's anti-foreign Nationalism without, however, giving China anything more substantial in Geneva than a moral victory.

If the Central Government is still trying purposely to drag out a vague situation in the belief that ultimately an intervention by the League of Nations or some of the powers will procure for it more than could be obtained through direct negotiations, it is almost certainly doomed to disappointment. No nation is apparently willing to risk becoming involved in a war even for the purpose of upholding the sanctity of treaties, or to protect the new reign of law which the principles of post-War Diplomacy were intended to establish. And considering that a military reconquest of the lost provinces must remain outside the range of practical possibility for at least a generation or so, and considering that passive resistance has been tried for two years and has failed miserably, it is not unlikely that the time will soon come when China will have to try and bring about a settlement by negotiation, however distasteful the thought might appear to her now.

By

- 15 -

By this it is not suggested that such negotiations would necessarily result in a solution which was both just and practicable. But they would at least force Japan to put her cards on the table and to state precisely what her aims in and out of Manchuria are. It is probably correct to say that the "annexationists" in Japan are in a minority, but there have been so many conflicting and unconvincing reports as to the ultimate scope of the activities of the Japanese imperialists that the world has come to regard them with suspicion. Unless, therefore, Tokyo is deliberately planning to be "provoked" into another intramural invasion, the present moment would seem to be propitious for a gesture which Nanking could afford to accept without too great loss of "face". Japan has proved that it is comparatively easy to bring China to her knees, but once the Japanese military venture beyond the recognized zone of their special interests they may find themselves in deep water. It is inconceivable that any Japanese Government should permit its militarists to have their own way much longer. The commanders in the field are obviously only interested in plans which will serve most expeditiously the needs of their armies. They can hardly be expected to have much understanding of political and economic considerations. But even they must shrink from the possible consequences of an extended occupation and conquest of China proper, for even if the difficult Manchurian experiment should succeed, Japan certainly lacks the resources - not to mention tact and experience - to take complete charge of China's national reconstruction and regeneration.

After

- 18 -

After all, the main issues between the two countries are primarily economic. Japan's investments in China amount to over a billion dollars (gold), and normally one-fourth of China's total foreign commerce is with Japan, while nearly one-third of Japan's foreign trade is with China. Besides, Japanese vessels ordinarily exceed all foreign tonnage visiting China. The past two years of Chinese economic warfare against Japan should have taught both parties that in the long run the restoration of peace and commerce is far more important to them than the continuation of an undeclared war which must prove ruinous to victor and vanquished alike.

Theoretically Japan could, of course, claim that since she has formally recognized "Manchukuo" there is really nothing to negotiate about, and that negotiations, if any, should take place between China and "Manchukuo". But practically such an uncompromising attitude would only prolong the present crisis, for no Chinese Foreign Minister could be expected to settle with "Manchukuo" direct. That does not mean that the Nanking Government would not perhaps be willing tacitly to admit the existence of the new State, in return for certain concessions and compensations which Japan could safely offer in order to conciliate China and facilitate a compromise. (The question of extraterritoriality, for example, suggests itself at once, and there are of course others).

- 17 -

A powerful section of the Chinese Government, led by General Chiang Kai-shek himself, undoubtedly favors conciliation, but it does not dare to say so openly. Many level-headed Chinese have long realized the unreality of Nanking's pretensions to the exercise of control over Manchuria or, for that matter, over most of China. They know that for years before the Japanese invasion Chinese sovereignty (or at least authority) had not been effective in the Three Northeastern Provinces, except in the loosest and most nominal form. In their opinion Manchuria should be regarded as having already passed from China's control, just as Outer Mongolia did some ten years ago, and that the question of sovereignty should therefore not stand in the way of a realistic policy in ending the present dangerous situation. The bulk of the population of Manchuria, they argue, will always remain Chinese in race and sentiment and can therefore hardly be definitely lost to China. Some day, perhaps a decade or two hence, an efficient and united National Government in China may be able to reclaim the lost territories simply because Manchuria might then prefer to revert to the motherland rather than continue a precarious "independence" under alien protection.

For the present it is to be hoped that China and Japan will find some means of reviewing their complex relationship jointly and in a spirit of moderation. A genuine desire to appreciate the opposite point of view and to cooperate tactfully must be the keystone of any settlement. If it be objected that this is too much to expect of two

Oriental

374

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

- 18 -

Oriental races whose hostility has become almost proverbial, one could point to the example of Turkey and Greece in the Near East as a hopeful sign. These two countries, whose racial and religious antipathies go back even further than those of China and Japan, appear to have recently shown a wholesome desire to live in mutually profitable friendship. The Sino-Japanese differences are, of course, on a much vaster scale, but considering that the dependence of China upon Japan, and vice versa, is also much greater than in the case of the two other countries, the incentive should be correspondingly more powerful to get at one another's legitimate desires in the interest of peace in Eastern Asia.

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

3748

*72*

TELEGRAM RECEIVED

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

DEPARTMENT OF STATE  
RECEIVED  
SEP 25 1933  
DIVISION OF STATE

MET

FROM

GRAY

Peiping via N.R.

Dated September 23, 1933

Rec'd 11:40 a. m.

F/H

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS  
SEP 25 1933  
Department of State

764, September 23, 4 p. m.

793.94

793.94/6480

Japanese airplanes flew low over Peiping this morning dropping hand bills to the effect that forces of General Fang Chen Wu have occupied territory within the demilitarized zone defined in the Tangku agreement of May 31 and stating that unless these forces have completely evacuated zone by the evening of the 26th of September the Kwantung army will commence military operations against them. Hand bill bearing yesterday's date is headed "warning to Fang Chen Wu and his allies" and is subscribed "Commander-in-Chief of the Japanese armies".

According to communique issued by Peiping branch military council yesterday afternoon Fang has about 2,000 troops at Huaijou. There are unconfirmed reports to the effect that Generals Chi Hung Chang and Tang Yu Lin are at Heisukou on the Chahar-Jehol border preparing to join forces with Fang. Further report will be

mado

SEP 26 1933

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7749  
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Department of State letter, August 10, 1972  
By Milton D. Glustein NARS, Date 12-18-75

MMT

2-#764 from Peiping via N.R.,  
September 23, 4 p. m.

made when situation is somewhat clarified and more  
definite information is obtainable.

JOHNSON

WSB

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

TELEGRAM RECEIVED

*JH*

REF

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

FROM GRAY

Peiping via N. R.

Dated September 26, 1933

Rec'd 8:10 a. m.

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS  
SEP 26 1933  
Department of State

*LHO*  
*File*  
*JH*

771, September 26, 5 p. m.

Legation's 764, September 23, 4 p. m. / 6480

793.94

Shortly after noon today Japanese aeroplanes flew low over Peiping and dropped leaflets reiterating their intention to take military action to force evacuation of demilitarized zone by Fang Chen Wu and his allies by this evening. At 1:30 this afternoon there was fighting at Kaoliying between central government forces and Fang's cavalry. It is believed that main action centers at Shunyi although Fang's cavalry is also operating westward toward Tangshan. Yesterday Fang's infantry and cavalry, closely watched by low flying Japanese aeroplanes, moved from Huaijou to Kaoliying and gave evidence of intention to move eastward along the southern boundary of demilitarized zone. Japanese have stated that their forces will not pursue Fang once he leaves demilitarized zone.

Two. In the area occupied Fang has announced his intention to take Peiping and to drive from power Chiang Kai Shek who is characterized as an enemy of the Chinese people who

F/H/S

793.94/6481

SEP 28 1933

FILED

375

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

REP

2-7/771, From Peiping, Sept. 26, 5p.m.

who must be removed before peace and reunification is possible. Fang also has broadcasted handbills denouncing T. V. Soong and the American wheat and cotton loan. In this connection see section 2.

(END OF SECTION ONE).

JOHNSON

HPD

RR

TELEGRAM RECEIVED

REP

This telegram must be closely paraphrased before being communicated to anyone. (A-1)

FROM

PEIPING

Dated September 26, 1933

Rec'd 8:55 a. m.

Secretary of State,  
Washington.

771, September 26, 5 p. m. (SECTION TWO).

Three. Following from American Consul General at  
Nanking:

"September 26, 1 p.m. Following from Chinese source believed to be reliable: Shih Yu-San now in Tientsin has boasted he has received guns from the Japanese. The Japanese tried their best to prevent T. V. Soong from resuming office and are now pressing him for commercial treaty or at least revised tariff. Up to September 25, noon, the Chinese Government was determined to resist these demands even though belief is current that the Japanese are backing Fang Chen Wu attack as means of additional pressure. My informant earnestly requests you refrain from communicating this to your colleagues lest it reach the Japanese."

(END MESSAGE)

JOHNSON

WSB

HPD

*Paraphrase sent  
to ONI and MID  
in confidence*

0753

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

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

SEP 2 1933

PARAPHRASE

Section two of a telegram dated September 22, 1933, from the American Minister at Peiping, reads substantially as follows:

Three. The Legation has received from the American Consul General at Nanking a report as follows:

Shih Yu-San is reported to have boasted that the Japanese have furnished him with guns. Shih Yu-San is now in Tientsin. The Japanese at the present time are pressing T. V. Soong for a commercial treaty, or a revised tariff at least, after having made great efforts to prevent him from resuming office. The Chinese Government, up to noon of the 25th of September, was determined to resist these demands of the Japanese, although it is believed that as means of additional pressure the Japanese are backing the Fang Chen Wu attack. For fear that above-mentioned information may reach the Japanese, informant earnestly requests that it should not be communicated to the American Minister's diplomatic colleagues in China. The foregoing information was obtained from what is considered to be a reliable Chinese source.

~~12~~

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

0754

WP

TELEGRAM RECEIVED

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

*FE*

A portion of this telegram ~~from~~ Tokyo  
must be closely paraphrased  
before being communicated  
to anyone. (B)

Dated September 27, 1933

FROM

Rec'd 2:25 a. m.

Secretary of State,  
Washington.

148, September 27, 11 a. m.

(GRAY) One. The Secretary to the Minister of War

yesterday made the following statement to the Acting  
Military Attache in regard to the situation in Manchuria  
and in North China.

"(A) Because of certain irregularities on the part  
of the Russian Railroad officials, the Manchukuo gendarme-  
rie at Pogradichnaya and Manchuli have taken charge of the  
stations at both places. No other details are known at  
present, the Kwantung army is in no way involved.

(B) Generals Fang Chen Wu and Chi Hung Chang former  
subordinates of Feng Yu Hsiang have marched a force of  
anti-Manchukuo and anti-Nanking troops from the vicinity  
of Dolon-nor to Hwaiju (40 kilometers north of Peiping)  
in the neutral zone. This is a direct violation of the  
Tang-ku truce. Generals Fang and Chi have been given until  
midnight today the 26th, to withdraw. <sup>to the South or Westward.</sup> In the event that  
they do not withdraw or if they advance Northward or East  
ward, Kwantung Army Headquarters will take the necessary  
steps to drive them out". (END GRAY).

Two. The Embassy doubts if Japan investigated the  
action

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SEP 27 1933  
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F/H/S  
793.94/6482

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note  
861.77

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

- 2 - No. 148 from Tokyo

action taken by Fang and Chi but believes that it has produced a state of affairs not altogether displeasing to the War Office and Kwantung Army Headquarters. The Embassy is of the opinion that the army has no intention of seizing Peiping and would do so only under extraordinary circumstances.

Repeated to Peiping.

GREW

JS

0758

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

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SEP 2 1933

CONFIDENTIAL

TELEGRAM RECEIVED

FROM Tokyo

Dated September 27, 1933

Rec'd 2:25 a. m.

Secretary of State,  
Washington.

148, September 27, 11 a.m.

One. The Secretary to the Minister of War yesterday made the following statement to the Acting Military Attache in regard to the situation in Manchuria and in North China.

"(A) Because of certain irregularities on the part of the Russian Railroad officials, the Manchukuo gendarmerie at Pogranichnaya and Manchuli have taken charge of the stations at both places. No other details are known at present, the Kwantung army is in no way involved.

(B) Generals Fang Chen Wu and Chi Hung Chang former subordinates of Feng Yu Hsiang have marched a force of anti-Manchukuo and anti-Nanking troops from the vicinity of Dolon-nor to Hwaiju (40 kilometers north of Peiping) in the neutral zone. This is a direct violation of the Tang-ku truce. Generals Fang and Chi have been given until midnight today the 26th, to withdraw to the South or Westward. In the event that they do not withdraw or if they advance Northward or Eastward, Kwantung Army Headquarters will take the necessary steps to drive them out".

0757

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

CONFIDENTIAL

CONFIDENTIAL

PARAPHRASE

CONFIDENTIAL

Two. It is the opinion of members of the Embassy staff that the Japanese army has no intention of seizing Peiping, unless extraordinary circumstances should arise. The action taken by Fang and Chi appears to have produced conditions not entirely displeasing to the Headquarters of the Kwantung Army and to the War Office, but the Embassy does not believe that the action of these two Chinese leaders was instigated by the Japanese.

Peiping informed.

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

0758

#E

TELEGRAM RECEIVED

KLP

FROM

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

Tientsin via N. R.

Dated September 27, 1933.

Rec'd. 2:15 p.m.

F/HS

793.94/6483

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS  
SEP 27 1933  
Department of State

September 27, 3 p.m.

793.94  
note  
193.00  
393.11

Japanese airplane carrier arrived at Chinwangtao last night. This would seem to have some connection with the Japanese ultimatum concerning presence of Fang Chen Wu's troops in demilitarized zone and also capture by bandits of Funing which is now confirmed. Personal letter from American Mission at Changli reports <sup>police</sup> ~~National~~ force there entirely inadequate and reinforcements urgent and that appeal for aid has been telegraphed to Tientsin by local relief committee. Have warned Americans there to withdraw to place of safety if present threatening situation continues.

Signs point to either a renewal of serious civil disturbance or a fresh outbreak of Sino-Japanese troubles.

LOCKHART

USB:KLP

OCT 2 1933

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

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EJ

GRAY

GENEVA (PART AIR)

FROM

Dated September 29, 1933

Recd. 7.23 a.m.

October 1, 1933

Secretary of State

Washington

206. September 29, 3 p.m.

In his address to the Assembly this morning which

chiefly concerned the Sino-Japanese conflict Koo made the following points of policy. The Assembly report strengthened by the approval of the United States remains for China the only satisfactory settlement. China maintains the doctrine of non recognition and the present situation in China will remain only as long as it is physically impossible for China and politically impossible for the rest of the world to correct.

GILBERT

ESP

F/HS

793.94/6484

OCT 3 1933

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*File*  
*SA*

DEPARTMENT OF STATE  
OCT 2 1933  
DIVISION OF  
WESTERN EUROPEAN AFFAIRS

*72*  
*W.E.*

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

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*793.94*

F/HS

793.94/6485

Dear Mr. Minister:

I have observed in the August 21 issue of THE SHANGHAI EVENING POST & MERCURY an item headed, "Huang Fu, Ariyoshi in Long Discussion of Recent Problems", reading as follows:

"General Huang Fu, Chairman of the Peiping branch of the Executive Yuan who arrived at Shanghai a few days ago, received the Japanese Minister, Mr. Ariyoshi, over the week-end and had a long discussion concerning the Sino-Japanese relations."

In this connection, I may say that when I met President Wang Ching-wei at dinner on August 19, 1933, I observed to him that there were newspaper statements intimating that Mr. T. V. Soong would remain in Japan a day or two on his way to Shanghai, in order

to have

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

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

- 2 -

to have conversations with prominent Japanese officials  
in regard to the Sino-Japanese controversy.

Mr. Wang Ching-wei expressed great doubt whether  
Mr. T. Y. Soong had any such intention and he stated that  
he could not see any basis for discussions between the  
Japanese and Chinese authorities, with the attitude of  
the former as it appears to be at the present time.

Yours truly,

Willys K. Peck,  
Counselor of Legation.

In quintuplicate to the American Minister

WRP:MM

A true and correct  
copy of the signed original  
is being furnished to  
the signed original  
WRP:MM

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

DOCUMENT FILE

NOTE

SEE 894.00/486 FOR Despatch #2265

FROM China ( Johnson ) DATED Aug. 28, 1933.  
7611 NAME 1-1127 \*\*\*

REGARDING:

Future plans of the Japanese: Encloses memorandum of conversation held with Colonel Drysdale, Military Attache of the Legation, on August 23, 1933, regarding this subject. The Minister does not agree with the theory that the Japanese will start a fresh invasion of North China for the purpose of forcing the recognition of "Manchukuo" by the Chinese Government.

fpg

793.94/6486

6486

176

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tientsin/68 FOR Despatch #388

FROM Tientsin (Lothart) DATED September 1, 1938  
TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1127 \*\*\*

6487

793.94/6487

REGARDING: Activities of the Chinese retrocession commission; tardiness of Japanese ~~arm~~ in withdrawing of troops from Shanhaikwan and passes in Great Wall.

378

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

113.92

11. RELATIONS WITH OTHER COUNTRIES.

Unconfirmed newspaper reports of the past few days  
indicate that the Chinese retrocession commission has  
succeeded



-5-

succeeded in taking over control of Linyu, the Chinese city adjacent to Shanhaikuan. While the Commission is understood to be still continuing negotiations with the Japanese to obtain the retrocession of Shanhaikuan, well informed circles believe that the Japanese have no intention whatsoever of returning Shanhaikuan to the Chinese in the near future. The Commissioner of Customs at Chinwangtao, in whose district Shanhaikuan is situated, informed me on the occasion of a brief visit to Chinwangtao two weeks ago that in his opinion the Japanese have no intention of returning Shanhaikuan, either now or later. The Commissioner also stated that the Japanese officer in command of Kwantung troops at Shanhaikuan had informed a foreigner of good standing in that city that the Japanese troops would not be withdrawn from Shanhaikuan. It was also learned, in the course of my brief visit to Chinwangtao, that the current reports of extensive smuggling of Japanese goods into China through Shanhaikuan are correct and that these goods are not only being widely sold in the so-called demilitarized zone but that they are also seeping into other parts of North China through the regular trade channels. Japanese goods of cheap quality can be seen in the shops in Chinwangtao and at the stations along the railway between that place and Tientsin. While the Chinese Customs administration still maintains an office at Shanhaikuan it is not allowed to function by the Japanese, who practically control all movement of goods into and out of that city as they have done since  
early

-4-

early in the year. It is understood that the railway is being more generally used for smuggling purposes than is the water route into Shanhaikuan.

According to the vernacular press, Dolonor was, near the middle of the month, recaptured by troops under the command of Li Shou-hsin. It is believed that only a small body of Japanese and/or "Manchukuo" troops were utilized in recapturing the city. It had been very evident for some time previous to its recapture that the Chinese would surrender the city if any real effort was made to reoccupy it. The Japanese claim that the withdrawal of Feng Yu-hsiang's troops left the city in somewhat of a helpless condition and that it was necessary to the maintenance of peace and order that the Japanese-"Manchukuo" troops should return there and protect the city from banditry and Communism. It was also alleged by the Japanese that the occupation of Dolonor was necessary for the peace and security of Jehol. It is barely possible that the Japanese will look upon Dolonor as the western gateway into Jehol in somewhat the same fashion that Shanhaikuan is looked upon as the eastern gateway and that both will be held indefinitely as a protective measure against the newly acquired territory. Both cities are of great strategic importance to the Japanese.

All of the important passages through the Great Wall are still being held by the Japanese and/or "Manchukuo" troops notwithstanding the Chinese authorities are understood to have repeatedly requested the Japanese to hand over these passes to Chinese control. It is becoming more

and

-5-

and more evident that the Japanese have no intention of surrendering control of these passes and that the line from Shanhaikuan to Dolonor will be the permanent boundary of Japanese control although the actual geographical limits of Japanese territory, namely, Jehol, may differ somewhat from this imaginary line.

Japanese troops, in small numbers, and apparently belonging to the Japanese garrison at Tientsin, are very active in patrol duty on the Peiping-Shanhaikuan railway in the territory between Tangshan and Shanhaikuan. Japanese guards are to be seen at all of the important stations between Tangshan and Shanhaikuan and all passenger trains traversing this section have on board guards of Japanese soldiers. It is understood that these troops are operating under the provisions of the Protocol and that the Kwantung army is in no way concerned with these activities. Some six to ten Japanese soldiers can be seen on the platforms of the more important stations and from one to three squads of soldiers are usually seen on the passenger trains. The vernacular press reported in the course of the month that the Tientsin Japanese Consulate General had evolved a plan for the establishment of Japanese Sub-police stations at Tangshan and Chinwangtao. This report is undoubtedly correct inasmuch as Japanese police have for some time been stationed at Tangku and the extension of this police service to some of the stations between Tientsin and Shanhaikuan would not be surprising. A trip along the Tientsin-Shanhaikuan Railway leaves one with the distinct impression that

-5-

and more evident that the Japanese have no intention of surrendering control of these passes and that the line from Shanhaikuan to Dolonor will be the permanent boundary of Japanese control although the actual geographical limits of Japanese territory, namely, Jahol, may differ somewhat from this imaginary line.

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3778

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

-6-

that the Japanese are exercising the very closest surveillance over the Chinese with a view to discovering any possible violation of the Tangku Truce by the Chinese and with a view to preventing any so-called anti-Japanese activity on the part of Chinese organizations or individuals.

Unconfirmed reports were current in the course of the month that some Chinese in the demilitarized zone have been seeking Japanese citizenship papers, but there is reason to believe that unscrupulous Japanese may have been preying on the country people in some of the cities and towns and exacting a fee for promised protection from banditry and general lawlessness.

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

DOCUMENT FILE

NOTE

SEE 893.00/12482 FOR Letter

FROM Otto Praeger ( ) DATED September 23, 1933.

TO NAME 1-1127 \*\*\*

6488

793.94/ 6488

REGARDING: Belief that the impotence of the Chinese Government facilitates the Japanese aggression under the present jingo dominance in Japan.

hs

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

DOCUMENT FILE

NOTE

SEE 811.43-Institute of Pacific FOR Memo.  
Relations/44

FROM State Department, Div. (Fuller) DATED Sept. 6, 1933.  
TO of Far Eastern Affairs. NAME 1-1127 \*\*\* 6484

REGARDING: Conference on Pacific Relations; Hu Shih and several of his Chinese colleagues had a private conference with four or five of the Japanese delegates to see whether it would not be possible to find some common ground on which their respective Governments could meet over the Manchurian question but that nothing very definite came of this conference.

793.94/0489

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

DOCUMENT FILE

NOTE

SEE 811.43-Institute of Pacific Relations/45 FOR Memo.

FROM State Dept. Div. of Far Eastern Affairs. ( Hornbeck ) DATED Sept. 28, 1933.  
TO Far Eastern Affairs. NAME 1-1127 ... 6490

Banff Conference of the Institute of Pacific Relations.

REGARDING: Dr. Hu Shih discussed in a conversation with Mr. Hornbeck the meetings which were held independently of the conference between members of the Chinese and the Japanese groups.

793.94/6490

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

DOCUMENT FILE

NOTE

SEE 811.43 Institute of Pacific Relations/41 FOR Desp. #682

FROM Tokyo ( Garrels ) DATED Aug. 17, 1933  
TX NAME 1-1127 \*\*\*

6491

REGARDING:

Propaganda tour of Japanese delegates to  
Conference of Institute of Pacific  
Relations to explain the Japanese  
cause in the Manchurian Affair.

med

793.94/6491

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

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*Telegraph*  
Division of  
FAR EASTERN AFFAIRS  
OCT 18 1933  
Department of State  
*1004*  
SHANGHAI

*JE*

REP

FROM

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

Dated October 18, 1933

Rec'd 6:20 a. m.

F/HS

793.94/6492

Secretary of State,  
Washington.

October 18, 5 p. m.

Following telegram has been sent to the Legation:

793.94  
STRICTLY CONFIDENTIAL. Japanese Minister left here yesterday for Peiping. He told Hallett Abend that "in order to safeguard the northern borders of Manchukuo" it was very necessary that there should be a strong and stable government in Peiping and that he, Ariyoshi, was going north for that purpose and expected to accomplish it within a month. He hoped that Nanking would (\*) no objection and expected it would be done without military force.

NOV 6 - 1933

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Repeated to the Department.

CUNNINGHAM

HPD

(\*) Apparent omission.

0776

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

A LEGAL STUDY

**JAPAN'S ACTS OF TREATY VIOLATION AND  
ENCROACHMENT UPON THE SOVEREIGN  
RIGHTS OF CHINA  
IN THE  
NORTH-EASTERN PROVINCES (MANCHURIA).**

By

**HERBERT HANTAO WU M.L., Ph.D.**

Division of  
**FAR-EASTERN AFFAIRS**  
067 19 1933  
Department of State

UNITED STATES DEPARTMENT OF STATE  
COMMUNICATIONS AND RECORDS  
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OCT 1 1933

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**SEPTEMBER, 1932**

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

# 東北問題研究會

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九一八事變真相.....	叁角
東三省果爲日本之生命線耶.....	壹角伍分
日本併吞滿蒙之密秘計劃.....	壹角
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東北現勢圖.....	伍分
日本參謀本部滿蒙國防計劃意見書.....	伍角
九一八事變後日本鐵蹄下之東北鐵路.....	叁角
新法鐵路中日往復照會.....	二角
中日鐵路關係各問題.....	一角
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

**A LEGAL STUDY**  
**JAPAN'S ACTS OF TREATY VIOLATION AND**  
**ENCROACHMENT UPON THE SOVEREIGN**  
**RIGHTS OF CHINA**  
**IN THE**  
**NORTH-EASTERN PROVINCES (MANCHURIA),**

By

HERBERT HANTAO WU, M.L., PH.D.

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**PUBLISHED BY**  
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**PEIPING, CHINA.**

**OCTOBER, 1932.**

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

*To My Friend  
Mr. T. Y. Wang  
General Secretary  
Commission on North-Eastern Foreign Relations  
and  
Managing Director  
Foreign Affairs Monthly, Peiping, China.*

TABLE OF CONTENTS

INTRODUCTION	
CHAPTER I	Page
The Establishment of the Kwantung Government and its Organization .....	7
CHAPTER II	
The South Manchuria Railway Company .....	15
CHAPTER III	
The Administration of the South Manchuria Railway Leased Lands. ....	27
CHAPTER IV	
The Right of Stationing Troops Along the South Man- churia Railway Settlements .....	37
CHAPTER V.	
The Exercise of Police Rights by Japan outside the Kwantung Leased Territory. ....	58
CHAPTER VI	
Japan's Judicial Rights in the North-Eastern Provinces.	72
CHAPTER VII	
Educational Rights of Japan in the North-Eastern Pro- vinces .....	85
CHAPTER VIII	
Japan vs. Monetary and Financial Administration Rights in the North-Eastern Provinces .....	91

TABLE OF CONTENTS

	Page
CHAPTER IX	
Japan's Interest in the Administration of Communica- tions in the North-Eastern Provinces .....	105
CHAPTER X	
Japan's Interest in Mining and Industry in the North- Eastern Provinces.....	135
CHAPTER XI	
Japan's Interest in Agriculture, Forestry, and Fishing in the North-Eastern Provinces .....	151
CHAPTER XII	
The Problem of Double Nationality of the Koreans...	167
CHAPTER XIII	
Japan's Other Unlawful Activities in the North-Eastern Provinces.....	190
CONCLUSION .....	201

ERRATA

MISTAKES

- 1) The North-Eastern Provinces of China.  
The Three North-Eastern Provinces.  
The North-east.
- 2) The South Manchuria Railway Zone.
- 3) Japan's Judicial Rights in Manchuria.
- 4) The North-Eastern Provinces  
(Manchuria & Mongolia)
- 5) The Three Eastern Provinces.

CORRECTIONS

- 1) The North-Eastern Provinces or the  
North-East (namely, Liaoning, Kirin,  
Heilungkiang, and Jehol)
- 2) The South Manchuria Railway Settle-  
ments or Areas or Leased Lands.
- 3) Japan's Judicial Rights in the North-  
Eastern Provinces.
- 4) The North-Eastern Provinces (Man-  
churia & Mongolia as Japan claimed).
- 5) The Three Eastern Provinces (name-  
ly, Liaoning, Kirin, and Heilungkiang).

078  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

**JAPAN'S ACTS OF TREATY VIOLATION AND ENCROACHMENT  
UPON THE SOVEREIGN RIGHTS OF CHINA IN THE  
NORTH-EASTERN PROVINCES (Manchuria).**

**INTRODUCTION**

The North-east (this name is used to designate the four provinces, namely, Liaoning, formerly known as Fengtien, Kirin, Heilungkiang, and Jehol) is Chinese territory situated in the Northeastern section of China. In Articles II and III of the Treaty of Shimonoseki, concluded in 1895 following the Sino-Japanese War, Japan tacitly recognized it as Chinese territory. She openly did so in her declaration of war with Russia in 1904. Furthermore, at the Washington Conference of 1922, she also recognized the North-Eastern Provinces (Manchuria and Mongolia) as Chinese territory when she signed the Nine-Power Treaty. Therefore, from the standpoint of history and geography, as well as the Treaties Japan concluded with both China and Russia, and North-east is undoubtedly an integral part of Chinese territory.

Since the conclusion of the Treaty of 1905 entered into between China and Japan relating to the Three Eastern Provinces, and the Agreement supplementary to the said Treaty, Japan has succeeded Russia in Dairen and Port Arthur and has taken

- 2 -

over the South Manchuria Railway as well as other rights and interests in South Manchuria. Later on she successively concluded with China various Treaties and Conventions, Agreements, Protocols, Regulations, etc., having the force of treaties to extend her special rights and interests in the North-east; and the most important of these is the Treaty of Peking (the so-called Twenty-one Demands) forced on China in 1915. The Chinese Government demanded the abrogation of this Treaty both at the Paris Conference in 1918-1919, and at the Washington Conference in 1921-1922. Neither the Chinese Parliament nor the Chinese people has recognized its validity. What Japan regarded as her treaty rights are really rights of concession and the rights of utilization and cannot be construed as the rights of possession or partaking of the nature of ownership in private law. In Article I of the Treaty concluded between Russia and China in 1898 pertaining to the lease of Port Arthur and Dairen it was provided that such a leasehold should not infringe upon the sovereign rights of the Chinese Emperor. Again, in Article III of the Portsmouth Treaty of 1905 it was definitely stipulated that the troops of both Russia and Japan, occupying and controlling Manchuria, should be evacuated and turn it over to China, and, at the same time, they mutually undertook not to encroach upon China's sovereign rights. From this it can be seen that while Japan is entitled to the full enjoyment of her legitimate rights and privileges she should

- 3 -

not infringe upon China's territorial and administrative sovereignty.

However, Japan has persisted in her traditional continental policy toward the North-east, and in the carrying out of this policy she has ignored her obligations and undertakings embodied in her Treaties with China. On July 25, 1927, the Japanese Premier Tanaka submitted a secret memorial to the Emperor of Japan, outlining the positive policy in Manchuria and Mongolia. "In order to conquer China", he said, "we must first conquer Manchuria and Mongolia. In order to conquer the world we must first conquer China. If China is conquered other Eastern peoples will fear and respect us and pay homage to us. Then Asia will be Japan's Asia and no country will dare to violate our rights. This was the policy of the late Emperor Meiji left to us as a heritage. It is the life and death problem of the Empire today." This is the keynote of the so-called positive policy toward Manchuria and Mongolia. In pursuing and bringing toward consummation the audacious policy Japan has violated all the provisions embodied in her Treaties with China and cynically ignored China's sovereign rights. She has advanced various pretexts and had recourse to all manner of specious reasoning to further her selfish ends. Confronted by such a situation China had no alternative but to resist Japanese aggressions if, on the one hand, she wished to maintain the Open Door policy and the principle of Equality of Oppor-

- 4 -

tunity for all Powers, and, on the other, to preserve her sovereign rights and independence, her territorial and administrative integrity. Thus arose between China and Japan conflicting interests in the North-east. As a result there were numerous disputes between Chinese and Japanese, and the diplomats of both sides experienced great difficulties in their attempts at settlement. In such circumstances it was most unreasonable on the part of Japan to accuse China of not respecting her acquired rights and interests in the North-east. This is the origin of the Sino-Japanese question involving numerous unsettled cases between the two countries. The nature of these unsettled cases can be classified into the following seven categories:

- 1) Those that should properly be settled with the Chinese Central Government through diplomatic channels, but which Japan stoutly insisted should be settled with the local authorities
- 2) Those that arose out of Japan's violation of treaties followed by China's repeated protests, but with regard to which Japan either procrastinated or turned a deaf ear.
- 3) Those resulting from Japan's illegal acts (acts exceeding the limits prescribed by treaties) and remained unsettled even after protracted negotiations.
- 4) Those that were already settled, but with regard to which Japan refused to carry out the term of settlement by one pretext after another.

- 5 -

5) Those brought up by Japan and based on non-existing treaties, contracts, protocols, agreements, etc., and which China, with justification, refused to recognize but with regard to which Japan insisted on having her own way.

6) Those that resulted from differences in interpretation of treaties, contracts and other agreements between the two parties, each party insisting that its own interpretation was correct.

7) Those that had to do with rights and interests acquired by Japan through the conclusion of secret treaties with the local authorities, the validity of which treaties the Chinese Government refused to recognize.

Judging from the foregoing classifications of the nature of the so-called unsettled cases any fair-minded person would have to admit that responsibility should be placed squarely upon the shoulders of Japan. Her conduct was reprehensible, for instead of censuring her own illegal acts and treaty violations she laid the blame upon China for not respecting what she claimed to be her legitimately acquired rights and interests. She went even further: she made a sudden unprovoked attack on Mukden and rapidly extended her military operations until the North-east was placed under her domination. Not satisfied with such bare-faced aggressions she compelled a small number of Chinese to work with her for the establishment of the so-called "Manchukuo". She has thus violated International Law, the Covenant of the League of Nations, the Paris Peace Pact,

078  
DECLASSIFIED: E.O. 11652, 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 —

the Nine-Power Treaty, and all the Treaties entered into with China. In the following chapters we will give a fuller account of Japan's acts of treaty violation and her encroachments upon China's sovereign rights before the military coup of September 18, 1931, in order to appeal to the impartial judgment of enlightened public opinion throughout the world. If there is justice in the world and if righteousness still exists, it will not be difficult to decide as to the rights and wrongs of the Sino-Japanese conflict in the North-east. The incident of September 18 represent only a phase in the carrying out of Japan's continental policy which had been carefully formulated and elaborated by her military clique; and the reasons she gave for sending her troops to occupy the North-east, and the pretexts she advanced from time to time, are nothing except trying to deceive the world in order to conceal her real motives.

— 7 —

#### CHAPTER I

##### THE ESTABLISHMENT OF THE KWANTUNG GOVERNMENT AND ITS ORGANIZATION

The Kwantung Government is the Japanese administrative organ in the Kwantung Leased Territory. It is the headquarters of Japanese political influence in the North-east. The area under the control of this Government is called by the Japanese the Kwantung Territory. This territory is situated at the southern end of the Liaotung Peninsula. It is a small area including Port Arthur, Dairen and Kinchow, totaling 1211 square miles. Formerly, before the Russo-Japanese War, this area was a Russian concession. After the War it was transferred by Russia to Japan, as was provided in Articles V and VI of the Portsmouth Treaty. Article I of the Treaty concluded between China and Japan relating to the Three Eastern Provinces on December 22, 1905, made the same provision; and Article II stipulated that Japan should abide by the original agreement entered into between China and Russia pertaining to the leased territory and the construction of the Chinese Eastern Railway. During the conclusion of the Sino-Japanese Treaty of 1905 relating to the Three Eastern Provinces the Chinese representative vested with plenipotentiary powers made a copy of six Treaties and Agreements concluded between China and Russia and presented it to the Japanese

- 8 -

delegate. But judging by the manner in which the Kwantung Government was organized and the Kwantung Leased Territory was administered by Japan, together with other activities, we cannot but draw the conclusion that she has never carried out the original treaty provisions made between China and Russia.

In October, 1905, after the conclusion of the Treaty of Portsmouth, Japan instituted the Governorship-General of Kwantung and appointed General Oshima Kisho as the first Governor-General having charge of both civil and military affairs. This system was abolished in August, 1906, and in its place was established the Kwantung Government-General. There were set up two Departments, Civil and Military, to take charge of civil and military affairs, and placed under the control of the Government-General. It was specified that the Government-General should be headed by an Army officer. General Oshima Kisho was the first appointed to such a responsible post. In April, 1919, this system was again abolished and the Kwantung Government was established as the supreme organ for civil affairs (the Kwantung Army Headquarters was set up independently to take charge of military affairs). Thus the Governor of the Kwantung Government was no more a military man but a civil administrator. The first Governor was Hayashi, one of the leading Japanese diplomats.

- 9 -

2) Since October, 1905, Japan has established the Governorship-General and then the Government-General to take control of both the civil and military affairs of the Kwantung Leased Territory. This is plainly a violation of the Treaty of March 27, 1898, concluded between China and Russia concerning the lease of Port Arthur and Dairen. Article IV of this Treaty provides that

**"On the territory leased by the Russian Government and its adjacent water area, the entire military command of the land and naval forces and equally the supreme civil administration will be given over to the Russian authorities and will be concentrated in the hands of one person who however shall not have the title of Governor or Governor-General"**

This provision, however, was first violated by Russia and later by Japan.

3) According to the government system in Japan, the word "Government" is an organization for the administration of her colonies or territories over which she exercises administrative powers. As examples we may mention the Saghalien Government, the South Sea Islands Military Government, and the Hokkaido Government. In other words, the Kwantung Government is but a sort of branch office of the home government of Japan. The Kwantung Peninsula is a territory leased to Japan for a limited number of years and its territorial sovereignty remains with China. Japan, disregarding the provision in Article I of the Treaty of 1898 between China and Russia per-

— 10 —

taining to the lease of Port Arthur and Dairen, has introduced since 1919 the Kwantung Government system and looked upon the Kwantung Leased Territory as her own territory. This constitutes an infringement upon China's territorial sovereignty. Article I of the Sino-Russian Treaty of 1898 relating to the lease of Port Arthur and Dairen provides that

"H.M. the Emperor of China agrees to place at the disposal of the Russian Government, on lease, the Ports Arthur and Ta-lien-wan together with the water areas contiguous to these ports. This act of lease, however, in no way violates the sovereign rights of H.M. the Emperor of China to the above-mentioned territory".

4) In Article VI of the Treaty of 1898 between China and Russia concerning the lease of Port Arthur and Dairen it is provided that

"Both the Governments agree that Port Arthur, as an exclusively military (naval) port, shall be used solely by Russian and Chinese vessels and shall be considered as a close port to the warships and merchant vessels of other States".

According to this provision China's warships and commercial vessels should enjoy the right to use Port Arthur. But since Japan succeeded Russia in Port Arthur she has imposed all kinds of restrictions, thus virtually closing the port to Chinese warships and commercial vessels. This is plainly a violation of the spirit of the said Treaty.

— 11 —

5) According to Article IV of the Additional Agreement of May 7, 1898, concluded between China and Russia defining the boundaries of the leased and neutralized territory in the Liaotung Peninsula it is provided that

"The Russian Government assents to the request of the Chinese Government that the administration and police of the city of Kinchow shall be Chinese. Chinese troops will be withdrawn from Kinchow and replaced by Russian troops. The inhabitants of the city have the power to use the roads from Kinchow to the north boundary of the leased territory, and the waters usually required near the city, the use of which has been granted to Russia; but they have no power to use the sea-coast".

But since 1905, when Japan succeeded Russia and undertook to observe the provisions of this Treaty she has tried all means to prevent China from sending officials to administer the civil affairs in Kinchow. In the third year of the Chinese Republic the name of Kinchow was changed to Kin-Hsien which is a district under the jurisdiction of Fengtien Province. But because of Japan's usurpation of China's administrative rights the provincial government of Fengtien has been unable to appoint a civil official to administer that place and has been compelled to entrust its administration to the neighboring district of Fu-Hsien. The official seal of Kin-Hsien is still kept in the provincial administration building. China has sovereign rights in her own territory, but on account of Japan's treaty violation she has been unable to exercise such rights.

6) There should not be any difference in the legal status between the Kwantung Leased Territory and that of the concessions of the other Powers in China. But with the Kwantung administration as it is at present organized, together with the local system as it is in force, great difference exists. This is contrary to the letter and spirit of Articles I and IV of the Treaty of March, 1898, between Russia and China pertaining to the lease of Port Arthur and Dairen, and of Article IV of the Additional Treaty concluded in May of the same year; and of Articles I and II of the Treaty of 1905 entered into between China and Japan relating to the Three Eastern Provinces. She has ignored the principles of International Law in regard to concessions; and whenever possible she has encroached upon China's sovereign rights.

The Kwantung Government is organized along the following lines:

Kwantung Administration	Secretariat	{ Secretaries Documents Political Investigation Section Foreign Affairs Section Board of Councillors
	Home Affairs Department	{ Local Administration Section Education Section Industrial Affairs Section Engineering Section
	Police Department	{ Peace Preservation Section Public Affairs        " Sanitation           " Criminal             " Higher Police        "
	Finance Department	{ Accounts Section Finance            "
Communications Dept.	Postal Dept.	{ Branch offices Telegram dispatching & receiving offices Telephone exchange offices Post Office-branch offices
	Telegraph Dept. Telephone Dept. Post Office Bureau Aerodrome	
Other Organs	Civil Affairs Bureau for Dairen, Port Arthur, & Kinchow & their branches	{ Primary Schools Public Schools Young People's Training Schools
	Police Bureau	sub-stations
	Judicial Courts	{ Higher Courts Local Courts and their branches
	Constabulary Bureau	{ Higher Constabulary Local Constabulary
	Bureau of Punishment	branches
	Police Training Schools	
	Maritime Affairs	and their branches
	Bureau of Monopoly	
	Stock Exchange	
	Universities, College, Middle schools, Schools for Women and Normal schools and other Organs	

— 14 —

In the light of the Treaty provisions mentioned in the foregoing paragraphs there is no legal basis whatever for the Kwantung Government to exercise judicial, postal and telegraphic, educational and police rights. There is still less justification for the establishment of the Bureau of Monopoly. This Bureau exists for the sole purpose of selling opium. According to the instructions embodied in the Edict No. 179, issued in July in the third year of Showa, all opium importation, its traffic and storage, together with the manufacture of other narcotics, should be handled by the said Bureau.

The powers of the Governor of Kwantung Government can be summarized as follows:

- a) He exercises all the administrative powers in the Kwantung Leased Territory.
- b) He possesses judicial and police powers along the South Manchuria Railway.
- c) He exercises supervision over the affairs of the South Manchuria Railway Company.
- d) He executes all the affairs under the direction of the Colonial Office and conducts all diplomatic affairs under the jurisdiction of the Minister of Foreign Affairs.

— 15 —

## CHAPTER II

### THE SOUTH MANCHURIA RAILWAY COMPANY

The Japanese railway system in the North-eastern Provinces centres around the South Manchuria Railway (Mantieh) and is under the administration of the South Manchuria Railway Company (Mantieh Company), Japan's rights over the South Manchuria Railway are based on Article VI of the Portsmouth Treaty concluded between Japan and Russia on September 25, 1905; on Article I of the Sino-Japanese Treaty relating to the Three Eastern Provinces concluded on December 22 of the same year, and on Article VI of the Agreement supplementary to the said Sino-Japanese Treaty. In other words, Japan succeeded Russia in the South Manchuria Railway on the basis of these Treaties and Agreement. This being the case, Japan is under solemn obligation to observe the provisions of the Sino-Russian Agreement arrived at in 1896 pertaining to the construction and management of the Chinese Eastern Railway. But from the standpoint of the organization, capitalization, personnel of the South Manchuria Railway Company and of the commercial and industrial enterprises it undertakes, Japan has violated all her treaty obligations.

#### 1) The Organization of the South Manchuria Company.

After the Russo-Japanese War Russia relinquished in favour of Japan the southern branch of the Chinese Eastern Railway

— 16 —

from Changchun to Dairen. And in accordance with Article VI of the Agreement supplementary to the Sino-Japanese Treaty of December 22, 1905, relating to the Three Eastern Provinces, Japan was given the right to operate the Antung-Mukden Line which she had forcibly constructed, and to change its rails from narrow to broad gauge. On June 7, 1906, a set of regulations governing the establishment of the South Manchuria Railway Company was promulgated by the Imperial Ordinance No. 142. On July 30 an Organizing Commission was appointed for this purpose, comprising eighty of the most prominent personages in Japanese political, military and industrial circles. General Kotama, then Chief of the General Staff, served as Chairman of the Commission. On August 1 orders were given to the Commission by the Ministers of the Postal Administration, Finance and Foreign Affairs, respecting several matters relating to the organization of the South Manchuria Railway Joint Stock Company. The Orders embodied twenty-six Articles, the most important of which are the following:

ARTICLE I—The Company shall engage in the traffic of the following railways:

- 1) Dairen-Changchun
- 2) Nankuanling-Port Arthur
- 3) Tafangshen-Liushutun
- 4) Tashichiao-Yinkow
- 5) Yentai-Yentai Coal Mine

— 17 —

- 6) Sukiatun-Fushun
- 7) Mukden-Anlunghsien

ARTICLE II—Pertaining to the change of gauge and double tracks.

ARTICLE III—The Company shall make various arrangements necessary for the lodging and meals of the passengers, as well as for the storage of goods at the principal stations on the line.

At the points on the harbors and bays touched by the railways the necessary arrangements shall be made for connecting water and land transportation.

ARTICLE IV—For the convenience and the profits of the railways the Company may engage in the following accessory lines of business:

- 1) Water transportation
- 2) Electrical Enterprises
- 3) Warehousing
- 4) Business relating to the land and buildings on the land attached to the railways.
- 5) In addition, any business for which Government permission has been given.

ARTICLE V—The Company shall, subject to the permission of the Government, make the necessary arrangements for engineering works, education, plantation, etc., within the area of lands used for the railways and the accessory lines of business.

ARTICLE VI—To defray the expenses necessary for the arrangements mentioned in the preceding Article, the Company may, subject to the permission of the Government, collect fees of those who live within the area of lands used for the railways and the accessory lines of business, or make an other assessments for necessary expenses.

ARTICLE VII—The total amount of the Company's capital stock shall be 200,000,000 yen, of which half shall be furnished by the Imperial Government.

ARTICLE VIII—The capital to be furnished by the Government mentioned in the preceding Article shall consist of the following properties:

- The existing railways.
- All properties belonging to the railways.
- The coal mines at Fushun and Yentai.

In accordance with Imperial Ordinance No. 142 of 1906 and in obedience to the Orders of the Imperial Japanese Government, the Organizing Commission established on February 27 the South Manchuria Railway Joint Stock Company, with head-office at Tokyo (later moved to Dairen). On December 7 of the same year all necessary procedures pertaining to registration were completed.

The most noteworthy feature in the organization of the South Manchuria Railway Company was the absolute control

exercised by the Japanese Government. The Company commenced to function from April 1, 1907 (the Fortieth Year of Meiji), The chief administrative officers are:

- President.....I
- Vice President .....I
- Directors .....4 or more (now 8)
- Inspectors .....3 to 5 (now 4)

The term of office of the President and Vice-President is five years. They are appointed by the Government subject to the Imperial sanction. The term of office of the directors is four years and they are appointed by the Government from among those who own fifty shares or more. The term of office of inspectors is three years and they are elected by the shareholders at a general meeting of the shareholders. The President has general control of all affairs of the Company. The first President of the Company was Goto Shimpei (now deceased). The Company is organized on the following lines:

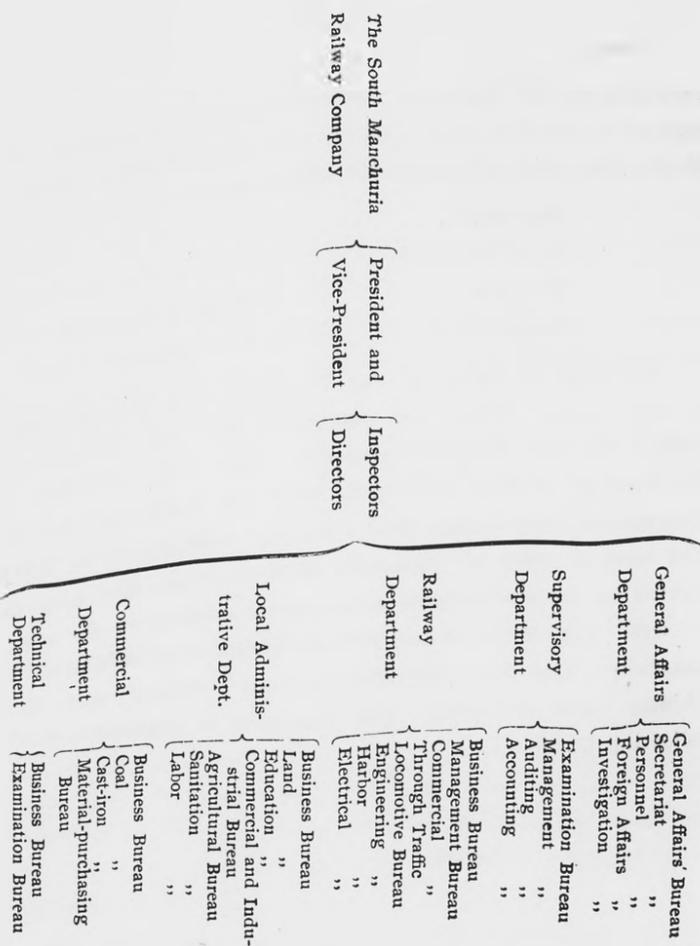
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 Department of State letter, August 10, 1972  
 By Milton O. Gustafson NARS, Date 12-18-75

Besides, there are five other organs placed directly under the Company—Tokyo Branch Office, Fushun Coal Mine, Anshan Iron-works, and the Branch office in Mukden and Harbin.

According to the ordinance now in force the Minister of Special Affairs, the Governor of Kwantung Administration, the minister of Foreign affairs and the administrative officers of the Company constitute the Board of Directors.

Japan, as successor to the rights and privileges enjoyed by Russia in South Manchuria, should abide by the Sino-Russian Agreement of 1896 pertaining to the Chinese Eastern Railway. She should have organized the South Manchuria Railway Company as a joint Sino-Japanese concern. By organizing the Company in accordance with the Imperial Ordinance and the orders of the Japanese Government she has not only violated the provisions of the Sino-Russian Railway Agreement of 1896 but also failed to carry out the undertaking given in Article II of the Sino-Japanese Treaty of 1905 which provides that:

"The Imperial Japanese Government engage that in regard to the leased territory as well as in the matter of railway construction and exploitation, they will, so far as circumstances permit, conform to the original agreement concluded between China and Russia. In case any question arises in the future on these subjects, the Japanese Government will decide it in consultation with the Chinese Government."



— 22 —

2) The Capital of the South Manchuria Railway Company.

We have already dwelt on the fact that Japan is the successor to the rights and privileges of Russia in the South Manchuria Railway. In accordance with Article I of the Sino-Russian Railway Agreement of 1896 it is provided that subscription to the shares issued by the Chinese Eastern Railway Company should be restricted only to Chinese and Russians. The South Manchuria Railway, the southern branch of the Chinese Eastern Railway, should therefore be a joint Sino-Japanese undertaking. China should have the right to subscribe to the shares (200 yen per share) issued by the South Manchuria Railway Company which was first capitalized at 200,000,000 yen. The Japanese Government furnished one-half of this sum which consists of (1) the existing railways; (2) all properties belonging to the railways; and (3) the coal mines at Fushun and Yentai. Concerning the ownership of the branch lines in item No. 1 and the coal mines in No. 3, it was then still under dispute between Japan and China. Japan, however, arbitrarily appropriated these properties as her own, thus ignoring China's legitimate rights.

When the other portion of the Capital, aggregating 100,000,000 yen, was open for subscription the Chinese Government was not in a position to take any shares, and the shares taken by the Chinese were negligible, the ratio being 1 to 1066 as compared with those subscribed for by the Japanese. Soon the

— 23 —

Chinese were entirely excluded from any share in the Company. Up till April 18, the Ninth Year of Taishó, the capital of the Company was increased to 440,000,000 yen, half of which was furnished by the Japanese Government and the other half was open to the subscription of the Japanese people, the Chinese having been rigidly debarred from participation. Japan had therefore failed to carry out her undertaking to abide by the provisions of the Sino-Russian Railway Agreement of 1896.

3) In accordance with Article I of the Sino-Russian Railway Agreement the official seal of the Chinese Eastern Railway Company should be issued by the Chinese Government, and that the latter should have the right to appoint the Director for the Chinese Eastern Railway. In the organization of the South Manchuria Railway Company Japan should have conformed to the provisions of the Sino-Russian Railway Agreement I of 1896. But she ignored her solemn undertaking. She appointed Japanese to the Presidency and Vice-Presidency of the South Manchuria Railway Company. All the Directors and Inspectors are also Japanese. Furthermore, the official seal of the Company was issued by the Japanese Government. According to investigations made on March, the Sixth Year of Showa, the number of officials and employees connected with the Company totalled 33,941, of whom there was not a single Chinese who represented the Chinese Government. In the light of the organization and personnel of the Chinese Eastern

— 24 —

Railway Company previous to the year 1917 it is obvious that Japan has violated the original Sino-Russian Agreement pertaining to railway construction in Manchuria.

4) The Business Enterprises Carried on by the South Manchuria Railway Company.

The most important lines of business carried on by the South Manchuria Railway Company, besides directly engaged in the traffic of the South Manchuria Railway (the Changchun-Dairen and the Antung-Mukden trunk lines) are: the Ki-Chang, Ki-Tun, Ssu-Tao, Tao-An and the other light railways (Chin-Fu, Chang-Hsi and Tien-Tu). It also undertakes various accessory lines of business which are very extensive in scale and ramifications. We can get some idea of the extent of such undertakings from a perusal of the Orders issued by the Ministers of Postal Administration, Finance and Foreign Affairs for the guidance of the Organizing Commission appointed for the organization of the Company on August 1, 1906 (Articles III to VI). In the economic field they comprise factories, wharves, mines (Fushun and Yentai coal mines), bays and harbors, iron-works, etc. It owns lands and buildings, and it extends financial assistance to private enterprises carried on by Japanese. In the political field it sets up various administrative and Military organs, and reserves to itself municipal administration in localities along the railway zone. In the cultural field it runs primary, secondary and technical schools, higher educational institutions,

— 25 —

libraries, newspapers in Chinese and English languages, a Central Experimental Station, a Geological Research Bureau, agricultural experimental stations, and a Research Department for the Natural Resources in Manchuria and Mongolia. Thus, judging by the far-reaching activities it is engaged in, the Company, although ostensibly a railway concern, practically enjoys all the essential attributes of a territorial sovereign. It is, therefore, no exaggeration when the Japanese call the Company the "Mantieh Kingdom"; and compared with the status occupied by the Chinese Eastern Railway the Company has violated the spirit of the Sino-Russian Railway Agreement of 1896 because of the vast number of business enterprises it undertakes. Article VII of the Portsmouth Treaty concluded between Japan and Russia on September, 1905, provides that

**"Japan and Russia engage to exploit their respective railways in Manchuria exclusively for commercial and industrial purposes and in no wise for strategic purposes."**

In view of the extensive enterprises undertaken by the South Manchuria Railway Company, not only in the commercial and industrial, but also in the military, political and cultural fields, it has far exceeded the scope of activities that are ordinarily associated with a railway company.

From the foregoing account of the organization and activities of the South Manchuria Railway Company we cannot but be impressed with the following four features:

— 26 —

1) That besides engaging in the ordinary business enterprises of a railway company it runs coal mines, factories, iron-works, wharves, etc. Nominally it is a Sino-Japanese joint stock company but in reality it is a Japanese monopoly. The railways under its operation not only provide ample means for commercial transportation but also facilitate immigration and military movements, all sidings being specially designed to handle heavy transportation of troops.

2) Although it is specified in the treaty that the capital for the South Manchuria Railway Company should be furnished by both China and Japan, in actual fact the right for such investment is the exclusive privilege of the Japanese. For all practical purposes both the South Manchuria and the Antung-Mukden Railways are Japanese railways.

3) The South Manchuria Railway Company also enjoys the special right to undertake cultural, educational and political activities. It collects taxes from those who live within the railway leased lands. Although posing as a commercial organization it is in fact an administrative department of the Japanese Government.

4) Japanese troops and guards are stationed along all the railways under the operation of the South Manchuria Railway Company, whether they are trunk or branch lines — a unique feature not seen anywhere else. In short, the activities engaged in by the South Manchuria Railway Company have far exceeded the rights conferred on Japan by Treaties and Agreement.

— 27 —

### CHAPTER III

#### THE ADMINISTRATION OF THE SOUTH MANCHURIA RAILWAY LEASED LANDS.

##### 1) What Are the Leased Lands?

“Mantieh” refers to the railways in South Manchuria under the operation of the South Manchuria Railway Company. It comprises the following lines :

- a) The South Manchuria Railway (Changchun to Dairen, a distance of 704.20 kilometres)
- b) An-Feng Railway (Antung to Sukiatun, 260.20 kilometres)
- c) Port Arthur Line (Port Arthur to Chow-Yung-Tze, 50.80 kilometres)
- d) Yinkow Line (Tashichiao to Yinkow, 22.40 kilometres)
- e) Yentai Line (Yentai to Yentai Coal Mine, 15.60 kilometres)
- f) Fushun Line (Sukiatun to Fushun, 52.90 kilometres)
- g) Liushutun Line (Ta-Fang-Shen to Liushutun, 5.80 kilometres, but not yet open to traffic)

The foregoing six trunk and branch lines aggregate 1106.10 kilometres, and when we add the Liushutun branch line the total length is 1112 kilometres.

The “railway boundaries” refer to the 33 feet of lands on both sides of the railway tracks outside of the Kwantung Leased

— 28 —

Territory. The definite areas along the railway stations set aside for trade and commerce are designated under the comprehensive term of "Mantieh Fu Shu Ti," meaning lands belonging and attached to the South Manchuria Railway. The English translation given by the Japanese is "Railway Zone." But this term is inappropriate and does not agree with actual facts, for the South Manchuria leased lands are not a long narrow strip of land but refer to the railways themselves together with the lands necessary for their administration and maintenance. Therefore, what Japan terms "Mantieh Fu Shu Ti" refers, in actual fact, to a number of areas along the line of the stations set aside for trade and residence with a few scattered here and there devoted to industries operated by the South Manchuria Railway Company. It is thus wrong to render it into English as "Railway Zone". The correct translation would be "railway settlements" or "railway areas". The railway leased lands cover an area of only forty and a quarter square miles.

2) The Administration of the South Manchuria Railway Leased Lands.

The administration of the railway settlements, other than the management of the railways and affairs intimately connected with their operation, should properly belong to the Chinese Government. But from the very beginning Japan claims the right of municipal administration for the South

— 29 —

Manchuria Railway Company. She not only arrogates to herself police jurisdiction but also maintains control over postal and telegraphic services. As matters stand, municipal administration other than police is carried on by the "local department" of the Railway Company, and police jurisdiction by the Kwantung Governor through the Japanese consular officials in Manchuria appointed as secretaries of the Governor.

The administrative power exercised by Japan in the railway leased lands is based on the Portsmouth Treaty concluded between Japan and Russia in 1905, and on the Sino-Japanese Treaty arrived at in the same year and the Agreement supplementary to the Sino-Japanese Treaty. It is limited to the right of business undertakings connected with an ordinary railway Company. No general administrative power is conferred on Japan by these treaties and Agreement; and from the standpoint of International Law it cannot be regarded as a part of the administrative system of the Imperial Japanese Government. Japan, however has stoutly insisted that in accordance with Article VI of the Sino-Russian railway contract of 1896 she has absolute right to exercise such rights in the railway leased lands. Article VI of the said contract provides that

**"The land actually needed by the said company for the construction, operation and protection of the railway, as also the land in the vicinity of the line necessary for procuring sand, stone, lime, etc., if this land is State property, will be turned over by the Chinese Government free of charge;**

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

— 30 —

and if it is private property, will be either paid for at one time or rented from proprietors annually, both at current price. The said Company shall itself provide funds for such purposes. The land belonging to the said company will all be exempt from land tax and *will be managed exclusively* by the said Company which will be permitted to construct thereon buildings and works of various kinds as well as to set up telegraphs, under its own operation, for the exclusive use of the railway. Except in regard to mines, for which arrangement will be separately made, the income of the said company, such as the charges for transportation of passengers and merchandise and the receipts from telegraph, will all be exempt from tax or duty."

The French text of the second paragraph of the foregoing Article reads as follows:

*"La societe aura le droit absolu et exclusif de l'administration de ses terrains."*

(The Company will have absolute and exclusive right of administration of its land).

In the French text the "right of administration" spoken of can only refer to such business and non-governmental administration as may be necessary to the "construction, exploitation and protection" of the railway, as no other objects are mentioned. In the Chinese text this point is even clearer. There, indeed, it is only "management" rather than "administration" that is spoken of. Indeed, the French word "administration" is commonly used of business management. As a matter of fact, in neither text are **settlements** (or zone as Japan claimed) ever contemplated. The lands on which the company is to exercise an "absolute and

— 31 —

exclusive right of administration," or "management," read the texts, are lands necessary for the exclusive use of the railway and business and commercial aim of the said company. Furthermore, a reading of the whole contract deprives the second paragraph of Article VI of all semblance of referring to a political administration.

The view that the administration contemplated by the said Article is simply business administration is not only China's, but also that of a third party like the United States of America, as shown by her correspondence with Tzarist Russia at the time when the Harbin Settlement of the Chinese Eastern Railway was being organized. In a note dated November, 1909, the American Secretary of State says:

*"The administration by the railway company of its leased lands provided for in Article VI of the contract can refer only to such business administration as may be necessary to the 'construction, exploitation and protection' of the railway, these being the objects expressly mentioned in the article for which these lands were granted by China."*

The statement of the American Secretary of State leaves nothing to add. Now, if Japan's claim with reference to Railway Settlements along the so-called main line of the South Manchuria Railway is weak, her claim with reference to those along the Antung-Mukden line and other branch lines is no better. Article VI of the contract of 1896, whatever its interpretation, refers only to the so-called main line.

— 32 —

3) Japan and the Antung-Mukden Railway.

Granted that Japan's claim to exercise political administration in the leased lands of the South Manchuria Railway (the main line from Changchun to Dairen) is based on the Sino-Russian railway contract of 1896, arbitrary though the claim may be, what justification can she advance for the exercise of similar rights in the leased lands of the Antung-Mukden and other branch lines? Article VI of the Agreement additional to the Sino-Japanese Treaty of 1905 provides that

**"The Imperial Chinese Government agree that Japan has the right to maintain and work the military railway line constructed between Antung and Mukden and to improve the said line so as to make it fit for the conveyance of commercial and industrial goods of all nations.**

With regard to the provision concerning the improvement of the Antung-Mukden Line it is also "agreed that the person undertaking the work on behalf of Japan shall consult with the Commission despatched for the purpose by China." Again "the Chinese Government will also appoint a commissioner to look after the business relating to the railway as is provided in the Agreement relating to the Chinese Eastern Railway." (Article VI, last section). Furthermore, according to Treaty provisions the work of such improvement should commence during the winter of 1906. Japan, however, secretly undertook the task without the knowledge of the Chinese Government.

— 33 —

It was not until 1909 that Japan consulted the Chinese Government about this matter; and when China's Commissioner, dispatched for this purpose, had reached Chen-Hsiang-Tun the Japanese Minister to China suddenly declared that the Japanese Government had decided to proceed with the improvement of the Antung-Mukden Line without the co-operation of China. This precipitated a sharp controversy, China stubbornly refused to concede to Japan the right to exercise political administration over, and to station guards along, the Antung-Mukden Line following the precedent of the South Manchuria Railway. China demanded the fulfilment of the original agreement which specifies that Japan should run the railway "for the conveyance of commercial and industrial goods of all nations." But Japan ignored her treaty obligation. She went ahead, changing the rails into standard gauge, and despatched troops stationed in Manchuria and Korea to the mouth of the Ya Lu River. China was powerless and was compelled to submit to superior force. On August 19, 1909, an Agreement was reached in Mukden between the two countries pertaining to the Antung-Mukden Line, but no mention was made concerning the question of police jurisdiction. In this way the Antung-Mukden Line suffered the fate of the South Manchuria Railway. Thus the exercise of political administration by Japan in the leased land of Antung-Mukden Line was extorted from China by military force in violation of the Sino-Japanese Treaty of 1905.

— 34 —

4) The Infringement upon China's Sovereign Rights in Mantieh Leased Lands.

We have dwelt upon the illegal and high-handed manner by which Japan obtained political administration in the railway leased lands in South Manchuria. Japan exercises such administrative functions in the name of the South Manchuria Railway Company, and the people residing therein denied the right of self-government. The scope of administration in these leased lands is as wide as in a concession. Besides, the stationing of troops and the setting up of police jurisdiction Japan also takes over the functions pertaining to engineering, sanitation, education, administration of justice, posts and telegraphs, taxation, etc. In the year 1909, a Treaty was concluded with China whereby the South Manchuria Railway Company secured control over those mines that lie within twenty miles from the South Manchuria Railway; Chinese soldiers and armed police cannot pass through the Mantieh leased lands without Japanese permission; and except Japanese no other nationalities are given the right to lease lands permanently in the vicinity of the South Manchuria Railway. To discriminate against other foreign nationalities Japan classifies the towns along the leased lands into two categories: Those that had already, and those that have not yet been open to trade and commerce, Although equality of treatment are ostensibly accorded nationalities in towns already open for trade and commerce, in reality

— 35 —

no foreign, other than Japanese, residents are permitted to enjoy the right of perpetual land lease. Japan imposes all kinds of restrictions against other nationalities in towns the Chinese Government had not yet declared open for trade, thus regarding these towns as their own possessions.

There are numerous cases in which undesirable elements among Chinese, Japanese, Koreans and other foreign residents have committed illegal activities with impunity in the railway leased lands, such as the surreptitious sale of arms and ammunition, working in collusion with bandits to disturb peace and order, trafficking in drugs (opium, morphine, heroin, etc.), the operation of gambling establishments, the issuance of counterfeit Chinese coins and notes, etc., etc. The Chinese authorities remain powerless as they are not permitted to suppress these nefarious activities. Whenever the Chinese judicial authorities attempt to arrest such unscrupulous Chinese in the leased lands they are prevented from doing so by Japanese police. The Japanese police authorities often ignore the requests for assistance in effecting the arrest of Chinese criminals in places over which Japan claims jurisdiction. For these reasons Chinese criminal offenders and debtors often flee to the railway leased lands to elude Chinese justice. Again, many Chinese girls have been lured from respectable families and sold into brothels in the leased lands. When such cases were discovered the Japanese police would refuse to comply with

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

— 36 —

the request made by the Chinese authorities for the apprehension of the offenders and the return of the girls.

The British and French authorities in their respective concessions in Tientsin do not interfere with the Chinese authorities in the collection of business tax. But in the railway leased lands and in the Japanese-owned mining areas the Chinese authorities are not permitted to levy and collect taxes from either Chinese or Japanese residents. On the other hand, Japanese exercise all administrative functions, including taxations, in these places. China, as an independent sovereign nation, should enjoy the right to impose and collect taxes from all Chinese and foreigners residing in her territory. Japan's arbitrary assumption of political administration in the railway leased lands constitutes a most glaring case in which China's territorial and administrative integrity is violated.

— 37 —

#### CHAPTER IV

##### THE RIGHT OF STATIONING TROOPS ALONG THE SOUTH MANCHURIA RAILWAY ZONE.

###### 1) The Kwantung Army—Its Organs and Functions.

In April 1919 (the eighth year of Taisho), the Government-General of Kwantung was abolished by Edict No. 94, and in its place were set up the Kwantung Civil Administration and the Headquarters of the Commander-in-Chief of the Kwantung Army to take separate charge of civil and military affairs. Under this system a General, or Lieutenant-General, from the Army is appointed to the post of Commander-in-Chief of the Kwantung Army and is under the direct command of the Japanese Emperor. He has command over all the troops belonging to the Japanese Army stationed in Manchuria and Mongolia and in the Kwantung Leased Territory. He takes orders from the Japanese Army Minister in matters pertaining to military affairs. When it comes to the plans for war and of mobilization he takes orders from the Japanese General Staff. In matters that concern education he takes orders from the General Superintendent of Education. In the Headquarters of the Commander-in-Chief of the Kwantung Army are set up the General Staff, Aide-de-Camp Department, Army Medical Department, Arms Department, Commissariat Department, veterinary Department and the Department of Legal affairs. Under

— 38 —

the Kwantung military authorities are the following troops and organs: headquarters established at Port Arthur, the Army Division permanently stationed in Manchuria, the Independent Garrison, the Heavy Artillery Corps stationed at Port Arthur, the Kwantung Gendarmerie, the Kwantung Army Storehouses, the Garrison Hospital, etc. Besides these, there is also the Dairen Branch Office set up by the Army Transport Department. According to investigations made in June, 1931, the Kwantung Army totalled 24,061 men. In addition to this military force there were scattered throughout the North-eastern Provinces Japanese reservists numbering 63,061, making a grand total of 87,122 men.

According to the Japanese Imperial Ordinance of April 12, 1919, the Kwantung Army, in addition to its primary duty of protecting the Kwantung leased territory and the railway lines in South Manchuria, is authorized to comply with the request of the Governor for the despatch of troops necessary for the preservation of peace and order in the region under the Governor's jurisdiction and of the Railway Settlements ("zone", as the Japanese term it), and is also authorized in case of urgent emergency to wait for the express request from the Governor, to carry out such expedient measures as occasion may require.

- 2) The Organization and Distribution of Troops along the South Manchuria Railway "Zone".

— 39 —

a) When the Russo-Japanese War was over Japan stationed two army divisions in Manchuria. On July, 1906, she changed her military forces stationed there into the so-called Independent Garrison. This Independent Garrison was reinforced by one Army Division with headquarters in Liaoyang. At present it is the Second Division, made up of three Brigades and divided into eighty-two companies under the Command of Lieutenant-General Tamon. This Division is divided into regiments and distributed in different places for the convenience of military training. Stationed at Liaoyang is the headquarters of one brigade with one regiment of infantry, one battalion of engineering corps, and one transport battalion. The headquarters of another brigade, together with one regiment of infantry, is stationed at Tiehling; one regiment of infantry at Mukden; one regiment of infantry at Changchun; one regiment of cavalry and one independent regiment of mountain artillery at Kungchuling; one regiment of field artillery at Haicheng; one railway battalion at Tashichiao; one armoured train battalion at Wafangtien; and one flying regiment at Chowshuitze. The headquarters of another brigade, together with one regiment of infantry, is stationed at Port Arthur. The whole Division has 14,760 men. Besides, there is stationed at Chowshuitze an Air Transport Corps with 52 airplanes and a personnel of 620 men. It was the original plan to replace these troops every two years, but on July, 1931, the Japanese Military Council decided

— 40 —

to despatch one Division from Japan for permanent duties in Manchuria.

b) The Independent Garrison.

This Independent Garrison is also called the Railway Guards. For the purpose of affording protection to the South Manchuria Railway and the telegraph wires Japan, in July, 1906, organized a permanent force of six battalions of Independent Garrison in addition to the one Division which she stationed in Manchuria. Later on she reduced this garrison to four battalions, but on April 15, 1929, it was again restored to the original six battalions with headquarters at Kungchuling. This garrison is distributed at important points along the South Manchuria Railway "zone" (outside the Kwantung Leased Territory). The first battalion (with one company of cavalry attached), with headquarters at Kungchuling, is assigned for duties at Kungchuling, Fanchiatun, Kuochiatien and Changchun. The second battalion, with headquarters at Kaiyuan, is stationed at Kaiyuan, Changtu, Ssuping kai and Chengchiatun. The third battalion (with the second machine-gun company attached) has its headquarters at Mukden and distributed along Mukden, Fushun, Yentai and Fushitai. The fourth battalion (with trench mortar company attached), with headquarters at Lienshankwan, is assigned for duties at Lienshankwan, Penshihu, Chaiotou, Fengwangcheng and Antung. The fifth battalion (with the

— 41 —

third mounted artillery attached) has its headquarters at Tashichiao, Anshan and Haicheng. The sixth battalion (with the sixth air corps company attached) with headquarters at Wafangtien, is stationed at Wafangtien, Tehlisu and Hsiungyuehcheng. This Independent Garrison totals 5400 men.

c) The Kwantung Gendarmerie.

The Kwantung Gendarmerie, under the command of the Kwantung military authorities, has as its primary function the discharge of the duties of military police. At times it is required to do administrative and judicial duties under the direction of the authorities of the Kwantung Civil Administration. It has its headquarters in Port Arthur, and detachments of this force are assigned for duties all along the South Manchuria Railway zone—Port Arthur, Dairen, Liaoyang, Mukden, Tiehling, Changchun, Antung, Liushutun, Tashichiao, Yingkow, Haicheng, Fushun, Kaiyuan, Ssuping kai, Anshan, Kungchuling and Lienshankuan. Its number totals 2561, including the 624 gendarmes stationed at Mongolia, Jehol, etc.

d) Special Police.

From the standpoint of organization and functions the special Police can be regarded as regular military force. Its headquarters are established at Dairen. As these police are not permitted to wear uniforms they are also called plain-clothes corps. They are divided into twelve companies, each is composed of about 60 men. They are stationed at important places

— 42 —

such as Port Arthur, Lienshankuan, Fangchiatun, Changchun, Kaiyuan, Fushun, Tungliao, Sinmin, Penshihu, Dairen, Yingkow and Liaoyang. Their number is 720.

e) Army Storehouses.

These Japanese army storehouses, set up at different places, are for the purpose of supplying Japanese soldiers and their auxiliary forces stationed in Manchuria with provisions, fodder, blankets and clothing. They also provide them with engineering materials, sanitary and veterinary supplies, arms and ammunition, etc. They also serve as purchasing agents and manufacture such military necessities for the needs of the 63,000 reservists who are scattered throughout the North-eastern Provinces. At very short notice they can equip and provide for four or five army divisions. There are 13 gun depots set up both along and outside the South Manchuria Railway zone, 9 powder depots, 32 storehouses, and 34 depots for tools and implements and other miscellaneous supplies.

f) Japanese Forts along the South Manchuria Railway zone.

While not many forts have been erected along the South Manchuria Railway the Antung Railway bristles with these fortified places. According to the latest investigations there are along the Antung Railway 31 old and 46 new forts, making a total of 77. They are chiefly found outside the railway tunnels, near the bridges and on the river banks, and at other strategic

— 43 —

places. They are round in shape, built with square slabs of stone, and overlaid with cement both outside and in the interior. They are perforated with square gun holes and covered on the top with thick iron-plates. They are patrolled by Japanese soldiers all day long.

From the foregoing account of the Japanese military forces and their auxiliaries distributed throughout the North-eastern region of China, coupled with their army storehouses and their numerous strongholds erected at strategic places, it can readily be seen that Japan had already placed the North-eastern Provinces under her military domination even before the outbreak of September last.

3) Japan Stations Troops along the South Manchuria Railway Zone in Violation of Treaties—Its Evil Consequences.

On the pretext of affording protection to the south Manchuria Railway zone Japan organized for this purpose six battalions of Railway Guards. In addition to these guards she despatched one full Army Division to be permanently stationed in Manchuria. Furthermore, she organized the Kwantung Gendarmerie and the Special Police (the plain-clothes Corps) along the South Manchuria Railway Zone.

In accordance with Article III of the Portsmouth Treaty concluded between Russia and Japan on September 25, 1905, and Article I, section 1, of the Supplementary Agreement, and with Article II of the Sino-Japanese Treaty pertaining to the

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

— 44 —

Three Eastern Provinces concluded on December 22 of the same year, the Army Division stationed at Manchuria should have been withdrawn long ago. But Japan has advanced one pretext after another to justify its non-withdrawal. There is absolutely no treaty basis for the presence of the Kwantung Gendarmerie and the Special Police. With regard to the organization of the six battalions of Railway Guards to patrol the South Manchuria Railway zone, it was based on a treaty concluded between Russia and Japan and which has never been recognized by China. The stationing of Japanese troops in the leased territory along the South Manchuria Railway is therefore not only a violation of Treaties but it also constitutes an infringement upon the sovereign rights of China.

The South Manchuria Railway (from Changchun to Dairen) and its branch lines (not including the Antung Line) was turned over, with the formal consent of China, to Japan after the Russo-Japanese War. But there was no legal basis for the contention advanced by Japan that because Russia stationed railway guards along the Chinese Eastern Railway she was also entitled to do so in regard to the South Manchuria Railway.

According to Article VIII of the Agreement between the Chinese Government and the Russo-Chinese Bank for the construction and management of the Chinese Eastern Railway it was provided that

— 45 —

**"All Russian troops, naval or military, and munitions of war, moved by the Russian Government by this railway, must be conveyed by the Company directly across the border. Apart from slight detentions en route incidental to transfers, no other delays will be permitted for any cause."**

Thus, in case Russia should convey troops from Siberia to the Russian Maritime Provinces, via Manchouli, she should do so directly across Chinese territory without any delay whatever. It was therefore a violation of the said Agreement for Russia to station railway guards along the Chinese Eastern Railway. Again according to Article V of the said Agreement it was provided that

**"The Chinese Government will take measures for the protection of the line and of the men employed thereon. The staff, Chinese and Foreign, necessary for the line will be engaged as required by the Company. All crimes and lawsuits arising on the land of the Company will be dealt with by the local officials in accordance with Treaty."**

This provision clearly stipulated that China possessed the right to extend protection to the Chinese Eastern Railway and its Chinese and foreign staff. She had also the right to maintain law and order in the territory leased to the said railway. Such right is enjoyed by every independent state in territory within its sovereign jurisdiction.

On April 27, 1909, China and Russia agreed on a set of basic principles to be applied to the territory within the Chinese Eastern Railway zone. The first of these basic principles provided that China's sovereign rights must first be fully recognized

— 46 —

in the railway zone and that there must not be any impairment of China's sovereignty. The second basic principle provided that China was at liberty to exercise her sovereign rights in the railway "zone" without any let or hindrance as long as she did not violate the provisions of the agreement entered into with the Chinese Eastern Railway Company. But from the very beginning Russia had contrived to evade her obligations imposed upon her by the Railway Agreement of 1896. This is seen in the statutes pertaining to the Chinese Eastern Railway as promulgated by an Imperial Edict of the Russian Emperor:

**"Maintenance of security and order on the Railway—  
Article VIII. The Chinese Government has undertaken to adopt measures securing the safety of the Railway and of all persons employed on it against any extraneous attacks. The preservation of law and order on the lands assigned to the railway and its appurtenances shall be confined to police agents appointed by the Company. The Company shall for this purpose draw up and establish police regulations."**

At the same time Russia drew a distinction between the Chinese Eastern Railway zone and the territory outside the Leased zone in respect to the maintenance of peace and order. She reserved to herself the right of police administration in the railway zone. To circumvent the restrictions imposed by Article VIII of the Railway Agreement she gave a special appellation to the Russian troops stationed along the Chinese Eastern Railway. She called them railway guards. Not only did this arbitrary measure contravene both the letter and spirit of the

— 47 —

Railway Agreement it also infringed upon China's sovereign rights. China repeatedly protested to the Russian Government. The latter ignored her protests.

During the year 1900 Russia took advantage of the Boxer upheaval steadily to increase her military forces in Manchuria until their number was in excess of 20,000. On March 26, 1902, a Treaty was signed between China and Russia concerning the Three Eastern Provinces. In accordance with Article IV of the Treaty Russia undertook to withdraw her troops at progressive stages. This also included her railway guards. Before the withdrawal had been completed the Russo-Japanese War broke out in 1904. In accordance with Article V, section 6, of the Portsmouth Treaty (September 25, 1905) Russia, with China's concurrence, surrendered to Japan her right over the Liaotung Leased Territory and the southern branch of the Chinese Eastern Railway from Changchun to Dairen together with its branch lines. But in Article III of the said Treaty, and in Article I, section 1, of the Supplementary Agreement, Russia and Japan undertook, with the exception of the Liaotung Leased Territory, to withdraw all their troops from Manchuria simultaneously, and to restore to China all the territories under their military occupation and administration. However, in Article I, Section 2, of the Supplementary Agreement there is this provision:

— 48 —

"The High Contracting Parties reserve to themselves the right to maintain guards to protect their respective railway lines in Manchuria. The number of such guards shall not exceed fifteen per kilometre and within that maximum number, the Commanders of the Japanese and Russian Armies shall, by common accord, fix the number of such guards to be employed, as small as possible having in view the actual requirements."

But this was the agreement only between Japan and Russia. In Article I of the Sino-Japanese Treaty of December 22, 1905, relating to the Three Eastern Provinces, China gave her formal recognition only to Articles V and VI of the Portsmouth Treaty. Again, Articles I and II of the Agreement supplementary to the said Sino-Japanese Treaty only provided for the evacuation of troops in Manchuria, and no reference was made to Article I of the Agreement supplementary to the Portsmouth Treaty. From this we can see that Japan and Russia had themselves arrived at some definite solution as to the question of railway guards.

In the light of actual facts, and from the foregoing account of the Sino-Japanese Treaty and Supplementary Agreement of 1905 relating to the Three Eastern Provinces, we may reduce the question of the railway guards to the following observations:

a) Russia violated the Railway Agreement of 1896 by stationing her railway guards along the Chinese Eastern Railway. Furthermore, she did so without China's concurrence.

— 49 —

Japan therefore had no justifiable grounds whatever to station railway guards along the leased territory of the South Manchuria Railway which was formerly a part of the Chinese Eastern Railway. The stationing in the North-eastern Provinces of an Army Division, Gendarmerie, and Special Police has no treaty basis and therefore is illegal.

b) According to Article III, section 3, of the Portsmouth Treaty:

"The Imperial Government of Russia declare that they have not in Manchuria any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty or inconsistent with the principle of equal opportunity."

Since China has never given Japan any such concessions mentioned in the foregoing declaration the latter has no legal right to make any such demands on her.

c) While China has recognized the Treaty of Portsmouth she has not, however, given her concurrence to the Agreement supplementary to the said Treaty. Therefore the stipulation entered into between Russia and Japan that their railway guards should not exceed fifteen per kilometre is not binding on China.

d) In Article II of the Sino-Japanese Treaty of 1905 relating to the Three Eastern Provinces Japan undertook to withdraw all her troops from Manchuria as expeditiously as was practicable. Later on she not only went back on her

— 50 —

solemn undertaking by retaining one Army Division to patrol the South Manchuria Railway zone but in addition to this force she organized the Kwantung Gendarmerie and the special Police as reinforcements. And now the said Division has become a permanent garrison force.

e) With regard to the Railway Guards (the South Manchuria Railway Garrison), now become a contentious issue, they were, according to the Treaty of Portsmouth and the Sino-Japanese Treaty relating to the Three Eastern Provinces, restricted to the Railway from Changchun to Dairen and its branch lines, not including the Antung Line. For Japan to patrol the Antung Line with military police, and, furthermore, to erect forts along its strategic points, there is absolutely no treaty basis.

f) After the settlement of the Chengchiatun Affair of January 22, 1917, Japan, in disregard of her undertaking given in section 6 of the Agreement providing for the withdrawal of her military detachment, has stationed one company of her railway guards at Chengchiatun on the pretext of affording protection to her military telephone. This is not only a violation of Treaties—as she has no right to station troops at Chengchiatun—but an infringement upon China's sovereign rights.

Furthermore, in the course of the negotiations for the conclusion of the Sino-Japanese Treaty of 1905 the Chinese Govern-

— 51 —

ment expressed an earnest desire for the early withdrawal of the Japanese and Russian armies in Manchuria and of their troops stationed along the railways. On December 17 of the same year the Chinese delegate declared at the conference that the stationing by Japan of guards along the Railway from Changchun to the Kwantung Leased Territory was a case pending between the two countries. This declaration met with the favorable consideration of the Japanese delegates who consented to have it inserted in the minutes signed by both parties. Therefore, in Article II of the Sino-Japanese Treaty formally entered into on December 22, 1905, the Japanese Government declared:

"In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards or in case other proper measures are agreed to between China and Russia, consents to take similar steps accordingly. When tranquillity shall have been established in Manchuria, and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia."

From this it can readily be seen that Japan realized then that she had no valid grounds to justify the patrol of the South Manchuria Railway zone with her military force because China had never conferred on her such rights. But Japan contended

— 52 —

that the presence of her railway guards was necessitated by the general instability which endangered the lives and property of foreigners. This precautionary measure can only be regarded as a temporary expedient. Again, the so-called railway guards were then hastily improvised and constituted a part of the military force. Therefore they should have been withdrawn simultaneously with the evacuation of the regular troops. Furthermore, by 1907 the conditions in Manchuria had already become tranquil and the lives and property of foreigners were no longer placed in jeopardy. With the restoration of normal conditions the presence of the railway guards had lost its *raison d'être*; but up to the present time Japan has continued to maintain these guards along the railway zone and has even reinforced this force with an army Division and other troops.

Since the outbreak of the Russian Revolution in the year 1917 Russia had been steadily withdrawing her guards from the Chinese Eastern Railway until 1918 when their withdrawal had been completed, and China had taken over the duties of patrolling the Line. During the Versailles Peace Conference in 1919, and again at the Washington Conference in 1921, the Chinese delegation had demanded of Japan the withdrawal of her troops from the South Manchuria Railway zone. During the Washington Conference a heated controversy developed between the Chinese and Japanese delegations in the meeting of the Committee on Pacific and Far Eastern Problems on De-

— 53 —

ember 2 and 7. Mr. Uehara, the Japanese delegate, vigorously contended that the withdrawal of the Russian guards from the Chinese Eastern Railway remained to be substantiated. But there should not be any doubt whatever on this score after the conclusion of the Sino-Russian Agreement on May 31, 1924.

On October 2, 1920, the Chinese Ministry of Communications and the Russo-Asiatic Bank arrived at an Agreement at Peking pertaining to the management of the Chinese Eastern Railway. One of the provisions in this Agreement takes cognizance of the fact that in view of the disturbed political situation in Russia she was unable to continue the management of the Chinese Eastern Railway and to maintain peace and order in the railway zone. Another provision acknowledges that the Chinese Government, in the exercise of its sovereign rights, ought to assume full responsibility for the maintenance of order in the railway zone in the interest of international traffic, and for the effective protection of the property of the Railway. Again, according to Article IX, section I of the Sino-Russian Agreement concluded in 1924, it is provided that

**"The Governments of the two Contracting Parties declare that the Chinese Eastern Railway is a purely commercial enterprise.**

**"The Governments of the two Contracting Parties mutually declare that with the exception of matters pertaining to the business operation which are under the direct control of**

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

— 54 —

**the Chinese Eastern Railway, all other matters affecting the rights of the National and the Local Governments of the Republic of China--such as Judicial matters, matters relating to civil administration, military administration, police, municipal government, taxation, and landed property (with the exception of lands required by the said railway)--shall be administered by the Chinese Authorities."**

In accordance with Article II of the Agreement supplementary to the Sino-Japanese Treaty of 1905, providing that "in the event of Russia agreeing to the withdrawal of her railway guards or in case other proper measures are agreed to between China and Russia", Japan would "consent to take similar steps accordingly," what justification can Japan advance for the continued presence of her railway guards?

It will be recalled that with reference to Sections 1 and 2 under Article II of the Agreement supplementary to the Sino-Japanese Treaty of 1905, providing for the withdrawal of the Japanese railway guards, all the conditions contained in Section I have been fulfilled with the conclusion of the Sino-Russian Agreement of May 31, 1924. There should not have been any question concerning the interpretation of Section 2 which provides that "when tranquillity shall have been re-established in Manchuria and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia," since normal peaceful conditions had been fully restored by the year 1907.

— 55 —

Since China had taken over the duties of patrolling the Chinese Eastern Railway there has not been a single instance in which the lives and property of foreigners have been placed in jeopardy. Take another instance, the Peiping-Liaoning Railway which is close to the South Manchuria Railway and is under Chinese management and protection. From the time when it was open to traffic up to the Japanese military coup of September 18, 1931—a period of twenty-four years—nothing untoward had happened to the Line. Again, take the case of the Kirin-Changchun Line, also under Chinese control and protection. For the last twenty years of its operation the Line has not encountered any unpleasant incidents. These instances serve to show that the Chinese Government is fully capable of affording protection to the lives and property of foreigners and that there is no necessity for Japan to station military guards along the South Manchuria Railway. Furthermore, all the conditions specified in the various treaty stipulations providing for the withdrawal of Japanese railway guards have been fulfilled, and not only has Japan failed to carry out her treaty obligations she has considerably strengthened her hold on Manchuria by stationing a permanent Army Division there. (The Japanese Military Council decided on July, 1931, to change the Division, replaceable every two years, into a permanent army of occupation). This is tantamount to an extension of Japan's line of national defense at China's expense. Besides going back on

0805  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 56 —

her solemn international undertaking this arbitrary step on the part of Japan constitutes a flagrant encroachment upon China's territorial sovereignty.

The arbitrary assumption of police functions by the Japanese railway guards outside of the South Manchuria Railway leased territory is another point that should be viewed in a serious light from the standpoint of China's territorial and administrative sovereignty. In the course of the negotiations for the conclusion of the Sino-Japanese Treaty of 1905 pertaining to Manchuria the Japanese delegate, vested with plenipotentiary powers, declared "that the railway guards stationed between Changchun and the boundary line of the leased territory of Port Arthur and Talienwan shall not be allowed, before their withdrawal, to unreasonably interfere with the local administration of China, or proceed without permission beyond the limits of the railway." Since 1905 Japan has never observed such an undertaking with the result that unpleasant and grave incidents have frequently arisen. The illegal activities committed by the Japanese railway guards outside the leased zone can be classified under the following categories:

- 1) The maltreatment and arrest of Chinese, in many cases resulting in their death.
- 2) The armed attack on Chinese administration buildings and the affront offered to Chinese officials.

— 57 —

- 3) The staging of sham fights to the consternation of Chinese inhabitants and the serious damages to crops.

- 4) The destruction of Chinese railway tracks which disrupt communications.

- 5) The instigation of Chinese bandits to disturb local peace and order.

There are other illegal acts, notably the military coup of September 18, 1931, which was engineered and put through by the Japanese railway guards.

— 58 —

CHAPTER V.

**THE EXERCISE OF POLICE RIGHTS BY JAPAN OUTSIDE  
THE KWANTUNG LEASED TERRITORY.**

1) Japan's Assumption of Police Jurisdiction  
in the Three Eastern Provinces.

On May 8, 1905 (the thirty-eighth year of Meiji), through the Imperial Edict No. 156, a Civil Administration for the occupied territory was set up at Dairen under the concurrent charge of the commander-in-Chief of the Manchurian Army. A Police Bureau was set up in the Civil Administration as the Central Organ entrusted with police administration. At the same time both branches of the Civil Administration at Kinchow and Port Arthur also established police departments. This is the origin of Japan's police administration in the Three Eastern Provinces.

In September, 1906, the temporary administration in the Kwantung Leased Territory was changed into the Government-General of Kwantung with the Civil Administration placed under its direct control. On January, 1908, the Japanese Consul stationed in South Manchuria was appointed an official attached to the Government-General and entrusted with the charge of police affairs along the railway zone outside the Kwantung Leased Territory. A little later the Police Bureau was reorganized and made independent of the Civil Administration. On

— 59 —

April, 1919, the respective jurisdictions of the civil and military authorities in the Kwantung Leased Territory were clearly defined. The Kwantung Administration thus became the highest civil administrative organ having charge of all police affairs. On December, 1924, the Kwantung Civil Authorities made the Chief of the Civil Affairs Bureau supervise the actions of the Police Superintendent, and at the same time entrusted the Chief of the Sub-Bureau of Civil Affairs with the conduct of police administration. In the year 1928 the name of the Police Affairs Bureau was changed into the Police Bureau, and that of the Sub-Bureau of Police Affairs into the Police Sub-Bureau.

At present the police administration outside the Kwantung Leased Territory is placed under the direct control of the Kwantung Administration. A Police Department is set up in the Kwantung Administration and constitutes the highest police administrative organ in the Three Eastern Provinces. The Chief of the Police Department is an appointee of the Japanese Emperor. He takes orders from the Kwantung Authorities in matters pertaining to Police and public health. He exercise direction and supervision over the Civil Affairs Bureau and the different sub-divisions of the police department.

The Civil Affairs Bureau and the Police Bureau are the chief police organs in the Kwantung Leased Territory. The

— 60 —

Chief of the police Bureau takes orders from the Civil Affairs Bureau and looks after police affairs and public health.

The Japanese Consuls stationed outside the Kwantung Leased Territory are concurrently administrative officers of the Kwantung Administration, and therefore all the police officers are placed directly under their supervision. The police officials both outside and within the Kwantung Leased Territory have the same functions, namely, affairs pertaining to police and public health.

There are two kinds of Japanese police in the North-eastern Provinces—the judicial police and police for peace-preservation. The functions of the judicial police are to assist the local courts in carrying out the decisions pertaining to civil and criminal cases. The peace-preservation police carry out the orders of the Chief of police and the other high officials in matters concerning maintenance of peace and public health. Practically all the police are retired soldiers, and service in the army is invariably taken as the criterion by the police authorities in the enrollment of candidates. In the police training school established by the Kwantung Administration particular stress is laid on military education. Thus the Japanese police force in Manchuria is thoroughly conversant with the intricacies of military tactics and are fully prepared to cope with any emergency that may arise. In case their force is inadequate for any urgent crisis the police authorities are empowered to

— 61 —

call in the assistance of the army stationed in Manchuria. It is therefore not difficult to understand that the Japanese police, in case of need, will constitute a powerful auxiliary to the military force.

a) Japan Illegally sets up Police Jurisdiction outside the Kwantung Leased Territory.

There is no legal basis for the assumption by Japan of police jurisdiction outside the Kwantung Leased Territory—along the South Manchuria Railway zone, the Japanese Consulates and various other places. This arbitrary step constitutes a flagrant infringement upon China's territorial sovereignty and administrative integrity. China has repeatedly filed strong protests, but Japan invariably ignored them.

Japan's only possible legal justification for the exercise of police rights in the territory leased to the South Manchuria Railway rests in Article VI, section 2, of the Sino-Russian Agreement concluded on August 27, 1896, providing that "The Company (Chinese Eastern Railway Company) will have the absolute and exclusive right of administration over its lands. But the correct interpretation of the full text of the said Article VI, if we examine it carefully, is that "the absolute and exclusive right of administration" refers to the management of affairs pertaining to the Railway and does not include the right of police administration. It is perfectly obvious that the wording, "under the sole management of the Company", which

— 62 —

appears in the Chinese version, can never be construed as having conferred on the Company the exercise of police right. It will be recalled that Japan, under Article II of the Sino-Japanese Treaty of 1905, undertook to abide by the provisions of the Sino-Russian Agreement of 1896 relating to the Chinese Eastern Railway, and the Sino-Russian Treaty of 1898 concerning the lease of Port Arthur and Dairen. Under Article V of the Sino-Russian Agreement of 1896 it is provided that "The Chinese Government will take measures to assure the safety of the railway and of the persons in its service against any attack... Criminal cases, lawsuits, etc., upon the territory of the railway, must be settled by local authorities in accordance with the stipulations of the treaties." Again, according to the last section under Article VIII of the Sino-Russian Treaty pertaining to the lease of Port Arthur and Dairen concluded on March 15, 1898, it is specifically provided that the concession for the construction of a branch line between Changchun and Dairen "shall never under any form serve as a pretext for the seizure of Chinese territory or for an encroachment on the sovereign rights of China." In the light of these two provisions it is clear that Japan has ignored her treaty obligations and encroached upon China's sovereign rights by setting up police administration in the territory leased to the South Manchuria Railway.

The so-called legal basis for the assumption of police administration by both Russia and Japan along their respective

— 63 —

railway zones rests on Article VI of the Sino-Russian Agreement for the construction of the Chinese Eastern Railway concluded on September 8, 1896. This apparent legality, as we have mentioned before, was the result of arbitrary interpretation of the text. Article VIII specifies that the "The Company (meaning the Chinese Eastern Railway Company) is responsible that the Russian troops and war material, despatched in transit over the line, will be carried through directly from one Russian station to another, without any pretext for stopping on the way longer than is strictly necessary." This provision expressly stipulates that Russian troops and war material should be shipped directly across the Chinese Eastern Railway and must not tarry longer than absolutely necessary. It is so clearly stated that only deliberate misconstruction could interpret it otherwise than as specified—that Russia was not to enjoy the special privilege of stationing troops or setting up police administration in Chinese territory. Russia chose to ignore both the letter and spirit of the said stipulation, but twisted its interpretation to suit her own purpose. On December 4, 1896, the Czar issued an Imperial Ukase ratifying the Sino-Russian Agreement, but interpreting Article VIII (in the statutes of the Chinese Eastern Railway Company), as follows:

**"Maintenance of Security and Order on the Railway—  
Article 8. The Chinese Government has undertaken to adopt  
measures for securing the safety of the railway and of all  
employed on it against any extraneous attacks.**

**"The preservation of law and order on the lands assigned to the railway and its appurtenances shall be confided to police agents appointed by the Company.**

**"The Company shall for this purpose draw up and establish regulations."**

Thus, dictated by her own self-interest, Russia sought to obtain a semblance of legality for the assumption of police jurisdiction over the line by inserting the above in the statutes she drew up governing the formation of the Chinese Eastern Railway Company. It is hardly necessary to emphasize that there is absolutely no treaty basis for such an action. Article VIII clearly provides that China alone has the sole right of police administration over the railway. But then China was weak, and so the Agreement of 1896 concluded with her powerful neighbor was quickly superseded by a set of statutes unilaterally drawn up. It was on the basis of these statutes that Russia took over the police administration along the Chinese Eastern Railway zone. Besides railway police she also set up both municipal and water police.

When Japan succeeded to all rights of Russia in the leased territory of Dairen and Port Arthur and the southern portion of the Chinese Eastern Railway from Changchun to Dairen she had no scruple in arrogating to herself the right of police administration along the railway zone. In doing this she was but following the illegal action taken by Russia. How could she justify herself on the basis of treaties?

In the year 1918, following the Russian Revolution, police administration along the Chinese Eastern Railway zone was restored to China. Again, according to Article IX, section 1, of the Sino-Russian Agreement concluded on May 31, 1924, it is provided that "The Governments of the two Contracting Parties declare that the Chinese Eastern Railway is a purely commercial enterprise..... All other matters affecting the rights of the National and Local Governments of the Republic of China——such as..... police,..... shall be administered by the Chinese authorities." Japan should have followed the example set up by Russia long ago, and there is not on iota of justification for her to persist in her refusal to relinquish police administration in her railway zone.

b) In accordance with Article IV of the Agreement concluded on April 25, 1898, relating to the leased territory of Port Arthur and Dairen, it was stipulated that Kinchow should continue to be under Chinese administration with a police force necessary for the maintenance of peace and order, but that the Chinese troops should be evacuated from there and their place taken by Russian troops. When Japan succeeded Russia in Kinchow after the Russo-Japanese War she violated the provisions of the said Agreement by setting up a Civil Affairs Department and arrogating to herself the right of police administration. Not only did she forcibly deprive China of police and administrative rights she also refused to permit Chinese

officials to take up duties there. Kinchow's official seal and documents were still kept in the Administration Building of the provincial capital of Liaoning at the time of the seizure of Mukden by the Japanese military on September 18, 1931. Japan still exercises the right of police administration in Kinchow.

c) Japanese Consular Police Illegally set up in the Three Eastern Provinces.

Attached to the Japanese consulates in the Three Eastern Provinces are the so-called consular police charged with police functions. There is not only no treaty basis for such a step but it is a violation of international law. From the legal standpoint the consulate and embassy occupy different status. The primary function of a consulate is to look after the commercial interests and the welfare of its own nationals. It enjoys far less privileges than an embassy. There is no precedent in international law where a consulate can freely exercise the right of police administration, and, with the exception of the Japanese consulates, no other foreign consulate in the Three Eastern Provinces has set up consular police. There are also set up in a few Japanese consulates police directly under the jurisdiction of the Japanese ministry of Foreign Affairs—another instance of Japanese encroachment upon China's administrative integrity.

d) Japanese Police Boxes.

Besides establishing police administration in the Kwantung Leased Territory and the railway zone and by the Japanese consulates Japan, with one pretext after another, set up police boxes in various localities in Manchuria. Again, there is no such precedent in international relations and it constitutes an infringement upon China's territorial and administrative integrity.

2) Japan's present Police Force and its Activities outside the Kwantung Leased Territory.

According to investigations conducted in the year 1930, the Japanese police organs illegally set up outside the Kwantung Leased Territory, together with the approximate strength of the police force, were as follows:

a) Along the Railway Leased Territory.

Name	Jurisdiction	Number of Police Boxes
Wafangtien Police Bureau	...From Kwantung Leased Territory to Kaiping	13
Tashichiao	...From Kaiping to Tangkangtze	10
Yingkow	...All along the Yingkow branch line	5
Anshan	...From Tangkangtze to Shushan	15
Liaoyang	...From Shushan to all along Shaho-Yentai branch line	10

Mukden	Police Bureau	...From Shaho to Sintaitze; " Antung to Yao- tsienhutun; from Fushun branch line to Yentai .....	22
Fushun	" "	...Fushun-Yushutai .....	26
Penshihu	" "	...From Yaotsienhutun along Anfeng Line to Tsaohokou .....	13
Tiehling	" "	...From Sintaitze to Chung- ku .....	8
Kaiyuan	" "	...From Chunku to Man- tsing .....	14
Ssuping kai	" "	...From Manching to Kuo- chiatien .....	13
Kungchuling	" "	...From Linfangtze to Changchun .....	20
Antung	" "	...From Tsaohokou to An- tung .....	30

There were, therefore, 208 police bureaus and police boxes set up along the railway zone.

b) Consular Police

Name	Jurisdiction	Number of Police Boxes
Newchwang Consular Police Bureau	... Yingkow .....	6
Liaoyang " "	... Liaoyang .....	2
Tiehling " "	... Tiehling .....	12
Changchun " "	... Changchun .....	7
Antung " "	... Antung .....	10
Police Bureau at Mukden Consulate- General .....	Mukden .....	12

There were in all 490 police bureaus and police boxes under Consular jurisdiction in the Three Eastern Provinces.

c) There were four police organs directly under the Japanese Ministry of Foreign Affairs, but attached to different consulates—Tunghua and Hailung has one police box each, and attached to the Mukden Consulate-General; the Lungan police box attached to the Changchun consulate; and Taolu police box attached to Tiehling Consulate.

3) There are numerous other cases in which Japan, with one pretext or another, has set up police in various places in the interior of the North-eastern Provinces. In the province of Liaoning alone there are over 120 such places. Many police bureaus or boxes are established without any treaty basis whatever, such as that set up at Tamintun Railway station on December, 1921; the five Japanese stationed at Shang Fou Road in the provincial capital of Heilungkiang and under the direct jurisdiction of the Japanese Consulate at Tsitsihar on October 5, 1908; the police bureau established by the Japanese Consulate-General at Ta Ma Road outside Sin Kai Gate in the provincial capital of Kirin on January 5, 1910. Again, since December, 1910, Japan has arbitrarily set up police bureaus or boxes along the border districts of Kirin. They are as follows:

Place where Police Stationed	Number	Organ Exercising Jurisdiction
Liu Tao Kou, Yenchi.....	85	Police Bureau, Chientao Japanese Consulate- General
Chu Tze Chieh.....	41	Police Bureau, Chu Tze Chieh Branch Consulate
Tou Tao Kou.....	35	Police Bureau, Tou Tao Kou Branch Consulate
Erh Tao Kou.....	13	Japanese Police Sub-station
Pa Tao Kou.....	10	—ditto—
Tien Pao Shan.....	12	—ditto—
Yi Lan Kou.....	10	—ditto—
Huinchun Hsien Chieh.....	13	Police Bureau, Huinchun Branch Consulate
Hei Ting Tze.....	9	Japanese Police Sub-station
Tou Tao Kou.....	12	—ditto—
Fu Tung.....	10	—ditto—
Ho Lung Hsien Chieh.....	7	—ditto—
Pa Tao Tze.....	5	—ditto—
Cheh Men Tung.....	6	—ditto—
Wang Tsing Hsien Chieh...	6	Police-Bureaus, Pai Tsao Kou Branch Consulate
Liang Shui Chuan Tze.....	9	Japanese Police Sub-Station
Ha Ya Ho.....	10	—ditto—
Tun Hua Hsien Chieh.....	4	—ditto—

Again, in the year 1908 Japan illegally stationed five police inside the city of Changchun.

Thus, in the year 1930, there were in all 1575 Japanese police illegally stationed in the Railway Leased Territory: 221 consular police in Liaoning Province, and 297 along the border districts of Kirin. The total number, together with those set up elsewhere, exceeded 2200, and added to the force in the Kwantung Leased Territory, aggregating 1396, the grand total, therefore, was over 3600.

Since Japan, with one pretext or another, and absolutely without any treaty sanction, established police bureaus or boxes in various localities outside the Kwantung Leased Territory, the Japanese police have committed all kinds of misdeeds and atrocities, such as putting Chinese to death under barbarous circumstances, riding roughshod over the sovereign rights of China, disturbing peace and order, giving protection to bandits and other undesirable characters, offering affronts to Chinese officials, etc. We will cite a few instances.

a) On March 20, 1918, the police stationed at Penhsihu arbitrarily arrested the district magistrate, Shan Wen-Kun. He was detained in the Japanese Police Bureau and released the following day.

b) On June 17, 1923, Japanese police wantonly put to death a Chinese member of the militia, named Yi Lan-kiang at Piao Tze Kou, Liu Kiang District.

c) On September 15, 1929, Japanese police arbitrarily set up guards along the streets both inside and outside Mukden

081  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 72 —

city on the pretext of affording protection to Mr. M. Oda, the Governor of Kwantung Leased Territory.

d) On February 25, 1930, Japanese police arbitrarily arrested and tried a Chinese named Ku Hung-Hsiang, at Tai Ping Shan village, Kaiping.

— 73 —

## CHAPTER VI

### (7) JAPAN'S JUDICIAL RIGHTS IN MANCHURIA

#### (1) Japan's Judicial System

Since the period of military occupation in 1905, Japan's judicial system in Dairen and Port Arthur, which constitute the leased territory of Kwantung, has undergone many changes. The Kwantung Trial Regulations, which were promulgated by Imperial Ordinance No. 212, established the so-called three trial system, and provided that Japanese laws should be applied to the Kwantung leased territory. With regard to the Chinese residing in the area, the Japanese government, having regard to differences of national habits, enacted 23 special regulations governing them. In deciding cases involving Chinese, the Japanese judges were allowed to take local usages and laws into consideration. In 1919 these regulations were again revised, but since then they have continued in force to the present day.

The Courts of Justice in Kwantung are under the direct control of the Governor and exercise jurisdiction in all civil and criminal cases as well as non-contentious matters. The courts consist of a District Court and a Higher Court. The Higher Court is divided into two departments: the Cassation Department and the Appeal Department.

Besides being a court of first instance in civil and criminal cases, the District Court exercises the functions of a registration

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

— 74 —

office for non-contentious cases. Usually its jurisdiction is exercised by one judge, but in special cases, it may be exercised by three judges sitting together. The District Court is established at Port Arthur but it has a branch court at Dairen.

The jurisdiction of the two divisions of the Higher Court is exercised by three judges sitting together. Besides acting as a court of second trial for cases handled by the Japanese consular courts in Manchuria and the District Court in the Leased Territory, the Cassation Department of the Higher Court hears appeals from the judgments of those courts. The Appeal Department, which is a court of final appeal of third hearing, hears the appeals of the District Court from the judgments of the Cassation Department, and also cases which have already been heard by the District Court or the Consular court, from the judgments of which the appeals have been rejected by the Cassation Department. In addition the Appeal Department takes charge of those cases which are reserved for it by the organic act of the courts in Kwantung.

The Procurator's Office, like the Courts of Justice, is under the direct control of the Governor. Under this office are one for the District Local Court and one of the Higher Court. The Civil Administrative Office is in charge of arbitration, registration, etc., in civil cases in the area under its control. The Civil Administration Bureau takes charge of those cases which

— 75 —

are beyond the competence of the the judicial police, and which require immediate decision or execution.

The Kwantung Government maintains a prison at Port Arthur and a branch prison at Dairen. Prisoners already convicted and sentenced by the District Court and the Higher Court or awaiting sentence are lodged there. Criminals sentenced by the Japanese consular courts in Manchuria to penal servitude or terms of imprisonment exceeding three months also serve out their sentences in these two prisons. According to an investigation made in 1930 the inmates in the two prisons for that year included 211 Japanese, 1,142 Chinese and 40 foreigners of other nationalities.

Judicial rights in the South Manchuria Railway zone are exercised by the Japanese consuls, who also assume jurisdiction over Japanese nationals resident in the interior of Manchuria in civil and criminal cases. This is known as consular jurisdiction, which was granted to Japan in the Sino-Japanese Treaty of Commerce and Navigation of July 21, 1896. Article Three of that treaty says:

**"His Majesty the Emperor of Japan may appoint Consuls-General, Consuls, Vice-Consul and Consular Agents to reside at such of the ports, cities and towns of China, which are now, or may hereafter be, opened to foreign residence and trade, as the interests of the Empire of Japan may require.**

— 76 —

**"These officers shall enjoy all the attributes, authority, jurisdiction, privileges and immunities which are, or may hereafter be, extended to similar officers of the nation most favoured in these respects."**

Although consular jurisdiction was conceded to Japan in 1896, it was not until 1898 that Japan exercised her extraterritorial rights over her nationals in Manchuria. In 1908 an imperial ordinance was issued, limiting the jurisdiction of the consular courts to minor cases and transferring cases involving heinous offences to the Kwantung courts. Under this ordinance Japanese consuls were allowed to hold preliminary hearings of cases of misdemeanor while the right of final hearing was given to the Higher Court. This considerably extended the jurisdiction of the courts in the Leased Territory, for it meant that wherever Japanese consular jurisdiction exists, the authority of the courts follows, and since the Japanese have tried to exercise jurisdiction over their nationals in those districts which are not opened to foreign trade, the jurisdiction of the Kwantung courts actually extends to inland districts.

(2) Japan's Encroachment on Chinese Judicial Rights.

As stated above, the Sino-Japanese Treaty of Commerce and Navigation of 1896 conceded consular jurisdiction to Japan, which is based on the principles of "Statutus Personalia", the defendant in a civil suit and the accused in a criminal suit being subject to trial in a court of his own nationality. It

— 77 —

follows, therefore, that while China cannot assume jurisdiction over a Japanese subject when he is a defendant in a civil suit or accused in a criminal action, nor can the Japanese courts in the leased territory or the South Manchuria Railway zone exercise jurisdiction over Chinese resident in those districts either. Yet this has been done by the Japanese courts, which is clearly a violation of treaty engagements.

Japan's rights in the Kwantung Leased Territory are derived in the first instance from the Sino-Russian Convention for the Lease of the Liaotung Peninsula signed on March 27, 1898, the terms of which Japan engaged to respect in the Portsmouth Treaty of September 5, 1905. Article Four of the lease convention contains this provision:

**"Chinese inhabitants retain the right, as they may desire, either to remove beyond the limits of the territory leased by Russia or to remain within such limits without restriction on the part of the Russian authorities. In the event of a Chinese subject committing any crime within the limits of the leased territory, the offender will be handed over to the nearest Chinese authorities for trial in accordance with Chinese laws, as laid down in Article VIII of the Treaty of Peking of 1860."**

The article in question reads as follows:

**".....Toutes les affaires concernant les marchands de l'un et de l'autre Empire sont examinées par eux de gré à gré; les crimes et délits doivent être jugés, comme il est réglé par l'Article VII du Traité de Tientsin, d'après les lois de l'Empire dont le coupable est sujet."**

— 78 —

Les litiges, revendications et autres malentendus de même nature, survenant entre marchands à propos d'affaires commerciales, seront réglés par les marchands eux-mêmes, au moyen d'arbitres choisis parmi eux; les Consuls et les autorités locales doivent se borner à coopérer à l'arrangement à l'amiable, sans prendre aucune responsabilité relativement aux revendications.

"En cas de recel d'un sujet russe parmi les Chinois, eu de sa fuite dans l'intérieur du pays, l'autorité locale, aussitôt après en avoir été informée par le Consul russe, prend immédiatement des mesures pour faire rechercher le fugitif, et aussitôt après l'avoir déconvert le remet au Consulat russe. La même marche doit également être observée relativement à tout sujet chinois qui se cacherait chez des Russes ou se serait enfui en Russie.

"Dans les cas de crimes graves, tels que meurtre, brigandage avec de graves blessures, attentat contre la vie, incendie pré médité, etc., après enquête si le coupable est Russe, il est envoyé en Russie pour être traité selon les lois de son pays, et s'il est Chinois, sa punition lui est infligée par l'autorité du lieu où le crime a été commis, ou bien, si les lois de l'Etat l'exigent, le coupable est envoyé dans une autre ville ou une autre province pour y recevoir son châtiement.

"En cas de crime, quelle qu'en soit la gravité, le Consul et le chef local ne peuvent prendre les mesures nécessaires que relativement au coupable appartenant à leur pays, et ni l'un ni l'autre n'a le droit d'incarcérer ni de juger séparément, et encore moins de châtier un individu non-sujet de son Gouvernement."

This provision establishes beyond doubt the right of Chinese courts to exercise jurisdiction over Chinese resident in the leased area in civil and criminal cases, when they are defendants or accused. That this right has been usurped by the

— 79 —

Kwantung courts constitutes not only a violation of treaty engagements but also an infringement of the undertaking given by Russia in Article One of the Lease Convention of 1898 which reads "This act of lease, however, in no way violates the sovereign rights of H. M. the Emperor of China to the above-mentioned territory".

Japan's assumption of jurisdiction over Chinese is another violation of treaty provisions. Article Five of the Contract for the Construction and Operation of the Chinese Eastern Railway of September, 2, 1896, to which Japan succeeded by virtue of the Portsmouth Treaty, reads:

"The Chinese Government will take measures to assure the safety of the railway and of the persons in its service against any attack.

"The Company will have the right to employ at will as many foreigners or natives as it may find necessary for the purpose of administration, etc.

"Criminal cases, lawsuits, etc., upon the territory of the railway, must be settled by the local authorities in accordance with the stipulations of the treaties."

The last provision makes it clear that judicial rights in the territory leased for the use of the railway should be exercised by the Chinese authorities, so far as Chinese are concerned. Japanese consular jurisdiction, no matter where it is exercised, in the railway zone or the inland districts of Manchuria, is confined to cases involving Japanese subjects or where a Japanese is a defendant in a civil suit or an accused

— 80 —

in a criminal action. It has no application to purely Chinese cases or where a Chinese is a defendant. Jurisdiction in those cases should be exercised by the Chinese courts. Moreover, what judicial rights may have been exercised by Russia by virtue of the contract for the construction of the Chinese Eastern Railway already quoted above, were renounced by Russia in October, 1920 in favour of China. Again, Article Nine of the Agreement on General Principles for the Settlement of Questions between China and Soviet Russia signed on May 31, 1924, contains this provision:

"The Government of the two Contracting Parties mutually declare that with the exception of matters pertaining to the business operations which are under the direct control of the Chinese Eastern Railway, all other matters affecting the right of the National and the Local Governments of the Republic of China—such as judicial matters, matters relating to civil administration, military administration, police, municipal government, taxation, and landed property (with the exception of the lands required by the railway)—shall be administered by the Chinese authorities."

Since Japan's rights in the South Manchuria Railway are derived from the lease convention of 1898 and the railway contract of 1896, it follows that she has lost whatever treaty justification she may once have had for the exercise of judicial authority in the area, when the Russians renounced theirs.

With regard to the Japanese demand for the assumption of jurisdiction over Koreans who reside in Chientao and other regions in Manchuria, it is again contrary to treaty stipulation.

— 81 —

Article Four of the Sino-Japanese agreement of September 4, 1909, relating to the Tumen River boundary says:

"The Korean subject residing on agricultural lands within the mixed residence district to the north of the River Tumen shall submit to the laws of China, and shall be amenable to the jurisdiction of the Chinese local officials. Such Korean subjects shall be accorded by the Chinese authorities equal treatment with Chinese subjects, and similarly, in the matter of taxation and all other administrative measures, they shall be placed on equal footing with Chinese subjects. All cases, civil or criminal, relating to such Korean subjects shall be heard and decided by the Chinese authorities in accordance with the laws of China, and in a just and equitable manner. A Japanese consular officer or an official duly authorized by him shall be allowed freely to attend the court, or in the hearing of important cases concerning the lives of persons, previous notice is given to the Japanese consular officers. Whenever the Japanese consular officers find that a decision has been given in disregard of law, they shall have right to apply to the Chinese authorities for a new trial to be conducted by officials specially selected in order to assure justice of the decision."

This article shows that local Chinese authorities in those regions are entitled to exercise jurisdiction over the Koreans in criminal and civil cases and that the right of Japanese consular officers under this treaty is strictly limited to that of watching court proceedings to see whether the trials are conducted in accordance with law. But the facts are otherwise: The Japanese consuls in Chientao, Lungchingsun, Chutzechieh, Toutaokou, Patsackou and other districts, relying upon their own consular police, have constantly interfered with the administra-

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

— 82 —

tion of justice on the part of the Chinese authorities in cases involving Koreans in those area. This is a flagrant violation of treaty engagements.

(3) Instances of Japanese Interference with Chinese Judicial Authority.

(1) At least several cases occur in Manchuria every year, where Japanese police break into Chinese law courts, intimidate the judges and attempt to obstruct the course of justice in other ways. For example, in July, 1927, a Chinese, named Cheng Chin-shan, who had been sentenced to imprisonment on a charge of abduction by the district court of Fu Hsien, of the Province of Liaoning (Fengtien), escaped to Dairen, while he was on his way to make an appeal to the Higher Court. The district court sent a man to Dairen to arrange for his extradition and when he was being escorted back to Ao Fang Station Japanese police intervened and carried the prisoner off. Negotiations again followed for his surrender, but in vain.

On February 2, 1931, Mr. Wang Tze-ping, a member of the district government of Tiehling, Liaoning, accompanied by police of the Ninth sub-bureau of public safety, went to a Korean restaurant at Hsi Tu on official business. Forty armed Japanese police immediately besieged the Chinese police station and they were withdrawn only after long negotiations on the part of District Magistrate Yu.

— 83 —

(2) The South Manchuria Railway zone is virtually the happy hunting ground of criminal elements. Japanese police not only shield them but refuse to hand over criminals who are known to have escaped to the zone after committing criminal offenses in Chinese territory. In fact, they frequently cross into Chinese territory and arrest Chinese and torture them. Cases of this sort occur every year. On May 2, 1931, Mi Shang-tsen, a native of Liaoyang, Liaoning, and his two sons were arrested by Japanese police, and thrown into a Japanese prison, where they were held for about 20 days, during which time the Japanese time and again resorted to the barbarous practice of pouring cold water into the nostrils of the three men. From the effects of this torture the elder Mi died shortly after release. This was certified by both the British hospital at Liaoyang and the Shen Ching Hospital at Mukden.

(3) There have been many cases where Japanese consular officers have abused their extraterritorial rights. In November, 1930, the Japanese consul at Kirin, Nagaoka, under the pretext of tracing the disappearance of a Japanese named Kanda, accompanied by several members of his staff and police, went to Yungchihsien and opened a Chinese tomb only to find the body of a Chinese woman. The Chinese authorities lodged a protest against this act, and the matter was finally settled by the Japanese consul tendering an apology.

— 84 —

On June 14, 1931, the Japanese instigated Koreans across the border to enter Chinese territory and wreck the Ho Lung Customs in Kirin. Negotiations for redress followed, but without result.

— 85 —

## CHAPTER VII

### EDUCATIONAL RIGHTS OF JAPAN IN THE NORTH-EASTERN PROVINCES

#### 1. Encroachment upon Chinese Educational Rights by Japan in the North-eastern Provinces.

According to original treaty stipulations, Japan has no educational administration rights whatever in the Kwantung leased territory and the South Manchuria Railway zone. It must be known that Japan only succeeded to those rights in Port Arthur, Dairen, and South Manchuria Railway as originally acquired by Tsarist Russia. According to Articles I and VIII in connection with the lease of Dairen and Port Arthur, as concluded between Russia and China on March 15, 1898, it was clearly defined that Russia should in no way encroach upon Chinese sovereignty, nor, in the case of building branch lines, occupy land illegally, nor interfere with Chinese rights.

Even from the legal standpoint, the educational administration rights along the South Manchuria Railway leased land should also be in the hands of China. Japan, however, disregards the original treaty stipulations and ignores Chinese legal provisions, and carries out a comprehensive plan of educational and journalistic activities in and outside of Kwantung leased territory. What is more serious is that in a territory such as Dairen and Port Arthur, where the Chinese constitute

— 86 —

99 percent of the population, and in the S.M.R. zone, where the Chinese constitute 67 percent of the population, the Japanese forbid the Chinese to set up any educational institutions whatever. The Japanese would suppress any attempt on the part of any Chinese to establish free public schools in these places. No such precedent exists in all other foreign settlements in China where they forbid the territorial sovereign to exercise the power to establish schools. Even the foreign powers would not absolutely forbid in their own territories the establishment of schools for alien residents. On the other hand, Japan excludes any other kind of education except its own in the Kwantung leased territory and the South Manchuria Railway zone. This is not only an infringement upon Chinese sovereignty but also a defiance of the sanctity of treaties.

2. Japan's Educational Activities in the  
North-eastern Provinces.

In the Kwantung leased territory and the South Manchuria Railway zone Japan has established many cultural and educational institutions in accordance with her own laws and not amenable to Chinese control. These institutions can be classified under two heads: school education and social education. The schools which are established exclusively for the Japanese (separate schools are maintained for the Koreans) are kindergartens, numbering 4 or 5; grade schools 5 or 7; middle schools, 7; high schools for girls, 8; schools for home economics for

— 87 —

girls, 14; agricultural, commercial and industrial training schools, 5. Besides, there are libraries and museums and some other small public libraries.

The extent of the Japanese cultural onslaught and encroachment upon China's educational administration can readily be seen in the elaborate system of schools and social education for Chinese in the North-eastern provinces. The Japanese schools established for the Chinese make the study of Japanese language the principal subject. The students are forbidden to read any Chinese history, geography, or the Kuomintang Principles. They are required to read Japanese history and geography from Japanese textbooks.

The Japanese have established twenty-two public high schools for Chinese, with an enrollment of 12,416 students. There are about 121 common schools with an enrollment of 26,282 pupils; two secondary schools, one at Mukden and the other at Port Arthur, with an enrollment of 590 students (both Chinese and Japanese), and six preparatory schools for the study of Japanese language with an enrollment of 1,559 students. Besides, there are about 177 private schools under the control and supervision of Japanese authorities in Kwantung leased territory, totalling about 3,676 students. There are some institutions accepting both Chinese and Japanese students, such as the Normal School at Port Arthur having about 186 students. There are seven industrial schools with an enrollment of 2,228

— 88 —

students and 34 trade preparatory schools having 3,056 students and 15 other preparatory schools of different sorts.

Colleges and universities which receive both Chinese and Japanese students are the South Manchuria Technical College at Dairen, with an enrollment of 229 students; the Manchuria Teachers College at Mukden having 61 students; the Institute of Technology at Port Arthur, having an enrollment of 364 students, and the Medical College of South Manchuria at Mukden, having 696 students.

Most of the schools and colleges mentioned above are supported and managed by the Governor of Kwantung leased territory and the South Manchuria Railway Company. Only a few of them are run by Japanese individuals and Japanese societies. Those located in the Kwantung leased territory are controlled by the Kwantung Governor, those located in the South Manchuria Railway zone by the South Manchuria Railway Company, and those within the Japanese consular territory by the Japanese consulates.

The Japanese support and maintain many newspapers, journals and news agencies in the North-east in order to manipulate public opinion. Not one of them is established in accordance with Chinese laws. There are about 504 kinds of Japanese newspapers, journals, and other periodicals in the North-east. The most important are the "*Manchuria Daily News*" and fifty-four other newspapers and journals, which

— 89 —

pay considerable attention to current events. There are about twenty-two periodicals, such as the "*Sino-Japanese Economic Magazine*" of Dairen, and about ten news agencies, of which the *Nippon Dempo* is the most popular one.

### 3. Japanese Illegal Interference with Chinese Educational Administration.

Japanese interference with Chinese educational work has been very frequent. Not only in the Kwantung leased territory and the South Manchuria Railway zone is Chinese education forbidden, but also in those places contiguous to the Japanese zone, where Chinese educational work is interfered with by the Japanese policemen. We will cite a few instances.

1. The Nantai Primary School at Haicheng, Liaoning province, was forbidden to teach the San Min Chu Yi (The Three People's Principles) by the Japanese police in the early part of 1929.

2. In the early part of 1930 the Japanese police interfered with the teaching of Kuomintang principles at Liaoyang Primary schools, Liaoning.

3. In May, 1930, the Japanese police interfered with the hanging of the map of China's lost territory and the chart explaining the San Min Chu Yi at Tiehling grade schools of Liaoning province.

0825  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 90 —

4. In September, 1930, the Japanese police at Ssupingkai, Liaoning, forbade the hanging of Treaty Diagrams in the primary schools there.

5. The Japanese police interfered with the teaching of the San Min Chu Yi at Kaiyuan primary schools in the early part of 1929.

6. The Japanese police interfered with the hanging of outlines of the San Min Chu Yi at Changchun grade schools of Kirin in the autumn of 1930.

— 91 —

#### CHAPTER VIII

#### JAPAN VS. MONETARY AND FINANCIAL ADMINISTRATION RIGHTS IN THE NORTH-EASTERN PROVINCES OF CHINA

##### *I. Japanese Encroachment upon Chinese Monetary Administration Rights in the North-eastern Provinces.*

In addition to the warehouse and insurance enterprises in the North-eastern Provinces the Japanese undertake to open banks, stock exchanges and pawn shops. Moreover, the Japanese government invests power of issuance of bank notes with certain banks. In referring to the past treaties, the Japanese have by no means acquired the right of monetary administration. The Chinese Eastern Railway Agreement with Russia, which was concluded on August 27, 1896, is the basic instrument for the acquiring of operation rights of the South Manchuria Railway by Japan. In accordance with the said contract, the Japanese S. M. R. has only the right of building necessary railway houses and erection of telegraphs along the line (the sixth article of C.E.R. contract). As to the protection of the railway and the appointments of railway employees and other matters pertaining to cases of robbery and lawsuits along the line, they are all left to the administration of the Chinese (the fifth article of the C.E.R. Contract). This proves definitely that China only gives the C.E.R. company a managing right along the leased line instead of an administrative power in general.

082  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 92 —

In the years 1908 and 1909 the Chinese government made repeated declarations to the above effect and they were officially accepted by the government of the United States. According to the original contract, the second party, that is China, invests the right to establish a railway of a purely commercial nature. It is not a company of a political nature having administrative power. If the above explanation is right the Japanese have no legal right in issuing bank notes and running pawn shops in Chinese territory, to say nothing of the forcible circulation of Japanese currency. The Japanese S.M.R. company has only certain managing rights in the railway. Any other Japanese organization which engages in affairs that touch upon national and local administration under whatever pretexts is a violation of Chinese sovereign rights.

The issuing of currencies and the opening of monetary and exchange institutions bear a vital relation with the people. They can be issued and established only with government permission or based upon other legal rights. National currency and monetary exchanges are under the strict supervision and limitation of the government. Unless foreigners have acquired such rights through treaties or government permission they are in no way allowed to enjoy such rights in detriment to the sovereignty of the nation and the interests of the people.

— 93 —

Without the least treaty basis and government's permission, the Japanese issue a tremendous sum of Japanese currency, create a foreign money standard and establish stock exchanges and pawn shops, in the North-eastern Provinces. This constitutes a flagrant violation of Chinese sovereignty and of China's national currency administration.

In April, 1917 (the 6th year of the Chinese Republic), the Japanese Tokio Bankers' Association proposed radical changes in the monetary system in Manchuria, and it was accordingly adopted by the Japanese government, embodying in the introduction of a gold standard in the North-eastern Provinces of China. It is clearly pointed out in the plan that the adoption of a gold standard in Manchuria is to convert the said region into Japanese territory (economically implied in the 6th to the 8th articles of the original plan). This shows that Japan has not the least regard for Chinese sovereign rights but is bent on her own aggrandizement. It also shows clearly that Japan by no means obeys the original Sino-Russian treaty of 1898 (which leased Port Arthur and Dairen to Russia), as the first article says that the treaty in no way violates the sovereignty of the Chinese Imperial government, and the eighth article says that the building of the branch line from Changchun to Dairen and other branches will not violate Chinese sovereign rights.

— 94 —

*II. Illegality of the Issuing of Japanese Currency in  
the North-eastern Provinces.*

According to investigations conducted in the year 1930 (the fifth year of Showa) there were in all fifteen Japanese principal banks and fifty branch banks in the North-eastern Provinces. Their total capital was fixed at 33,975,000 Japanese yen, while the capital paid up only amounted to 14,431,037 yen. The banks which have the power of issuing bank notes in the North-east are the Yokohama Specie Bank, whose head office is in Yokohama, and the Bank of Chosen, whose head office is in Seoul. The Yokohama Specie Bank has a total capital of 100,000,000 yen, and it is fully paid up. The total capital of the Bank of Chosen is 40,000,000 yen, but its paid-up capital only amounts to 25,000,000 yen.

There are four kinds of Japanese currencies in the North-east. (1), the Yokohama Specie Bank's silver certificate; (2), the gold certificate of the Bank of Chosen at Seoul; (3), the bank notes of the Bank of Japan at Tokio; (4), subsidiary silver coins, nickel and copper pieces. Of these four kinds of Japanese currencies, the latter two do not bear any great significance since the bank notes of the Bank of Japan are but carried over to China by travelling passengers to a limited amount and the silver and copper pieces have difficulty in extending their circulation. But the former two kinds of

— 95 —

Japanese currency have a long history, a particular function, and circulate in a larger area. Let us go into detail.

*A. The Yokohama Specie Bank's Silver Certificate.*

It has been a long time since Japan established monetary institutions in the North-east. In January 1900 (that is January, of the 33rd year of Meiji), the Yokohama Specie Bank opened its branch office at Newchwang, while in the third year (1902) it issued silver certificates. This sort of certificate is commonly known as Tsao Piao (bank notes), as the certificate bears such Chinese characters as the Yokohama Specie Bank's Tsao Piao (bank notes). The certificate is also called "Lao Tou Piao," as the bank notes have an old-fashioned Japanese man on it. "Lao Tou," in Chinese, means "old man".

The certificates have the Japanese silver dollars as their standard. They have four denominations, namely, \$1, \$5, \$10 and \$100. Up to the time of the Russo-Japanese War in 1904, the Yokohama Specie Bank enjoyed tremendous prosperity in the North-east, with branches opened at Dairen, Mukden, Port Arthur and Tiehling. At the time of the Russo-Japanese War, the Japanese government issued Military bank notes in the North-east and forced their acceptance on the people, with an aggregate circulation of one hundred and ninety million yen. Even up to the time of the signing of the Portsmouth Treaty the Japanese bank notes for military purpose were still in use

— 96 —

in the North-east amounting to 150,000,000 yen. In September, 1906, the Japanese Imperial government invested the Yokohama Specie Bank with power to issue silver certificates for the redemption of those military bank notes. At the same time the said bank was empowered by the Japanese government to act as her treasury agent in Manchuria.

Originally the Japanese bank notes issued at Newchwang were cashable for silver dollars. Later on the power of issuing bank notes was given to the Yokohama Specie Bank at Dairen. In 1908 the South Manchuria Railway Company adopted the gold certificate. Thus the bank notes were greatly boomed and their circulation was widely extended. In the year 1912, the Japanese adopted the double standard, both silver and gold, in the North-east. The people were left free to choose between cashable bank notes and silver certificates. Afterwards, because of the large volume of Japanese imports exceeding exports, the bank branches experienced great difficulty in pooling silver. The bank notes were thus changed into a kind of money order and used instead of paying cash. In July, 1913, the Japanese government issued the 26th Imperial order. In addition to the bank notes of a silver standard, gold certificates were to be issued. These were qualified for both official and private use in the North-east.

In November, 1917, the Japanese government made a change in its monetary institutions in the North-east. The power of

— 97 —

issuing gold certificates and acting as a government treasury agent held by the Yokohama Specie Bank is now invested in the Bank of Chosen. While the power of undertaking real estate business was given to the Oriental Development Company, the Yokohama Specie Bank made buying and selling of monetary things its principal business. The circulation of its bank notes is not a daily necessity. They are purely used for the buying of native products and facilitating exchange. They had a total circulation in the North-east up to 1903 of 5,218,000 yen. The Yokohama Specie Bank with one branch at Newchwang has established five other branches at Dairen, Mukden, Changchun, Kaiyuan and Harbin.

*B. The Gold Certificates of the Bank of Chosen.*

The Bank of Chosen was established in 1909 at Seoul, Korea. In the year 1910, upon annexation of Korea by Japan, it was made the only national bank of Korea, having the right of issuing gold certificates. This sort of certificate is popularly known as "Chin Piao", because it can be cashed for one Japanese gold dollar. The legal constituents of one gold dollar are 11.574 grams gold. The reserves in kind are the bank notes of the Bank of Japan of Tokio and other crude gold and silver bars, while other guaranteed reserves are government bonds and other valuable stocks and bonds. The denominations of the gold certificates of the Bank of

0831  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 98 —

Chosen are \$1, \$5, \$10 and \$100. Although it is written on the certificates "to pay cash on demand", they are in fact uncashable as those of the Yokohama Specie Bank. The Bank of Chosen opened its first branch at Antung in 1909. Since the operation of through trains between the Antung-Mukden railway and the Korean railways, the said bank began to establish a series of branches at Dairen, Mukden and Changchun. In 1914 when the World War broke out, the bank's gold certificates enjoyed a tremendous boom. Consequently the Japanese government, without consulting with or obtaining the permission of the Chinese government, ordered this bank's gold certificates to rank as the sole Japanese monetary medium, having the right of an enforced circulation through the promulgation of the 217th and 218th Imperial orders. At the same time an embargo on gold was declared in Korea, designed as protective measures for Korea by checking the out-flow of gold to the North-east. The circulation of the bank notes is confined to Kwangtung Leased Territory, the S.M.R. zone, and Harbin. Besides the three branches at Dairen, Mukden, and Changchun, it has branch offices at Yingkow, Antung, Kaiyuan, Kirin and Harbin. It also installed bank agencies at Ssupingkai, Lungchingsun, Port Arthur, Liaoyang, Tiehling, Chengchiatun, Manchouli, and Tsitsihar. The total bank notes in circulation amounted in 1930 in the North-eastern Provinces to \$90, 615,000 yen.

— 99 —

Adding up the 5,218,000 yen in circulation of the Yokohama Specie Bank (some assert that the total is really 9,860,000 yen) and 90,615,000 yen of the Bank of Chosen (in 1929 the total issue were 43,584,000 yen) it is a debt without charges that the Japanese owe to China. In other words, it means the serious restriction on China's monetary circulation. The issuing of Japanese paper money and its forcible circulation in the Northeast have not the least treaty basis nor the least Chinese legal basis. Moreover, in April, 1917, the Japanese government ordered that the bank notes issued by the Bank of Chosen should be used as legal money in Kwantung Leased Territory and the S. M. R. zone. Up to April, 1919, the Japanese government issued another order, that only Japanese gold yen should be used in the trading of native products in the various stock exchanges. Within Chinese territory the Japanese government openly abolished Chinese legal money and refused to accept it. This is a gross violation of Chinese sovereignty.

*11. The Founding of Japanese Monetary and Stock Exchanges and Opening of Pawn Shops in the North-eastern Provinces.*

The stock exchanges and pawn shops have a direct bearing upon the economic system of the people. In foreign countries they are all placed under the government's strict supervision and limitation in order to avoid illegal management and undue

— 100 —

speculation which will lead to serious monetary crises. In case, without any treaty basis, any one wishes to undertake such exchange and pawn shop enterprises in another country he must be subject to the provisions of the laws of the sovereign nation. Otherwise such enterprises would be considered as a violation of the sovereign rights of the country concerned.

*A. Stock Exchanges.*

As provided in the laws of all countries, the establishment of stock exchanges must first obtain the permit of the government concerned, and the brokers and members of the exchanges must be limited to the citizens. On October 3, 1929, the Chinese government promulgated the laws governing stock exchanges. This shows that the Chinese government is not indifferent to this question.

Beginning from 1913, the Japanese have opened more than ten stock exchanges in the North-east, which are not founded in accordance with Chinese laws nor based upon any treaty arrangements. It is particularly a gross violation of Chinese law since the Japanese establish some monetary exchanges and engage in money speculations. Such kinds of illegal exchanges are found in the big cities along the South Manchuria Railway. There are altogether seven monetary exchanges which are as follows:

— 101 —

Names of Monetary Exchanges	Year of Establishment	Currency traded	Trade unit in dollars
Dairen	September, 1913.	bank notes vs gold Yen	\$5,000
Muken	April, 1920.	gold yen vs Fengtien native currency (Fengpiao)	\$1,000
Kaiyuan	February, 1916.	Fengpiao vs yen or other currency	\$1,000
Ssupingkai	October, 1919.	—ditto—	\$1,000
Kungchuling	September, 1919.	—ditto—	\$1,000
Changchun	April, 1915.	general currency vs Kirin currency	\$1,000
Antung	January, 1921.	Antung taels vs gold yen	1,000 taels

All the above monetary exchanges, except the one in Antung which is an enterprise of Japanese subjects, are managed and controlled by the Governor of the Kwantung Leased Territory. All the forward volumes of the exchanges reach an amazing amount. According to the returns of 1929, the total volume, buying and selling, of the six officially-managed exchanges reach \$139,773,000 yen; while the other privately-

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

— 102 —

owned exchanges reached a total, buying and selling, of \$137,718,000 yen. In other words, both the exchanges at Mukden and Dairen have all exceeded one hundred million gold yen in trading per annum. The Japanese reap immense profit annually. The use of national currency as a speculating medium is not only a violation of Chinese laws, but it is also an encroachment upon Chinese sovereignty.

#### *B. Pawn Shops*

Pawn shops are to lend money to the laborers and the poor. Taking the advantage of the urgent need of the borrowers high usury is often enforced and it becomes a curse to the lower class. The Chinese pawn shops must first obtain a license for their establishment and pay taxes. The duration of the loan and the rate of interest are all definitely defined. The duration of the loan of pawn shops in the North-eastern provinces varies from 12 months to 18 months. Sometimes it can be extended for another two months. The rate of interest is usually put at thirty per cent per month. According to statistics of the latter part of 1928, there were 361 Japanese pawn shops in the North-east and they were scattered about in the Kwantung Leased Territory and along the S. M. R. zone. In the year 1930 they were reduced to 215. Out of this number 140 pawn shops were located in the railway zone. Their loans totalled about 2,637,814, yen. However, the duration of the

— 103 —

loans was only four months. The high rates of interest varied from eighty to one hundred per cent, and the low averaged forty per cent per month. The poor Chinese are severely squeezed by the high usury of the Japanese.

#### *C. Some Instances of the Japanese Interference with China's Monetary Administration in the North-east.*

Besides the Japanese encroachment upon Chinese monetary administration in the North-east, the Japanese in many ways directly interfered with Chinese currency and, even if discovered, they enjoy immunity from the Japanese authority. Let us cite some concrete instances. In May, 1923, one Japanese named S. Mori, of the Tanyu (Niwa) Company, was arrested for counterfeiting Harbin currency dollars at Dairen. In July, 1925 one Japanese, named Kanada opened a Sheng Ta Pharmacy, as a disguise, at Penschihu, but whose business was to counterfeit the bank notes of the Bank of the Three Eastern Provinces. He was later arrested. In September, 1926, two Japanese named J. Inouya and Yamada Saburo respectively, were found selling counterfeited bank notes and two hundred and twenty pieces of such counterfeit notes were seized from them. On September 2, 1929, a Tacheng Company was discovered at Kasuka Cho at Dairen, and its business was to manufacture Chinese coppers by the Japanese. On November 22, 1930, a Japanese factory

083  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 104 —

for the counterfeit of Harbin paper dollars was found at Harbin. All these cases were brought to the attention of the Japanese authorities concerned by the Chinese Commissioner of Foreign Affairs, but no satisfactory replies were given and they became unsettled cases.

— 105 —

#### CHAPTER IX

##### JAPAN'S INTEREST IN THE ADMINISTRATION OF COMMUNICATIONS IN THE THREE NORTH-EASTERN PROVINCES.

Since her assumption of the management of the South Manchuria Railway in 1905, Japan has utilized her position for the carrying into effect of her policy of expansion in the North-eastern Provinces and for the thwarting and suppressing of Chinese attempts at improvement of transportation and communications there. Especially marked has been her interference with railway transportation and construction. The slightest internal disorder in China has been the excuse for the extortion of profitable pickings, all camouflaged under the name of safeguarding her loans. No legitimate reason lay back of Japan's objection to the completion of the proposed harbour at Hulutao; yet no sooner had construction work commenced than Japan saw fit to seize military control of that section of the Peining or Peiping-Liaoning Railway. The Chinese Government refused, however, to be intimidated, and proceeded with the original plans. This interference by Japan is in direct violation of Article IV of the Treaty of Portsmouth, signed by Japan and Russia on September 5, 1905, in which "Japan and Russia reciprocally engage not to obstruct any general measures common to all countries, which China take for the development of the commerce and industry of Manchuria".

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

— 106 —

In the paragraphs that follow will be given other instances where Japan has, previous to September 18, 1931, infringed upon and obstructed the administrative integrity of (A) railway transportation, (B) telegraph and telephone communications, (C) postal service, and (D) shipping and flying rights in the North-eastern Provinces.

#### A. RAILWAY TRANSPORTATION.

##### 1. *Japanese Attempts at Blocking the Construction of Railway Lines Projected by the Chinese Government.*

All of the past attempts on the part of the Chinese Government to construct new railways in the North-eastern Provinces without resorting to Japan for financial support or consent invariably produced from Japan the protest that the proposed line ran parallel to the South Manchuria Railway and was therefore preudicial to her interests. That China must not violate these conditions Japan repeatedly alleged to have been stipulated in "secret protocols" signed by China and Japan. These "secret protocols" alleged by Japan turned out to be none other than the signed minutes recording a meeting of the Chinese and Japanese plenipotentiaries held in Peking on December 4, 1905. The minutes ran:

"The Chinese Government engage for the purpose of promoting the interests of the South Manchuria Railway not to construct prior to the recovery by them of said railway,

— 107 —

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."

The Japanese delegates had proposed this article to the meeting hoping to have it included as one of the articles of agreement in the 1905 Treaty; but the Chinese plenipotentiaries had refused to give consent, pointing out, moreover, that the terms "parallel" and "neighborhood" were too comprehensive. After a long parley, the Japanese finally requested to have the "protocol" recorded in the signed minutes of that meeting as expressing a claim of right on Japan's part. To this final request the Chinese gave consent.

In 1907 the Chinese Railway Administration negotiated with a British firm for the construction of extension to the present Peining or Peiping-Liaoning Railway to run from Hsinmintun to Fakumen. Japan at once protested against the contract, maintaining that as the proposed railroad ran parallel to the South Manchuria Railway Japan could assert her right of veto as acknowledged in the signed minutes of the 1905 negotiations which Japan at this time proclaimed to the world as a "secret agreement." In the controversy that followed, Governor Tang Shao-yi of Mukden, who was one of the Chinese signatories to the 1905 Peking Treaty, denied the existence of any "secret agreement" in the Peking Treaty which debarred China from paralleling the Japanese railway line. Although

0835

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

— 108 —

the Japanese delegates to the convention had requested such a right of veto for Japan to eliminate future competition in the South Manchuria Railway area, Governor Tang insisted that the Chinese plenipotentiaries had signed no such agreement. Minutes recording the business brought up for discussion from day to day, the Chinese delegates had signed, but these minutes recorded merely the business taken up in discussion by the Conference, and could in no legal sense be construed to mean or to have the force of "secret protocols". In her reply to the Japanese protests, the Chinese Government contended that the proposed line was at a great enough distance away so that it could hardly be designated as being in the neighborhood of and parallel to the South Manchuria Railway, even based on a definition of miles in keeping with British and American railway practice. When pressed for a definition in miles, the Japanese Government on May 29, 1908, issued a decree (decree 80) to her minister in China specifying the term "neighborhood" to include territory within one hundred Chinese li of the South Manchuria Railway, within which region Japan claimed her right of veto. The Chinese Government, although refusing to recognize the applicability of the terms "neighborhood" and "parallel" to the projected railroad, finally yielded to Japanese pressure and cancelled negotiations with the British firm.

That same "right of veto" has been, since 1908, repeatedly invoked by Japan to protest against the construction of other

— 109 —

railways in the North-eastern Provinces. The Shenhai or Shenyang-Hailung Railway, including the Meihsi or Meiho-Hsian branch line (begun July, 1925, completed September, 1927); the Tatung or Tahushan-Tungliao Railway (begun April, 1927, completed November, 1927); and the Kihai or Kirin-Hailung Railway (begun May, 1927, completed April, 1929) have all been labelled as detrimental to the interests of the South Manchuria Railway and, therefore, should not have been constructed. But, even should China grant the justice of Japan's definition, all these three railways lie outside the 100 Chinese li zone insisted upon by Japan. What grounds has Japan then for obstructing the legitimate development of the Chinese national railway system? Japan withdrew her objections to the construction of the Shenhai line as soon as China consented to borrow Japanese funds for the building of the Taoang or Taonan-Angangchi Railway. She persisted in her protests against the other lines, in spite of the fact that the Tatung line lies more than a hundred miles beyond the South Manchuria Railway and that the Meihsi line is not only over a hundred li away but also not parallel. The fight over the Kihai line has been most bitter. This line, opened to traffic in July, 1929, should have long been linked up at Kirin with the Kichang or Kirin-Chanchun line, but for Japanese obstruction. The Kichang Line, although constructed through a Japanese loan, is nevertheless a Chinese Government Railway, while the Kihai line was financed and built

0838  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 110 —

solely by the Chinese, and lies more than one hundred kilometres east of the South Manchuria Railway. Yet Japan has effectively resisted all attempts on the part of China to link up two branches of her own government railway lines.

Arbitrary, and unreasonable too, was the tearing up of the Peiling spur line, a short five kilometre branch of the Peining Railway. The spur ran from Shenyang Station to Peiling, the mausoleum of the early Manchu rulers, in recent years converted into a public park. Nearby is located North-eastern University, the highest educational institution of its kind in the North-eastern Provinces. The Peining Railway constructed this short branch in 1925 for the convenience of travellers to and from Peiling. On June 27, 1929, the Japanese consul at Shenyang ordered Japanese military guards to forcibly tear up the tracks, explaining that the Chinese Government, by running this line over the farm lands of a Japanese subject, Kajihara Masao, without the consent of the Japanese authorities violated acquired Japanese jurisdictional rights. The Chinese contended that those farm lands had been leased in 1915 to Kajihara for the rent of \$600 a year, but up to 1925 the Japanese had paid in all only \$500. The Chinese authorities had in 1925 notified the Japanese Consulate in Shenyang of the cancellation of the lease and the reversion of the land to Chinese control. The Japanese continued refusing to surrender the land. The Peiling

— 111 —

line was constructed after the cancellation of the lease and therefore could not be considered as violating any acquired jurisdictional rights. This issue, the Japanese Government made mention of as one of the many unsettled problems between the two countries.

2. *Japanese Attempts at Destroying the Administrative Integrity of the Chinese Government Railway.*

The Kichang or Kirin-Changchun Railway is one of the Chinese Government Railways. China consented, in negotiating loans from Japan for the construction of that railway in 1909 (as revised on October 12, 1917) to employ three Japanese directors to be placed in charge of "general affairs", "traffic", and "accounting". According to Article XIV of the Kirin-Changchun Railway Loan Agreement,

"The general regulations of the Ministry of Communications applicable to all railways will also be observed by the Railway. But if, owing to special conditions in connection with the Railway, they should be difficult to apply, the matter should be reported with a statement of the facts to the Ministry of Communications."

Recently, when the Ministries of Communications and Railways issued regulations governing freight rates that applied to all railways, the Japanese "traffic" director of the Kichang line refused to put the new rates into effect, giving as his reason that there was a difference between Chinese and Japanese goods handled by

— 112 —

his line, and therefore there should be a difference in rates. This claim of special freight charges for Japanese goods, and Japanese goods alone, violated Article V of the Nine-Power Pact of 1922. The Chinese Foreign Office called the attention of the Japanese Legation to this infringement, outlining all the pertinent facts, but up to the present, the Japanese directors of the Kichang line have refused to comply with the terms of the Agreement and with the regulations. And the Kichang Railway was the only one of the Government railways that did not apply the new freight charges. Since August, 1931, the Ministry of Railways have recognized absolutely no distinction between Chinese and foreign goods. A distinction has been made only between the varying grades of goods and charges have been assessed correspondingly. Japan had no legitimate reason for refusing to put the new rates into practice on the Kichang Railway.

*3. Steps Taken by the Japanese for the further Absorption of Chinese Railway Rights.*

**a. The Kichang or Kirin-Changchun Railway** (begun 1909, completed 1912). Although in Article III of the "agreement for a loan for the Kirin-Changchun Railway" of October 12, 1917, "the (Chinese) Government will specially commission the (South Manchuria Railway) Company to direct the affairs of the Railway in its stead during the term of the loan" yet

— 113 —

Article IV specified that "in matters of importance the Company's representative or a director must first consult with the Chief of the Administration (representing and acting under the instructions of the Ministry of Communications) before taking action. The orders for all receipts and disbursements of the Railway must be signed in conjunction with the Chief of Administration before they can be valid." The Company's representative took over autocratic control and operated the line without consulting the wishes of the Chinese Chief of Administration. He discriminated against the Chinese employees in the matter of salaries. Fifty-four Japanese officials drew an aggregate monthly salary of thirty-four thousand odd dollars, an average of \$500 per Japanese; while 540 Chinese officials received a total monthly salary of \$32,000, an average of \$60 a Chinese. Each of the Japanese directors drew a salary of two thousand odd dollars, which was three times as large as the monthly stipend of \$750 received by the Chinese Chief of Administration.

According to Article VII of the loan agreement, "during the period that the Company administers the affairs of the Railway, the Government and the Company, after consultation together, will arrange to have turned over to the Company 20 per cent of the profits of each working period which remain after being applied to the redemption of the capital and the payment of interest of the loan..." For the 10 year period

— 114 —

from the beginning of 1918 till the end of 1927, 20% of the actual profits of this line should have entitled the Company to the sum of \$348,150; but the Company has received, instead, a total of \$893,500, or more than double her due. This was made possible by counting as expenditures of the Railway only the two items, the paying of interest due on loans, and the paying of the current administrative expenses. The Japanese representative did not include expenses definitely stipulated in the Agreement as being necessary for maintenance, repairs, replacements, and future contingencies. The 80% due the Chinese Government, the Japanese retained for what he termed replacements and expansion of the railway.

The Kirin-Changchun Railway loan was for \$5,500,000. Since April, 1928, China has already paid back 893,750. However, the careless spending of money by the Japanese directors has necessitated additional loans, so that although the original loan itself has diminished in amount the additional borrowing of money has boosted the total amount of loans outstanding. Therefore, despite her payment of almost \$900,000, the Railway today owes the South Manchuria Railway in all \$6,730,000. According to Article I of the Agreement, "in case the Railway should be in arrears, in connection with the interest, . . . . . if . . . the Government is unable to raise the sums required for the deferred payments of interest and principal, it must hand the Railway and all the property thereof over to the

— 115 —

Company to be temporarily administered. . . . ." By continuing their irresponsible extravagance, thus slowly increasing the financial obligations of the Railway, were not the Japanese directors helping the gradual absorption of this line by the South Manchuria Railway Company?

**b. The Kitun or Kirin Tunhua Railway** (begun June, 1926 completed October, 1928).

In October, 1925, the Chinese Government contracted with, the South Manchuria Railway Company for the construction of the Kitun Railway. The cost of construction estimated at 18,000,000 yen, was to be reimbursed the Company within one year after delivery. The Chinese Government consented to employ a Japanese engineer to be in charge of the planning, the making of estimates, and the supervising of the construction work during the period of construction. Immediately after commencing work, this Japanese engineer increased the estimated cost to 24,000,000 yen, and made changes in the road-bed. The Railroad was completed in October, 1928. The South Manchuria Railway Company notified the Chinese Government that she was ready to have the Chinese accept the Railroad. In accordance with contract regulations governing the engineering details of the construction, the Chinese Government appointed a commission of engineering experts to inspect the construction and to check over the itemized costs of construction.

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

— 116 —

These experts found instances of gross over-charge. A wooden shack built in the heart of the timber country was entered in the books as costing 1460 yen; temporary wooden bridges cost 420 yen per meter-unit. These "extra charges" totalled the enormous amount of yen 5,500,000. Besides, in their inspection of the construction, these experts found 181 instances of faulty engineering construction, and three unauthorized changes from the original drawings. All these complaints were listed and handed over to the South Manchuria Railway Company for remedy, but the Company did not deign to pay any attention to the report. Instead, she charged the Chinese Government with failure to live up to the terms of the agreement, with failure to accept delivery of the line. China thought it unreasonable to pay the exorbitant price of 24,000,000 yen for a railroad only 210 kilometres long. According to the Agreement, if China failed to repay the cost of construction within a year after accepting the railroad, then the debt must be settled under a new loan contract in which it must be definitely specified that the railroad shall employ a Japanese as Chief Accountant.

**c. The Ssutao or Ssuningkai-Taonan Railway** (begun April, 1916, completed November, 1923).

On September 8, 1919, the Chinese Government authorized the South Manchuria Railway Company to issue 5% gold Bonds in the sum of 45,000,000 yen. It was agreed, in the exchange

— 117 —

of letters over the Agreement, that previous to the issuance of the Bonds, the South Manchuria Railway Company was to advance the necessary funds, the interest charge was not to exceed 7-1/2%. Later the Company demanded 9-1/2% interest on her loan; after much negotiation, the charge was fixed at 9%. Although twelve years have elapsed since the signing of the contract in 1919, yet the Company has not undertaken to float the 5% bonds provided for in the Agreement. The Company preferred the breaking of an Agreement to the losing of the extra 4% of profit on her money. The Company was to receive a commission of 1/4% for services in connection with the floating of the bond issue; although the bonds have not yet been issued, the Company has already deducted the 1/4% commission from the money advanced to the Railway.

All the locomotives and the other rolling-stock used on the Ssutao line were rented from the South Manchuria Railway Company. These were in the main, shabby and dilapidated, but the rentals charged the line were exorbitant. Old locomotives were charged the yearly rent of 3000 yen a piece. The amount spent for keeping the rolling-stock in repair also ran high, excessively high. For the year 1928, the cost to the railway of rented locomotives and other rolling-stock amounted to 428,783 yen; the cost of repairs was over 1,000,000 yen. The South Manchuria Railway Company and the Japanese directors of the Ssutao Railway killed all attempts on the part of the

Chinese administration to buy equipment of locomotives and other rolling-stock for the line.

Although the annual receipts of this railroad ran about \$7,000,000 yet deliberate mismanagement on the part of the Japanese directors has made it almost impossible for the railroad to meet her payments. The original loan of 22,000,000 yen actually received by the Ssutao Railroad from the South Manchuria Railway Company has now, through high interest charges and interest upon interest, inflated to the enormous figures of over 52,000,000 yen. As long as the 5% bonds remain unissued, as long as the Railroad continues to pay 9% on her loans from the South Manchuria Railway Company, and as long as the Japanese directors pay exorbitantly for rental of rolling-stock that require constant repairs, for just that length of time will the Ssutao Railroad remain unredeemed.

**d. The Taoan or Taonan-Anganchi Railway** (begun March, 1925, completed July, 1926).

When China started the construction of the Shenhai or Shenyang-Hailung Railway, Japan refused to be silenced until she had secured from the Chinese Government a loan for the building of the Taoan Railroad. Forced to accept this loan, the Governor of Liaoning (Fengtien at that time) in September, 1924, signed an agreement with South Manchuria Railway Company in which the company undertook the financing and

the construction of the proposed road, estimated to cost 11,920,000 yen. The loan was to bear interest at 9% annually. The Chinese Government consented to employ a Japanese advisor and two Japanese assistants. After the completion of the construction, the Company presented to the Chinese Government a claim for expenditures totalling 13,125,000 yen. This amount was above the estimated cost. On going over the accounts, it was discovered that a sum of 2,075,961.53 yen was listed under the item "miscellaneous expenditure." The Chinese pressed for an itemized statement of these "miscellaneous expenditures"; the Company wrote, in reply, that they included:

1. Expenses involved in Peking and Mukden while negotiating for the Loan, expenses contracted prior to the awarding of the Contract .....33,250 yen
2. Contractor's Fees .....1,471,666 "
3. Examiner's Fees .....24,053 "
4. Inspection Fees .....61,167 "
5. Other Expenses ... ..485,825 "

The Chinese Government objected strongly to the items submitted, pointing out to the Company that Item 1, "Expenses involved in Peking and Mukden while negotiating for the loan, prior to the awarding of the contract", represented expense incurred by the Company itself in going after business and should not, therefore be charged

— 120 —

against the Taoan Railway; that Items 3 and 4, representing expenses involved in the inspection of the construction, were one and the same charge, and should properly be charged against the Company itself, not against the Railway; and that Item 2, "Contractor's Fees", almost a million and half yen, seemed strange, unthinkable, inasmuch as all expenses incurred in the constructing of the railroad have been included under the "Cost of Construction". Why "contractor's fees"? This objection from the Chinese Government the South Manchuria Railway Company has not, even up to the present, answered; instead, she has accused the Chinese Government of refusing to accept delivery of the road. She has also proceeded to charge interest on the 13 million yen from the date of the completion of the construction. This case was still unsettled in September, 1921.

#### **B. TELEGRAPH, TELEPHONE, AND RADIO COMMUNICATION**

Japan has all along been most flagrant in her violation of treaty obligations concerning the telegraph, the telephone, and the radio. The military lines that she set up in the North-eastern Provinces during the Russo-Japanese War she has developed into a permanent telephone system. In November, 1911, she erected a wireless station in Dairen. According to the 1896 Chinese Eastern Railway Agreement between China and Russia, Article VI, the Chinese Eastern Railway agreed "to construct and operate the telegraph necessary for the needs

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3(E) and 5(D) or (E)  
1st 10, 1972  
Date 12-18-75

— 121 —

of the line"; and according to the 1908 Chinese-Japanese Telegraph Convention, Article 11, Japan undertook "not to extend her present telephone system in Manchuria without having first obtained the consent of the Chinese Government". When Japan took over Russia's rights, she agreed not to use her telephone or telegraph system for commercial purposes; in 1908, she contracted not to extend her telephone system in Manchuria without having first obtained the consent of the Chinese Government. But she has, instead, expanded her telegraph and telephone systems and erected radio stations without deferring in the least to the wishes of the Chinese Government, and without regard for the sovereignty and integrity of China.

*1. Japan's Desire not only to Maintain but also to Expand her Telephone, Telegraph, and Radio Privileges in the Three Eastern Provinces.*

Prior to September 18, 1931, Japan controlled within the South Manchuria Railway Settlements ten telephone stations, 24 telegraph stations, and 7 wireless stations. In Chinese territory, she held *one* telephone system, at Tahsikuan in Shenyang; 8 telegraph stations, at Shenyang, Yingkow, Liaoyang, Hsinmin, Tiehling, Changchun and Antung and 15 wireless stations, in the Japanese consulates at Newchuang, Tunghua, Hailung, Chengchiatun, Taolu, Nungan, Kirin, Harbin, Tsitsihar, Manchouli, Chientao, Paitsaokou, Chutzchieh, Toutaokou and Hun-

— 122 —

chun. Japan has installed a long-distance telephone line 435 miles long between Dairen and Changchun, and another, 170 miles in length, between Shenyang and Antung. Japan had a veritable network of telephone and telegraph lines and of wireless stations enmeshing the whole of the Three Eastern Provinces.

As reported in the March 18, 1931 issue of the *Tokyo Asahi Shimbun*, the Chinese delegates to the March, 1931 Telegraph and Telephone Convention between China and Japan proposed that China take over the following systems and rights:

1. The Yenchi-Hunchun telephone system.
2. The South Manchuria Railway Settlement telephone system.
3. The long-distance line borrowed by the South Manchuria Railway.
4. The Hsinmin-Shenyang Long-distance telephone rights.
5. The Dairen-Changchun long-distance line.

As Japan had all intention of maintaining the *status quo*, she refused to discuss the Chinese proposals.

2. *Japan's Arbitrary Installation and Maintenance of Telegraph and Telephone Facilities in the so-called Chientao District.*

Even previous to her annexation of Korea in 1910. Japan labelled the four districts (hsiens) Yenchi, Holung, Wangching and Hunchun on the Chinese side of the border between China

— 123 —

and Korea, as the Chientao district. To further her policy of aggrandizement, she sent Koreans over into Chinese territory to seize farm land and otherwise to harass the Chinese magistrates. These disturbances led in September, 1909, to the Tumen River Agreement. After her annexation of Korea, Japan continued her policy of aggression, first by seizing the farm land of Chinese farmers and then by usurping police powers and seizing telephone and telegraph privileges. That she has made substantial use of these privileges, the following evidences will affirm:

a. *The Yenchi Telephone.*

While the deliberations on the Tumen River Pact were being carried on, Japan constructed a telephone line 130 odd *li* long for the use of the River Tumen Japanese guards. The magistrate of Yenchi and the governor of Kirin Province in 1910 entered into negotiations with the Japanese for the rendition of this line to the Chinese, but the Japanese balked all negotiations by demanding a price of \$30,000, basing their price on the 1908 Telegraph Convention. The matter remained unsettled. In 1920, on the pretext of suppressing the uprising of Korean revolutionists, Japan despatched troops into the Yenchi district. These soldiers put up military telephone lines which linked up the four districts. After the withdrawal of the Yenchi Japanese expeditionary forces, the Yenchi authorities

— 124 —

again entered into negotiations with the Japanese consul over the telephone lines. The Japanese consul finally agreed to present the military lines to China. Eight articles covering this transfer were at that time drawn up and approved. But the Japanese have since then procrastinated and delayed the transfer, so that up to the present nothing has been carried out.

*b. The Hunchun Telephone.*

As has been mentioned in the previous paragraph, Japan, acting under what she claimed was a military expediency, installed in 1920 a military telephone system in these four districts. In all she put in one telegraph line and two telephone lines to connect Hunchun with Hueining and other localities in Korea. The telegraph and telephone headquarters she located in the Japanese consulate in Hunchun and she called the station the "Chingyuan Telegraph Sub-station". China protested against this station, but to no avail.

*c. The Lungching Village Telephone.*

Before the holding of the Tumen River Convention, i.e., before the settling of the Chinese-Korean border lines, Japan was presumptuous enough to run a telegraph line from Korea over into the village of Lungching. In 1920, she extended this line from Lungching to Yenchi and established in Lungching what she called "The Hueining Sub-station", which, with its eight lines, accepted telegrams for Japan, Korea, points along

— 125 —

the South Manchuria Railway, Chefoo, Dairen, Shanghai, and other places. This station also made long-distance calls to Hueining, Shangsanfeng, and Yenchi.

*3. Japan's Extension of her South Manchuria Railway Telegraph System into the Chinese Cities of Shenyang and Changchun.*

Japan falsely interpreted her taking over of Russian interests in 1905 as entitling her to connect her South Manchuria Railway telegraph with, and to develop without restraint, her private telephone and telegraph systems to such cities as Shenyang and Changchun. Within the city of Shenyang alone there over 600 telephones. Although Japan had promised in the 1908 Telegraph Convention "not to extend her present telephone system in Manchuria without having first obtained the consent of the Chinese Government", yet actually she kept on expanding. Besides, she installed an office at Tapeikuan in Shenyang for the receiving of telegrams, in direct violation of her treaty agreements.

*4. The Commercializing by the South Manchuria Railway Company of her Railway Telegraph Lines - a Violation of Treaty Rights.*

On taking over the South Manchuria Railway from the Russians in 1905, Japan agreed to observe all previous agreements between China and Russia relative to special rights and

— 124 —

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— 125 —

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

— 126 —

privileges to be enjoyed by Japan in the Three North-eastern Provinces. Binding on Japan, therefore, was Article VI of the 1896 Agreement between China and Russia which limited Russia to the construction and operation of the telegraph "necessary for the needs of the line". The railway telegraph must, in other words, serve only the needs of the railway administration. But Japan made use of her South Manchuria Railway telegraph system, without the consent of the Chinese Government, for the transmission of commercial telegrams, by which action she went contrary to treaty stipulations.

5. *Japan's Abuse of the Shenyang-Hsinmin Long-distance Telephone Line Agreement by Establishing a Telephone Exchange at Hsinmin.*

When the Chinese Telegraph Commission through its chairman, Mr. Wei Hung-chun, gave consent to the Japanese Commission headed by Mr. Goto to the temporary use by Japan of the Shenyang-Hsinmin long-distance telephone line, China did not consent to the setting up of a telephone exchange system in Hsinmin. Yet Japan, after the signing of the Agreement, established within the city of Hsinmin a telephone exchange with about 130 private lines. These lines were charged 6 yen per line per month. Moreover, this system was connected by long-distance telephone with telephone systems elsewhere. This is another example of Japanese abuse of treaty rights.

— 127 —

6. *Japan's Disregard of Treaty Specifications by Refusing to Return Borrowed Telegraph Lines and by Establishing Separate and Unauthorized Telegraph Exchanges.*

According to Article III of the 1908 Telegraph Convention, "at open ports or treaty ports in Manchuria, which are in close proximity to the Japanese railway territory, namely at: Antung, Newchuang, Liaoyang, Mukden, Tiehling, and Changchun, the Chinese Government agrees, for a period of fifteen years to place one or two special telegraph wires from the said open ports or treaty ports to such railway territory at the exclusive disposal of the Japanese Government telegraph service." According to Article IV of the same Agreement, "the special wire or wires mentioned in Article III shall be worked from the Chinese telegraph buildings by Japanese clerks in the employ of the Japanese Government, and the Chinese Government undertakes to provide, at the total yearly rent of 700 Mexican Dollars, suitable special offices and accommodations for this purpose, it being, however, understood that the said accommodations do not include dwelling quarters for the clerks."

These special wires were placed at the disposal of the Japanese for a period of fifteen years. In 1923, 15 years after the convention, the Chinese Government asked for the return of those special wires. Japan refused to turn them back.

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

— 128 —

Moreover, in violation of Article IV, she refused to work the special wires from the Chinese telegraph buildings, but established her own stations elsewhere. At Shenyang, for instance, Japan set up in Tahsikuam her own station which she named "The Japanese Telegraph Office in Mukden". She disregarded all treaty specifications.

7. *Japan's Refusal to Render the Yingkow Telephone System.*

Article II of the December 5, 1906 Yingkow Rendition Agreement between China and Japan stated: "As for the telephone service, it should be taken over by the Imperial Chinese Telegraph Service, and be operated by it, and the said Telegraph Service and the Company (the joint stock company sanctioned by the Japanese military authorities, then in charge of the system) shall each appoint a representative to examine the telephone property, as already established at Yingkow, and estimate the price at which it shall be bought. If the representatives fail to agree upon a price, the said Telegraph Service and the company shall together select a disinterested arbitrator to determine the same, whose decision shall be accepted by both parties." The Yingkow telephone system should have been rendered back to China long ago, but Japan has all these years deliberately refused to make the necessary transfer.

— 129 —

**C. POSTAL RIGHTS.**

1. *Japanese Post Offices in the Three North-eastern Provinces and Negotiations between China and Japan over their Discontinuance.*

During the Russo-Japanese War, Japan, acting without the consent of the Chinese Government and beyond the scope of any treaty rights, established 94 military postal stations in the Three Northeastern Provinces. These she continued to maintain and improve, in spite of agreements to the contrary.

At the 1921 Washington Conference, the nations present agreed to discontinue, beginning from January 1, 1923, all their foreign post offices in China, excepting those in leased territories or those established under conditions specifically guaranteed by special agreements. Baron Shidehara at that time sought to preserve the Japanese postal stations in the Kwantung leased territory and in the so-called "South Manchuria Railway Zone" by insisting that the 1905 Portsmouth Treaty and Article VI of the 1896 Chinese Eastern Railway Contract guaranteed Japan such special postal rights. But the 1896 Convention gave Russia the right "likewise to constrict and operate the telegraph necessary for the needs of the line"; there was no mention of the postal rights that Baron Shidehara sought to preserve for Japan. Consequently, on December 8, 1922, China and Japan signed a postal agreement in which Japan

— 130 —

agreed to discontinue her ten post offices in Peiping, Shantung, and elsewhere, and her fifteen post offices in the Three North-eastern Provinces, located in Tahsikuan in Shenyang, Tapeimen in Shenyang, Newchuang, Liaoyang, Tiehling, Changchun, Kirin, Pinchiang, Hsinmin, Fonghuangcheng, Chiushihchieh of Antung, Toutaokou, Chutzchieh, Hunchun. Post offices located in the South Manchuria Railway areas and in the Kwantung Leased Territory were to be left to solution through diplomatic channels. Since Japan enjoyed no special postal privileges in China, she should have discontinued the post offices long ago; yet in spite of definite agreement and promises on the part of Japan herself to curtail her postal activities, she has not yet fulfilled her solemn obligations.

2. *The Extensiveness of the Japanese Postal system in the Three North-eastern Provinces.*

According to the October, 1920 report of the Kwantung Government, the Kwantung Administration, through its Communications Bureau, controlled the Japanese postal service in China. The headquarters in Dairen had charge over 43 post offices, 7 postal sub-offices, 22 postal stations, and 151 postal agencies. These 223 branches were located in the Kwantung Leased Territory, in the South Manchuria Railway Settlement Areas, and, in some instances, in Chinese territory. Excepting for local posts in small, out-of-the-way railway stations, and

— 131 —

other postal stations were combined postal, telegraph and telephone stations.

3. *Japan's Continual Encroachment on Chinese Postal Rights.*

Although Japan has discontinued her postal agencies in the Chinese cities, yet in regions in close proximity to the South Manchuria Railway Settlements and areas, the Japanese have retained their post boxes for the posting of mail. In the native city of Shenyang, such post boxes were to be found in Tahsikuan, Hsiaohsipienmenwai, and Huangkung. In Tiehling, a post box was left in use in front of the Drum Tower. Such post boxes constituted an infringement against the agreement between China and Japan. Moreover, in defiance of International postal agreements, Japanese mail carriers openly rode into the native cities to deliver mail which should have been turned over to the Chinese post offices for delivery. Furthermore, within the Kwantung Leased Territory, the railway settlements and other areas, Japan not only continued her Japanese postal service but even hindered the Chinese Government from establishing postal stations there. Where a Chinese postal station was actually erected, Japan prevented it from putting up postal signboards and from accepting and delivering mail. The station became a mere clearing house for the sorting out of Chinese mail. This was the fate of the Chientaitientung postal agency located in the South Manchuria Railway Settlement of Shenyang.

— 132 —

#### D. SHIPPING AND FLYING RIGHTS

##### 1. Shipping Rights.

Since 1924, the Chinese Government has interested itself in the development of shipping in the Three North-eastern Provinces. At Harbin she established a Shipping Bureau which had charge of 80 odd ships. Under the Shipping Bureau were organized the Construction Office to continue the building of ships, and a Maintenance Office to maintain and deepen the navigable portions of the Sungari River. The Chinese Government also started construction work on Hulutao Harbour to make available more outlets for Northeast products. At Yingkow she established a Fishery Bureau to regulate fishing all along the coast. This Bureau instituted a Yingkow Municipal Fish Market, an aquatic experimental station, a fish cannery, and an office for the taking of moving pictures of fish life and habits. It also undertook the building up and the maintaining of fishing villages and other facilities for the caring and benefiting of the fishing population. Such enterprising efforts the Japanese could not countenance. Immediately after the September 18th outbreak, the Japanese seized and destroyed these progressive agencies in no small number.

As an instance of the high-handedness of the Japanese in dealing with strictly Chinese shipping, the case of the steamer Chung-Hua of the Yingkow Oversea-Trading and Steamship

— 133 —

Company, a Chinese shipping concern, might be cited. In May, 1931, the Chung-Hua called at Dairen to take on freight, but was refused permission by the Dairen Harbour Office of the Kwantung Government on the grounds that as Dairen was Japanese territory the Chung-Hua could not take on freight there. Forced to sail without her cargo, the ship suffered tremendous losses. In this particular case, which is one of many unsettled cases between the two countries Japan violated the 1898 Convention between China and Russia respecting the lease of Liaotung Peninsula, which Convention Japan agreed to observe in the 1905 Convention. According to Article I of the 1898 Liaotung Convention, "this act of lease, however, in no way violates the sovereign rights of H.M. the Emperor of China to the above-mentioned territory"; according to Article VI, "as regards Ta-lienwan, this port, with the exception of one of the inner bays which, like Port Arthur, shall be set apart exclusively for the use of Russian and Chinese fleets, shall be considered open to foreign commerce and free entry to it will be granted to the merchant vessels of all nations". The Harbour Office of Dairen, in refusing a Chinese vessel entry into Dairen, violated this 1898 Convention and encroached upon the rights of China.

##### 2. FLYING RIGHTS.

According to the 1919 International Flying Agreement, China has absolute and sovereign control of the air in the Three North-eastern Provinces (as based on Article I), and

— 134 —

outside of innocent passage by commercial planes in normal times (as based on Article XI) no flying vessel used by a foreign military power may fly over or land on Chinese territory without the permission of the Chinese Government (as based on Article XXXII). Not only have military planes used by the Japanese flown over Chinese territory at will in normal times, but, after the September 18th outbreak, planes used by Japanese military men have continued to fly everywhere for scouting purposes, and for bombing Chinese cities and innocent Chinese citizens. What more flagrant repudiation of international agreements and utter transgression of China's sovereignty and integrity could there be than this?

— 135 —

#### CHAPTER X.

#### JAPAN'S INTEREST IN MINING AND INDUSTRY IN THE THREE NORTH-EASTERN PROVINCES

##### a. Japanese Violations of Mining Privileges in those Provinces

Soon after assuming control of former Russian rights in Kwantung and in the South Manchuria Railway, Japan concentrated a no mean portion of her financial power in the development of her mining interests. The South Manchuria Railway Company, immediately upon its organization in 1907, created a Bureau of Mines to make careful investigations into the extent of the mining fields and their economic possibilities. During these past twenty-six years, Japan undertook to exploit the mining of iron, coal, shale oil, gold, silver, copper and lead, and also of cultural soda, quartzite, fire-clay, limestone, dolomite, asbestos, silica and other deposits. According to recent figures, her mining investments in the Three North-eastern Provinces were capitalized at the figure of 180 million yen, an investment second only to her railway interests. In the acquiring of these extensive mining privileges, Japan resorted to many tactics which were highly questionable. The following eight instances might be cited.

1. *The Unlawful Extension of Mining Property beyond their Legitimate Boundaries.*

According to Article XI of the Detailed Regulations for Fushun and Yantai Mines, May 12, 1911, "in case the Company

— 136 —

(the South Manchuria Railway Company) requires private land within the boundaries of the mines, which is necessary for mining purposes, or requires the extension of the railway, it shall be reported to the Chinese authorities, and a decision shall be reached after a mutual consultaion." Therefore the buying of private land was restricted to within the boundaries of the mines. In accordance with Article VII of the same Detailed Regulations, the Fushun (Chien Chin Chai) Coal Mine was originally bounded on the south by the watershed of Chien Chin Ling. Japan has, however, bought, from private owners, a thousand odd mou of land south of the said watershed, land with coal deposits estimated to be worth over two million dollars. This buying of land outside the original boundaries of the mine was unlawful.

The Japanese likewise without permission extended the boundaries of the Yentai mine lands three odd li, ejecting a Chinese, Chang Yunshen, from his mine lands and rights worth over \$200,000. Japanese guards were posted to keep Chang Yun-shen out from his property. Protests from the Chinese authorities were of no avail. This extension of mining property by forcible occupation of the land also violated treaty agreements.

— 137 —

2. *The Forcible Occupation and Operation of the Fuchouwan Clay Mine.*

Fuchou clay has been found to contain over 20% of potassium and magnesium. Of the two deposits, the western deposit was registered as being worked by Sun Yi-ping and Japanese interests through a joint company, the Fuchouwan Clay Company. The eastern deposit remained in the hands of Chinese miners who mined and sold their clay individually. The Chinese Government, wishing to make the potassium and magnesium available for national use decided to organize a private company under governmental supervision to work the eastern deposit, and delegated Chou Wen Fu to have the lands properly registered. The Fuchouwan Clay Company came to a private understanding with Chou Wen-fu whereby it monopolized the buying and selling of the clay, and encroached upon private interests. As soon as the Chinese Government discovered this unauthorized selling of mining rights, it cancelled the private arrangement between Chou and the Company. China was within her legal rights in so dealing with a compact entered into by a Chinese guilty of violating her laws. Japan had no right to interfere but she again sent soldiers to enable the Company to continue to work the clay deposits gained through such underhanded means.

— 138 —

3. *The Illegal Development of a Lead and Silver Mine in Chingchengtze.*

The copper mine at Chingchengtze situated 120 li from the Antung-Mukden Railway, was registered as under the joint operation of a Chinese merchant Liu Ting-Shen and a Japanese Mori Hoichi. Obeying regulations governing mines published by the Chinese Government, this joint Chinese-Japanese Copper Mine presented its articles of corporation through the proper channels for registration with the Ministry of Agriculture and Commerce. The Company was duly registered. The business venture proved a failure as the mine did not come up to expectations; Liu Ting-Shen died; Mori Hoichi returned to Japan to become a member of Parliament, and turned the management of the copper mine over to his brother Mori Honosuke. Later, silver and lead were discovered in territory beyond the original grant of the joint Company, but that mere detail did not hinder the resourceful Japanese. Without going through the proper procedure and without asking for another grant, Mori Honosuke moved his mine over to the lead and silver fields and carried on mining operations there for several years, reaping enormous profits. The Chinese Government studied the problem carefully, and in August, 1929, cancelled the registration granting Liu Ting-Shen and Mori Hoichi permission to operate a copper mine at Chingchengtze. At the same

— 139 —

time, China permitted the organization of a private company under government auspices to take up the operation of the silver and lead mines, inviting the Japanese merchant to become joint partners in this new company. Because the price of silver then was low, the Japanese signified his intention of discontinuing his mining operations. The Chinese Government, therefore, requested the Japanese to cease his activities entirely and vacate the mines. The Japanese, however, continued to ship lead and silver ore to Chinnampo, Korea, and called in the protection of Japanese military guards to cover up his unauthorized venture and illegal shipping of ore. The case remained unsettled.

4. *The Employment of Chinese Ruffians for the Unlawful Working of the Steatite Mine at Haicheng.*

The steatite mines at Yintseyu in Haicheng were originally registered under the Chinese, Tien Ti-shih. When Tien failed to pay his taxes, the Chinese Government cancelled his mining rights. But a Japanese by the name of Ito Jiro employed two Chinese ruffians, Pan Fu-Yuen and Liu Chen-Ya., to hire laborers to work the mines, removing deposits to the value of 70,000 to 80,000 dollars. The district magistrate ordered the arrest of the two Chinese undesirables for their unlawful working of the mines, but the Japanese shielded and protected them.

— 140 —

5. *The Persistent Refusal to Pay Taxes.*

A Chinese merchant Yu Chung-Han registered six mines in the Anshan, the Takusan and the Hsiaokusan localities, as being operated as a joint Chinese-Japanese Mining enterprise, his Japanese colleague being Kameta Yasuke. This company, the Anshan Iron Deposit Developing Company, was registered with the Ministry of Agriculture and Commerce in complete conformity with all regulations governing such mining companies as laid down by the Chinese Government. Later, Yu Chung-Han, in his own name, registered three mines, at Itanshan, Hsinguanshan and Paichiapaotsz there being no mention of these mines as being joint Chinese-Japanese projects. According to Article IV of the April, 1917, regulations covering excise on iron ore, a tax of forty cents per ton was levied on all iron ore produced. The company persistently refused to pay over three million dollars of taxes accumulated since 1917.

6. *The Secret Making of Private Contracts to Develop Mines in Penchi District.*

According to regulations issued by the Chinese Government, all mining products must be duly registered with the proper authorities before they could be mined. Without sanction from the Chinese Government, the Chinese owner of the limestone mine at Shihkou, in Penchi District entered a ten-year contract with a Japanese in which he turned the mine over to

— 141 —

the Japanese to operate. The Chinese Government investigated this evasion of the law, and as her legal right, confiscated the lands in 1929. The Japanese hired ruffians to continue the exploiting of the mine, and persuaded Japanese military guards to try using force to coerce the local authorities into granting the necessary permission. Incidents of this nature were numerous.

7. *The Unauthorized Quarrying of Rock by the South Manchuria Railway Company.*

When the South Manchuria Railway Company took over Russian interest, it agreed to observe the 1896 Chinese Eastern Railway Convention. Article VI of that Convention definitely stated that when the Railway found it necessary to use sand, rock, or limestone on private land bordering the Railway, the Company should pay at current prices for the rental of such land. The South Manchuria Railway opened at Chingyangpao, Tehlissu, Kuchiatsz and other places eleven rock quarries, for the use of which the Company had not compensated the proper land-owners. Besides, as rock came under the category of mining products, the Company should have made applications to the proper authorities for permission, but it did not do so. Therefore, the South Manchuria Railway Company both violated the 1896 Pact and countenanced unauthorized practices.

— 142 —

8. *The Extraction without Permission of Oil from Oil Shale.*

According to Article XIV of the Detailed Regulations for Fushun and Yentai Mines, May 12, 1911, "these detailed regulations shall be effective for sixty years from the date of their enforcement. If when this period is reached the mines are not exhausted, the period shall be extended." The Regulations everywhere stated that the Japanese were to mine coal only. The surface covering over the coal seams consists of oil shale containing oil which Chinese experts have reported worth extracting. The oil shale is estimated at over 5,000 million metric tons; and when an economical method is developed for the extraction of that oil about 40 million metric tons of crude oil can be obtained for national use and business purposes alike. The South Manchuria Railway Company, however, besides mining the coal, began in February, 1930, to extract oil from the oil shale. In 1931, the Chinese Government protested against this oil extraction, pointing out that although the coal and the oil shale were produced in the same locality, yet they were not the same mining produce; and that according to the Regulations governing mining products published by the Chinese Government the South Manchuria Railway Company must make separate application for the extraction of the oil. The Japanese authorities at first refused to pay attention to the protest; later they contended that as the shale constituted waste product incident to the mining of coal, the Chinese Regulations did

— 143 —

not apply. This is but another evidence of Japan's unilateral twisting of agreements and deliberate exploitation of China's sovereignty.

**b. Japan's Expansion of her Industrial and Commercial Holding in the Three North-Eastern Provinces.**

The expansion of Japan's mining operations in the Three North-eastern Provinces can be paralleled by the extension of her industrial and commercial holdings there. Every important industry and much domestic and foreign commerce have come under the control of the Japanese. The ports of Dairen and Antung, the financial resources, and adequate military protection of the South Manchuria Railway and all other facilities have been organized for the convenience, encouragement, and support of Japanese engaged in industry and business; while sufficient handicaps, discouragements, and obstacles have been placed in the way of Chinese and other foreign nationals to prevent them from competing on an even basis with the Japanese. Where the Chinese have even under strict treaty regulations tried to develop native industries or commercial projects to the very slight disadvantage of the Japanese, the Japanese have under the "sacred" name of unfair competition or molestation, tried to suppress these legitimate Chinese endeavors. As illustrations of high-handed methods adopted by the Japanese, six cases will be cited.

— 144 —

*1. Lawless Interference with the Harbin Electric Company.*

In 1918 the Japanese organized in Harbin the North Manchurian Electric Company which bought the small Russian power plant not incorporated under Chinese laws. At that time, the Russian directorate in charge of the management of Harbin City notified the Japanese Electric Company and the Japanese Consulate that as soon as the directorate should erect a city power plant system either publicly or privately owned, the North Manchurian Electric Company must suspend its business in Harbin. In 1919 the directorate decided to award the franchise for the lighting of Harbin City to the highest bidder. In this bidding the competition between the Japanese Electric Company and other bidders, both Chinese and Russian, was so very bitter that not until May of the following year was the franchise awarded to a Chinese concern, because its terms were most satisfactory. This franchise to the Chinese Company, the Harbin Electric Company, was awarded, it must be emphasized, by the Russian Directorate, the officials responsible for the management of Harbin. The Japanese North Manchurian Electric Company and other power plants were notified to the effect that as soon as the Harbin Electric Company had connected up its lines, the Japanese Company and the other electric plants must on that day suspend business. Besides, the awarding of this Harbin electric power franchise was duly approved by the Ministry of Com-

— 145 —

munication of the Chinese Government. In May, 1930, the Harbin Electric Company came under governmental ownership. At once the Japanese North Manchurian Electric Company accused the Chinese officials of entering through a Chinese concern into unfair competition with the Japanese Company, and endeavored subsequently to disrupt the service of the Harbin Electric Company. The very nature of the protest and the later ruthlessness of the Japanese Company reveal the Japanese residing in Chinese territory as being unwilling to observe the industrial laws and regulations of the Chinese Government—a defiance of Chinese legislative and administrative integrity.

*2. Unwarranted Objections to the Chinese Municipal Electric Light Company of Antung.*

Twenty odd years ago, the Japanese established at Antung the South Manchurian Electric Company to supply Antung with electric lights. This Company did not seek the approval of the proper Chinese authorities, and was, therefore, operating illegally in Chinese territory. In view of the utility of the electricity, the Chinese authorities refrained from interfering with the Japanese. This non-interference was not to be interpreted to mean that China had given legal sanction to the Company's unlawful enterprise. In line with the policy in other Chinese Municipalities, the Antung City Government in

— 146 —

March, 1930 erected a municipal-owned plant to furnish electric power for lighting purposes. At the same time, the Antung Government did not raise objections to continuance in business by the South Manchuria Electric Company. The city officials thought that their policy was both legitimate and fair, but the Japanese objected most strenuously to the municipal power plant as taking unlawful advantage over Japanese interests. They did not consider that their enterprise in its very origin was a violation of Chinese regulations. They called in Japanese governmental aid. When the municipal power-plant laborers were busy at construction work at Pataokou, several hundred Japanese military guards surrounded them and prevented them from continuing their task. This imperialistic use of foreign military force to frighten and to suppress the Antung Municipal Electric Light Company is altogether unwarranted.

*3. Unreasonable Protests against the Match Sales-monopoly Policy of the Three North-eastern Provinces.*

Just as Japan has a sales-monopoly on wines, cigarettes, camphor, salt and other commodities in her own country, so have other nations. Such sales-monopoly on matches, as carried out in the Three North-eastern Provinces, was similar to the match sales-monopoly in France, a financial measure in which there existed no thought of discrimination in favour of or against any particular nation. Japanese matches were placed

— 147 —

on an even footing with Swedish and Chinese matches. Yet Japan regarded the match-sales-monopoly as a measure aimed at the suppression of Japanese interests and launched a series of protests. This is another example of Japanese interference with China's administrative integrity.

*4. Unnecessary Interference with the Awarding of a Contract by the Shen-hai Railway Company.*

In August, 1928, the Shen-hai, or Shenyang-Hailung Railway, opened bids for the purchase of ten locomotives. The South Manchuria Railway Company bid lowest, the Mitsubishi next lowest; but the Chinese authorities for many reasons awarded the contract to the Scott Company. Japan protested against the award on the grounds that the Railway was discriminating against the Japanese Companies. But, in all business transactions, it is not absolutely binding on a concern to award the bid to the lowest bidder; nor need reasons be given for refusal to accept the lowest bid. The Shen-hai Railway was acting within its rights when it saw fit to purchase locomotives from the Scott Company. Moreover, it ordered her passenger and freight cars from the Japanese concerns at the same time, proving beyond question that there was no intention of discriminating against the Japanese. Yet Japan exclaimed that China was boycotting her goods. Boycott! In the commercial transactions between China and Japan, any

085F

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

— 148 —

slight disadvantage or loss of business to Japan provoked the much abused charge of boycott against Japan. This Shen-hai locomotive contract protest is but one of many gross misrepresentations by the Japanese of the much abused word *boycott*.

*5. Uncalled-for Meddling with Local Chinese  
Administrative Action.*

The great forest zone extending from the Tumem River district to Laoyehling Kirin, is for the greater part owned by the Kirin Yungheng Provincial Banking House. Because the boundary lines of the various timber properties were not definite, and because too much indiscriminate felling of trees had been carried on too long, the Chinese Banking House in 1930 ordered a temporary suspension to further felling of trees in that whole territory pending the adjustment of various claims. Japan protested against this temporary suspension as being disadvantageous and discriminatory against the Ki-tun or Kirin-Tunhua Railway, accusing the Kirin authorities of deliberately striking at the carrying of lumber by the Ki-tun line and of absorbing the lumber interests of private owners. An unwarranted accusation. The Banking House was entitled to absolute freedom of control over its properties; the Ki-tun Railway is a Chinese Government Railway, which China would certainly not think of crippling; and a foreign nation had no call to intercede on behalf of the other lumber interests in that region. What reasons had Japan for her protest?

— 149 —

*6. Illegitimate Trading and Residing of Japanese  
in Inland Localities.*

Foreign nationals enjoy extra-territorial rights only in the treaty ports set aside for their residence and place of business. In Article XII of the October 8, 1903, Convention between China and the United States of America, China consented to open Shenyang and Antung to foreign trade and to set aside definite localities for the residence of foreign nationals. In Article I of the protocol of December 22, 1905, Chinese-Japanese Treaty, China opened Kirin, Sanching and other cities, sixteen in all, into treaty ports, and designated certain sections of those cities as regions set aside for the carrying on of foreign trade. Japan, however, overlooked those treaty obligations and allowed her nationals to dwell, to trade, or to open brothels anywhere in those sixteen cities, often resorting to unlawful means to continue their defiance of Chinese laws. In Shenyang, for example, Japan established a Japanese police force for the protection of her citizens, without the slightest justification. She also refused to listen to China's repeated requests to remove Japanese nationals from cities other than the sixteen open treaty ports. Moreover, after the May 25, 1915, Peking Treaty (the notorious Twenty-One Demands) and in spite of China's repeated disavowals of this agreement because obtained under duress and coercion, Japan requested her people to settle everywhere in the Three North-eastern Provinces to engage in agriculture, industry, and

— 150 —

commerce, and relying upon their extra-territorial rights, to disregard all Chinese regulations and proclamations. When Chinese authorities tried to regulate or to interfere with the excesses of the Japanese pawnshops, or with unlawful leasing and buying of land and houses, the Japanese officials would point to the Twenty-One Demands as justifying their nationals in their disregard of Chinese authority, and in turn, would accuse China of not living up to treaty stipulations in trying to meddle with rights granted by extra-territoriality. The Chinese have always regarded the Twenty-One Demands as unfair because they were obtained under coercion, but, even under the provisions of that treaty, for this moment and for this argument assumed to be in effect, the Japanese have overstretched their claims. Articles II to IV of the first group relating to South Manchuria and East Mongolia assured the Japanese dwelling or trading in the various localities their extra-territorial rights, but under Article V "Japanese subjects must observe China's police orders and customs and tax regulations." It would not be inappropriate to reiterate that, whenever she pleased, Japan has seen fit to interpret her rights unilaterally; that she has often exceeded her treaty rights, and that she has steadily undermined China's sovereignty and integrity.

— 151 —

## CHAPTER XI

### JAPAN'S INTEREST IN AGRICULTURE, FORESTRY, AND FISHING IN THE THREE EASTERN PROVINCES.

#### *A. Japan's Forcible Acquisition of Agricultural Rights*

##### I. The Problem of Land Leases.

Regarding the signing of the notorious Peking Treaty and the Exchange of Notes of May 25, 1915 (known as the Twenty-one Demands) as having been obtained under coercion, the Chinese Government maintained, on two occasions, on November 1, 1922, and on January 19, 1923, that she did not regard herself as bound by the stipulations of those "Demands"; on March 10, 1923, China notified the Imperial Japanese Government of the abrogation of that Treaty and Exchange of Notes. The officials of the Three Eastern Provinces have consistently refused to acknowledge that Japanese, or Koreans of Japanese citizenship, had the special privilege of leasing land there for a period of 30 years and of unconditional renewal of the lease thereafter (Peking Treaty, 1915, Group II, Article II), but have insisted that, like citizens of other foreign countries residing in China, Japanese citizens might lease lands only in treaty ports. Later, in order to avoid misunderstandings and to eliminate infractions, the Ministry of Interior of the Peking Government drew up fourteen articles to govern the lease of land, in which

— 152 —

it was carefully specified that Chinese citizens might, after they have secured permission from the proper local authorities, rent their land to foreign nationals; that under no circumstances could land be sold; that land could be leased for a period not to exceed thirty years; that such leased lands must be devoted to the carrying on of industry, commerce and agriculture only; and that foreign lessees must pay one-half of all such taxes and excises as might be levied on the property by the Chinese authorities. The then Fengtien (since 1928, called Liaoning) provincial authorities facilitated matters by having these regulations printed and distributed to all the local district (*hsien*) authorities, at the same time sending along standard contract forms for the recording and legalizing of all land rentals to foreigners. Japan protested against these regulations as too severe; she demanded revisions, basing her claims on the "Twenty-one Demands." Governor Wang Yung-chiang refused to make changes. The Japanese continued their aggressive policy. They encouraged their own people to settle there, and they added other lands to their possession either by lease or by purchase. They extended their extra-territorial privileges to the interior, and resisted Chinese law and legitimate taxes. In cases involving lawsuits, they refused to abide by Chinese Court decisions or observe local practices. These aggravating acts on the part of the Japanese so multiplied that relations between China and Japan often became strained. On July 14,

— 153 —

1923, the Governor of Fengtien ordered his district magistrates to authorize only short term leases of land to Japanese and Koreans, and not to sanction perpetual leases or sale. The Land Bureau of Kirin Province, in December, 1927, prohibited the leasing, selling, or transferring of forest lands to foreigners as security for loans or mortgages. Violations were to be severely penalized. However, the Japanese and Koreans found subterfuges around the law, so in 1928 the Kirin authorities drew up most explicit regulations, limiting the owning of land and the holding of perpetual leases to Chinese citizens. Japan protested; after lengthy negotiations, the argument was settled by giving the owner of the land freedom to dispose of his land as he pleased. In March of the same year (1928) the Ministry of Foreign Affairs of the Chinese Government notified the provincial authorities that Japanese nationals residing, travelling, or engaging in business or manufacture anywhere on Chinese soil were required to register with the local authorities passports which they must procure under the existing regulations, and should also submit to the police laws and ordinances and taxation of China. In December of that same year, the Chinese Government passed land laws definitely restricting the possession of land to citizens of China (Articles VII and X), subject to the approval of the proper authorities (Article IX). To Japanese nationals in the Three Eastern Provinces was given the privileges of renting land on short

— 154 —

leases, but these Japanese must submit to the police laws and ordinances and taxation of China.

The Japanese refused to be satisfied with this privilege. Under the name of Chinese individuals, or Koreans of Chinese citizenship, they have continued to acquire possession of land. According to an investigation made in September, 1930, the Japanese had, under the guise of Chinese and Koreans, acquired about 100,000 *mou* of land in Kirin Province, 4000 *mou* in Liaoning, and several thousands of *mou* elsewhere. To avoid further trouble with Japan, the Chinese authorities passed stricter regulations prohibiting the Chinese owners from privately selling or mortgaging their lands to foreigners. The July, 1929, land regulations of Liaoning imposed heavy punishment for malfeasance; the September 11, 1930, ordinances passed by the North-eastern Political Council prevented transferring of land by Chinese to foreigners under penalty of heavy punishment; the various instructions to the same effect issued by the provincial authorities of Liaoning, Kirin and Heilungkiang were all directed toward remedying a serious situation. Japan, to her great disappointment, could not quarrel with these injunctions.

In disputes over land which frequently arose between Chinese and Japanese, Japan inevitably invoked the 1915 Peking Treaty to protect her nationals. But even according to that treaty, which China has refused to recognize, as has already been explained, Article II says "Japanese subjects in South

— 155 —

Manchuria may, by negotiation, lease land necessary for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises." (see MacMurray, *op. cit.*, II, 1220.) and according to Article V, "The Japanese subjects referred to in the preceding three articles, besides being required to register with the local authorities passports which they must procure under the existing regulations, shall also submit to the police laws and ordinances and taxation of China... But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage." The Japanese, in not submitting to Chinese ordinances, in not meeting the taxation of China, and in evoking extraterritorial rights, violated the very terms of the treaty that they upheld, and infringed upon the territorial integrity of China.

## 2. Total Acreage of Land Amassed by the Japanese.

In spite of all injunctions and warnings against the buying of land by foreigners, the Japanese have continued to purchase land. Un till September 18, 1931, in Liaoning and Inner Mongolia, the Japanese have acquired 124,672 cho, or over 2,000,000 *mou* of land (1 cho = 16.14 *mou*). The holdings were distributed as follows:

— 156 —

JAPANESE BUYER	EXTENT OF HOLDINGS	LOCALITY
1. Nankyo Hojiro	1,111 mou	Tutaitze in Yingkow, Sanhuaishih in Kiping, Fanchiatun in Tiehling, Wuchiafang in Shenyang.
2. Hatsuhiro Sadjiro	1,060 "	Ting-Chia-Pu, Panshan Chinganpu of Shenyang Muyuantze of Shinmin
3. Harajuchi Totoro	389 "	Kungtaiputse of Hsinmin
4. Tsukyu	143 "	Sunchiatao of Hsinmin
5. Sasaki	300 "	Chukiangputze of Fuhsin
6. Dairaishuji	820 "	Yamentun of Shuangshan
(The above were bought with money furnished by the South Manchuria Railway Company, totaling over \$ 300,000.—)		
7. Sasae Agricultural Farm	55, 855 Cho	Chienchiatien, Chengchiatun
8. Tenichitai Kwaho Co.	6,326 "	Taerhan Chi
9. Ishikawa Goro	64,726 "	Meilunmiao, Hsichalooteh Chi
10. The Eastern Provinces Industrial Company	228,690 "	Not specified
11. Hayama Agricul. Farm	2,600 "	Tungliao
12. Jizaiyan	680 "	Tungliao
13. The Mongolia Real Estate Co.	20, 013 "	Linhsi
14. Other	675, 000 Mou	Takushan and Faku

3. How the Japanese Acquired Land.

This question might be discussed under the two headings,

- (a) The organizations financing the purchase of land, and
- (b) The methods employed.

— 157 —

(a) The organizations financing the purchase of land.  
There were four organizations interested in the purchase of land.

1. The East Asia Industrial Company, founded in Shenyang in October, 1921, capitalized at 20,000,000 yen, paid in capital 5,000,000 yen, was interested specially in farming and in financing would-be farmers. The Company owned 2088 cho of rice paddy-fields, 5482 cho of dry fields, 12 cho of residential land, 1,783 cho of swampy land, 107,662 cho of other land.
2. The Oriental Development Company founded in 1917, paid in capital yen 35,000,000, was organized for the furnishing of capital to Japanese interested in commerce, industry, and agriculture in the Three Eastern Provinces. The head offices, originally at Hancheng, have been removed to Tokyo, with branch offices at Dairen, Shenyang, Changchun, Harbin. In 1930, the Company had on hand assets amounting to 28,407,554 yen not invested in projects. Of its invested projects, the larger portion consisted of buildings and land.
3. The Manchu Bank founded in July, 1923, capitalized at 10,000,000 yen with the head office at Dairen, and sub-offices all along the South Manchuria Railway Line, attended to banking, savings and loans.

— 158 —

4. Mutual Finance Societies were started in the Villages in 1924, and in the cities in 1928, to assist small farmers and modest business men and manufacturers. The societies could be found in the Kwantung Leased Territory and all along the South Manchuria Railway. In March, 1931, these societies had loans outstanding to the amount of 697,400 yen.

Besides these, there existed numerous other loans organizations and private individuals that had money invested in land purchased in the Three Eastern Provinces.

(b) The methods employed. The Japanese generally acquired land in the following manner:

1. Hard pressed for money, a Chinese merchant or farmer would apply at any of the above-mentioned organizations for financial help. His land deed would be sufficient security: no other endorsement would be needed.
2. The rate of interest would vary from 8% to 20%; the lower rate would be given when a Japanese would consent to endorse the loan. Often times, this endorsement would prove more costly than would a higher rate of interest.
3. On failure to redeem the loan, the loan company would increase the interest. After the third renewal of the note, the company would confiscate the land.

— 159 —

This confiscation of land by the Japanese on failure of the Chinese owner to redeem his loan was not as invidious as the subterfuges employed by other Japanese who wished to acquire land. These Japanese, in order to circumvent Chinese regulations, employed Koreans of Chinese citizenship to negotiate with Chinese land owners for their land. Suspecting nothing, the Chinese would sell their land, which would in turn be registered under Chinese names. This disguise made detection difficult. The 2,000,000 odd mou cited as owned by Japanese must be considerably increased to include land owned by Japanese but registered under Chinese names, especially in the two provinces of Kirin and Heilungkiang.

Besides, the Japanese sometimes resorted to forcible seizure and occupation of Chinese land. The 1926 Hsinmin case, involving the Japanese Development Company; the 1929 Tawan village (west of Shenyang) rice-paddy field case; the 1931 Wanpaoshan rice-paddy field case represent but the most flagrant of these depredations.

#### *B. Japan's Studied Appropriation of Forestry Rights.*

According to investigations made by the South Manchuria Railway Company, the total forest area in the Three Eastern Provinces is about 360,000 square kilometres, covering about 30% to 40% of the total area. The volume of standing timber is estimated at 4,250 million cubic meters. The Japanese

186

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

— 160 —

have, since the Russo-Japanese War, had designs on this vast timber supply. Article X of the 1905 Additional Agreement between China and Japan specified that "the Imperial Chinese Government agree that a joint-stock company of forestry composed of Japanese and Chinese capitalists shall be organized for the exploitation of the forests in the region on the right bank of the River Yalu" This gave Japan her entering wedge. The May 14, 1908, Agreement between the two countries "for a Chinese-Japanese Joint Stock Lumber Company for the exploitation of the Yalu Timber" stated in Article I that "an area shall be marked out on the right bank of the Yalu, extending from Maoerhshan to Erhshiszetaokou and measuring 60 *li* inland from the main stream. The gathering of timber within the area will be carried on with the joint capital and under the joint management of China and Japan." From that date on Japan exploited the timber both of the Yalu and the Hun River Basins.

The Yalu River Timber Company was established at Antung on September 25, 1908, with capital set at \$3,000,000. Although China was to have joint management, actually the Japanese took over control. In the original contract sixty *li* marked the extent from the main stream within which the Company might cut timber; in actual practice today, the Japanese have extended the 60 to over 200 *li*. Article V of the 1908 Agreement stated that "the Company shall protect the existing

— 161 —

Chinese timber-cutting industry. Except the area to be marked out in accordance with Article I, and in which the Company shall cut timber, all places beyond its boundaries, as well as the forests of the Hun River, shall continue as before to be worked by Chinese wood-cutters. These shall apply to the Company for loans wherewith to carry on their industry, and all timber cut by them—with the exception of sleepers for the railway Companies in Kiangsu and Chekiang provinces, and timber for use of inhabitants along the river, which shall be purchased directly from the wood-cutters—shall be sold exclusively to the Company. In the disposal of timber, the Company shall sell at market prices, and shall not create a monopoly." In the Regulations governing the buying of timber from native wood-cutters, Group II, Article XIV stated that native wood-cutters selling timber to the Company must pay the equivalent of 1% of the worth of his cut to the Company to cover expense-charges; Article XIV and XIV further stated that although it was understood that all timber cut by native wood-cutters must be sold to the Company, yet, if the wood-cutters could find other buyers, or if the Company did not have need for their timber, the native wood-cutters could buy back their cut only after paying the Company 11% for this privilege. This 11% buying-back-privilege charges, made a 12% easy profit for the Company. It has been calculated that annually the native wood-cutters have paid into the coffers of the Company \$100,000

086

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

— 162 —

of this easy money. In July, 1919, the Chinese wood-cutters protested against this 12% charge; the Company finally agreed to reduce the charge to 9%, which remains as the charge in force today.

Such joint Chinese-Japanese lumber companies are many, although actually, however, the majority of them are financed solely by the Japanese. In Hailin and along the Mientu River basin near the Chinese Eastern Railway, along the Mutan River and along the Sungari River and the Tung River basins in Kirin are twenty odd regions operated by these Japanese-controlled timber companies, capitalized at over 27,000,000 yen.

The Chamien Lumber Company was established on June 25, 1922, under the joint capital and management of China, Japan, and Russia. The investors were the Industrial Bureau of the Heilungkiang Provincial Government for China, the South Manchuria Railway Company for Japan, and the Shefchenco Brothers for Russia. The Company was capitalized at six million dollars with headquarters at Harbin. This company held the lumber rights and sales monopoly of the vast forest of the Great Khingan Range in Heilungkiang. The actual management of the company fall into the hands of Japanese. In 1925, the Heilungkiang Provincial Government and the South Manchuria Railway Company met to consider measures (1) for the dissolution of the old Chamien Lumber Company, and (2) for the establishment of a new company.

— 163 —

For capital, the Chinese pledged the forest range as its shares of two million dollars; the Japanese pledged the buildings and other construction work in the forest range and other assets to make up its share of two million dollars. Both parties delegated representatives to carry on negotiations. The Japanese, however, since they were allowed to cut timber during the period of reorganization, purposely delayed the formation of the new company and hindered the evaluation of the forest range in order to continue to reap by themselves alone the enjoyment of profits from the lumbering. The reorganization is still pending.

*C. Japan's Hold on the Fishing Industry.*

Since 1905 Japan has been inducing her Japanese and Korean nationals to acquire control of the fishing industry of the Three Eastern Provinces. Fishing in those provinces may be divided into deep-sea and fresh-water fishing; in both branches the Japanese have gained strong holdings which would be difficult for China to reacquire. Four striking cases of such assimilated influence will be cited.

1. Japan's Control Over Fishing In the Lower Yalu River.

According to agreement between China and Japan, the middle of the Yalu River marked the boundary between China and Korea. The Japanese have never respected this boundary; Koreans have without permission crossed over into Chinese

— 164 —

waters to ply their fishing. Fishing grounds near the mouth of the Yalu River were closed to Chinese fishermen by the Japanese. They have confiscated the boats, imposed heavy fines and clapped into jail those Chinese who have tried to carry on their fishing in Chinese waters near the border. Many have even lost their lives.

2. Japan's Arbitrary Shifting of Boundary line of the Piliu River in Violation of Treaty Stipulations.

The lower basin of the Piliu River is one of the prawn fishing grounds of China. The Chinese-Japanese boundary line was fixed as running through the small island, Wangkua, in the centre of the Piliu River and thence along the middle of the River. Land and water lying west of the island and west of the middle of the Piliu River belonged to Japan; land and water east of the island and the middle of the same river belonged to China. There are a hundred odd Chinese families there that live on their fishing. Within recent years, the Japanese authorities have taken possession of the fishing grounds east of the island, explaining that with the shifting of the river eastwards their fishing grounds have also shifted. The Japanese have even resorted to the cutting of nets to intimidate Chinese fishermen who were fishing within the Chinese boundary line. The Chinese Government has protested against this arbitrary moving of the Chinese-Japanese boundary

— 165 —

line by the Japanese, but the Japanese have procrastinated and dallied about a settlement of the issue.

3. The Closing of Dairen as a Port of Call for Chinese Fishing Vessels.

For fishing vessels plying their fishing along the Liaotung Peninsula, Dairen has been in the past the home port where they have called for coal, water and food stuffs. Within recent years several hundred Chinese fishing families in Eastern Shantung have organized and bought gasoline fishing vessels to carry on their industry, much to their profit. When Japanese fishing began to suffer as a consequence, the Kwantung authorities, in the fall of 1929, issued a new set of regulations which practically prohibited Chinese fishing vessels from selling fish at Dairen, for according to the regulations, (1) all Chinese fishing vessels trading in Dairen must secure Japanese licenses and obey Japanese orders; (2) all fishing vessels must employ Japanese sailors, and (3) all fishing vessels must use Japanese materials and food supplies. Since the putting of those Regulations into effect, Chinese fishing vessels have practically disappeared from Dairen.

4. Negotiations over the Kaiping Industry.

The Kaiping fishing rights originally belonged to China, but Japan claimed that as the fishing grounds there extended out into the sea, China had no right to prevent Japanese from fishing there.

— 166 —

In 1914 and 1915 frequent misunderstanding and conflicts arose between Chinese and Japanese fishermen. The Chinese Government delegated Mr. Cheng Cho, head of the Bureau of Fishing at Yingkow, to confer with the Japanese delegate, Nakamura, to work out a solution. It was agreed that during the sea-bream season, Japanese sampans might fish in the Kaiping fishing grounds, and that the Kwantung Government might establish a temporary bureau there to collect tolls from and protect the Japanese sampans. As an exchange of privileges and courtesy, it was agreed also that during the sea-bream season along the Korean coasts, Chinese fishing vessels might fish there. Japan promised to protect these Chinese fishermen, and in no way to violate this Agreement. But not long after that conference, Japan resorted to unfair means of circumventing the Agreement. In 1917 and 1918, she, from behind the scene, induced her Korean fishermen to keep Chinese fishing vessels out. China has tried to solve this problem by negotiation, but to no avail.

— 167 —

## CHAPTER XII

### THE PROBLEM OF DOUBLE NATIONALITY OF THE KOREANS

#### 1. *The Origin of Korean Immigration into the North-east.*

After the Manchus came to China, Korean immigration into Manchuria was strictly forbidden. In 1712, Emperor Kanghsi appointed Mu Ke-tun as the Governor of Ula, beyond the Tumen River, and planted the boundary stone on the top of the Paitou Mountain. Two years after, a vice-Governor was appointed at Hunchun to assist in the boundary defence. But the Koreans kept on filtering in in defiance of lawful exclusion, until 1861, when there appeared many settlements of Koreans engaged in lumbering, mining, and agriculture along the Hun River. In 1869, the western part of Korea had a terrible famine, and Koreans along the Yalu and the Tumen Rivers, goaded by hunger, moved into the fertile wildernesses on the Kirin border named by the Japanese as "Chientao," which included the four *hsien* of Yenki, Hunchun, Holung, and Wangching. Thus arose the Korean problem in the North-east.

The Chinese Government then was powerless to stop the ever-increasing influx, and therefore changed its traditional policy of exclusion. In 1881, the Government of the Kirin Province appointed a Commissioner to the Hunchun territory; another three years later the Kirin Government and the Korean Government agreed upon certain Regulations of Commerce

J 8 6 F

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

— 168 —

which gave to the subjects of both Governments the right to free trade. The result was more Korean immigration, even into the interior parts of Manchuria. But Koreans at that time were mostly agriculturists or minor craftsmen or tenants working for Chinese landlords, and, therefore, amenable to Chinese jurisdiction.

After the Russo-Japanese War, the Korean population in "Chientao" increased. According to the then official census, there were about fifty thousand Korean households with about three hundred thousand people. Korea had then become Japan's protectorate and its foreign affairs were controlled by the Japanese. In July, 1907, (33rd year of Kwangsu), Hasegawa, Commandant of the Japanese Garrison in Korea, and Ito, Japanese Governor of Korea, despatched troops to occupy "Chientao" under the pretext of protecting Korean nationals. Unable to acquiesce in the alienation of sovereignty, the Chinese Government sent Chen Chao-Chang as the Frontier Commissioner vested with full power to resist aggression and to fix the boundary. At the same time, Liang Tun-yen, Chinese "Hui-pan" of the *Waiwupu* was instructed to enter into serious negotiations with Ijiuen (who was Japan's Minister to China), regarding the "Chientao" case. In the beginning of the negotiations, Japan had argued that the "Chientao" Agreement was signed on September 4, 1909 (1st year of Hsuan-tung), the main provisions of which were as follows:

— 169 —

*Article I.*—The Chinese and Japanese Governments mutually recognize the Tumen River from its source, where the boundary stones have been placed, to Shih-I-Shui as the boundary between China and Korea.

*Article III.*—Koreans who have become established north of the Tumen River and who are engaged in cultivating the land shall be permitted to continue to do so.

*Article IV.*—Koreans residing north of the Tumen River and engaged in agriculture shall be subject to the jurisdiction of the Chinese officials of the territory. Chinese officials shall treat the Koreans and the Chinese with equality as regards payment of taxes and in the enforcement of the laws. Chinese officials shall administer Chinese law in all civil and criminal cases where Koreans are concerned.

*Article V.*—In regard to the property of Koreans living in the country north of the Tumen River, the Chinese Government shall extend the same protection to them as it gives the Chinese.

Mooring for their boats shall be assigned them at various places along the river. The people may pass from place to place at will, but they shall not be permitted to cross the frontier with arms without a special pass.

*Article II.*—After ratification of this agreement the Government of China shall at once open to residence and trade for people of all countries the following towns:

— 170 —

Lungchingchun	Toutaokou
Chutsuchieh	Paitsaokou

Japan may at those places establish Consulates.

Although the much-disputed "Chientao" question received a temporary solution by the above agreement, the influx of Koreans into the North-east, owing to Articles II and III of the agreement, increased every day. After the annexation of 1910, those Koreans who were dissatisfied with Japanese overlordship stole into Manchuria. The Japanese, on the other hand, encouraged Korean emigration to the North-east, and Korean immigrants not only have filled "Chientao" but have also penetrated into the interior of Manchuria.

#### *II The Present Status of the Koreans in the North-east.*

After the Russo-Japanese War, Japan's Foreign Minister, Komura, prepared a plan for enforcing a migration of four hundred thousand into the North-east within twenty years. In the Government of Terauchi, the Foreign Minister, Goto, also had the idea of moving five hundred thousand into the North-east within ten years. But up to October, 1930, according to census taken on October 1, the fifth year of Showa, Japanese who have moved into Manchuria number only 234,019, of whom 225,257 live in Kwantung in the S.M.R. zone. Twenty-five years (1905-1930) of effort have been a failure for which there are three causes: (1) The climate of the North-east is too cold

— 171 —

and does not agree with the Japanese; (2) the Chinese peasants are more frugal and industrious and beat the Japanese in the competition for a living; (3) the standard of living of the Japanese is a little higher and the agricultural products cannot give them an adequate livelihood. Therefore, for the last few years, Japan has pursued the policy of indirect migration; namely, the Japanese move into Korea and the Koreans into Manchuria. But the old policy is still being rigorously pushed. The Japanese have established several development companies in the North-east, the purpose of which is to facilitate the emigration of the Koreans into the North-east. Such organizations are for example the Development Company of the Eastern Ocean, the Development Company of Eastern Asia, the Dairen Agricultural Syndicate, the Liaoning Development Company, the North Manchurian Development Company, the Manchurian-Mongolian Land Development Company, etc. These companies loan out large sums to the Koreans and make them buy large tracts of land on which to engage in agriculture. The Japanese consuls, soldiers, and policemen give to the Koreans every protection in order to make them stay there permanently. According to the Japanese Survey of the Nation for 1930, there were then in the North-east 538, 171, of whom only 18,781 lived in Kwantung and in the S.M.R. zone, the rest being in the interior of Manchuria. But this number does not agree with actual facts. According to the Tanaka Memorial

7868

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

-- 172 --

of 1927, the then Korean population of the North-east was already over one million. The most recent survey shows that in Kirin alone there are already 500,000, which, plus those in Heilungkiang and Fengtien and the interior, will swell the total to around 1,300,000. Follows a table:

Place	Korean Population
Liaoning	455,125
Kirin	556,320
Heilungkiang	363,240
Inner Mongolia	2,500
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	1,377,185

These immigrants make "Chientao" their headquarters. Those living on the Korean border, in Holung, Yenki, Wangching, and Hunchun and other *hsien* comprise seventy to eighty per cent. of the population there. The population at the above four places is 553,000, of whom 399,000 are Koreans. Ninety per cent of the Koreans are engaged in agriculture either on paddy-fields or crop farms, the rest being in business and other trades.

The agricultural and economic influence of the Koreans are worth noting. According to the Chinese Economic Journal of November, 1931, published by the Bureau of Industrial and Commercial information, Ministry of Industries, (Vol. IX, No.

-- 173 --

5. pp 1222-1223), about eighty-five percent of the paddy rice fields in the Three North-eastern Provinces and in Eastern Inner Mongolia were cultivated by Korean farmers. Again, according to a Japanese investigation made in 1928, of the three and a half million *mou* of cultivated land in the four districts in the "Chientao" region, more than a half was in the hands of the Koreans. In view of this keen economic competition with native farmers, it is but natural that Chinese authorities should exercise their inherent right to take measures to protect the interests of their own countrymen.

### *III. The Problem of Double Nationality of Koreans.*

Before the annexation of 1910, Korean immigrants were amenable to Chinese jurisdiction and were treated the same as the Chinese. After the annexation those who have not been naturalized are, of course, treated as Japanese subjects. Owing to extraliquity, these Koreans are mostly in the Japanese Concessions, the leased lands of the S.M.R., and the specified trading ports. If so, whether the Koreans should be treated as Japanese has indeed become a problem. According to the "Chientao" Agreement of September 4, 1909, (Art. IV) the Koreans have the right to develop land only in treaty-specified places and in the four *hsien* such as Lungchingchun, Chutsu-chieh, Taotoukou, Paotoukou (Article II) and should obey Chinese laws, police, and courts and are to be treated the same as the

— 174 —

Chinese. In matters of taxation and administrative requirements, the Koreans are to be treated like the Chinese, and civil and criminal cases in which Koreans are involved are to be tried by Chinese courts in accordance with Chinese laws, the Japanese Consul having the right freely to attend the trials. But in serious cases of murder, previous notice must be sent to the Japanese Consul who can demand a re-trial if he sees any irregularity, (Article IV) but has no right to interfere with the rendering of the judgment or with its execution. Outside of the assigned areas, the Koreans in the interior of the North-east can lease and till lands only by traditional usage and international courtesy, and not by treaty. The way China treats these Koreans is also based on traditional usage and is different from what obtains in other parts of China where the few Koreans cannot enjoy extraterritorial protection unless they receive the same treatment as the Japanese. As to those Koreans who buy lands in the interior of Manchuria, according to treaties and Chinese laws, they ought to be only those already naturalized. With this restriction both the Chinese and the Koreans have expressed their satisfaction.\* But since 1915, Japan, by alleging the part of the Treaty of Peking of May 25, (the Twenty-one Demands) that concerns South Manchuria and the eastern part of Inner Mongolia, refused to recognize the Korean Problem in the North-east.

— 175 —

The Treaty of Peking of 1915 was refused ratification by the Chinese Parliament, and forms the bone of contention between the Chinese and Japanese. Before a legal solution of the problem can be arrived at, Japan relies on Article II. of that part of the unratified Treaty of Peking relating to South Manchuria and Inner Mongolia and the exchange of notes, for demanding on behalf of the Koreans the right to lease land and to unconditionally and indefinitely prolong the lease. But outside of South Manchuria, Japan has no excuse of alleged treaty right to make such a demand on behalf of the Koreans. While on the one hand Japan insists on Article II., III., IV. of that Agreement providing for the right of the Japanised Koreans (1) to reside and travel in South Manchuria and to engage in business and manufacture of any kind; and (2) jointly to undertake, with the Chinese, agricultural enterprises and industries, she on the other hand entirely ignores Article V. of the same agreement, which provides that

**"The Japanese subjects referred to in the preceding three articles, beside being required to register with the local authorities passports which they must procure under the existing regulations, shall also submit to the police laws and ordinances and taxation of China.**

**"Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese Consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese authorities. In either case, an officer may be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Ja-**

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

— 176 —

panese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage.

"When in future, the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried and adjudicated entirely by Chinese law courts."

Since China refuses to acknowledge the validity of the Treaty of 1915, she cannot therefore acquiesce in the violation of her sovereignty. In the year when the treaty of 1915 was in negotiation, the Ministry of Interior of the Chinese Government proclaimed fourteen Rules governing the lease of land or houses to foreigners and fixing the maximum length of time at thirty years, and such lease must be approved by the Government. Later, the three Provincial Governments of Liaoning, Kirin, and Heilungkiang, prohibited, at a heavy penalty, the mortgage and sale of land or houses to foreigners. Koreans who are Japanese subjects are of course, included in the category of Koreans. But those Koreans who have been naturalized in China are treated as Chinese and have the right to mortgage or purchase Chinese-owned land and other real property. For example, the Kirin Provincial Government promulgated in September, 1930, eight rules governing the purchase and sale of land to be observed in all the hsien. The Kirin Provincial Government's order follows:

1. When a naturalized Korean purchases land, investigation must be made in order to discover whether he wants

— 177 —

to purchase it as a means of residing as a permanently naturalized citizens, or on behalf of some Japanese.

2. Lease permit shall be required for the lease of land by Koreans.

3. The term of land lease by Koreans shall be limited to one year.

4. A land-owner wishing to rent out his land must have as a surety a Chinese or naturalized Korean who has taken out the naturalization paper three or more years before.

5. Chinese land-owner wishing to have Korean as a tenant secure a Government permit thereon.

6. Land-owner wishing to hire Koreans for the purpose of managing paddy fields shall make a report thereon to the local bureau of public peace.

7. No naturalized Korean shall be permitted to wear Korean dress.

8. Violators of the foregoing provisions shall either be punished or deported out of the territorial boundaries.

However, in carrying on aggression in the North-east, the Japanese policy is to make the Koreans as vanguard and the Japanese as reserves. It is for this reason that the Japanese have sought to accelerate the emigration of the Koreans into the North-east. When Tanaka was in power, he advocated a positive policy with regard to Manchuria and Mongolia. Said he:

"The many Koreans that have settled down in Manchuria can develop the virgin land for the Japanese and will pave our way for conquest.... If the Koreans in Manchuria can be increased to 2,500,000, then in an emergency they can be used as nucleus for army and we can secretly assist while ostensibly suppressing them."

0871

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

— 178 —

Thus Japan's policy of indirect emigration is not only one of solving its own alleged population and food problems but also one of military conquest. Small wonder then that Japan should have taken the position with regard to the Koreans that "no Japanese subject may without the permission of the Japanese Government be freely expatriated." Toward those Koreans who have been naturalized in China, the Japanese attitude is that their naturalization has never been assented to by the Japanese Government and therefore they still remain Japanese. As to those Koreans who have not been naturalized the Japanese Government refuses to allow them to submit to Chinese jurisdiction as provided by treaty. The Japanese consuls in the North-east argue that those Koreans who want to be naturalized are all unlawful Koreans and that therefore their naturalization cannot be consented to. But the Japanese make the naturalized Koreans buy land and houses in the North-east and carry on espionage. While on the one hand Japan without reason refuses to recognize the Chinese nationality of the naturalized Koreans and ignores the protests of the Chinese Government, she on the other hand, sends policemen into the interior of Manchuria and secretly assists them while ostensibly suppressing them... Thus has arisen the problem of double nationality of the Koreans.

According to Article II. of the Chinese Law of Nationality of February 5, 1929, (Revising the law of 1914), aliens of good

— 179 —

character and proper competence, over twenty years of age, and having had more than ten years' residence or a five years' domicile in China without interruption, may, in accordance with the provisions of Chinese law, be naturalized as Chinese subjects. According to Articles III and VI of the same law, aliens may through marriage, birth, and distinguished service be properly naturalized as Chinese subjects. In Japan's revised Law of Nationality of December 1, 1924 (Revising the law of 1889), the following modes of losing or moving Japanese nationality are provided:

Article 18 provides:—A Japanese who, on becoming the wife of an alien, has acquired her husband's nationality, loses Japanese nationality.

Article 19 provides:—A person who has acquired Japanese nationality by marriage, or by adoption, loses Japanese nationality by divorce or the dissolution of adoption only when he or she thereby recovers his or her foreign nationality.

Article 20 provides:—A person who acquires foreign nationality voluntarily loses Japanese nationality.

By Section 3 of Article 20, Japanese subjects who, by reason of having been born in a foreign country other than the U.S.A., or Argentine, or Brazil, or Canada, or Chile, or Peru, have acquired the nationality of that country, effect renunciation of Japanese nationality by obtaining the sanction of the Minister of the Interior.

— 180 —

In Article 24, it is provided that notwithstanding the provisions in the law granting the right of expatriation, "a male of full seventeen years of age or upwards does not lose Japanese nationality, unless he has completed active service in the navy or army, or unless he is under no obligation to serve"; and that "a person who actually occupies an official post, civil or military, does not lose Japanese nationality..... until he or she has lost such official post."

A study of both of these laws is enough to convince anybody that there are no provisions and separate laws whereby Koreans are excluded from expatriating themselves under both Japanese and Chinese laws. If the process by which they become naturalized as Chinese subjects does not run counter to these two laws, Japan can have no ground for objection to their naturalization. And even if she had, the question ought to be settled according to the rule of international law of the last domicile which determines nationality.

But in complete disregard of all treaty, nationality laws, and rules of international law, Japan adopts the policy of refusing Koreans the right to expatriate and to become naturalized as Chinese. Therefore, many have been the disputes with regards to the problem of Korean nationality. Japan's arguments may be seen in the note of August 26, 1916, from the Japanese Legation as contained in the despatch of the Chinese Ministry of Interior to the Ministry of Foreign Affairs:—

— 181 —

It was contended by the Japanese that as the Japanese law of nationality did not apply to Koreans, they were not entitled to lose Japanese nationality and acquire that of another country; and that, further, as the Chinese law of December 30, 1914, did not permit an alien to be naturalized as a Chinese national unless according to the law of his own country he could lose his original nationality, and as there was no law under which a Korean could ever lose his Japanese nationality, to allow him to be naturalized as a Chinese national would thus constitute a contravention of China's own law of nationality.

Such is the ground on which Japan objects to the naturalization of Koreans in "Chientao".

On the other hand, the Chinese stand was at that time and has always been that Koreans as Japanese subjects should be equally as Japanese entitled to be naturalized as Chinese nationals. The position that Koreans were not entitled to expatriate was hardly tenable, because this, as was pointed out by the Chinese, would run counter to the provisions of Article 20 of the Japanese law, as referred to above, in granting the right of expatriation to Japanese subjects. Even if it was a fact that the Japanese law of nationality did not apply to Koreans, the Government were under no obligation to take cognizance of it, the Japanese law itself being silent on this point. On the contrary, no objection has ever been raised by the Japanese Government to the naturalization of Korean immigrants in the Russian Amur Provinces naturalized under the Russian law. For these reasons, the Chinese Government could not bring themselves to accept the objections of the Japanese Government to the naturalization of Koreans as Chinese subjects.

If these reasons were in the view of the Chinese Government valid, then they are equally valid now, so much so as the existing Chinese law of nationality which replaces

087  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

— 182 —

that of 1914 contains no provisions by which an alien is required to lose his original nationality in order to acquire Chinese nationality.

Furthermore, since Japan stubbornly denies the right of Koreans to expatriate themselves, she therefore refuses Chinese jurisdiction over the hundreds of thousands of Koreans in the North-east, and forcibly exercises extraterritorial jurisdiction over all, whether they have been naturalized or not. Without referring to the Treaty of Peking of 1915 which China refuses to recognize as valid, Japan has treated as a mere scrap of paper the "Chientao" Agreement of 1909, which defines the boundary between China and Korea. For example, in his despatch of January 21, 1916, to the Ministry of Interior of the Chinese Central Government, the Governor of Kirin reported that a certain Korean named Po Chan-yi who had become naturalized as a Chinese subject according to due process of law was suddenly arrested by the Japanese on October 6, 1915, and taken to the Japanese Consular Court at "Chientao" for trial. Thus, Japan violated Article IV of the Agreement of 1909 which provides that

"all cases, whether civil or criminal, relating to such Korean subjects shall be heard and decided by the Chinese authorities in accordance with the laws of China, and in a just and equitable manner."

Koreans who have become naturalized are Chinese and ought to submit to Chinese jurisdiction whatever the case may be.

— 183 —

Again, while Japan without reason denies the right of the Koreans to expatriate she, on the other hand, insists that the part of the Treaty of May 25, 1915 (i.e., the Twenty-one Demands) concerning South Manchuria and the eastern region of Inner Mongolia apply to the "Chientao" region, all provisions of the Agreements of September 4, 1909, in contravention of the Treaty of Peking to become null and void. China, having refused, as has been said, the validity of the Treaty of Peking, the so-called "Chientao" region can, from the standpoint of neither geography nor communication be considered as part of South Manchuria. These Koreans living in "Chientao" do not come under the applicative force of the part of the Treaty of 1915 concerning South Manchuria and the eastern part of Inner Mongolia. Even granted the validity of the said treaty, its Article VIII which says that "all existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this treaty, remain in force" shows that the "Chientao" Agreement of 1909 is still of full force and effect.

In a word, Japan unreasonably subjects all Koreans in the North-east, nationalized or unnaturalized, to extraterritorial jurisdiction. Although according to the traditional practice, the Chinese authorities permit the Koreans in the interior of the North-east to lease lands for cultivation and to be tenants to Chinese farmers, they nevertheless strictly forbid, under severe

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

— 184 —

penalty, the mortgage or sale by Chinese owners of lands or houses to Koreans who are still Japanese subjects. But Japan forces the naturalized Koreans and instigates the unnaturalized Koreans to clandestinely buy up or accept mortgages for real property, and if upon discovery, the Chinese Government demands the voiding of the contract and the punishment of the Chinese seller or mortgagee, Japan will cover the Koreans with an extraterritorial mantle, and, without justification, interfere with China's internal administration. The Liaoning Provincial Government was therefore forced, on July, 1928, to order all the *hsien* to forbid the transfer of land by private individuals to aliens, offenders being made punishable as traitors. The Kirin and Heilungkiang Provincial Governments gave out similar orders. On September 11, 1930, the Political Affairs Committee of the North-east also ordered the *hsien* of the four provinces not to permit private transfer of land to aliens, which is made punishable with severity. All this legislation has only the object of permitting the naturalized Koreans to lease or even to buy land and other real property in the North-east and of preventing the unnaturalized Koreans from doing so. According to the old Chinese regulations of trade ports, the right of aliens to lease or buy land is limited within the ports. The permission given to the Japanised Koreans in "Chientao" to reside, to carry on commercial and industrial activities in parts of Manchuria other than "Chientao," is already a big concession to

— 185 —

traditional practice and a manifestation of China's good will to Japan. But while Japan, on the one hand, refuses to recognize the validity of Korean naturalization and let them submit to Chinese jurisdiction, she, on the other hand, demands on behalf of the Koreans with Japanese nationality that they be allowed not only to lease but also to buy land and other real property and to be exempt from Chinese jurisdiction and taxes. When the Chinese authorities discover such cases, the Japanese create a noise about Chinese oppression of Koreans. In reality, all the special privileges are demanded by Japan for the Koreans in the North-east similarly under extraterritorial protection. Japan's action is therefore not only unlawful and unreasonable, but also against treaties.

#### *IV. The Evil Results of Double Nationality.*

In carrying out the policy of Korean emigration, Japan compels Koreans to move into the North-east while at the same time assimilating them to the Japanese in order to increase the power of Japan. They forbid the Koreans to become naturalized as Chinese subjects. Besides, they establish several kinds of economic organizations for the purpose of giving financial assistance to the Koreans in the North-east and of utilizing them. Out of consideration for good Sino-Japanese relationship and safety of the Chinese state China has never altered its policy of not permitting Koreans to move into the North-east according to

— 186 —

Japan's plan and of permitting only lawful lease of land to Koreans or employment of them as tenants by Chinese land-owners. As to the right to purchase land, it is limited to naturalized Koreans. But there are over one million Koreans in the North-east, and some of them, backed by Japanese deliberately broke Chinese laws by buying Chinese land. When the Chinese Government discovers it, it will suppress such illegal activities, and the Japanese will intervene and, turning a deaf ear to all arguments, will put the entire blame on the Chinese Government and call it illegal oppression of the Koreans. Even when Koreans squat on Chinese farms, the Japanese refuse to let the Chinese intervene. The following cases are in point:

1. In March, 1917, a certain Pan Wen Hui and a certain Yang Sin-fong, of Fulingchuan, Pengchihsien, in the Fengtien Province, secretly leased half of a piece of land at Kwanshan, in Ta-Pei-Kou, to a Korean named Ming Chi-Tai at a stipulated yearly rent of \$630, the lease to expire on the first day of the tenth moon of the old calendar. The failure to pay rent will result in the cancellation of the lease. But Min Chi-tai, the Korean, gathered some more Koreans and forcibly occupied the piece of land without paying rent. Pan and Yang appealed to the various Chinese Governmental organizations and the decision of the local court was that the said piece of land was public land and not rentable to aliens by private individuals,

— 187 —

and the contract of lease was therefore null and void. The Commissioner of Foreign Affairs in Fengtien notified the Japanese Consul to that effect. But Ming-Chi-tai refused to give up. In 1926, the Land Bureau opened the public land at Kwanshan for private purchase, and the Korean still argued on the void lease contract without paying rent. Despite many protests from Chinese authorities, Japanese procrastination has left this an unsettled issue.

2. In June, 1927, a certain Ma Chi-shan of Wan Ta Village, Fushun Hsien, Liaoning Province, came to the provincial capital and reported to the effect that a certain Japanese named Yamaguchi instigated a Korean named Tsui Hsueh-yen to cultivate a paddy field and let loose the dam in order to flood the field. After ascertaining the facts, the Liaoning Commissioner of Foreign Affairs demanded that such action should be put to an immediate stop and reparation be made. The Japanese Consul promised to pay damages with the produces of the autumn harvest but the Korean never paid them. In June, 1929, a Chinese named Tung Cho-Kung, of the same village got into a quarrel with Koreans because he was trying to stop them from flooding the fields. The Chinese was wounded and the Japanese police crossed over the boundary, arrested the village Chief and Vice-Chief, and occupied the village Committee Hall. No reply has been made to repeated

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

— 188 —

protests from the Chinese Commissioner of Foreign Affairs and this case is still under negotiation.

3. In April, 1931, Ho Yung-teh, the manager of the Agricultural Promotion Company of Changchun, Kirin, rented over four thousand *mou* of undeveloped land at Wangpaoshan, in Changchunhsien, and leased them to Koreans for rice culture. The *hsien* authorities refused to approve the lease contract and in the contract it is expressly said that failing the approval of the *hsien* Government, the contract shall automatically become null and void. But Ho Yung-teh wilfully led one hundred and eighty Koreans into the land and had them dig an aqueduct of over twenty *li* long through private lands to the river bank. Then they built a dam across the river, and Chinese land-owners, fearing the inundation of their lands, held a conference and decided to petition the Changchun Municipal Government for an injunction. The *hsien* Government sent a few policemen to disperse the Koreans, but the Japanese Consul sent six Japanese police to intervene. After repeated protests to the Japanese Consul at Kirin, besides turning down all demands for ceasing work on the aqueduct and on the dam across the river, he went so far as to send fifty or sixty plain-clothes policemen with machine guns, forcibly occupied private houses, and gave out to the world that they would stay there to protect the Koreans until the aqueduct and dam were completed. Then on July 1, three hundred to four hundred Chinese farmers with hoes in hand went out to fill up the

— 189 —

aqueduct and the Japanese policemen fired on the Chinese. Fortunately, Chinese police intervened and bloodshed was avoided. On July 22, the Ministry of Foreign Affairs at Nanking formally protested to the Japanese Minister, saying that since Wanpaoshan is not open to Korean residence, the Koreans have no right to be there, and since their contract with Ho Yung-teh lacked official sanction it was null and void, and that the Chinese police having the responsibility to protect aliens, the Japanese policemen had no right to go into the interior. A demand was made for the immediate withdrawal of Japanese police and for paying reparation by the Korean farmers. The Japanese Minister did not listen to reason and defended the Koreans, and the Wanpaoshan affair has remained to this day unsettled (The Wanpaoshan Affair will be dealt with in a separate pamphlet.)

— 190 —

Chapter XIII.

**JAPAN'S OTHER UNLAWFUL ACTIVITIES IN THE NORTH-EAST.**

*I. Japanese Attempt to Assassinate Marshal Chang Tso-lin.*

Since Goto's administration, Japan's policy has been that of using Marshal Chang Tso-lin as a tool to carry out its aggressive program in Manchuria-Mongolia. Both in the Shanghai-kwan campaign of 1924 and in the Kuo Sung-lin revolt in 1925, Japan helped Chang Tso-lin with the intention of making use of him. But Chang Tso-lin, being a clever man, ostensibly welcomed Japan's assistance while he secretly opposed her aggressive designs, which made the Japanese hate him. When the Nationalist Revolutionary Army marched up through Shantung Japan sent troops to Tsinan to block its way and to keep China disunited in order to fish in troubled water. Chang Tso-lin ordered a complete retreat of his whole army, and Japan, fearing her position endangered, determined to block his retreat and threatened to mobilize into Manchuria. But Chang Tso-lin ignored the threat. Japanese determination to assassinate was made all the stronger by the intention to deprive the North-east of its leader at the very time when China was being torn within herself, thus giving Japan the pretext to detach the North-east from China under the cover of maintaining order. Thus, on June 4, 1928, when Chang Tso-lin

— 191 —

was on his way back to Mukden with the Tuchun of Heilungkiang, Wu Chen-shan, and other high military and civil officers, and at the crossing between the Peking-Mukden Railway (now Pei-Ning Ry.) and the South Manchuria Railway, an explosion took place under the bridge, destroying the special car that carried the illustrious passengers. Wu Chen-shan died instantly and Chang Tso-lin died a few days afterwards. An investigation of the explosion revealed the fact that the venue of the crime was within the zone patrolled by the Japanese Railway guards and could have come from no other source except the Japanese. The Japanese Parliamentarian Tabuchi declared that the real assassin of Chang Tso-lin was Tanaka, then Japan's Prime Minister. The whole story of the crime has been told in T. P. Kung's "The Tragic Death of Chang Tso-lin." Japan had intended to seize Manchuria then; but owing to the preparedness of the Chinese and the opposition within the Japanese Cabinet, no action was then taken.

*II. Preventing the North-east from Changing its Flag.*

Japan's occupation of Tsinan and the assassination of Chang Tso-lin were all to the end of keeping China out of Manchuria which Japan could then freely oppress. After Chang Tso-lin's death, his son Chang Hsiao-liang put on his father's political mantle, and, keenly aware of Japan's aggression and his father's tragic death, decided to render allegiance to the

— 192 —

Central Government, in order to bring about a united China. Therefore he determined to use the Nationalist flag in the North-east. The Japanese Government, feeling the ground slipping under its feet and ignoring the impropriety of intervention, instructed the then Japanese Consul-General Kujiro Hayashi, to warn the young Marshal against embracing the Three Peoples' Principles. Under the pretext of attending Chang Tso-lin's funeral, Japan sent Gonsuke Hayashi to warn the Young Marshal against the change of flag. He even said "Japan has the firm determination to take free action" as a threat. But the Young Marshal was not moved, and ordered every district in the North-east to hoist the Nationalist flag on December 29, 1929. Chang Hsiao-liang's joining the Nanking Government and helping to establish a united China greatly antagonized Japan which began thinking how to overthrow his political power. It is really all a question of China's internal affairs, and Japan's intervention is against international law.

### III. Indiscriminate Establishment of Consulates.

According to international law, one country has the right to establish consulates in another country only by treaty. But Japan establishes consulates at places in the North-east outside of treaty provision. For example, on May 4, 1927, a certain Tanaka and four other Japanese went to Linkiang, Liaoning, under disguise, privately took over people's houses for consulate

— 193 —

sites, and placed cannons across the river as a threat. On Aug. 2, Tanaka led 500 Japanese military police in opening fire on Linkiang and did not withdraw until the Linkiang people determined to resist till death. In December, 1930, Japan changed the name of Linkiang into Mouershan and negotiated with the Chinese Waichiaopu establishing a consulate there. Also Japan established consulates at Taonan and Tahushan, (in Liaoning) and up till now has not withdrawn them. These consulates serve as centers for smuggling and selling morphine.

### IV. Sabotaging Chinese Municipal Government.

In June 1925, for the sake of facilitating communications through improving the Municipal roads, the Municipal Government of Mukden memorialized the Fengtien Provincial Government to tear down the Pagoda and the houses built around it at the Major West Gate and the Minor West Gate and an order was given to the Chinese merchants and residents to make way for the roads. But the Bank of Chosen, at the Minor West Gate, made counter-demands on the Chinese Government for expenses to be incurred in tearing down the buildings. Thus the Chinese determination of improving the Municipal Government was frustrated and negotiations have been futile ever since 1930 and barren of result. This is only one of numerous incidents of Japan's sabotage.

— 194 —

#### V. *Seizing Territory*

Even since its establishment, the South Manchuria Railway Company has made repeated seizures of lands along the S.M.R. Out of regard for China's sovereignty the Chinese Government sought to repress such unlawful actions, but Japan had accused the Chinese Government of infringing the "right" of the S.M.R. to buy lands, in alleged contravention of the Sino-Russian Agreement of Aug. 27, 1896, regarding the Manchurian Railways. According to Article VI of that agreement, the Railway has the right to buy or rent lands within the practical needs of the same. To buy up lands and establish thereon commercial houses is not within the practical needs of the Railway. But the S.M.R. has bought up huge tracts of lands at Mukden, Kaiyuan, Ssupingkai, Kungchuling, Changchun, Anshan far beyond the practical needs of the line, and built on them shops and markets, and organized local Semi-Government, supervising local engineering, sanitation, and education. It is a clear case of violation of Chinese sovereignty and administrative integrity, beyond treaty authorization.

In 1907, the Japanese seized 165.79 *mou* of people's lands in the business quarters of Mukden and drove 12 posts marking it out as drilling ground for the Japanese Army. This tract of land had been marked out for commercial houses some of which had deeds of lease. Where the Japanese should have returned it immediately, they purposely procrastinated until

— 195 —

December, 1921, when the Japanese consul suddenly announced that the said tract of land had been leased by the Army Department to a certain Kotama. Upon receiving the protest of the Chinese Government, February, 1925, Japan retorted in July that the said land had been legally confiscated by Japanese during the Russo-Japanese War and that China had no right to protest against Japan's disposing of it as it saw fit. Furthermore, so ran the retort, that piece of land had been leased to Kotama, who had leased it to the South Manchuria Railway, whose jurisdiction over it now became unquestionable. Japan turned a deaf ear to the repeated protests from the Chinese Government. In October of the same year the S.M.R. engaged contractors to level the land and to build roads on it against all Chinese protests. It was not until June, 1930, that the Japanese consulate replied, agreeing to instruct the S.M.R. to secure a loan contract from the Board of Trade of Mukden, but the instruction has not been either given or carried out. This clear case of Japanese seizure of Chinese territory is still an unsettled issue.

#### VI. *Aiding the Bandits to Break the Peace.*

The Japanese frequently supplied the bandits with guns and cartridges against Chinese laws, and Japan gave such Japanese criminals every protection, with the result that Chinese has found it impossible to suppress the bandits, and to maintain order.

— 196 —

(1) The most outstanding case is the Chengchiatun Incident. In 1916, and without any treaty authorization, Japan stationed troops and established police stations at Chengchiatun (or Liaoyuan, 400 li west of Changchun). Japan turned a deaf ear to all Chinese protests. While on the one hand Japan negotiated with Prince Su (then in Dairen) for the organization of an "army in defence of the Emperor", on the other hand Japan supplied the Mongolian bandit Babuchabu with arms with which to create disorder in the locality. In July of the same year, this bandit with 5000 men, attacked Tuchuan, but was driven away by the 28th Division of Chinese troops. The bandits retreated into Kuochiatien, near the S. M. R., to be under Japanese protection. The then Japanese Colonel, Fukuiki, requested the Chinese Army not to pursue the bandits. Peevish over the defeat of Babuchibu, the Japanese on Aug. 13, attacked the Chinese Army and ordered it to withdraw outside of 30 li. 1500 additional Japanese Contingents from Pamien Chen, Szuping kai, Kungchuling, and Tiehling were sent for and they completely occupied Chengchiatun, and presented eight unreasonable demands.

After protracted negotiations between Wu Ting-fang and Hayashi, a settlement of the case was arrived at on Jan. 22, 1917, by which China agreed to (1) reprimand the Commander of the 29th Division, Fung Lin Kuo, (2) not to provoke the Japanese soldiers, (3) to have the Tuchun of Fengtien

— 197 —

apologize to the Japanese Army., and to give compensation to the Japanese dead, while refusing to comply with the other four demands. This is known as the Chengchiatun Affair.

Not long after this affair, Japan sent 800 troops to join the Mongolian bandits at Kuochiatien, who were convoyed to Chao Yang Po by Japanese cavalry under the Japanese colors. The Chinese were forced to resist and one bullet having pierced the Japanese colors, the Japanese launched a fierce attack on the Chinese barracks at Chaoyangpo. Later the Japanese realized they were in the wrong, disarmed the troops of the "Army in Defense of the Emperor", and let go the Mongolian bandits. The former Japanese Foreign Minister Goto, then travelling in the North-east, wrote against the Okuma Cabinet a book entitled "The Truth about the Sino-Japanese Conflict" in which he revealed every Japanese secret.

(2) On October 2, 1920, the Korean Independents and 300 Russian bandits stole across the border from Shanchentse to Hunchun, Kirin, and burned the Japanese Consulate and market. Eleven Japanese died and more than eleven were wounded. Under the pretext of suppressing the Korean Independents and without the consent of the Chinese Government, Japan sent a large number of troops from Chosen and forcibly occupied Hunchun, Holung, Yenki, Wangching, Ningang, and Tungming.

The Japanese soldiers numbered 10,000. They burned

— 198 —

more than a thousand Korean households, 21 religious organizations, 7 schools, and slaughtered 2,100 Koreans. Besides also slaughtering 270 innocent Chinese, the Japanese also established police stations which still have not been withdrawn, although after the establishment of the police station, the Japanese soldiers gradually evacuated the place.

(3) There has not been a month that did not see Japanese smuggling arms and secretly aiding the bandits. For instance, on Sept. 16, 1925, the police of Tsianhsien of the Liaoning Province arrested three Japanese, one of whom was named Iwasaki, for the illicit sale of opium. The offenders with the indisputable proofs were all sent to the office of the Commission of Foreign Affairs at Yinkow. During the early part of Sept., 1929, the Detective Department of the North-eastern Gendarmerie got wind of the activities of the Japanese "First Fengtien Factory" at a place called Shihchienfong (not leased to the S.M.R.) outside of the West Gate of Mukden. The activities were the secret manufacture of arms for the supply of the bandits. On the night of the 22nd, one bandit was arrested, his contract with the factory was discovered and the actual delivery of 10 rifles to the said bandit by the Japanese manufacturer was seen by an eye-witness. When the Chinese authorities were about to arrest the bandit, there came suddenly several Japanese policemen who intervened and forbade the arrest.

— 199 —

According to an investigation conducted in April, 1930, within the S.M.R.'s concessions at Mukden there are the following Japanese firms that secretly supplied the bandits with firearms:

Yoshida Bunkai	Wajun Yoko
Daisho Yoko	Motoda Shigeru Mokai
Motomura Shoten	Ueda Mokai
Fukushima Yoko	Yothitawakumi Shoten
Otani Shten	etc.

(4) There are still two vanguards of Japanese aggression in the North-east. The most notorious is the "ryoriya". Ostensibly restaurants, they are really brothels exempt from business tax and from prostitution tax. Both the middle and the lower classes have been their victims. They have to report to the Japanese Government everything about the Chinese locality in which they live. Those who care more for their reputations resort to secret smuggling and sale of drugs such as opium, morphine, and heroin. Wherever the Japanese and Koreans are, there are morphine and heroin. As to the sale of opium there is the so-called "public sale shop". At every station along the S. M. R. there is the public smoker, and opium is sold in Japanese shops even outside of the S. M. R.'s concessions. On Nov. 2, 8, and 11, 1929, the Chinese Post Office at Liaoning discovered 140 parcels of heroin sent

— 200 —

by some Japanese named Sinuma, which was worth more than \$500,000. On Feb. 20 of the next year, the said Post Office again discovered 133 parcels of heroin smuggled by some Japanese, worth \$300,000. Both cases were reported to the Liaoning Provincial Government by the Englishman Bartlett. By order of the Provincial Government the contraband was examined by the Inspector-General of Customs at Mukden, (who was an Englishman) the president of the Shenking Hospital, Yung Wei-lin, and representatives of various professional organizations, and burned in the presence of all of them, besides the Consuls of Great Britain, Germany, and Soviet Russia.

On May 24, 1931, the Japanese Vice-President of the Japanese Chamber of Commerce sold morphine and heroin to the amount of \$360,000, part of which was transported to Wa Fong Tien and was discovered by the Customs authorities. The above mentioned case are only the most conspicuous of numerous cases.

— 201 —

#### CONCLUSION

The fundamental cause of conflict between China and Japan is the adoption of the Continental Expansion Policy by Japan. In the latter part of the sixteenth century (that is during the regime of Wanli, of the Ming Dynasty) the Japanese Bakufu Shogun, H. Toyotomi, once attacked Korea and was defeated by the troops of the Ming Dynasty. However his continental policy remains rooted in everybody's mind. Since the Reformation of Meiji, this policy has been encouraged with much more energy. During this time T. Saigo advocated the conquest of Korea. Although this continental policy was not put into reality because of lack of substantial power, it was still being carried on, resulting in the seizure of Formosa. Japan only awaits the chance for the execution of this continental policy. In the 27th year of Meiji Regime (1894) S. Kawakami, Vice-Chief of the General Staff, together with Foreign Minister, M. Munemitsu, started the Sino-Japanese War under the excuse of protecting Korea. In April 17, 1895, the Shimonoseki Treaty was signed forcing China to recognize the independence of Korea, the ceding of Formosa and Pengku Islands, and the demand of a large sum as indemnity, and the ceding of part of the Liaotung Peninsula. Later on the peninsula was returned to China through the interference of Russia, Germany and France, though the Japanese still cherish the same ambition. As a consequence of the Russo-Japanese War (1904-

— 202 —

1905) and by the conclusion of the Portsmouth Treaty and other Sino-Japanese Treaties, Japan acquired the lease of Port Arthur and Dairen, the control of South Manchuria Railway and other rights, in the Three North-eastern Provinces.

If the Japanese had a real desire to see co-existence and coprosperity being carried out, she should develop this fertile region with China through peaceful means. But the Japanese are poisoned by the desire of Continental Policy and cherished an ambition to swallow the whole region. Thus she has committed a series of violations of treaties, the stationing of regular troops and establishment of police forces in Manchuria, and other unlawful and illegal actions. She only cares about her own interests and disregards and interferes with other developmental plans of the Chinese and foreigners. This is particularly true with regard to the construction of railways in Manchuria.

Taking advantage of the World War she forced on China the Twenty-one Demands, which exact rights and privileges that other powers have not enjoyed. She totally ignores the open-door policy and the doctrine of equal opportunity. Despite the fact that the Chinese parliament declares the notorious treaty null and void, Japan uses it as a pretext to exploit the Three Eastern Provinces.

After the Great War aggressive policy was more or less discredited, and Japan was rather reserved for a time. However,

— 203 —

during the past year the world underwent a serious economic depression, and while China was afflicted with flood and other human calamities, Japan again embarked upon her cherished designs and made a series of provocative actions. Without the slightest excuse on September 18, 1931, Japanese troops occupied Mukden, Antung, Yingkow and other important cities and towns. At first she tried to use the protection of Japanese people as a pretext for her occupation. Later on she disclosed her whole ugly designs. She regarded as scraps of paper the Covenant of the League of Nations, the Anti-War Pact and the Nine-Power Treaty and other treaties and conventions concluded between China and Japan, to say nothing of International Law. Within a period of four months, Japan occupied the whole area of the Three Eastern Provinces, viz: Liaoning, Kirin and Heilungkiang. Not satisfied with this, on March 9 this year, she created a puppet government, "Manchukou", with Chinese traitors. She assumes the guardianship over this monstrous organization, and went through the travesty of "recognizing" it on September 15. Recently she has been making attempts to invade Jehol. Having exhausted all peaceful means in dealing with Japan, China, in order to recover her lost territory, is forced to resort to force and the peace in the Far East is jeopardized.

In short, Japan should bear the burden for this sort of difficulty and complications through the adoption of a positive

— 204 —

aggressive policy towards Manchuria and Mongolia, which is but the carrying out of the second step of the Continental Policy. In order to find a settlement, the Japanese aggressive policy must be checked. In order to stop the Japanese aggressions in the North-eastern region, Japan must be taught to respect international law and morality, the League Covenant, international conventions, and the sanctity of treaties and agreements concluded between China and Japan and the faithful observance of Chinese sovereignty in the North-eastern territory.

It is the general opinion that the North-eastern problem should be solved and settled in the light of the following principles:

1. The carrying out of economic development should be strictly in accordance with the open-door policy and the doctrine of equal opportunity. All foreign investments and immigration should be encouraged; communications facilities should be improved, natural resources should be developed, industry, farming and commerce should be promoted.

2. All foreign political influences should be eliminated. In order to maintain the solemnity of international treaties and covenants, in order to maintain Chinese sovereignty, independence and administrative integrity, and in order to maintain permanent peace in the Far East, all foreign political influences in the North-eastern should be eliminated.

— 205 —

3. Faithful observance of those valid treaties and agreements between China and Japan. Those existing agreements between the two should be observed in accordance with International Law. All the outstanding and pending problems between China and Japan should be settled by international arbitration or by other legal means.

On the basis of the foregoing three principles, the following Sino-Japanese problems shall be approached and solved.

1. The lease of Port Arthur and Dairen had expired on March 15, 1923. In accordance with treaty stipulations they should be retroceded to China.

2. In conformity with the original agreement the South Manchuria Railway should be made a Sino-Japanese joint enterprise of a commercial nature. Upon the expiration of the original contract, the South Manchuria Railway together with its subsidiary enterprises should be redeemed by China.

3. The administrative rights of the leased territory of the South Manchuria Railway should be handed back to China, so that those police, communications, sanitary, educational, judiciary, and taxation rights and conducts in defiance of Chinese sovereignty and in violation of treaties as practiced by the Japanese now, might be done away with.

4. Other illegal rights, such as stationing of railway guards and police, military guarding of Japanese consulates, forcible

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

— 206 —

circulation of Japanese money, the establishment of stock exchanges and pawn shops, the mining of oil shales in Fushun colliery, other mining and timber cutting beyond stipulated boundary, the robbery of fishery rights, forcible occupation of land by the South Manchuria Railway, the interference with and blocking of railway buildings by the Chinese themselves, should be all abolished and stopped.

5. All the Japanese illegal actions, such as the usurpation of Chinese judicial administration in Port Arthur and Dairen, and the Chinese administrative right together with the right of taxation in Kinchow, the building of fortresses along the South Manchuria Railway and particularly along the Antung-Mukden Railway, working in collusion with Chinese for the permanent lease and mortgage of land, the forcible establishment of Japanese consulates, and the setting up of post offices and telegraphs and other illegal acts should be all abolished in accordance with law.

6. The Japanese subjects and other peoples residing in the interior of the North-east should be subject to Chinese law and taxation. They should no longer enjoy consular jurisdiction, attendance of foreign jury nor demand of re-trial by foreign judges in detriment of Chinese judiciary rights.

7. Koreans in the North-east should be subject to the decisions of Chinese law. The Japanese should recognise them having rights to become naturalized as Chinese citizens.

— 207 —

8. The validity of the Peking Treaty which was finally concluded on May 25, 1915, embodying the Twenty-one Demands has been disputed between China and Japan ever since. It should be put before the Hague Court for decision.

9. All those following existing treaties in direct conflict with the open door policy and the doctrine of equal opportunity should be withdrawn:

(a) The Kirin-Changchun Railway Loan Agreement giving the Japanese exclusive rights of loans in case of extension of the said line and building of new branches when funds are needed.

(b) The Ssupingkia-Taonan Railway Loan Agreement providing the preferential rights of buying of Japanese materials and other articles.

(c) The Kirin and Heilungkiang Gold Mining and Forestry Loan Agreement giving the Japanese exclusive right to advance loans and providing for joint Sino-Japanese enterprises in case of need for funds for mining and forestry and other new enterprises.

10. The Japanese should not be allowed to maintain a specially privileged status in the North-east, nor should they be allowed to interfere with Chinese political affairs.

The points mentioned above are the essentials for finding a solution of Sino-Japanese problems. In a word, the Japanese military and political influences and other exclusive rights and

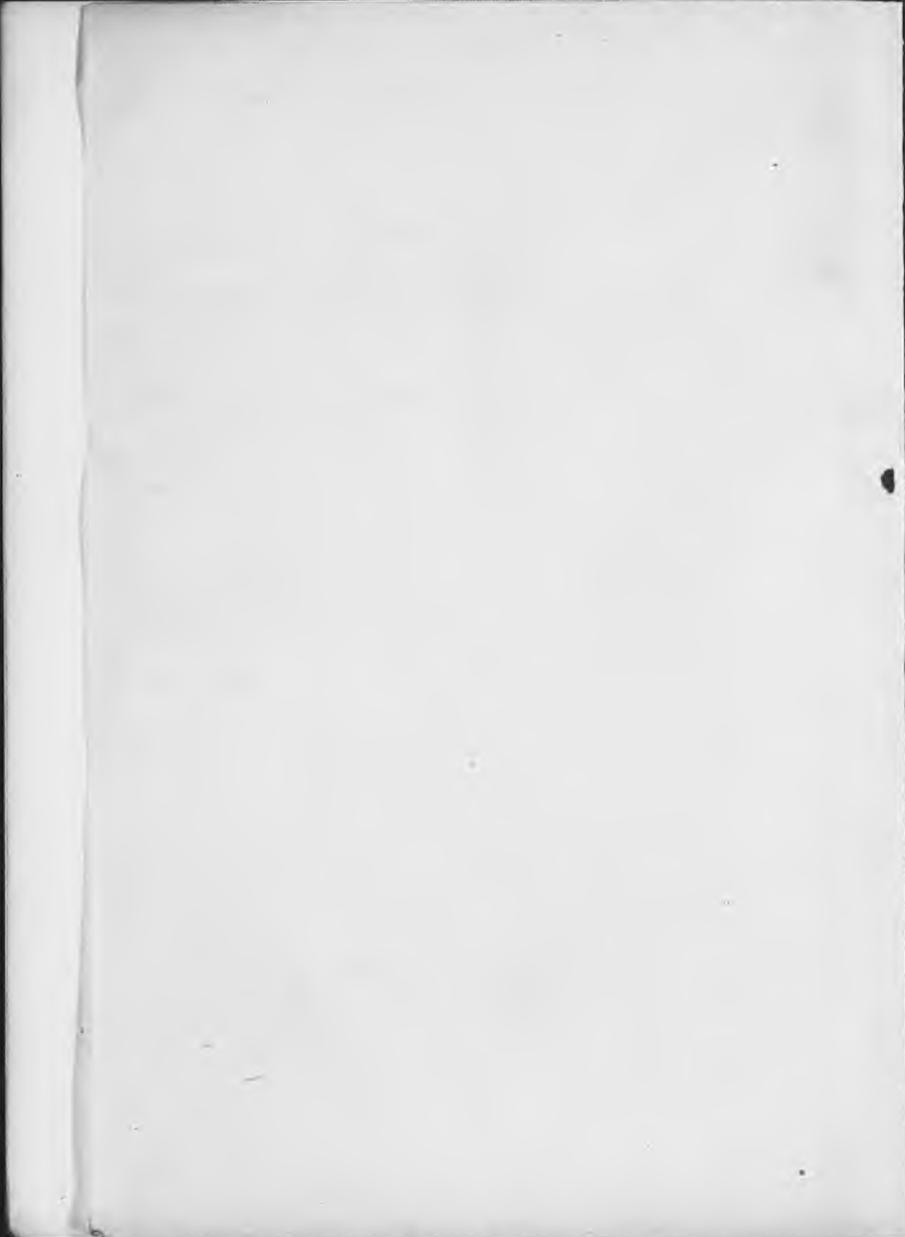
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

-- 208 --

privileges should be absolutely done away with. However, enterprises that confer mutual benefits will be welcomed. Substantially speaking, those existing legal treaties should be mutually respected; the Japanese rights and interests legally acquired should be protected; while those acquired in violation of treaties and infringement of China's sovereign rights should be absolutely discarded. Those outstanding and pending problems between China and Japan should be diplomatically settled through assistance of observers appointed by the League of Nations, provided it is diplomatically possible. While other political disputes which cannot be diplomatically settled, should be brought to the Council of the League of Nations for solution. All legal disputes should be put before the Permanent Court of the League. Since China and Japan are neighboring countries the two should, by copying the model arbitration treaty proposed by the League, conclude an arbitration agreement with the establishment of a permanent arbitration committee. In the case of any disputes, the said committee should undertake investigations in order to effect a solution or arbitration. It is by such methods that the fundamental solution of the problems in the North-east can be found. Any other means or methods which only try to fit to certain principles or doctrines will fail to maintain a permanent peace between the two countries.

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NOTE

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DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

October 24, 1933.

~~ERD~~  
~~RCM~~  
~~SKH~~

The Ambassador transmits with his despatch No. 546, of October 6, a very interesting memorandum by Neville on political conditions in the Far East, which is worth careful reading.

There are a number of statements as to fact with which I do not agree, particularly those which relate to the relations between Japan and Russia. However, his conclusions strike me as being so eminently sound that I believe that the memorandum would prove of more value if read as it stands.

*ERD*  
FE:ERD:ABW

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EMBASSY OF THE  
UNITED STATES OF AMERICA  
Tokyo, October 6, 1933.

*Copy to Amer. Delegation  
General - 11-6-33  
9-14-33*

No. 546.

Subject: Transmitting a memorandum on the general  
subject of conditions in the Far East.

Division of  
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OCT 23 1933  
Department of State

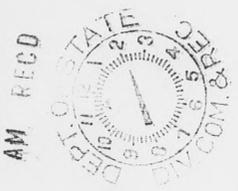
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DEPARTMENT OF STATE  
OCT 30 1933  
DIVISION OF  
WESTERN EUROPEAN AFFAIRS



OCT 9 1933

793.94/6495

*U.S.A.  
793.94  
Note  
761.94  
SDA 15a 5  
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The Honorable  
The Secretary of State,  
Washington.

Sir:

1/ I have the honor to enclose a memorandum prepared by the Counselor of the Embassy on the general subject of conditions in the Far East with special reference to the Conference on Limitation of Armaments which is due to be held in 1935.

Respectfully yours,

*Joseph C. Grew*

Enclosure:  
Memorandum as stated.  
800.  
ELN:r

Joseph C. Grew.

Copy to Legation, Peiping.

FILED  
NOV 15 1933

DECLASSIFIED: E.O. 11652, 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 to Despatch  
No. 546, October 6, 1933.

Memorandum prepared by Mr. Neville.

In a previous memorandum\*, attention was invited to the political settlements which made the Arms Conference at Washington possible. Attention was also invited to the ill effects of the London Conference of 1930 in Japan. Other despatches have described the present inflamed conditions of the public mind in Japan, and the unsatisfactory situation between Japan and Soviet Russia.

This memorandum is an attempt to set forth some of the considerations which the Japanese are likely to regard as important in the next few years.

The most noticeable feature in political circles in Japan at the moment is the dominant position of the army and the feverish efforts that are being made to modernize military equipment and increase its efficiency. Both the Army and the Navy are demanding large sums for this purpose. It is estimated that this re-equipment will be an accomplished fact in 1935 or 1936. It seems probable that the Japanese do not contemplate any major offensive military operations before that date.

In the meantime, the Soviets have not been idle. Such information as is now available indicates that the Russians have a well equipped air force at or near Vladivostok. It is said to be superior both in materiel and personnel to anything which the Japanese can oppose to it. In addition, it is reported that the Russians

793.94/6031

\* See Embassy's despatch No. 301, of February 24, 1933.

- 2 -

have considerably more than 200,000 troops east of Baikal. They are said to be well trained and well equipped. To what extent this force could be augmented at short notice, and how it would compare in combat as a fighting machine with such forces as the Japanese could throw against it are military problems. The political fact is that the Japanese regard it as a military menace of the first order with which they are not at present prepared to deal. They are, however, straining every nerve to place themselves in a position to do so in case of need (or in case they decide later to settle their Russian problems by force of arms).

It will be recalled that this situation, or its realization on the part of the Japanese, dates from 1929, when the Soviets defeated by force the efforts of the Chinese to take possession of the Chinese Eastern Railway. To the Japanese the recrudescence of a militarily powerful Russia in the Far East was a political problem of as much importance as any that were dealt with at the Washington Conference of 1922. As previously pointed out, the failure of the London Conference of 1930 to take this into account was one cause, largely inarticulate, for the unpopularity of the London Conference in Japan. In the following year came the "Manchuria Incident" and the creation of "Manchukuo".

While the immediate reasons for setting up this régime were explained to the Lytton Commission of the League of Nations by Count Uchida in May, 1932\*, the  
793.94 Commission 310 back-ground

\* Embassy's despatch No. 60, July 16, 1932, enclosure 4.

- 3 -

background will bear further examination. For some years after the Treaty of Portsmouth in 1905, Japan and Russia seemed content to accept the idea of Chinese sovereignty in Manchuria. The somewhat questionable and unsatisfactory character of the results obtained by Japan through pressure on China during and after the Great War convinced the Japanese that nothing of permanent value was to be obtained in that way. The disastrous failure of the Japanese venture in Siberia in 1919 satisfied them of one thing at least- that the Russians were not a military menace, at least for the time being. This was one consideration which influenced Japan to agree to the settlements at Washington. This, added to Japanese failure to profit from independent action in China, placed the proponents of the Washington settlements in an unassailable position.

The way in which the Washington settlements have worked out has been dealt with previously\*. It is not necessary here to cover that ground again. Now, the net effect of the establishment of the present régime in Manchuria is to place the Japanese and Russians face to face over a long frontier. They need no longer consider any Chinese political interest in that region. As a matter of fact the Russians are negotiating for the sale of their interest in the Chinese Eastern Railway with the "Manchukuo" representatives. It may consequently be assumed that the Russians are accepting the situation created by Japan at its face value. What-

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Embassy's despatch No. 301 , February 24, 1933

- 4 -

ever may be the result of any bargain which may be made, it is obvious that China will not be considered as a political factor in Manchuria. This situation was not brought about by any concerted action between Russia and Japan. It was brought about by the Japanese largely because they distrust the Soviet Government. So long as the Tsarist Government was in power, a bargain was possible. So long as the Soviet Government was not a military power, the Japanese felt that their national interests in Manchuria were not seriously menaced. When, however, Soviet military prowess was added to the problems which the Japanese had to confront on the mainland, they came to the conclusion that Chinese political complications, at least, should be eliminated in that region. As already stated, they were largely impelled to this action because of the failure of the signatories of the Washington settlements to follow sympathetically political developments in the Far East.

From the Japanese point of view, the present régime in Manchuria is an accomplished fact for the time being. No responsible Japanese statesman would dare to suggest otherwise. It may prove an expensive and more or less troublesome ward, but the Japanese are prepared to face that possibility. There are those who believe that it may become profitable. The issue may well be debatable. Japanese determination and ability to maintain the régime during the foreseeable political future, are, however, not open to question.

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

- 5 -

It is possible that the régime may alter in form, but there is no probability that Manchuria will be permitted to revert to China. Only superior physical force will accomplish this. The Japanese are preparing to meet any such eventuality. Let us now look at the picture from the position of some of the other signatories of the Washington settlements.

A number of important events are due in 1935-1936. Japanese withdrawal from the League of Nations will be effective, and the country's armament will be complete according to present plans; in Europe a number of questions arising out of the Versailles Treaty will attract great attention, to say the least- the Saar Plebiscite will take place and the clauses of Part XIV of the Treaty <sup>(Guarantee, Rhineland)</sup> will be no longer effective. In this situation, the Washington Naval Treaty will have to be reconsidered. It is only reasonable to assume that the situation in Europe will be the dominant force in the calculations of the French and British statesmen. The United States will be the only Western Power in a position to consider new naval and Far Eastern settlements without reference to complications near at home. Now, in 1935-36, it will be impossible, as it was <sup>[impossible]</sup> in 1921-22, to conclude a Naval agreement without reaching a political accord that will justify it. The principal political settlements of 1922 had to do with China. This was natural, as China is a political problem of enormous proportions, the central enigma of the Far East. One of the cardinal principles of American policy at least has been the territorial and administrative integrity of China. This principle has

- 6 -

has been accepted by the Powers, although at times its application in recent years has amounted almost to a legal fiction. It was felt, however, that efforts should be made to retain it, in the hope that the Chinese would be able to make it definitely a political fact.

One of the effects of the Japanese action in Manchuria has been the rupture of the principle of this territorial and administrative integrity. The Japanese claim that the rise of "Manchukuo" is the result of a spontaneous movement among the inhabitants of Manchuria. At any rate, Japan has openly recognized the new "state" and the Soviets have tacitly accepted it. The Japanese claim that it is at least no more of a legal fiction than the old principle of the administrative integrity of China; that it is functioning at least as well as the governments in control of most of the rest of China, and that in any case it is a de facto government and entitled to be so considered. Japan has a military alliance with this "state", and counts confidently on maintaining its position there and on keeping it free both from Chinese political intrigue and Russian communist activity.

Assuming that present political forces remain in power in Japan for the next two or three years, the next Naval Conference will be confronted with a demand on the part of Japan to accept "Manchukuo", and perhaps to allow the new "state" a small naval contingent.

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- 7 -

It seems probable that in the meantime Japan will make great efforts to induce the Nanking Government to come to terms on this question. It is impossible to foresee what terms will or can be made. The Chinese at present show no disposition to accept the situation formally. Some means may be found, however, for the Japanese and Chinese to reach an arrangement between them. If so, the Powers would be confronted with a situation which they could do nothing but accept. If, on the other hand, as seems more probable, the Japanese and Chinese do not come to terms, the matter will arise in some form or other at the Conference. It will be well, therefore, to consider carefully what the situation will be when the conference convenes.

As stated above, the European Powers will be in a difficult position. Feeling will run high and in this atmosphere it seems improbable that the French and British will be willing or able to follow any course of action that would increase their Far Eastern responsibility. So far <sup>as</sup> the United States is concerned, there seems no probability that the American people would be willing to engage in any new ventures in this part of the world. Certainly it is hardly conceivable that the nation would wage a war over Manchuria. The only restraining military factor that Japan need consider, therefore, in relation to Manchuria is Russia. In the light of Russian activities in Outer Mongolia and the behavior of Soviet agents in intra mural China, it is open to question whether a Russian military victory, if it were possible, would

- 8 -

would be of any value in preserving or restoring the political and administrative integrity of China.

This brings us to the armament clauses of the Washington Treaties. In 1921 the United States had preponderant naval strength. This was a determining factor in getting the Naval Treaty accepted. At the present time the United States is not in the same relative position in regard to naval power. Other navies, notably the Japanese, have been kept up more closely to the limits set at Washington. The United States is not consequently, in laying down a naval program, able to offer equal inducements for its acceptance by other Powers. In this situation a demand has arisen in Japan for what is called "Naval equality", fostered by various so-called patriotic organizations. While responsible naval authorities in Japan have refrained from making public statements, it seems probable that this agitation has received support in naval circles. The new American naval building program announced by the Secretary of the Navy has done much to correct mistaken notions in Japan as to American interest in naval matters and American ability to construct such ships as are considered necessary. Another point of great importance is the restriction placed on naval bases in the Washington Treaty. This has been a valuable consideration to the Japanese as it has had the effect of decreasing the offensive power of the American and British naval forces in the Far East. The Japanese navy is really in a better defensive position than the ratio of 5:5:3 would indicate. This was one of the determining

- 9 -

determining factors in Japan's acceptance of the Treaty at Washington. The fact remains, however, that at the present time, the Naval Treaties, particularly the London Treaty, are not very popular in Japan. This has been especially noticeable since the Manchurian outbreak, and there is considerable agitation from time to time for revising some of the provisions of the naval settlements.

It would seem appropriate, therefore, to anticipate now the situation which will confront the United States when the present naval settlements are to be reconsidered in 1935. The political aspects have already been outlined. These will have to be considered in any naval settlement if the settlement is to be effective as an instrument of peace rather than a mere irksome limitation on freedom of action.

In this situation a number of courses are open. One course would be to denounce the Treaty. This would leave each of the signatories free to build any kind of navy it saw fit. It would also permit the building up of naval bases in the Far East. It does not seem probable, however, that this course would be politically feasible. The idea of some sort of naval limitation is pretty well accepted throughout the world. Even the Japanese accept it. What they seem to object to is not the principle of limitation, but the character of the present arrangements. They may insist on a different ratio, or an alteration or abolition of certain types of ship. Another course would be the inclusion of a number of so-called "escalator clauses" which would permit, within limits, the alteration of the classes of ships which the signatories might build. These, however,

- 10 -

however, are highly technical subjects, which might prove difficult of application, and would in any case be valueless as aids to peace unless there was agreement among the Powers as to the political situation which they had in mind. Then there is the possibility of accepting the political situation which Japan desires in the Far East and insisting upon a continuance of the present naval treaties. This course, too, presents a number of difficulties. In the first place the other Powers, particularly Japan, must be convinced that the United States is able and willing to create a preponderant navy in case our proposal is not accepted. Next, we shall have to find some method of dealing with the Russian element in the Far East, which was not important in 1921-22. The Japanese are likely to insist on this in one form or another. They may demand liberty of action in this regard as the price of accepting an inferior naval ratio, or they may insist on including Russia in any political agreement in regard to the Far East. a difficult problem, as it would very likely call for a consideration of Russia's political relations in Europe. It should be borne in mind, however, that Japan considers the Russian situation as the principal military factor in the Far East, particularly as the Soviets and the Japanese have not yet come to any general understanding in regard to their policies.

The attitude which the United States will take when the Conference meets in 1935 will of course depend upon a variety of considerations which cannot be forecast now. At the same time, assuming a continuance of present political régimes, it would seem that the situation outlined

above

- 11 -

above is not likely to change, and that it will constitute an element which cannot be disregarded. Consideration will have to be given to the political as well as the military features of the problem if Japan is to be a willing partner in future settlements.

E.L.N.

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

November 9 1966

To the American Delegation,  
General Disarmament Conference,  
Geneva.

The Secretary of State transmits herewith, for the  
confidential information of the American Delegation, a  
copy of despatch No. 546 of October 6, 1933, from the  
American Embassy at Tokyo, together with a copy of its  
enclosure, a memorandum on the general subject of con-  
ditions in the Far East.

793.94/6495

Enclosure:

Copy of despatch  
No. 546, October 6,  
with its enclosure.

793.94/6495

WE:NHF:NNB

11/6/33

*HAD*  
*RELL*  
*F.G.*

*PM*  
*11/7/33*  
*AMW*

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A true copy  
of the original  
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*PM*

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

DOCUMENT FILE

NOTE

SEE ..... 894.00 P. R./70 ..... FOR Despatch # 541.

FROM Japan ..... ( Grew ..... ) DATED October 3, 1933.  
TO ..... NAME ..... 1-1127 ...

REGARDING:

On September 1st anxiety for the safety of Japanese nationals in Fukien Province was lessened by the news that the city of Yen-ping had been recaptured from the Communist invaders.

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- 6 -

II. RELATIONS WITH OTHER COUNTRIES.

(a) China

793.94  
On September 1 anxiety for the safety of Japanese nationals in Fukien Province was lessened by the news that the city of Yenping had been recaptured from the Communist invaders. Nevertheless later reports indicated that conditions in Fukien remain unsettled, and Japanese, British, and American naval forces are standing by at Foochow to protect their respective citizens.

In regard to the possible effect of the "Wheat and Cotton Loan" referred to in the previous section of this report, on Sino-Japanese relations it will be remembered that members of the Japanese Cotton Spinners Association are the only potential purchasers of the American cotton. Before considering purchase the Association requires, it is reported, strict prohibition by the Chinese authorities of the boycott on Japanese textiles, it demands an undertaking that the increase of the "consolidated tax" be indefinitely suspended, and it insists that the import duties on certain Japanese goods be not raised. Eventually, it is claimed, the Association will take over the entire stock at its own price thereby nullifying for a time the sacrifices entailed by the boycott on Indian cotton and further enabling it to bargain to advantage for American cotton through the normal channels. Although there is no means of checking the truth of newspaper statements, it appears logical that the eventual purchasers of the cotton must be Japanese, who, acting in unison, are obviously in a position to squeeze China. That such a course would further embitter the Nanking Government against

Japan

\*See Despatch No. 538, Sept. 29, 1933.

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

FE

### TELEGRAM RECEIVED

REP

1-1336

FROM

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

PEIPING

Dated October 28, 1933

Rec'd 1:52 a.m.

Secretary of State,  
Washington.

817, October 28, 11 a. m.

Following from Shanghai:

"October 27, 5 p. m. CONFIDENTIAL. Press this morning reports resignation of Soong. In conversation with Drysdale this morning Soong stated that Japanese interests were pressing him for revision of customs duties more favorable to Japan which Soong is opposing. Drysdale thinks that Soong's separation from the Government is imminent and that only a modification of the Government's present pro-Japanese policy will prevent it."

JOHNSON

JS

F/ESP

793.94/6497

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DEPARTMENT OF STATE  
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DIVISION OF  
CONSULS AND SECRETS

Division of  
FAR EASTERN AFFAIRS  
OCT 28 1933  
Department of State

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NOV 6 1933

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

*FE*

TELEGRAM RECEIVED

REP

1-1336

FROM

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

PEIPING

Dated October 28, 1933

Rec'd 2:11 a. m.

Secretary of State,  
Washington.

RECEIVED  
DIVISION OF  
FAR EASTERN AFFAIRS  
OCT 28 1933

Division of  
FAR EASTERN AFFAIRS  
OCT 28 1933  
Department of State

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818, October 28, noon.

In conversation Japanese Minister informed me that he would be here until about 20th of November. He expressed himself as optimistic that discussions which he is having with Generals Huang Fu and Ho Ying Chin would lead to an amicable settlement of troubles in North China. Most difficult problems were customs, postal facilities and railway connections, but he was optimistic that these also would be amicably settled before the end of the month.

Tokyo informed.

JOHNSON

JS

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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

October 30, 1933.

~~JHL~~  
~~ECM~~  
SKH

The attached despatch No. 701, dated October 19 from Geneva, outlines the references to the Sino-Japanese conflict during the recent session of the assembly of the League of Nations.

The important sections of Mr. Wellington Koo's speech (the entire text of his speech will be found as an enclosure) are quoted in the body of the despatch. Mr. Koo delivered a very eloquent and vigorous address "reproaching the League for its failure" and threatened that China would continue its resistance against Japan.

I suggest that the covering despatch be read.

~~SKH~~  
FE:EHG:ABW

PM RECD

No. 701 Political.

AMERICAN CONSULATE,  
Geneva, Switzerland, October 19, 1933.

DEPARTMENT OF STATE  
DIVISION OF  
COMMUNICATIONS AND RECORDS  
LEAGUE OF NATIONS SECTION  
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WESTERN EUROPEAN AFFAIRS

Division of  
FAR EASTERN AFFAIRS  
OCT 30 1933  
Department of State

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SUBJECT: FOURTEENTH (1933) SESSION OF THE ASSEMBLY -  
Reference in Speeches to the Sino-Japanese  
Conflict.

1-1086 GPO  
THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.

Beam MID. EXD

SIR:

NOV 2 - 1933

I have the honor to report that, in comparison with previous sessions of the Assembly held during the past two years, one of the striking features of the session recently closed was the absence of the Sino-Japanese conflict as an issue of debate. Only two speakers mentioned the question of the dispute at all - the Chinese representative, Mr. Wellington Koo, who brought its specter to life for a brief interval in a vigorous speech reproaching the League for its failure and openly threatening continued resistance against Japan, and Mr. Madariaga of Spain who, with regard to this conflict, uttered a pious but carefully muted hope for peace between the parties. All the other speakers who took part in the general discussion dealing with the work of the League during the past year, studiously avoided making any reference to the issue.

In my telegram No. 206 of September 29, 3 p.m., I made brief mention of the principal points of policy set forth in

Mr. Koo's

F/ESP

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- 2 -

Mr. Koo's speech which was delivered before a plenary session of the Assembly the morning of the day my telegram was sent. On account of the great interest aroused in Geneva by the tone and contents of the speech I have thought it worthwhile 1/ to transmit herewith copies of the full text and to indicate in this despatch certain of its salient points. It appears that Mr. Koo's speech may have had an added significance in that, according to newspaper accounts published here, it caused diplomatic representations to be made by the Japanese in Peiping.

Mr. Koo prefaced his address by praising the League's "everyday activities" and its technical services which China had found of Great Benefit. He devoted the rest of his speech to the Sino-Japanese conflict, first expressing China's disillusionment in the League's action in the following terms:

"But important as its everyday activities are, the interest and attention of the peoples of the world, in so far as the League of Nations is concerned, are naturally centred upon the success or failure of its efforts in the political sphere - in the promotion and maintenance of peace between nations, which is, after all, its main purpose. Measured by this obligation, the year under review cannot but be considered as the most disillusioning one for the League since its establishment.

"In this disillusionment China, victim of armed aggression from another Member of the League in the Far East, shares with the keenest feeling. It will be recalled that the initial act of an undeclared war of conquest on the part of Japan took place in the night of September 18th, 1931. Seventeen months after, the Assembly pronounced its verdict in a report unanimously adopted on February 24th, 1933. That report gives a clear account of the situation and establishes beyond doubt that in the view of all the other members of the League Japan's occupation of the Three Eastern Provinces was a violation of the Covenant as well as of the Pact of Paris and the Nine Power Treaty of Washington, and that the new régime she had set up there was against the wishes of the people and incompatible with peace in the Far East. This report was accepted by China and rejected by Japan."

- 3 -

After referring to Japan's further acts of aggression, meant "no doubt as a reply to the League's pronouncement", and to the truce "we were obliged to sign at Tangku on May 31st", Mr. Koo defined China's attitude toward the present situation as follows:

"The Chinese Government views this situation in the Four Provinces as a standing violation of the Treaties upon which the world is supposed to rely for security, disarmament and peace. It is determined steadfastly to maintain all its rights and claims, and not to recognize or acquiesce in the illegal accomplished fact. That accomplished fact will remain only so long as it is physically impossible for my country or politically impossible for the rest of the League to vindicate the sanctity of treaties. In maintaining this attitude we consider that we are not only doing what lies in our unaided power to preserve China's territorial integrity and political independence against Japanese aggression, but that in so doing we are resisting the attempt to convert the Covenant into a scrap of paper. That attempt is now taking the form of the strongest pressure to induce China to abandon the policy of co-operation with the West through the League and to adopt the principle of 'Asia for the Asiatics'.

"The Assembly Report of February 24th 1933, which China announced her readiness to accept on the very day of its adoption, remains for her as for all members of the League, the only basis for a satisfactory settlement. The Sino-Japanese issue, therefore, remains today the same as it was on the day when all the nations assembled here unanimously agreed not to recognize the illegal régime in Manchuria either de jure or de facto. The subsequent approval of the report by the United States of America has given added force to the solemn verdict of the Assembly. The only difference is that the question has since assumed even more alarming proportions as evidenced by the Japanese illegal occupation of Jehol and parts of Hopei Province in North China, and by the increasingly strained relations between Japan and other Pacific countries. From the juridical point of view, however, no change has taken place. It is indeed obvious that the mere lapse of time cannot have altered the legal character of such an issue. The principle of non-recognition cannot be interpreted so as to mean non-recognition of the obligations of the Covenant. Nor can it in the long run mean closing our eyes to the consequences to world peace or to the continued violation of the Covenant."

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- 4 -

To the League's failure to enforce the report of the Special Assembly Mr. Koo imputed the universal breakdown of international cooperation and the consequent lack of success of the Disarmament and the Monetary and Economic Conferences. "If the Covenant is a scrap of paper east of Suez how can it become a reality in Europe?" he asked. He then declared, "It is to be feared that so long as this glaring case of Covenant-breaking is not settled in accordance with the established principles of international law and the existing treaty obligations, it will remain, if not an insurmountable obstacle, at least a stumbling block in the path of new international agreements looking to economic and military disarmament and to the maintenance of peace by common endeavor." With reference to the threatening situation in Europe he hoped that "the moral of events in the Far East may be drawn while there is yet time and that history will not be allowed to repeat itself."

The passage in Mr. Madariaga's speech dealing with the Sino-Japanese conflict was listened to with particular attention on account of the aggressive rôle he has taken in previous League meetings in favor of upholding against Japan the provisions of the Covenant. His remarks, which were commented upon as representing the present attitude of the group of small states which have held to a similar position, were interpreted in Geneva as being an admission that the League could do nothing further, and as an admonition to China to seek a settlement with Japan on its own account. His evident acceptance of the existing situation

was

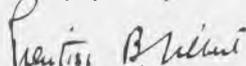
- 5 -

was viewed as emphasized further by his conciliatory references to Japan, the party in the dispute against which he has lately uttered some harsh words.

Mr. Madariaga's remarks on the Sino-Japanese conflict contained in the speech he delivered on October 2 are as follows;

"Now there is a third conflict to which I do not wish to refer in any way that might increase the difficulties, but we cannot forget that ever since September 1931 China and Japan have found themselves in a state of hostilities. The facts are known to all of us, and therefore I should only say one thing: that it is the ardent hope of my Government that this conflict, which was embittered and which became so serious because it was separated from the strict application of the Covenant, may be settled, and that we may return to a normal state of affairs - that we may see peace re-established, and in that way may ensure the return of a highly respected State, which has not yet, indeed, left the League of Nations, but whose co-operation in this Assembly may be lost. The loss would be a heavy one not only for us but for the country concerned if that co-operation were to come to an end, and therefore I hope that it may yet be possible for that conflict to be settled, that the provisions of the Pact may be realised, and that that particular country may return to give us its valued co-operation."

Respectfully yours,

  
Prentiss B. Gilbert

American Consul.

Enclosure:

No.1: Text of Mr. Koo's speech.

JDB:IS/EW

Original and 3 copies to Department of State.

1 copy to American Embassy, Tokio.

1 copy to " Legation, Peiping.

1 copy to American Legation, Berne, Switzerland.

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

Enclosure No 1  
with No 701 Pol. of  
Oct. 19 1933

SPEECH BY DR. WELLINGTON KOO DELIVERED BEFORE THE PLENARY  
SESSION OF THE ASSEMBLY SEPTEMBER 29, 1933.

"The report of the Secretary-General before us shows that in the sphere of its everyday activities the League of Nations has continued to achieve much valuable progress during the year under review. The handling of the administrative and other special questions entrusted to it by the Covenant has been marked by the usual wisdom, tact and ability. With its well-organised and experienced Secretariat the League has accomplished, in my opinion, very much in promoting co-operation between nations in the many varied phases of international life. For one thing, the systematic collection, co-ordination, and publication of information relating to questions of importance and general interest to the peoples of the world has proved of great value to statesmen and scholars everywhere in their study, preparation and planning with a view to finding suitable solutions.

The practice of rendering technical aid and assistance to Member States is perhaps little known to the general public but it is becoming increasingly important to the cause of international co-operation. The technical organizations of the Secretariat, with their competent experts and advisers, have been of much benefit to the countries which have requested their assistance and advice. My own country feels grateful for the services which they have rendered, and in several ways are still rendering, by undertaking the investigation and study of specified problems of a technical character and making valuable reports on them. The practical recommendations made in these reports have been of invaluable service to my Government in its preparation of a comprehensive programme of national reconstruction. The fact that this collaboration with the League, as has already been ably pointed out by the honorable delegate for India, is purely technical and entirely non-political in character places it beyond cavil and enables it to be widely approved in China. It was in view of this fact that the Chinese Government requested the Council in July last to send a technical liaison agent to China to assist the Supreme National Economic Council in co-ordinating the work of the other League experts already on the spot. It is the intention of my Government to continue this policy of collaboration so that China's stupendous task of internal reconstruction and economic development may be greatly hastened and facilitated to the mutual benefit of herself and the rest of the world.

But important as its everyday activities are, the interest and attention of the peoples of the world, in so far as the League of Nations is concerned, are naturally centred upon the success or failure of its efforts in the

political

- 2 -

political sphere - in the promotion and maintenance of peace between nations, which is, after all, its main purpose. Measured by this obligation, the year under review cannot but be considered as the most disillusioning one for the League since its establishment.

In this disillusionment China, victim of armed aggression from another Member of the League in the Far East, shares with the keenest feeling. It will be recalled that the initial act of an undeclared war of conquest on the part of Japan took place in the night of September 18th, 1931. Seventeen months after, the Assembly pronounced its verdict in a report unanimously adopted on February 24th, 1933. That report gives a clear account of the situation and establishes beyond doubt that in the view of all the other members of the League Japan's occupation of the Three Eastern Provinces was a violation of the Covenant as well as of the Pact of Paris and the Nine Power Treaty of Washington, and that the new regime she had set up there was against the wishes of the people and incompatible with peace in the Far East. This report was accepted by China and rejected by Japan.

On the morrow of the Assembly meeting which adopted this report, the Japanese General Staff, no doubt as a reply to the League's pronouncement, and in disregard of Japan's covenants under Articles 12 and 15, attacked and occupied Jehol Province, and extended their aggressive operations to the south of the Great Wall, imminently threatening the security of Peking, China's ancient capital, and Tientsin, the great commercial metropolis of North China. The Chinese Government, rallying all available resources, resisted to the best of its ability, but in the face of the better equipped Japanese army which had prepared for years for this war of conquest found itself unable to check single-handed the onslaught of the invading forces. After fifty days of a bitter struggle, in which we lost thirty thousand dead and wounded, we were obliged to sign a truce at Tangku on May 31st. Although the Japanese troops have since been gradually withdrawn from the neighbourhood of Tientsin and Peking, the Four Eastern Provinces, namely, Manchuria and Jehol, have remained and still remain in the occupation of the Japanese Army, contrary to Article 10 of the Covenant.

The Chinese Government views this situation in the Four Provinces as a standing violation of the Treaties upon which the world is supposed to rely for security, disarmament and peace. It is determined steadfastly to maintain all its rights and claims, and not to recognise or acquiesce in the illegal accomplished fact. That accomplished fact will remain only so long as it is physically impossible for my country or politically impossible for the rest of the League to vindicate the sanctity of treaties. In maintaining this attitude we consider that we are not only doing what lies in our unaided power to preserve China's territorial integrity and political independence against Japanese aggression, but that in so doing we are resisting the attempt to convert the Covenant into a scrap of paper. That attempt is now taking the form of the strongest pressure to induce

China

- 3 -

China to abandon the policy of co-operation with the West through the League and to adopt the principle of "Asia for the Asiatics".

The Assembly Report of February 24th, 1933, which China announced her readiness to accept on the very day of its adoption, remains for her as for all Members of the League, the only basis for a satisfactory settlement. The Sino-Japanese issue, therefore, remains today the same as it was on the day when all the nations assembled here unanimously agreed not to recognize the illegal régime in Manchuria either de jure or de facto.

The subsequent approval of the report by the United States of America has given added force to the solemn verdict of the Assembly. The only difference is that the question has since assumed even more alarming proportions, as evidenced by the Japanese illegal occupation of Jehol and parts of Hopei Province in North China, and by the increasingly strained relations between Japan and other Pacific countries. From the juridical point of view, however, no change has taken place. It is indeed obvious that the mere lapse of time cannot have altered the legal character of such an issue. The principle of non-recognition cannot be interpreted so as to mean non-recognition of the obligations of the Covenant. Nor can it in the long run mean closing our eyes to the consequences to world peace or to the continued violation of the Covenant.

We regret that the unanimous report of the Special Assembly on this question has not yet been carried out. The delay in acting on the findings of that report is the more regrettable to us not only because of our desire to see the wrong done to China fully redressed but also for the reason that the results of this delay are undermining the Covenant everywhere and imperilling world peace. The Covenant, which is the fundamental Constitution of the League and in fact the only valuable legacy of the Great War, must be upheld or the hopes of mankind, which are centred upon it for the consolidation of peace and the future of civilization, will be dashed to the ground.

In his opening speech before this Assembly, the President of the Council the other day referred to the World Monetary and Economic Conference and the Conference for the Reduction and Limitation of Armaments, and expressed the regret that the results of both gatherings, to the inauguration of which the peoples of the world had looked with so much enthusiasm, had turned out to be altogether negative. That such has been the outcome of the two Conferences is, however, not surprising to us. There may have been several causes, both general and particular, which were responsible for the meagreness of the results. But the menace and warning of the Far Eastern situation had much to do with the scepticism and hesitation revealed in the deliberations of the two world Conferences. For when violations of existing international obligations

arising

- 4 -

arising from such solemn instruments as the Covenant of the League, the Pact of Paris and the Nine-Power Treaty of Washington could be committed by one signatory Power with impunity, is it to be wondered at that other nations of the world should have adopted an attitude of cautiousness in the matter of concluding new treaties and of assuming new obligations? If the Covenant is a scrap of paper east of Suez, how can it become a reality in Europe? The principle of the universality of the League, as has just been so eloquently stressed by our Swedish colleague, must be upheld at all costs.

It is to be feared that so long as this glaring case of Covenant-breaking is not settled in accordance with the established principles of international law and the existing treaty obligations, it will remain, if not an insurmountable obstacle, at least a stumbling-block in the path of new international agreements looking to economic and military disarmament and to the maintenance of peace by common endeavor. The reason for this is not difficult to explain. The absence of any effective action from the League in this case has encouraged those who have all along been proclaiming the belief that might is right. It has, in fact, placed a premium upon aggression. It has given a new impetus to the activities of those in different countries who advocate and strive for an increase of armaments in the name of national defence, since treaties guaranteeing security may be disregarded with impunity.

Indeed, observing students of international affairs in the Far East already see ominous clouds rising on the international horizon in that region. The Assembly report, in predicting that the Japanese occupation of Manchuria was incompatible with peace, spoke the grim truth. A race in armaments has begun, with huge naval and air manoeuvres, fleet concentrations and enormous increases in war expenditure. The strongest naval Power in Asia and one of the strongest in the world has already given official notice of its intention to make its navy still stronger on the expiration of the existing treaty limitations, and her leading statesmen publicly refer to what they call the greatest crisis in their country's history within the next five years. As was said by one of the speakers at the recent Conference on Pacific Relations in Canada, it is useless to try to disguise the fact that the present increases in military and naval armaments indicate a future intention of using them. All the signs in the Far East point to a major conflict within a few years.

Such, Ladies and Gentlemen, is the situation in the Far East to-day. Since recent events have made my country the only main link between the League of Nations and the very Far East, I have felt it my duty, as its representative, to give you a sober and objective account of the relevant facts in that region since the adjournment of the Special Assembly in February last. As to the situation in Europe, I shall not try to enter into it, as you are all familiar

with

- 5 -

with it. Whatever view is taken, it cannot, however, be gainsaid that the European situation, while not as critical perhaps as that of the Far East, is, too, far from satisfactory. Let us hope that the moral of events in the Far East may be drawn while there is yet time and that history will not be allowed to repeat itself.

It is my humble opinion that the whole situation of the world today revolves round this pivotal question: are we determined to defend the League, uphold its prestige, strengthen its authority and endow it with the means of enforcing its decisions, or are we ready to allow it to dwindle in importance from year to year, to disintegrate for lack of support and eventually disappear from the international arena as the supreme guardian of world peace? China, for her part, with all her disappointment at the failure to carry out the Assembly's report, still believes in the soundness of the fundamental aims and purposes of the League and will do her utmost to foster its healthy growth. For the alternative would be unthinkable: it would mean the relapse of the world into a state of international anarchy, of incessant rivalry and conflict such as existed before the Great War and was ultimately responsible for the catastrophe from which the world has not yet fully recovered.

If, then, we wish to see the League succeed in its mission of consolidating the world's peace and safeguarding the future, there must be both a will to peace and a readiness to make sacrifices for the common good. The collective peace system based upon the Covenant and the Pact of Paris is predicated upon the fundamental principle that the maintenance of world peace is a matter of common concern to all nations and that in order to make it effective, each of them must be disposed to bear the contingent share of risk and sacrifice in the common cause. It must be generally realised that in this practical world of ours we cannot hope to get something for nothing. If we wish to enjoy the fruits of peace we have to pay for them too. We have arrived at the cross-roads of the world's destiny. Our choice lies between an armed peace which, based upon a precarious balance of power, is most costly to every nation and postulates war as inevitable, and a peace based upon collective responsibility, which is the most economical for all, because it is maintained by joint effort and common sacrifice, and which is stable because it accepts justice as the final arbiter of nations. It means, Ladies and Gentlemen, disarmament or rearmament, economic recovery or continuance of the world crisis; it means, in fact, war or peace: These are the alternative roads before us. For the sake of civilisation and for the well-being of humanity, I sincerely hope that we shall all choose wisely.

TELEGRAM RECEIVED

REP



FROM

GRAY

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

Peiping via N. R.

Dated November 4, 1933

Rec'd 10:25 a. m.

Secretary of State,

Division of  
FAR EASTERN AFFAIRS

Washington.

NOV 6 - 1933

836, November 4, 2 P.M.

A Secretary of the Japanese Legation stated this morning in a conversation that the Manchukuo civil administrative office at Shanhaikwan has been abolished and that the personnel will be withdrawn within a few days but that the Manchukuo post office, telegraph office, customhouse, railway office and quarantine office at Shanhaikwan will be maintained as at present after retrocession. He further stated that Japanese troops have been withdrawn to the Great Wall with the exception of those along the Peiping-Mukden Railway which are there under the protocol of 1901; that the passes in the great (?) <sup>wall</sup> will not be retroceded until next spring if then; and that negotiations are going on between Chinese officials and Manchukuo officials, not Japanese military, to establish through traffic on the above mentioned railway.

From statements made to me on the 26 by the Japanese

Minister

793.94

F/G 793.94/6500

NOV 7 - 1933

1920  
DECLASSIFIED: E.O. 11652, 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-#836, From Peiping, Nov. 4, 2 p.m.

Minister I inferred that the Japanese would take steps to establish Manchukuo customs offices on the Chinese side of the Wall as there was no proper accommodation for such offices at the gates in the Wall.

JOHNSON

WSB

HPD

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

DEPARTMENT OF STATE Division of  
FAR EASTERN AFFAIRS  
DIVISION OF FAR EASTERN AFFAIRS  
OCT 30 1933

*J. L. G.*  
Department of State  
October 28, 1933.

THE UNDER SECRETARY  
OCT 30 1933  
DEPARTMENT OF STATE

SECRETARY OF STATE  
OCT 30 1933  
NOTED

F/ESP  
DCR

DEPARTMENT OF STATE  
RECEIVED  
NOV 2 1933  
DIVISION OF  
COMMUNICATIONS AND RECORDS

Mr. Secretary:

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6498  
6500

These three telegrams indicate that the Japanese are making progress in negotiation with Chinese authorities in North China toward the conclusion of an agreement which, if consummated, would probably include provisions with regard to Manchuria, which, in turn, would probably involve substantial concessions on China's part (the signatories on China's side being officials in North China, who might or might not have authority from the Nanking Government to enter into such an agreement); also, that T. V. Soong is opposing the tendency or decision on the part of other Chinese officials to follow what he regards and what Colonel Drysdale describes as "the (Chinese) Government's pro-Japanese policy."

793.94  
note  
893.502

793.94/6501

With regard to the question of possible or actual resignation of T. V. Soong, it should be noted that on a number of occasions during the past five years T. V. Soong has submitted or threatened to submit his resignation. This he has usually done as a sort of a playing of a last card." In no instance has his resignation been accepted.

NOV 8 - 1933

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Almost

1926  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

-2-

Almost invariably, when he has played that card he has won. Whether such will be the course of events in this case it is impossible to say. I rather fear that the accumulated pressure of many factors may in this instance overwhelm him.-- In such event we would have reason to expect the emergence in the near future of some sort of a Chino-Japanese agreement.

*SKH*

FE:SKH:MCC

092  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 11, 1933.

~~FBI:~~  
~~SAA:~~  
RCM:

Tientsin's despatch No. 410 under date September 29, 1933, encloses a copy of a despatch to the Legation reporting on a Sino-Japanese incident which occurred at Tangku on September 26, 1933.

The incident appears to have been caused by a drunken Japanese soldier who appeared at the Chinese barracks and was escorted by Chinese sentries to the Japanese barracks. The Japanese military authorities contended that the Japanese soldier had been insulted and demanded \$500 as medical expenses and an apology from the Chinese regimental commander.

The incident appears to have been amicably adjusted at a meeting of Chinese and Japanese military officers.

205

NO. 410

AMERICAN CONSULATE GENERAL,

Tientsin, China, September 29, 1933.



NOV 4 35

*Copy in FE*  
Division of  
FAR EASTERN AFFAIRS  
NOV 6 1933  
Department of State  
*Adl*

793,94

SUBJECT: Sino-Japanese Incident at Tangku  
of September 26.

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

THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.

SIR:

I have the honor to transmit herewith, as of interest to the Department, copies, in quintuplicate, of my despatch No. 473, of September 28, 1933, addressed to the Legation at Peiping, on the subject of the Sino-Japanese Incident at Tangku of September 26, 1933.

Respectfully yours,

*F. P. Lockhart*  
F. P. Lockhart,  
American Consul General

NOV 16 1933  
FILED

Enclosure:  
1/ To Legation, September 28, 1933.

800  
DA:w

Original and four copies to Department.

F/ESP  
793.94/6502

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

No. 473.

Enclosure No. <u>1</u> in Despatch
No. <u>410</u> Dated <u>SEP 28 1933</u>
From the American Consulate General at Tientsin, China.

AMERICAN CONSULATE GENERAL,

Tientsin, China, September 28, 1933.

SUBJECT: Sino-Japanese Incident at Tangku  
of September 26.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Sir:

I have the honor to submit the following report on a Sino-Japanese incident which occurred at Tangku on September 26, arising out of a misunderstanding between Chinese and Japanese troops stationed in that city:

According to the vernacular press, on the evening of Monday, September 25, 1933, a drunken Japanese soldier appeared at the Chinese Barracks and knocked on the door with his rifle. The Chinese sentries, perceiving that he was intoxicated, at once escorted him to the Japanese Barracks. Suddenly, at 8:00

o'clock

- 2 -

o'clock on the morning of Tuesday, September 26, 1933, a large detachment of Japanese troops took up positions in the streets of the city and disarmed the police and demanded their withdrawal to north of the railway. Mr. Hu Chun, the Chief of Police, immediately called at Japanese Headquarters where he was informed that the Japanese military authorities contended that the Japanese soldier of the evening before had been insulted. Two demands were made: (1) that the Chinese pay \$500.00 as medical expenses, and (2) that the Chinese regimental commander of the Tangku-Taku district render an apology. Simultaneously, the Japanese authorities at Tientsin made representations to Colonel Liu Chung-kan, Chief of Staff of the First Army Corps.

The Chinese authorities, regarding the entire affair as a misunderstanding, exerted every effort in the direction of an amicable adjustment. Colonel Liu Chung-kan and a staff officer proceeded to Tangku on September 27 and were hosts to the Chinese and Japanese military officers at a dinner at Tangku on the same day, at which time the incident, which for a short while seemed fraught with serious consequences, was amicably adjusted.

Inquiry by the Consulate General of the Chairman of the Provincial Government confirms that the matter

has now

- 3 -

has now been amicably settled.

The First Army Corps (known as the Fifty-First Army Corps since the reorganization of the Chinese army), of which the troops at Tangku are a unit, is commanded by the Chairman of the Hopei Provincial Government, General Yu Hsueh-chung.

Respectfully yours,

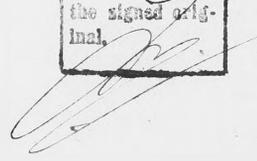
F. P. Lockhart,  
American Consul General.

800

DA:w

Original and one copy to Legation.

A true copy of  
the signed orig-  
inal.



3928  
DECLASSIFIED: E.O. 11652, 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  
November 18, 1933.

~~JEF:~~

REM:

Peiping's despatch No. 2308 under date September 30, 1933, encloses a memorandum of a conversation concerning China's foreign policy had by the Minister with Mr. Leonard Shihlieu Hsu, of the Chinese Economic and Cultural Institute.

The gist of Mr. Hsu's statements were that peace was the keynote of Wang Ching-wei's foreign policy and that the Chinese Government realized domestic reconstruction for an uninterrupted period was necessary if China was to "continue to exist as a nation."

RB  
RJB



LEGATION OF THE  
UNITED STATES OF AMERICA

No. 2308

Peiping, China, September 30, 1933.

Subject: China's Foreign Policy



NOV - 4 33

F/ESP  
793.94/6503

793.94



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

Sir:

1/ I have the honor to enclose herewith a memorandum of a conversation I had on September 21, 1933, with Mr. Leonard Shihlieu Hsu, of the Chinese Economic and Cultural Institute. Mr. Hsu was accompanied by Mr. Philip Fugh.

In the course of this interview Mr. Hsu stated that Mr. Wang Ching-wei, President of the Executive Yuan and Acting Minister of Foreign Affairs, had asked him to say to me that his foreign policy, especially as regards China's nearest neighbor, was peace. He added that the recent tenseness of Sino-Japanese relations had eased somewhat, and that at the Kuling conferences it had been agreed

NOV 21 1933  
FILED

- 2 -

agreed that while China would do nothing to aggravate the situation, she would not submit to aggression or to dictated terms.

Mr. Hsu also referred to the message which the American Government addressed to China and Japan on February 2, 1932, and said that Wang Ching-wei was anxious to cooperate in the spirit of that message for the preservation of peace in the Far East. Mr. Hsu said there was no foundation for the rumors that there had been a change of policy towards Japan, but the Chinese Government realized that domestic reconstruction for an uninterrupted period was necessary if China was to "continue to exist as a nation."

Respectfully yours,

*Nelson Trusler Johnson*

Nelson Trusler Johnson.

Enclosure: ✓

1. Memorandum of conversation, dated September 21, 1933.

710  
CVHE/k

2308

Foreign policy of Wang Ching-wei.

Peiping, September 21, 1933.

Mr. Leonard Shihlieu Hsu  
Mr. Philip Fugh  
of the Chinese Economic and Cultural Institute

Mr. Hsu accompanied by Mr. Fugh called. Mr. Hsu explained that he had been called to Nanking to advise with the Government on matters relating to rural work to be undertaken by the Government in its reconstruction program. He said that Mr. Wang Ching-wei had asked him to come to see me and to say to me that his policy in regard to foreign matters, particularly as it related to China's nearest neighbor, was peace. He pointed out that the tenseness which had characterized Sino-Japanese relations in the recent past had eased somewhat; and, in accordance with the general telegram on the Government's policy which had been sent from Kuling, it was agreed by all those who had participated in the conferences at Kuling - including General Huang Fu - that they did not desire in any way to aggravate the situation as between China and Japan. On the other hand, they were anxious not to submit to any aggression or to any terms that might be forced upon them. Time was needed for internal reconstruction and reform, and

it

- 2 -

it would be the desire of the leaders to force anything in their power to further reconstruction measures now in contemplation, in order that in time China might be able to stand upon her feet and continue to exist as a nation.

He referred to the message from the United States addressed to the Japanese and Chinese Governments on February 2, 1932, and stated that Mr. Wang Ching-wei was anxious to cooperate in the spirit of that letter towards preserving the peace in the East. They realized that as long as China remained chaotic and in disorder it would be a source of world trouble, and that it was due to this that they were anxious to proceed in peace upon their program of domestic reconstruction.

He remarked that there were current a good many rumors about a change of policy vis-a-vis Japan, and stated that these rumors were without any foundation whatever. The Government's policy remained the same. They wanted peace and an uninterrupted period during which they might concentrate on reconstruction methods.

Nelson Trusler Johnson,  
American Minister.

NTJ.EA

093

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 14, 1933.

~~File~~  
~~Copy~~: note summary below  
~~RDW~~

Nanking's despatch No. L-16 Diplomatic under date September 23 to the Legation, states that Dr. Sun Fo assured Mr. Peck during the course of a recent interview that fundamentally China's policy toward Japan would be unchanged, but in minor matters the policy would be to give Japan no excuse for further encroachments and "no cause for complaint."

Mr. Peck states that Dr. Sun's statement of policy coincides with public statements by Wang Ching-wei and a personal statement to Mr. Peck by the new Administrative Vice Minister for Foreign Affairs, Mr. Tang Yu-jen. Mr. Peck notes that it seems to be the general opinion in Nanking that Wang Ching-wei is the sponsor for the deviation from the previous policy of complete abstention from negotiations with Japan and that Mr. T. V. Soong supports adherence to the previous policy. The departure of Dr. Lo Wen-kan to Sinkiang and the appointment of Mr. Tang, a supporter of Wang Ching-wei, as Vice Minister for Foreign Affairs bear out the above. Mr. Tang is said to have taken over largely the duties of Dr. Hsu Mo, Political Vice Minister for Foreign Affairs and follower of T. V. Soong.

~~ETW~~  
ETW/VDM

DECLASSIFIED: E.O. 11652, 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-16 Diplomatic

*Oct 4/33*

*FE*

Nanking Office, September 22, 1933-*FE*

*File*  
*FE*  
Division of  
FAR EASTERN AFFAIRS  
NOV 6 - 1933  
Department of State

Subject: Policy of the Chinese Government toward Japan.

*793.94*

F/ESP

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

AM 11:00  
DEPT OF STATE  
NOV 15 1933

Sir:

NOV 4 33

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Grade	To field	Yes	No
Top	In U.S.A.		<input checked="" type="checkbox"/>

793.94/6504

In the course of a conversation with Dr. Sun Fo, President of the Legislative Yuan, on September 21, I mentioned the current reports that the policy of the National Government towards Japan was to be altered somewhat. I invited his comments.

*LMW*

Dr. Sun Fo assured me that in its fundamentals the policy towards Japan would be unchanged. In minor matters, however, the policy of the Government would be to give Japan no excuse for further encroachments and "no cause for complaint".

NOV 15 1933

The rather unexpected phraseology used by Dr. Sun Fo justifies the inference that the Government is now not averse to talking with the Japanese Government in regard to matters in which contact is unavoidable. This information has been conveyed by public statements by President Wang Ching-wei of the Executive Yuan. It was also conveyed to me by Mr. Tang Yu-jen, Administrative

Vice

0935

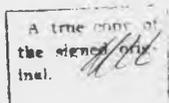
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

Vice Minister for Foreign Affairs, in a conversation I held with him on the morning of September 21, which I shall report in a separate despatch.

It seems to be the general opinion in Nanking that Mr. Wang Ching-wei is sponsor for this deviation from the previous policy of complete abstention from negotiations with Japan on any subject, and that Mr. T. V. Soong, Finance Minister, supports adherence to the previous policy. Those who contend that this controversy exists, point to the departure of Dr. Lo Wen-kan, Minister for Foreign Affairs, on a mission to the Northwest, and the appointment of Mr. Tang Yu-jen, a supporter of Mr. Wang Ching-wei, as one of the Vice Ministers for Foreign Affairs, as evidence of the truth of the theory. They allege, also, that Mr. Tang, although the Administrative Vice Minister, has, on his own initiative, taken over largely the duties of Dr. Hsu Mo, Political Vice Minister, who is held to be a follower of Mr. T. V. Soong and Dr. Lo Wen-kan in regard to policy matters. It is reported that Dr. Hsu Mo would like to withdraw from the present uncongenial atmosphere of the Foreign Office, following, in this respect, the example of his erstwhile colleague, Mr. Liu Chung-chieh, lately Administrative Vice Minister.

Respectfully yours,



Willys R. Peck,  
Counselor of Legation.

In quintuplicate to the Legation.

\*  
WRP/MM:MCL

3936  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Quisenberry NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 14, 1933.

JESJ:

~~SM:~~

~~PK:~~

*Note summary below.*

Nanking's despatch No. L-19 Diplomatic under date September 23 to the Legation encloses a memorandum of conversation between Mr. Peck and Mr. Tang Yu-jen, newly appointed Vice Minister for Foreign Affairs, which reports that Mr. Tang made the following personal and unofficial observations in reply to certain of Mr. Peck's questions:

(1) China had not changed its policy of non-negotiation with Japan in regard to Manchuria, but in lesser matters the policy of complete non-intercourse was being relaxed.

(2) On account of the communist peril there was no question of any cleavage between Canton and the National Government in the field of military affairs. In the field of government and party affairs, however, there was a cleavage due principally to the following four reasons:

(a) Canton's fear that the National Government and the Central Party Headquarters, through the medium of the proposed Fifth National Party Congress, would eliminate the Canton members of the Central

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

- 2 -

Executive Committee and would exercise improper coercion on the Canton régime. For this reason Nanking had decided to postpone the National Congress;

(b) Canton's fear that through Nanking's technical cooperation with the League, the National Government intended to utilize international assistance to coerce the Canton régime;

(c) Canton's fear that Nanking would use the proceeds of the American wheat and cotton loan to increase Nanking's military power; and

(d) Canton's fear that the National Government would use force in dealing with the army of General Feng Yu-hsiang in Chahar.

Mr. Tang characterized the above-mentioned fears of Canton as being unfounded.

Mr. Peck notes in his covering despatch that Vice Minister Tang appears to be a follower of Wang Ching-wei's policies whereas the other Vice Minister, Dr. Hsu Mo, belongs to the "undeviating resistance" faction of Dr. Lo Wen-kan.

*ETW*  
ETW/VDM

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

L-19 Diplomatic

AM 7:30



Info Copies Made by the Department Without Cover

Division of FAR EASTERN AFFAIRS

NOV 5 - 1933

Department of State

Banking Office,

September 23, 1933.

NOV 4 33

Subject: External and Internal Policies of the Chinese Government.

*Handwritten initials*

F/ESP

793.94

The Honorable Nelson Truslar Johnson,

American Minister,

Peking.

		Action-Check		Yes	No
Grade	_____	To field	_____		<input checked="" type="checkbox"/>
Time	_____	In U.S.A.	_____		<input checked="" type="checkbox"/>

Sir:-

1/

I have the honor to enclose a memorandum of a conversation held by me with Mr. Tang Yu-jen, Administrative Vice Minister for Foreign Affairs, on September 21, 1933. The occasion was my first interview with Mr. Tang since he assumed office on August 23, 1933, previous efforts to obtain an interview having been unsuccessful.

The Legation will note that Mr. Tang gave me information concerning the attitude of the National Government toward the Sino-Japanese controversy and relations between the Canton regime and the National Government.

The conversation was interpreted by Mr. Chaucer H. Dr. Tehou, the well known and efficient Director of the Department of International Affairs, was present, but took no part in the discussion. I am informed that he is closely aligning himself with Mr. Tang. The impression here is that Dr. Hsu Mo, Political Vice Minister, and Mr. Tang, Administrative Vice Minister, are in opposite camps with respect to the policy to be followed in regard to Japan. According to this report, Dr. Hsu Mo adheres to the policy and leader-

ship

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NOV 15 1933

- 2 -

ship of Dr. Lo Wen-kan and Mr. T. V. Soong, i.e., a policy of undeviating resistance to, and non intercourse with, Japan, while Mr. Tang is said to follow the policy of Mr. Wang Ching-wei, that of rigid resistance to Japan in theory, but willingness to meet Japan on friendly terms where principles are not involved.

This difference between the two Vice Ministers has led, it is reported, to Mr. Tang encroaching upon the proper field of Dr. Hsu Mo, that of policy, which results in Dr. Tchou handling the routine matters which should rightly fall to Mr. Tang, the Administrative Vice Minister.

Very respectfully yours,

Willys R. Peak,  
Counselor of Legation.

✓  
Enclosure: 1/ Memorandum of conversation dated September 21, 1933.

In quintuplicate to the Legation.

800

RP/ECH

A true copy of  
the signed original  
in  
ECH

MEMORANDUM

September 21, 1933.

Subject: Internal and External Political Affairs  
of China.

Mr. Tang Yu-jen, Administrative Vice Minister for  
Foreign Affairs.  
Mr. Peck  
Dr. Louis N. Tehou, Director of the Department of  
International Affairs of the  
Foreign Office.  
Mr. Chaucer H. Wu, of the Treaty Division of Foreign  
Office.

The Vice Minister, Mr. Tang, stated that he was aware that Mr. Peck had attempted, ever since Mr. Tang assumed office as Vice Minister (August 23, 1933), to have a conversation with him. He was grateful to Mr. Peck and as he, Mr. Tang, had set aside time for the purpose, he invited Mr. Peck to make any observations or ask any questions which he might desire. Mr. Tang remarked that the conversation would, of course, be on a purely personal and unofficial basis.

Mr. Peck said that he would be very glad to avail himself of Mr. Tang's kind offer to answer questions and he observed that everyone was very interested in the question whether, as suggested in the newspapers, the Chinese Government was intending, in minor matters, to relax somewhat its policy of not holding any negotiations with the Japanese Government.

Mr. Tang

- 2 -

Mr. Tang replied that so far as policy was concerned, the Government was making absolutely no change. That is, there was no question whatever of negotiating with Japan in relation to the Manchurian territories. In lesser matters, however, the Government found it advisable to revert, to a certain extent, to a more normal state of affairs than could exist under a policy of complete non-intercourse. He remarked that it must be obvious that two countries could not exist side by side without holding conversations in regard to some matters. At the same time, Mr. Tang gave an earnest assurance that China would never "disappoint" those friendly Powers which had stood up for the rights of China.

Mr. Peck said that he thoroughly understood Mr. Tang's statement, because it was entirely evident that two countries in such close proximity as China and Japan must maintain a certain degree of intercourse from day to day.

Mr. Peck then said that there was another question in which, for practical reasons, the American Legation and the American Government were keenly interested. This question was the nature of the relationship existing at present, and to be expected in the future, between the National Government and Canton. Mr. Peck explained that in asking this question he was not prompted by mere curiosity. He said that very concrete and important issues were involved and it was desirable that the American Government should be able to adjust itself intelligently to the course of events.

Mr. Peck

- 3 -

Mr. Peck said that Dr. Tchou, who was there present, had been of great assistance to the American Legation, and also to the British Legation, in connection with the difficulty which had arisen at Canton in connection with the importation and sale of kerosene. He said that American firms had been fully prepared to conform to the regulations governing this subject issued by the National Government, but the importers had found that these regulations were not enforced at Canton. In place of the Government's regulations, Canton had enacted and was enforcing its own regulations, which were quite different in character.

Mr. Peck said that the Consular representatives concerned had attempted to settle these difficulties with the Canton authorities in accordance with Consular procedure in such cases, but they had failed. In natural sequence the matter had then been referred to the American Legation and the British Legation and these had taken up the question with the Ministry of Foreign Affairs, only to find that the National Government was equally unable to solve the difficulty.

Mr. Peck said that Anglo-Saxons were quite accustomed to the idea that political institutions were the result of political evolution and the point he raised was not animated by a spirit of criticism. It might be that there was being evolved a state of affairs in which the Canton regime would enjoy a more or less autonomous status. If this was to be the case, however, it would be advantageous for the American Government to know

about

- 4 -

about it, in order to be able to adjust itself thereto.

Mr. Tang said that it would be very difficult to give Mr. Peck a positive forecast of the course of events. He would be glad, however, to explain the situation frankly, which he would do the more willingly in view of the extensive knowledge which the American Government (and he politely said "especially Mr. Peck") had of Chinese affairs.

Mr. Tang said that there was no question of any cleavage between Canton and the National Government in the field of military affairs. The Communist peril alone was sufficient to prevent anything of that sort. In the field of Government and of Party affairs, however, there was a cleavage and this arose principally through the fear of the Central Executive Committee members in Canton that it was the intention of the National Government and of the Central Party Headquarters, through the medium of the proposed Fifth National Party Congress, to eliminate the Canton members of the Central Executive Committee and exercise improper coercion on the Canton regime. For this reason Nanking had decided to postpone the National Congress, even though the fears of the Central Executive Committee members of Canton were entirely unfounded.

Mr. Tang said that the suspicions entertained by Canton of Nanking were principally four in number. One of these, that based upon the proposed Fifth National Party Congress, he had already dealt with.

The second cause of suspicion was the present program of technical cooperation between the National

Government

- 5 -

Government and the League of Nations. Canton was afraid that the National Government intended to utilize international assistance to coerce the Canton regime. Needless to say, the National Government had no such intention and was making public the real objectives of the cooperation policy, in order to remove this second source of suspicion.

The third anxiety of Canton arose from the fear that whatever proceeds might be derived from the American Wheat and Cotton Loan would be utilized, as were the proceeds of the Reorganization Loan made by Yuan Shih-kai from foreign nations, for the increase of Nanking's military power. The National Government was attempting, Mr. Tang said, by strict regulation and the fullest publicity, to remove this suspicion as well.

The last main cause of disquiet on the part of Canton was the fear that the National Government would use force in dealing with the army of General Feng Yu-hsiang in Charhar. The National Government had already disproved this anticipation by reorganizing all of Feng Yu-hsiang's troops in Charhar except those of General Chi Hung-ch'ang (吉鴻昌), which were entirely unsuitable, because of their Communist complexion. In the case of General Feng Yu-hsiang himself, the Government was giving him exceptionally favorable treatment and intended to offer him an important post. (In reply to a question from Mr. Peck, Mr. Tang said there was no possibility that General Feng would accept such an offer).

Mr. Peck

- 6 -

Mr. Peck thanked the Vice Minister for his clear and thoughtful replies to Mr. Peck's questions. Mr. Peck explained that owing to the inability of the American Minister to reside in the capital, the Legation and the Department of State expected Mr. Peck to supply as full information as he could with regard to the progress of events and the problems dealt with by the National Government. He said that the interest of the Department of State, and particularly, of course, of the Division of Far Eastern Affairs, in all matters relating to China, was intense. This keen interest arose, he said, not only because of the friendship felt by the United States for China and its interests there, but also because, as was well known, the policy development of a "strong China".

Mr. Tang expressed his pleasure at the friendship that existed between the two countries and invited Mr. Peck to come to him informally at any time, and to ask any questions he might desire.

WRP/MM:MCL

0948

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

November 16, 1933.

~~ITZ:~~  
~~SKM:~~ *I note summary enclosed.*  
~~RCM:~~

Nanking's despatch No. L-12 Diplomatic under date September 18, 1933, to the Legation, encloses a translation of a Rengo News Agency press release published by a Nanking newspaper which states that Great Britain, the United States, and other Powers have taken advantage of the anti-Japanese boycott to expand their own spheres of interest in China.

In commenting on the development by the United States of its influence in China the report points to (1) the American interest in commercial aviation on the Yangtze; (2) an alleged endeavor to construct the Changchow-Lungyen Railway in Fukien; (3) the Sino-American cotton and wheat loan, \$10,000,000 of which it is said will be used for the purchase of airplanes; (4) a recent purchase of thirty-six American "war planes"; and (5) the alleged purchase of "old style munitions from the United States Army at Manila."

The news release also points out that the above mentioned proposed construction of a railway in Fukien, either with funds obtained in Manila or from the British

194  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Quastler NARS, Date 12-18-75

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

- 2 -

Boxer indemnity, is contrary to the spirit of the Sino-Japanese treaty in which the Manchu Government agreed not to cede Fukien Province to a foreign country. The release concludes by listing a number of European countries and the enterprises in China in which they are interested.

Mr. Peck draws attention in his despatch to the fact that it is particularly interesting to note the headlines given the Rengo release by the Chinese newspaper which characterizes the release as "Japanese propaganda", a series of "wild guesses" and as showing Japan's "deep envy and destructive intentions".

ETW  
ETW/VDM

DECLASSIFIED: E.O. 11652, 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-12 Diplomatic AM

RECD  
Copies Sent To The Department of State



Nanking Office,  
September 18, 1933.

77

NOV 4 33

Subject: Chinese Reaction to Japanese Propaganda in China.

Copy in F.E.  
Division of  
FAR EASTERN AFFAIRS  
NOV 8 - 1933

Department of State

793.94

F/ESP

The Honorable  
Nelson Trusler Johnson,  
American Minister,  
Peiping.

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

Sir:

1/

I have the honor to enclose herewith a translation of an article published in the SIN TAN PAC on July 26, 1933, entitled, "Alas for Japanese propaganda - Activities of Various Powers in China - Statements are wild guesses; The Japanese cherish deep envy and destructive intentions".

The alleged news supplied by the RENGO NEWS AGENCY to the Chinese press, as set forth in the translated article, seems to be, as the Chinese headline writer indicated, "wild guesses". All the principal nations of the world are depicted as feverishly active in developing their respective economic interests in China, to the presumed detriment of Japan.

The interest in the article lies mainly in the Chinese headlines, which imply that the Chinese news-

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paper

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

- 2 -

paper which published the article, a large and influential journal, disbelieved the reports of the Japanese Agency and regarded them as inspired by "deep envy and destructive intentions".

Very respectfully yours,

Willys R. Peck,  
Counselor of Legation.

/

Enclosure:

1/ As stated

In quadruplicate to the Legation  
Single copy to the American Embassy, Tokyo.

WRP:MM

A true copy of  
the signed original.

*Willys R. Peck*

(Translation of clipping from SIN WAN PAO, July 26, 1933.)

Alas for Japanese propaganda

ACTIVITIES OF VARIOUS POWERS IN CHINA

Statements are wild guesses;  
The Japanese cherish deep envy  
and destructive intentions.

RENGO NEWS AGENCY

Tokyo. - Since the occurrence of the Manchurian incident, China has been engaging in the boycott of Japanese goods and attempting to oust Japanese influence at many places. Great Britain, the United States, and other Powers have taken this opportunity to expand their sphere of influence. Intelligence reports received from most reliable sources are as follows:

U.S.A. - (1) The United States is developing its influence in the Yangtze Valley with the China National Aviation Corporation, organized by Chinese and American interests, as a center of its activities. Regular aerial routes in all directions have been established in Chinese territory, viz., (a) from Shanghai to Chengtu via Hankow, Ichang and Chungking, (b) from Hankow to Kwangtung, and (c) from Hankow to Tsingtao; and airplanes manufactured in America are used for passenger and goods traffic.

(2) In Fukien, the United States is planning to obtain the right to construct the Changchow-Langyen Railway. Japan is paying serious attention to the activities of the United States in Fukien, situated opposite to the coast of Formosa.

(3) Of the Sino-American cotton and wheat loan of \$50,000,000, \$10,000,000 will be used for the purchase of airplanes.

(4) Very recently, China purchased 36 American war planes which cost \$8,000,000. The National Aviation Association paid \$800,000, and the Canton Government paid for the balance.

(5) The Nanking Government has purchased old style munitions from the U. S. Army at Manila.

Tokyo.

0951

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

- 2 -

Tokyo, July 25 - The Japanese Foreign Office has received a report from the Acting Consul at Amoy, Fukien, that Li Ching-chuen, Ling Yung-seng and Ling Ting-jen, Members of the Changchow-Lungyen Railway Preparatory Committee, have recently held discussions with the Nanking Government. They decided to borrow 300,000 pounds from the Boxer Indemnity of 500,000 pounds. The Committee met on July 15, and measures were formulated regarding subscription of stocks. Subsequently, Li Ching-chuen went to Manila with a view to borrowing American capital. Mr. Li will return to China in the middle of August.

Information from a certain source is to the effect that the Committee desires to purchase rails, sleepers, machines and vehicles from England, and, when necessary, to employ British engineers.

The Japanese Government concluded with the Manchus regime on April 22, 31st year of Meiji, a treaty in which the latter agreed not to cede the Fukien province to foreign countries. As Fukien is situated opposite to the coast of Formosa, the Japanese Government considers the above plan contrary to the spirit of the treaty, and supervises the attitude of the Chinese Government in the matter. - Kengo

Great Britain - (1) Great Britain has restored its influence in the Yangtze Valley since the occurrence of the Manchurian incident. (2) It loans China \$15,000,000 for development of oil wells in Szechuan. (3) After the arrival of T. V. Soong in England, a loan agreement of 5,000,000 pounds will be concluded. (4) 13 airplanes will be sold to China.

Germany - (1) Germany has sent 73 military advisers to the Nanking Government, and sold to it munitions of all kinds. (2) Germany has obtained rights to construct a railway from Siberia to Shanghai via Kokonor and places along the Yangtze River. (3) The Ministry of Industries of the Chinese Government will sign an agreement with the Hoffman Company, a German firm, for an iron plant with a capital of \$20,000,000.

Czechoslovakia - Most of munitions purchased by China from abroad have been from Czechoslovakia. They are cheap and good. Such munitions are mostly manufactured by the Skoda arsenal.

Italy - Very recently, China purchased a total of 70 airplanes from Italy. Italy accords courtesies to Marshal Chang Hsueh-liang in order to sell large quantities of arms.

Tokyo, July 25 - T. V. Soong, who has visited

European

- 3 -

European countries, has concluded a loan agreement of 3,000,000 lire with Italy for the purchase of munitions. It is said that T. V. Soong used part of the loan to order 18 naval planes of the same kind as those which flew across the Atlantic, and more than 10 army planes. However, the Italian authorities denied this loan.

Japanese Foreign Office has made it clear to foreign Powers that it regrets very much their conclusion of loan agreements with China which loans help China in anti-Japanese activities, and that it is paying serious attention to the uses of such loans. - Hengo.

France - France has sold a certain quantity of airplanes and machine guns to China.

Russia - (1) Certain number of Russians are working in Fong Yu-hsiang's headquarters in connection with formulation of military plans. There is a Russian engineer in the Taiyuan arsenal. (2) After the sale of the Chinese Eastern Railway, Russia will no longer be active in North Manchuria. It now plans to establish commercial agencies at Tsingtao, Tsinan, Chefoo and Shanghai.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 11, 1933.

~~JEJ:~~

~~EHD:~~

~~ECM:~~

~~SWH:~~

*is Salisbury's first despatch from Peiping  
and I suggest that you read it*  
Peiping's despatch No. 2317 under  
date October 7, 1933, in regard to  
military activities in the demilitarized  
zone and Sino-Japanese relations con-  
tains a good summary on pages 1 and 2.

The more important information con-  
tained in the despatch was transmitted  
to the Department in the Legation's  
telegrams of September 23, 4 p.m., and  
September 26, 5 p.m., copies of which  
are attached to the file.

This appears to be the first des-  
patch written by Mr. Salisbury after  
his arrival at the Legation. The infor-  
mation contained in the despatch is  
well-organized and gives a good picture  
of recent events in north China.

*ETW*  
ETW/VDM

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



LEGATION OF THE  
UNITED STATES OF AMERICA

*JE*

No. 2317

Peiping, October 7, 1933.

Subject: Military Activities in the Demilitarized  
Zone and Sino-Japanese Relations.

Strictly Confidential

793.94



NOV 6 1933

*Copied by*  
Division of  
FAR EASTERN AFFAIRS  
NOV 6 - 1933  
Department of State  
*new file*  
*AD*

F/ESP

793.94/6507

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

Sir:

I have the honor, with reference to the Legation's  
telegrams Nos. 764/<sup>1480</sup> of September 23, 4 p.m., and No. 771/<sup>1481</sup>  
of September 26, 5 p.m., to report further with regard  
to recent military activities in the demilitarized zone  
and to discuss the possible significance of these ac-  
tivities in Sino-Japanese relations.

Summary: 2,000 Chinese irregulars entered the  
armistice zone from Chahar and marched toward Peiping.  
The Japanese refused the request of Chinese officials  
to send troops into the zone to meet them. Fighting  
is now in progress on the south border of the zone,  
the Chinese Government troops being aided by Japanese  
bombing

*1481*  
*1480*

- 2 -

bombing planes. More serious than this disturbance is the increasingly grave plundering by 20,000 bandits in the area northeast of the Luan River. After two unsuccessful attempts to send special police into this area, Chinese officials have reportedly obtained Japanese permission to despatch them. The attitude of the Japanese military has led many observers to believe that they are instigators of the disorders, possibly intending to adopt a policy of control of North China by such means. One theory is that the Japanese instigated the disorders to induce the adoption by Manking leaders of a policy of conciliation toward Japan. At least, these disorders show that the Tangku Agreement is prejudicial to China's interests because it lacks provision for suppression of marauders in the armistice area and because China's sovereignty in that area has thereby been seriously curtailed.

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The disturbances have been confined to two areas. The less serious of these menaces to the peace of North China began with the incursion from Chahar of troops, estimated by Chinese officials at 2,000, under the leadership of Generals Fang Chen-wu and Ch'i Hung-chang, two of several dissatisfied commanders whom General Feng Yu-hsiang left behind in Chahar when he went into retirement in Shantung in August of this year. The avowed intention of these generals is to take Peiping and to drive Chiang Kai-shek from power. Due to the existence of the Tangku Agreement of May 31, 1933, Chinese Gov-

ernment

- 3 -

1-2/

ernment forces were unable to take action against them until they had emerged to the south of the demilitarized zone. Prior to their emergence, the Japanese military issued warnings that unless Fang withdrew "to the area south of the line" by September 26th the Japanese would take military action, twice dropping leaflets to this effect from airplanes flying over Peiping. (Copies in translation of these leaflets are enclosed.) On the 26th Chinese Government troops, under the command of General Wan Fu-lin, former Manchurian warlord, went into action, reportedly aided by Japanese bombing planes, against a part of the insurgents at Kaoliying which is 20 miles north of Peiping and on the southern boundary of the truce area. The insurgents then began to retreat in a northerly direction, the Chinese regulars being unable to pursue them to complete the rout because of the Tangku Agreement. According to present reports, some of the insurgents have returned to the vicinity of Kaoliying and are now fighting there against Government troops, the latter again assisted by Japanese bombing planes. Observers do not believe, however, that these irregulars constitute any real threat to the safety of Peiping or to the position of Chiang Kai-shek.

Concurrently with the activities above described, banditry of serious proportions developed in the area northeast of the Luan River, the marauders acting in various groups and numbering in all, according to an official Chinese source, approximately 20,000. It

is

- 4 -

is reported that they have already occupied and pillaged Funingsien and Lulunghsien, as well as a number of villages; and it would seem that the situation in that area is becoming increasingly grave.

In both instances, the inability of the Chinese authorities to send forces into the demilitarized zone, by virtue of the Tangku Agreement, has severely handicapped their efforts to act effectively. Following the invasion of the demilitarized zone by Fang's and Ch'i's men, the Chinese authorities requested and were refused Japanese permission to despatch troops into the zone. To check the spread of banditry in the Luan River area, the Chinese twice despatched from Tientsin a body of 1,500 special police, but these were turned back by the Japanese military on the grounds that the force carried more military equipment than was proper for special police and that it really comprised regular soldiers clothed as police. According to recent reports, however, the Japanese and Chinese authorities have now reached an understanding, the terms of which are not yet known, whereby this force will be allowed to enter the Luan River area.

This attitude on the part of the Japanese has given wide credence to the belief that the Japanese military were not averse to the occurrence of the disorders and may have actually been the instigators for purposes which are still a matter of speculation. The Chinese assert that many of the bandits now active in the Luan River area entered from Manchuria, and with regard to the forces under Fang and Ch'i there would seem to be no

question

- 5 -

question that the Japanese were aware of their movement from Chahar into the demilitarized zone. In reference to this latter point, a Japanese official recently said that, although Chahar is outside the limits of the truce area, an attempt to stop them from leaving Chahar would have been "a violation in spirit" of the Tangku Agreement and that the Japanese thought it better to let Chinese Government forces eventually deal with the insurgents south of the zone.

The Legation has no information which can be regarded as proof of Japanese complicity in either disturbance. If, however, the Japanese were involved, it would seem that they may have evolved a policy for the extension of their control in North China by means of instigation of disorders rather than by military action on their own part. If such a policy is being initiated it may very well prove as effective as direct action without incurring the opprobrium which would attach to the other course; and we may expect to see a periodic recurrence of such disorders.

An interesting theory has been advanced that these disorders were instigated by the Japanese in connection with the recent visit made by General Huang Fu, Chairman of the Peiping Political Readjustment Council, to leaders of the Nanking Government. As the Department knows, Huang Fu was in large measure responsible for the conclusion of the Tangku Agreement and is in favor of a policy of conciliation toward Japan. Although he left Peiping early in August, he did not return until October 4th, after the above described disorders had been in progress for some time. A number of reasons

have

- 6 -

have been advanced for the cause of his delay in returning. Although upon his return he informed the press that he had arranged that the Nanking Government assume financial responsibility for the reorganization and rehabilitation of the North, including the upkeep of the troops in the North, it is within the realm of possibility that, in addition to the financial arrangements, Huang Fu was also attempting to persuade the Nanking group of the necessity of a conciliatory policy toward Japan. It will be recalled that the Director of the Department of International Affairs of the Foreign Office at Nanking stated on September 28th to Mr. Peck that Huang Fu was dissatisfied because he was not given a free hand in dealing with the Japanese (Nanking's strictly confidential despatch to the Legation of September 30, 1933, copies of which were sent to the Department without covering despatch). If Huang Fu was experiencing such difficulties, nothing would have been more persuasive to Nanking than the outbreak of disturbances in the truce zone which, as the Chinese forces could not act effectively, would give the Japanese an excuse for a military return into that area. The disturbances might appear especially alarming to Nanking for the reason that there seems to have been grave danger of a part of the discontented Northeastern militarists in North China turning over to the side of Fang and Ch'i.

Although the foregoing theory is speculative, yet there is increasing evidence that a conciliatory attitude is being adopted. It is especially evident in North China. Huang Fu has succeeded, for example, in

recently

3960

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

- 7 -

recently removing Pao Yu-lin from the position of Director of the Bureau of Public Safety in Peiping, in disregard of opposition advanced by the Northeastern militarists of whom Pao was a supporter, and replacing him with Yu Chin-ho who was educated in Japan and whose viewpoint is supposedly the same as Huang Fu's. According to the press two special administrators for the Luan River area, who have just been appointed, were both educated in Japan, while the new mayor of Peiping, Yuan Liang, was also educated there. Furthermore, in Peiping at least, the newspapers no longer refer to the Japanese with derogatory euphemisms; in the motion-picture theaters anti-Japanese sentiments are no longer cast on the screen; the anti-Japanese societies in Peiping have been closed; and no more anti-Japanese posters appear in the streets. Evidences of a turn toward a similar policy on the part of Nanking are the departure, already reported, of the Foreign Minister, Dr. Lo Wen-kan, for Sinkiang and the administration of his office by Mr. Wang Ching-wei; the recent withdrawal by the Nanking Government of elementary school text books which contained propaganda directed toward foreign nations; the statement to Mr. Peck by the Nanking official above referred to that "the Foreign Office policy is now to be friendly with the Japanese in small matters", the example being cited that "officials of the Foreign Office are now accepting social invitations from the Japanese."

In this connection it may be pertinent to mention that there has been noticeable during recent months an increasing apathy on the part of the Chinese people in

North

- 8 -

North China with regard to Sino-Japanese issues. The adoption of a policy conciliatory toward Japan would not receive, therefore, the opposition from the people which it would have met a few months ago.

Whether or not, however, there may be any basis in fact for the theory that the visit of Huang Fu to the leaders of the Nanking Government and the disorders in North China have a mutual significance in which the Japanese play an important role, these disorders show conclusively that the Tangku Agreement is prejudicial to the interests of China by failure to include provision for the suppression of marauders in the armistice area and that because of that agreement Chinese sovereignty in the neutral zone has been seriously curtailed.

Respectfully yours,

*Nelson Trusler Johnson*

Nelson Trusler Johnson.

2 ✓  
Enclosures:

Copies, in translation, of  
two leaflets, as stated.

Copy to American Embassy, Tokyo.

800

LES-SC

4 Carbon Copies

Received *[Signature]*

3 copies destroyed

11-17-33 *[Signature]*

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

Enclosure No. 1  
Serial No. 2317

(Copy of translation of leaflet dropped by Japanese military planes flying over Peiping September 26, 1933, as it appeared in the PEIPING CHRONICLE, September 27, 1933.)

"NO DESIRE TO INTERFERE

"It is learned that a Chinese named Fang Chen-wu, who harbours ulterior designs, has led a large army into the area which Chinese regular troops are forbidden to enter by the Tangku Armistice Agreement, and is causing a great deal of suffering to the local populace. While I, the commander-in-chief of the Great Japanese Army, have no desire to interfere with the internal strife of the Chinese people, I have demanded out of respect for the terms of the Armistice that Fang Chen-wu's troops evacuate the demilitarized area. If Fang's troops refuse to withdraw at the expiration of the stipulated period, I shall not hesitate to launch a punitive expedition, for which preparations have already been made.

"The Japanese army has no doubt that Chinese troops want to launch a punitive expedition against Fang Chen-wu who is plotting against the National Government. Because Fang's troops are within the area north of the armistice line, my Great Japanese Army is willing to undertake the task of expelling them from the territory. This arrangement is not only in conformity with the terms of the armistice agreement but has not the slightest ulterior motive behind it. This point I wish to emphasize here most solemnly.

"HEART FILLED WITH SADNESS

"However, once my troops come into conflict with Fang's troops, it is inevitable that the local populace will suffer some hardships. Whenever I think of this, my heart is filled with sadness. If the local officials and people can unite in expelling Fang's troops out of the demilitarized zone, it will be a great blessing, as Miyun, where there is a small Japanese force, can thus be saved from misfortune. You should know that my troops can move very rapidly as we have many motor cars for military transportation and that things can be done in the twinkling of an eye."

(Copied and compared  
by SC)

096

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

Enclosure No. 2  
Dispatch No. 2317

Translation of a handbill dropped by a Japanese airplane at Peiping on the morning of September 23, 1933. (Found on Morrison Street).

(Trans. PNM)

WARNING TO THE TROOPS OF FANG CHEN-WU AND THEIR ALLIED ARMIES.

On May 31st of the 8th year of Chao-Ho the Kwantung Army and the Peiping Branch Military Council of the National Government negotiated a truce, and at that time the two parties signed an agreement whereby Chinese military units are not permitted to advance to Yenking, Changping, Kaoliying, Shunyi, Tungchow, Siangho, Paoti, Lintingchen, Ningho, Lutai and the area north of the line.

Nevertheless, the allied army now commanded by General Fang Chen-wu, Commander of an Army, are active in the area north of the said line. Irrespective of what the reason may be, the Kwantung Army can by no means tolerate such activities. General Fang must immediately begin to withdraw his troops to the area south of the line mentioned in the agreement. His troops should be completely withdrawn by the evening of September 26th. On and after the 27th not a single soldier will be allowed to remain there. This is a special solemn demand. If his troops are not completely withdrawn upon the expiration of that time, the Kwantung Army will at once launch a campaign and will stage a decisive punitive expedition against them. An earnest declaration.

0964  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

-2-

declaration.

Commander of the Great Japanese Army.

September 22nd of the 8th year of Chao-Ho.

PWM:T

(A true copy: *CHL*)

DECLASSIFIED: E.O. 11652, 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/68 FOR Despatch # D-548.

FROM Nanking (Pack) DATED October 11, 1933.  
TO NAME 1-117 ...

REGARDING:

Japanese Minister to China, Mr. Ariyoshi, paid a short visit to Nanking on September 14 allegedly for the purposes of paying a courtesy call on Mr. Wang Ching-wei, Acting Minister of Foreign Affairs. The press connected it with the current rumors of a rapprochement between the two nations.

hs

793.94 / 6508  
6508

0965  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

**Japanese Minister's Visit to Nanking**

The Japanese Minister to China, Mr. Ariyoshi, paid a short visit to Nanking on September 14 allegedly for the purposes of paying a courtesy call on Mr. Wang Ching-wei, Acting Minister of Foreign Affairs. The press, as is always the case when high Chinese and Japanese officials meet, tried to impart to this visit hidden significance, and connected it with the current rumors of a rapprochement between the two nations. This office learned privately that Mr. Ariyoshi on September 15 actually held a conversation on matters in dispute

between

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

DOCUMENT FILE

NOTE

SEE 893.00.P.R.Tientsin/64 FOR Despatch #414

FROM Tientsin ( Lockhart ) DATED Oct.4,1933.  
NAME 1-1127 ...

REGARDING: Relations between China and Japan: Gives report  
on conditions and incidents affecting -, during  
the month of September,1933.

793.94 / 6509

6509

fp

b. Relations with other countries.

793.94

Although there has appeared in the public press from time to time inspired articles indicating that Shanhaikuan would be returned to the control of the Chinese, that city still remains in the hands of the Japanese military. On September 14 reports were current in Tientsin to the effect that the Japanese intended taking over the Chinese Postal Service at Shanhaikuan and in a large number of surrounding villages on September 15. Later developments, however, established the fact that these rumors grew out of extensive preparations which had been made for the celebration of the second anniversary of the recognition of "Manchukuo".\* While the postal service was not disturbed, it is stated that further restrictions have been imposed upon the small staff of the Chinese Maritime Customs at Shanhaikuan.

On September 20 troops under the command of General Fang Chen-wu, one of the two disgruntled militarists referred to on page thirteen of last month's political and military review, crossed from Jehol and Chahar into the demilitarized zone and occupied Huaiju, a town situated some thirty miles north of Peiping and thirteen miles from Miyun, halfway between Miyun and Shunyi. As the presence of these troops in the demilitarized zone

constituted

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\*Despatch No. 466 of September 20 to the Legation; No. 397 of identical date to the Department.

-4-

constituted a violation of the Tangku Truce, the Japanese Kwantung military authorities delivered an ultimatum to General Fang to evacuate the territory by midnight of September 26. A Japanese aeroplane on September 23 flew over the city of Peiping distributing pamphlets communicating to the Chinese authorities a similar ultimatum.\*\* According to the vernacular press, Fang's forces began to withdraw shortly before the expiration of the ultimatum, but as a further means of persuading Fang to continue his withdrawal a few bombs were dropped from Japanese aeroplanes on Fang's troops, one of the bombs, it appears, having killed, by mistake, a soldier attached to a unit of regular troops. It is understood that the Japanese military authorities offered appropriate apologies to the Chinese authorities and compensation for this mistake. The arrival of a Japanese airplane carrier off Chinwangtao on the evening of September 26 was evidently intended to convey the impression that the Japanese were prepared to enforce the ultimatum by airplane attacks if necessary.

Japanese aeroplanes also flew over Kalgan on or about September 14 dropping pamphlets warning General Sung Cheyuan, Chairman of Chahar Province, to withdraw his troops from Kuyuan which city they had occupied on September 13 after driving out the rebel troops of Chi Hung-ch'ang. The TA KUNG PAO (Chinese) of September 16, 1933, states  
that

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\*\*Despatch No. 470 of September 25 to the Legation; No. 403 of identical date to the Department.

-5-

that the Chinese authorities were of the opinion that this warning had been delivered while the Japanese authorities were under a misapprehension as to the aim of General Sung's troops, and that when the Kwantung Army authorities had been informed that General Sung's troops were merely suppressing Chi Hung-ch'ang's troops, they had intimated that the Chinese authorities would be given free rein to settle the affair.

There have been various and conflicting reports as to the degree of success Chinese emissaries have had in their negotiations with the Japanese and/or "Manchukuo" authorities for permission to dispatch additional special police or troops to the Luantung area for the suppression of bandit activities rampant in that section, but the fact remains that three special trains carrying contingents of 1500 police en route to the Luantung region for bandit suppression work were turned back after reaching Luansien on two different occasions by the Japanese military authorities. While the Japanese offered as an excuse, on the first occasion of the turn-back, that they had received no previous notice of the arrival of the special police and that the police were not authorized to bring with them large field pieces and machine guns, there is some reason to believe that the real objection was that the men composing the special police force were from the 118th Division of Government troops which had been stationed at Yangtsun, west of Tientsin. According to reliable information 1500 soldiers from the 118th Division were

divested

-6-

divested of their regular soldiers uniforms and thereafter clothed with police uniforms and sent to the Luanhsien district. It is most likely that the Japanese objection to this procedure was based on the grounds that it represented a violation, at least in principle, of the Tangku Truce.

Japanese troops from the Tientsin garrison are still active in patrol duty on passenger trains and at railway stations between Tangshan and Shanhaikuan. It is understood that these patrols have recently been substantially strengthened because of the proximity of large bandit armies near the railway zone.

An incident occurred in the course of the month at Tangku between Chinese and Japanese soldiers which had possibilities of leading to a clash, but through the prompt mediation of the higher military authorities on both sides serious trouble was averted (See despatch No. 473 of September 28 to the Legation; No. 410 of September 29 to the Department).

Vernacular newspapers during the past few days have published reports of plans of the Japanese to establish a large aerodrome at Tientsin. Investigations conducted by this office have disclosed that there is some reason to believe that the reports are correct, although the Public Safety Bureau is authority for the statement that a representative of a prominent local Japanese business concern, accompanied by a Japanese military officer, had called on the Chairman of the Provincial Government and informed

-7-

informed him that the reports were without foundation. It is known that a large tract situated about one mile southwest of the Japanese concession is now being cleared apparently for a large construction project of some kind, possibly an airport. The reports now in circulation may have some relation to published statements that the Japanese intend to establish a commercial air-line from Mukden to Dairen, Tientsin, thence to Tsingtao and Shanghai. One Chinese newspaper went so far as to report that the aerodrome would, when completed, accommodate 1,000 airplanes which, incidentally, is about three times the number of airplanes that can be accommodated at Le Bourget, the largest aerodrome in the world. The Consulate General is conducting further investigations and will report promptly any developments of importance.

A recent visit to the Japanese concession leaves one with the impression that business activity in that area has almost been restored to the conditions that obtained previous to the local Sino-Japanese disturbances in November, 1931. Practically all stores on Asahi Road have been reopened and there appeared to be far more business activity than has been observed at any time since the 1931 Sino-Japanese clash. But little is being heard of the Japanese boycott at present and it is believed that relations between local Japanese and Chinese authorities are on a somewhat more friendly basis than was the case some months ago.

With reference to conditions in Mongolia, the following excerpt from a personal letter from an American who has visited that region may be of interest:

"I had

097

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

"I had a very pleasant stay in Chahar, where I spent a few days investigating the Mongol independence movement. The Mongols really appear to mean business, this time. The Japanese occupation of Jehol and the creation of Manchukuo have brought a new factor into the Mongolian situation, which the Mongols expect to turn to their own good. Although they are not particularly anxious to come under Japanese domination, they certainly intend to exploit the Japanese overtures of friendship to the utmost in pressing their demands on the Chinese. The movement appears to have the full support of the Silingol Mongols of eastern Inner Mongolia and the states of western Inner Mongolia. The so-called 'Chahar Mongolia', sandwiched in between the Chinese and their Mongol brethren to the north, are not quite so enthusiastic, for they realize the consequences to themselves, should actual trouble break out. Evidence that Japanese agents have been working among the Mongols is not hard to find."

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

DOCUMENT FILE

NOTE

SEE 893.00/12512 FOR Tel.#844-11am.

FROM China (Gauss) DATED Nov.9,1933.  
//H// NAME 1-1127 \*\*\*

REGARDING:

Sino-Japanese negotiations: Minister Johnson, at Nanking, reports that the Central Political Council became disturbed by possible change in foreign policy which may result from resignation of T.V. Soong, and passed a resolution demanding an immediate report on status of Sino-Japanese negotiations, with result that they directed that conversations between Huang Fu and Okamura be suspended. Resentment has developed against Wang Ching Wei on account of his pro-Japanese orientation in foreign policy.

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72

REP

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

PEIPING

Dated November 9, 1933

Rec'd 12:13 a. m.

Secretary of State,  
Washington.

844, November 9, 11 a. m.

Following from Minister at Nanking:

"November 8, 6 p. m. On November 8 Central Political Council, disturbed by the change in foreign policy which may result from resignation of T. V. Soong, demanded from Administrative Vice Minister of Foreign Affairs Tang Yu Jen full report of progress of Sino-Japanese negotiations. Result was that Central Political Council passed resolution directing Government to despatch instructions to Huang Fu to suspend conversations with Okamura immediately.

Two. Resentment against Wang Ching Wei has developed because of his acquiescence in T. V.'s resignation and his alleged pro-Japanese orientation in foreign policy. H. H. Kung left for Nanchang by plane in order to inform Chiang Kai Shek of developments. Wang's resignation is a possible outcome."

GAUSS

WNC

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

DOCUMENT FILE

NOTE

SEE 893.00 /12513 FOR Tel. #847-11am.

FROM China (Gauss) DATED Nov. 11, 1933.  
NAME 1-1127 \*\*\*  
//H//

793.94/6511

REGARDING: Sino-Japanese negotiations, and policy in regard thereto; Summary of conversations between the Minister, at Nanking; and Wang Ching Wei and Chen Kung Po; Action of the Central Political Council, in this connection.

fp8

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

72

REP

SPECIAL GRAY:

Peiping via N. R.

Dated November 11, 1933

Rec'd 5:47 a.m.

note  
793  
etc.

Secretary of State,  
Washington.

847, November 11, 11 a. m.

My 844, November 9, 11 a. m. Following from the  
Minister at Nanking dated November 10, 3 p. m.:

"I have had conversations with Wang Ching Wei and  
Chen Kung Po. From statements made by them and others  
situation appears to be as follows:

Central Political Council became excited over rumors  
of settlements either contemplated or arrived at between  
Huang Fu and Okamura at Peiping and forced Wang Ching Wei  
and Chiang Kai Shek to reaffirm policy of avoidance of  
trouble and no (repeat no) negotiations capable of  
interpretation as recognition of Japanese position in  
Manchuria. Wang Ching Wei stated that Government  
intended to pursue discussions with extreme caution.  
Chen Kung Po stated that no settlements could be reached  
until a commission already appointed, consisting of  
Communications, Foreign Affairs, Railways and Finance,  
had come into existence and could consider and approve  
settlements.

893.00

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3978  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

REP

2-#847, From Peiping, Nov. 11, 11a.m.

settlements.

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aggressor

I infer that Chinese leaders are convinced that hostilities between Japan and Soviet Russia are inevitable in the near future and are confronted with the question of China's conduct in the presence of such hostilities, which they realize must be conducted or at least based on Chinese soil. They realize that China stands to lose whatever the outcome and must find some method to reduce their loss. It would appear that they intend to prolong discussions with the Japanese avoiding settlements in the hope that hostilities will still find questions unsettled and no commitments made. I am informed that Sino-Soviet negotiations regarding non-aggression agreement are deadlocked over insistence of Chinese upon a clause committing Soviet Russia to non-recognition of Manchukuo. Soviets are insisting on elimination of such clause."

GAUSS

HPD

CSE

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

DOCUMENT FILE

NOTE

SEE 893.00/12516 FOR Tel. # 854, 10 am.

FROM China (Gauss) DATED Nov. 15, 1933  
TO NAME 1-1127 \*\*\*

6512

793.94/ 6512

REGARDING:

Tacit understanding reported to have been reached between the Kiangsi communists and the Nineteenth Route Army not to molest each other on the ground that both are opposed to Chiang Kai Shek's policy towards Japan.

hs

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

78

REP

GRAY

Peiping via N. R.

Dated November 15, 1933

Rec'd 2:30 a. m.

Secretary of State,  
Washington.

854, November 15, 10 a. m.

Following from Foochow:

"November 14, noon. Generals Chen Ming Shu, Chiang Kuang Nai and Tsai Ting Kai are in Foochow. A Provincial Government source close to those in authority states that Generals Tai Chi and Weng Chao Yuan will soon arrive here. The same source states that a conference is to be held to determine the Nineteenth Route Army's policy vis a vis General Chiang Kai Shek. The same source states that a tacit understanding has been reached between the Kiangsi communists and the Nineteenth Route Army not to molest one another on the ground that both are opposed to Chiang Kai Shek's policy towards Japan."

Note  
793.94

893.00/12516

For the Minister

GAUSS

RR  
WSB  
HPD

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

DEPARTMENT OF STATE  
THE UNDERSECRETARY

January 30, 1934.

FE

Mr. Hornbeck:

This is an unusual despatch, which I have read with intense interest. It seems to me that some form of commendation would be in order -- perhaps a letter from the Secretary. Has this been done?



*Instruction sent to  
Peking Feb. 6, 1934*

*[Signature]*

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

January 29, 1934.

Mr. Phillips,

There is attached herewith a report from the Legation at Peiping dated October 13, 1933, in which Mr. Johnson analyzes "the conflicting problems and interests of the peoples" of the Orient. Officers of the Division consider this series of sketches as unusually stimulating and I am accordingly led to suggest that you look them over. Among the most timely, I would indicate those entitled:

- (2) The Chinese Mind
- (3) The Japanese Mind
- (4) The American Mind
- (10) China's Policy in its International Relations
- (11) British Policy toward China
- (12) American Policy in Asia
- (13) Russia
- (14) Japan
- (15) Japanese Foreign Policy in Asia
- (16) The League of Nations and China

In connection with this report, reference may be made to despatch No. 608 of December 12, 1933, from the Embassy at Tokyo, in which Mr. Grew reports upon and

discusses

598  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

discusses the views recently expressed to him by the Netherlands Minister upon the likelihood of war between Japan and the United States. Mr. Johnson's report, it seems to me, affords a background upon which Mr. Grew's despatch may be read with greater profit.

SKH

MDF:EJL

0984  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 6, 1934.

SKH:

I have greatly enjoyed reading the series of treatises on Far Eastern political philosophy which Mr. Johnson transmitted with his despatch No. 2345, and, with my background of nearly twenty years' experience of the Orient, I can find very few points (and those of very minor significance) on which I am inclined to disagree with Mr. Johnson. As an example of a minor disagreement, I might cite Mr. Johnson's paragraph in his treatise on "The Japanese Mind":

"The Japanese mind is a mind of action rather than words, a mind that appears to find it difficult to explain itself by the use of words."

The Japanese, in my opinion, find no difficulty, among themselves, in explaining their thoughts by the use of words, and they are very much inclined to so explain their thoughts. The Japanese probably have as many words in their systems, and are as anxious to get them out, as any people in the world. Japanese workmen can seldom do anything without first having a "sodan" (conference); Japanese students, businessmen, lawyers, etc. love to make speeches and do make speeches on every possible occasion. What Mr. Johnson probably refers to here is the difficulty which Japanese find in explaining their thoughts to us. This

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

characteristic is not due to any lack of facility in the use of words but to the same trait which Mr. Johnson ascribes only to the Chinese: "It is an intuitive mind, reaching its calculations by intuitive rather than logical methods". The absence of logic in Japanese effusions, such as those of General Araki, often make them seem like nonsense to us, while to Japanese they seem entirely reasonable. The difference in thought processes, rather than any difficulty in expressing themselves in words, is the cause of the Japanese inability to explain their thoughts to us.

In his treatise on "Japanese Foreign Policy in Asia", Mr. Johnson is inclined to base the present Japanese policy and action on the teachings of Yoshida Shoin, who some sixty or seventy years ago advocated the building up of a Japanese Empire which would include Formosa, Korea, Manchuria and Siberia. While Yoshida's policy is undoubtedly that upon which the Japanese many years ago founded their activities in the Orient, it seems to me that present Japanese policy has gone far beyond anything visualized by Yoshida. The present tendency of Japanese policy in the Far East (whether it is called an "Asiatic Monroe Doctrine", a "League of Asiatic Nations", "Back to Asia", "Asia

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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

for the Asiatics", or "Pan-Asianism")  
contemplates the control of all of the  
Far East by Japan. It is this policy,  
rather than the comparatively innocuous  
one of building up a Japanese Empire in  
Northeastern Asia, which calls for the  
serious attention of Western nations.

*Ward*  
ERD

0987  
DECLASSIFIED: E.O. 11652, 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

December 28, 1933.

S.E.H.

The Minister's analyses " of the conflicting problems and interests of the peoples involved" may be likened to a collection of water color sketches. To those of us in FE, they are stimulating rather than essentially instructive. I do not think their value lies in the information imparted, or in the soundness of the views expressed, or in the accuracy of the theories advanced. Taken as a whole, the sketches are worth more than the total of the values that might be given to each of them. They should incite us to closer thinking of our own concerning the various matters which the Minister has discussed.

M.F.P.  
*[Signature]*

0988

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

*I am holding  
one copy for  
reference only*

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

December 15, 1933.

SJT:

SKH:

Mr. Johnson's despatch No. 2345 of October 13, 1933, is an unusual despatch. It is original in conception and it affords interesting reading, almost every line being provocative of thought and speculation.

Mr. Johnson's observations on the Japanese indicate that he has read very widely and intelligently about that very interesting people. I am reminded, however, of a Japanese aphorism which runs "One experience is equal to ten thousand words". My experiences during more than thirty years' residence in Japan have taught me the dangers of generalizing or dogmatizing about the Japanese mentality or temperament, and for this reason I admire Mr. Johnson's courage in venturing into what I consider to be an uncharted sea.

There are many statements made by Mr. Johnson which I believe are both new with him and accurate. There are, however, other statements - some of them categorical - which need qualification or correction.

Recent archaeological research points definitely to the existence of an aboriginal

people

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

people who preceded the Ainu. Beyond the fact that they existed in caves, nothing is known of these people. They were displaced by the Ainu, who were in their turn displaced by the Japanese.

Any theory, such as those outlined by Mr. Johnson, which supposes the Japanese to be a homogeneous race must be rejected by the evidences in the way of variations offered by the Japanese themselves; and these evidences are superior to certain obvious affinities with the Malay people which are the main foundations for the theory of Murdock, Holtom and a few others that the Japanese are of Indonesian origin.

Max Muller once remarked that the greatest danger to the philologist and ethnologist is the temptation to base theories of racial and language affinities ~~for~~ resemblances in words. The theory that the Japanese people are uniformly of Indonesian origin was based not entirely on word resemblances, but on resemblances of social habits, customs and usages, as well. However, the more recent studies of Ramstedt in comparisons between the Japanese language and Turanian languages indicate that Japanese shares with the Turanian the uncommon characteristic of being agglunative, while Nakagawa and other Japanese have found many more resemblances in point of customs and

social

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 3 -

social usages between the Japanese and the Khirghiz and other Turanian tribes than between the Japanese and the Malays, Koreans or any other people. In view of the evidence now available, the most favored theory is that the Japanese are an admixture of races, the dominant element - not necessarily in point of number - giving the mixture its own language. It is also believed by Japanese scholars that the dominant element were comparatively late in arriving, as the story of the gods descending from the heavens has been rationalized as indicating the appearance of those who conquered the inhabitants in boats over the horizon - which is, of course, the line where the earth and sky meet.

Mr. Johnson is entirely correct in characterizing the Japanese as extraordinarily pertinacious. He has, however, given only one side of the picture in his example of the Christian persecutions. There is the other side - of the fidelity of the Christian martyrs which is not surpassed in the history of the Church.

Mr. Johnson is in error in stating that the "Japanese have always believed in the aristocracy of blood". If there is one peculiarity of the Japanese, it is that they

do

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 4 -

do not (with the notable exception of the Imperial Family) believe in distinctions arising from birth. Japanese history is replete with instances of peasants rising to positions of influence as feudal barons, while today the upper strata of Japanese society have large numbers who are of humble origin. General Baron Tanaka was the son of a peasant, Baron Den was once a policeman, and Hamaguchi was the son of a land-owning farmer. Forty per cent of the officers of the Japanese Army are sons of farmers. Mr. Johnson has apparently confused occupation castes, which indeed exist, with birth castes, which do not exist.

To analyze the Japanese mind with Western reagents will not bring forth correct results. Standards of morality evolve gradually from the experiences of a race or civilization. The order of importance in which personal virtues are arranged in one place or age is not absolute: it may be rearranged in another age or it may be rejected by another race. We today consider fidelity to the given word as the highest virtue of a man or of a people: the Japanese consider loyalty to a master who is also a friend as the highest personal virtue; the Japanese then emphasize filial piety, while we place that virtue lower in the list, and so on

through

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 5 -

through the scale. Until these variations  
are learned through experience, no one can  
hope to understand the Japanese.

*LWD*  
EHD/REK

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

~~RCM:~~  
~~SJP:~~  
~~SKH:~~

I suggest that  
you read Wailes' sum-  
mary & then take off a  
copy of the Minister's  
Despatch for reading  
at leisure - J.G.F.

0992

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 14, 1933.

~~SECRET~~

EHD:

~~ROM:~~

SKR:

Peiping's despatch No. 2345 under date October 13, 1933, with enclosures, sets forth Minister Johnson's views on the conflicting problems and interests of the people in the Far East.

The covering despatch points out (a) that the four groups of people in the Far East (Japanese, Russian, Chinese and American) all see their several interests from a different viewpoint and with different ideals; (b) that the western doctrine of idealism as exemplified by Wilsonian national self-determination, the Nine Power Treaty, etc. is opposed to the Eastern realism of "might makes right", the doctrine now employed by Japan; and (c) that China with its potential markets threatens to become the field where western idealism must accept or refuse the challenge of "the realism of the Orient."

Enclosure No. 1: Announcement of Chung Hui. (This is the only enclosure not written by Mr. Johnson.) A doctrine expounded in the Shang Dynasty (1766-1122 B.C.)

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 3 -

ancient social order.

Enclosure No. 4: The American Mind.  
Mr. Johnson points out that the characteristics of Americans are closely connected with the recent pioneer days, i.e., the American is resourceful, inventive, sympathetic, and willing to help those in need provided such help does not involve entangling alliances or burdens. The American has a complex mind because pioneer characteristics are superimposed on the mythology, ethics, hero worship and traditions of our forefathers (the Jews, Romans, Franks, Norse and Germanic people). The American mind is the mind of a nomad, not bound by ties of home, but adaptable to new surroundings.

Enclosure No. 5: China and World Peace.  
This enclosure describes the opening up of China to foreign trade, British, American, Russian and finally Japanese. It states that due to China's vast extent, large illiterate population, over-confidence of its weak rulers, and trusting too much to a policy of playing one foreigner against another, China has become the danger spot of the world today.

Enclosure No. 6: Chinese Attitude  
toward Government and  
its Functions.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 4 -

Mr. Johnson points out that the basis of Chinese society is the family or clan. Villages grew up for protection purposes and guilds to foster trade. Until recently political discussions were left to the scholars and consequently political thought originated from above and not from the plane of the common people as is the case with most Anglo-Saxon political writings. As the people felt no personal responsibility for the maintenance of the administration, the systems of farming out taxes, granting political jobs to large numbers of relatives, and feudal warlords grew up.

Enclosure No. 7: Character of the Chinese Government Prior to the Revolution.

This enclosure characterizes the Government of China prior to the Revolution as being a government of scholar philosophers with the common people taking no part unless an individual officer became unbearable and the people were forced to take the only method of relief open to them, mob violence. Law was by decree imposed on the people by officials who were often open to bribery by the wealthy. The scholar form of government had no trouble keeping alive the fine ancient civilization built by the classic scholars as long as

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 5 -

China remained isolated and her relations were with only inferior civilizations.

Enclosure No. 8: Effect of the Revolution upon China.

Mr. Johnson states that since the Revolution there are three important classes of society to be considered: (a) the modern scholars on whose shoulders the Government of the Republic largely rests and who, through lack of practical training and background, are poorly fitted for their task; (b) the military who have always been at the bottom of the social ladder and who now revel in their new found strength; and (c) the peasants who constitute 95% of the population and who desire only to be left alone and not to be bothered by the new Government's attempts to nationalize and unify law, taxes, land measurements, etc. Mr. Johnson feels that the present chaos must continue until some way has been found to bring these three groups into one camp.

Enclosure No. 9: Nationalism in China.

Mr. Johnson states that there is no word in the Chinese language that adequately expresses the foreign word "nation". He gives a brief history of the growth of nationalism from the Boxer Rebellion to the present day touching on the Revolution,

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 6 -

Yuan Shih-Kai, Sun Yat-sen and the Canton group, Russian assistance and propaganda, the Kuomintang and the fact that Chinese nationalism finding domestic stability too difficult to achieve sought to save itself through the popularity of anti-foreignism with results disastrous to China.

Enclosure No. 10: China's Policy in its International Relations.

This section divides China's foreign policy into three periods, i.e., (a) prior to the First Opium War, a policy of aloofness and of treating foreigners as barbarians, (b) from 1842 to 1927, China was forced to enter into a number of treaties and enter into relations with foreign countries, and (c) in 1927 with the establishment of the Government at Nanking, a positive policy grew up based on a desire to get rid of all the old treaties and privileges granted to foreigners. Throughout these three periods China has played one foreign nation against another. In the past this policy was applied by a strong China against weak outsiders, but in recent years it has been the other way around with the conviction on the part of China that the stronger nations are such jealous competitors for China's market that they will not permit one of their number to take advantage of China.

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 7 -

Enclosure No. 11: British Policy Toward China.

This enclosure describes the growth of British trade in China including the opium trade and points out the differences between Great Britain's policy toward China and the British policy used in India. The French policy of "spheres of interest" is mentioned as opposed to the British policy of not excluding other nationalities. Great Britain's position in India is emphasized as a controlling factor in British policy toward China.

Enclosure No. 12: American Policy in Asia.  
Mr. Johnson discusses the early American "clipper ship" trade with China, the development of the "open door" policy, the growth of American Protestant missionary enterprises in China, and the acquisitive side of American foreign policy as seen in the acquisition of the Philippines. He concludes by pointing out that the cooperation between the altruistic side of the American spirit and the acquisitive side brought about the Washington Conference and subsequent treaties and pacts.

Enclosure No. 13: Russia.

This enclosure gives a history of Russian penetration eastward under the Empire and again in 1925-26 and '29 under the Communist régime.

Enclosure No. 14: Japan.

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 8 -

Mr. Johnson discusses the origin of the Japanese, Chinese influence on Japan, the opening of Japan to foreign trade, the nationalization and Westernization of Japan, and Japanese aspirations on the mainland of Asia.

Enclosure No. 15: Japanese Foreign Policy in Asia.

This enclosure discusses the growth of Imperialism in Japan, the extension of political control into spheres of influence on the mainland, the need for foreign markets for Japanese goods, Japan in the World War and the Siberian Expedition, the Washington Arms Conference and the growth of militarism. Mr. Johnson concludes by stating that Japan under army leadership aims to become the leader of Asia and the mentor of China.

Enclosure No. 16: The League of Nations and China.

In this section Mr. Johnson discusses the "twenty-one demands", China's entry into the World War and her disappointment with the Treaty of Versailles, China's entering the League, the growth of nationalism from 1923 to 1927 under Soviet tutelage, the occupation of Manchuria, and, finally, China's reliance on the League in the Sino-Japanese affair. Mr. Johnson concludes by discussing the League's readiness to furnish aid to the Chinese plan for reconstruction. He points out that the

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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

- 9 -

Chinese revolution is still incomplete and  
that "it is doubtful whether any government  
to whose aid the League may come will be  
sufficiently stabilized in China to make good  
that aid, and by its success justify the  
League's hopes."

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ETW/VDM

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



LEGATION OF THE  
UNITED STATES OF AMERICA

Peiping, October 13, 1933.

No. 2345



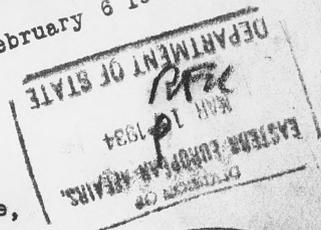
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Subject: Far Eastern Situation and Peoples involved.



*Handwritten notes: 'copy to Dept. Feb. 12, 1934', 'Just. to Peiping Feb 6, 1934'*

February 6 1934



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F/H/S  
793.94/6513

The Honorable  
The Secretary of State,  
Washington.



Sir:

Recent events in Asia, precipitated by the movement of the Japanese into northeast China, have directed the eyes of the world to the problem now set in train. The Western world must sooner or later adjust itself to the conditions which this turn of events will bring about. The interests of the United States, Russia, Great Britain and France will be eventually affected.

Unlike similar situations involving Europe alone, the peoples here are of varying racial and cultural backgrounds. No four groups of people could be more diversely originated than the Japanese, the Russian, the Chinese, and the American. All see their several interests from a different viewpoint and with different ideals.

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In contacts between groups of people, right is usually claimed by the strong. The vast populations of Russia and especially China at the present time are weak and offer themselves as a prey to the strong. The old rule of conduct in such a situation is clearly set down by Chung Hui, the Counselor of Emperor Tang, the founder of the Shang Dynasty which ruled China from 1/ 1766 to 1122 B.C., quoted in an enclosure with this despatch.

Opposed to this doctrine is the doctrine calling for the adjustment of international controversies by conference, the Wilsonian doctrine of guaranteeing by international arrangement the right of peoples to determine for themselves questions relating to their destiny, most recently and concretely expressed in the Nine-Power Treaty of Washington of 1922 regarding principles and policies relating to China, and the so-called Pact of Paris outlawing war. These latter ideals in the field of international relations are not part of the cultural thought of the people of Japan or China.

Events in Asia have been initiated by Japanese leaders, who do not share this idealism of the West, and who are motivated in their conduct by the precepts enunciated by Chung Hui, the Counselor of the Shang Dynasty. Thus, Western idealism in the field of international relations is challenged by what may be called the realism of the Orient.

China threatens to become the field where this challenge must be accepted or refused, for China is the potential market for the products of the industrialized

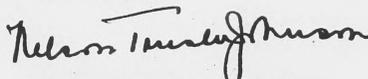
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trialized and liberal West as well as for the products  
of an industrialized but militant and realist Japan.

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The enclosures with this despatch represent an at-  
tempted analysis of the conflicting problems and inter-  
ests of the peoples involved.

Respectfully yours,



NELSON TRUSLER JOHNSON.

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Enclosures:

1. Announcement of Chung Hui.
2. The Chinese Mind.
3. The Japanese Mind.
4. The American Mind.
5. China and World Peace.
6. Chinese Attitude toward Government and  
its Functions.
7. Character of Chinese Government before  
Revolution.
8. Effect of Revolution upon China.
9. Nationalism in China.
10. China's policy in its International Relations.
11. British Policy toward China.
12. American Policy in Asia.
13. Russia.
14. Japan.
15. Japanese Foreign Policy in Asia.
16. The League of Nations and China.

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

Enclosure No. 1  
Despatch No. 3345

ANNOUNCEMENT OF CHUNG HUI

It is recorded in the "Shu Ching" that, in the time of the Shang Dynasty, Tang the Successful was seized with remorse at having dethroned Chi. Speaking to his Counselor, Chung Hui, it is said that he expressed fear that his fame would suffer by this act. Chung Hui undertook to vindicate the course of his chief, and in a long announcement recorded in the "Shu Ching" first pointed out that Tang was called to the throne by the will of Heaven, that he was called to it by the wishes of the people, and then ended up with certain advice as to how he should conduct himself in office. This advice of Chung Hui to the Emperor Tang contains the following words worthy of a Nietzsche:

"Absorb the weak, and punish the wilfully blind; take their States from the disorderly, and deal summarily with those going to ruin. Thus overthrowing the perishing, and strengthening what is being preserved, how will the States all flourish!" ("Shu Ching", the Books of Shang, Announcement of Chung Hui, Legge translation, Edition 1865, Volume III, Part 1, Page 181.)

MINUTE

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**SUBJECT: THE CHINESE MIND**

Much has been said about the difficulty of understanding the Chinese because of the complexity or the depth of Chinese thought processes.

The thought stream of the Chinese has had a source, or has drawn its increase from elements quite independent of and separated from that which supplied the thought stream peculiar to the Occident. The difference between the two thought streams is as great as that between two rivers such as the Yenisei in Siberia, flowing northward through frozen wastes into the North Sea, and the Mississippi, draining an ancient and fertile valley and flowing into the warm waters of the Gulf of Mexico.

The thought stream of the Occidental, with its religious source in Palestine, its artistic and legal sources in the Mediterranean area, and its collection of heroes, men as well as women, human as well as divine, of Judaic, Persian, Greek, Latin, Frank, German, Saxon, Celtic, Spanish, and even Red Indian origin, is as complex a stream as one might well imagine, and it has made the Occidental a complex individual, full of so-called inhibitions, hesitating at all times in his choice of a hero upon whom or after whom to model his conduct of the moment. It is the Occidental mind that is complex.

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- 2 -

You will search in vain for any evidence of any influence of any of these Occidental forces upon the Chinese, with the possible exception of its art and religion. Its religious source is Hindu and its art has certainly been influenced by Greek and Hindu conceptions and ideas. But in music, ethics, science of government, philosophy and law, the Chinese thought stream is purely an autochthonous product, highly simplified in that the great teacher Confucius made orthodox the separation of the ceremony of life in this world from the ceremony of preparation for life in the other world. Thus no Chinese necessarily suffers from religious scruples or qualms in the ordinary conduct of his business or his relations with his fellow men. His life is conveniently ordered so that in his ordinary human relations he is a Confucianist. In the gamble of life he looks to the mysticism of Taoism for his aid, and when he comes to approach the great unknown that lies behind the curtain of death he is a Buddhist. It does not occur to him to permit his faith as a Buddhist or his fear of the unknown as a Taoist to disturb him in the daily practice of business of earning his food and taking care of himself and of his family.

Naturally to the Occidental who is constantly trying to make his daily conduct, whether in business or in pleasure,

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- 3 -

square with the religious convictions which he has either inherited or acquired through reading, study or conversion; who is constantly seeking about in the wardrobe of his mind for the particular heroic costume that he must wear for the moment, whether it is to be the costume of a Caesar, a Borgia, a Machiavelli, a Washington, a Hamilton, or whomsoever he may have chosen from among the heroes of the world as a model for his conduct under given conditions, finds it difficult to find the motive behind a Chinese action or thought. The Occidental is always looking for the complicated motive. In nine cases out of ten the Chinese act or thought will be motivated by nothing more complicated than the impulse of what he conceives to be the need of the moment.

The Chinese is essentially peasant minded. The peasant spends all his life pitting his wits and the strength of his body against the whims and the forces of nature which are to him supernatural. When the peasant looks out over his fields at the beginning of the year he may know the exact amount of wheat available to his planting, the exact amount of energy that he can put into the planting. He may know the exact amount of fertilizing materials that will be available, and with all this knowledge he should be able to figure out

- 4 -

out the exact return in grain for the effort and wheat put into the venture. But there is always one factor over which he has no certain control, and that factor is the rain, sunshine and wind. Given no rain at all and all of the wheat and effort that he may have put in will come to nothing. Given too much rain the same result may come about. Then again if conditions are exactly right he may have a bumper crop, and yet this same condition will have given his competing neighbors equally bumper crops so that in terms of sales value his good crop will fetch so low a price that his crop may be worthless. Thus the peasant is superstitious because he is dealing with forces which he cannot control and does not understand. He tends to feel that in some way he can appease those forces by methods and beliefs which we call superstitious, and by the sametoken he is a gambler. The very life he follows makes it necessary for him to take chances. It is impossible for him to plan very much beyond today's rice bowl and therefore it is seldom that his act or thought is more complicated in its motivation than the impulse or the need of the moment. In our search for a complicated motive and our failure to find it, we become convinced of the hidden and unexplored depths of the Chinese mind.

It is a mind that is what might be called an abacus  
mind

- 5 -

mind. It is an intuitive mind, reaching its calculations by intuitive rather than logical methods.

Perhaps the greatest gift that has come down to the Occidental from the ancient sources of its thought life is the system of Arabic numerals. The use of these numerals from childhood has probably given to the Occidental peoples their peculiar gift of logical methods of thought. A child with a white sheet of paper and a pencil and a problem in arithmetic to work out with Arabic numerals rapidly learns in the processes of addition, subtraction, division and multiplication where all the steps are written plainly on the sheet, that it is impossible to conceal mistakes from himself or from others. He soon learns to recognize that mistakes are only made by those who are making progress. He learns not to fear his mistakes. He learns not to be afraid to face his own mistakes. He learns that mistakes may be made once but not twice. Now such calculation as a Chinese does is done on an instrument called the abacus. It consists of a series of rods in a frame with small beads divided into 5's and 2's which are used for the purpose of indicating results of mental calculation. A problem is begun by setting out the original figures by means of arranging the beads across the face of the frame. This figure is wiped out  
and

- 6 -

out and the next step in the problem is set down. The calculations which intervene between steps are not noted down. They are mental and disappear with the noting down of each step in the process, and so it goes until the final figure or answer is reached. The calculator has no way of knowing whether the final figure is correct or not, for he has no notes of the method whereby he arrived at that figure. The only way he can discover its correctness is to proceed backwards noting each step of his progress and wiping out the past with the beads on the abacus. If the figure reached is the original figure with which he started, then the final figure in his first calculation must have been correct. If not there was a mistake some place. He does not know where and has no way of finding out. The effect on his mind is natural. The thing that he does not know about he is afraid of. The thing that he is afraid of he will not face.

He will try to conceal his ignorance by guessing, and the process of guessing soon looks to the Occidental like a process of lying, whereas it is merely an attempt to put off the evil moment of disclosure in the hope that the mistake will be forgotten. This kind of thing among Chinese is all right. They do not expect to be believed necessarily and are not offended by these processes. But between an  
Oriental

- 7 -

Oriental and an Occidental the difficulty of understanding is serious. The Oriental cannot understand why the Occidental should be worried about such details in the process as long as he is ready to make the result good and the Occidental feels that there is dishonesty and cowardice present when the method cannot be disclosed.

The Chinese mind is a conservative mind, not easily adaptable. This in some respects may explain why it is that Chinese communities living all over the world adapt themselves not at all to the conditions of social and community life where fortune has placed them. It is seldom that one hears of a Chinese in a community in the United States participating socially and politically in the life of the community with which he has thrown his lot.

It is a mind that has rarely got beyond the clan attitude toward community life. A mind that has never developed any feeling of responsibility for the well-being of anyone outside of its immediate clan or sib. A mind that has very high conceptions of family loyalty and family integrity, but which fails utterly when it faces situations demanding loyalty or integrity outside of and beyond the family. Perhaps this is inherent in the peasant type of mind which has been developed in competition with other individuals of its type, and rarely cooperates with others

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- 8 -

of its kind except for the purpose of making common cause against an opposition, fancied or real. This type of mind has an attitude toward a contract quite different from that set up in the Occident. The Oriental makes a contract with present conditions in mind, but when these conditions change he expects to be given consideration in the fulfillment, to be let off from its complete fulfillment, if fulfillment will do him harm. It is a type of mind that sees nothing unnatural in this attitude any more than it feels that it is unnatural that the state should forgive taxes during a period of drought when the income of the farmers is wiped out by forces over which the farmer has no control.

The Chinese mind is the mind of a fatalist. This perhaps is an attribute of the peasant type of mind, due to a belief that, no matter how much effort is put into the work of cultivating the soil, there is little that he can do to overcome the forces of nature. Coupled with this fatalistic attitude of mind is a tendency to hysteria, a tendency to go to pieces when everything goes wrong.

The Chinese loves confusion. He is never so happy as when he is in the midst of a hubbub.

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- 8 -

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1015  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

3  
Enclosure No. 2345  
Dispatch No. 2345

THE JAPANESE MIND

In contrast with the Chinese mind which is essentially the mind of a continental people, the Japanese mind is essentially the mind of an insular people, capable of adapting to its use foreign thoughts and ideas brought to it casually or otherwise over the seas that surround and isolate it. Evidence of this ability is found in the way the Japanese took unto themselves the philosophy, the ethics, the religious ideas, the art, the dress, the political system and various other aspects of Chinese life, and adapted them to their use, so that it is difficult now to find in Japan traces of ancient Japanese customs. Even the most characteristically Japanese aspect of Japanese life to-day, Shintoism, is garbed in the ceremonial and dogma of Chinese ethics, although these ceremonies are carried on in houses the architecture and arrangement of which are probably the only remaining examples of ancient Japanese architectural traditions. There is also the historic instance of the adoption of the Portuguese language and costumes by the Japanese Court in the 16th century, comparable somewhat with the adoption to-day by the same Japanese Court of the costumes of the British

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ish Court of the time of Edward and Queen Alexandra.

Perhaps the most outstanding characteristic of the Japanese mind, the one most noticeable to the newcomer, is its intense curiosity about or interest in happenings, peoples or things that seem strange to it. Here the Japanese mind differs widely from the Chinese mind. If a Japanese and a Chinese happened to be working on the lawn of some distinguished gentleman's home, and Elijah in his flaming chariot were suddenly to appear from the clouds, bring his chariot to a halt before the lawn, dismount and enter the house, the probabilities are that the Chinese would merely look up, shake his head and mutter: "Ah, t'ien hsia lai-ti!" (Ah, he has come down from heaven!) and would then go on about his appointed task, slowly, patiently, unobservantly, and unaffected by the disturbance. But the Japanese, if he failed in interviewing Elijah, would soon be bobbing about the chariot, burning his fingers, and if Elijah was absent long enough would be trying to see where the flames came from. This attribute of the Japanese was noted and reported upon by the earliest Jesuit fathers who arrived in Japan in the middle of the 16th century. They especially commented upon the persistent curiosity with which the Japanese plagued them with inquiries and questions.

Another characteristic of the Japanese mind is the intensity of their convictions, an intensity of feeling growing

- 3 -

growing out of conviction, which leads them to all manner of excesses of zeal along the line of such conviction. Once they have chosen a part to play, whether along political, religious, or commercial lines, they play this part with an intensity of purpose and feeling that is astonishing. An outstanding example of this is found in the way in which the Japanese carried out their determination, once arrived at, to eliminate from among themselves all evidences of Christianity when they turned against the Portuguese and the Jesuits in the beginning of the 17th century. They kept up the hunt for, the persecution and deportation of Portuguese Jesuit missionaries and their Christian converts until they had succeeded in eliminating all vestiges of their work from among the Japanese people. X

The story of the attempt of the Portuguese merchants from Macao to restore contacts with Nagasaki independent of Jesuit assistance, of how the Japanese seized the Portuguese ship, put to death all of the leaders of the expedition, burned their bodies and all of their equipment so as to destroy every trace of this attempt, and then sent the sailors back to Macao as eye witnesses of what they had done and as messengers to bear the story of the fate that would befall any further attempt, is characteristic of the way in which the Japanese maintained their adopted policy of the isolation of their people from the outside world, from that time until the black ships of Perry sailed into the waters

1018

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

- 4 -

waters of Tokyo Bay. It speaks loudly of the intensity and pertinacity with which the Japanese can carry through a program once they have set their minds to it.

The Japanese mind has carried on into modern times certain heritages of its Indonesian past in its use of assassination for political or other ends. It is a mind that does not hesitate to kill, even if the killing involves the individual himself, if the end to be attained seems to require such action. Just as the Malay runs amuck, so the Japanese who has brooded upon a situation or a fact to the point where he has achieved an intensity of conviction will run amuck and kill some individual even remotely connected with the object of his brooding or himself, consoled with the belief that by so doing he will have achieved his end.

The Japanese mind is a mind of action rather than words, a mind that appears to find it difficult to explain itself by the use of words.

There is another peculiarity of the Japanese mind which distinguishes it from the minds of other people. For a better descriptive term I would refer to it as the samurai mind. The Japanese, unlike the Chinese, have always believed in an aristocracy of blood. Under the feudal régime which produced the samurai or sword-bearing class in Japan, the privilege of carrying a sword was one enjoyed only by those of sword-bearing ancestry. It was not a privilege granted to or enjoyed by the com-  
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- 5 -

mon people, the peasants who worked the lands belonging to the feudal chief whose clan crest the samurai wore proudly upon his clothing.

With the privilege to carry a sword went the right of the individual to be dealt with by a code of his own. The samurai was accountable to no one but himself, his lord, and his peers, for his acts; he was not amenable to the common law of the land; and therefore no obligation rested upon him to give to the common man any explanation of his acts. If in his wisdom he felt it necessary to do this or that, or to take life, no one but his lord might question his wisdom. He assumed a purity of motive which was generally accepted by those beyond his pale. To question the purity of his motive was to attack his honor, his position as a samurai, and to be met accordingly. This samurai mind was not unlike the knightly mind of feudal Europe, and I am convinced that this mind has been carried on into the Japanese modern army who esteem themselves the successors to the samurai of old and feel themselves and their motives above the law that governs the conduct of ordinary men. And they would include among ordinary men all non-Japanese peoples.

I recall years ago the words of a master of Japanese jujitsu experts in the school that I attended as a boy. Having exhibited various jujitsu holds and falls, the master of the troop called for volunteers from among the boys in the gymnasium where I was, and I offered myself.

The

- 6 -

The master of the troop thereupon began to demonstrate to me a number of jujitsu methods of self defense. He then told me that these matters which he had demonstrated were the common methods used in jujitsu and might be taught to any one, but that there was an esoteric side to jujitsu permitted only to the select, which involved an expert knowledge of nerve centers in the human body and the ability of the jujitsu master to paralyze or kill his opponent by means of pressure on these nerve centers. He told me, however, after demonstrating how these nerve centers might be found and pressed, that this knowledge was given only to a chosen few because of its danger, - the few presumably who, because of the purity of their motives, might be trusted to use these deadly methods only in a good cause.

As a corollary to this samurai mind, and equally peculiar to the Japanese, is what I would call the ronin mind. It was a peculiarity of samurai life in feudal days that if a situation arose which seemed to call for an action on the part of the head of a clan which might in itself involve the head of the clan in difficulties with the Shogunate or with his fellow clansmen, often some samurai henchman of his, knowing of the necessity of his clan leader and the impossibility of his accomplishing his purpose openly, after brooding thereon would separate himself from the clan, divest himself of the

- 7 -

the clan insignia and become a ronin, a leaderless man, and as a ronin would proceed to take the action of revenge or whatever it might be which his old clan leader was estopped from taking. This ronin act often required that the ronin sacrifice himself by the samurai death of self-disembowelment, but he would die happy in the thought that he had benefited his master, and in the knowledge that his name would be listed among the heroes of the clan and referred to with praise by all samurai.

The outstanding example of this type of mentality, of course, is found in the story of the forty-seven ronin and the vengeance which they jointly took upon the enemy of their dead master. Colonel Kennedy in his account of the military side of Japanese life records the fact that on the anniversary of the deed of the forty-seven ronin in December of each year Japanese soldiers are called to general quarters in the night and stand at attention, fully armed and equipped, while there is read or told to them the story of the forty-seven ronin,- a story of a great revenge wreaked by stealth in the dead of night upon the sleeping household of the enemy of the dead leader of the forty-seven.

This characteristic of the Japanese mind is no doubt accountable for the attitude of the military leaders of Japan to-day toward commitments which the political leaders of Japan have entered into with other countries, such as the Covenant of the League, the Nine-

Power

- 8 -

Power Treaty regarding principles and policies to be applied to China, the Kellogg Pact outlawing war.

It may also be considered to be accountable for the difference in method pursued by the Japanese military, as compared with the method pursued by Japanese diplomacy. Diplomacy is the product of the international intercourse of merchants. In Japan the social order ran as follows: the soldier-scholar (the Chinese character "shih" meaning scholar was the character used in Japan to signify "samurai"); the farmer; the artisan; the merchant. International relations grow out of international trade, and the tone given to the international relations of a country is influenced directly by the standing in any given country of its merchants. In Japan the merchant from time immemorial has occupied a place little better than that of a camp follower or sutler,- a man who made his way by his wits. The samurai had a contempt for the man of trade only equalled by that which the knight of old had for the townsman. Japan's modern samurai, her army leaders and her soldiers, appear to have an equal contempt for the man of trade of to-day; and this contempt would extend to the arrangements which he and his leaders have considered necessary for the regulation of international intercourse to permit trade to be carried on under conditions of peace. The Japanese merchant brought to his relations with foreign merchants the ways of his kind in Japan, and he did not carry with him the support or respect of the aristocratic military mind of Japan, which felt its mind and its simpler and more austere life purer than that of the grubby merchant class.

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102  
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By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 4  
OSDatch No. 2345

THE AMERICAN MIND

The American mind contrasts in an interesting way with the Chinese and Japanese minds. It is the mind of a people who, although inhabiting a continent, are too young in continental experience to have acquired the characteristics of the continental mind as exemplified by the peasant mind of China.

Perhaps the outstanding trait of the American mind is the pioneer characteristic, which evidences itself by an interest in and a desire to be helpful to the other man. The American is only four generations away - in some cases one generation away - from the migrant pioneer who left home and the past to build anew in difficult and strange surroundings. His language and his experience have been enriched by a life filled with hardship in finding, in hewing a way for himself and his family and neighbors against wild beasts, against the wild life of the forest, the forest itself, and hostile aboriginals.

When a man pushes his way into a wilderness and separates himself from the customary facilities of civilization, he survives only by developing resourcefulness of character and ability to invent and supply from  
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- 2 -

the rough materials at his hand the equipment necessary to the comfort, shelter and safety of himself and those dependent on him. It is inevitable that there should develop in him a feeling of dependence upon, a sympathy for, and a willingness to assist other human beings similarly circumstanced to himself. The American in many cases being only one generation from such experiences, it is natural that we should find him as a nation similarly interested in the peoples of other countries. He has a natural sympathy for the underdog; he has a natural desire to assist the weaker companion that he meets on the way.

As a corollary to this sympathy, this desire to help, there is the abiding fear of involvements. It is difficult enough for him working alone to make his way, and he has a natural repugnance for adding to his impedimenta. He is willing to give the other fellow a push in the right direction, but he does not want to add him to his load. Resourceful himself, and having found himself able to bend natural forces to his need, and to establish for himself and his fellows a degree of material comfort (perhaps it was due to the utter absence of such material comforts that he has come to set such a high store upon them), he has a zeal to see others equally comfortable, and a sort of contempt for what he considers to be the weaker and unresourceful

individual

- 3 -

individual who either has no interest in such material comforts or lacks the ability to obtain or provide them.

The American mind is a complicated mind, due to the complexity of the thought streams of all occidental nationalities which have combined to the making of that mind. Lacking a local tradition, it has possessed itself of the mythology, the ethics, the hero worship and the traditions of the Jew, Roman, Frank, Norse and Germanic people from whom it has come; and it has added to these the traditions of strength, fearlessness, resourcefulness and zeal for public service which characterized the leaders of those who penetrated and conquered the wilderness and made it fertile and livable for humanity. It therefore demands all these qualities in those with whom it comes into contact.

In a sense the American mind is the mind of a nomad. It is not bound by ties of home or locality, adapts itself easily and quickly to new surroundings, believes implicitly in what it calls progress or movement.

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1025  
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Enclosure No. 2  
Despatch No. 2345

CHINA AND WORLD PEACE

China occupies a critical position in the highly-industrialized world of to-day because she affords the largest free market for the products of the factories of Europe, Japan and America.

As early as the latter half of the 17th century Great Britain began to seek an outlet for the products of British factories, and a law was placed on the statute books which required that every British ship leaving British shores upon a trading venture in foreign ports must devote a percentage of its cargo space to British-made goods. This was a source of difficulty to the early British merchants who opened contacts between India and China. The chief item of British manufacture at that time was woolen goods, and there was little or no market for British woolens in India or in South China.

China was a consumer of opium, and opium was one of the main products of the Indian states where the East India Company was trading; the only place where the British could find a market for this product, which they had to take in trade in India, was China. China tea, silks, gold and turmeric or China root found an increasing market in England. Trade in these several

items

- 2 -

items was so profitable that British ships traveling under the several companies given monopoly charters in those days were willing to face unbelievable obstacles in the matter of trade with Chinese merchants at Canton, Amoy and Foochow in order to enjoy it.

When the Revolution which separated the American colonies from Great Britain ended, the American colonists turned to foreign trade in order to acquire capital with which to build up their home industries; they at once entered the China market and became competitors with the British in the sale of ginseng, opium, and furs, and in the purchase of China teas, silks and chinaware.

Until the arrival of the British in the latter part of the 17th century, the Chinese had enjoyed an isolation from Western contacts which was almost unbroken. They succeeded in localizing the commercial activities of the British and of those that followed them at Canton, through the establishment there of commercial monopolies. The Manchus in the beginning of the 18th century succeeded in establishing a series of buffer dependencies between China and Europe, beginning with Annam on the south, extending through Tibet and Turkistan on the west, and Mongolia and Manchuria on the north and northeast.

Russia, after absorbing Siberia, began to seek an outlet to the sea, and came into contact with China on the

- 3 -

the Manchurian border early in the 18th century. Russia in Europe grew stronger, but there was ever present with its leaders the fear of the Mongol, and the Chinese soon came to represent the Mongol to the Russian. Russian policy in North China and in Manchuria was therefore motivated by two dominating ideas: one was to find a warm-water port; the other was to set up a strong defense against possible infiltration of Mongols or Chinese, or attacks from China.

The Japanese on their islands off the coast of Asia, becoming aware of Russian activities in Siberia and English activities along the China coast, conceived a fear of what might happen to themselves if Russia should achieve a dominant position in Manchuria, Korea or North China; and in the beginning Japanese policy was dominated by ideas bred of this fear. Later on, these ideas were to become somewhat complicated by the Japanese domestic policy of industrializing the country, a policy which demanded a free market for the products of the new Japanese industries, so that Japan's policy began to alternate between the liberalism of the industrialists and the aggressiveness of its nationals who wanted to build up a defense against the Russian menace.

To the Chinese leader these continuing contacts with foreign nations presented them in the aspect of supplicants for the favors which China could give, either in the sale of China tea and silks, in the purchase of the goods

- 4 -

goods of these foreign countries who seemed so anxious to sell them, or in the granting of special favors like the construction of means of communication through Chinese territory, as desired by the Russians in their anxiety to reach the Pacific.

China was a country of vast extent, ninety-six per cent illiterate peasant, governed by a dynasty that had lost its virility and thereby its ability to control the people it governed. Unable to present, at any point on the periphery of its boundaries, a united and strong front to aggression from without, the Chinese Government, over-confident in its isolation and trusting too much to a safety born of competition among the foreigners for its favors, continued to follow a policy of playing one foreign nation against another in dealing with these aggressive foreigners.

The object of interest of the industrialized nations of the West, and too weak or too ignorant of her situation to present a strong and united front to those nations, China is to-day the danger spot of the world.

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103L

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

Enclosure No. 6  
Despatch No. 2845

CHINESE ATTITUDE TOWARD GOVERNMENT AND ITS FUNCTIONS.

China's history does not give any example of a struggle on the part of the people in the name of liberty or in the defense of human rights. It is difficult to determine just why this should be the case, unless it is due to the fact that the only method of recording thought for the benefit of students or leaders has been that of picture writing, which became the vehicle of the written thought of Chinese scholars and rulers, and remains to this day the written language of those who read and write. Picture writing is naturally objective and does not lend itself either to exactness of expression, to facility of use, or indeed to the metaphysical consideration of the principles of human rights.

But whatever the reason, the fact remains that the Chinese people as a whole never seem to have been interested in questions of human liberty and individual human rights in the same way that European peoples have been interested in these matters. Perhaps it is due to this fact that the Chinese never seem to have joined themselves together in a social group, either for the expression

- 2 -

pression of such rights or for their defense. The people of China group themselves naturally and primitively, under the urge of sex, into families and clans. In the family or clan a Chinese satisfied all of his fundamental needs, both those of prosecuting business relations with others (most Chinese business or commercial undertakings are family undertakings) and of government, for upon the family head under the Chinese system of political philosophy rests the responsibility of feeding, clothing and disciplining all members of the family.

There were of course certain supplemental needs which the family or clan did not satisfy. A number of families might have been engaged in farming and found that they were subjected to dangers from without, either from thieves or predatory groups racially or otherwise different from their group. The fear impulse, therefore, led these families to group themselves into villages for the purpose of self protection, also for the purpose of more efficiently utilizing adjacent land belonging to the families.

There was another need, unmet by family or village group. In time, villages grew to large proportions, and the business of exchange of commodities between families grew with the villages. Merchants from other villages came to reside, and joined themselves into craft, merchant or village guilds for the purpose of controlling competition

- 3 -

competition in trades, regulating prices, and for other and similar purposes. All of those dealing in shoes, say, or all of those coming from the same village or other outside group found it useful to join themselves into merchant, craft and village guilds, the guilds assuming responsibility for the regulation of their members, their punishment for infractions of guild rules, and the caring for their injured and their dead.

Beyond these needs the Chinese seem never to have felt any other urge. It is true that leaders, ambitious to control groups of villages, either for the purpose of protecting them against other groups of villages or for the purpose of carrying out forays against other villages, brought larger social organizations into existence, and succeeding dynasties controlled these larger groups.

It was in the field of the relationship existing in and as between families, and between villages and the greater group, that Chinese political philosophers found scope for their discussion of the theory of government. The discussion was limited to these scholars, and, where records were left, either in monographs for these subjects or in edicts or mandates issued by the heads of the groups, they were written in the language of the scholar group. The people were not expected to be concerned in such matters. The result is that when one reads discus-

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- 4 -

sions of Chinese political thought one is impressed with the fact that it is all initiated from above, and not from the plane of the common people, as is the case with most Anglo-Saxon political writings.

It is a characteristic of this system that the function of government is unpaid, so far as the people are concerned. Never having made a fight for their rights, they feel no personal responsibility for the maintenance of administration outside of the primitive groupings of the family and the village which satisfy their needs. The result has been that the leader who met or created the greater need had to force the unwilling elements of his group to pay him for his services. Possessing the power he was usually in a position to do this, and he left his agents, who were charged with the duty of collecting the funds necessary to his maintenance, to collect these funds in such sums as he could, compensating himself from collections. Very often individual merchants or farmers, seeing a personal advantage in connecting themselves with the great leader, would volunteer to make his collections for him and pay for the privilege; thus the farming of taxes became universal. The family responsibility carried over into government, and the agents of the government were surrounded by hangers-on, their family connections, or persons who joined merely for the profit to

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- 5 -

be made out of the relationship. The result was that any one desiring the assistance of the agent of the government faced the necessity of paying these hangers-on for the privilege of seeing their master. In all this there is the psychology of a people whose attitude toward government is distinguished by the occasional need for its help and the need to placate its ire, - not by any feeling of responsibility for the government or any accepted theory of their right to its interest.

On the side of Government employees or servants there grew up certain feelings which tended to maintain that the holder of an office acquired certain prescriptive rights to the office and its perquisites, - rights which might descend to the holder's nominee. This characteristic is most in evidence at the present time in military circles, where an officer commanding a number of soldiers develops an attitude indicating that he looks upon the soldiers of his command as his personal property, to be used in accordance with the directions of the Government as long as his own relations with the Government are satisfactory, but to be used against the Government for the purpose of obtaining any concessions in his own favor that he may desire.

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1035  
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By Milton D. Hunt NARS, Date 12-18-75

MINUTE

Enclosure No. 7  
Despatch No. 2345

**SUBJECT:** CHARACTER OF THE CHINESE GOVERNMENT PRIOR  
TO THE REVOLUTION.

Government may be defined fundamentally as a people organized for the purpose of (a) building and maintaining for themselves communications to facilitate exchange of the commodities, thoughts and persons of the group, and (b) protecting the lives and property of the members of the group living within the group area and using the group communications.

When Government goes beyond these two purposes or functions, it gets into the realm of embellishment in so far as Government is concerned, for in time of crisis all other functions tend to be dropped in order that these two fundamentals to the security and comfort of the group may be cared for.

The Government of China as it existed prior to 1911, highly sophisticated and over embellished, was a government of scholars. The civil service, from which the magistrates, prefects, intendants of circuits, provincial governors, imperial commissioners and counselors of the Empire were chosen, consisted of the body of scholar philosophers who monopolized all forms of education. It is true that the Chinese recognized no aristocracy of blood, but they did recognize an aristocracy of the mind; and the civil service, or group of literati from whom

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the civil servants were chosen, composed the intellectual aristocracy of China. Perhaps no people in the world in actual practice have so closely identified scholarship with the practice of government as have the Chinese. Their's was a Government of philosophers that might have been likened to Plato's plan. Naturally the scholar philosophers of the Government conceded with the greatest of reluctance to any outside of their own group the possession of any truth or knowledge applicable to the problems of government and no one was supposed to discuss such matters outside government circles, and (wu t'an kuo shih) "do not discuss political matters" was the admonition posted in all inns.

To the scholar philosophers were assigned all of the functions of Government, fundamental as well as ornamental. From the time of his first assignment to a small post as a magistrate over a district - the smallest administrative unit - to the moment when he might be promoted to the highest office in the gift of the Emperor, the Chinese civil administrative officer undertook complete responsibility for the moral and physical welfare of those over whom he was placed. His ability to maintain peace within the area of his administrative control, his ability to maintain the amount of tribute or tax in kind forwarded annually

- 3 -

annually to the Central Government, marked him for preferment.

Being held thus personally responsible for the conduct of the people and the peace of his administrative area, there was little incentive for the transfer of any responsibility to those below; in fact, the whole tendency was to relieve the common people of all responsibility, and to look upon them as the "yumin" or "stupid" people. So long was this the case that any sense of civic responsibility which may at one time have had a tendency to show itself among the people was discouraged. Some one at some time has described the system in vogue as that of "a despotism tempered by anarchy".

When the rule of an individual officer of whatever status became unbearable to the people they had recourse to the only method open to them for relief, namely, revolt. Mob violence was a recognized method of getting rid of unpopular officials, and generally looked upon by the authorities as an indication that heaven through the mob thus indicated the withdrawal of its protection of the officer attacked.

Under such a system no opportunity for the development of a procedure of law such as developed among the free peoples of Europe offered itself. The law consisted

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- 4 -

of decrees issued by the Emperor or his representatives, the provincial governors, prefects and magistrates, by public proclamation, and came into play in so far as the individual was concerned only when he was brought before the official, accused of the law's infraction, at which time the official sat, not for the purpose of holding the scales of justice, but for the purpose of determining the degree of guilt of the accused and administering punishment.

The individual never came before the official in any matter of civil controversy, for all questions of family or commercial relations were left to the arbitration of the clan court or the craft guild hall, and came to the official only when the individual had refused to abide by the decision of clan or guild, when the official might be called upon to punish or to hold that the decision of clan or guild imposed too heavy a burden upon the offender.

There was no field for the practice of law here. The function of the police or the soldier was that of imposing the will of the official upon the people, and degenerated into a corrupt relationship between official and civilian whereby the civilian with funds might bribe his way to freedom from official restraint.

In theory this form of scholar Government was an ideal form of Government provided its scholarship could be kept  
alive

1035  
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- 5 -

alive and abreast of the times in which it lived. As long as China was isolated from the West, and as long as her only relations were with peoples of an inferior civilization, this scholar form of Government had no difficulty in keeping alive the fine ancient civilization built up by the classic scholars.

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MINUTE

Enclosure No. 8  
Despatch No. 2345

**SUBJECT: EFFECT OF THE REVOLUTION UPON CHINA**

The first and most obvious effect of the revolution was, of course, the one that was intended, namely the destruction of the government. But other not so immediately obvious effects followed.

The government of China for untold years had been a scholar-philosopher government, whose civil servants were recruited from the great body of literati annually produced by the state examinations. These scholar philosophers monopolized erudition in China. They stood at the head of the social order which was arranged in the following way:

Scholar  
Farmer  
Merchant  
Artisan  
Soldier.

Although the Chinese have not known an aristocracy of blood, they have for centuries recognized an aristocracy of mind. One of the most interesting places in China is the compound in front of the temple to Confucius in the city of Peiping. Here on stone tablets, the earliest of which dates from the Yuan or Mongol dynasty, is inscribed a complete and unbroken list of the graduates of the metropolitan examinations.

This body of literati furnished the governing group in China. It was educated in the classical writings of the past. Confucius was its patron saint. Therefore another and serious effect of the revolution which destroyed their government was the inevitable and simultaneous destruction

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- 2 -

of the position of esteem and respect of the scholar-philosophers as a group and with them went the scholarship and the ancient sanctions, moral, ethical and political, which were their peculiar care.

The revolution originated among the scholar group, more particularly among that part of it that had lived abroad and had acquired its learning in foreign schools. It was partly a revolt against the intellectual past and partly a revolt against the old scholars who had forfeited the confidence of the new generation by their mismanagement of the affairs of the country in the field of foreign affairs.

Because of the peculiar status traditionally given to the scholar among the people of China it was natural that the authority which fell from the shoulders of the departing scholar should be assumed by the modern scholarship.

This new scholarship was the product of efforts made toward the end of the Manchu regime to introduce reforms in the scholarship of the people. Investigators had been sent abroad to investigate educational methods in foreign countries. They found in Japan a system which they believed answered their needs. It was a system founded on that which had been worked out by Stein, the great German who devised it to unify and nationalize the German people under  
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-3-

the Prussians. This system was adopted and a beginning made in the setting up of common schools throughout the country which were to use a series of text books deliberately planned and written for the purpose of nationalizing the minds of the people and unifying them in a loyalty to the emperor. The system was carried on by the republic after the revolution. It was the first graduates of the schools of this system, young men trained in the new sciences, working with the young students who had returned from schools in foreign countries, who led the revolt and assumed the responsibility which fell from the shoulders of the old.

This new scholarship was unprepared for the terrible responsibilities which had suddenly fallen upon them. In many cases their entire mental equipment had been acquired in alien fields. A political science learned in America among students and from professors who spoke the language of the Declaration of Independence, the Constitution of the United States and the Virginia Bill of Rights, a science of political economy learned in England, America and Germany, countries highly industrialized, where the machinery had been invented and where the social diseases due to the substitution of machinery for the household crafts had been diagnosed and treated, was hardly equipment that could successfully be applied to the Government of a people still living in villages, engaged in household industries, organized in merchant and craft guilds, and clans. For the most part this new scholarship

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ship had little or no knowledge of its own people or of its own country. In many instances the new scholars could hardly read or write their own language, having spent most of their student years in foreign countries where they worked in foreign languages. This probably explains why they should have reacted to their task in the beginning as a monk reacts to the conditions in the world outside his monastery. Fired with an ambition and a desire to reform their government these young scholars retired to the various offices of the new government of their making and there began to write laws modeled on the laws written in the books of that world in which they had pursued their studies. This before they had attempted a study of the conditions under which their people were living.

This new scholarship brought to its task something which was quite new to the Chinese world. It was something that was quite western in its origin. It was a feeling of nationalism. There was no word in the Chinese language to express the term "nationalism". There was no word in the Chinese language to express the term "patriotism". Nothing daunted, however, this new scholarship, ignorant of or scornful of the methods whereby the ancient Chinese empire had been governed in the past, began to speak of and treat the Chinese people as a nation, and the areas colored on the foreign made maps as China within which the Chinese Government

- 5 -

Government was sovereign. The reactions of the Chinese peasant were immediate. He recognized in these attempts to nationalize and unify law, coinage, weights, taxes, land measurements, road revenues and communications attempts on the part of his ancient antagonist the tax collector to interfere with his individual liberties, and he resented them. The foreigner living in the country under treaties made at a time when the Chinese were content to put the foreigner in a ghetto under his own law and governed by his own elders, likewise resented attempts on the part of the new Chinese scholarship to apply to him ideas of the Chinese state sovereignty learned at Yale, Harvard, Oxford and Berlin. The Tibetan, the Mohammedan and Mongol resented the application to them of these same ideas of Chinese state sovereignty. On all sides this new and inexperienced Chinese scholar government met rebellion which it had neither the force nor the knowledge to quell.

While it is true that a few of the older scholars sympathized with and aided in this movement the principal leaders were men who were either exiles or who were living abroad as students. This group succeeded in winning to its aid in 1911 a portion of the newly organized army in the Yangtze Valley, but it cannot be sufficiently emphasized that there never was and never has been any real sympathy or understanding between the soldiers and the scholar group who by tradition in China assume the leadership in government.

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- 6 -

For Chinese scholarship scorned the profession of arms as beneath it.

The soldier in China from time immemorial has occupied the lowest place in the social scale. There is a common saying

"Pu yung hao t'ieh tso ting pu yung hao jen tso ping", which freely translated means

"You do not use good iron to make nails of nor do you use good men to make soldiers of",

a saying which indicates the low opinion in which the people of all classes held the profession of the soldier. Under the Manchu empire civilian and military officials or "literary" and "military" officials as the Chinese call them, were differentiated in their official dress by the type of symbol embroidered on the "p'utzü", the decorated square of cloth sewed to the front and back of an official's coat. The civilian official was indicated by birds, such as phoenixes, cranes et cetera, while the military official was indicated by the use of four legged animals such as tigers, lions, et cetera.

In the Occident the profession of soldier is held in high regard. The title of Lieutenant, Captain, Major, General, Admiral gives to its bearer entree into the best of our society. A young man who has gone through West Point or Annapolis and who emerges with the title of Ensign or Lieutenant, is accepted without question whatever his ancestry or family may have been. American families consider it an honor for their daughters to marry a soldier or a naval officer. We point with pride to the presence in our ancestral record

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- 7 -

of a soldier, a man who has given his service to his country on the field of battle. We erect statues to our military heroes in our public places. One looks in vain for a similar attitude toward the profession of arms in China. It is only very recently that one meets a Chinese who uses a military title. One may search vainly through the country for monuments erected in honor of military heroes. One listens in vain in the conversation among his Chinese friends for a reference to members of the family who have followed the military profession. In China honor is given to poets, painters, and writers. Every pavilion, public or private, is filled with tablets commemorating the writings of scholars.

The revolution in China could not have succeeded without the aid of arms. The establishment of a new government can not take place unless the founders of the government are supported by the soldiers. The responsibility for the use of the force represented by the soldiers fell in China upon a class despised by the scholars, a class that did not enjoy the respect or confidence of either merchant or peasant. It fell upon a pariah class who gave to its task the mental approach of a pariah, suffering from an inferiority complex. His only way of evidencing the possession of the power which was his through the possession of arms, and the new found importance which he enjoyed as the result of the revolution was to destroy every object upon which he placed his hands, to kill, and to take the thing

- 8 -

thing that was not his. To do these things in the presence of the multitude gave to his untutored and ignorant mind the satisfaction of knowing that he had demonstrated his new found strength. This class had no tradition of service behind it. It had no tradition of patriotism. It had no association with a position of trust in the community. Where the Occidental in a time of crisis is accustomed without question to yield himself, his life, and his property as a trust into the hands of his soldiers. The Chinese had no such tradition. The history of Occidental soldiers is full of stories of men who have assumed such trust and who at the end of the crisis have yielded up their stewardship with an accounting to the people from whom it came. The history of Chinese soldiers furnishes no such examples. The gap between the scholar official and the military in China is wide and very deep, and has yet to be bridged.

There remains one other important group of the Chinese people affected by the Revolution - the common people. Whatever the rest of the people may do about it this group ultimately must give form and substance to the mold in which the government will be formed for they are the producers of food and raw materials in whose interest government exists.

When government is destroyed in any group the immediate effect is to reduce the group to the least common denominator of the people that make up the group. In China the least common denominator of the people is the peasant.

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- 9 -

For a long time the Chinese peasant has never been actively interested in affairs of government. His only connections with government occur when the tax collector appears. His reactions to government were reactions of resistance - resistance to the payment of taxes. Therefore the destruction of the government and the disappearance of the tax collector, of the grain collector and other aspects of government familiar to the peasant came to him as a relief.

It was hardly to be expected that he would of his own initiative, and in his own interest, attempt to put his own government into the place of the old for the revolution had not originated with him. Even today, 22 years after the revolution, there is little or no evidence that the peasant who accounts for over 95 per cent of the people of China is interesting himself in the business of building up a new government. His confidence and interest has yet to be won.

The above are some of the effects of the revolution upon social conditions in China, and in part explains the chaotic condition that has prevailed since the old government disappeared in 1911. This chaos must continue until some way has been found to bring peasant, scholar and soldier into one camp. Until that happens the peasant will continue to plow his row, unmindful of the necessity for any government to work out his problems at home and abroad. The mercenary soldier will continue to follow the outcast soldier leaders who can for the time being command sufficient funds to give him what he wishes, namely, food for his stomach, clothing for his back, and a shelter against the rain. And the modern scholar will continue in his closet to write and talk about a world with which he has had

1045  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 10 -

little or no actual or practical experience.

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1056  
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9  
2345

#### NATIONALISM IN CHINA

There is no word in the Chinese language that adequately expresses to the Chinese mind what is meant by the word "nation" to the Anglo-Saxon or European mind. The idiomgram "國" (kuo), now universally used by the Chinese, which is translated "nation" or "national", is a picture made up of "口" indicating the boundary of a state, "戈" a halberd or spear indicating force, "口" a mouth or person in authority indicating the source from which law or royal edict emanates, and "一" indicating the platform or throne from which authority speaks. Of old, this idiomgram was used to carry the meaning inherent in the English word "state" (administration, government, dynasty, country). There is nothing in the picture presented by this idiomgram to connote nationality, or which would indicate that there was any intention to cover a social group joined together because of a common language or a common birthplace, such as our word "national", "nationalism", or "nation". The idiomgram "邦" (pang), made up of "手" an old idiomgram for trees or foliage and one for capital or seat of government, is probably more easily translated "nation"

- 2 -

"nation" than the idiogram "kuo". Strange to say, however, this idiogram has rarely been used by the Chinese as applying to themselves in relation to outside countries, although it is used in phrases referring to outside peoples.

The above would seem to indicate that the Chinese as a mass, and Chinese political students in particular, have not yet achieved in their own minds an appreciation of the meaning of the words "nation", "nationalism", or "nationality", since they still use the word "kuo" which from time immemorial has been used to indicate an administration or dynasty. This inference is to a certain extent borne out by present conditions in China, where we see the Chinese grouping themselves under leaders or in groups advocating this or that form of administration or government for the country, and continually preoccupied with questions relating to government as distinguished from national feelings.

Along with this preoccupation with questions relating to internal and domestic administration there has, however, been a development of a distinct feeling among writers and speakers that China or the Chinese are a nation, have a nationality, and that an interest in themselves and their status as a nation should be cultivated. This feeling had its beginning before the end of the dynasty. The dynasty itself, after the abortive reform measures

- 3 -

measures of 1898, began in earnest, after the Boxer uprising in 1900, an attempt to unify and organize the country on national lines. Commissioners were sent out for the purpose of investigating the questions of laws and education. A beginning was made in the reform of the law and the establishment of a judiciary. A scheme of education, modeled on the scheme adopted by the Japanese, which in turn was modeled on the German scheme, was adopted and was beginning to be put into operation. It involved the establishment of national schools, the adoption of a national language, and the printing of text books in the national language under Government supervision. An attempt was made to nationalize the army, with the Emperor as Commander-in-Chief.

These eleventh hour efforts to unify the administration of the country met with considerable opposition in the provinces, because they ran counter to the ancient method of government in China, which was to leave the provincial administrations pretty much independent under officials appointed by the Government. This method of government had permitted the development of a good deal of local pride or jealousy, characterized by the fact that a Chinese family, resident say in Kiangsi province but having originated say in Anhwei province, even after three or four generations of residence in Kiangsi would refer to themselves as of Anhwei. Provincial

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- 4 -

cial guilds were organized by merchants and natives by provinces for the purpose of defending and pursuing their provincial interests in another province.

The real strain came, however, in 1910 and 1911, when the Government attempted to unify the country through nationalization of communications, chiefly railways. This precipitated a revolt in the province of Szechwan which spread to the province of Hupah, and which was taken advantage of by a revolutionary organization built up by Dr. Sun Yat-sen chiefly among Chinese students in foreign countries and Cantonese, Fukienese and other Chinese living abroad as merchants or laborers. This organization, known as the "Tung Meng Hui", took control of the revolt, which spread rapidly in the Yangtze and in the south. The dynasty abdicated, turning the Government over to the mandarin-ate under the leadership of Yuan Shih-kai, who, as the organizer of the new national army, had the army at his back.

There at once began a controversy between the revolutionary party which changed its name to "Kuomintang" Government (the word "kuo" used in the sense of national), or "National" "People's Party", and the remnants of the old mandarin-ate or scholar philosophers who occupied administrative positions throughout the country under the leadership of Yuan Shih-kai and who were

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- 5 -

backed by Yuan's national army. The controversy has continued to this day. The real motive behind the controversy was the feeling on the part of the leaders of the revolutionary party that they had been denied the fruits of their work, but this motive through the passage of years has been complicated by the question of provincial rights (the old interprovincial jealousies and provincial resistance to national unification) and the personal ambitions of different military leaders who, after the death of Yuan Shih-kai, began a struggle for their existence against the new leadership which desired to disarm them in the interests of the state.

The mandarin state was a dying organization. No new blood was coming into it, the old examination system having ceased to function, so that it gave way fairly easily to the newer men coming in.

The national army, which Yuan had organized with the aid of his military schools and graduates from the military schools in Japan, was not so easy. Scattered over China for the purpose of holding the country together during Yuan's lifetime, the army tended to take on provincial characteristics as soon as Yuan died. It settled down in the provinces of its assignment and attached to itself provincial revenues, turning the whole of these revenues against any outsider that might seek to oust them from such economic strongholds.

The

- 6 -

The school system, unified under the dynasty, lost its unity with the disappearance of the dynasty, but continued to carry on under the scheme then devised, with greater freedom, however, in so far as text books and school purposes were concerned.

In the face of the difficulties created by the disintegration of the national army, the leaders of the Kuomintang or the revolutionary opposition were forced out of any positions that they held, and they beat a retreat southward, Canton becoming a sort of cave of Adullam where these politically-ambitious revolutionary leaders found comfort in one another's society, and unity of purpose in their common desire to get rid of those in control of revenues and armies. In Canton the leader of these opposing factions, Sun Yat-sen, organized a revolutionary national government independent of and in opposition to the Government at Peking which had the support of the army.

Into this revolutionary camp at Canton there were poured all of the conflicting ideas of the revolutionaries: democracy, anti-foreignism, nationalism. All found a home and a place to work. But their disunity of ideas proved a weakness which they could not of themselves overcome, and by 1923 the leaders, including Sun Yat-sen, were much discouraged. They had sought outside help, a phenomenon that accompanies most revolutions.

In

- 7 -

In one country in the West there had arisen a new government, revolutionary in character, fired with the desire to see a world revolution begun which would change civilization and create a new division of property along communist lines. This revolutionary government had failed in Europe, but in revolutionary Canton it found what it believed to be its opportunity in Asia, and it went to the help of Sun Yat-sen, sending advisers and experts in propaganda who began to assist in the intensive training of officers, teachers and leaders who could carry on an organized propaganda throughout China to make the country nationalistically-minded, unite it against the old Government, and expel the foreigner. Hatred for the foreigner was encouraged by explaining that China under the old treaties was but a semi-colony of the organized nations, and as a semi-colony enjoyed even less advantages than a full colony.

Sun Yat-sen died in 1924. He left his Government leaderless; he left his party leaderless. But with Russian aid, those who remained began a crusade to make the dead Sun Yat-sen the Lenin of China, and they started northward accompanied by propagandists on a march that swept all before them, not so much by force as by the breaking down of the morale of those in opposition. China's forces in the north refused to fight; they refused to be known as the running dogs of foreigners, the term applied

1925  
J.H. Baird  
11/11/44

- 8 -

applied to them by the propagandists of the Russian leadership. By 1927 this new nationalist movement under the leadership of the Kuomintang had swept the country and was in possession of Peking. It moved the capital from Peking to Nanking and established there a new revolutionary government which announced as its program the bettering of people's welfare, revising of China's treaty relations with foreign countries, ridding the country of the extraterritoriality privileges of foreigners, and generally putting China in a position of independence. The program was a popular one.

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The Russians had given their assistance to the Chinese for an ulterior purpose. The Russian Government expected that the new Government in China would deprive foreigners, particularly the British, of their privileges in China, to the point where British trade would suffer so much that a reaction would be felt in England accompanied by industrial disturbances which might be favorable to the world revolution. To this end Russian communists and Chinese nationalists made common cause. But Chinese nationalism was just as hostile to Russian domination as it was to British, American, or Japanese, a fact which the Russians seemed to have overlooked; and in 1927, when Russian advisers, flushed with their success, began to take a more and more prominent part in the pronunciamientos and the activities of the revolutionary Government,

- 9 -

government, the Chinese turned upon them and expelled them from the country.

Chinese nationalism was triumphant at Nanking, but there remained a group of Chinese, inspired by the dogma and teachings of the Russians, who, apparently, honestly felt that Chinese nationalism would not be able to cure the ills of the common people, the peasants, the farmers and the workers who had been unionized and legalized and who had deprived the landlords of their property and distributed it to the peasants. This group, accompanied by a sympathetic armed force, retreated into the hills of Kiangsi and Hunan and there set up a communist peasant government against which the nationalist Government at Nanking has been fighting to this day.

In other parts of China where for a time nationalism was being enthusiastically supported by every one, the Nationalist Party, establishing itself as the single party of China after the fashion of the communists in Russia and the fascists in Italy, organized party branches throughout the country financially supported by the Government, who began to make nuisances of themselves by dictating to those in authority and by using their political connections to obstruct and frighten. The activities of these party branches or "tangpu" did possibly more to discredit the Government at Nanking and the "Party" than anything else, with the result that by 1930  
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- 10 -

the influence of the Nationalist Party began to wane, and to-day it is fighting for its life.

In foreign affairs revolutionary nationalism had a very serious effect, in so far as China is concerned. The question of immediate interest to the Chinese was the revision of treaties between China and other countries wherein citizens and nationals of those countries residing in China were granted extraterritorial privileges. The Chinese announced a policy of revising those treaties with a view to the elimination of clauses covering extraterritorial rights. They made open threats of unilateral abrogation of the treaties if the powers concerned did not give favorable consideration to China's just desires.

The United States, Great Britain and France adopted a conciliatory policy and announced their readiness to consider revision of their treaties; and the United States and Great Britain actually entered into negotiations with a view to such revision. These negotiations, however, failed of success in the summer of 1931, due to the opposition of a faction at Canton, once more a cave of Adullam, which by that time was in revolt against the Government.

The Japanese Government with Shidehara as Minister of Foreign Affairs was following a similarly conciliatory policy. The Chinese gave evidence of a desire of cleaning

- 11 -

cleaning the slate in so far as Japan was concerned, including in their program the restoration of the leased territory of Dairen. But it was evident all along that the Japanese, while willing to be conciliatory in regard to matters south of the Wall, had no intention to yield in any matters concerning Manchuria. It was even intimated that the Japanese were prepared to consider concessions to the Chinese Government in territory south of the Wall, but not in Manchuria. China's attitude in this matter, however, was unchanging, and the whole situation assumed an entirely new aspect when the Japanese suddenly and without warning seized communication centers in Manchuria on the 19th of September, 1931.

From the above it will be seen that nationalism to the Chinese mind means somewhat more than the development of a unified nation at home. Nationalism tends naturally to anti-foreignism. Chinese nationalism, finding domestic stability too difficult to achieve, sought to save itself through the popularity of anti-foreignism, with results disastrous to China. For China did not possess the unity and the domestic strength capable of making effective the program in foreign relations which her nationalism laid down.

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1061  
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By Milton D. Hunt NARS, Date 12-18-75

Enclosure No. 10  
Despatch No. 2345

CHINA'S POLICY IN ITS INTERNATIONAL RELATIONS

Until the middle of the 18th century when the East India Company established its contact with the merchants of the city of Canton, China had had little or no history in so far as international relations were concerned. It is true that at the time when the Manchus were beginning the campaigns which were to give them control over China, the Russian appeared on the scene in the north along the valley of the Amur. The virile Manchu, just on the threshold of the domination of China, was able to deal summarily with the rather feeble attempts of Russian adventurers to get control of the Amur Valley, and the first treaty between China and a European country was the one made which the Manchus dictated to the Russians at Merchinsk at the muzzle of their guns after they had driven the Russians from the Amur in 1689.

Up to this point in China's history, her entire experience with so-called foreigners was limited to that growing out of contacts with semi-civilized peoples, chiefly nomadic or aboriginal, living along her borders. It had become an accepted principle of orthodox policy in dealing with non-Chinese peoples to play

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- 2 -

one hostile group against another. Such a policy had the sanction of long years of successful usage, except when such border peoples became too strong, and then the Chinese usually submitted to conquest.

China therefore entered upon the past hundred years of intimate contact with the growing nations of Europe with no experience in dealing with foreigners other than that acquired throughout hundreds of years of contact with tribes and peoples less powerful than herself; and the past hundred years of China's international relations have witnessed a continuation of the ancient Chinese policy of playing one nation against another.

Except for seeing an occasional foreigner wandering about the countryside, for purposes impossible to understand, the great mass of the Chinese people are not conscious of the existence of any civilization other than or superior to their own. There is of course current among them a general feeling that these strange, outlandish people are in some way a danger to them and have the character of oppressors, because of the writings and preachments of the new generations of nationalistically-minded students that have come into being within the last thirty years. The great mass of the Chinese people are peasants, and their attitude toward the foreigner and toward foreign nations is the

attitude

106

DECLASSIFIED: E.O. 11652, 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 -

attitude common to the farmer-peasant: it is an attitude of suspicion, of general hostility; it is the attitude of the conservatively-minded farmer towards anything that is strange or new, one of opposition. This general attitude enters and colors and dominates the attitude of Chinese officialdom toward foreigners, foreign enterprise and foreign contacts.

When the foreigner first arrived and began to seek on behalf of his own nation intercourse with China on the basis of equality among nations - a theory of international relations evolved with the development of the new nations of Europe after the Renaissance - he found a Chinese Government that was not in any way equipped to handle such relations, and was referred officially by the Chinese to the bureau set apart for the handling of what they called "barbarian affairs". The European foreigner, conscious of the position of his nation in relation to other European nations, was insulted and resented this classification of himself, and there began a period of conflict between this foreigner, suddenly obsessed with the idea of forcing the Chinese to accept him on a plane of equality, and the Chinese Government and people who had never conceived any relationship as existing between themselves and outside countries other than that which characterized their relations with the semi-civilized nomads of the north and south. This conflict developed into an armed contest, the result

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- 4 -

of which was to force the Chinese to receive the official envoys of these foreign countries in audience, and to make treaties with them whereby the status of the foreigners was given recognition and their activities regulated.

The first of these treaties was the one of 1842, which the British dictated at the muzzle of their naval guns at Nanking. When the Americans, who had managed to stand aloof from this contest, despatched Caleb Cushing to China with instructions to negotiate a similar treaty, his first overture was met by the Chinese with a look of surprise, for it was apparently incomprehensible to them that there should be any necessity for a treaty with America, with which they had had no conflict. It is reported that they even so told Mr. Cushing, and finally consented to the negotiation of the American Treaty of 1844 only because he insisted. The Chinese idea of an international treaty is and has been that it marks a truce at the end of period of combat, and practically each one of the treaties which China has made with the foreign powers from that day to this, with the exception of certain international conventions which she has adhered to, have been negotiated immediately after armed conflict between China and the foreign nation concerned.

It was not until after the Boxer uprising of 1900 that the Chinese were forced to establish a Foreign Office

- 5 -

office at the seat of the National Government; and it was not until the establishment of the National Government at Nanking in 1927 that the Chinese developed a positive policy in dealing with foreign nations. That positive policy was based on a desire to get rid of the old treaties and of the privileges which had been granted to foreign residents in China by those treaties, rather than on any development of a desire on the part of the Chinese as a nation to take a more prominent part in international affairs, or to recognize the fact that there must be intercourse between Chinese and foreigners and that that intercourse must be regulated in accordance with the usual practice of nations.

China's policy to-day in the handling of her relations with foreign countries would appear to be based upon the orthodox principle of playing one nation against another, the only difference between her application of this policy to-day and the application of it in the past being that, whereas in the past it was the policy of strength toward weaker though disturbing neighbors, to-day it is the policy of weakness in the presence of stronger countries. It is based upon a conviction that these stronger nations are such jealous competitors for the advantages which China offers as a market that they will fly at one another's throats rather than permit any one to take advantage of her.

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- 6 -

The following is interesting as evidence of the reaction of a Chinese statesman to matters of foreign policy. At the Washington Conference there was drawn up and signed, as among the nine participating powers including China, a treaty on principles and policies by which the nine powers, recognizing the weakness of China's domestic situation, agreed among themselves that they would not take advantage of that situation to obtain for themselves positions of advantage, and that they would respect China's administrative and territorial integrity. China also agreed that she would not take advantage of this policy on the part of the foreign powers to initiate domestic policies harmful to their interests. A provision of the agreement required the United States, as the convener of the Conference, to invite the adherence of the other powers to the agreement. Therefore, in 1926, when the agreement was finally ratified by the nine powers, the United States set about inviting the other powers to adhere to this agreement. On its face the agreement was advantageous to China. And yet, the Chinese Minister of Foreign Affairs at the time chose to see, in this effort of the United States to obtain international adherence to this nine-power agreement, an attempt to organize an international block or combination; and the United States soon found that Chinese diplomatic representatives in Germany and in several of the other countries had informed those countries that their adherence to the treaty would be looked upon as an unfriendly act. Of course, American efforts in this matter met with defeat.

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1067  
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11  
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BRITISH POLICY TOWARD CHINA

The first British contact with China was made through the instrumentality of the British East India Company which enjoyed a monopoly of the trade of India, India having been turned into a colony of Great Britain through the instrumentality of the British East India Company. That company brought to Canton, where it established a factory in 1715, traditions built upon its experiences in India. In India the company had extended its influence among the independent states born of the break-up of the Mogul Empire through the establishment of factories or places of business. The conflicts which separated the little principalities of India and prevented them from acting as a unit made easy the establishment throughout India of the rule of the East India Company.

The history of China in its relations with England would have been the same as the history of India in its relations with England, if it had not been for the fact that in China the British East India Company found a homogeneous people closely knit together under the rule of a strong government. The factory system, which was

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- 2 -

to develop into the system of concessions and international settlements, did not extend beyond Canton until the treaty with Nanking of 1842 which closed the so-called Opium War, legitimized British trade, and opened to that trade and to the residence of British merchants the five ports of Canton, Amoy, Foochow, Ningpo, and Shanghai.

British interest in China, and therefore British policy toward China, from the beginning have been dominated by the necessities of the British situation in India, and in later days by the necessity of finding markets for the products of British mills which grew up with the industrialization of Great Britain when steam began to be applied to the weaving of cotton and woolen fabrics. British policy generally throughout this period did not concern itself with any attempt to exclude other nationalities from the enjoyment of the trading privileges won for British subjects either through the enterprise of the British East India Company, or subsequently at the muzzle of British naval guns.

To France belongs the somewhat doubtful distinction of inaugurating a policy in China which was to be fraught with difficulties for everyone, by enunciating the doctrine of "spheres of interest" in regard to China. By the Additional Convention to the Supplementary Commercial Convention of June 26, 1887, which was signed June 20, 1895, France obtained an undertaking from China

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to the effect that French manufacturers and engineers should be preferred above those of other nationalities for the exploitation of mines in the provinces of Yunnan, Kwangsi, and Kwangtung.

On February 9, 1898, the British Government, through its Minister at Peiping, informed the Chinese Foreign Office of its desire to be in a position "to communicate to Her Majesty's Government a definite assurance that China will never alienate any territory in the provinces adjoining the Yangtze to any other power, whether under lease, mortgage, or any other designation", thereby somewhat negatively establishing a British claim to the entire Yangtze Valley as a sphere within which British interests were to be consulted to the exclusion of any other nationality.

From the beginning of British Commercial contacts with China, an outlet for the opium which was grown in many of the semi-independent principalities under British rule in India, and which furnished those principalities their chief sources of revenue, was a matter of supreme importance. China, a large producer and consumer of opium, was the natural outlet for this Indian-grown drug. China's opposition to the importation of this drug, based partly on a natural desire of the Chinese Government to suppress the use of the drug, and partly on the desire of vested Chinese interests in the production of opium to exclude foreign-grown opium from competition

- 4 -

competition with the native-grown and less effective drug, precipitated conflict with the British East India Company and with the British Government behind the company, until the trade was legitimized by the Treaty of Nanjing of 1842 which ended the so-called Opium War.

There was little in British policy, however, throughout all those years that was really hostile to the development of commerce with the Chinese by persons of nationality other than British, but the importance of China to British Empire policy could always be seen whenever Great Britain's traditional enemy, Russia, showed her hand in the Far East. It was this phase of British policy which led Great Britain to espouse the cause of Japan and made her Japan's ally before the Russo-Japanese War of 1904, and continued this alliance up to 1922.

The British Government did not renew its alliance with Japan after 1922 because of the understandings reached between Great Britain, Japan, France and the United States in regard to their several policies as applied to China at that time. The refusal of Japan in 1931, 1932 and 1933 to abide by those agreements in working out her difficulties with China, and to fulfill her obligations to the League of Nations in dealing with China, leaves the British Government to-day in an extremely uncertain position, and it remains to be seen what action the British Government may take to meet the new situation which has now arisen; but it may be expected that the British Government will be governed in her action, as always in the past, by the necessities of her position in India.

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12

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AMERICAN POLICY IN ASIA

When the Revolution ended, with the establishment and the recognition of the independence of the thirteen American colonies from British rule, the people of those erstwhile colonies settled down to face the difficult problem of finding the wherewithal to build upon a stable foundation the national commercial life of a new state.

The area between the Alleghanies and the Pacific remained an unconquered and an unknown wilderness; the outlook was toward the sea. Many of the leading citizens of Virginia, Maryland, and the New England states had participated in the trade with India and the Far East. The youthful energies of those who had participated in and led the Revolution, where they were not devoted to the political questions then facing the country, sought, in efforts to establish trading connections with the old world, an opportunity for their genius. Europe and the British colonies were closed to them because of the blockades arising out of the Napoleonic wars, subsequently followed by the wars attendant upon the French Revolution. They therefore turned to the Orient.

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The last British trooper had not left American soil before adventurous American seamen were sticking the bows of their ships into out-of-the-way ports, notably into the port of Canton, seeking trade that would bring much-needed money to the merchants of the Atlantic Coast. They found the Canton trade dominated and monopolized by the British East India Company, but the Chinese were willing to do business, and it was not long before an American factory was established at Canton and a regular trade in furs taken under the noses of the hunters of the British Hudson Bay Company at the mouth of the Columbia River, opium from Smyrna, and wild ginseng, collected in the forests of the eastern states, were being carried in growing quantities in American bottoms to be peddled in Canton and along the coast of China.

The Americans were not interested in the establishment of political centers in China. They merely wished to bring their goods to the China market and sell them without hindrance in competition with the goods of other countries. From the very beginning American policy in China, and in Asia generally wherever American trading ships touched, was motivated by a desire for an equality of opportunity in competition with others; freedom to trade wherever others were permitted to trade. "The open door" is a phrase which in the last decade of the 19th century came to be used to describe this policy. It is the policy that has consistently been followed

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- 3 -

from that day to the present.

A policy of self-interest, it was easily converted into a policy of altruism by the typical mentality of the American, who, from his experiences as a pioneer building alone in the wilderness where he had to fight human and natural forces for the lives of himself and his family, carried a feeling of sympathy for and an interest in those whom he considered less fortunate than himself.

It must not be forgotten in this connection that the rise of American trade and enterprise and commerce with China coincided with a development of Protestant religious fervor. The American merchant brought with him and gave encouragement to the Protestant missionary, zealous in his desire to convert non-Christian or heathen people to an acceptance of the gospel of Christ. The merchant represented the acquisitive side of American life, while the Protestant missionary more and more came to represent that altruistic and sympathetic interest in the well-being of his fellowmen that was typical of the American pioneer.

As long as sea-borne merchandise was carried in wooden bottoms, the accessibility of the American forest to the sea gave to American shipbuilders a price advantage in the building of ships as compared with the peoples of other countries. A ship could be built at an American port more cheaply than anywhere else, and

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- 4 -

it was not long before American resourcefulness and inventive genius had created the swift clipper ships which were to dominate the sea until fabricated iron was adopted as a substitute for wood. The successful use of iron put the advantage into the hands of the British because of the proximity of British iron and coke to the sea, and the American shipbuilding industry began to decline. The Civil War and the activities of Confederate privateers marked the twilight of American seafaring enterprise.

The opening up of the West completed the natural processes which were working to eliminate America from a dominant position in the East, as it commanded all of the energies and capital of the country. And the last two decades of the 19th century saw the disappearance of the large and influential American business houses in China, and the introduction of a new phase in American trade with the East,- a phase in which the American representatives of American commerce were no longer themselves the carriers and the financiers of that commerce, but merely the agents of the producers of the United States engaged in the peddling of American products carried in American bottoms and as a general rule financed by British banks.

There was,, however, no decrease in the energy and capital that were being poured into the Protestant missionary

- 5 -

sionary enterprise, which grew with the years and which was not to reach its maximum until the beginning of the second decade of the 20th century. With this increase in missionary effort there was a natural tendency to emphasize the altruistic and sympathetic phase of the American point of view, as opposed to the acquisitive and more practical phase represented by the older type of American merchant.

During this period, an empire richer, more extensive, greater than the world had ever seen before, grew in the valley of the Mississippi, along the shores of the Great Lakes and along the Pacific Coast. And the people of this new empire, engrossed with the gigantic problems with which they were surrounded, had no interest in the establishment of politically-controlled footholds in Asia from which they might extend their commercial interests. But they continued consistently to seek in Asia an outlet for the surplusage of their products, and to pursue a policy which demanded freedom to market those products among the Chinese.

Down underneath, however, and intimately a part of the acquisitive forces engaged in the building of the empire of our western states, was the spirit of adventure, the enthusiasm to engage in enterprises in strange places and to extend the influence of the United States. A brief flowering of this underlying spirit came in 1898

and

- 6 -

and brought us, more by accident than otherwise, the Philippine Islands, giving us a definite although somewhat troublesome foothold in Asia. The altruistic side of American life has since been embarrassed to know what to do with this far-flung possession, but it remains as evidence of the fact that, deep in the spirit of America, there lies buried a readiness to do elsewhere what was done in the acquisition of Texas and California.

The acquisitive, practical side saw in the Pacific and in the great continent lying on the opposite side of the Pacific the future outlet and market for the product of American enterprise, and continued to seek means whereby that potential market would be saved and kept open. The altruistic side of the American spirit recognized the importance of eastern markets to American industrial development, but more and more sought recognition, on the part of the several powers concerned, of America's right to carry on its commerce with the peoples of the East on terms of equality with the nationals of other countries by pacific means, by agreements among the nations which were intended to make recognition of America's position a matter of international accord and good faith.

Cooperation between the altruistic side of the American spirit and the more acquisitive side, too occupied with its domestic problems of development to

direct

107  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 7 -

direct its energies into practical ways of ensuring its enjoyment of the right to trade in the East, brought about the Washington Conference of 1922 and the treaties growing out of that conference for the limitation of naval armaments, the maintenance of the status quo in defensive armaments and naval bases in the Pacific area west of Honolulu and south of Japan proper, and an agreement among the powers that they would not take advantage of China's present weakness to seek special positions for themselves in China. There naturally followed in support of this policy and as its logical development the so-called Kellogg Anti-War Pacts of 1928 and 1929.

NTJ.EA

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2345  
**MINUTE**

**SUBJECT: RUSSIA**

Stretching from the Carpathian mountains on Europe's border in the west to the Pacific Ocean in the east, bounded on the south by the deserts of Central Asia and Mongolia and on the north by the North Sea, lies Eurasia, a vast stretch of country. Steppe lands along its southern extent and forests throughout its northern extent. Eurasia has been the connecting link between Asia and Europe since history began. Here the Sythian, the Turk, the Hun and the Mongol and the modern Slav had their beginnings. Here they rode, fought, built their empires, lived and died. Man spent all of his life astride the horse, taking him with him into the land of the dead, for the horse was the common funeral sacrifice. Just as Western Europe learned to look upon this Eurasia with fear, remembering the foray of Hun, Scyth and Cossack, so the Chinese people who lived to the south of this Eurasia came to turn their faces to the north with a look of fear and a feeling of threatening danger. The Chinese builds his house with no windows to the north. As far back as written history goes one finds reference to the fighting that was continuous through the years between them and the Hsiungnu or Huns, the mounted steppe peoples of the north. When he built his empire he built a wall facing the north, the greatest wall of its kind, built against the ravaging riders of the steppe countries.

North

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North China, as far south as the Yellow River has been governed at longer and shorter intervals since the break up of the Han dynasty in 220 A.D. by Turkish, Mongol or Tartar peoples from the north, and two times in the history of China have these northern, mounted Mongols or Tartars governed the entire extent of China, once in the 13th century, and the second time in the 17th and 18th centuries. To these people from the north the Chinese owe their knowledge of the horse, the stirrup, the compound bow, in art the dragon, the griffin and all animal designs, and through these people of the north came to China Greek sculpture.

In this country of Eurasia Slavic Russia had its beginning and its rise. The Slav was just beginning his development when the Mongols who conquered China under Genghis Khan also over-ran all of Eurasia and it is interesting to remember that just as with the break up of the Mongol Empire and the retreat of the Mongol forces from the plains of Eurasia the modern Russian kingdom began, so with the break up of the Mongol power and the retreat of the Mongol forces from the plains of China began the rise of the great and last Chinese empire, the Ming.

Toward the end of the Ming dynasty the Russian began to penetrate east of the Urals. It was in 1581 that Yermak, a Cossack outlaw and exile, led a band of adventurers beyond the Urals in search of the furs which had become scarce in the great Russian plains due to the thickness of the

human

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human settlements. By 1636 Russian adventurers had reached the Pacific and in 1644 when Peking was being looted by the Tartars of Manchuria Russian adventurers were exploring the valley of the Amur. Karbaroff established a settlement on the Amur River at its junction with the Usuri.

In 1651 and in 1684 began the modern conflict between modern China and the new power that was beginning to dominate Eurasia, when a Manchu force took and destroyed Russian settlements on the lower Amur River. In 1689 China, under the Manchus, made its first treaty with a European power, a treaty written in a western language at Nerchinsk, which required the Russians to vacate the valley of the Amur and established the Yablonoi mountains to the north as the boundary between China and Russia in the east.

During these years trade between Russia and China was by caravan directly between Moscow and Peking. In 1727, however, the treaty of 1689 was supplemented by a new agreement regulating trade on the basis of barter to be conducted on the border at a place on the Chinese side known as Mai Mai Chen or merchants' village, and on the Russian side as Kiakhta. Here Chinese tea and silk were exchanged for Russian broadcloth, furs and lambskins. Russian merchants were permitted to visit Peking and by this treaty was established the Russian mission in Peking, a mission of the Greek Church which continued as an official mission until 1924, and which still has its place in the northern part of the

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the city of Peking, a mission established not for the purpose of proselytizing but for the purpose of serving Russian merchants who might visit Peking and provide interpreters for them.

Russia in Asia, or Siberia as it was now called, became quite a different factor in the Far East in 1851 when a young army officer of the name of Muravieff was made Governor of Eastern Siberia. In 1853 during the Crimean War between Russia and England Muravieff notified the Chinese that being at war with Great Britain, Russia was compelled to use the Amur River for the transportation of munitions, supplies and equipment to defend Russian settlements at the mouth of the Amur, and in Kamchatka. Thus Russia established itself in the valley of the Amur. By the treaty of 1858 China agreed that the left bank of the Amur should be the boundary between China and Russia.

From this point on there begins a new period in the relations between China and Russia, characterized by aggressive friendliness on the part of the Russians and a passive friendliness on the part of the Chinese.

In 1860 when China had been defeated by the British and French and Peking had been occupied and looted, Russia stepped in as a friend to mediate and as a reward for her friendship obtained the Primorsk or all of that territory lying between the Amur and the Tumen Rivers, and bordering on the Pacific Ocean. This brought Russia to the open sea in the East but it also brought her for the first time into contact with the people of Japan who five years before had  
opened

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opened their country to foreign intercourse and who were on the brink of a revolution which was to result in the restoration to power of the emperor.

In 1871 Russia occupied Kuldja, an important caravan center in the north eastern part of Chinese Turkistan, avowedly for the purpose of protecting Russian interests there because of a Mohammedan rebellion led by Yakub Beg which was then raging from Kansu to Yarkand. The Chinese succeeded in putting down this Mohammedan rebellion and reconquering Turkistan, and in 1881 Russia restored Kuldja to China.

In 1894 Japan declared war on China over the question of the sovereignty of the state of Korea. Although Korean sovereignty and independence had previously been agreed upon between China and Japan (by the treaty of 1876) up to this time Korea had always admitted Chinese suzerainty. The war resulted in a complete defeat for the Chinese who were forced to cede to Japan the island of Formosa and the southern part of Manchuria known as the Liaotung peninsula. This result of the Sino-Japanese conflict aroused Russia who once more enters the scene as the friend of China and with the aid of France and Germany forced Japan to return to China the Liaotung peninsula and accept an indemnity in its place. Russia and France provided China the money to pay this indemnity.

In 1896 at the coronation of the Russian czar in Moscow, Count Witte persuaded the Chinese representative at the coronation, Li Hung-chang, to sign a secret treaty of alliance with the Russian foreign minister Lobonoff whereby

Russia

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Russia and China agreed to come to each other's mutual assistance if attacked by a third party. The third party at which this alliance was aimed was undoubtedly Japan for by this agreement China conceded that Russia should build a railway across Manchuria in order to make a short route for the trans-Siberian connecting Moscow and Vladivostok. The agreement gave to Russia the right to transport troops to Vladivostok by this railway.

Behind this seeming attitude of friendliness on the part of Russia there was, however, a certain sinister determination on the part of those who were guiding the destiny of the Russian empire at the time to obtain access to an ice free port on the Pacific. Russian ships visited the port of Kiaochow, now known as Tsingtao, in 1898, but they soon turned their attention to Port Arthur and to the Chinese port of Talienwan on the Liaotung peninsula.

In 1898 Russia occupied that place and obtained from the Chinese a lease of this peninsula, the very same peninsula which, aided by France and Germany, it had forced Japan to return to the Chinese in 1895. At the same time Russia obtained Chinese consent to the building of a railway from the warm water port of Talienwan, or Dairen, to Harbin, a point on the new railway which Russia was building across the northern part of Manchuria.

The Boxer outbreak of 1900 which began as a revolt on the part of the Chinese people against the imperial Manchu government

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government and ended as an anti-foreign demonstration, was the signal for Russia to occupy the whole of Manchuria, ostensibly for the purpose of protecting the Russians engaged in the building of railways then under construction. Russia was now within reach of its goal with a railway connecting Moscow with Vladivostok and Dairen, the ice free port, Russia prepared to consolidate its position in Asia and to dominate North China and Korea.

With the signing of the Boxer Protocol in 1901 and the settlement of the Boxer trouble the effort began to persuade the Russians to evacuate Manchuria, an effort in which the United States joined with the other powers. Japan, however, did not wait and without any declaration of war in 1904 the Japanese fleet struck at Port Arthur. Within the year the Russian empire in the east had fallen and Japan had superseded the Russian and taken over the Liaotung peninsula, taken over that part of the railway connecting Harbin with Dairen south of Changchun and the retreat of Russia from East Asia began.

Once more we hear from Russia some twenty years later. By this time it is a different Russia. A revolution had occurred. The old medieval government of the czars was gone. A new government set up by the dictatorship of a people in the throes of a spiritual revival resembling a religious movement in 1922 again offered the Russian hand of friendship to the revolutionaries of China and in 1924 made a treaty with the Chinese. There followed the sending of advisers

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advisers to the Chinese army and to the government, advisers who were not only employed to assist the Chinese in the organization of their government and in the organization of their army, but who came with propaganda against America, Europe and Asia evidently intended to encourage the Chinese to help the new Russian movement which dreamed of a world movement under its guidance, to drive Europe and America and their trade out of China. They hoped thereby to precipitate economic conditions in the Occident which would encourage uprisings and the establishment throughout those countries of governments sympathizing and cooperating with that prevailing in Russia. During the years 1925-26 and -29 Russian influence in China arose to a point far above any that had ever existed before only to fail in 1927 when the Russian advisers threw discretion to the winds and brought upon themselves the resentment of the Chinese at their interference in Chinese domestic affairs.

This second thrust of Russia in the direction of China, however, was not to be without its repercussions in the west, and particularly was it to have its effect upon Japan's plans. For in 1931 Japan struck once more and this time eliminated Russian influence entirely from Manchuria.

The above indicates somewhat roughly the relationships which have existed during the years between the peoples living upon the plains of China and the peoples inhabiting the steppe lands and the forest lands of Eurasia to the north. These are continental relationships which are still fluid.

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It is not improbable that they will continue in the future and that the contacts between these peoples will grow closer with time and with the improvement of communications between them.

NTJ.RSK

MINUTE

Enclosure No. 14  
Despatch No. 2345

**SUBJECT:** JAPAN

The word "Japan" is of Chinese origin. It was the name "Jihpen" or "Sun origin" applied by the Chinese to the islands to the east of the Asiatic mainland. The Japanese have accepted this name and use it to this day although they have always called themselves men of "Yamato". Lying off the eastern coast of North Asia, extending roughly from the mouth of the Gulf of Pechili northward in the direction of Kamchatka and forming the outer or ocean barrier of two semi-enclosed seas, the sea of Japan and the sea of Okhotsk, are found the islands inhabited by the people whom we call Japanese. These islands are of restricted area as regards tillable soil. They are extremely mountainous, highly volcanic. The volcanic character of the soil makes them highly fertile. They enjoy an equable climate because of the proximity of a warm ocean current. They are plentifully watered and thickly covered by vegetation.

These islands were apparently originally inhabited by an aboriginal race of people, the Ainus, that must have come to them through Siberia. It is probable that this race, a short, stocky, bearded, hairy race, came to the islands from Siberia and may have been at some time related to the pre-Sythic peoples who roamed the forests of Eurasia from the Carpathians to the Pacific. They were hunters and accustomed to forest life. Little or nothing, however, is known of their origin.

The origin of the modern Japanese is lost in the obscure past. Perhaps Murdock's theory is as good as any.

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- 2 -

It is in part confirmed by a theory developed by Professor Holtom in his studies of the origins of Japanese mythology. This theory is that the people who conquered the Japanese islands and drove northward the hairy aboriginal Ainu, were of Indonesian stock. They found their way northward along the coast of China by way of the Philippines, Formosa and the Loochoos. At the Loochoos they divided, one part going to the southern tip of Korea and the other finding lodgement on the southern island of Japan. The group that settled in southern Korea intermarried with the Tartar and Chinese peoples there, came into contact with the civilizing influences from the direction of China and eventually crossed over to find a new home on the eastern side of the Japanese island of Honshu. There they met descendants of those they had left behind in the Loochoos who, having crossed to the southern island of Japan, had finally settled in the central part of the island of Honshu, having pushed the original Ainu northward. Here they established the kingdom of Yamato. Somewhere in the neighborhood of Kyoto these two groups joined and put the nameless clan at their head which since that time has furnished emperors to rule them.

Whatever their origin these conquerors of the Islands which we now know as Japan were an active, fighting race who settled down to the business of winning a meager living from the soil of their new found home. They were but little known to the Chinese. Just as the Chinese had built a wall against the forays of the mounted steppe people of the north,

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- 3 -

so they kept their cities from the sea coast which was harried by a piratical people who came in ships from islands to the east.

The Japanese on their side, however, were not uninfluenced by what went on on the Chinese mainland. Each Chinese dynasty as it collapsed sent many of its émigrés fleeing from the chaos that followed, and many of these went to settle in Japan, bringing with them the customs, the learning, the art, the craftsmanship, the philosophy, the religious teachings and the dress of China. Japan's position was not unlike that of the British Isles which benefited by the peoples who emigrated thither from Europe during periods of disturbance. The first great invasion of Chinese culture came in 645 A.D. when the Japanese imported Buddhist priests to teach the written language of China to the Japanese. It was at this time also that the Japanese took over the Chinese administrative system based upon a civil service which originated in the Tang dynasty. The Japanese to this day wear the costumes that were current among the Chinese during the Tang dynasty.

With the exception of the unsuccessful invasion of Korea by Hideyoshi in the 16th century and the original piratic forays along the coast, Japan did not exist as a threat in the minds of the Chinese until the middle of the 19th century.

When the scholars of Mito began to study Japanese history, political science and religion during the first quarter

1097

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
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- 4 -

quarter of the 19th century they began to develop ideas which were to encompass the downfall of the Tokugawa Shogunate which had held the imperial family prisoners for over 200 years. These studies inevitably pointed to the imperial prisoners at Kioto as the legitimate source of governmental authority in Japan. The revolution of 1868, which resulted in the restoration of the empire to the throne, was accompanied as all such revolutions are by manifestations of anti-foreignism. In fact the encroachment of foreigners upon the coast of China during the early part of the 18th century contributed not a little toward the fall of the Shogunate and the restoration of the government to the emperor. Throughout this period the Japanese had been kept well informed by the Dutch traders of the activities of the British, French, Americans and Russians along the China coast. When Townsend Harris landed at Shimoda to negotiate a treaty with the Japanese for the opening<sup>of</sup>/Japan to trade and the securing of protection of American seamen in Japanese ports, it is recorded that the danger that they might be forced to accept less liberal conditions if they awaited the arrival of the more aggressive British or French was urged upon the Shogunate as an argument in favor of his treaty.

The Shogunate made a treaty with the American and the patriots of Satsuma, Choshu and Mito used this fact to fan the fires of revolt against the Tokugawa, claiming that the treaty had been made by the Shogun without first having obtained

- 5 -

tained Imperial permission.

During the period which immediately preceded the restoration of the empire in 1868 and in the intellectual ferment that accompanied the restoration, a brilliant young teacher named Yoshida Shoin came upon the scene. He numbered among his pupils Ito, and other men who were to take a prominent part in the restoration movement, and who were to become the leaders in the era which immediately followed. He advocated for the Japanese a program of foreign conquests, including the seizure of Formosa, Korea, the Kuriles, Manchuria, Saghalien, Kamchatka and eastern Siberia. Yoshida was executed by the Shogunate because he was believed to be connected with a plot against the Shogun's life, and then became a martyr in the minds of his former students. His aim was to master western science, apply it to Japan so as to be able to meet foreign intruders with their own weapons, and ultimately to attack them on their own soil. There can be no doubt that his ideas inspired the statesmen who guided Japan with success to unity and greatness during the Meiji period.

Another factor in this situation, perhaps unnoticed at the time but undoubtedly of importance when the outcome is considered, lay in the fact that <sup>during</sup> the period immediately following the restoration, when the disciples of Yoshida were seeking a western model upon which to found Japan's greatness there occurred the Franco-Prussian War. Ito, who traveled in Europe and America seeking information for use in Japan was in Europe at the time and found in the plans of

Bismarck

- 6 -

Bismarck and Stein the models that he sought. French instructors of the Japanese army were dismissed and German instructors substituted and Japan's army modeled upon the Prussian system and founded upon samurai traditions.

But an even more important problem faced Ito and his colleagues. The Japan of 1870 was a Japan divided among feudatories. The clan heads had been persuaded to cooperate with the clans of Choshu and Satsuma to destroy the clan, which had governed Japan for 250 years, by appealing to their almost forgotten fealty to the prisoner emperor. But with the destruction of the Shogunate of the Tokugawas the need for cooperation had ceased. Ito's greatest immediate problem was to find a means of destroying the clans and unifying and nationalizing the people under one head. The problem was not unlike that which faced Bismarck who solved the problem by precipitating a war with France and unifying Germany under pressure of patriotic fervor. Ito realized that it was too early to follow Yoshida's plan and start on a career of foreign conquests. Just as Germany was unified under Prussia so Japan was to be unified under the control of the Satsuma and Choshu in the name of the emperor. Stein's system of national education using ancient Shintoism upon which Nietzsche's theory of the state had been grafted was to be the engine whereby this nationalizing of the minds of the Japanese people would be accomplished.

Shinto, the ancient animistic religion of the Japanese  
had

- 7 -

had long been buried in the Buddhist monasteries and it was now separated from Buddhism and made a national cult. The essence of its teaching was that the emperor was the lineal descendant of Amertarasu, the sun goddess worshipped in the shrine of Ise, and that the islands of Japan were the sacred land created by the old Japanese gods.

Ito realized that foreign conquests such as Yoshida urged could not be undertaken so early in the development of their plans for Japan, but Yoshida's ideas were not forgotten. In 1876 Japan had made a treaty with Korea whereby Korea's sovereignty and independence were recognized but Korea continued to admit Chinese suzerainty - an admission which Japan did not cease to resent. By the agreement of 1885 which settled the dispute the Japanese and Chinese agreed to withdraw their forces from Korea and not to send forces there again except upon due notice to each other.

In 1894 the Tonghak rebellion occurred in Korea and the Chinese, at the request of the Koreans, and after due notification to Japan, in accord with the treaty of 1885, sent a small force into Korea to assist in putting down the rebellion, the Japanese despatched to the Korean peninsula a force of 18,000 men.

At this time it must be remembered that Japan, in view of the adoption of a constitution, the establishment of courts, and the setting up of a parliamentary government, was engaged in negotiations with Great Britain and the United States for the relinquishment of their extraterritorial

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- 8 -

torial rights. Japan's leaders, still the men who had sat at the feet of Yoshida Shoin, believed that the time had come when Japan should demonstrate to the world that she was capable of defending herself and that she was ready to take her place among the nations of the west. A war with China now suited her purposes. Yoshida's advice and Bismark's example lurked in the background. War was declared. Japanese forces by land and sea began an advance which soon threatened Peking itself. Japan soon drove Chinese forces out of Korea and Southern Manchuria. When forced to sue for peace, China agreed to the cession to Japan of Formosa and the southern part of Manchuria, and to the complete independence of Korea. The first part of Yoshida's plan was accomplished.

Russia had been intriguing in the Korean chaos and now with the aid of France and Germany advised the Japanese government to restore to China southern Manchuria and to accept indemnity in lieu thereof - advice which Japan at the time thought best to accept.

Japan then watched France initiate a policy with China which was fraught with far-reaching consequences for all powers concerned. France obtained from China an agreement not to alienate any part of China adjacent to French Indo-China. France also obtained from China the lease of the bay at Kuangchow, Germany occupied the bay of Kiaochow and obtained from China the lease of that bay for her use. Russia stepped in and occupied the ports of Port Arthur and Tallienwan and forced China to lease the southern part of the  
Liaotung

- 9 -

Liaotung peninsula to her, having already obtained from China permission to extend the Siberian railway through the northern part of Manchuria in order to connect by a shorter route with Vladivostok. Russia also obtained China's permission to build a railway from Talienshan to Harbin on the Chinese Eastern in North Manchuria. England, always watching Russia, obtained the lease of Weihaiwei just opposite the Russian lease. These things the Japanese watched with growing interest and alarm.

When in 1900 the Chinese people began in Shantung a revolt against the empire because of the defeats which the Chinese government had met in the handling of these affairs the imperial government succeeded in diverting the fury of the rebellion from itself to the foreigner. The Japanese joined the Americans, British, Russians and French in marching to the relief of the Legations in Peking. By far the more serious problem to the Japanese, however, was the fact that Russia took this opportunity to occupy the entire area of Manchuria. Japan labored in vain to get the Russians to evacuate Manchuria by diplomacy, cooperating with the other powers to this end. In 1904 the Japanese struck once more, drove the Russians out of southern Manchuria and substituted themselves for Russia in all of the undertakings, leases, and contracts which the Russians had made with China.

Japan assumed the position of a protectorate over Korea and Ito, the student of Yoshida, was made commissioner in Korea and made the plans whereby in 1910 Korea was finally annexed

- 10 -

annexed to the Japanese empire.

In so far as the Chinese are concerned Japanese activities on the Asiatic mainland have been consistent since their first quarrel over the administration of Korea in 1883. The Chinese people live under no illusions as to what the Japanese may aspire to on the Asiatic mainland. Since 1931 they have seen Japan occupy the entire area of Manchuria and extend her force into inner Mongolia under the name of the puppet state "Manchukuo". The Chinese are confident that the impetus for Japanese expansion first voiced in 1860 has not yet expended itself.

NTJ.RSK

15  
2345

JAPANESE FOREIGN POLICY IN ASIA

With the exception of the defense against the incursion of the Mongols in the 13th century, in the time of the Kamakura Shogunate, and the isolated attempt of Hideyoshi to invade and conquer Korea in the 17th century, Japan had little or no early history in so far as a foreign policy is concerned. The Portuguese enjoyed the right to trade with Japan until Japan was closed to the outside world by Hideyoshi at the beginning of the 17th century. Thereafter, until the arrival of the American ships under Perry in 1855, Japan remained completely isolated from the world except for the limited and controlled Dutch trade which centered at Nagasaki, and the occasional attempts of the East India Company to establish trade with Japan at Nagasaki or Hirado.

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T.R. Reid  
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1853-4  
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The Tokugawa Shogunate, which ruled Japan throughout this period of exclusion, was kept well informed of the activities of the British and the French and the Americans in their attempts to establish and consolidate their trade with China at the several Chinese ports along the coast. This information became the source of considerable worry to the Japanese, who began

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- 2 -

to foresee that Japan itself might soon become the object of British and other attentions. This was accompanied in the first half of the 18th century by a growing tendency on the part of the clans of Japan, more particularly the Satsuma and Choshu clans of the south, to dispute the right of the Tokugawa clan to rule the country and continue to enjoy the profits growing out of the increased foreign trade at Nagasaki and at the great clan port of Osaka.

In this time also a school of young scholars grew up under the protection of the Lord of Mito, which devoted itself to the study of Japanese traditions and Japanese history. This school developed a series of commentaries upon the position of the Imperial family, which for centuries had been kept in a condition of poverty and surveillance by the several Shoguns who had ruled the country in the name of the Imperial family. It was inevitable that this school should develop a body of thought hostile to the Shogunate and friendly to the Imperial family. This school of thought was soon to be taken up by the clans, which were jealous of the position held by the Tokugawa Shoguns, and it was eventually to be used by them for the purpose of calling the clans together in the name of the Emperor in an attack upon the Tokugawa.

It is a significant commentary upon the situation which existed in Japan that the Dutch, and subsequently

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the Americans when they arrived on the scene, appear to have been ignorant of the existence of the Imperial family, although throughout the period of their intercourse with the Tokugawa Shogunate it was the invariable practice of the Shoguns domestically to quote Imperial authority as sanction for their acts.

When Townsend Harris began his negotiations with the Shogunate for a treaty between the United States and Japan, for the protection of American whaling and other ships that might come to grief upon the Japanese coast or touch at Japanese ports for water and food, and which was intended to give Americans an opportunity to trade with Japan, he seems to have been unaware of the fact that he was dealing with a subordinate official of the Emperor. He obtained his treaty and was pleased with the results in so far as Americans were concerned. The Americans were followed by the British and the French, who sought similar treaties; and the growing opposition, aided by the Satsuma and Choshu clans, found a pretext for attacking the Shogunate in the argument that the Shogunate had insulted the Emperor by negotiating treaties with foreign countries without the Emperor's permission. The fall of the Tokugawa Shogunate followed.

A wave of anti-foreignism spread through the country; attacks were made upon foreigners; shots were fired at American and British ships from Satsuma and

Choshu

- 4 -

Choshu forts in the Inland Sea; and the armed ships of Great Britain and the United States took vengeance upon these forts, having failed to obtain satisfaction from the weakening Shogunate. Young Japanese in the service of the Shogun, the Satsuma, Choshu and Toza clans for the first time discovered the superiority of foreign armaments. A young Japanese leader and teacher began to preach the idea that Japan should study the superior methods of the foreigners, for the purpose of turning these weapons upon the foreigner. He looked further afield and advocated the founding of an empire by Japan on the Asiatic mainland, the conquest of Korea, Manchuria and Siberia. He was executed by the last Tokugawa under suspicion of being connected with a plot against the Shogun's life. Yoshida Shoin became a martyr in the eyes of the Japanese who had been his students, many of whom were later to be the leaders in the time of the restoration. One of them, Ito, was to write the Japanese Constitution.

The first treaties between Japan and the United States, Great Britain and France were practically duplicates of the treaties which those countries had negotiated with China, and they gave to foreigners the extraterritorial rights which were developing in China.

With the restoration of the Emperor of Japan to the throne in 1868 and the overthrow of the Shogunate form of government, the Satsuma and Choshu clans which had

- 5 -

had led in the restoration substituted themselves for the Tokugawas in the control of the country. The Constitution which Ito wrote placed the political control directly in the hands of these two clans, by stipulating that a senior officer of the line in the Navy should be Minister of the Navy, and a senior officer of the line in the Army should be Minister of War, and that these two officers should have direct access to the Emperor as Commander-in-Chief of the Army and Navy, for the patronage of the Navy was allotted to the Satsuma clan and the patronage of the Army was allotted to the Choshu clan.

Although the Constitution provided for a limited monarchy with a Cabinet and a Diet, the Diet was given merely advisory powers in legislation; and the Cabinet was made responsible to the Emperor, and not to the parties or to the people from whom the Cabinet members were chosen. The result was that down to 1912, when the restored Meiji Emperor died, the history of Cabinet Government in Japan was the history of its manipulation by the Ministers of War and Navy in the interests of the Choshu and Satsuma clans.

The young leaders of the restoration set about, with a persistency and singleness of purpose peculiar to the Japanese, to model Japan upon foreign standards. They chose only such foreign methods in military training and education as would further the cause of nationalism in Japan and prepare it eventually to recall the privileges

- 6 -

privileges granted to foreigners in the treaties, placing Japan in a position of equality with the powers of the West. These leaders never appear to have forgotten the teachings of their old leader, Yoshida Shoin. They found pretext to extend Japanese sway in Korea through a war with China in 1894; they established a system of courts, and after 1894 obtained a revision of Japan's treaties with the foreign powers whereby the foreign powers relinquished extraterritorial jurisdiction in Japan; they met successfully the advance of Russia in Manchuria in 1904, and substituted Japanese influence in Manchuria for Russian influence with the Treaty of Portsmouth.

It would appear that up to the restoration of the Emperor in 1868 the Japanese population remained more or less stationary, the birth rate being merely sufficient to offset the enormous death rate from famine, earthquake, internecine strife and epidemics. The restoration and the setting up of a more enlightened rule, accompanied by reforestation, better control of the rivers, the cleaning up of the cities and better sanitation, and the stamping out of disease, removed these natural checks to population. The high birth rate, necessary corollary to the old condition of living, continued under the new, with the result that since 1868 Japanese population has almost doubled. ✓

The Japanese islands are limited in extent. Arable land

- 7 -

land capable of furnishing food for the population is limited by the mountainous character of the islands. By the beginning of the 20th century the population problem had become an acute one with the Japanese Government. The Japanese discovered that they were not a colonizing people, in the sense that their people were willing to take up homes in unsettled areas, whether in the Hokkaido, Formosa, Korea or Manchuria. Their people were better equipped to find homes in areas already settled, with standards of living higher than the Japanese, such as the west coast of the United States where they soon found an agreeable outlet for their merchandise, as farmers and fishermen supplying food to the white population and laborers. But the Japanese authorities discovered that the United States, Canada and Australia, countries ordinarily attractive to such migrants, were unwilling to open their doors to immigration of this kind, for the populations of these countries soon realized that the Japanese people were not assimilable. They had a tendency to live apart, retaining Japanese manner, dress, customs and language. Acceding to the right of these countries to close their doors to immigration of this kind, Japanese leaders began to concentrate upon a policy of industrializing Japan and feeding the teeming population of the country by hiring its services in the turning of raw materials into manufactured

ured

- 8 -

tured products useful abroad, such as silk, cotton and piece goods, toys, musical instruments, chinaware, and articles of any kind whatever that might find a market abroad.

The Japanese found that France, Great Britain, Germany and Russia were pursuing a policy in China - the greatest potential market for the products of Japanese industries - of dividing China into spheres within which these countries might enjoy freedom of investment and trade without competition from the others. The Japanese proceeded to pursue a similar policy, but went a step farther in extending political control within those spheres. Having driven Russia out of South Manchuria they substituted themselves for Russia in claiming South Manchuria and eastern Inner Mongolia as a sphere of interest for Japan. A similar sphere was set up and obtained in Fukien, opposite Formosa. The European War which broke out in 1914 gave the Japanese an opportunity to drive Germany out of her sphere of interest in Shantung. The end of the War found Japan settled in Shantung in possession of Tsingtao and the railway to Tsinan, a possession which had been guaranteed to her by secret arrangements arrived at during the War between herself and England, France and Russia, her associates and allies in the War.

In the pursuit of this policy during the War, Japan reckoned

- 9 -

reckoned without the United States, which had remained neutral until 1917. When the United States participated with Japan and the other powers in the treaty negotiations at Versailles in the fall of 1918, for peace with Germany and Austria, it discovered that the powers associated with it during the War were committed to a settlement of the former German possession in Shantung unfavorable to China, which had entered the war at the invitation of the United States. The United States made common cause with China in opposing such settlement. This was one of the main reasons why the United States refused to ratify the Versailles treaty and the Covenant of the League of Nations which was attached thereto. Although the Japanese Prime Minister at the time publicly announced that Japan's occupation of the German possessions in Shantung was temporary, the reluctance of Japan to evacuate Shantung constituted after the War one of the causes of trouble in the Pacific area, and was a source of worry to the United States.

The Revolution in Russia in 1917, the presence of a large number of German prisoners in Siberia, the rumor that those prisoners were making common cause with the Russians in an attempt to bring about an end of the War favorable to Germany, and the desire of Czech prisoners in Russia, assisted by the French, to return to Czechoslovakia, brought about an invitation from the United States to the powers, including Japan, to send an expeditionary

- 10 -

ditionary force into Siberia for the purpose of assisting the Kerensky Government in reestablishing control in Russia and aiding the Czechs to leave Russia. Japanese acceptance of this invitation was immediate; they sent a force ten times greater than that sent by the United States. It was soon apparent that the Japanese military considered that they were in the presence of an opportunity to extend into Siberia Japanese control which might become permanent. They refused to evacuate Siberia when the American forces came out in 1919, and the presence of the Japanese in Siberia indirectly due to American action was another source of worry to the American Government.

1920  
7/10/44  
11/11/44

The Japanese had used the Anglo-Japanese alliance as their reason for taking action against the Germans at Tsingtao on the Chinese mainland in 1914, so that the Anglo-Japanese alliance had become in Japanese hands an engine for furthering Japanese policy on the mainland of Asia, in a way that was injurious to the interests of the other powers including British partners to the alliance.

The Great War left a situation in Asia full of dangerous possibilities. Public opinion in the United States was much occupied with these possibilities, and there continued programs for the building of naval vessels and the development of armaments on hitherto unprecedented scales, with an accompanying and increasing burden

- 11 -

burden of taxation upon industries which needed to adjust themselves to the situation which followed the War.

There was talk of a naval holiday, and the American Senate tacked on to the naval bill of 1921 a provision indicating American readiness to consider with other naval powers a proposal for such a holiday. This suggestion had a favorable reaction in the British Government during the summer of 1921. The American Government was convinced that there could be no real basis either for a naval holiday or for a reduction in existing naval armaments unless some of these disturbing questions in Asia could be settled, and, in the summer of 1921, proposed to the Japanese, the British, the French and the Italians that a conference be held for the purpose of considering a proposal for the limitation of armaments and of discussing questions relating to the Far East. This Conference was called on November 11, 1921, and included, besides the four powers above named who were principally interested in naval strength, China, the Netherlands, Portugal, and Belgium, as additional powers interested in Pacific questions.

The Conference had a number of results. The Anglo-Japanese alliance was dropped; substituted for it was an agreement between Japan, Great Britain, France and the United States to consult with one another in case their interests in the Pacific were affected either by their

- 12 -

their own activities or by the activities of others. Japan withdrew her armies from Siberia; she also agreed with China to withdraw her people from Shantung. The nine powers put on record their realization that the Chinese were facing a difficult situation at home, due to the revolution and the natural difficulties attendant upon a transition from the old government to the establishment of a new one, and agreed that they would not take advantage of this situation in China to seek for themselves special advantages in that country, either at the expense of China, or at the expense of each other. They agreed to give China every opportunity to develop, and to refrain from any action that might in any way infringe upon China's administrative or territorial integrity. The four naval powers agreed to a basis of fleet ratio of 5-5-3 as between Great Britain, United States and Japan, and in addition they agreed to a plan whereby existing fleets might be reduced and kept within this ratio. This arrangement furthermore required that Japan and the United States and Great Britain maintain the status quo in regard to their naval bases in the Pacific area.

1922  
9/16/23  
11/11/44

The Japanese, of all the powers participating in the Conference, were least content with its results, although recognizing that the Conference had been of unquestionable benefit to American-Japanese relations, in that

- 13 -

that it had done away with all causes of misunderstanding between the two except for the question of immigration.

The reason for this discontent is obvious. First, one must not forget Japanese reaction to the possibility of the development of a strong and independent China, capable of defending itself,- an opportunity which had been guaranteed to the Chinese by the Nine-Power Treaty governing principles and policies in connection with China, which had resulted from the Conference. Japanese activities in Siberia and northern Manchuria and in Shantung were popular at home, particularly in the Army, among whose leaders - young and old - the principles advocated by the martyred hero, Yoshida Shoin, were held in high regard. The withdrawal of Japanese troops from these places was a blow to the prestige of the Army which rankled.

Then, it must not be forgotten that, from the time of the restoration, political power in Japan had been more or less equally divided between the Satsuma and Choshu clans. The limitation placed upon the Japanese Navy was in fact a limitation placed upon the development of Satsuma's control over Japanese internal politics. The Conference had been unable to reach any agreement in regard to the question of standing armies, but in Japan there was this peculiar result: the

Satsuma

- 14 -

Satsuma power in the Government immediately set about to see what could be done to put a limit to the power and size of its ancient colleague and competitor, the Choshu clan and the Army. Political intrigue between these two powers in Japan was intense during the years immediately following the Conference, and it was during this time that there came about the greatest advance in the power of the political civilian parties in Japan, as opposed to the old Satsuma-Choshu, Army-Navy control of Cabinet Government. Prime Minister Hamaguchi was shot down. The economic situation in Japan became more critical and resulted in increasing efforts on the part of the Diet and the Government to cut down Army expenditures.

The Japanese Army is peculiarly close to the farmer population of Japan. Military service is obligatory. From the time when German methods of military organization and training were adopted, service with the colors had been used by the Japanese leaders as an engine for building up loyalty to the Emperor, and an intense patriotism. So-called training in morale was especially cared for while the young soldier was with the colors. Patriotic ceremonies attended the going up of the young men to the division headquarters where they were to serve their military time, and time-expired men returned to their homes bearing banners and receiving as heroes the plaudits

- 15 -

. plaudits of the people of the villages through which they passed. The Army did not lose contact with the men after they left the colors. Young men's associations were formed throughout the country, made up of ex-soldiers who organized themselves for purposes of drill and for purifying their communities of those who might be considered dangerous as being hostile to the Army or entertaining so-called dangerous thoughts.

By 1931 the condition of the rural people in Japan had become critical. Farmers were in debt and unable to pay their debts; taxation was heavy; and there was growing discontent with the Government, which was concentrating upon the industrialization of the country and upon the pursuit of liberal policies abroad calculated to further Japanese good will, and by good will to extend the markets for Japanese goods. During the summer of 1931 the Army began agitations throughout Japan, in opposition to the Government's program calling for further decrease in Army appropriations. Army leaders openly espoused the cause of the rural population from which most of its recruits came, demanding that the Government do something to lighten the burden of the farmers.

Army leaders may or may not have been sincerely disturbed over the progress of the five-year plan in Russia which was intended to make Soviet Russia economically independent of the rest of the world. But no use was made

- 16 -

made of this belief as a reason for increasing Army appropriations.

There was evidence of increasing impatience on the part of the Army in Manchuria and at home with the liberal policy which the Japanese Government had been following in its relations with China, where an anti-Japanese boycott had been smouldering ever since a Choshu-controlled Cabinet, in 1915, had inspired the presentation of the Twenty-One Demands, obviously intended to place China under Japanese tutelage.

It must not be forgot that in the matter of morale training Japanese military officers had developed for themselves and for the enlisted men a belief that they were the inheritors of the old samurai attitude of mind; that they were, in a sense, above the law; that they wore an Imperial uniform which set them apart from the commonalty,- an insult to the uniform was an insult to the Emperor. A recent incident in Osaka bears witness to the length to which this idea had been carried, even among enlisted personnel. A Japanese soldier was guilty of an infraction of the traffic regulations of the city of Osaka and was arrested by a municipal policeman. The soldiers resented this insult to their uniform, and a situation approaching the proportions of a riot arose when the soldiers went to the assistance of their comrade. Army leaders were forced to support the soldiers due to the feeling of the Army. In the spring of 1931

a

summary  
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- 17 -

a Japanese Army Captain traveling under an assumed name and with a false passport was arrested and killed by Chinese military somewhere in the neighborhood of Taonan-fu in eastern Mongolia. This incident was magnified throughout the Japanese Army as an insult to the Japanese uniform by the Chinese military. The incident had almost reached the point of amicable settlement between the civilian representatives of the Japanese and Chinese Governments at Mukden, when the Army took the situation out of the Government's hands and occupied Manchuria.

There followed the assassinations of Prime Minister Inukai, the nationally-known financier Inouye, and Baron Dan of Mitsui & Company. Other assassinations were planned by cadets of the Japanese Army School and participated in by young men not in the Army but fired with the zeal which Army leaders had been at great pains to develop through Army training. According to Army standards, the motives of the young men who carried out these assassinations were of the highest. It was their desire to purge the country of what they called corrupt political leadership, to do away with Diet and political Cabinet Government, and to restore the ancient virtues of Japan. They believed that the Minister of War, General Araki, would succeed Inukai.

Under impulsion from Army leaders Japan was forced to withdraw from the League and practically to repudiate

- 18 -

diate the agreements of Washington and the so-called Pact of Paris outlawing war. Japan under Army leadership aims to become the leader of Asia, the mentor of China. The followers of Yoshida Shoin who preached Japanese dominance in Asia to the exclusion of the Westerner are about to realize the success of his teachings, some twenty odd years after his death, at the hands of the executioner of the last Tokugawa Shogun.

NTJ.EA

16

THE LEAGUE OF NATIONS AND CHINA

When the European War broke out in 1914, China seemed about as remote from its fortunes as any place could be. The Chinese themselves were very much occupied with domestic political problems. The Revolution of 1912 left the situation in the hands of the mandarin, or group of scholar-philosophers, who were more or less bound together under the leadership of their strongest man, Yuan Shih-kai. They were attempting under his leadership to preserve what they might of the ancient privileges under the newly-established republic, and were engaged in an acute struggle with the Kuomintang or Nationalist Party under the leadership of Sun Yat-sen, which felt that, as the father of the Revolution, it deserved a greater share in the Government than had been allotted to it.

At the outbreak of the war the Chinese Government declared itself neutral, and some attempt was made at the time to find a way of neutralizing the German leased territory of Tsingtao. Before a month was over, however, the Japanese Government, using the Anglo-

Japanese

- 2 -

Japanese alliance as its reason, declared war on Germany and began the investment of Tsingtao. China, almost half a world away from the scene of actual conflict, and completely uninterested in the causes of the conflict among the powers in Europe, became one of the battle grounds of the war. Japanese forces were landed on the Shantung Peninsula and marched overland through Chinese territory to invest the German positions at Tsingtao. By the end of the year Tsingtao was in Japanese hands, the Japanese had occupied the railway which connected Tsingtao with Tsinan in the center of the province, and Japanese interests were taking over private German interests in mining and other enterprises in Shantung.

Early in 1915, the Japanese, suddenly and without warning, and without consulting their allies in the War, presented secretly to the Chinese Government at Peking a set of twenty-one demands which, when published, revealed the fact that the Japanese Government was taking advantage of the preoccupation of the powers in Europe to set up what amounted to a condition of control throughout China. The nature and extent of these demands were a definite shock to the nations at war. The British Government, because of the Anglo-Japanese alliance under which Japan had entered Shantung, was placed in an unenviable position by its Japanese ally. Under the pressure of hostile world opinion, Japan was forced to withdraw some of the demands, but succeeded in coercing the Chi-

nese

- 3 -

nese into yielding to those affecting Manchuria, and entering into treaties extending Japan's lease of the South Manchuria Railway and of Dairen, and giving the Japanese other rights in Manchuria. Public opinion in China then and since has refused to recognize these treaties as binding. A boycott of Japanese goods began which has continued and smouldered to this day.

Neutral China during 1915 and 1916 was the scene of certain rather extraordinary activities on the part of the Western powers who were engaged in war. Each side, by means of widespread and carefully planned propaganda, appealed to Chinese public opinion against the other side, and the Chinese for the first time in their history were asked to judge between one set of Western nations and another in a public debate in which each side used exaggerated arguments to put the opponent in the wrong. The effect on Chinese public opinion was to destroy whatever prestige European nations had in the eyes of the Chinese.

In 1917 the American Government, because of the continuance by the Germans of submarine warfare against neutral shipping, broke off diplomatic relations with Germany and invited other neutral nations to do the same. This invitation was extended to China. The United States followed this act by declaring war on Germany and invited other neutral states to follow her example.

There

- 4 -

There was a considerable body of honest opinion in China opposed to China's entering the war, on the ground that it would put a war government in power able to use military law in suppressing attempts of opposition political groups to force the Government to make concessions. But eventually China entered the war against Germany and became one of the powers associated with Japan, Great Britain, France, Russia and Italy in a war against Germany and her allies.

There was a definite idea current among those responsible for the administration of the American Government at the time that it would be of advantage to China to become associated with the powers in the war, and to profit with those powers by any settlements which might be arrived at in the negotiation of a peace.

Germany and the central powers sued for peace in the fall of 1918, and China sent a delegation to Versailles to sit in the conference which was to negotiate and settle the peace.

China went to the conference as an ally and associate of the victorious powers, hopeful of winning from them recognition of her position, first by the withdrawal of extraterritoriality, and second by the restoration to China of encroachments upon her territory made by the losers as well as by the winners.

China was quickly disillusioned. She found her  
allies

- 5 -

allies and associates bent on punishing Germany by depriving her of extraterritorial rights and of her territorial concessions in China. Worse, China discovered that her allies and associates in the War had committed themselves secretly to a policy of confirming to Japan the position in Shantung from which Germany had been driven. And so it was that the treaty of peace signed at Versailles transferred German rights in Shantung to Japan, and required Germany to cede back to China the extraterritorial rights of her people and her residential concessions at the several ports.

The Covenant of the League of Nations, intended to bind the nations together in an organization which could provide a basis for the amicable settlement of international difficulties, was attached to and made a part of this Versailles treaty based on settlements peculiarly European. The Chinese delegation refused to sign the Versailles Treaty of Peace. China became, however, a member of the League of Nations by signing a treaty of peace with Austria to which the Covenant was also attached.

In 1921 the Chinese Government was invited by the American Government to participate in the Washington Conference for the Limitation of Armaments, for the particular purpose of taking part in the discussions of certain Pacific questions. Disappointed in the outcome of the

Versailles

- 6 -

Versailles Peace Conference and still denouncing the treaties of 1915 between herself and Japan - outgrowth of the Twenty-One Demands - China went to Washington in 1921 hopeful of obtaining international consent to the revision of her treaties with the foreign powers in so far as extraterritorial rights and tariff control were concerned, and renunciation of the Sino-Japanese treaties of 1915. Through discussions arranged outside of the Washington Conference between Japan and China, China was able to get Japan to retire from Shantung. She was able to get the foreign powers to withdraw their post offices from China, and all their troops in China with the exception of those stationed in Tientsin and Peking under the Boxer Protocol. She was able to obtain a promise on the part of the powers that they would revise the treaties in so far as tariff was concerned, and that they would investigate the question of extraterritorial rights with a view to doing something about that question.

The most important agreement from the Chinese point of view which came out of the Washington Conference was the so-called Nine-Power Treaty concerning principles and policies with regard to China, under which the nine powers recognized the domestic difficulties which China was having and agreed among themselves not to take advantage of China's weak position to seek for themselves positions of advantage in China, and to respect China's territorial and administrative integrity.

Japan

- 7 -

Japan withdrew from Shantung, the powers withdrew their post offices from China, and the Chinese in the throes of a revolution settled down to a period of turmoil and domestic disunity seeking a solution of domestic problems. The Kuomintang or Nationalist party in China, composed for the most part of southern Chinese and students, and particularly of overseas Chinese, continued its struggle to obtain a more equitable share in the Chinese Government. The leaders of this party, most prominent of which was its founder, Dr. Sun Yat-sen, made tentative appeals to the Western powers for help in their struggle against the remnants of the old mandarin state. They met with failure on all sides, because the powers were in diplomatic relations with the Government established by the old mandarin state at Peking and could not have traffic with a revolutionary party in China.

A new power had arisen in the world, namely, Soviet Russia. At this time, Soviet Russia, in the hands of a revolutionary party ambitious to bring about a world revolution, was prepared to extend a helping hand to the revolutionary party in China, in the hope that they might destroy the Chinese markets for European products and thus strike at the foundation of capitalist society everywhere and precipitate the world revolution of their dreams. Russian communist advisers were soon working  
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- 8 -

with Sun Yat-sen and the Kuomintang in Canton to reorganize the Kuomintang along socialist and communist lines and prepare it for obtaining control of China in a manner similar to that in which the communist party had obtained control of Russia. The established Government at Peking, friendless, facing an aggressive Japan, recognized Soviet Russia and opened China to organized Soviet propaganda by recognized Soviet agents. From the years 1923 to 1927 the world watched the surprising development of an inflamed nationalism in China and the establishment of a Kuomintang or Nationalist Government which soon extended its sway throughout most of the territory in China.

The new Chinese nationalism, inspired by the revolutionary theories of able Russian advisers, began a policy throughout the country hostile to the foreigner who was privileged under the old treaties. Great Britain and the United States sought, within their commitments under the Nine-Power Treaty of 1922, to meet this active revolutionary foreign policy of the newly-established Nationalist Chinese Government by amicable concessions. The Japanese, facing an increasing attitude of resentment on the part of the Chinese, which expressed itself by an active boycott of Japanese goods, became more and more impatient, until, in the fall of 1931, without warning, the Japanese military discarded all further pretense and occupied

- 9 -

cupied Manchuria.

China, in the face of Japanese aggression, adopted a pacific policy and appealed at once to the Council of the League against the actions of Japan, a fellow member. At the suggestion of Japan, the Council of the League appointed a Commission to investigate the situation on the spot. The report of this Commission, later adopted by the League, was condemnatory of Japanese action and resulted in Japan's withdrawing from the League. The League Commission recommended to the powers that they assist China in her internal affairs at reconstruction, and the Chinese have invited the League to send experts to aid.

China's action at the League, although perfectly within her rights, has aroused the hostility of the Japanese military party, which has declared publicly that it will not view with an eye of friendliness any attempt on the part of any foreign power to take action in China without Japanese consent, approval or cooperation. The situation to-day, therefore, is one fraught with embarrassment for every one concerned. The League is within its rights in coming to China's assistance, but by doing so is inviting or challenging Japan to take action which would nullify the League's efforts and force the Chinese to turn to Japan as their leader and mentor in their relations with the outside world.

The

- 10 -

The League Secretariat is said by some to have been motivated, in its readiness to furnish aid to the Chinese in a plan for reconstruction, by those of its membership who desire to further League interests and give it life and staying power in an otherwise uninterested world. Among them are men like Rajchman, who is said to believe that the League should function as a super-state.

It is doubtful whether among these members of the League Secretariat there is a realization of the fact that the Chinese Revolution is still uncompleted. In spite of the fact that some twenty-two years have passed since the overthrow of the Ching Dynasty, the Revolution itself has scarcely touched the surface in China. China's history indicates that it takes on an average of sixty to a hundred years for a Chinese revolution to complete itself, for the reason that there is and always has been an almost unbridgeable gulf between the Government and the people. Normal Chinese conditions prevailing, it may take a similar time for the present Revolution to run its course and penetrate to the people, unless the new conditions under which China is trying to meet the present force the pace. The only exceptions to the above-stated so-called rule of revolution in China have been those occasions when a Chinese revolution has been arrested by conquest from without, as happened at the end of the Sung and at the end of the Ming Dynasties.

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

- 11 -

It will thus be seen that any assistance given by the League to the Chinese Government at the present time, based on a hope that in China the League may find justification for itself, may be grounded upon a misunderstanding of the situation in China, for until the revolution has been completed it is doubtful whether any Government to whose aid the League may come will be sufficiently stabilized in China to make good that aid, and by its success justify the League's hopes.

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

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Department wishes to send to Tokyo a copy of your  
despatch 2345, October 13, 1933, on Far Eastern situation  
and peoples. Do you approve?

*Hull*

*Stuy*

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

February 6 1934.

No. 1290

The Honorable  
Nelson T. Johnson,  
American Minister,  
Peiping.

Sir:

793.94/6513

Your mail despatch No. 2345 of October 13, 1933,  
entitled "Far Eastern Situation and Peoples Involved",  
has been especially called to my attention. I have  
examined the contents of this despatch with special  
interest and I wish to commend you on the initiative  
and thought to which you have given expression in its  
contents.

Very truly yours,

*Robertson*

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Feb. 6, 1934  
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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

~~EE D~~

February 12 1934.

No. 459

The Honorable

Joseph C. Grew,  
American Ambassador,  
Tokyo.

Sir:

There is enclosed herewith for your information a copy of a despatch from the American Minister at Peiping, No. 2345 of October 13, 1933, entitled "Far Eastern Situation and Peoples Involved", together with copies of memoranda containing comments thereon.

Several officers of the Department have read with much interest this despatch and the several reports accompanying it and the Department would be glad to receive any comment which you may wish to make in regard to them.

Very truly yours,

For the Secretary of State:

R. Walton Moore

Enclosures:  
From the Legation,  
Peiping, despatch No. 2345  
of October 13, 1933;  
Memoranda.

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A true copy of the original  
sent.

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OR 607  
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COPY

Department of State  
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Division of Far Eastern Affairs

January 29, 1934.

Mr. Phillips:

There is attached herewith a report from the Legation at Peiping dated October 13, 1933, in which Mr. Johnson analyzes "the conflicting problems and interests of the peoples" of the Orient. Officers of the Division consider this series of sketches as unusually stimulating and I am accordingly led to suggest that you look them over. Among the most timely, I would indicate those entitled:

- (2) The Chinese Mind
- (3) The Japanese Mind
- (4) The American Mind
- (10) China's Policy in its International Relations
- (11) British Policy toward China
- (12) American Policy in Asia
- (13) Russia
- (14) Japan
- (15) Japanese Foreign Policy in Asia
- (16) The League of Nations and China

In connection with this report, reference may be made to despatch No. 608 of December 12, 1933, from the Embassy at Tokyo, in which Mr. Grew reports upon and discusses the views recently expressed to him by the Netherlands Minister upon the likelihood of war between Japan and the United States. Mr. Johnson's report, it seems to me, affords a background upon which Mr. Grew's despatch may be read with greater profit.

SKH

COPY

Department of State  
-----  
Division of Far Eastern Affairs

December 28, 1933.

S.K.H.

The Minister's analyses "of the conflicting problems and interests of the peoples involved" may be likened to a collection of water color sketches. To those of us in FE, they are stimulating rather than essentially instructive. I do not think their value lies in the information imparted, or in the soundness of the views expressed, or in the accuracy of the theories advanced. Taken as a whole, the sketches are worth more than the total of the values that might be given to each of them. They should incite us to closer thinking of our own concerning the various matters which the Minister has discussed.

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Department of State  
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Division of Far Eastern Affairs

December 15, 1933.

SJP:  
SKH:

Mr. Johnson's despatch No. 2345 of October 13, 1933, is an unusual despatch. It is original in conception and it affords interesting reading, almost every line being provocative of thought and speculation.

Mr. Johnson's observations on the Japanese indicate that he has read very widely and intelligently about that very interesting people. I am reminded, however, of a Japanese aphorism which runs "One experience is equal to ten thousand words". My experiences during more than thirty years' residence in Japan have taught me the dangers of generalizing or dogmatizing about the Japanese mentality or temperament, and for this reason I admire Mr. Johnson's courage in venturing into what I consider to be an uncharted sea.

There are many statements made by Mr. Johnson which I believe are both new with him and accurate. There are, however, other statements - some of them categorical - which need qualification or correction.

Recent archaeological research points definitely to the existence of an aboriginal people who preceded the Ainu. Beyond the fact that they existed in caves, nothing is known of these people. They were displaced by the Ainu, who were in their turn displaced by the Japanese.

Any theory, such as those outlined by Mr. Johnson, which supposes the Japanese to be a homogeneous race must be rejected by the evidences in the way of variations offered by the Japanese themselves; and these evidences are superior to certain obvious affinities with the Malay people which are  
the

- 2 -

the main foundations for the theory of Murdock, Holtom and a few others that the Japanese are of Indonesian origin.

Max Muller once remarked that the greatest danger to the philologist and ethnologist is the temptation to base theories of racial and language affinities on resemblances in words. The theory that the Japanese people are uniformly of Indonesian origin was based not entirely on word resemblances, but on resemblances of social habits, customs and usages, as well. However, the more recent studies of Ramstedt in comparisons between the Japanese language and Turanian languages indicate that Japanese shares with the Turanian the uncommon characteristic of being agglutinative, while Nakagawa and other Japanese have found many more resemblances in point of customs and social usages between the Japanese and the Khirghiz and other Turanian tribes than between the Japanese and the Malays, Koreans or any other people. In view of the evidence now available, the most favored theory is that the Japanese are an admixture of races, the dominant element - not necessarily in point of number - giving the mixture its own language. It is also believed by Japanese scholars that the dominant element were comparatively late in arriving, as the story of the gods descending from the heavens has been rationalized as indicating the appearance of those who conquered the inhabitants in boats over the horizon - which is, of course, the line where the earth and sky meet.

Mr. Johnson is entirely correct in characterizing the Japanese as extraordinarily pertinacious. He has, however,  
given

- 3 -

given only one side of the picture in his example of the Christian persecutions. There is the other side - of the fidelity of the Christian martyrs which is not surpassed in the history of the Church.

Mr. Johnson is in error in stating that the "Japanese have always believed in the aristocracy of blood". If there is one peculiarity of the Japanese, it is that they do not (with the notable exception of the Imperial Family) believe in distinctions arising from birth. Japanese history is replete with instances of peasants rising to positions of influence as feudal barons, while today the upper strata of Japanese society have large numbers who are of humble origin. General Baron Tanaka was the son of a peasant, Baron Den was once a policeman, and Hamaguchi was the son of a land-owning farmer. Forty per cent of the officers of the Japanese Army are sons of farmers. Mr. Johnson has apparently confused occupation castes, which indeed exist, with birth castes, which do not exist.

To analyze the Japanese mind with Western reagents will not bring forth correct results. Standards of morality evolve gradually from the experiences of a race or civilization. The order of importance in which personal virtues are arranged in one place or age is not absolute; it may be rearranged in another age or it may be rejected by another race. We today consider fidelity to the given word as the highest virtue of a man or of a people; the Japanese consider loyalty to a master who is also a friend as the highest personal virtue; the Japanese then emphasize filial piety, while we place that virtue lower in the list, and so on through the scale. Until these variations are learned through experience, no one can hope to understand the Japanese.

COPY

Department of State  
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Division of Far Eastern Affairs.

January 6, 1934.

SKH:

I have greatly enjoyed reading the series of treatises on Far Eastern political philosophy which Mr. Johnson transmitted with his despatch No. 2345, and, with my background of nearly twenty years' experience of the Orient, I can find very few points (and those of very minor significance) on which I am inclined to disagree with Mr. Johnson. As an example of a minor disagreement, I might cite Mr. Johnson's paragraph in his treatise on "The Japanese Mind":

"The Japanese mind is a mind of action rather than words, a mind that appears to find it difficult to explain itself by the use of words."

The Japanese, in my opinion, find no difficulty, among themselves, in explaining their thoughts by the use of words, and they are very much inclined to so explain their thoughts. The Japanese probably have as many words in their systems, and are as anxious to get them out, as any people in the world. Japanese workmen can seldom do anything without first having a "sodan" (conference); Japanese students, businessmen, lawyers, etc. love to make speeches and do make speeches on every possible occasion. What Mr. Johnson probably refers to here is the difficulty which Japanese find in explaining their thoughts to us. This characteristic is not due to any lack of facility in the use of words but to the same trait which Mr. Johnson ascribes only to the Chinese: "It is an intuitive mind, reaching its calculations by intuitive rather than logical methods". The absence of logic in Japanese effusions, such as those of General Araki, often make them seem like nonsense to us, while to Japanese they seem entirely reasonable. The difference in thought processes, rather than

any

- 2 -

any difficulty in expressing themselves in words, is the cause of the Japanese inability to explain their thoughts to us.

In his treatise on "Japanese Foreign Policy in Asia", Mr. Johnson is inclined to base the present Japanese policy and action on the teachings of Yoshida Shoin, who some sixty or seventy years ago advocated the building up of a Japanese Empire which would include Formosa, Korea, Manchuria and Siberia. While Yoshida's policy is undoubtedly that upon which the Japanese many years ago founded their activities in the Orient, it seems to me that present Japanese policy has gone far beyond anything visualized by Yoshida. The present tendency of Japanese policy in the Far East (whether it is called an "Asiatic Monroe Doctrine", a "League of Asiatic Nations", "Back to Asia", "Asia for the Asiatics", or "Pan-Asianism") contemplates the control of all of the Far East by Japan. It is this policy, rather than the comparatively innocuous one of building up a Japanese Empire in Northeastern Asia, which calls for the serious attention of Western nations.

COPY

Department of State  
-----  
Division of Far Eastern Affairs

December 14, 1933.

JBJ:  
EHD:  
RCM:  
SKH:

Peiping's despatch No. 2345 under date October 13, 1933, with enclosures, sets forth Minister Johnson's views on the conflicting problems and interests of the people in the Far East.

The covering despatch points out (a) that the four groups of people in the Far East (Japanese, Russian, Chinese and American) all see their several interests from a different viewpoint and with different ideals; (b) that the western doctrine of idealism as exemplified by Wilsonian national self-determination, the Nine Power Treaty, etc. is opposed to the Eastern realism of "might makes right", the doctrine now employed by Japan; and (c) that China with its potential markets threatens to become the field where western idealism must accept or refuse the challenge of "the realism of the Orient."

Enclosure No. 1: Announcement of Chung Hui. (This is the only enclosure not written by Mr. Johnson.) A doctrine expounded in the Shang Dynasty (1766-1122 B.C.) to the effect that the strong should absorb the weak, punish the wilfully blind and deal summarily with those going to ruin in order that the State may flourish.

Enclosure No. 2: The Chinese Mind. Mr. Johnson states that unlike the Occidental mind, the Chinese thought stream is not complex; that Chinese acts and thoughts are usually motivated by present day needs and not complicated by heroic ideals; that the Chinese are largely fatalists; and that they usually reach conclusions by intuitive rather than logical methods. He points out that they have conservative  
and

- 2 -

and unadaptable minds, high conceptions of family loyalty and integrity, a love for confusion, and a tendency toward hysteria.

Enclosure No. 3: The Japanese Mind. The Minister characterizes the Japanese mind as one capable of adapting to its use foreign thoughts and ideas, as being intensely curious, zealous in its convictions, and a mind which requires action and even bloodshed to satisfy its broodings. He also discusses the characteristics of the "Samurai" and the "Ronin" with particular reference to the present day attitude of contempt on the part of the Japanese military toward the diplomat and business men who are the outgrowth of a lower strata of ancient social order.

Enclosure No. 4: The American Mind. Mr. Johnson points out that the characteristics of Americans are closely connected with the recent pioneer days, i.e., the American is resourceful, inventive, sympathetic, and willing to help those in need provided such help does not involve entangling alliances or burdens. The American has a complex mind because pioneer characteristics are superimposed on the mythology, ethics, hero worship and traditions of our forefathers (the Jews, Romans, Franks, Norse and Germanic people). The American mind is the mind of a nomad, not bound by ties of home, but adaptable to new surroundings.

Enclosure No. 5: China and World Peace. This enclosure describes the opening up of China to foreign trade, British, American, Russian and finally Japanese. It states that due to China's vast extent, large illiterate population, overconfidence of its weak rulers, and trusting too much to a policy of playing one foreigner against another, China has become the danger spot of the world today.

Enclosure

- 3 -

Enclosure No. 6: Chinese Attitude toward Government and its Functions.

Mr. Johnson points out that the basis of Chinese society is the family or clan. Villages grew up for protection purposes and guilds to foster trade. Until recently political discussions were left to the scholars and consequently political thought originated from above and not from the plane of the common people as is the case with most Anglo-Saxon political writings. As the people felt no personal responsibility for the maintenance of the administration, the systems of farming out taxes, granting political jobs to large numbers of relatives, and feudal warlords grew up.

Enclosure No. 7: Character of the Chinese Government Prior to the Revolution.

This enclosure characterizes the Government of China prior to the Revolution as being a government of scholar philosophers with the common people taking no part unless an individual officer became unbearable and the people were forced to take the only method of relief open to them, mob violence. Law was by decree imposed on the people by officials who were often open to bribery by the wealthy. The scholar form of government had no trouble keeping alive the fine ancient civilization built by the classic scholars as long as China remained isolated and her relations were with only inferior civilizations.

Enclosure No. 8: Effect of the Revolution upon China.

Mr. Johnson states that since the Revolution there are three important classes of society to be considered: (a) the modern scholars on whose shoulders the Government of the Republic largely rests and who, through lack of practical training and background, are poorly fitted for their task; (b) the military who have always been at the bottom of the social ladder and

who

- 4 -

who now revel in their new found strength; and (c) the peasants who constitute 95% of the population and who desire only to be left alone and not to be bothered by the new Government's attempts to nationalize and unify law, taxes, land measurements, etc. Mr. Johnson feels that the present chaos must continue until some way has been found to bring these three groups into one camp.

Enclosure No. 9: Nationalism in China. Mr. Johnson states that there is no word in the Chinese language that adequately expresses the foreign word "nation". He gives a brief history of the growth of nationalism from the Boxer Rebellion to the present day touching on the Revolution, Yuan Shih-Kai, Sun Yat-sen and the Canton group. Russian assistance and propaganda, the Kuomintang and the fact that Chinese nationalism finding domestic stability too difficult to achieve sought to save itself through the popularity of anti-foreignism with results disastrous to China.

Enclosure No. 10: China's Policy in its International Relations.

This section divides China's foreign policy into three periods, i.e., (a) prior to the First Opium War, a policy of aloofness and of treating foreigners as barbarians, (b) from 1842 to 1927, China was forced to enter into a number of treaties and enter into relations with foreign countries, and (c) in 1927 with the establishment of the Government at Nanking, a positive policy grew up based on a desire to get rid of all the old treaties and privileges granted to foreigners. Throughout these three periods China has played one foreign nation against another. In the past this policy was applied by a strong China against weak outsiders, but in recent years it has been the other way around with the conviction on the part of China that the stronger nations are  
such

- 5 -

such jealous competitors for China's market that they will not permit one of their number to take advantage of China.

Enclosure No. 11: British Policy Toward China.

This enclosure describes the growth of British trade in China including the opium trade and points out the differences between Great Britain's policy toward China and the British policy used in India. The French policy of "spheres of interest" is mentioned as opposed to the British policy of not excluding other nationalities. Great Britain's position in India is emphasized as a controlling factor in British policy toward China.

Enclosure No. 12: American Policy in Asia. Mr. Johnson discusses the early American "clipper ship" trade with China, the development of the "open door" policy, the growth of American Protestant missionary enterprises in China, and the acquisitive side of American foreign policy as seen in the acquisition of the Philippines. He concludes by pointing out that the cooperation between the altruistic side of the American spirit and the acquisitive side brought about the Washington Conference and subsequent treaties and pacts.

Enclosure No. 13: Russia.

This enclosure gives a history of Russian penetration eastward under the Empire and again in 1925-26 and '29 under the Communist régime.

Enclosure No. 14: Japan.

Mr. Johnson discusses the origin of the Japanese, Chinese influence on Japan, the opening of Japan to foreign trade, the nationalization and Westernization of Japan, and Japanese aspirations on the mainland of Asia.

Enclosure No. 15: Japanese Foreign Policy in Asia.

This enclosure discusses the growth of Imperialism in Japan, the extension of political control into spheres of influence

on

- 6 -

on the mainland, the need for foreign markets for Japanese goods, Japan in the World War and the Siberian Expedition, the Washington Arms Conference and the growth of militarism. Mr. Johnson concludes by stating that Japan under army leadership aims to become the leader of Asia and the mentor of China.

Enclosure No. 16: The League of Nations and China.

In this section Mr. Johnson discusses the "twenty-one demands", China's entry into the World War and her disappointment with the Treaty of Versailles, China's entering the League, the growth of nationalism from 1923 to 1927 under Soviet tutelage, the occupation of Manchuria, and, finally, China's reliance on the League in the Sino-Japanese affair. Mr. Johnson concludes by discussing the League's readiness to furnish aid to the Chinese plan for reconstruction. He points out that the Chinese revolution is still incomplete and that "it is doubtful whether any government to whose aid the League may come will be sufficiently stabilized in China to make good that aid, and by its success justify the League's hopes."

DECLASSIFIED: E.O. 11652, 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 893.00/12520 FOR Tel. # 861, 4 pm.

FROM China ( Gauss ) DATED November 17, 1933.  
TO NAME 1-1127 ...

REGARDING: Negotiations between Chinese officials at  
Peiping and Japanese have ceased as a result  
of an instruction sent from Nanking.

hs

793.94/6514  
154

114  
DECLASSIFIED: E.O. 11652, 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

78  
SPECIAL GRAY

Peiping via N. R.

Dated November 17, 1933

Rec'd 8:55 a. m.

Secretary of State,

Washington.

861, November 17, 4 p. m.

793.94  
CONFIDENTIAL. Reference Legation's 847, November 11,  
noon.

It is apparent that negotiations between Chinese officials at Peiping and Japanese have ceased as a result of the instruction sent from Hanking to General Hua (Hua Fu) to refrain from making agreements with the Japanese with regard to customs, postal facilities and through railway traffic. The vice chief of staff of the Kwantung army left Peiping on November 10th after a stay of four days and the Japanese Minister who has been in Peiping for the past month will leave for Shanghai on November 19th, both seemingly without accomplishing their objectives.

Local Chinese officials are extremely reticent about commenting on the situation but the First Secretary of the Japanese Legation, Mr. Suma, accompanying his Minister stated yesterday to a member of Legation staff that all negotiations had ceased and would not be resumed until

893.00/12520

1142  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

REP

2-#861, From Peiping, Nov. 17, 4 p.m.

until they could be conducted on a solid basis. By this he apparently meant that they would not be resumed until the officials at Nanking had studied the proposals discussed at Peiping and had clarified their attitude toward negotiations with the Japanese.

The Japanese are apparently waiting quietly for the situation in Nanking to clear. Political observers point out, however, that if necessary the Japanese can bring pressure at the proper time to influence Nanking's decisions by inciting disturbances such as those which occurred in the demilitarized area this autumn.

Tokyo informed by mail.

For the Minister

GAUSS

RR

CSB

(#) 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

DOCUMENT FILE

NOTE

SEE 893.00 P. R./75 FOR Despatch / 2340.

FROM China ( Johanson ) DATED October 24, 1933.

TO NAME 1-1127 ...

6515

REGARDING: Negotiations between Chinese and Japanese authorities were in progress during the latter part of the month under review looking toward a diminution of military disturbances taking place in the demilitarized zone.

793.94/6515

hs

2. Japan:

a. Disturbances in North China.

Negotiations between Chinese and Japanese authorities were in progress during the latter part of the month under review looking toward a diminution of military disturbances taking place in the demilitarized zone. As already reported,<sup>1</sup> allegedly 2,000 Chinese irregulars entered the armistice zone from Chahar and marched toward Peiping. The Japanese refused the request of Chinese officials for permission to send troops into the zone to meet them. Fighting was confined, therefore, to territory

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1. Legation's despatch No. 2317 of October 7, 1933.

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

DOCUMENT FILE

NOTE

SEE 893.00/12530 FOR Tel. # 180, 5 pm.

FROM Japan ( Grew ) DATED November 22, 1933.  
TO NAME 1-1127 ...

REGARDING: Japanese fear that a definite anti-Japanese movement may arise out of the autonomy move in Fukien Province.

793.94/6516

65-16

hs

76

MP

This telegram must be closely paraphrased before being communicated to anyone (B-1)

Tokyo

Dated November 22, 1933

Rec'd 6:10 a.m.

893.00/12530

Secretary of State,  
Washington.

180, November 22, 5 p.m.

Note  
793.94

I learn on reliable authority that the Foreign Office is apprehensive with regard to the autonomy move in Fukien Province. Although it is believed to be primarily an anti-Nanking and anti-Chiang Kai Shek movement, it nevertheless has a strong communistic tinge and it is feared that a definite anti-Japanese movement may arise. My informant states that the situation is being very closely watched and that if any indication of anti-Japanese activities appears, Japan will be forced to act. Due to the proximity of Fukien Province to Formosa Japan feels a special interest in the situation.

Repeated to Nanking.

GREW

RR MPD

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

1145

7E

TELEGRAM RECEIVED COPIES SENT TO

DEPARTMENT OF STATE  
RECEIVED  
NOV 29 1933  
DIVISION OF  
COMMUNICATIONS AND RECORDS

GRAY  
O.N.I. AND M.I.D.  
SHANGHAI VIA N.R.

FROM

Dated November 29, 1933

Recd. 12.05 p.m.

EJ

Secretary of State  
Washington

DIVISION OF  
FAR EASTERN AFFAIRS  
NOV 29 1933  
Department of State

November 29, 4 p.m.

797.94

There is considerable moving of troops to Chekiang through Markham Road. Beginning in the afternoon of 26th many trains have carried troops to the south. Brigade 242 division 88 on 4 trains passed through on night of 26th. On 27th the battalion of engineers, a company of communications and special units went through on the 29th; brigade 264 is passing through, the total movement including some 6,000.

The foregoing does not include movements other than those passing through the area covered by the Sino-Japanese agreement of May 5, 1932. Japanese authorities have not raised the question of transport of the present Chinese troops because destination and object of moving are obvious. Chinese civil delegate is keeping Japanese civil delegate verbally informed regarding anticipated movements of troops though details are (?) demands of Japanese authorities.

CUNNINGHAM

WSB  
HPD

793.94/6517

DEC 6 - 1933

FILED

1150  
DECLASSIFIED: E.O. 11652, 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

December 11, 1933.

~~JED:~~

~~RCW~~

~~SJT:~~

Nanking's despatch No. D-566 under date November 7, 1933, transmits under cover of a copy of a despatch to the Legation a memorandum of conversation between Mr. Peck and Mr. Tang Yu-jen, Administrative Vice Minister for Foreign Affairs.

The more important statements made by Mr. Tang appear to be:

(a) The resignation of T. V. Soong was not connected with China's foreign policy in any way.

(b) With regard to Sino-Japanese negotiations in North China it was thought that some arrangement would be made for the resumption of through traffic from Peiping to Manchuria; postal matters would not be discussed as there is in existence a League resolution in regard to them; and finally, from a practical standpoint it is necessary to come to some arrangement in regard to the Shanhaikwan Customs House in order to prevent Japanese

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

goods entering China without restriction.

(c) The National Government's policy of not discussing with Japan matters involving principle, e.g., Manchuria, was unalterable. China would continue to look to the "friendly nations" in such matters. In questions of practice it might be necessary to change from time to time.

(d) Mr. Tang confirmed the fact that the Japanese Government criticized the Chinese Government as not being of one will in respect to foreign policy. He also pointed out that Japan's Government was itself divided into the diplomatic party, the military party, etc.

(e) Mr. Tang said that there had been no formal correspondence between the Chinese and Japanese Governments in regard to the Chinese tariff which the Japanese Government professed to regard as unjust to Japan. Even the aides-memoire exchanged in the course of conversations had been informal in character.

(f) He stated that there had also been no formal correspondence between the Chinese and Japanese Governments in regard to Japanese loans to China. He stated that Japan had a technical right to take over

1152  
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 3 -

the Chinese telephone service in the event of default in the amortization of the loan but he thought Japan would realize the practical difficulties involved in such a step.

Mr. Peck notes in his covering despatch to the Legation that Mr. Tang is a returned student from Japan and that one prominent Chinese had remarked that having Mr. Tang in the Foreign Office was the equivalent of having a paid Japanese agent there. Mr. Peck has not personally heard Mr. Tang express any sentiments indicative of a "pro-Japanese" tendency.

*ETW*  
ETW/VDM

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

D-566

AMERICAN CONSULAR SERVICE  
American Consulate General  
Nanking, China, November 7, 1933.

*7E*  
*A/E*

793.94

Subject: Sino-Japanese Relations.

*File*  
*As*  
Division of  
FAR EASTERN AFFAIRS  
DEC 4-1933  
Department of State  
*W*  
*Peek*

The Honorable  
The Secretary of State,  
Washington.

For Distribution-Check		Yes	No
Grade	To fill		<input checked="" type="checkbox"/>
For	In USA		<input checked="" type="checkbox"/>

*Peek*

AMERICAN CONSUL GENERAL  
NANKING, CHINA  
NOV 10 1933  
RECEIVED  
1/

Sir:

I have the honor to enclose herewith a copy of my despatch to the American Legation at Peiping No. L-64 Diplomatic, of November 7, 1933, reporting a conversation with Mr. Tang Yu-jen, Administrative Vice Minister for Foreign Affairs on the subject of Sino-Japanese relations.

Very respectfully yours,  
*Willys R. Peek*  
Willys R. Peek,  
Counselor of Legation,  
American Consul General.

Enclosure:  
1/ As stated.

In duplicate to the Department.

WRP:HC

F/H/S

793.94/6518

DEC 15 1933  
FILED

L-64 Diplomatic

Nanking Office,  
November 7, 1933.

Subject: Sino-Japanese Relations; views of  
Mr. Tang Yu-jen, Vice Minister for  
Foreign Affairs.

The Honorable

Nelson Trusler Johnson,  
American Minister,  
Peiping.

Sir:

793.94/1505  
Referring to my despatch No. L-19 Diplomatic, of  
September 23, 1933, reporting a conversation with Mr.  
Tang Yu-jen, Administrative Vice Minister for Foreign  
Affairs, in regard to the internal and external politics  
of China, I have the honor to state that Mr. Tang called  
on me on the morning of November 6, 1933, and in the  
course of our conversation discussed principally the sub-  
1/ ject of Sino-Japanese relations. A memorandum of the  
interview is enclosed herewith.

The Legation will note that the Vice Minister was  
emphatic in denying that the Chinese Government has be-  
come more ready to negotiate directly with Japan over  
the Manchurian issue or to compromise on any question of  
principle involved in China's controversy with Japan.

Mr. Tang is a returned student from Japan and I  
have been told that one prominent Chinese person remarked  
of him that having Mr. Tang in the Foreign Office was  
equivalent

1155  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

equivalent to having there a paid agent of the Japanese Government. I have met Mr. Tang on a number of occasions and have not personally heard him express any sentiments indicative of a "pro-Japanese" tendency.

Very respectfully yours,

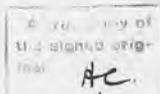
Willys R. Peck,  
Counselor of Legation.

✓  
Enclosure:

1/ Memorandum of conversation as stated.

Single copy to the Legation.  
Two copies to the Department.  
One copy to the American Embassy in Tokyo.

WRP:HC



MEMORANDUM OF CONVERSATION

November 6, 1933.

Subject: Sino-Japanese Relations.

Mr. Tang Yu-jen, Administrative Vice Minister for  
Foreign Affairs.

Mr. Li Sheng-wu, Newly Appointed Director of the  
Department of General Affairs,  
Ministry of Foreign Affairs.

Mr. Peck.

What follows is the gist of a somewhat lengthy  
conversation.

Mr. Tang observed that considerable time had elapsed  
since their last conversation (on September 21, 1933,  
see despatch to the Legation No. L-19 Diplomatic, of  
September 23, 1933) and he had for some time desired to  
continue with Mr. Peck the subjects they had then dis-  
cussed.

Mr. Tang pointed out that many rumors had gained  
circulation as the result of the substitution of Dr.  
H. H. Kung for Mr. T. V. Soong as Minister of Finance,  
to the effect that this change was caused by a difference  
of opinion within the Government itself on the matter  
of Sino-Japanese relations. Rumors were to the effect  
that the Government is now prepared to enter into direct  
negotiations with Japan for the settlement of all kinds  
of outstanding questions.

Mr. Tang said that the resignation of Mr. T. V.  
Soong was not connected with foreign policy in any way.  
It was only concerned with fiscal questions. (Mr. Li  
interposed in English that, as Mr. Peck probably knew,  
there were certain "family" questions involved. The

conversation

- 2 -

conversation between Mr. Tang and Mr. Peck was in Chinese. WRP)

Mr. Tang explained that there is only one party in China, i.e. the Nationalist Party. Nevertheless, within the Government itself there must arise differences of opinion in regard to governmental policies. These differences sometimes result in changes of personnel, as had happened in the case of Mr. Soong.

Mr. Peck said he understood this explanation and added that he had heard that Mr. Soong had been unwilling to acquiesce in the desire of General Chiang to utilize large funds for military purposes, in excess of the present budget.

Mr. Tang said that this was precisely the case. He observed that Mr. Soong recently had reorganized the bonds of the National Government, extending the period during which they are to run, lowering the interest, etc. He had then declared that so far as should be within his power no more bonds would be issued. When it recently became, therefore, unavoidable that additional bonds should be issued for military purposes, Mr. Soong had no alternative but to resign in the interests of consistency.

In regard to the rumored direct negotiations at Peiping between the Chinese and Japanese Governments, Mr. Tang said that General Okamura, of the Kwantung Army, was bringing up certain matters for negotiation with the Peiping Political Council and the Peiping branch of the Military Affairs Committee. The most important related to railway through-traffic, postal matters, and customs matters.

Mr.

- 3 -

Mr. Tang thought that some arrangement would be made for the resumption of through traffic from Peiping to Manchuria.

Postal matters, Mr. Tang said, would not be discussed, since there is in existence a League of Nations resolution in regard to these.

Customs matters concerned arrangements covering the customs house at Shanhaikwan. He pointed out that it might be alleged that it was improper for China to discuss with Japan any arrangement concerning the customs house at Shanhaikwan. From a practical standpoint, however, unless such arrangements were made, Japanese goods would enter China without restriction. It was necessary from the practical standpoint, he pointed out, to come to some arrangement.

Mr. Peck remarked that he had read in the papers a Japanese statement that the matter of customs houses along the Great Wall would be taken up with China. Mr. Tang evaded this point, but intimated that only the Shanhaikwan customs house was under discussion. Mr. Peck observed that presumably the difficulty regarding the entrance into China of Japanese goods would arise along the Great Wall, but that this would be a very difficult matter to discuss with Japan.

Mr. Tang said that he wished to make it clear that the National Government's policy of not discussing with Japan matters involving principle, e.g., Manchuria, was unalterable. China would continue to look to the "friendly nations" in such matters. In questions of practice it might be necessary to change from time to time.

Mr.

- 4 -

Mr. Peek remarked that it seemed to be the general foreign opinion that complete non-intercourse between the Chinese and Japanese Governments was, of course, impossible, owing to the fact that the two countries are neighbors. Consequently, it seemed desirable to provide for this inevitable day-to-day intercourse.

Mr. Li remarked that the Japanese pursued the policy of negotiating with regional authorities, instead of with the Government.

Mr. Peek said that he had noticed a statement in the papers attributed to a prominent Japanese statesman to the effect that the Japanese Government found the Chinese authorities differing in policies and found the National Government unable to enforce its policy in different localities; the Japanese Government would, therefore, henceforth follow the practice of dealing with local authorities or Government factions separately.

Mr. Tang confirmed the fact that the Japanese Government had criticized the Chinese Government as not being of one will in respect to foreign policy. Mr. Tang said that, on the other hand, the Japanese Government itself was very much divided. For instance, there is a diplomatic party and a militarist party, while within the militarist party there are the Kwantung Army and other factions.

Mr. Peek said that he had read in the newspapers that the Japanese Government was intending to take up with the Chinese Government the matter of the Chinese import tariff. He inquired whether the Japanese Government had done this.

Mr. Tang said that there had been no formal correspondence between the two Governments on this subject and

that

- 5 -

that even those aides-memoire exchanged in the course of conversations had not had any formal character. Mr. Tang confirmed the fact, however, that the Japanese Government regarded the question of the Chinese import tariff as being a very serious one. He said the Japanese Government professed to regard the present tariff as being, from a factual standpoint, unjust to Japan, as bearing more heavily on Japanese imports than on, for instance, British and American imports. As for the statements emanating from Japan that the Japanese Government would insist upon an alteration of the customs tariff, this was merely an attempt to create an "atmosphere", with a view to influencing the Chinese Government. The Japanese claimed that the Chinese Government was utilizing the customs tariff as a retaliatory weapon against Japan.

Mr. Peck observed that the Japanese and the British were engaged in negotiations in India regarding tariff questions and he wondered whether the Japanese also claimed that Great Britain was using the tariff as a retaliatory weapon. Mr. Peck recalled that Viscount Ishii when he returned to Japan from the Economic Conference in London was reported in the press as stating that he found foreign countries aroused against Japan less by the Manchurian incident than by the economic penetration of Japanese trade into their respective areas.

Mr. Peck said that he had observed in the press, also, a statement that the Japanese Government was going to instruct the Japanese Minister to China to press the Chinese Government for the repayment of loans advanced to China by Japan.

Mr.

- 6 -

Mr. Tang said that in this regard, also, there had been no formal correspondence between the two Governments. He thought that the statement to which Mr. Peck referred was another attempt to create an "atmosphere" with a view to influencing the Chinese Government.

Mr. Peck said that he had seen an item in the press to the effect that the Japanese Government might insist upon taking over the Chinese telephone service, and he recollected that there was some stipulation in the Telephone Loan authorizing Japan to do this in the event of default in the amortization of the loan. Mr. Tang said it was true the Japanese had this technical right, but he thought they would realize the practical difficulties which would interpose to such a step.

Mr. Tang said several times in the course of the conversation that he cordially invited Mr. Peck to ask him any questions regarding China's diplomatic matters which he had in mind. He said the present was no time for "diplomatic procedure" and that frankness should prevail. He professed a great desire to clear up, or prevent, misunderstanding in regard to China's position or policies.

Mr. Peck said that he was grateful to Mr. Tang for his attitude and he remarked that it was of great assistance to him, Mr. Peck, in the performance of his duty of reporting fully on these matters to the Department of State.

Mr. Peck said that Mr. Johnson, the American Minister, would be coming to Nanking in a few days and would undoubtedly be glad of the opportunity to talk with Vice Minister Tang on all these subjects.

Mr. Tang said that he would be very pleased to see Mr. Johnson.

WRP:HC

1162  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

THE UNDER SECRETARY

DEC 26 1933

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 15, 1933.

~~JEJ:~~

~~EHD:~~

~~RCM:~~

~~SEP:~~

~~SKH:~~

*1/2 p. 2 of digest.*  
*See summary below.*

Nanking's despatch No. L-32 Diplomatic under date October 4, 1933, to the Legation, encloses a memorandum of a conversation between Mr. Peck and Mr. T. V. Soong (then Minister of Finance) in regard to Sino-Japanese relations.

Mr. Soong informed Mr. Peck that since his (Mr. Soong's) return from abroad and refusal to visit Tokyo en route, a Japanese representative had approached him in Shanghai for the purpose of persuading him to take a more lenient attitude toward Japan. Mr. Soong informed the Japanese representative that China would take a "correct" attitude and that if Japan desired cordial relations with China, Japan must rectify her past actions because it was impossible for the Chinese Government to forget what had happened.

Mr. Peck then referred to a recent editorial from the NORTH CHINA DAILY NEWS (copy enclosed) to the effect that China should recognize the futility of armed resistance to Japan, should suppress the boycott and

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

otherwise conciliate Japan, and, specifically, should give General Huang Fu a free hand in the Peiping area to erect a "breakwater" against further Japanese incursion from the north. Mr. Soong stated that people who followed the above line of thought forgot the fact (of which he had proof) that the Japanese were pursuing a deliberate plan of further expansion, one part of which was the alienation of north China in the same way that Manchuria had been taken.

In reply to an inquiry whether the question of policy toward Japan would cause a split in the Government, Mr. Soong said he did not think that there would be any split as General Chiang and Mr. Wang Ching-wei needed Mr. Soong's support and vice versa. Mr. Soong pointed out, however, that there were cross currents in the political thinking of the Government in reference to policy toward Japan.

*ETW*  
ETW/VDM

L-32 Diplomatic

AM 1000  
NOV 10 1933  
Mailing Office, October 4, 1933.

793.94

CONFIDENTIAL

Post. Dec. 4  
DEC 2 1933

Division of  
EASTERN AFFAIRS  
DEC 4 - 1933  
Department of State

*Handwritten initials*

Subject: Mr. T. V. Soong's Position with  
regard to Sino-Japanese Relations.

F/H/S

The Honorable

Nelson Trusler Johnson,  
American Minister,

Peiping

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

Dear Mr. Minister:

793.94/6519

On the afternoon of October 3, 1933, I had my first opportunity to see Mr. T. V. Soong following his return to China after his extended journey to the United States and Europe. He looked extremely well. His English was more fluent and precise than ever and his manner showed even more self-confidence and clear thinking than I remembered when he left in April, last. As you know, he was never deficient in these qualities, but his recent meeting with powerful leaders in our own and other countries seems to have enhanced them.

DEC 10 1933

1/

There is enclosed a memorandum of that portion of our conversation which related to Sino-Japanese relations. I have tried to convey exactly the tone of Mr. Soong's remarks. There were a number of people waiting to see him while we talked and as I left Archibald Rose entered,

DEC 28 1933

evidently

- 2 -

evidently with an appointment. In these circumstances I could not go into any subject extensively, and the enclosed memorandum may appear to be a little sketchy. It would, of course, have been very interesting had it been possible to go into details more than I did. Mr. Soong showed no reluctance to discuss any subject which I mentioned.

Because these statements were embodied in another memorandum relating to the same interview, I did not include in the present enclosure Mr. Soong's observation to me that since his return from abroad, when he had refused to go to Tokyo, the Japanese had been "flirting" with him and had offered him a large loan, which offer, he said, he had met with a sarcastic inquiry whether it was "bargain money". Whether Mr. Soong will be affected by the prevailing feeling in the Chinese government that it would be better to trim sails to the Japanese wind and yield to Japanese blandishments and threats, remains to be seen. My own feeling is that when he asserts that it is a bald fact that Japan wishes to reduce China to a position subordinate to Japan, and when he insists that a "correct" policy is the only policy possible, he has in mind the realization that if, and when, Japan succeeds in her aims, he himself will be subordinated to some Japanese adviser, even if he is not ejected bodily from his present position of power.

2/

There is enclosed a copy of the editorial referred to in my conversation with Mr. Soong. It appeared in

the

- 3 -

the NORTH CHINA DAILY NEWS of October 2, 1933. The trend of its argument seems to be that China should recognize the futility of armed resistance to Japan, should suppress the anti-Japanese boycott and otherwise conciliate Japan, and, specifically, should give General Huang Fu a free hand in the Peiping area to use any methods he desires to erect a "breakwater" against further Japanese incursion from the North, the alternative being the almost certain emergence of an independent regime in North China similar to that which exists in South China.

Respectfully yours,

Willys R. Peck,  
Counselor of Legation.

✓  
Enclosures:

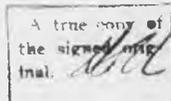
- ✓ 1/ Memorandum of Conversation with Mr. T. V. Soong, October 3, 1933.
- ✓ 2/ Copy of editorial in the NORTH CHINA DAILY NEWS of October 2, 1933.

In duplicate to the Legation.

800

WRP:MCL

no  
2.8.71



Enclosure No.1 to despatch to the Legation No.L-32  
Diplomatic of Willys K. Peck, Counselor of Legation,  
Nanking, dated October 5, 1933, entitled "Mr. T. V.  
Soong's Position with regard to Sino-Japanese  
Relations".

MEMORANDUM OF CONVERSATION

October 3, 1933.

CONFIDENTIAL

Subject: Sino-Japanese Relations.

Mr. T. V. Soong, Minister of Finance,  
Mr. Peck.

Mr. Peck said that, as a matter of information merely, he would like to ask for an expression of Mr. Soong's opinion on the present status of the Sino-Japanese relationship. He remarked that there had been a great deal of public discussion recently regarding a slight change of policy in this regard, on the part of the National Government. The change of policy was represented as being the determination of the National Government henceforth to deal with Japan normally and try to avoid friction in minor matters, wherein no question of principle was involved.

Mr. Soong said that, as Mr. Peck knew, the Japanese were very hostile to him. After he, Mr. Soong, had refused to go to Tokyo on his way back to China from abroad, the Japanese had sent a representative to him in Shanghai, to try to persuade him to take a more lenient attitude. Mr. Soong said he had told the Japanese representative that the Chinese Government would take a "correct" attitude. If Japan desired cordial relations with China, Japan must rectify her past actions. It was impossible for the Chinese

Government

- 2 -

Government to "cut their losses", forget what had happened, and let bygones be bygones.

Mr. Peck referred to the editorial which had appeared in the NORTH CHINA DAILY NEWS on October 2, 1933, as representing one of the two principal lines of thought among foreigners on the question of Sino-Japanese relations. People who thought along the line taken by the editorial were of the opinion that China should pursue a "realistic" policy, that is, recognize that certain things had taken place which could not, for the time being, be altered, while at the same time, China should recognize that China and Japan were unavoidably neighbors and must have certain relations with each other, come what might.

Mr. Soong said that those persons whose thoughts ran in this direction ignored the fact that Japan would never be satisfied with what she had already acquired. He was not expressing an opinion, he said, but was stating a bald fact of which he had positive proof, that the Japanese were pursuing a deliberate plan of further expansion, one part of which was the alienation of North China, in the same way in which Manchuria had been taken from China. This was the fact which must be faced by those who were in actuality "realists". It was the settled determination of Japan, he said, to reduce China to a condition of subordination to Japan.

Mr. Peck said that during the summer, while Mr. Soong was away, he had been told by a Chinese Official

that

- 3 -

that the two schools of thought to which reference had been made could be illustrated by two historical examples, viz., the example of Belgium, which had resisted invasion from the outset; and the example of France in connection with Alsace-Lorraine, when France had nurtured her strength for, say, forty years and had then recovered the lost territory.

Mr. Soong made the impatient comment that Chinese were fond of deluding themselves with words; that they were fond of drawing such historical parallels, and that these only "words" and nothing more.

Mr. Peck said that if it would not be impertinent for him to make the inquiry, he would like to ask Mr. Soong whether this question of policy toward Japan was apt to cause a split in the Government. He observed that what he had in mind was the fact that General Chiang Kai-shek, Mr. T. V. Soong and Mr. Wang Ching-wei had emerged as a sort of trio, in general control of the National Government.

Mr. Soong pondered Mr. Peck's question a moment and then replied that he did not think that there would be any split, or any general "reorganization" of the Government, as Mr. Peck had suggested on the basis of newspaper reports. Mr. Soong said that the other two officials who had been mentioned needed the support of Mr. Soong, and he needed theirs, which was the plain fact of the situation.

Mr. Soong was explicit in stating that there were cross currents in the political thinking of the

Government

1170  
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

- 4 -

Government in reference to policy toward Japan. It was plain that he regards as genuine "realists" those who grimly realize the fact of Japan's relentless plan for the subjugation of China and resist it, rather than those self-styled realists who advocate recognition of Japan's military superiority and would follow a policy of placating Japan, in the futile hope of not provoking further onslaughts. Mr. Soong observed that whichever policy is followed China will have to deal with Japan's determination to alienate North China.

WRP:MCL

NORTH CHINA DAILY NEWS, October 2, 1933.

THE BREAKWATER

The news that General Huang Fu is ready to return to the North is welcome. The blackmailing adventure of General Fang Chen-wu drew pointed attention to the dangerously exposed position of the Chinese authorities responsible for preserving peace under the shadow of the Great Wall. Continued unrest merely means an extension of Japanese control. From Shanhaikwan to Tientsin it is clear that the Japanese military are virtually in command. Shanhaikwan has been actually annexed in the name of Manchoukuo and, as the depredations of "independent" troops disturb the unfortunate inhabitants in the Province of Chihli, so will representations be made--and coyly flaunted by the Japanese--for the inclusion of more territory within the gracious suzerainty of Changchun. This reality has presumably been taken into account by the Government at Nanking. It might with advantage be conveyed to Dr. Wellington Koo in Geneva. Japan may theoretically have no locus standi in objecting to Dr. Koo's eloquence before the Assembly of the League, although she can still claim to be a member of that body. Her protest at Nanking is a horse of a different colour. It has to be treated on its merits, even if it lack the finer points of logic. General Fang Chen-wu is not the

only

- 2 -

only exploiter of the art of blackmail although politer terms may be found for actions in furtherance of that hobby by other folk. The Nanking Government, since the Tangku Truce, has been credited with a policy of co-operation with the Japanese authorities for the maintenance of peace in the North. It is possible that the full implications of that change of plan have not yet been seized. They were outlined in some degree in these columns a few days ago. The alarms and excursions at Peking, during the last few days, give ground for laying stronger emphasis upon them. General Tang Chen-fu's little flourish may have come to an end. Other adventurous chieftains, on whom allegiance to anyone sits lightly, may seek, by imitation of him, to obtain a passing relief in the drab monotony of the existence of a minor warlord who, just now, is in danger of joining the depressed classes.

General Huang Fu's anxieties will be appreciably lessened if the Government's policy enables him to construct political breakwaters in the North. In considering the position it is futile to harp on the events which, as Dr. Wellington Koo rightly but, perhaps, inopportunistly, has told Geneva, have made China a victim of the League's incompetence. It is equally futile to imagine that, having gained certain substantial advantages by assertion of her superiority in military force, Japan is likely to forego such extensions of those advantages as may seem appropriate. Tokyo, indeed, may take the view that, since she is already held up to the world as a militarist backslider, there is little point in being squeamish over the

exercise

- 3 -

exercise of more or less force, there or here. Like Mr. Boffin, General Araki, having studied documentary evidence of outside opinion, may have decided that it would be more consistent for Japan,

"going in for being a reg'lar brown bear..to go in as a reg'lar brown bear all round..."

Whether request have been made for Moscow and Bombay papers to copy may be left to the speculation of the intelligent critic. The Government at Peking, despite the obligations distractingly coming from Canton, has imperatively to take that factor into account. The Tangku Truce is a military document but, as this journal pointed out when it was signed, it carries definite political implications. Moreover the stronger party to its signature has, to a large extent, the power of prescribing its interpretation in the light of any development of the situation in the North or under the actual or nominal control of the Government for whom the Chinese signatories acted. General Huang Fu has probably taken advantage of his present visit to Shanghai to point that out to his colleagues. If he is satisfactorily to carry on his difficult task of keeping the newly-formed Northern Council on the right lines, there can be no doubt that his co-operation with the Japanese authorities must be clear and effective. The deterioration of the conditions in territory just over the newly-formed Manchoukuo border must be expected to proceed, unless the Sino-Japanese entente is firmly established to the satisfaction of the predominant partner. It boots not to ponder over the

direct

- 4 -

direct or indirect causes of this ever-spreading threat to Chinese authority. It is sufficient to observe that each exposure of the inability of the Northern Council to repress unruly soldiery theoretically under its control is followed by a further access of territory to the Manchoukuo flag and by the tighter grip of the Japanese General Staff on the country between the Great Wall and Peking.

Tokyo does not want to occupy Peking. Nanking cannot bank too much on that self-denial. Nor would it surely suit Nanking's political book if, to its other misfortunes, the loss of Peking had to be added. True it may be that the Northern Council under General Huang Fu will develop an independence just as marked as that of the South-west Council has been pictured of late. Indeed the Northern Council may be compelled by the exigencies of events to rely more on Changchun than on Nanking for political inspiration. Nevertheless the Government would be well advised to give General Huang Fu the freest possible hand in constructing the political breakwater against the unwearied tide of Japanese encroachment. From such a policy would naturally proceed eschewal of open or covert hostility to Japan. Mr. Wang Ching-wei recently faced this issue with commendable frankness. The Government has to realize that half-measures are dangerous. It were better to risk the complications of Canton's dissatisfaction by adhering to a steady elimination of friction with Japan than to cherish the notion that, behind the screen of Peking's co-operation with the

controlling

1175  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

- 5 -

controlling authority in its immediate vicinity, an intransigent policy in the opposite direction can be developed in the Yangtze Valley. For this reason it is to be regretted that the Government has not thought fit specifically to declare its disapproval of any form of anti-Japanese boycott. Enemy or friend, Japan cannot help being China's next-door neighbour. At this time the great need for China, as for most nations, is the recovery of trade. Such a requirement cannot be fulfilled if measures for checking the flow of imports from and exports to Japan are in any way countenanced by the Government of China. No fair-minded observer of the difficulties and cruel misfortunes which have afflicted China in recent years will desire to indict the Government of much more than a human failure to grasp the problems presented to it. That failure is to be discerned in other parts of the world. Equally, however, must such an observer demur to the idea that profit can be derived from an appeal ad misericordiam. The essence of successful stewardship is action on the basis of recognised facts. The Government shows signs of appreciating those facts. Action in consonance is thus clearly prescribed.

1178  
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Department of State letter, August 10, 1972  
By Milton D. Hueston NARS, Date 12-18-75

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS  
July 27, 1933.

~~JEI:~~  
~~MMH:~~

Tientsin's despatch No. 393, under date May 26, 1933, to the Legation encloses a copy of a letter from an American missionary at Tunghsien from which it appears that Consul General Lockhart's action in withdrawing the school children from Tungchow was advisable. The school property at that place, after the evacuation, was used by some five or six thousand refugees.

Enclosure No. 2 to the despatch is a translation of two interesting propaganda pamphlets which were dropped from Japanese airplanes circling over Tunghsien.

*ETW*  
ETW/VDM

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

TELEGRAM RECEIVED

COPIES SENT TO  
O.N.I. AND M.I.D.  
*in confidence*

MET

FROM

GRAY

Shanghai (via N.R.)

Dated December 6, 1933

Secretary of State,  
Washington.

Division of  
FAR EASTERN AFFAIRS

DEC 7 - 1933

Department of State

247, December 6, 9 a. m.

My telegram November 29, 10 p. m. / 6517

Movement of Chinese troops through Shanghai toward Chekiang. Press official sources stated from November 30th to morning December 5th approximately 4,000 troops with equipment passed through Markham Road junction toward Chekiang. Japanese Consul General is informed by Japanese Consul at Hangchow that fighting took place on 2nd in northern Fukien which resulted in defeat of Central Government forces which retreated northward to Puchang, also that Nanking Government has sent five bombing planes to Wenchow from Hangchow air drome.

CUNNINGHAM

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