

MICROCOPY

976

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29

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 29

1930-39

793.94/7051-7255
June-Aug. 1935



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

WASHINGTON: 1975

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

INTRODUCTION

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

TELEGRAM RECEIVED

FS

1-1336

FROM

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

GRAY



Peiping via N. R.

Dated June 15, 1935

Rec'd 11:52 a.m.

Secretary of State,

Washington.

282, June 15, 5 p.m.

The situation remains outwardly quiet, but certain conditions of minor developments have occurred.

Japanese replacement troops, estimated to comprise from 250 to 300, arrived at Peiping June 14th. There have been arriving at Peiping during the last few days unusual numbers of Japanese and Koreans, this being an additional cause of uneasiness locally.

It is reported in today's press that the Peiping branch military council has announced that the Tientsin garrison headquarters has been changed into the headquarters of the peace preservation corps of Tientsin and Tongku. Evidently this furthers the demilitarization of the area from Tientsin to the sea. All of Chiang Kai Shek's and Chang Hsueh Liang's troops are now as far south at least as Paoting. This leaves in the northern part of Hopei in addition to Shang Chen's Men some 20,000 northeastern

793.94/7051

FILED

JUL 26 1935

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

FS 2-No. 282, June 15, 5 p.m. from Peiping

northeastern troops under Wan Fu Lin. These troops are regarded as poor fighters and as of doubtful loyalty to the National Government which may explain their continued presence. New groups of Japanese railway guard troops have arrived at various stations between Shanhaikwan and Tientsin apparently as replacements.

Chinese educators of Peiping are much concerned and are seriously discussing the alternatives of removing to the south or closing the five leading universities.

Nanking informed.

WSB

JOHNSON

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

TELEGRAM RECEIVED

REP

1-1236

FROM

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

TOKYO

Dated June 15, 1935

Secretary of State,
Washington.

RUSH

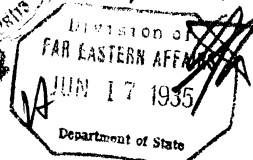
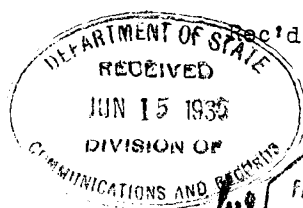
130, June 15, 8 p. m.

CONFIDENTIAL.

One. As envisaged in paragraph two of my 129,
June 15, 1 p. m. the British Ambassador before making
any official representations to the Japanese Government
or invoking the Nine Power Treaty today sent his
Counselor of Embassy to speak to the chief of the
East Asia Department of the Foreign Office. Cunningham
referred to the assurances already given the Ambassador
on June 3rd and 8th and stated that in view of these
assurances (SPECIAL GRAY) "His Majesty's Ambassador
hesitated to believe report that military had demanded
and that Japanese Government had endorsed demand that
Chinese Government should appoint no high official
in North China without Japanese approval."

Two. The chief of the East Asia Department replied
to Cunningham in the following sense:

"Japanese



FILED

JUL 26 1935

793.94/7052

F.G

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

REP

2-#130, From Tokyo, June 15, 8 p.m.

"Japanese Foreign Office was unaware that any demand had been made by military that no officials should be appointed in North China without approval of Japanese. He ridiculed idea that Japanese Government would endorse this but said that military in the course of conversation with Chinese authorities had pointed out that it had been presence of anti-Japanese officials that had caused recent troubles and they had indicated advisability of only appointing officials friendly to Japan."

Three. Clive proposes to see the Minister for Foreign Affairs early next week but considers it preferable to invoke the Nine Power Treaty only in last resort and has so informed his Government. I agree with this opinion.

Repeated to Peiping.

GREW

WSB

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

TELEGRAM RECEIVED

REP

1-1336

FROM

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

NANKING

Dated June 15, 1935

Rec'd 1:09 p. m.

Secretary of State,
Washington.

162, June 15, 7 p. m.

I am confidentially informed by responsible
official of the Ministry of Foreign Affairs that
Kwangtung, Kwangsi and Hunan are believed to have
combined in a movement for independence from the
National Government. Despatched to the Department
and Legation.

FOR THE MINISTER

ATCHESON

WSB

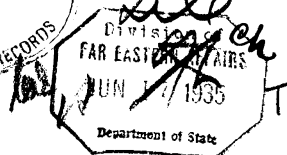
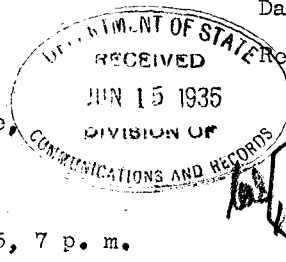
FILED

JUL 26 1935

F/G

793.94/7053

793.94
not
793.80



DECLASSIFIED: E.O. 11652, 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)

P A R A P H R A S E

A telegram (No. 162) of June 15, 1935, from the American Consulate General at Nanking, reads substantially as follows:

According to confidential information received from a responsible official of the Ministry of Foreign Affairs at Nanking, the provinces of Kwangtung, Kwangai, and Hunan are believed to have joined together in a movement to effect their independence from the National Government of China.

793.94/7053
E.G.C.
FE:EGC

Edm
FE
m.m.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

Paraphrase sent to ONI & MID
TELEGRAM RECEIVED

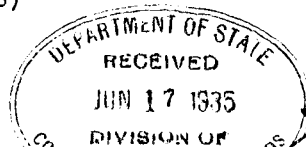
BC

This telegram must be closely paraphrased before being communicated to anyone (B) FROM

Nanking

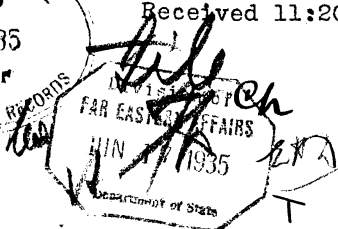
Dated June 16, 1935.

Received 11:20 AM



Secretary of State,

Washington.



RUSH 163 June 16, 11 a.m.

One. Reported alienation of Kwangtung, Kwangsi and Hunan is being officially denied but officials admit privately that disaffection exists in those provinces and the informant mentioned in my 162 June 15, 7 p.m. states that this is the outcome of Japanese intrigue by Doihara, Admiral Hyakutake and others. It is also officially denied that Chiang Kai Shek received Hyakutake at Chengtu on June 7 but persistent reports state Hyakutake actually talked with Chiang there and then flew to Changsha with the result that Hunan was brought into the separatist movement.

Two. I learn from authoritative source (although this too is officially denied) that on afternoon of June 13 Ariyoshi handed Wang Ching Wei an eight point memorandum concerning Sino Japanese issues. Hwang Fu is understood to have arrived this morning to act in advisory capacity and to have reiterated his determination to resign his northern post. Chiang Kai Shek so far has not come to

Nanking.

793.94
note
892.00

793.94/7054

F/G

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

Page 2 from Nanking No 163

Nanking. Ho Ying Chin is reliably reported to have refused to return to Peiping to attempt settlement with the Japanese military and government leaders fear that grave developments in North China may result.

Three. Despatched to the Department and Legation.

ATCHESON

CSB

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

TELEGRAM RECEIVED

REP

1-1336

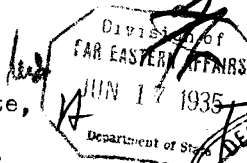
This telegram must be closely paraphrased before being communicated to anyone. (D)

FROM

MOSCOW

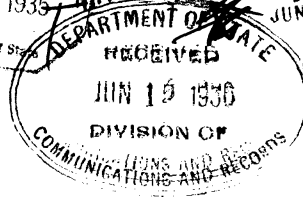
Dated June 15, 1935

Secretary of State,
Washington.



Rec'd 12:30 p. m.

JUN 17 1935



238, June 15, 3 p. m.
STRICTLY CONFIDENTIAL.

793.94

Dr. Yen, Chinese Ambassador to Russia, informed me that he received a telegram from Wang Ching Wei this morning saying that the idea that there is a real dispute between Hirota and the Japanese military authorities is erroneous; that the military authorities are in full control with Hirota acquiescent. He added that he had received a telegram from Chiang Kai Shek this morning from Chungking saying that he intended to remain in Szechuan to continue his campaign against the communists and that he believed any attempt to oppose the Japanese by force would be disastrous.

BULLITT

WWC

793.94/7055

FILED
JUL 26 1935

F/G

ר ח ט ז

1-1.38

DEPARTMENT OF STATE

Department of
DEPARTMENT OF STATE
This cable was sent by Confidential Code
It should be sent by paraphrase before
being communicated to advertisers
CONFIDENTIAL
AND RECORDED

1935.

TOKYO (Japan).

STRICTLY CONFIDENTIAL.

The American Ambassador in Moscow telegraphed June 15/ that he had been informed by the Chinese Ambassador that day/ that in a telegram of June 15 from the Chinese Acting Minister for Foreign Affairs the latter stated that the Japanese military authorities are in control of relations with China/ and that there is no real dispute between the Japanese Ministry for Foreign Affairs and the Japanese military authorities.) The Chinese Ambassador added that Chiang Kai-shek had telegraphed him that morning saying that he would continue in person his campaign against the communist forces in Szechuan and that he believed it would be disastrous to oppose with force present Japanese activities in China.

793.94/7055

Phillips
Acting

793.94/7055

FE:WRP:EJL

FF

EEB JUN 17 REC'D

Enciphered by *WNA*
Sent by operator *M.*, 19.....

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

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

1-138
TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Department of State

DEPARTMENT OF STATE

Washington,

June 17, 1935.

AMLEGATION,

PEIPING (China).

169
STRICTLY CONFIDENTIAL.

The American Ambassador in Moscow telegraphed June 15 that he had been informed by the Chinese Ambassador that day that in a telegram of June 15 from the Chinese Acting Minister for Foreign Affairs the latter stated that the Japanese military authorities are in control of relations with China and that there is no real dispute between the Japanese Ministry for Foreign Affairs and the Japanese military authorities. The Chinese Ambassador added that Chiang Kai-shek had telegraphed him that morning saying that he would continue in person his campaign against the communist forces in Szechuan and that he believed it would be disastrous to oppose with force present Japanese activities in China.

793.94/7055

Ruley
Acting.

793.94/7055

MRP
FE:WRP:EJL

EX12
FE
m.m.H.

EE
RPM

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50.

1-138

U. S. GOVERNMENT PRINTING OFFICE: 1934

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

TELEGRAM RECEIVED

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

JS

1-1236



FROM

SPECIAL GRAY

NANKING via N.R.

Dated June 16, 1935

Rec'd 6:35 p.m.

Secretary of State,

Washington, D.C.

165, June 16, 3 p.m.

Shanghai's 315, June 15, 9 a.m.

Director of Department of Information and Publicity

of the Foreign Office has informed me that censorship
has been lifted on press despatches concerning situation
in North China and an American newspaper correspondent
from Shanghai confirms this statement

ATCHESON

WSB

793.94
note
893.918

793.94/7056

FILED

JUL 26 1935

F/G

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

TELEGRAM RECEIVED

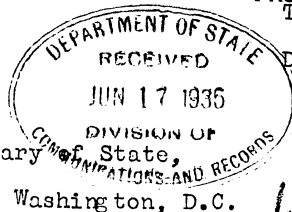
COPIES SENT TO
O.N.I. AND M.I.D.

JS

1-1836

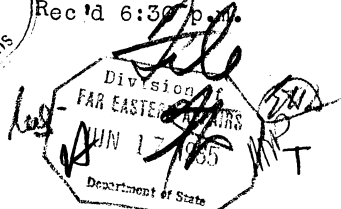
GRAY

FROM
TSINGTAO Via N.R.



Dated June 16, 1935

Rec'd 6:30 p.m.



Secretary of State,
Washington, D.C.

793.94

June 16, 11 a.m.

In Tsingtao a very normal and very quiet situation, unaffected by the recent developments in the Peiping and Tientsin region, prevails. There is no indication of any open threat by the Japanese against or in the direction of or through Tsingtao.

Chinese and Japanese newspapers here treat events in the North as quite detached from Shantung. However, journalistic treatment in Tsingtao of the events is something else.

Repeated to the Department

SOKOBIN

JS

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JUL 26 1935

793.94/7057

F/G

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

TELEGRAM RECEIVED

JS

1-1336
This telegram must be FROM
closely paraphrased be-
fore being communicated
to anyone (C)

TOKYO

dated June 17, 1935

DEPARTMENT OF STATE

RECEIVED

JUN 17 1935

Rec'd 16th 11:20 p.m.

Secretary of State, DIVISION OF

Washington, D.C.

COMMUNICATIONS AND RECORDS

RECEIVED AT APIS

JUN 17 1935

Department of State

131, June 17, 11 a.m.

Embassy's 130, June 15, 8 p.m.; Department's 93

June 15, 4 p.m.

The British Ambassador does not expect to see the
Foreign Minister before tomorrow. I shall report as
promptly as possible thereafter.

GREW

JS

FILED

JUL 26 1935

F/G

793.94/7058

793.94

FE

Paraphrase sent to OKI & MID
TELEGRAM RECEIVED

JS

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

Paraphrase sent to Moscow June 25
PEIPING

Dated June 16, 1935

Rec'd 4:45 p.m.

Secretary of State, JUN 17 1935

Washington, D. C. DIVISION OF EASTERN AFFAIRS

283, June 16, 7 p.m.

A Chinese official has informed the Legation in confidence that four demands have been made by the Japanese military with regard to the Chahar incident, namely, (1) an apology; (2) punishment of official responsible for the incident; (3) withdrawal one of Sung Che Yu's divisions (believed to be in eastern Chahar); (4) promise of non-recurrence of such an incident. The informant states that the Chinese have taken the following action: (1) a Chahar official is now on his way to apologize; (2) minor officials concerned will be dismissed; (3) the division will be withdrawn if another incident occurs; and (4) the fourth demand has been ignored. From this and other sources it is learned that there is reasonably good prospect that controversy will be adjusted but the matter has not yet been definitely concluded and has probably been referred to Hsin Ching by the Japanese military at Tientsin. The most important features of the demands as given above would seem to be the extent (as yet unknown) of the area

793.94/7059

F/G

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JUL 26 1935

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

-2-

From Peiping, June 16, #283

area which will be left without Chinese troops if withdrawal of the division in question takes place.

Although no new important developments have occurred (*)
in this, so far as can be ascertained the situation continues unsettled as the departure of Ho Ying Chin leaves North China without a central government official (*) of sufficient/and caliber to deal with the Japanese and as the immediate intentions of the Japanese are still obscure. The situation has been helped somewhat by the absence of reports of disturbing statements being made by Japanese officers. One reason for this silence may be that they are awaiting action by Nanking with regard to their demands and the return to North China of Ho or some other responsible official. Both Chinese and Japanese are inclined to believe that Ho will not (repeat not) return in part because it is understood (according to his secretary) that Ho took his household goods with him

Repeated to Nanking and Tokyo

JOHNSON

WSB

(*) Apparent omissions

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

(CONFIDENTIAL).

P A R A P H R A S E

A telegram (No. 283) of June 16, 1935, from the American Minister at Peiping, reads substantially as follows:

According to confidential information furnished to the Legation by a Chinese official the Japanese army has made the following four demands in connection with the Chahar incident: (1) an apology; (2) punishment of the responsible official; (3) withdrawal of a division under Sung Che Yu which presumably is in eastern Chahar; (4) assurance against the occurrence of similar incidents. The same official states that the Japanese demands have resulted in the following actions on the part of the Chinese: (1) an official is proceeding from Chahar to apologize; (2) petty officials concerned will be punished by dismissal; (3) in the event of the occurrence of another incident the division will be withdrawn; (4) no answer has been made to this demand.

In view of this and other information it appears likely that the dispute will be adjusted. However, as yet no definite conclusion has been reached and the Japanese military at Tientsin has probably referred the matter to Hsin Ching. If the demand in regard to the withdrawal of the division in question is complied with it would leave an area without Chinese troops. The extent of this area (unascertained) appears to be the most important point in the demands.

With

DECLASSIFIED: E.O. 11652, 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 -

With the departure of Ho Ying-chin from North China there remain no officials of the Nanking Government who are competent to deal with the Japanese. This fact together with the uncertainty in regard to the immediate intentions of the Japanese renders the situation unsettled. The absence of reports of disturbing statements by Japanese army officers has helped the situation to some extent. It is possible that they are awaiting reaction to their demands from Nanking and the return to North China of a responsible Chinese official such as Ho. However, since Ho is understood to have taken his household effects with him it seems unlikely that he will return.

793.94/7059

WTT
FE:WTT/DLY

6-17-35

FE

on 11/1/1

RECEIVED DIVISION OF FAR EASTERN AFFAIRS
DEPARTMENT OF STATE
JUN 12 1935
NOTED
JUN 1, 1935.

1935 JUN 15 AM 10 40
Mr. Secretary:

6 93 DIVISION OF COMMUNICATIONS AND BROADCASTING

In connection with the recent developments in the Japanese situation in the Peiping-Tientsin area of north China, FE believes that you may be interested in the following brief outline of the information available with regard to the troops and financial investments of the United States and the other principal foreign powers in that area.

A. Foreign Troops:

On January 1, 1935, there were in the Peiping-Tientsin area approximately 1,300 American, 1,000 British, 1,800 French, and 1,900 Japanese troops. The distribution of these troops as well as foreign troops stationed at other places in China is indicated in the attached table submitted under date March 21, 1935, by the office of the American Military Attaché at Peiping.

B. Foreign Investments:

The most recent estimate available of American investments ^{in the Peiping-Tientsin area} (prepared by the American Consulate General at Tientsin) gives the following approximate figures as of January 1, 1928:

Business investment..... \$12,500,000

Philanthropic and mission investments.....	<u>12,500,000</u>
--	-------------------

Total..... \$25,000,000

Japanese

793.94/7060

५/६

- 2 -

Japanese business investments in Peiping and Tientsin as of January 1, 1929, were estimated by the American Consulate General at Shanghai to be approximately \$21,000,000. No figures appear to be available with respect to British or French investments in that particular area. (This Division believes that the British investment in that area considerably exceeds the American investment whereas the French investment is probably less). As a basis for possible comparison, however, the following figures for foreign investment in the whole of China (including Manchuria) are quoted from "Foreign Investments in China" by C. F. Remer, published in 1933:

United States.....	\$ 240,000,000
Great Britain.....	1,189,000,000
Japan.....	1,137,000,000
Soviet Union.....	273,000,000
France.....	192,000,000

In commenting on the American investment, Mr. Remer sub-divides his figure approximately as follows: business investment, \$155,000,000; American holdings of securities and obligations of the Chinese Government, \$42,000,000; and property of American mission and philanthropic societies, \$43,000,000. He states that about 65 per cent of American business investments is centered at Shanghai, but gives no other indication of the geographic distribution of the American or other foreign investments.

EW
EW/VDM

M. O. Quastgen

FOREIGN TROOPS IN CHINA

(As of January 1, 1935.)

LOCATION	AMERICAN	BRITISH	FRENCH	JAPANESE	ITALIAN	TOTAL
Peiping	511	208	246	311	92	1,368
Tientsin	763	776	1,316	1,046	284	4,185
Tangku			125	63	3	191
Tangshan				153		153
Lwanchow				82		82
Chinwangtao	12		86	51		149
Shanhaikwan				159	16	175
Hankow					4	4
Shanghai	1,143	1,035	1,509	1,799		5,486
Hong Kong		5,000*				5,000
Canton			40			40
TOTALS	2,429	7,019	3,322	3,664	399	16,833

* Estimated strength.

(NOTE: Tangku, Tangshan, Lwanchow, Chinwangtao and Shanhaikwan are located in the Peiping-Tientsin area along the Peiping-Shanhaikwan Railway and foreign troops are stationed along this railway in accordance with international agreement.)

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

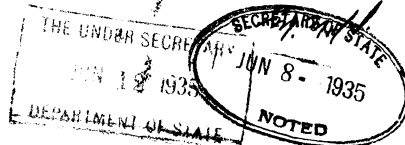
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 7, 1935.

S:
Mr. Secretary.

I believe that you will be interested in the attached summary memorandum in regard to "Recent action of the Japanese military authorities in North China", prepared by Mr. Peck, Counselor of Legation at Nanking, who is on temporary duty in FE.



MMH/REK

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

DEPARTMENT OF STATE
RECEIVED
DIVISION OF FAR EASTERN AFFAIRS

June 7, 1935.

1935 JUN 15 AM 10 40

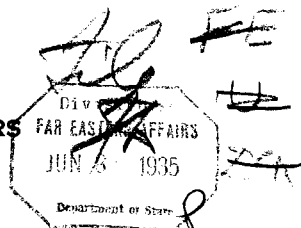
Recent action of the Japanese military
authorities in North China.

COMMUNICATIONS
AND RECORDS

Since the signing of the Tangku Truce on May 31,
1933, Japanese diplomacy relating to the Peiping-Tientsin
area in North China has been in the hands of the Japanese
Kwantung Army. During the first days in May, 1935, two
incidents aroused the resentment of the leaders of that
force: (1) two pro-Japanese and anti-Nanking Chinese
editors were assassinated in the Japanese concession at
Tientsin; (2) a force of anti-Japanese Chinese irregulars
entered the demilitarized zone from the former Province
of Jehol outside the Great Wall.

The Japanese informed the Peiping branch of the
Military Affairs Committee that unless the Chinese sup-
pressed these irregulars the Kwantung Army would bring
Japanese troops inside the Wall. Satisfactory assurances
were given by the Chinese authorities, but Japanese
troops nevertheless entered the demilitarized zone on
May 20.

The Japanese military authorities utilized these two
incidents as reasons for demanding that various steps be
taken to neutralize Chinese resistance to Japanese mili-
tary influence in the Peiping-Tientsin area. The Japanese
military



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JUL 26 1935

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

- 2 -

military authorities informed the Chinese authorities in Peiping that they regarded it as being "desirable" that a number of measures be taken, among them being the punishment of the Chinese Minister of War, who is also functioning in Peiping as Chairman of the Peiping branch of the Military Affairs Committee, the dismissal of General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, and of the Mayor of Tientsin, the removal of the Provincial Government from Tientsin, the creation of Tientsin into a special municipality independent of the provincial authorities, and the closing of all Kuomintang (Nationalist Party) offices in North China.

On May 30 the Japanese Military Attaché at Peiping announced to the Rengo news agency that, accompanied by the Chief of Staff of the Japanese Army in North China, he had called on the Chairman of the Peiping branch of the Military Affairs Committee and warned him that they regarded as indicative of the violation of the Tangku Truce agreement and a reflection of General Chiang Kai-shek's anti-Japanese policy such activities as conspiracies carried on in "Manchukuo" by persons under the direction of the Chinese authorities, the assistance given by the Chinese authorities to the Chinese volunteer forces near the Great Wall, and the anti-Japanese terrorist activity at Tientsin. The Military Attaché and the Chief of Staff warned that the Japanese Army might
be

- 3 -

be confronted with the necessity of again advancing beyond the Great Wall and of including Tientsin and Peiping in the demilitarized zone. Japanese military demonstrations took place in Tientsin.

The Government at Nanking sometime ago decided not to oppose with force any Japanese military incursion into North China and has consequently made sweeping changes in official personnel in the Peiping-Tientsin area, as ordered by the Japanese military, and has removed Kuomintang organizations from Tientsin. Chiang Kai-shek has summoned a conference of leaders at Hankow on June 10.

The usual divergence between civilian and military counsels in Japan in reference to China has appeared in the present instance. The civilian authorities at Tokyo are reported as exonerating Chiang Kai-shek from responsibility, while the military authorities have intimated that he may have to be removed.

MMP
FE:WRP:EJL

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

DEPARTMENT OF STATE

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

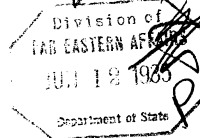
June 11, 1935.

1935 JUN 15 AM 10 40

DIVISION OF
COMMUNICATIONS
AND RECORDS

Activities of the Japanese military
authorities in North China.

(Based on telegrams from China dated
June 8 to June 10 inclusive).



793.94

By June 10 the Chinese authorities seemed to have carried out all the "demands" presented to them by the Japanese military on some date, or dates, variously reported as May 29, or later. High officials regarded by the Japanese as hostile to them had been removed, objectionable troop organizations had been replaced, Party organs had been removed from Tientsin, etc. All of these actions seemed to have been taken under orders of the Nanking Government and of Chiang Kai-shek, or, at least, with their approbation.

The National Government and General Chiang Kai-shek appeared to make a genuine effort to meet every wish of the Japanese military authorities; the Chinese feared, however, that even this complete surrender of their dignity might not obviate Japanese military occupation of places in the Peking-Tientsin area, since the Japanese might allege some omission as a pretext for some such reprisal.

During the first ten days of June many interviews were given to the press by various Japanese military men and

references

793.94/7062

17062

- 2 -

references were made therein to the possibility that (1) Japan might at this juncture insist that the National Government officially recognize "Manchukuo" and that (2) Japan might insist that General Chiang Kai-shek be removed from all his posts, on the ground that he had not sincerely attempted to eliminate in China every form of resistance to Japan.

The smooth success of the recent Japanese military maneuver in North China has been in line with the policy of the Nanking Government toward Japan throughout the present calendar year. Of the two blows to its prestige, the National Government appears to have decided that submission to Japanese pressure will prove less dangerous to the existence of the Government than unsuccessful resistance. The Government dreads being presented with categorical demands either for the recognition of "Manchukuo" or the removal of General Chiang Kai-shek, since compliance with the former would undermine its international position and compliance with the latter would cause chaos internally.

Beyond the impending arrival of replacement Japanese troops in Tientsin no further overt Japanese military action has been reported.

M. D. Gustafson

WRP:REK/EJL *MAP*

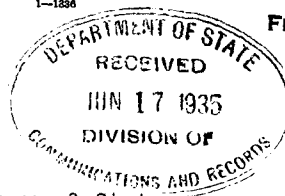
TELEGRAM RECEIVED

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

FS

1-1236

FROM GRAY

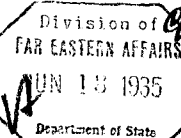


Peiping via N. R.

Dated June 17, 1935

Rec'd 9:52 a.m.

Secretary of State,
Washington.



267. June 17, 7 p.m.

Copy sent to Moscow June 25

According to a Reuter report from Tientsin

General Doihara made the following announcement today:

"As far as the Kuantung army is concerned the Chahar affair is still a very live issue. The Chinese have only accepted the demands made verbally by Colonel Matsui; but that is not all we seek." It is stated that Matsui has gone to Changchun for instructions. No other developments of importance today except that Canton telegraphs that "present Canton atmosphere apparently more favorable to voiding cooperation with Nanking than to move for independent government".

HR:HPD

JOHNSON

FILED

JUL 26 1935

793.94/7063

F/G

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

TELEGRAM RECEIVED

FS 1-1336

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

FROM Nanking

Dated June 17, 1935

RECEIVED RECORDS 4:28 a.m.

Secretary of State,
Washington.

JUN 17 1935

DIVISION OF

COMMUNICATIONS AND RECORDS

166, June 17, 10 a.m.

Atmosphere here is one of waiting for something

to happen. The reported disaffection in three provinces added to the North China situation and continuing difficulties in the ~~Szechuan~~ anti-communist campaign have so depressed services that unless Chiang comes to Nanking or orders a decisive move it appears questionable whether the leaders will be able to formulate any concrete course of action. The attitude that China can do no more in meeting Japanese wishes is still maintained but is colored with defeatism. Reuter's despatches from London are keeping alive speculation as to whether Great Britain and the United States may intervene but no real hope in this respect is being entertained.

WSB

ATCHESON

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JUL 26 1935

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 166) of June 17, 1935, from the American Consulate General at Nanking, reads substantially as follows:

In Nanking there is an atmosphere of waiting for something to happen. The reported disaffection in Kwangtung, Kwangsi, and Hunan, coupled with the continuing difficulties in the anti-communist campaign in Szechuan and the situation in North China, has had such a depressing effect that it seems questionable whether the Chinese leaders will be able to work out any concrete course of action unless General Chiang Kai-shek orders a decisive move or comes to Nanking. The attitude that China has gone as far as she can in meeting the wishes of Japan is still held but is colored with defeatism. Although no real hope is being entertained that Great Britain and the United States may intervene, Reuter despatches from London keep speculation alive in this regard.

793.94/7064
 RE: 1935
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hjm
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W. M. W.

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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 24, '35

tu de

To note Tientsin's
despatch of May 22, 1935
in regard to the despatch
of 200 Japanese soldiers
into Tientsin district.

tu de

DECLASSIFIED: E.O. 11652, 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. 741

AMERICAN CONSULATE GENERAL,

Tientsin, China, May 22, 1935.

JUN 15 35

Division of
FAR EASTERN AFFAIRS

JUN 17 1935

Department of State

Subject: Despatch of 200 Japanese troops of
the Jehol garrison to a point south
of the Great Wall.

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

For Distribution Check		Yes	No
Grade	For		
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	ONI, MID		

The Honorable

The Secretary of State,

Washington.

Sir:

1/ I have the honor to transmit herewith a copy
of my despatch No. 939 of today's date, addressed
to the Legation, on the above subject.

Respectfully yours,

David C. Berger,
American Consul.

Enclosure:

1/, To Legation, No. 939, May 22, 1935.

800
RSW:JB

Transmitted in quintuplicate.

793.94/7065

FILED

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

No. 939

Enclosure No. 1 in Despatch
No. 741, Dated May 22, 1935
From the American Consulate General
at Tientsin, China.

AMERICAN CONSULATE GENERAL,

Tientsin, China, May 22, 1935.

Subject: Despatch of 200 Japanese troops of
the Jehol garrison to a point south
of the Great Wall.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

I have the honor to refer to press reports appearing in the PEKING AND TIENTSIN TIMES of today's date recounting the incursion into the district of Tsunhua of a body of about 200 Japanese troops, allegedly engaged in the pursuit of bandits said to be led by a certain Sun Yun-chin. The press reports referred to allege that these bandits fled into the Tsunhua hsien to escape the repressive action of the Japanese troops beyond the Great Wall and that in taking refuge south of the Wall they had the assistance of the magistrate of Tsunhua hsien.

The

1115

DECLASSIFIED: E.O. 11652, 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 broad facts of these reports were corroborated today in a conversation between a member of the staff of this Consulate General and an official of the Hopei Provincial Government. The informant stated that on Sunday a body of Japanese troops crossed the Great Wall and proceeded to the city of Tsunhua, whereafter on Monday afternoon they marched east allegedly to meet the bandits that they said they were pursuing. The official referred to stated, however, that none of the bandits described had been seen around Tsunhua until after the arrival of the Japanese troops and that the magistrate of Tsunhua hsien alleges that these bandits actually followed the Japanese troops into the district rather than having been driven in by them. The informant stated that on the request of the commander of the Japanese troops the regular force of Pao An Tui stationed in Tsunhua were withdrawn, it being the desire of the Japanese commander to clear an area twenty li south of the Great Wall of all Chinese protective forces.

After the Pao An Tui had been withdrawn, the informant stated, the Japanese pointed out to the magistrate the presence of bandits in the district and requested that the magistrate take appropriate action. The magistrate replied that with no police or troops at his disposal it would be impossible

for

- 3 -

for him to attempt to suppress the bandits and that unless the Japanese commander was willing to permit the Pao An Tui to resume operations against the bandits it would be necessary for the Japanese themselves to take such action as they believed proper against the bandit troops. The informant stated that after some parleying an arrangement was made whereby the Pao An Tui were to be permitted to function in the suppression of the bandits.

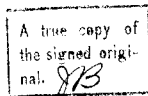
This Consulate General is endeavoring to procure more exact and possibly more reliable information on the recent course of events in the Demilitarized Zone and will make a fuller report as soon as such information comes to hand.

Respectfully yours,

David C. Berger,
American Consul.

800
RSW:JB

Transmitted in duplicate.
Five copies to the Department under cover of
despatch No. 741 of May 22, 1935.



DECLASSIFIED: E.O. 11652, 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

REF

1-1236

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

FROM

PEIPING

Dated June 17, 1935

Rec'd 12:43 p. m.

Secretary of State
Washington.



288, June 17, 8 p. m.

My 270, June 13, 3 p. m.; Tokyo's 128, June 12, 6 p. m.; and Nanking's 155, June 14, 11 a. m.

My informant set forth very accurately Japanese intent in recent happenings in North China and established the fact that Japanese will hereafter insist that at least in this area only officials acceptable to Japanese military will be permitted to function. Department will note disparity between these statements and those made as by Japanese Ambassador/set forth in Department's 93, June 15, 4 p. m. to Tokyo. /7050

I doubt value of inviting attention of Japanese Foreign Office to obvious contraventions of Nine Power Treaty. The course of action in my opinion was determined upon by Kwantung military authorities without consultation with or approval of Japanese Foreign Office. I feel certain that recent moves in China were decided upon and carried

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JUL 26 1935

793.94/7066

F/G

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

REP

2-#288, From Peiping, June 17, 8 p.m.

carried out by Kwantung army to emphasize army's
disapproval of Hirota's policy of friendship,
and that any adverse comment thereon by Great Britain
or ~~(*)~~ ^{America} may lead to an aggravation of the situation.
Unconfirmed newspaper reports to the effect that China
had appealed under the Nine Power Treaty to England
and America provoked criticism by Kwantung army repre-
sentatives in Tientsin yesterday and knowledge that
Great Britain and America have dared comment adversely
upon activities of Kwantung army will, in my opinion,
only result in infuriating army leader and probably in
inciting them to further activities.

Repeated to Tokyo.

JOHNSON

WSB-HPD

~~(2) Apparent omission~~

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

Copy for Department

RECEIVED AMERICAN CONSULAR SERVICE
DEPARTMENT OF STATE
American Consulate, Dairen, Manchuria, May 15, 1935.

1935 JUN 17 AM 10 49

DIVISION OF
COMMON AFFAIRS
AND RECORDS

Statement of Colonel Takashi Sakai
Regarding Sino-Japanese Relations.

793.94
The Honorable Joseph C. Grew,
American Ambassador,
Tokyo, Japan.

Sir:

I have the honor to report that Colonel Takashi Sakai, chief-of-staff of the Japanese garrison in North China arrived yesterday morning at Dairen en route to his post at Tientsin, and made a long press statement regarding present relations between Japan and China. The following extracts therefrom may be of interest to the Embassy in view of the recent report that the Japanese Foreign Office has decided to raise the Legation at Peiping to the rank of an Embassy as well as of reports that the military is opposed to such a change:

"The present North China situation should cause neither jubilation nor any anxiety. It is gradually improving from the Japanese viewpoint, but no rapid and drastic change in the pending Sino-Japanese relations could be confidently expected until all the vicious anti-Japanese agencies in China are exterminated, and the Nanking leaders have a thorough cleansing of their hearts, and cease indulging in the rainbow hope of an active Occidental coalition against Japan. The situation requires patience and vigilance on our part; the time and the logic of events are in our favor."

"I went

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FILED

JUN 26 1935

F/G

- 2 -

"I went to Tokyo primarily to attend the annual conference of the chiefs-of-staff of the entire Japanese army," explained Col. Sakai. "But I also met while there number of eminent military and civilian dignitaries of the Imperial government. It was rather strange to hear some responsible officials there accepting almost at face value the recent pro-Japanese statements of the Nanking emissaries. Some Japanese industrialists and traders, interested in Chinese trade, who should know better, were also inclined to dance to the Nanking music of feigned friendship.

"The general public in Manchuria and abroad should keep in mind the fact that occasional disorders, kidnappings, and murders of traders, editors and officials are normal events in China, and should not place undue importance to such affairs. China has been a disorderly land for ages; the present era is really no worse than many previous epochs in that country.

"The recent murders of two Chinese editors in Tientsin were given undue importance in newspapers. The murdered men were persons of no importance, and China has plenty of assassins for hire.

"I can assure you that there is no conflict of views between the war and foreign ministries in Tokyo. There may have been minor differences of opinions between certain officials of the two ministries. But the cardinal policies of the war and foreign ministries are cooperative and harmonious, specially in regard to China.

"The Tokyo official circles are well aware that the present Nanking government is honeycombed with anti-Japanese influences and agencies. From Chiang Kai-shek down there are many anti-Japanese politicians, generals and agitators holding prominent posts in the Nanking government. Probably, nothing short of the inexorable course of events will change their minds. That takes some years.

"Viewed from a larger prospect of history the Manchuria Incident and its aftermath, meaning the present Sino-Japanese relations, are simply a natural and belated result of the Russo-Japanese war. That has complicated the position of Japan in Manchuria and China. The complicated situation was allowed to drift for nearly 30 years, until the events of September, 1931, brought it to a climax. We are now witnessing the gradual and natural settlement of that explosive climax.

"So there is nothing to warrant anxiety nor fear on the part of the Japanese people. They

should

- 3 -

should face the Chinese situation with confidence and calm. We have the power to tide over the crisis, started four years ago and now settling favorably."

The MANCHURIA DAILY NEWS of last night carried an editorial regarding the projected change in status of the Legation at Peiping stating "that Great Britain, United States and France which have considerable interests and rights in China have not yet deemed it fit, to raise their respective legations in China to the status of embassies. Only Italy has raised the Italian legation in China to an embassy, but in reality the result is nothing to boast about."

The editorial went on to state that

"If China really desires to lay the foundation for a strong, independent nation, she should collaborate with Japan and build herself up as a modern nation through the assistance and sympathy of Japan.

"Yet it seems that the people of China have not fully grasped this basic logic and fundamental principle. This is extremely regrettable.

"For China still to harbor resentment against Japan indicates that the people of China is not aware of her own present conditions and the significance of the situation in East Asia.

"The people of China, for sentimental reasons, have not yet recognized the independence of Manchoukuo. In reality, however, it is inevitable that they extend de jure recognition to Manchoukuo.

"We believe in calling a spade a spade. Recognizing this fact and taking a far-sighted view of the political situation in East Asia, we believe China herself should devise ways and means for her salvation.

"Then, too, especially with Manchoukuo hemmed in, there are many pending problems between Japan and China. In order to dispel this accretion of pending problems in Sino-Japanese relations, the people of China should focus their eyes on the situation in East Asia and see things from a broad and unbiased view-point.

"With

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

- 4 -

"With this broad viewpoint and openmindedness, the people of China should strive for the adjustment of Sino-Japanese relations and at the same time exert themselves for the solution of Japan-China-Manchoukuo issues for the maintenance of peace, order and tranquillity in East Asia.

"For this reason at a time when Japan is considering the elevation of her legation in China to that of an embassy, we hope that Japanese and Chinese authorities concerned will strive for the adjustment of accumulated pending problems among Japan, China and Manchoukuo based on the basis of the aforementioned fundamental principle regarding East Asia.

"In other words, we hope that sentiment, emotion and impulse will not take the better of the people of China and that China will recognize the fait accompli of Manchoukuo in form as well as in fact.

"Through such recognition, we believe mutual existence and prosperity will be realized and a new era will dawn upon China.

"This, we believe, will be the *raison d'être* of China as a modern nation and the best way for the achievement of peace and order in East Asia. We hope that this significance will be brought to the attention of the people of China in elevating the Japanese legation in China to an embassy."

Respectfully yours,

Stuart E. Grumson,
 American Consul.

800
 SEC:L

Two copies to Department.
 Copy to Legation, Peiping.
 Copy to Consulate General, Tokyo.
 Copy to Consulate General, Mukden.
 Copy to Consulate General, Harbin.

A true copy of
 the signed original
 was A.M.L.

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

Return to FE

TELEGRAM RECEIVED

FS

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

FROM

Tokyo

Dated June 18, 1935

Received 7:20 a.m.

Secretary of State,
Washington.

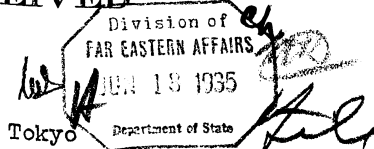
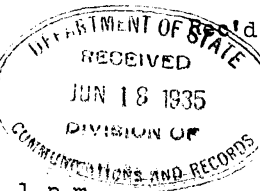
132, June 18, 1 p.m.

Department's 93, June 15, 4 p.m. CONFIDENTIAL

One. The British Ambassador called on me this morning and prefaced his inquiries by stating that just as Ambassador Matsudaira had recently asked Sir John Simon about the general situation in Europe he, Sir Robert Clive, would be glad to learn from Hirota the present situation as reported in North China.

Two. Hirota in reply confirmed the statement made by the Chief of the East Asia Department to the Counselor of the British Embassy on June 15 (Embassy's 130, June 15, 8 p.m., paragraph 2) and stated categorically; (a)-that no demand had been made on the Chinese authorities that officials of North China should be appointed only with the approval of the Japanese military; (b)-that Japanese troops could not move south of the Wall without imperial sanction, and; (c)-that no alteration of Japan's policy in China is envisaged. The

Minister



Paraphrase as attached sent to Moscow June 25

793.94/7068

FILED
JUL 26 1935

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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

FS 2-No. 132, June 18, 1 p.m. from Tokyo

Minister went on to say that in replacing the Chinese officials to whom objection had been raised on account of their anti-Japanese attitude and activities it would of course be unfortunate if other officials with the same anti-Japanese proclivities should be appointed. Such action would doubtless result in further friction and would delay a satisfactory settlement of the situation. Otherwise the Minister felt optimistic that the situation would rapidly resolve itself in a satisfactory manner.

Three. The British Ambassador then inquired as to the truth of the report that the Japanese military had demanded the dissolution of the Kuomintang in North China. The Minister categorically denied this rumor also but said that agents of the Kuomintang had been responsible for the assassination of the pro-Japanese editors in Tientsin and that it was difficult to distinguish the various branches of the Kuomintang from the Blue Shirts and other societies which were closely inter-related. It might take some time to eliminate the various anti-Japanese elements of which complaint had been made.

Four. The Minister said that the Chahar situation was entirely separate and had no connection with the situation

FS 3-No. 132, June 18, 1 p.m. from Tokyo

situation in North China. He understood that some of General Sung's troops had threatened Manchukuo territory and that the Japanese military had merely requested Sung to draw back. In this respect, however, the Minister spoke in rather vague terms.

Five. The Ambassador did not (repeat not) mention or touch in any way upon the Nine Power Treaty.

Six. I am of the opinion that the action described in paragraph three of your 93, June 15, 4 p.m., has adequately and admirably covered the situation up to the present and that no (repeat no) additional action is at present called for. While we ought not abstain from action merely in order to avoid irritating the Japanese military if constructive results can thereby be obtained, it does not at present appear that any good purpose would be served by invoking the Nine Power Treaty especially if we are to take the assurances of the Minister for Foreign Affairs to the British Ambassador at their face value. Clive is of the opinion that the Chinese Ambassador in London brought up the Nine Power Treaty on his own initiative and not under instructions because no official indication has been received that

a similar

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

FS 4-No. 132, June 18, 1 p.m. from Tokyo

a similar step was taken in the other capitals. I concur
in the opinions expressed by Mr. Johnson in paragraph
two of the Legation's 288, June 17, 8 p.m. to the Depart-
ment.

Repeated Peiping.

WSB:HPD

GREW

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

(CONFIDENTIAL)

P A R A P H R A S E

The pertinent portion of a telegram (No. 132) of June 18, 1935, from the American Ambassador at Tokyo, reads substantially as follows:

During the course of a conversation on June 18 when the British Ambassador called on the Japanese Minister for Foreign Affairs and inquired with regard to the situation in North China, the Japanese Minister stated that the Chahar situation was quite separate from and was in no way connected with the North China situation. He (Hirota) stated further that he understood that some troops of General Sung had threatened "Manchukuo" territory and that the Japanese military merely had asked General Sung to draw his troops back. However, Hirota spoke in rather vague terms with regard to this matter.

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VI-24-35

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

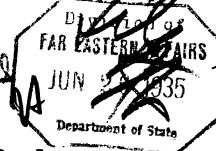
DEPARTMENT OF STATE

RECEIVED
DIVISION OF FAR EASTERN AFFAIRS
DEPARTMENT OF STATE

June 18, 1935

U
Mr. Phillips. PM 3 42

S
Mr. Secretary
DIVISION OF
COMMUNICATIONS
AND RECORDS



Reference: Tokyo's 132, June 18, 1 p.m.

This Division is in accord with the opinion expressed by Ambassador Grew in paragraph six of his telegram under reference that the action taken by the Secretary in his conversation on Saturday last (June 15) with the Japanese Ambassador covers the situation up to the present and that no additional diplomatic action is called for at present. It is suggested that Mr. Phillips may care to inform the British Ambassador orally in the foregoing sense, reaffirming our desire to cooperate in this matter with the British whenever practicable.

Up to the present our strategy has been to permit the British Government insofar as practicable to assume the initiative. The initiative thus far displayed by the British Government has been directed toward obtaining certain assurances from the Japanese Government. The Japanese Foreign Minister has given those assurances to the British Government and the Japanese Foreign Minister has also through the Japanese Ambassador here given the Secretary certain assurances. Those assurances may or may not be accepted at face value (in the past similar assurances by the Japanese Foreign Office have not been carried out).

But,

793.94/7068

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FILED
JUL 28 1935

DECLASSIFIED: E.O. 11652, 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 -

But, in continuance of the strategy so far employed, it seems desirable that the American Government take no further action at this juncture and for the present await such further British initiative, if any, as may be forthcoming.

It will be noted that Ambassador Grew and Minister Johnson as well as the British Ambassador at Tokyo are of the opinion that it would be undesirable to invoke the Nine Power Treaty at this stage.

W. W. A.

MMH
MMH/REK *W. W. A.*

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

TELEGRAM RECEIVED

Paraphrase sent to Moscow June 25

FS

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

FROM

Nanking

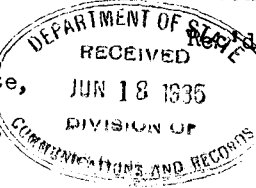
Dated June 18, 1935

Received 8:32 a.m.

Secretary of State,
Washington.

JUN 18 1935

DIVISION OF



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

167, June 18, 11 a.m.

One. The only definite decision so far reached by Chinese Government councils is to pursue a peaceful and conciliatory policy toward Japan. Chiang Kai Shek has not arrived.

Two. Suma this morning privately informed a foreign news correspondent with whom he has very friendly relations that no startling developments are likely to occur in Hopei at the present time. He stated that the Japanese desire no written convention or agreement of any kind; they are now quietly observing whether the Chinese authorities are carrying out "suggestions" made by the Japanese Military; and the problem for China now is to demonstrate "sincerity" and to determine what kind of new administration is to be set up in the North. He added that a basic change in the organization of the Kuomintang might be necessary and said that Ho Ying Chin was striving to persuade the Chinese Government to meet Japanese wishes in

full

793.94/7069

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JUN 26 1935

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

FS 2-No. 167, June 18, 11 a.m. from Nanking

in full but Chiang Kai Shek was pursuing a non-committal policy which would be personally fatal if continued. Reports of the alienation of Kwangtung, he stated, were premature; some such development, however, was to be expected in the future.

Three. Despatched to the Department and Legation.

WWC:WSB

ATCHESON

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 167) of June 18, 1935, from the American Consulate General at Nanking, reads substantially as follows:

Thus far the only definite decision which Chinese Government councils have arrived at is to follow a conciliatory and peaceful policy toward Japan. General Chiang has not arrived in Nanking.

On the morning of June 18 Suma, Secretary of the Japanese Embassy, privately informed a foreign news correspondent with whom he is on a very friendly footing that it is unlikely that at the present time any startling developments will occur in Hopei Province; that Japan does not desire a written agreement or convention of any kind; that now the Japanese are quietly on the lookout to see whether the "suggestions" made by the Japanese military are being carried out by the Chinese authorities; and that China's problem at the present time is to demonstrate her sincerity and to decide what type of new administration is to be set up in North China. Mr. Suma added that a fundamental change in the organization of the Kuomintang might be necessary; that Ho Ying-chin was endeavoring to persuade the Chinese Government to meet in full the wishes of Japan but that General Chiang was following a non-committal policy which if continued would be fatal to Chiang personally; and that, although the alienation of Kwangtung was to be expected in the future, reports of such a development are premature.

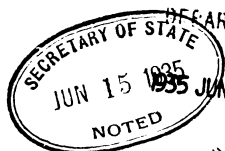
793.94/7069

FE:EGC

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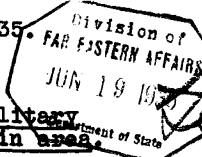
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE



RECEIVED
DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

June 12, 1935



The activities of Japanese military
forces in the Peiping-Tientsin area.
COMMUNICATIONS
AND RECORDS

Telegrams from Tokyo, Peiping and Nanking dated June 11

report no new developments in this area, but provide inter-
esting "background" comments.

Reliable information from Tokyo, of a strictly "not
for publication" character, confirms the supposition that
the recent Japanese moves in the Peiping-Tientsin area were
designed to eliminate sources of Chinese resistance to
Japanese influence there; the Japanese military authorities
are satisfied with the response of the Chinese authorities,
but are stationing small bodies of Japanese troops at
strategic points to meet resistance, if it occurs. The
report from Tokyo also confirms the view long held by well
informed observers that the encroachment of Japanese influ-
ence on China is most actively pushed by Japanese military
officers on the spot, with the High Command in Tokyo and
the Japanese Foreign Office acting to curb too precipitate
action. For example, the report indicates that it was due
only to restraining influence from Tokyo that the Japanese
North China garrison was prevented from establishing a
buffer state in North China or, at least, extending the
demilitarized zone to include Peiping and Tientsin.

The

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

- 2 -

The Legation at Peiping quoted a Japanese press report indicating that the effort to neutralize Chinese resistance to Japan will cover all of Hopei Province, and not only the Peiping-Tientsin area.

The Nanking office of the American Legation has confidentially ascertained from an official of the Chinese Foreign Office that, in the view of the Foreign Office, the Japanese military do not wish to supplant Chinese administration in North China with a Japanese administration, but rather to permit a Chinese administration to carry on in subservience to Japanese dictation. The report from Nanking strongly confirms the report from Tokyo, to the effect that Japanese military officers in North China initiated their recent demarche without having obtained the prior consent of the Foreign Office or of the Japanese General Staff.

17. 7/14.

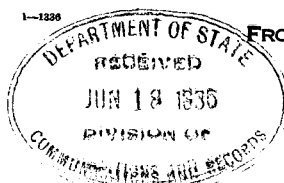
FE:WRP:EJL *MP*

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

TELEGRAM RECEIVED

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

PS



FROM SPECIAL GRAY
Nanking via N. R.
Dated June 18, 1935

Secretary of State,
Washington.

Rec'd 2:15 p.m.

Division of
FAR EASTERN AFFAIRS

JUN 18 1935

Department of State

168, June 18, 2 p.m.

Copy sent to Moscow June 25

I understand that Executive Yuan this morning

approved appointment of Ching Teh Hsun, member of
Chahar Provincial Government, to be chairman thereof
in place of Sung Che Yuan. Ching is said to be
acceptable to Japanese.

ATCHESON

RR:WWD

FILED
JUL 26 1935

793.94/7071

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

TELEGRAM RECEIVED

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

Secretary of State,
Washington.

292, June 18, 3 p. m. (SECTION ONE)

The attitude of the Kwantung army with regard to Sung Che Yuan in Chahar is becoming more menacing. Japanese press reports from Hsinking claim that two new incidents have occurred, namely, that soldiers of Sung fired on June 11 and again on June 12 at Manchukuo officials "in Jehol province". According to these reports, these incidents are regarded as a breaking of the Tatan truce reached February 2, 1935 between Chahar and Japanese military (Legation's telegram No. 64 of February 6, 4 p. m.). Under the terms of this truce, according to the Japanese version, it has been agreed that the Chinese army should not invade territory of Manchukuo and that if it did the Kwantung army would take any measures necessary the result of which would be the responsibility of the Chinese. A Reuter report of June 17 from Tokyo states that the staffs of the Kwantung army at Hsinking have decided that Sung's troops will hereafter be treated as bandits while a
Hsinking

GRAY

Peiping via N. R.

Dated June 18, 1935

Rec'd 2 p. m.

Division of
FAR EASTERN AFFAIRS
JUN 18 1935
Department of State

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FILED
JUL 23 1935

REP

2-#292, From Peiping, June 18, 3 p.m.

Hsinking press report published here this morning states that the Kwangtung army wishes to have Sung's troops withdraw entirely from Chahar Province. Consul General at Mukden reports June 17, 5 p. m., that the MANSU NIPPO published a telephone message from Hsinking reporting that a military conference had formulated instructions June 16 to be released to Doihara to deal "positively" with alleged impasse in negotiations over the Chahar incident of June 5. Furthermore, it is reliably reported the Japanese brigade at Shanhaikwan (referred to in Legation's 275, June 14, 4 p. m.) has returned to North of the Great Wall, destination unknown, but possibly Jehol.

Local Japanese assistant military attache treats the Chahar situation less alarmingly in a statement today saying that if Sung shows "sincerity" matters will be satisfactorily arranged. From his remarks it would appear that the demilitarization of that part of Chahar contiguous to Jehol is intended.

In case of being pressed too hard it is regarded as a possibility that Sung might attempt to put up some sort of fight against the Japanese for there is

no

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

REP

3-#292, From Peiping, June 18, 3p.m.

no suitable place for his troops to go outside of Chahar especially because his former affiliations with Feng Yu Hsing now have put him on unfriendly terms with leaders of neighboring provinces (and with Chiang Kai Shek).

Reports of unusual developments elsewhere in North China are lacking. The Japanese Embassy states that Japanese troops in Peiping whose replacements recently arrived will leave for Japan June 19: and it is understood that similar troops in Tientsin were leaving this morning for Japan.

(SECTION TWO FOLLOWS)

JOHNSON

WSB

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

TELEGRAM RECEIVED

1-1236

FS

FROM

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

Peiping

Dated June 18, 1935

Secretary of State,
Washington.



292, June 18, 3 p.m. (Section two).

It may be that the Kwantung army will now concentrate its efforts on obtaining its objectives with respect to Chahar, postponing at least for the present further activities in Hopei. This is perhaps indicated not only by the reported withdrawal of troops from Peiping and Tientsin but by a Japanese press report of June 17 from Tokyo which states, one, that the Japanese military at Tokyo disclaim having connection with the question of the political administration of North China, wishing only to see the fulfillment of recent demands, and, two, that the Tokyo military have telegraphically ordered the Japanese military in North China "to control rumors which create doubt of the real intention of the Japanese military". Japanese press reports from Hsinking convey the same idea.

JOHNSON

HPD

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

(CONFIDENTIAL)

PARAPHRASE

Section 2 of a telegram (No. 292) of June 18, 1935, from the American Minister at Peiping, reads substantially as follows:

The Kwantung army may at the present time be concentrating its efforts toward attaining its objectives in regard to Chahar Province, postponing further activities in Hopei Province for the present at least. Not only the reported withdrawal of Japanese troops from Tientsin and Peiping but also a Japanese news report under date June 17 from Tokyo to the effect (a) that the Japanese military at Tokyo deny having connection with the matter of the political administration of North China, desiring only to see that the recent demands are fulfilled and (b) that the military in Tokyo have telegraphed orders to the Japanese military in North China "to control rumors which create doubt of the real intention of the Japanese military", perhaps indicate that the above surmise is correct. The same idea is conveyed in Japanese news reports coming from Hanking.

793.94/7072

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FE:EGG

VI-19-35

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

TELEGRAM RECEIVED

FS

FROM
GRAY

Peiping via N. R.

Dated June 18, 1935

Rec'd 2:10 p.m.

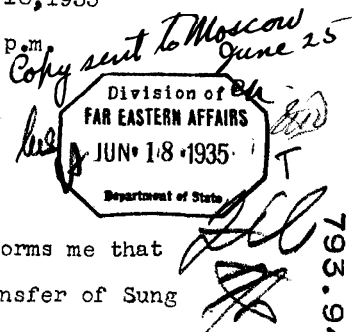
Secretary of State,
Washington.

294, June 18, 6 p.m.

Associated Press correspondent informs me that
Chahar situation has been settled by transfer of Sung
Che Yuan through a decision of Nanking Government today.

JOHNSON

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



FILED
JUL 26 1935

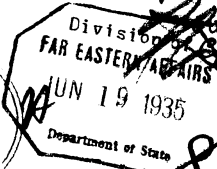
793.94/7073

DECLASSIFIED: E.O. 11652, 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 SECRETARY

CONFIDENTIAL



June 15, 1935.

Copies sent to London, Peking, Tokyo, Hankow & Moscow

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY HULL
AND THE JAPANESE AMBASSADOR, MR. HIROSI SAITO.

China-Japan.

After the departure of Mr. Okada who had called to pay his respects in company with the Japanese Ambassador, the latter remained and proceeded to say to me that he had received during the morning a cable from Foreign Minister Hirota, in which he desired the Ambassador to know and to make known that there was nothing in all of the many rumors, reports and dispatches coming out of China, except an effort of the Japanese to have carried out two or three more or less minor things they had asked the Chinese to do, which included the transfer or removal of a Chinese general, whose name I cannot recall but which I think is identified in the despatches. (Far Eastern Division suggests the general's name probably is Yu Hsueh-chung.) The Ambassador did not mention the

other

793.94/7074

FILED

JUL 26 1935

F/G

7074

DEPARTMENT OF STATE

THE SECRETARY

- 2 -

other two things, but proceeded to say that there had been more or less depredations by roving groups or small armed bands of Chinese upon Japanese interests. The Ambassador closed by repeating his statement at the outset that nothing was taking place despite these many serious-appearing reports except an effort on the part of the Japanese officials and representatives to have the Chinese do the two or three things requested of them.

I proceeded at once to say that I was immensely gratified to have the benefit of this information direct from the Foreign Office of his Government. I said that with such a mass of all sorts of rumors, reports, and despatches coming out of this part of China, it was exceedingly important that the Japanese Foreign Office had taken these steps to keep the situation clarified; that the press of this and other countries naturally was filled with more or less alarming reports and comment that was undesirable from every standpoint. I said that lack of clarification by the Japanese Government might lead to representations from the parties having treaty rights and obligations, and it

would

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

DEPARTMENT OF STATE

THE SECRETARY

- 3 -

would therefore be helpful if the Japanese Foreign Office continued to take action toward clarifying the situation to the end that no misunderstanding and no undesirable impressions would arise.

The Ambassador then said that Foreign Minister Hirota had indicated he would furnish supplemental information along this line and I replied that this was exceedingly important and I hoped the Ambassador would keep in touch with the State Department from day to day in connection with the entire matter. I stated that I would be out of the city on Monday but I hoped he would keep in touch with Under Secretary Phillips. This the Ambassador agreed to do.

C.H.

See also memo re: International Trade.

S CH:HR

TELEGRAM RECEIVED

FS

1-1226

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

FROM

Nanking

Dated June 19, 1935

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

Secretary of State,
Washington.

169, June 19, 10 a.m.

STRICTLY CONFIDENTIAL.

One. I learn from an authoritative and highly placed source that Sung Che Yuan was relieved because he expressed determination to defend his territory against the Japanese and that while his dismissal could not be avoided the government entertains grave fears that it may precipitate a declaration by Chen Chi Tang of the independence of Kwangtung and Kwangsi, ostensibly to set up an anti-Japanese Government in the southwest but with the secret support of the Japanese. At a meeting of government ministers yesterday fears were also expressed that if Chen revolted as an alleged anti-Japanese gesture the students and younger elements in Nanking might cause civil disorders. This fear I consider greatly exaggerated.

Two. Chen recently telegraphed Wang Ching Wei pledging his support but according to an official of
cabinet

DEPARTMENT OF STATE
RECEIVED

JUN 19 1935

DIVISION OF

COMMUNICATIONS AND

Division of
FAR EASTERN AFFAIRS

JUN 19 1935

Department of State

Rec'd 8:08 a.m.

*Paraphrase sent to Moscow
June 25*

793.94/7075

JUL 26 1935

F/G

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

FS 2-No. 169, June 19, 10 a.m. from Nanking

cabinet rank the government is apprehensive that Chen's hatred of Chiang Kai Shek is so great that he may not resist the present opportunity to attempt what he might believe would be a fatal blow at Chiang and the incumbent regime in Nanking. This official states that Hu Han Min left Canton following the murder of one of his henchmen because he foresaw a separatist move and wished to disassociate himself from it, and that since his departure, Chen has been rapidly displacing Hu's adherents in official life. Fears of the alienation of Hunan are less grave, the present expectation being that, in case of an open break between Canton and Nanking, Hunan will not defy the National Government but will not render it assistance.

Three. With the appointment yesterday of Wang Ke Min as ~~a possible~~ ^{acting} chairman of Peiping political affairs readjustment council it appears that the center of Sino-Japanese discussions concerning Hopei will again shift to Peiping.

Despatched to Legation and Department.

WSB

ATCHESON

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 169) of June 19, 1936, from the American Consulate General at Nanking, reads substantially as follows:

From a highly placed source it has been learned authoritatively that Sung Che-yuan was relieved of his position because of his announced determination to defend the territory under his control against Japan and that, although it was impossible to avoid dismissing Sung, the Chinese Government is fearful that his dismissal may hasten a declaration by Chen Chi-tang of ^{the} independence of Kwangsi and Kwangtung Province, for the ostensible purpose of establishing an anti-Japanese Government in the Southwest but with the secret assistance of Japan. Fears were expressed also at a meeting on June 18 of Chinese Government ministers that students and younger elements in Nanking might start civil disorders if Chen Chi-tang revolted as an alleged anti-Japanese gesture. The Consul at Nanking is of the opinion that this fear is exaggerated greatly.

Recently by telegram to Wang Ching-wei, Chen Chi-tang pledged his support but, according to a highly placed official, the Chinese Government is fearful that on account of hatred of General Chiang Kai-shek Chen may not resist the opportunity to try what, in his opinion, might be a fatal blow to General Chiang and the present Nanking regime. According to this official, Hu Han-min, following the murder of one of his follow-

ers

DECLASSIFIED: E.O. 11652, 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 -

ers, left Canton because he foresaw an independence movement and did not wish to be associated with it, and that since he left Chen Chi-tang has rapidly been ousting from official life Hu's adherents. There is not such grave fear of the alienation of Hunan Province, the expectation at the present time being that, if there should be an open break between Nanking and Canton, although Hunan will not assist the Nanking Government, it will not offer defiance to that Government.

It appears that the center of the Sino-Japanese discussions in regard to Hopei will shift to Peiping as a result of the appointment on June 18 of Wang Ke-min as Acting Chairman of the Peiping Political Affairs Readjustment Council.

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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, 1935.

~~MMH~~:

Reference telegram under date
June 19, 1935, from Chow Lu, Chancellor
of Sun Yat Sen (Chungshan) University.

It will be noted that the attached
telegram contains (1) a request that
this message be forwarded to the sig-
natories of the Nine Power Treaty and
(2) an appeal to the signatories of
this treaty for just and effective
measures against the aggressor (Japan).

In my opinion the Department
should file the telegram without any
action whatever.

In this connection it will be re-
called that Canton's telegram of June 15,
11 a.m., reports that among the changes
in official circles at Canton which are
forecast by an informant the possible
replacement after November of Chow Lu
(Tsou Lu) as Chancellor of Chungshan
University by Lin Yun Koy is mentioned.

MSM
MSM/VDM

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

TELEGRAM RECEIVED

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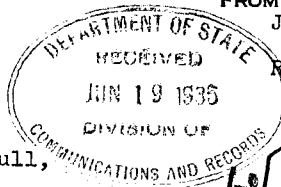
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Canton

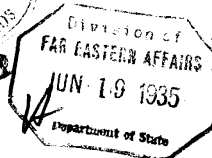
FROM

June 19, 1935

Rec'd 7:27 a.m.



Cordell Hull,
Secretary of State,
Washington.



file
M.H.

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note
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Please forward to signatories to Nine Power Treaty.

After conquest of Manchuria and Jehol, Japan is now commencing absorption of North China. This is part of predetermined scheme of gradual domination of China. Government at Nanking is coerced into silence by Japan's threat of taking further drastic action.

I, on behalf of Chinese people, appeal to signatories to Nine Power Treaty for just and effective measures against aggressor.

HPD

Chowlu, Chancellor of
SUN YAT-SAN University

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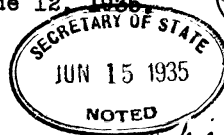
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 12, 1935

STRICTLY CONFIDENTIAL.



Mr. Sao-Ke Alfred Sze, the Chinese Minister,
and Mr. Hamilton.

The Chinese Minister telephoned at 4:15 p. m. and said that he had received a five-page cablegram from his Government; that the Legation was now decoding the telegram; that the last page had been decoded first; that the last page stated that General Ho Ying-ching had refused to comply with the Japanese demand that he (General Ho) copy the Japanese demands and seal the copy and return it to the Japanese; that because of this development, the situation had now become most tense; and that the Chinese Government had gone to all extremes to meet the general situation (presumably that created by the Japanese demands). The Chinese Minister stated that the telegram asked him to inform the American Government in confidence of this development.

The Chinese Minister stated that the Legation would proceed with the decoding of the remainder of the telegram and that thereafter he would telephone Mr. Hamilton again.

NOTE: About 10:30 p. m. Mr. Lao of the Chinese Legation again telephoned Mr. Hamilton and, at the direction of the Minister, read to Mr. Hamilton the remainder of the telegram. On June 13 the Chinese Minister called and left with the Department a copy in translation of the telegram.

MMH/REK

Division of
FAR EASTERN AFFAIRS

JUN 15 1935

Department of State

SECRETARY OF STATE

JUN 15 1935

NOTED

Copies sent to London, Peking, Tokyo, Hanking + Moscow

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

RECEIVED
DEPARTMENT OF STATE

June 14, 1935.

1935 JUL 26 PM 2 37

DIVISION OF
COMMUNICATIONS
AND RECORDS
NORTH CHINA SITUATION

The terms of the several sets of demands, made upon the Chinese by the Japanese, as described in the translation of the telegram, dated Nanking, June 12, 1935, received by the Chinese Minister from his Government, are substantially confirmed by telegraphic reports to the Department from the American Legation at Nanking. These reports contain additional information, as follows:

A. It was reliably reported that on June 13 the Central Political Council at Nanking resolved that the Minister of War, General Ho Ying-chin, who is now proceeding from Peiping to Nanking for the purpose of consulting with other officers of the Chinese Government, should inform the Japanese military authorities in writing that the Chinese have accepted and are complying with all Japanese demands presented prior to June 11 and that if the Japanese army has further demands they should be presented at Nanking to the Chinese Government through diplomatic channels. The demands made on June 11, as set forth in the telegram received by the Chinese Minister, in effect are:

1. There shall be no employment or reinstatement of dismissed Chinese officials, nor shall the revival of organizations unfavorable to Sino-Japanese relations be permitted;

2. In

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- 2 -

2. In the appointment of officials in the Hopei Provincial and Municipal Governments the wishes of the Japanese shall be followed; and

3. The Japanese may supervise and inspect the fulfilment of the Japanese demands.

B. The Nanking office of the American Legation is informed that the Japanese have further demanded that General Chiang Kai-shek come to Nanking from West China to meet with Japanese military representatives with a view to the adoption of a definite and "sincere" policy of Sino-Japanese "cooperation". The Legation is reliably informed that the Chinese Government fears that General Chiang Kai-shek cannot risk further loss of prestige by returning to Nanking pursuant to a Japanese command.

C. There is current in Nanking an unconfirmed report to the effect that certain influential Chinese, including members of the Central Political Council, are considering favorably a proposed re-orientation of Chinese foreign policy the principal features of which would be some kind of Sino-Japanese political partnership as a last hope of blocking further advance of Japan on the Asiatic Continent.

The American Minister telegraphs from Peiping that on June 13 pamphlets are reliably reported to have been distributed in Peiping denouncing General Chiang Kai-shek and advocating the establishment of an independent state in North China.

The

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

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The Minister was also informed that on June 13 a Chinese official from Chahar called on the Japanese Assistant Military Attaché to apologize for the recent detention in Chahar of four Japanese officers and was told that it was too late for an apology -- that the Japanese military would decide what action should be taken in regard thereto.

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



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DEPARTMENT OF STATE
THE UNDERSECRETARY

DIVISION OF
FAR EASTERN AFFAIRS
JUN 15 1935
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June 13, 1935

MEMORANDUM OF CONVERSATION WITH THE CHINESE MINISTER.

After having called at the Far Eastern Division, the Chinese Minister asked me to receive him; he had left with the Far Eastern Division a translation of a telegram which he had received from his Government in Nanking last evening and I had already taken note of this telegram before the Minister came in. I had just seen also the urgent telegram from our Legation at Nanking, No. 152, of June 13th, which reported that the Central Political Council of the Chinese Government had instructed this morning General Ho Ying Chin that the Chinese have accepted and are complying with all Japanese demands presented prior to June 11th and that if the Japanese Army has further demands they should be presented to the Chinese Government at Nanking through the usual diplomatic channels.

The Minister opened the conversation by saying that he had called without instructions, but nevertheless he desired to make of record the inquiry which he would make because it was always well in the future to have the record

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JUL 26 1935

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as clear as possible. At this point I interrupted Mr. Sze by saying that I had already read the communication which he had just received from his Government, a copy of which he had left with the Far Eastern Division, but that we had received possibly a more recent telegram direct from Nanking which I would be glad to read to him. I thereupon read our Legation's No. 152, referred to above. The Minister said that this message, indicating as it did that his Government had not fully decided upon its course, obviated the necessity of his making any further inquiries of the Department at this time, and that he would, therefore, postpone his questions until a little later. I took the opportunity of saying that we were naturally following the situation with vivid interest, and that we were also not unnaturally concerned at the recent developments.


William Phillips.

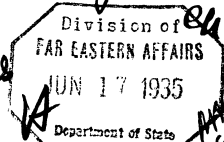
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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Tokyo, Hankow + Moscow*
DEPARTMENT OF STATE



THE UNDERSECRETARY



June 15, 1935.

MEMORANDUM OF CONVERSATION WITH THE FRENCH AMBASSADOR.

The French Ambassador called me on the telephone to say that he had received an inquiry from Paris as to whether the Chinese Government had, in fact, approached the United States with a view to invoking the Nine Power Treaty and, if so, what reply the Department had made.

I answered that this report was erroneous, that while the Chinese Minister had, under instructions, conveyed certain information to us, there had been no mention made of the Nine Power Treaty nor had the Chinese Government made any request of us *for action*.

WP
William Phillips.

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JUL 26 1935

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I.

Chinese official communication to J.O. :-

After accepting a no. of demands Ch. Govt. refused formally to agree to exclude from Hopei any person or organization whose conduct might prejudice Sino Japanese relations. & to allow Jap. authorities to supervise execution of this condition. Situation is very serious & clearly invokes article of Nine Power Treaty stipulating consultation between signatories.

Has U.S.G. received similar comm.?
What do they think of it?
? and of recent events in N. China?

II.

Instructions to Hon. Amb. at Tokio. June 14

~~Have Jap. Govt.~~ whether they have, as reported, demanded that China should not appoint officials in N. China without Jap. consent. Point out that if such a demand is made, it constitutes a violation of Nine Power Treaty which

Signatories undertook to respect administrative
integrity of China.

Is ASG inclined to send similar
instructions to their Amb^s at Tokyo?

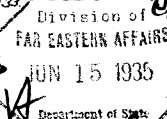
Chen will have carried out his
instructions by now anyhow.

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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

Return to FE/RS
Telegram to F.E.
Tokyo June 15, 1935



Copies sent to London, Peiping, Tokyo, Nanking, & Moscow.
June 15, 1935

MEMORANDUM OF CONVERSATION WITH THE BRITISH AMBASSADOR

The British Ambassador called this morning with regard to the Far Eastern developments. He said the Chinese Minister in London had called upon the Minister of Foreign Affairs and had informed him that his Government, after accepting a number of demands of the Japanese military, had refused formally to agree to exclude from the Province of Hopei any person or organization whose conduct might prejudice Sino-Japanese relations and to allow Japanese authorities to supervise the execution of this condition. The British Foreign Office regarded the situation as very serious and that it clearly invoked the Article of the Nine Power Treaty stipulating consultation between the signatories to that treaty. Sir Ronald was asked to inquire whether we had received a similar communication from the Chinese; if so, what we thought of it, as well as our impression of recent events in China.

The Ambassador went on to say that on June 14th, the Foreign Office had instructed the British Ambassador at Tokio to ask the Japanese Government whether they have, as reported, demanded that China should not appoint officials in North China without Japanese consent.

Furthermore,

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Furthermore, he was instructed to point out that if such a demand is made it constitutes a violation of the Nine Power Treaty in which the signatories undertook to respect the administrative integrity of China.

Sir Ronald thereupon said he was instructed to inquire whether the United States Government was inclined to send similar instructions to the American Ambassador at Tokio. In reply to my inquiry as to whether the British Government was making a similar *démarché* in the capitals of all the signatory powers of the Nine Power Treaty, the Ambassador replied that all of the powers were being acquainted with the instructions which had been given to the British Ambassador at Tokio, but that the United States was the only signatory which was being asked to send similar instructions to its representative in Tokio. I, thereupon, undertook to give the Ambassador our views of the situation: The Chinese Minister had, under instructions, kept us advised of his Government's attitude with respect to the Japanese demands; that the Minister had called upon me a day or two ago to ask of me certain questions for the purpose of record, but that before he had gone any further I read to him our latest report from Nanking, which indicated that the Chinese Government itself was consulting Chiang Kai Shek, now absent in the West, before taking a definite position

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Department of State letter, August 10, 1972
By Milton D. Chas. [unclear] NARS, Date 12-18-75

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position vis à vis the Japanese demands and that on seeing this telegram Mr. Sze had expressed his desire to postpone asking any questions of the Department; I said that the Vice Minister for Foreign Affairs had discussed the matter with our representative in Nanking yesterday, and had stated that he would be glad to learn the attitude of the American Government in respect to the developments in North China; we had not given any reply as yet to the Vice Minister's inquiry; moreover, the situation was changing from hour to hour and the reports coming in from various sources were conflicting and a further telegram from Nanking dated yesterday had indicated that the policy of the Chinese Government seemed to be to minimize matters in the North, and furthermore, that the Japanese military are now denying that fresh demands were presented on June 11th; the atmosphere, therefore, seemed to me cloudy and uncertain and we had been waiting for it to become a little clarified before considering the advisability of action vis à vis the Japanese; so far as I knew, Chiang Kai Shek had not as yet made any official statement and I understood that he was now actually on his way back to Nanking; I pointed out that our telegrams had indicated that the Japanese Ambassador would discuss matters with Chiang Kai Shek on his return and for the moment, therefore, it seemed that the Japanese Government was desirous of continuing the conduct of their negotiations with

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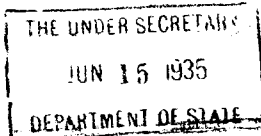
with the Chinese through diplomatic channels rather than continuing them through the military authorities in North China.

Sir Ronald Lindsay expressed the hope that if we were going to take any action in Tokio we do so promptly; he thought it would be a mistake to delay any such action, for example, until next week. I assured him that we would be glad to give his inquiry immediate consideration and that I hoped to furnish him with a prompt reply.

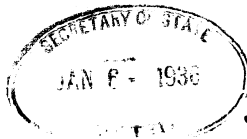

William Phillips.

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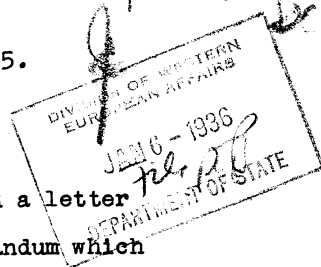
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



NORMAN H. DAVIS
48 WALL STREET
NEW YORK



June 14, 1935.



Dear Pierrepont:

I have just received a letter from Lord Lothian enclosing a memorandum which the Foreign Office sent him which is, in effect, their reply to Stimson's letter of March 15th to Lothian. I am sending you a copy of this memorandum and suggest that you let the Secretary and Bill Phillips see it after you have read it.

Sincerely yours,

Pierrepont Moffat, Esq.,
Department of State,
Washington, D. C.

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(copy)

M E M O R A N D U M

One particular document is of especial importance in connexion with Mr. Stimson's letter to Lord Lothian of March 15th 1935. Mr. Stimson, referring to his tentative draft of the proposed joint declaration, which was telegraphed to Geneva on February 12th 1932, says that:-

"On February 16th I was informed by Mr. Atherton, "the American Charge at London, that the British Government "would not go with me in the proposed invocation of the "Nine Power Pact and that whatever they would do in support- "ing any such movement on my part would be done only in "conjunction with the Signatories of the League Covenant "and as a part of League action".

The written answer that was handed to Mr. Atherton on February 16 for transmission to Mr. Stimson was as follows:-

"The above comments on the American draft are made at "Mr. Stimson's request and are proffered merely as tentative "criticisms. It is thoroughly understood that the question "whether other Powers can join in the American document is "still in suspense. Sir John Simon has already told Mr. "Stimson how keenly the British Government wishes to keep in "close cooperation with America over the whole field of the "Far Eastern crisis and he is hopeful that the adherence of "the Powers now at Geneva to the declaration proposed to be "made by the Council of the League on Wednesday might "predispose those of them who are Signatories to the Nine "Power Treaty to associate themselves with the American "demarche also".

The discrepancy is obvious.

2. Mr. Stimson has singled out one incident of a very critical period in the Sino-Japanese dispute. If the whole sequence of events at that time is taken into consideration it becomes even more difficult to understand his present accusation. It will be remembered that the Japanese launched their attack on

-2-

Chapei, the Chinese suburb adjoining the International Settlement at Shanghai on the night of January 28/29th 1932. Throughout the month of January the British and American Governments had been in close and constant consultation. On the 29th January the British Ambassador at Tokyo was instructed to make a protest couched in the strongest possible language against this violence. A telegram was at the same time sent to Washington, asking the United States Government whether they would urgently instruct their Ambassador at Tokyo in the same sense, and in order to mark that this was an Anglo-American demarche it was explained that no other Government was being asked to cooperate. A further Anglo-American demarche of a more constructive nature was taken on February 2nd when the British and American representatives at Nanking and Tokyo, with the support of their French and Italian colleagues, urged upon the Chinese and Japanese Governments a plan in five points for the cessation of hostilities by the creation of a neutral zone. On the same day a special meeting of the Council of the League of Nations was summoned at the request of the British delegation and Mr. J. H. Thomas informed them of this further effort that his Majesty's Government had decided to make "in concert with the Government of the United States". Point 5. of the plan was distasteful to the Japanese because it brought in Manchuria, and on February 4th they returned an unsatisfactory reply. Mr. Stimson thereupon indicated that he did not care to incur any further rebuffs and that he was inclined to leave the next move to Japan. Sir R. Vansittart sent for Mr. Atherton on February 5th and explained that the adoption of this attitude would merely mean a deadlock. They drew up together a draft of the declaration which seemed to them to be a combination of the British and American views and this draft was immediately telegraphed to Washington and Geneva.

3. The next day, February 6th, Mr. Stimson telephoned to Sir John Simon at Geneva. The upshot was that he agreed to instruct the American Consul-General at Shanghai to continue cooperating in efforts to secure a neutral zone, provided it was

-3-

understood that he, Mr. Stimson, was free to express publicly at the proper time American disapproval of Japan's recent proceedings. He still did not agree with the whole of the draft prepared by Sir R. Vansittart and Mr. Atherton but agreed that the time was not yet ripe for making such a declaration. Sir John Simon's record of this conversation is as follows:-

"..... As regards his wish to make a public statement of the
"attitude taken up by America in regard to Japan's whole
"proceedings, I thought we should be agreeable at the proper
"time to join in with him and the other Powers in a statement
"to the effect of the two paragraphs which he approved, but
"I was anxious not to have any announcement at the moment
"which might indicate that the operation of our good offices
"was at an end. I had secured the adjournment of any
"discussion of the Sino-Japanese problem at the Council of
"the League by saying that our demarche was not terminated.
"Mr. Stimson agreed with me that it would be unfortunate if
"the Council of the League took any hasty action".

4. On February 9th there was a further meeting of the Council when Sir John Simon informed them of the discussions that were in progress in Shanghai for the establishment of a neutral zone with representatives of the Council Powers and the United States. On the same day Mr. Stimson made the communication referred to on page 2 of his letter. He sent for Sir R. Lindsay about the situation at Shanghai and said that it seemed to him that the moment might be approaching when a very strong indictment should be addressed to the Japanese Government, based mainly on Articles 1 and 7 of the Nine Power Treaty. (Article 1 relates to the sovereignty, independence etc. of China, and Article 7 relates to full and frank communication). In reply to the Ambassador he explained that he did not contemplate anything more than a note. This would contain a passage in the sense of the note addressed by the United States Government to the Chinese and Japanese Governments on January 7th, 1932, refusing in advance recognition of any action or situation arising out of

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the proceedings at Shanghai, which the President regarded as an important new principle. His Majesty's Government were the one Government whose cooperation he was really anxious to secure and when the action contemplated was taken it must be taken very quickly. On February 11th a further message was received from the American Embassy in London to the effect that Mr. Stimson did not believe that the Japanese had any real intention of negotiating a cessation of hostilities and that he had accordingly sent instructions that American effort in Shanghai should be confined to protecting the International Settlement.

5. These messages caused some concern in the Foreign Office. Sir John Simon was at Geneva and a telegram from him dated February 10th showed that he was devoting all his energies to securing a cessation of the fighting at Shanghai by the creation of a neutral zone, and that he regarded cooperation between the British and American Consuls-General at Shanghai as being of cardinal importance. Severe fighting was at this moment in progress and large numbers of Japanese troops were being disembarked at the wharves in the International Settlement. Japan was hardly likely to be deflected from her purpose by notes, however strongly worded, but might, on the contrary be stung into going further than she otherwise would. Moreover Sir Miles Lampson was due to arrive in Shanghai with his American colleague the next day (February 12th) and it was hoped that if the American representatives on the spot continued to cooperate we might yet succeed in bringing the negotiations for a cessation of hostilities to a successful conclusion. It seemed clear that it would be a mistake to join in a very strong indictment of Japan at this juncture whatever might be done later. The Foreign Office accordingly telephoned to Sir John Simon suggesting that he might telephone from Geneva to Mr. Stimson, place these considerations before him and urge continued American cooperation with Sir Miles Lampson at Shanghai. Sir John did so, and this is the telephone conversation of February 11th referred to on page 2 of Mr. Stimson's letter to Lord Lothian. No record of this conversa-

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tion was kept but its tenor may be gathered from Sir R. Vansittart's telegram to Sir R. Lindsay of February 12th.

"Secretary of State is in telephonic communication with Mr. Stimson and I gather that latter's idea now is not so much an indictment of Japan as a note reserving position of United States Government based on Articles 1 and 7 of the Nine Power Treaty. Secretary of State is, I understand, suggesting that moment is not ripe and that time should be allowed to see whether Sir M. Lampson can achieve anything at Shanghai".

6. On February 12th Mr. Stimson, as he states, telegraphed to Geneva the draft of his proposed declaration on Articles 1 and 7 of the Nine Power Treaty. It was a long document - not exactly a strong indictment - and it ended up with the following paragraph:-

"They avail themselves of the opportunity afforded by the terms of Article 7 of the Nine Power Treaty to express frankly and without reserve their views upon the occurrences at Shanghai and their belief that if the covenants and policies of the Nine Power Treaty and the Pact of Paris be allowed to be repudiated or repealed, the loss to all the nations of the world will be immeasurable. For this reason they further notified their fellow Signatories and adherents to these Treaties that they for themselves and each of them did not propose to recognise as valid any treaty, agreement, arrangement or situation which may be entered into or created in China by means of acts or policies which are in violation of the Covenant of these Treaties".

Sir John Simon brought this document back with him from Geneva. It was carefully considered in London and, as Mr. Stimson states, there were telephone conversations with Mr. Stimson on February 12th, 13th and 15th. There were also telephone conversations with Geneva where the members of the Council were considering the terms of a final appeal to Japan before handing over the conduct

-6-

of the dispute to the Assembly. On February 15th the Secretary of State telephoned to Geneva the terms of a clause to be inserted in this appeal based on the concluding paragraphs of Mr. Stimson's draft. This clause, which foreshadowed the formal adoption by the League of the so-called Stimson Doctrine, was as follows:-

"The twelve members of the Council recall the terms of
"Article 10 of the Covenant, by which all the members of
"the League have undertaken to respect and preserve the
"territorial integrity and existing political independence
"of all other members. It is their friendly right to
"direct attention to this provision, particularly as it
"appears to them to follow that no infringement of the
"territorial integrity and no change in the political
"independence of any member of the League brought about
"in disregard of this Article should be recognised as valid
"and effectual by the members of the League of Nations."

7. On February 16th Sir Robert Vansittart discussed Mr. Stimson's draft with Mr. Atherton, handed him a copy of the above paragraph from the Council's appeal to Japan and pointed out that this was in harmony with the concluding paragraph of Mr. Stimson's draft. He also handed him a paper of written observations on Mr. Stimson's draft. These consisted in the main of suggestions on points of detail and concluded with the paragraph which has already been quoted in full in paragraph 1 above. One might have expected that in due course there would have been further recensions of the draft and that at the appropriate moment it would have been issued as an Anglo-American or Nine Power declaration. In fact no further communication on the subject was received from Mr. Stimson. The explanation of this probably is that so far as other Powers were concerned Mr. Stimson's objectives were attained by the Council's appeal of February 16th embodying the Stimson Doctrine clause, and that Mr. Stimson, then considered that the most effective way of handling the matter from the American side was by writing his letter to Mr. Borah

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

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of February 24th. This letter incorporated a great deal of the draft of February 12th and in it he referred with satisfaction to the adoption of the Stimson Doctrine by other Powers.

FOREIGN OFFICE, S.W.1.

30th April 1935.

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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 17, 1935.

NORTH CHINA SITUATION

U:
Mr. Phillips.



Referring to the British Ambassador's call on you on June 15, it is suggested that you may care to ask the British Ambassador to call and to supplement the information which you gave him on June 15.

It is suggested that you read to him Tokyo's telegrams 129, June 15, 1 p. m., and 130, June 15, 8 p. m. (Copies attached). You might care to say that these telegrams indicate that the British Embassy at Tokyo is proceeding cautiously in the carrying out of the British Foreign Office's instruction. As yet we do not know the precise nature or form of the final action the British Embassy at Tokyo will take. You might point out that both Clive and Grew consider it preferable to invoke the Nine Power Treaty only as a last resort.

It is suggested that you might inform the British Ambassador also of what transpired during the Secretary's conversation on Saturday with the Japanese Ambassador. (Copy attached). telegram to Tokyo of June 15, paragraph three. Copy attached).

You might inform the British Ambassador also that the

Department

793.94/7081

F/G

- 2 -

Department has asked both Ambassador Grew and Minister Johnson to telegraph an expression of their views in regard to the advisability of the American Government taking at this juncture diplomatic action in addition to that taken by the Secretary on Saturday with the Japanese Ambassador.

You may care to state also that the American Government, like the British Government, is concerned in regard to developments in North China and that we also desire to take such action as may be deemed appropriate and practicable toward safeguarding our common objectives in and with relation to China.

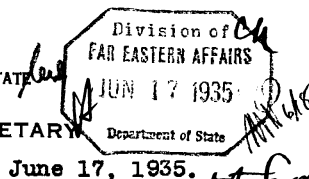
File in

MMH
MMH/REK

DECLASSIFIED: E.O. 11652, 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



June 17, 1935.

Copies sent to London, Peiping, Tokyo, Nanking, Moscow

MEMORANDUM OF CONVERSATION WITH THE BRITISH AMBASSADOR

The British Ambassador called this morning at my request. I said that I desired to keep in close touch with him regarding developments in the Far East, and that, accordingly, I wished to read to him certain telegrams which had come in from Tokyo since our last talk. I then read to him Mr. Grew's telegrams Nos. 129, 130 and 131. It was evident, I said, that, since Ambassador Clive had not, in fact, made his representations to the Foreign Office along the lines of his instructions, the question which he (Sir Ronald) had raised with me on Saturday with regard to representations from the American Government did not require an immediate answer; that our respective Ambassadors were in close touch and in absolute agreement in the present situation, and Sir Ronald admitted that this was so. In view of Mr. Grew's No. 131, Sir Ronald agreed that undoubtedly Ambassador Clive was awaiting further instructions from London before calling upon the Japanese Foreign Minister.

Thereupon I informed Sir Ronald that, shortly after his call upon me on Saturday, the Japanese Ambassador had called upon the Secretary of State and had given certain

793.94/7082

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2

certain information to the Secretary under instructions from his Government and that I desired to give Sir Ronald the substance of this information. I then read to him paragraph three of our telegram No, 93 to Mr. Grew, which contained the report of this conversation. I added that, in the circumstances, we did not feel that we were in a position to make any representations as yet to the Japanese Government; that, in view of the conflicting reports which were coming from China and Japan, it was apparent that we did not have a clear knowledge of the situation; that, in any event, we felt that we must proceed with the utmost caution and that this was evidently the judgment of our respective Ambassadors in Tokyo.

Sir Ronald thanked me for the information, and, in particular, for informing him of the Secretary's remarks to Ambassador Saito. Before concluding the interview, I said that I would like to keep closely in touch with Sir Ronald on all aspects of the situation and would be happy to show him such telegrams as seemed particularly pertinent. The Ambassador expressed his thanks and appreciation.



William Phillips.

U WP/AB

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

TELEGRAM RECEIVED

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

BC

Gray

FROM Peiping via NR

Dated June 19, 1935.

Received 11 AM

JUN 19 1935

DEPARTMENT OF STATE

Secretary of State,

Washington.

Division of
FAR EASTERN AFFAIRS
JUN 19 1935
Department of State

Copy sent to Moscow
June 25

297 June 19, 5 p.m.

Assistant Military Attache Takahashi states today that Chahar situation is not yet settled. Chin Teh Chun, Chahar Commissioner of Civil Affairs and reportedly appointed Provincial Chairman to replace Sung, is leaving Peiping for Kalgan today for further negotiation. According to Takahashi Sung 132nd division stationed near Chahar-Jehol border and alleged to be to blame for recent incidents has been ordered to move to a point south of Kalgan. It is not yet known whether Sung will consent to accept such a new post as may be offered him by the National Government or whether the National Government will in fact provide a suitable post.

It is reported that the Executive Yuan appointed Wang Keh Min on June 18 acting chairman of the Peiping Political Readjustment Committee due to Huang Fu's continuing absence. Wang Keh Min who is also chief councilor of this committee is understood to be satisfactory to the Japanese perhaps because he is friendly to the Anfu clique, having

been

793.94/7083

F/G

Page 2 from Peiping No 297

been Finance Minister in an Anfu Cabinet for a few months in 1917-18. He is the third official to be appointed to an important post in North China since the recent trouble began. Shang Chen, Tientsin garrison commander and acting Mayor of Tientsin, has no such background. However, Chang Hou Wan appointed June 6 acting chairman of Hopei is a nephew of the present Manchukuo Finance Minister and a grand son of a former grand secretary of the inner cabinet of the Ching dynasty. The appointments of Wang and Chang are believed possibly to indicate the trend of affairs in North China.

Repeated to Nanking.

JOHNSON

WSB

TELEGRAM RECEIVED

FS

1-1530

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

FROM

Nanking

Dated June 20, 1935

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

Rec'd 3:04 a.m.

Secretary of State,
Washington.

RECEIVED

JUN 20 1935

DIVISION OF

COMMUNICATIONS AND RECORDS

Division of
FAR EASTERN AFFAIRS

JUN 20 1935

Department of State

170, June 20, 9 a.m.

One. Fears of a separatist movement in the Southwest have not (repeat not) been allayed. I am told by a well-informed official close to government leaders that attempts are being made to arrange a financial settlement with Chen Chi Tang.

Two. Anxiety concerning North China is considerably less because, I am reliably informed, the Japanese are not at present pressing for a signed document or for the return of Chiang Kai Shek who has now decided not to come to Nanking at this time. The feeling is one of temporary respite; government leaders believe that the Japanese will continue to consolidate their position in the Peiping-Tientsin area and that they will work to extend their domination south to the Yellow River and ultimately into the Yangtze region. It would be hazardous to say whether this belief is well founded. Japanese expressions of satisfaction with the

stops

793.94/7084

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793.94
JUL 26 1935

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

FS 2-No. 170, June 20, 9 a.m. from Nanking

steps taken by the Chinese and Japanese denials of the
June 11th demands may indicate that the Japanese pro-
gram is not to be extended for the time being.

Depsatched to the Legation and Department.

RR:WSB

ATCHESON

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 170) of June 20, 1935, from the American Consulate General at Nanking, reads substantially as follows:

There is still fear of an independence movement in Southwest China. According to a well-informed official source, attempts are being made to effect a financial settlement with Chen Chi-tang.

According to reliable information there is considerably less anxiety in regard to the situation in the North as no pressure is being exerted at the present time by the Japanese to obtain a signed document or to force the return of General Chiang who now has decided not to come to Nanking for the present. A feeling of temporary respite exists. It is the opinion of Chinese Government leaders that the Japanese will endeavor to extend their control south to the Yellow River and ultimately into the Yangtze area and that they will continue to consolidate their position in the vicinity of Tientsin and Peiping. Whether this belief is well founded would be difficult to say. It may be that denials of Japan of the June 11 demands and Japanese expressed satisfaction with the steps taken by the Chinese Government indicate that for the present Japan's program is not to be extended.

793.94/7084

RE: LG

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

TELEGRAM RECEIVED

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

FS 1-1236

FROM

Nanking

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

Dated June 20, 1935

Secretary of State,
Washington.

JUN 20 1935

DIVISION OF

COMMUNICATIONS AND RECORDS

DIVISION OF
FAR EASTERN AFFAIRS

JUN 20 1935

Department of State

173, June 20, noon.

I learn from authoritative source that the Chinese Government, in an effort to meet Japanese desires for written document concerning North China, contemplates authorizing a letter from Wang Ke Min to the Japanese military which will set forth the measures taken and which the Government now feels will be acceptable to the Japanese.

WVC:RR

ATCHESON

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JUL 26 1935

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 173) of June 20, 1935, from the American Consulate General at Nanking, reads substantially as follows:

According to information received from an authoritative source, it is the intention of the Nanking Government, in trying to meet the wishes of Japan for a written document in regard to North China, to authorize Wang Ke-min to send to the Japanese military a letter setting forth the measures which have been taken. The Chinese Government now feels that the Japanese will accept such a letter.

793.94/7085

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VI-20-35

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

RECEIVED
DEPARTMENT OF STATE

DEPARTMENT OF STATE

THE UNDERSECRETARY



June 18, 1935.

1935 JUN 20 PM 1 22

MEMORANDUM OF CONVERSATION WITH THE CHINESE MINISTER.

DIVISION OF
COMMUNICATIONS
AND RECORDS

The Chinese Minister came to see me this afternoon

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and asked whether there had been any developments in connection with the Far East which I could tell him; he had seen in the press, he said, references to my talks with the British Ambassador and that other diplomatic colleagues of his had also called at the Department recently in this connection. I said that it was a fact that the British Ambassador had called; he had merely brought to my attention the substance of the information which the Chinese Ambassador in London had left at the Foreign Office, information which I gathered was very similar to that which he (Mr. Sze) had left with us; following the Ambassador's visit the Foreign Office had sent certain instructions to its representative in Tokyo to make certain inquiries of the Japanese Foreign Office; Sir Ronald had called merely to acquaint us with these facts; from the telegrams which were coming in, I said that the British Ambassador in Tokyo had called today on Mr. Hirota. We understood that Mr. Hirota maintains that no demand had been made, as reported, on the Chinese authorities that the Chinese officials of North China should be appointed only

with

793.94/7086

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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-

with the approval of the Japanese Military; that the Japanese troops could not move south of the Wall without the sanction of the Japanese Government itself, and also that no alteration of Japan's policy in China is envisaged. I told the Minister that we were not contemplating taking any action at the present time; that the reports from the Far East were conflicting and it was not clear what attitude the Chinese Government would take.

Mr. Sze thanked me for this information. The only comment he made was to the effect that apparently his colleague in London had gone beyond his instructions in referring to the British obligation under the nine-power treaty.



William Phillips.

U:WP:GMH

No. 1698
STRICTLY CONFIDENTIAL.

JUN 25 1935

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

There are enclosed for your strictly confidential information copies of various memoranda, as listed below, in regard to recent developments in relations between China and Japan in connection with North China.

Very truly yours,

William Phillips

Enclosures:

Acting Secretary of State

Memorandum of conversation of June 12, between the Chinese Minister and Mr. Hamilton;
Memorandum of June 13, covering a translation of a telegram of June 12, from the Waichiaopu;
Memorandum of conversation of June 13, between the Under Secretary of State and the Chinese Minister;
Memorandum of conversation of June 15, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 15, between the Secretary of State and the Japanese Ambassador;
Memorandum of conversation of June 15, between the Under Secretary of State and the French Ambassador;
Memorandum of conversation of June 17, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 18, between the Under Secretary of State and the Chinese Minister.

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FE:EGC

VI-24-35

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JUN 26 1935
JUN 26 1935



793.94/7086

DECLASSIFIED: E.O. 11652, 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. 791
STRICTLY CONFIDENTIAL.

JUN 25 1935

The Honorable

Joseph J. Grew,
American Ambassador,
Tokyo.

Sir:

There are enclosed for your strictly confidential information copies of various memoranda, as listed below, in regard to recent developments in relations between China and Japan in connection with North China.

Very truly yours,

William Phillips

Enclosures:

Acting Secretary of State

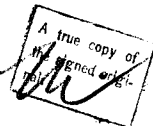
Memorandum of conversation of June 12, between the Chinese Minister and Mr. Hamilton;
Memorandum of June 13, covering a translation of a telegram of June 12, from the Waichiao;
Memorandum of conversation of June 13, between the Under Secretary of State and the Chinese Minister;
Memorandum of conversation of June 15, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 15, between the Secretary of State and the Japanese Ambassador;
Memorandum of conversation of June 15, between the Under Secretary of State and the French Ambassador;
Memorandum of conversation of June 17, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 18, between the Under Secretary of State and the Chinese Minister.

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EGC.
RE:EGC
VI-24-35

RE m.m./d.

JUN 24, 1935
JUN 26, 1935



793.94/7086

DECLASSIFIED: E.O. 11652, 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.
STRICTLY CONFIDENTIAL.

Willys R. Peck, Esquire,
American Consul General,
Nanking, China.

Sir:

There are enclosed for your strictly confidential information copies of various memoranda, as listed below, in regard to recent developments in relations between China and Japan in connection with North China.

Very truly yours,

William Phillips

Acting Secretary of State

Enclosures:

Memorandum of conversation of June 12, between the Chinese Minister and Mr. Hamilton;
Memorandum of June 13, covering a translation of a telegram of June 12, from the Waichiaopu;
Memorandum of conversation of June 13, between the Under Secretary of State and the Chinese Minister;
Memorandum of conversation of June 15, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 15, between the Secretary of State and the Japanese Ambassador;
Memorandum of conversation of June 15, between the Under Secretary of State and the French Ambassador;
Memorandum of conversation of June 17, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 18, between the Under Secretary of State and the Chinese Minister.

29.C.
FE:EGC
VI-24-35

FE m.m./l.

22 JUN 26 1935 PM
JUN 26, 1935



793.94/7086

DECLASSIFIED: E.O. 11652, 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. 868
STRICTLY CONFIDENTIAL.

JUN 25 1935

The Honorable

Robert Worth Bingham,
American Ambassador,
London.

Sir:

There are enclosed for your strictly confidential information copies of various memoranda, as listed below, in regard to recent developments in relations between China and Japan in connection with North China.

Very truly yours,

William Phillips

Enclosures:

Memorandum of conversation of June 12, between the Chinese Minister and Mr. Hamilton;
Memorandum of June 13, covering a translation of a telegram of June 12, from the Waigiaopu;
Memorandum of conversation of June 13, between the Under Secretary of State and the Chinese Minister;
Memorandum of conversation of June 15, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 15, between the Secretary of State and the Japanese Ambassador;
Memorandum of conversation of June 15, between the Under Secretary of State and the French Ambassador;
Memorandum of conversation of June 17, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 18, between the Under Secretary of State and the Chinese Minister.

VI-20-35

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JUN 24 1935
JUN 26 1935

A true copy of the original
[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

No. 424
STRICTLY CONFIDENTIAL.

JUN 25 1935

The Honorable

William C. Bullitt,
American Ambassador,
Moscow.

Sir:

There are enclosed for your strictly confidential information copies of various memoranda, as listed below, in regard to recent developments in relations between China and Japan in connection with North China.

Very truly yours,

William Phillips

Enclosures:

Acting Secretary of State

Memorandum of conversation of June 12, between the Chinese Minister and Mr. Hamilton;
Memorandum of June 13, covering a translation of a telegram of June 12, from the Saichiaopu;
Memorandum of conversation of June 13, between the Under Secretary of State and the Chinese Minister;
Memorandum of conversation of June 15, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 15, between the Secretary of State and the Japanese Ambassador;
Memorandum of conversation of June 15, between the Under Secretary of State and the French Ambassador;
Memorandum of conversation of June 17, between the Under Secretary of State and the British Ambassador;
Memorandum of conversation of June 18, between the Under Secretary of State and the Chinese Minister.

A true copy of the original
[Signature]

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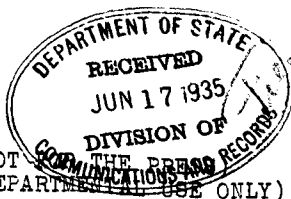
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[Signature]

JUN 24, 1935
JUN 25, 1935
JUN 25 REC'D

[Handwritten initials]
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RK

793.94/7086



Department of State
Division of Current Information No. 126

MEMORANDUM OF THE PRESS CONFERENCE, THURSDAY, JUNE 13, 1935

CHINA

At the press conference this morning, Secretary Hull was asked if he could make any comment on the Sino-Japanese situation. The Secretary stated that the situation had not yet sufficiently developed for him to offer any comment except to repeat what he had said heretofore, namely, that the Department was closely watching events in north China.

A correspondent enquired whether the American Minister to China had made any special preparations as regards the evacuation of Americans in the event of hostilities. The Secretary stated that so far as he was aware there had been no developments on this phase of the situation.

A correspondent remarked that according to today's press reports the British are becoming increasingly apprehensive over developments in north China, and he enquired whether the British had approached the United States for an exchange of information or anything of the kind. The Secretary stated OFF THE RECORD that, in accordance with what he had said previously, no moves had been made in this direction and he expressed the hope that the correspondents would not ask any further questions on this subject in view of his promise to keep them informed if any developments should occur.

A correspondent called the Secretary's attention to a report that the British are planning to send an economist to China to study financial conditions and that the French also are said to be about to send an economist to China. He enquired if there was anything which the Secretary could say with regard to the American attitude toward such a study. The Secretary stated that this Government had not yet given any definite attention to the matter but that consideration would probably be given it in due course.

Asked if this indicated that the United States might perhaps send a representative to study financial conditions in China, the Secretary replied that he could not undertake to give a definite reply: that the meaning which he wished to convey was that this matter would be given consideration without prior commitment one way or another.

M. J. McDermott.

793.94/7087

F/G

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

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

REP

TELEGRAM RECEIVED

GRAY

Peiping via N. R.

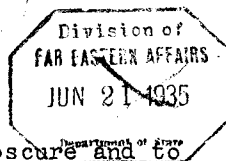
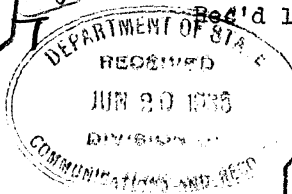
Dated June 20, 1935

Rec'd 1:50 p. m.

Secretary of State,
Washington.

301, June 20, 5 p. m.

Chahar situation continues to be obscure and to have serious potentialities. Sung Che Yuan arrived this morning at Peiping without previous announcement. He states that he will remain here for two or three days and then proceed to Tientsin. (Although his reason for going to Tientsin is not known, Sung has a house there in the British concession where he will be safe from molestation and there is the possibility that he may lend himself to the activities of other Chinese in Tientsin who are resentful over past treatment by members of the National Government). Takahashi states that Doihara will arrive at Peiping from Tientsin today; and also Matsui from Kalgan who has been handling negotiations. However, Ching Teh Chun who is negotiating on behalf of Chahar Government left Peiping last night for Kalgan. An American correspondent who arrived this morning from Kalgan states that foreigners in



793.94/7088

FILLED
JUL 26 1935

F/G

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

REP

2-#301, From Peiping, June 20, 5 p.m.

in Kalgan are uneasy over possible future activities of
Sung's army.

The new Commissioner of Public Safety at Tientsin
is Lieutenant General Liu Ssu Jung, a graduate of
Tokyo Military Academy and a former chief of staff of
Marshal Sun Chuan Fang. The new Secretary General
of the Mayor of Tientsin is Liu Sui Chang graduate of
Meiji University and a protege of Ho Ying Chin.

Repeated to Nanking.

JOHNSON

RR
*
WSB

TELEGRAM RECEIVED

FS

1-1336

FROM

Nanking

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

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

Dated June 20, 1935

RECEIVED

Rec'd 5:32 a.m. + copy
Paraphrase sent to Moscow
June 25

Secretary of State,
Washington.

JUN 20 1935

DIVISION OF

Division of
FAR EASTERN AFFAIRS

JUN 21 1935

Department of State

171, June 20, 10 a.m.

A competent American newspaper correspondent who has just arrived from the North has the distinct impression from conversations with Japanese officials there and at the Japanese Embassy here that the Japanese are now definitely attempting to minimize their encroachments and demands; that they are worried as to world opinion; and that they are a little fearful that the Chinese, if pushed too far, will attempt military resistance. Suma's remarks to him concerning the general situation follow by naval radio as section two.

Despatched to the Department and Peiping.

WSB

ATCHESON

793.94/7089

FILED

JUL 26 1935

F/G

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

TELEGRAM RECEIVED

HSS

1-1336

FROM

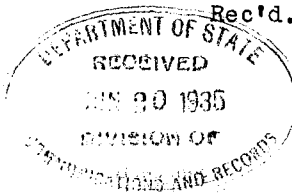
SPECIAL GRAY

Nanking via N. R.

Dated June 20, 1935.

Rec'd. 5 p. m.

Secretary of State,
Washington.



171, June 20, 10 a. m. SECTION TWO.

One. He said that reports of Japanese demands had been greatly exaggerated; that the Japanese merely hoped for a written declaration from China in respect to China's attitude toward Japan and Sino-Japanese co-operation; that there was no reason why the Chinese Government should refuse to make such a declaration but in any event Japan would not take military action to force the Chinese to meet this Japanese wish; that Japan had never considered extending the demilitarized zone to include the Peiping-Tientsin area; that the suggestions made in North China were necessary because of conditions there and violations of the Tangku Truce and the Boxer Protocol; that the Chinese had taken steps to rectify matters and the Japanese observations were that the Chinese now showed "sincerity" in their efforts; that the fundamental difficulties could not
be

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

HSS

- 2 -

171 from Nanking
June 20, 10 a.m.
SECTION TWO.

be eliminated until there was a change in the Chinese educational system which now fostered anti-foreign sentiment in the young; to make a change was needed in the Kuomintang because of its various anti-foreign and other irregular activities; and that the Japanese had no intention of requiring that the Kuomintang be suppressed throughout China because it would take hundreds of thousands of soldiers to accomplish the task but they desired a necessary reorganization and reform.

Two. Despatched to the Legation and Department.

ATCHESON

KLP

CIB

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

P A R A P H R A S E

Section 1 of a telegram (No. 171) of June 20, 1935,
 from the American Consul at Nanking, reads substantially
 as follows:

From conversations at the Japanese Embassy in Nanking
 and with Japanese officials in North China an able American
 newspaper correspondent, who has just come from the North,
 has gained the definite impression that the Japanese are now
 trying particularly to minimize their demands and encroachments;
 that they are somewhat fearful that, if pressed too hard,
 the Chinese will try military resistance; and that the Japa-
 nese are worried with regard to the opinion of the world.
 Remarks made to this correspondent by Suma, Secretary of the
 Japanese Embassy, in regard to the general situation are
 being sent forward by naval radio as Section 2 of this tele-
 gram.

793.94/7089

g.g.c.
 FE:EGC

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 FE
m.w./

VI-20-35

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

TELEGRAM RECEIVED

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

FS

1-1220

FROM

Nanking

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

Dated June 20, 1935

Secretary of State,
Washington.

RECEIVED
JUN 20 1935

DIVISION OF
COMMUNICATIONS AND RECORDS

Division of
FAR EASTERN AFFAIRS

JUN 21 1935

Department of State

172, June 20, 11 a.m.

My 171, June 20, 10 a.m.

Remarks of responsible official of the Foreign
Office to the same correspondent follow by naval radio
as Section two.

Despatched to the Legation and Department.

RR:WSB

ATCHESON

Re North China.

FILED

JUL 26 1935

F/G

793.94/7090

793.94

HSS

SPECIAL GRAY

TELEGRAM RECEIVED

Nanking via N. R.

Dated June 20, 1935.

1-1236

FROM

Rec'd. 4:45 p. m.

Secretary of State,
Washington.



172, June 20, 11 a. m. SECTION TWO.

One. He said that China was now at the worst crisis in its history: the Japanese had virtually seized North China, an independence movement threatened Southwest, and the anti-communist campaign in Szechwan was progressing very slowly; the Foreign Office states Chinese Government ~~was~~ completely discouraged and had not even considered appealing to the League or the Western Powers; that China was really without a single friend for the present and it was too early to look for aid from Soviet Russia; that the Japanese were not now pressing for a written agreement to their demands but whether or not the Chinese Government put itself in writing in the matter the result would be the same and the Japanese would dominate China. He expressed some bitterness toward the powers and particularly against Great Britain.

Two. Despatched to the Legation and Department.

ATCHESON.

KLP
CIB

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

(CONFIDENTIAL)

P A R A P H R A S E

Section 1 of a telegram (No. 172) of June 20, 1935,
from the American Consul at Nanking, reads substantially
as follows:

Statements made to an American newspaper correspondent
by a responsible official of the Chinese Foreign Office
follow by naval radio as Section 2 of this telegram.

793.94/7090

e.g.c.
FE:GC

hdm
FE
m.m.

VI-21-35

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

KEY PITTMAN, NEV., CHAIRMAN
L. ROBINSON, ARK.
HARRISON, MISS.
ALTER F. GEORGE, GA.
HUGO L. BLACK, ALA.
ROBERT F. WAGNER, N.Y.
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ELBERT D. THOMAS, UTAH
FREDERICK VAN NUYS, IND.
F. RYAN DUFFY, WIS.
JAMES P. POPE, IDAHO
ROBERT J. BULKLEY, OHIO
JAMES E. MURRAY, MONT.

HENRIK SHIPSTEAD, MINN.

EDWARD J. TRENNITH, CLERK

United States Senate
RECEIVED COMMITTEE ON FOREIGN RELATIONS
DEPARTMENT OF STATE

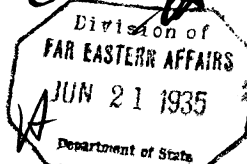
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June 26 1935

June 20, 1935.

DIVISION OF
COMMUNICATIONS
AND RECORDS

My dear Mr. Secretary:



I have the honor, in accordance with

the custom of the Committee on Foreign Relations, to refer to you
for your consideration, recommendations and advice, S. Res. 154,
authorizing an examination into the policy pursued by Japan in
Manchuria and China proper, a copy of which resolution is hereto
attached.

Sincerely,

Chairman.

The Honorable

Secretary of State,

Department of State.

793.94/7091

FILED
JUL 26 1935

F/G

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

74TH CONGRESS
1ST SESSION

S. RES. 154

IN THE SENATE OF THE UNITED STATES

MAY 13 (calendar day, JUNE 17), 1935

Mr. KING submitted the following resolution; which was referred to the
Committee on Foreign Relations

RESOLUTION

Whereas by the Kellogg Peace Pact, signed at Paris on August 27, 1928, the high contracting parties (including the United States and Japan) solemnly declared that they condemn recourse to war for the solution of international controversies; and

Whereas by the Nine Power Treaty, signed at Washington on February 6, 1922, the contracting powers (including the United States and Japan) agreed to respect the sovereignty, the independence, and the territorial and administrative integrity of China and to refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States; and

Whereas it is alleged that the policy pursued by Japan in Manchuria in establishing the Manchukuoan Government, in setting up a government oil monopoly of foreign oil inter-

193.94 / 7091

ests, and the refusal by Manchukuo, as stated in the Japanese press, to observe the open-door policy except as to nations according her recognition, is a violation of the above treaties; and

Whereas it is alleged that more recently Japan has invaded and taken possession of provinces in China proper south of the Great Wall, and has made demands upon China which, if insisted upon, will violate the sovereignty and independence, the territorial and administrative integrity, and the honor of China, in violation of the above treaties: Therefore be it

1 *Resolved*, That the Committee on Foreign Relations,
2 or any duly authorized subcommittee thereof, is authorized
3 and directed to examine into the policy pursued by Japan
4 in Manchuria and in China proper, as set forth above, with
5 a view to determining whether such policy has violated
6 any of the provisions of the Kellogg Peace Pact or the
7 Nine Power Treaty; and to submit such recommendations
8 as in their judgment are warranted by the facts.

9 For the purposes of this resolution the committee, or
10 any duly authorized subcommittee thereof, is authorized to
11 hold such hearings, to sit and act at such times and places
12 during the sessions and recesses of the Senate in the
13 Seventy-fourth Congress, to employ such clerical and other
14 assistants, to require by subpoena or otherwise the attendance
15 of such witnesses and the production of such books, papers,
16 and documents, to administer such oaths, to take such testi-

DECLASSIFIED: E.O. 11652, 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

- 1 money, and to make such expenditures, as it deems advisable.
- 2 The cost of stenographic services to report such hearings
- 3 shall not be in excess of 25 cents per hundred words. The
- 4 expenses of the committee, which shall not exceed \$5,000
- 5 shall be paid from the contingent fund of the Senate upon
- 6 vouchers approved by the chairman.

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

DEPARTMENT OF STATE
RECEIVED
DIVISION OF FAR EASTERN AFFAIRS
JUN 27 1935
DIVISION OF
JUN 27 1935
COMMUNICATIONS AND RECORDS

U
Mr. Phillips:

Herewith the text of
the resolution introduced in
the Senate on June 17 by
Senator King, as copied from
the CONGRESSIONAL RECORD.
The resolution has been re-
ferred to the Committee on
Foreign Relations.

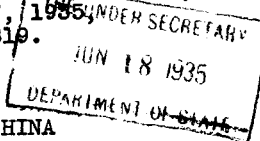
FE:MMH:EJL

Division of
FAR EASTERN AFFAIRS
JUN 26 1935
Department of State

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

COPY:EJL

SOURCE: CONGRESSIONAL RECORD,
June 17, 1935, page 9819.



JAPANESE POLICY IN MANCHURIA AND CHINA

Mr. KING. I submit a resolution and ask to have it read. It is very brief.

The VICE PRESIDENT. Without objection, the clerk will read the resolution.

The Chief Clerk read the resolution (S. Res. 154), as follows:

793.94
Whereas by the Kellogg Peace Pact, signed at Paris on August 27, 1928, the high-contracting parties (including the United States and Japan) solemnly declared that they condemn recourse to war for the solution of international controversies; and

Whereas by the Nine Power Treaty, signed at Washington on February 6, 1922, the contracting powers (including the United States and Japan) agreed to respect the sovereignty, the independence, and the territorial and administrative integrity of China and to refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States; and

Whereas it is alleged that the policy pursued by Japan in Manchuria in establishing the Manchukuoan Government, in setting up a government oil monopoly of foreign oil interests, and the refusal by Manchukuo, as stated in the Japanese press, to observe the open-door policy except as to nations according her recognition, is a violation of the above treaties; and

Whereas it is alleged that more recently Japan has invaded and taken possession of Provinces in China proper south of the Great Wall, and has made demands upon China which, if insisted upon, will violate the sovereignty and independence, the territorial and administrative integrity, and the honor of China, in violation of the above treaties: Therefore, be it

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized and directed to examine into the policy pursued by Japan in Manchuria and in China proper, as set forth above, with a view to determining whether such policy has violated any of the provisions of the Kellogg Peace Pact or the Nine Power Treaty, and to submit such recommendations as in their judgment are warranted by the facts.

For

F. W. 793.94/7091

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

- 2 -

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

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

~~SECRET~~

June 26 1935

In reply refer to
FE 793.94/7091.

CONFIDENTIAL.

My dear Senator Pittman:

I acknowledge the receipt of your letter of June 20, 1935, referring for my consideration, recommendation and advice Senate Resolution 154, a copy of which was enclosed with your letter under acknowledgment, authorizing an examination by the Committee on Foreign Relations into the policy pursued by Japan in Manchuria and China proper.

On January 31, 1935, in response to an invitation from your Committee, to which there had been referred Senate Resolution 32, authorizing an examination "into the policy pursued by Japan in Manchuria with a view to determining whether such policy has violated any of the provisions of the Kellogg Peace Pact or the Nine Power Treaty", I addressed to you a letter in which the attention of your

Committee

The Honorable

Key Pittman,

Chairman, Committee on Foreign Relations,
United States Senate.

793.94/7091

DECLASSIFIED: E.O. 11652, 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 -

Committee was drawn to Senate Document No. 55 of the Seventy-Second Congress, entitled "Conditions in Manchuria", the published reports of the proceedings and findings of the League of Nations in regard to the controversy between China and Japan and to other relevant published documents and papers. It is believed that the various publications under reference contain sufficient material of fact and of opinion to indicate clearly the position taken by the United States and by virtually all other nations not party to the controversy in regard to the question whether actions in China of Japan on and after September 18, 1931, are consistent with the provisions of the Nine Power Treaty and the Kellogg Peace Pact outlined in the first and second paragraphs of the preamble of Senate Resolution 154.

Subsequent to the date of my letter above mentioned, there occurred in Manchuria developments held by the American Government and certain other governments to be irreconcilable with the obligation assumed by nations party to the Nine Power Treaty to refrain inter alia from seeking, or supporting their nationals in seeking, any arrangement which "is calculated to frustrate the practical application of the principle of equal opportunity". The American Government, along with other interested governments, has affirmed to the Japanese Government that the establishment in Manchuria of an oil monopoly, or in fact of any monopoly, would

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

- 3 -

would contravene the provision above outlined of the Nine Power Treaty, as well as provisions of other relevant treaties. In view of the declarations made by the American Government and other interested governments to the Japanese Government in regard to the establishment of an oil monopoly, it is believed that no useful purpose would be served by an examination of the circumstances, as set forth in the third paragraph of the preamble of Senate Resolution 154, in regard to the establishment of such oil monopoly.

With reference to the allegations in regard to the present situation in North China referred to in the fourth paragraph of the preamble of Senate Resolution 154, it may be stated that the American Government has received information from the Chinese Government and from the Japanese Government, and it is in communication in regard to that situation with other interested governments. In view of the fact that the present situation is momentarily undergoing change, it is the considered view of this Department that an investigation at this time by the Senate of recent developments in North China would not be in the public interest of the United States. In relation to that situation, it should be borne in mind that the United States has on previous occasions made declarations to the Chinese and the Japanese Governments in support of the principles embodied in treaties to which this Government is party. These declarations remain in effect. The Department is attentively following
the

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

- 4 -

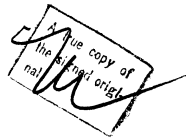
the situation with a view to determining whether there is need for further action by this Government toward safeguarding the rights and interests in China of the United States and of its citizens and toward carrying out the treaty obligations of this Government.

I desire to reaffirm the opinion contained in paragraph III of my letter of January 31, 1935, to the effect that the question set forth in the resolution under reference does not concern exclusively the United States, but that it is also of concern to all nations having treaty rights and obligations in and with regard to China.

I assume that the Committee does not wish to make public this letter or any portion thereof. However, should the Committee desire to make this correspondence available to the public, I request that, prior to such action, I be given an opportunity to express my views in regard to such proposal.

Sincerely yours,

Cordell Hull



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 7-27-35

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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

June 13, 1935.

STRICTLY CONFIDENTIAL.

On the morning of June 13 the Chinese Minister left at the Department the attached translation of a telegram received from the Chinese Foreign Office under date June 12. The Chinese Minister stated that he had been instructed to bring the information contained in this telegram to the attention of the American Government in confidence.

M. D. Gustafson

MMH/REK

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
Date letter of 7-15-75
By M. D. Gustafson 12-18-75

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 14, 1935

North China Situation.

S: ☒ Secretary.

It is suggested that you may care to read at the meeting of the Cabinet today the translation of a telegram under date June 12 received by the Chinese Minister from the Chinese Foreign Office which was communicated to the Department for our confidential information. Further developments in the North China situation, which you may also care to mention to the Cabinet, are set forth in the memorandum of June 14 (attached).

There are given below for ready reference certain data which may be useful in replying to any inquiries that may be made at the Cabinet meeting.

1. A number of other governments are, like the American Government, interested in the North China situation. Great Britain, for instance, has larger tangible interests in that area than has the American Government. Up to the present no government, so far as we are informed, has taken any diplomatic action in the light of the developments in that area. Nor has any government conferred with us in

regard

and 3,000 of these troops have recently been sent to Shanhaikwan, thus placing the Shanhaikwan contingent within easy striking distance of Tientsin.

5. American marines and armed forces at Peiping and Tientsin (stationed there as are the forces of other powers in accordance with the provisions of the Boxer Protocol of 1901) number 1274 (511 at Peiping and 763 at Tientsin).

MMH/REK

793.94/7092

Confidential File

F/G

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

- 2 -

regard to the possibility of taking some diplomatic action.

2. At present there is no ground for apprehension in regard to the safety of American lives in Peiping and Tientsin (728 in Peiping and 588 in Tientsin).

3. Chinese troops are withdrawing from the Peiping-Tientsin area and when this withdrawal is completed the number of Chinese troops there will be sufficient only for police purposes.

4. There are at present, so far as we know, approximately 3000 Japanese troops in the Peiping-Tientsin area. Several weeks ago a contingent of Japanese troops (number unknown) was moved into the demilitarized zone south of the Great Wall. There are in addition between 50,000 and 70,000 Japanese troops in "Manchukuo", and 5,000 of these troops have recently been sent to Shanhaikwan, thus placing the Shanhaikwan contingent within easy striking distance of Tientsin.

5. American marines and armed forces at Peiping and Tientsin (stationed there as are the forces of other powers in accordance with the provisions of the Boxer Protocol of 1901) number 1274 (511 at Peiping and 763 at Tientsin).

M.M.H.

MMH/REK

793.94/7092

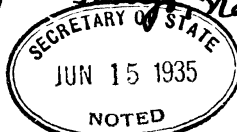
Confidential File No.

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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

STRICTLY CONFIDENTIAL

Copies sent to London, Peiping, Tokyo, Nanking, & Moscow



STRICTLY CONFIDENTIAL

TRANSLATION OF A TELEGRAM RECEIVED FROM
THE WAICHIAOPU, DATED NANKING, JUNE THE 12TH, 1935.

Under the pretext that Peiping and Tientsin have been used as bases of operation against Japan and Manchuria and for such acts as the assassination of the two Chinese named Hu and Pei in the Japanese Concession in Tientsin, Colonel Sakai, representing the Japanese troops in Tientsin, and Colonel Takahashi, Japanese Assistant Military Attache, verbally made upon General Ho Ying-ching, Minister of War, on May 29th, the following demands:

1. That the demilitarized zone will be extended to include Peiping and Tientsin if these places continue to be used as bases of operation against Japan and Manchuria,
2. That the Japanese army will take drastic action if there is a recurrence of incidents similar to the assassination of Hu and Pei.

After this conversation General Ho, on his own initiative, ordered the dissolution of several organizations to which the Japanese objected. The Central Government also on its own initiative changed the Chairman of the Hopei Provincial Government and the Mayor of Tientsin.

On June 9th, Colonel Sakai and others again made orally the following demands on General Ho, setting noon of the 12th as time limit for reply:

1. The

Confidential File

793.94/7092

-2-

1. The dissolution of all Kuomintang (National Party) branch offices in the Hopei Province,
2. The withdrawal from Hopei of the 51st Army under General Yu Hsueh-chung,
3. The withdrawal from Hopei of the two army divisions stationed there by the Central Government,
4. Prohibition of all anti-Japanese agitations throughout China.

In the afternoon of the 10th, General Ho orally replied that action had been taken on all of the above-mentioned demands. Furthermore, the Central Party Headquarters had ordered the winding up of the Kuomintang branch offices in Hopei and the Central Government had ^{re-}issued its decree concerning good neighborly relations. The incident was supposed, in the opinion of Chinese and foreign circles, to have been closed. On the following day (June 11th), even Mr. Okada, the Japanese Premier, reported to the Japanese Cabinet the settlement of the North China incident.

Notwithstanding this, Colonel Takahashi handed to General Ho on June 11th a draft memorandum, which was divided into two parts: the first part requiring China to agree to carry out the demands made by the Japanese army, and the second requiring China to agree to the following terms:

1. No employment or reinstatement of officials and no revival

DECLASSIFIED: E.O. 11652, 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-

revival of organizations unfavorable to Sino-Japanese relations shall be permitted,

2. In the appointment of officials in the Hopei Provincial and Municipal Governments the wishes of the Japanese shall be followed,

3. The Japanese are to supervise and inspect the execution of the above-mentioned terms, —

with the request that General Ho have the draft copied, sealed, and delivered to the Japanese, to which General Ho refused. The situation is exceedingly critical at the present moment. We have done our utmost to save the situation. Whether or not the Japanese will resort to military action is not yet known.

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

3 COPY

STRICTLY CONFIDENTIAL

(Left at the Department by the Chinese Minister on June 13 for the confidential information of the American Government.)

STRICTLY CONFIDENTIAL

TRANSLATION OF A TELEGRAM RECEIVED FROM
THE WAICHIAOPU, DATED NANKING, JUNE THE 12TH, 1935.

Under the pretext that Peiping and Tientsin have been used as bases of operation against Japan and Manchuria and for such acts as the assassination of the two Chinese named Hu and Pei in the Japanese Concession in Tientsin, Colonel Sakai, representing the Japanese troops in Tientsin, and Colonel Takahashi, Japanese Assistant Military Attache, verbally made upon General Ho Ying-ching, Minister of War, on May 29th, the following demands:

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1. The

- 2 -

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4. Prohibition of all anti-Japanese agitations throughout China.

In the afternoon of the 10th, General Ho orally replied that action had been taken on all of the above-mentioned demands. Furthermore, the Central Party Headquarters had ordered the winding up of the Kuomintang branch offices in Hopei and the Central Government had re-issued its decree concerning good neighborly relations. The incident was supposed, in the opinion of Chinese and foreign circles, to have been closed. On the following day (June 11th), even Mr. Okada, the Japanese Premier, reported to the Japanese Cabinet the settlement of the North China incident.

Notwithstanding this, Colonel Takahashi handed to General Ho on June 11th a draft memorandum, which was divided into two parts: the first part requiring China to agree to carry out the demands made by the Japanese army, and the second requiring China to agree to the following terms:

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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 -

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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

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

TELEGRAM RECEIVED

FS
This telegram must be Nanking
closely paraphrased be-
fore being communicated FROM Dated June 21, 1935
to anyone. (A)

Secretary of State,
Washington.

174, June 21, 9 a.m.

My 155, June 14, 11 a.m. / 17044
Confidential.

One. In a lengthy informal conversation last evening Hsu Mo remarked that he had read news despatches concerning the projected investigation of the Senate Foreign Relations Committee into the question whether the Japanese military demarche in North China constituted violation of the Kellogg Pact and the Nine Power Treaty. Hsu said, laughing, that this was "really very funny" since every one knew that Japan was now violating both those agreements and had violated them in many instances since the seizure of Mukden in 1931, the creation of the demilitarized zone inside the Wall being an example. He stated later on that he realized no nation in the world at the present time was willing to put forth a maximum effort to prevent Japan from gaining control of China but he was confident that conditions would be greatly altered if two major powers interested in China should cooperate in taking steps to alleviate the situation.

situation.

793.94/7093

FILED

JUL 26 1935

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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

FS 2-No. 174, June 21, 9 a.m. from Nanking

situation. He added that China was not, however, asking any nation for assistance.

Two. Other remarks tended to confirm my understanding of the situation in North China as I have been reporting it. He stated by way of general summary that China is now passing through some of the darkest hours of its history; that the Chinese Government has employed the greatest toleration in attempting to solve the difficulties which the Japanese military have caused; that for the time being North China is comparatively quiet but the Chinese do not know from one day to the next ^{what} move undisciplined Japanese officers might make; and that irrespective of the fact that the Japanese had not formally occupied Hopei they had in effect seized Chinese territory with their armies and were exercising control over Chinese territory.

Three. He said that the Southwestern situation looked more hopeful; he did not think Chen Chi Tang would actually break with Nanking at this time because public opinion would be too much against him and because ^{Kuangtung} ~~Kuangtung~~ finances are at present inadequate for an independent government there to be successful.

Four. Despatched to the Legation and Department.

HPD

ATCHESON

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 174) of June 21, 1935, from the American Consul at Nanking, reads substantially as follows:

On June 20 during the course of a lengthy conversation Hsu Mo remarked that he had read press reports in regard to a contemplated investigation by the Foreign Relations Committee of the United States Senate into the question^{whether} the Japanese military demarche in North China violated the Nine Power Treaty and the Kellogg Pact. Hsu Mo considered this "really very funny" as everyone knew that the Japanese were now violating both of these treaties and had violated them in many instances since seizing Mukden in 1931 and he cited as an example the creation inside the Great Wall of the demilitarized zone. Hsu Mo remarked later that he realized that at the present time no nation in the world was willing to exert great effort to prevent the Japanese from obtaining control of China but he expressed confidence that, if two principal powers interested in China should work together with a view to alleviating the situation, conditions would be greatly changed, and he added that China, however, was not asking for assistance from any power.

The Consul's understanding of the North China situation as he has been reporting it was confirmed by other remarks of Hsu Mo, who in making a general summary of conditions, stated that China is now experiencing some of the darkest hours in its history; that in trying to work out a solution of the difficulties caused by the Japanese military the

Chinese

DECLASSIFIED: E.O. 11652, 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 -

Chinese Government has used the greatest toleration; that North China is at the present time comparatively quiet but from day to day the Chinese do not know what action may be taken by undisciplined Japanese officers; and that the Japanese have actually seized with their armies and are exercising control over Chinese territory in spite of the fact that they have not occupied Hopei Province formally.

Hau Mo stated that the situation in Southwest China seemed more hopeful and he expressed the opinion that Chen Shi-tang would not now actually break with the Nanking Government because at present Kwangtung finances are insufficient to insure the success of an independent government there and public opinion would be too much against him (Chen).

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

of paraphrase
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TELEGRAM RECEIVED

FS

FROM

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

Peiping

Dated June 21, 1935

Secretary of State,
Washington.

JUN 20 1935

DIVISION OF

COMMUNICATIONS AND RECORDS

copy
Paraphrase sent to Moscow
June 25

305, June 21, 5 p.m. Section one.

The recent lull in developments in Sino-Japanese relations in North China continues. Reasons for the lull may be one or more of several: One, representations from Tokyo to the Kwantung army and Tientsin garrison with regard to the apprehension aroused in foreign countries through widespread publicity; two; some hitch in the military's plan such as the failure of the rebellion in the Southwest to materialize at the time of the recent Japanese demarche in Hopei; three, intention to settle the ~~Cha~~^{HAR} situation to Japanese advantage before pushing their plans in other northern provinces; or, four, awaiting developments at Nanking. Whatever the reasons, however, it is not believed that the military have abandoned their objectives although their activities may have been slowed down, deferred, or deflected. At present it would seem that the Japanese expect to see in Hopei

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

FS 2-No. 305, June 21, 5 p.m. from Peiping

(and North China) a regime of officials who, appointed by the National Government, will be more amenable to the dictation of the Japanese military than previous officials and who will pave the way for another step in the direction of rendering it impossible for China to become a menace to Japan. Section two follows.

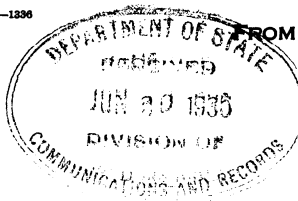
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FS 1-1236



FROM GRAY

Peiping via N. R.

Dated June 21, 1935

Rec'd 9:50 a.m.

Secretary of State,
Washington.

305, June 21, 5 p.m. (Section two).

Doihara arrived at Peiping today. There is reason to believe that his primary purpose is to allay apprehension with regard to future developments in Hopei and to assist in the settlement of the Chahar situation.

Doihara informed Japanese press representatives after his arrival that if the attitude and guiding principles of the National Government are improved then no more incidents will occur. However, Matsui is reported to have stated yesterday that "the removal from office of Chinese leaders whose opposition to the Japanese was well established and the transfer of troops from one part of the country to another was not (repeat not) a lasting solution of the problem".

General Sung left Peiping yesterday for Tientsin. Japanese military officers insist that the Chahar

question

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

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question and the North China situation are separate matters. A Renggo report from Hsinking of June 20 states that Sung's 4500 men in Chahar are showing indications of a mutiny and that "Japanese troops garrisoning Jehol Province are closely watching the attitude of General Sung's troops in order to take action in case they invade Manchukuo territory". Takahashi has said that Sung's departure from Chahar does not affect settlement of the situation because his troops are still there.

An indication of what appears to be Japanese efforts to allay apprehension is the report that the two Japanese destroyers at Tientsin will sail on June 22 for Port Arthur.

RR:CSB

JOHNSON

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

(CONFIDENTIAL)

PARAPHRASE

Section 1 of a telegram (No. 306) of June 21, 1935, from the American Minister at Peiping, reads substantially as follows:

Reasons for the recent lull which continues in developments in Sino-Japanese relations in the North may be one or more of the following four:

(a) representations to the Tientsin garrison and the Kwantung army from Tokyo with respect to the apprehension which widespread publicity had caused in foreign countries;

(b) failure of the independence movement to materialize in the Southwest simultaneously with the recent Japanese demarche in Hopei Province or some other hitch in the plan of the Japanese military;

(c) intention to settle to the advantage of Japan the situation in Chahar before pressing plans in other provinces in North China;

(d) awaiting developments in Nanking.

Regardless of the reasons for the lull, it is not believed, however, that the Japanese military have given up their objectives even if they have been slowed down, delayed or turned aside in their activities. Apparently now Japan expects to see in North China, especially in Hopei, Chinese officials appointed by the Nanking Government to whom the Japanese military can more easily dictate than has been the case with previous officials and who will make easier another step in making it impossible for Japan to be menaced by China.

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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 25, 1935.

~~EHD:~~
~~MEH:~~

In an article mailed from Tokyo, Duboscq, editor of LE TEMPS, declares that his ideas in regard to the feeling between the Japanese army and public have changed. He believes that the army is beginning to appreciate that the producers of wealth have contributed largely toward making Japan what she is. He points out that both army and people have a common aim in creating a greater Japan, and that the difference is only one of method.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Paris, June 13, 1935

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DEPARTMENT OF STATE
JUN 26 1935
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SPECIAL REPORT
No. W. D. 1545.

DIVISION OF
FAR EASTERN AFFAIRS
JUN 22 1935
Department of State

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Mr.	
In Charge	ONI

To the Secretary of State,
Washington, D. C.

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The American Ambassador forwards herewith
Mr. Warrington Dawson's Special Report No. W. D.
1545, dated June 13, 1935.

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JUN 27 1935

Enclosure

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EMBASSY OF THE
UNITED STATES OF AMERICA

Paris, June 13, 1935.

Serial No. W. D. 1545.

SPECIAL REPORT,

By Warrington Dawson,
Special Assistant.

SUBJECT: The Japanese Policy as Viewed
by LE TEMPS

André Duboscq, Far Eastern Editor of LE TEMPS, who is now on mission in Japan, contributed to the issue dated May 29, 1935, an article mailed from Tokyo dealing with home politics in Japan.

He remarked in his opening paragraph that before arriving in Japan he had been aware that the home politics there were very far from being "merely what appearances might lead one to expect," but he had not supposed that the occult influences now at work could be as strongly accentuated as had proved to be the case. He remarked, notably:

"The Soviet-Japanese rapprochement, which has been marked by the recent cession of the Chinese Eastern Railway (we shall henceforth call it the North Manchurian) by the Soviet Union has somewhat disconcerted military men, who have lost an argument to induce peasants to accept the ordeal of patriotic patience

which

- 2 -

which has so far been recommended to them. Some persons are inclined to draw pessimistic conclusions from this.

"After spending these first three weeks in Tokyo, I do not share this point of view. I do not believe that the Army has resolved to hurl itself into a war with Russia, regardless of circumstances, in order to justify its political activities and its budgetary exigencies. Quite the contrary, I believe that the Army is beginning to understand that the producers of wealth in the country have collaborated with the Army by means of commerce and industry in order to make Japan what she is. * * * * I think, rather, that there is a slow tendency towards a compromise based on the common desire of the two clans, i.e. the Army and business, to create a Greater Japan. We should bear well in mind that, over and beyond their divisions, the two agree on this point. Their manners differ, but their aim is the same. Their conditions of life, which are also different, must inevitably tend to grow closer together. Ideas merely evolve more slowly, though surely, in 'the land of circumspection and slowness', as our Ambassador in Tokyo recently called the Empire of the Rising Sun, than in any other country."

Dubosq went on to remark that much jealousy and very varying opinions existed among military men, with the result that clans had been formed. In consequence, there is no military party, strictly speaking. He added:

"Of course, whenever a crisis may be caused by a war or by serious economic difficulties, the various parties may yield before a movement springing from the

national

- 3 -

national sentiment, but this could last only as long as the crisis itself, although the latter might well be prolonged. Some persons view with pessimism the economic future of Japan, but her case is not at all exceptional in this respect. It is a country which constantly experiences an economic revolution, without any consequent political difficulties, or at least without such political difficulties as would result in other countries if similarly placed. This is due to the strong social organization formed by the family and the sound pivot on which the national life revolves: the Mikado, who is nothing less than a god. This can be fully realized only when one is in Japan. As an example, there was the arrival of the Emperor of Manchuquo in Tokyo on April 6, and the attitude of the crowd as his carriage and also that of the Japanese Emperor passed. If a law was enacted tomorrow, making rice a State monopoly, all those directly or indirectly concerned in this trade would complain, of course, but the population would accept it."

In the issue of LE TEMPS dated June 12, 1935, Roland de Marès discussed editorially "The Japanese in Northern China." He remarked that events in the latter country had developed very much as he himself had foreseen, since a few days ago rumors were current to the effect that an armed conflict was imminent between China and Japan. He had doubted, however, that an open struggle would develop since the Nanking Government was not in a position to undertake big military operations with any chance of success and the Tokyo Government was deeply interested

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- 4 -

in maintaining the bases of a broad Sino-Japanese co-operation in order to assure the development of a common policy under the formula "Asia for the Asiatics".

Considering the usual methods of Oriental diplomacy, events have come about very much as might have been foreseen. Subsequent to a summons which the Japanese had addressed to the Chinese and a rather sharp debate between Nanking and Tokyo, the Chinese authorities and the Japanese military commanders reached an understanding on the field. It had been announced that the Japanese had withdrawn their ultimatum, permitting the Chinese to grant all the Japanese demands, while saving appearances for the Nanking Government in the eyes of the masses. Japan has got what she wanted and the principle of the closest Sino-Japanese cooperation has been saved.

De Marès went on to remark:

"The armed conflict has thus been avoided and that is the essential thing, but a new situation has been created in Northern China, which is causing deep preoccupation in Washington and in London. After the formation of Manchukuo under the effective control of Japan and after the conquest of the Yehol and the drive beyond the Great Wall, the entire Hopei, along with Tientsin and Peiping, is now falling under Japanese influence on the pretext of enlarging the demilitarized zone. One need only examine tentatively the six points mentioned in the note which Colonel Takashi Sakai, Commander of the Japanese garrison of Northern China, handed to the Chinese general who was the Chief of the Military Bureau in Peiping, as a conclusion to the conference between the Japanese and Chinese authorities. One will then readily

understand

- 5 -

understand the true bearing of the operation which the Japanese Military Command has just accomplished without even having to use the forces at its disposal. Colonel Takashi Sakai had had a care to stress the fact that the note which he was charged with delivering was not an ultimatum, since the execution of the Japanese proposals was left to the spontaneous initiative of the Chinese Government. It could thus be alleged that Japan had withdrawn her ultimatum because of the conciliatory spirit shown by the Chinese Commander-in-Chief, General Ho Ying-chin. The Japanese proposed in fact the pure and simple suppression of the Chinese Committee and Military Bureau in Peiping, the evacuation of the Hopei Province by the two Chinese divisions occupying it, the suppression in the Hopei of the provincial and municipal sections of the Kuo Ming Tong, whose anti-Japanese activity is well-known, and, finally, the dissolution of the Blue Shirt organization of the same region. The 'spontaneous initiative' of General Ho Ying-chin indeed gave satisfaction to the Japanese, since it led to closing the Chinese political department in Peiping, the dissolution of all anti-Japanese secret societies and the withdrawal towards the South of the two divisions of the National Army and the regiment of Gendarmes charged with preserving order in Peiping. All this really signifies the Chinese demilitarization of the entire province of Hopei.

The

- 6 -

"The Japanese are henceforth firmly established in Northern China. The policy which they started there four years ago at Mukden, which developed with the creation of Manchukuo and the occupation of the Yehol, has today attained its aim.

"A denial has been issued in Tokyo of the report that the Japanese already wish Emperor Pou-Yi to reside permanently in Tientsin. But the Empire of Northern China already exists potentially under the control of Japan and there can no longer be any doubt that the Emperor will be restored to the throne at Peiping itself whenever the Japanese may judge appropriate in the interest of their cause to pass on to this final act which will be a mere formality.

"While the Western Powers were debating on the effects of the financial and economic crisis and were exhausting their means and their influence in the quarrels bequeathed by the World War and which are now wearing old Europe away, the Japanese Military Command in Manchuria exercised with a rare mastery and at little expense for the Empire of the Rising Sun a political plan which was the vastest and the boldest imaginable. It acted ever rashly, ignoring, whenever necessary, the orders of the Tokyo Government which was preoccupied by the diplomatic repercussions of such an adventure and was sometimes placed before an accomplished fact involving the responsibility and the prestige of the Empire. While Tokyo was negotiating with Nanking in order to bring about the Sino-Japanese cooperation which is to mark the awakening of the Great Yellow World, under the inspiration and the direction of Japan, the Japanese Military Command

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- 7 -

in Manchuria advanced boldly, step by step, towards the South. And now, under pressure of the military forces alone and without resorting to war properly speaking, it has reached its aim, holding Peiping and Tientsin, and Northern China as a whole.

"There is anxiety in the United States and in England, where it is realized that the Japanese military party has won out and that the policy of Asia for the Asiatics is translated in the reality of facts by the much simpler formula of Asia for the Japanese."

The originals of the articles mentioned in this Report are herewith enclosed.

Respectfully yours,

Warrington Dawson

Warrington Dawson,
Special Assistant.

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Enclosures:

Extracts from

- 1) LE TEMPS of May 29, 1935.
- 2) LE TEMPS of June 11, 1935.

In quintuplicate

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WD-MM

Enclosure 1 to Special Report No. W.D. 1545
dated June 13, 1935, from Embassy, Paris.

From LE TEMPS of May 29, 1935.

Lettre d'Extrême-Orient

Coup d'œil sur la politique intérieure japonaise

(De notre envoyé spécial)

Tokio, mai.

Quelque soin que l'on mette à suivre de loin la politique intérieure d'un pays, la réalité n'est jamais tout à fait pareille à l'idée que l'on s'en fait. Quand on peut, un jour, contrôler sur place, on s'aperçoit que l'on était au delà ou en deçà. Je savais par les télégrammes quotidiens et les lettres de notre correspondant particulier au Japon que, surtout depuis quelques temps, la politique intérieure de ce pays était loin d'être seulement ce que les apparences pouvaient laisser supposer, et qu'elle était faite également d'influences et de mouvements moins visibles. Je ne croyais pas que ceux-ci fussent aussi accentués qu'ils le sont. Et pourtant j'aurais dû m'en douter, après la période qui vient de s'écouler et durant laquelle le général Araki fut au pouvoir, comme ministre de la guerre.

On sait que pendant ce laps de temps, qui s'étend de 1931 à 1934, l'activité très particulière de l'armée atteint son maximum, activité dirigée contre les trusts qu'elle accuse de drainer à leur profit l'argent du pays. Des excès eurent lieu qui dépassèrent la violence des paroles; une sorte de terreur régna jusqu'au jour où le général Araki fit place à un autre ministre de la guerre.

L'armée perdait du coup une part de son influence efficiente, mais n'abandonnait rien de ses idées socialisantes, de son idéal qui est un retour au temps où l'empereur possédait toutes les terres et les concédait aux citoyens, en un mot de son plan de réorganisation nationale. Aussi répandait-elle ses idées dans les campagnes, parmi la population paysanne d'où elle est elle-même issue en grande partie, et qui sur certains points du territoire est incontestablement malheureuse. Au reste les événements du dehors la servaient. Si en fait elle ne pouvait rien apporter aux paysans éprouvés qui pût soulager leur misère, elle pouvait leur dire que certaines menaces plus ou moins réelles et plus ou moins grossières de la part de l'Union soviétique devaient primer tout le reste et leur faire oublier momentanément leur misère.

Le rapprochement nippon-soviétique que marque la cession récente par l'Union soviétique du chemin de fer de l'Est-Chinois (nous dirons dorénavant Nord-Mandchou) déconcerte quelque peu les militaires, qui perdent un argument auprès des paysans pour obtenir d'eux dans l'épreuve la patience patriotique qu'ils leur recommandaient jusqu'ici. D'aucuns sont enclins à en tirer des conclusions pessimistes.

Après ce que j'ai entendu au cours de ces trois premières semaines passées à Tokio, je ne partage pas cette manière de voir. Je ne crois pas l'armée décidée à se lancer malgré tout dans une guerre contre la Russie pour justifier ses activités politiques et ses exigences budgétaires; je crois au contraire qu'elle tend à comprendre que les producteurs de la richesse du pays ont collaboré avec elle par l'industrie et le commerce à faire du Japon ce qu'il est, et que le moyen d'équilibrer comme elle le souhaite l'état social du Japon et d'en répartir la richesse n'est pas de les ruiner. Je crois que l'on va plutôt lentement vers un compromis fondé sur le désir commun aux deux clans, celui de l'armée et celui des affaires, de créer le plus grand Japon. Car ne l'oublions pas: par delà leurs divisions ils se retrouvent sur ce point. Leurs manières diffèrent, mais leur but est le même. Certes les conditions de vie de chacun diffèrent également, mais elles tendront fatalement à se rapprocher. L'idée fait son chemin lentement mais sûrement, plus lentement peut-être au « pays de la circonspection et de la lenteur », comme notre ambassadeur à Tokio appelait devant moi l'empire du Soleil Levant, qu'en tout autre pays. Nul doute que l'impulsion donnée par les militaires à certaines idées après tout généreuses ne se maintienne au-dessus des contingences éphémères de la politique et ne survive aux avatars de celle-ci.

Pour résumer ma pensée sur ce point, je dirai qu'à mon avis, et sous réserve des entorses que la réalité asiatique donne à chaque instant à notre logique européenne, les activités des militaires me semblent être de deux ordres différents: les unes sont d'ordre moral, les autres d'ordre politique. A celles d'ordre moral, je prédirais volontiers le succès dans la mesure où Kipling avait raison d'écrire: « L'Orient et l'Occident ne se rencontreront jamais », d'autant plus que les partisans du « moderne », tout en défendant leur point de vue, se rapprochent de plus en plus de leurs adversaires dans leur façon de juger l'Occident. Les événements internationaux qui expliquent en grande partie l'opinion généralisée des Japonais sont de trop fraîche date pour qu'il soit besoin de les rappeler. « La Société des nations n'a pas compris le Japon », me disait encore dernièrement le ministre des affaires étrangères, M. Hirota. Elle est européenne. » Notez que les Chinois, que tous les Asiatiques pensent de même; et l'on n'y changera rien, parce que Kipling a raison, comme les faits se chargent de plus en plus de le démontrer. Et alors? Alors il reste les efforts réels, suivis, des pays d'Occident pris séparément, pour réaliser des accords avec les Asiatiques, au lieu du mépris, de la colère ou de la vaine indignation. Mais cela est une autre histoire.

Les activités d'ordre politique que montrent les militaires ont certainement moins de consistance et de profondeur que celles d'ordre moral. La première raison en est que les militaires, sauf exceptions, n'ont que faire du pouvoir, puisqu'ils obtiennent tous les crédits qu'ils veulent. Il suffit pour s'en convaincre de comparer le budget de la guerre à celui des autres départements. La se-

conde raison, c'est leur respect de la Constitution. Contrairement à ce que l'on pourrait croire à un moment où le Parlement au Japon est si effacé, les militaires ne sont pas antiparlementaires, ils sont antitrustistes.

Du reste, il y a parmi eux des dissensions, des jalousies. L'école des cadets et ceux qui en sortent jalouissent l'école supérieure de guerre dont les élèves appartiennent à des familles plus riches ou nobles. Il y a des clans. Tout cela n'est pas pour cimenter un bloc ou créer un parti, car il n'y a pas de parti militaire; le « gumbu » est à peu près le groupement des militaires de l'active et de la réserve qui font de la politique. Or sous un régime parlementaire ce sont les partis qui sont appelés à avoir leur place au pouvoir ou à la regagner lorsqu'ils l'ont momentanément perdue.

Sans doute, lors d'une crise causée par une guerre ou de graves difficultés économiques, les partis peuvent céder devant un mouvement qui a sa source dans le sentiment national, mais cela ne dure que le temps de la crise. Il est vrai que celle-ci peut se prolonger. Certains considèrent avec assez de pessimisme l'avenir économique du Japon; mais le Japon offre à cet égard un aspect très particulier. C'est un pays qui fait tous les jours sa révolution économique sans difficultés politiques, ou du moins sans les difficultés politiques qu'un pareil événement entraînerait dans d'autres pays, et cela grâce à la forte cellule sociale qu'y constitue la famille et au solide pivot sur lequel tourne toute sa vie nationale: l'empereur, le mikado, une déité, rien de moins. On ne se rend compte de cela que sur place au Japon. Il fallait voir l'arrivée de l'empereur du Mandchoukouo à Tokio, le 6 avril, et la façon dont la foule se comportait au passage de la voiture de ce dernier et au passage de celle du souverain japonais... Qu'une loi donne demain le monopole du riz à l'Etat, les gens intéressés de près ou de loin au commerce de cette céréale s'en plaindront évidemment, mais la population l'acceptera.

Ainsi va le Japon. Les augures vaticinent. Mais de quoi demain sera-t-il fait pour chacun de nous?

ANDRÉ DUBOSQ.

Enclosure 2 of Special Report No. W. D. 1545
of June 13, 1935, from American Embassy, Paris.

LE TEMPS of June 11, 1935.

Paris, le 11 juin

BULLETIN DU JOUR

LES JAPONAIS DANS LA CHINE DU NORD

Les événements dans la Chine du Nord prennent la tournure que nous avons fait prévoir à cette place, il y a quelques jours, lorsque de différents côtés on annonçait comme imminent un conflit armé entre la Chine et le Japon. Nous avons dit alors pour quelles raisons, en dépit de la situation grave créée par les incidents qui s'étaient produits dans le Hopeï et qui intéressaient directement les régions de Pékin et de Tien-Tsin, il nous paraissait peu vraisemblable qu'on dût en venir à une lutte ouverte, le gouvernement de Nankin n'étant pas en situation de s'engager avec des chances de succès dans des opérations militaires d'une certaine envergure, et le gouvernement de Tokio, par ailleurs, étant hautement intéressé à maintenir les bases d'une large coopération sino-japonaise en vue d'assurer le développement de la politique commune qui se résume dans la formule : « L'Asie aux Asiatiques. » Les choses se sont tassées comme il n'était que trop certain qu'elles se tasseraient, étant donné les méthodes habituelles de la diplomatie orientale. Après une mise en demeure adressée par les Nippons aux Chinois et une discussion assez vive entre Nankin et Tokio, les autorités chinoises et le commandement japonais ont fini par s'entendre sur le terrain. On a annoncé que les Nippons avaient retiré leur ultimatum, ce qui a permis aux Chinois d'admettre toutes les demandes des Japonais tout en sauvant la face pour le gouvernement de Nankin aux yeux des masses chinoises. Le Japon obtient ce qu'il veut et le principe de la coopération sino-japonaise la plus étroite est sauf.

La menace d'un conflit armé est écartée, ce qui est l'essentiel; mais il se trouve créé, dans la Chine du Nord, une situation nouvelle dont on se montre très préoccupé à Washington et à Londres. Après la formation du Mandchoukouo sous contrôle effectif du Japon; après la conquête du Jehol et la poussée au delà de la Grande-Muraille, voici que le Hopeï, avec Tien-Tsin et Pékin, tombe sous l'influence des Nippons; sous prétexte d'un élargissement de la zone démilitarisée. Il suffit d'examiner attentivement les six points mentionnés dans la note que le colonel Takashi Sakai, commandant la garnison nipponne du nord de la Chine, remit au général chinois présidant le bureau militaire de Pékin, en conclusion de la conférence des autorités japonaises et chinoises, pour se rendre compte de la portée réelle de l'opération que le commandement nippon vient de réussir sans même devoir user des forces dont il dispose. Le colonel Takashi Sakai avait pris soin de souligner que la note qu'il était chargé de remettre ne constituait pas un ultimatum, la mise à exécution des « propositions » japonaises étant laissée à l'initiative « spontanée » du gouvernement chinois. C'est ainsi qu'on a pu dire que le Japon retirait son ultimatum en raison des dispositions conciliantes dont faisait preuve le commandant en chef de l'armée chinoise, le général Ho Ying Tching. En effet, les Nippons proposaient la suppression pure et simple du comité et du bureau militaire chinois à Pékin, l'évacuation de la province de Hopeï par les deux divisions chinoises qui l'occupaient, la suppression dans le Hopeï des sections provinciales et municipales du Kuomintang, dont l'activité antijaponaise est connue; enfin, la dissolution dans la même région de l'organisation des « chemises bleues ». En fait, l'initiative « spontanée » du général Ho Ying Tching a donné satisfaction aux Nippons puisqu'elle aboutit à la fermeture du département politique chinois à Pékin, à la dissolution de toutes les sociétés secrètes antijaponaises et au retrait vers le sud des deux divisions de l'armée nationale et du régiment de gendarmes chargé du maintien de l'ordre à Pékin. C'est, en réalité, la démilitarisation, en ce qui concerne les forces chinoises, de la province entière du Hopeï.

Les Japonais sont désormais solidement établis dans la Chine du Nord. La politique qu'ils ont amorcée, il y a quatre ans, à Moukden, qui s'est développée par la création du Mandchoukouo et l'occupation du Jehol, atteint aujourd'hui son but. On dément à Tokio que les Japonais veuillent faire d'ores et déjà résider d'une façon permanente à Tien-Tsin l'empereur Pou Yi qu'ils ont porté sur le trône mandchou; mais, dès à présent, l'empire de la Chine du Nord sous contrôle du Japon existe en puissance, et il ne fait plus aucun doute que l'empereur sera rétabli sur le trône à Pékin même quand les Japonais estimeront opportun pour leur cause de passer à ce dernier acte, qui ne sera plus qu'une formalité. Pendant que les puissances occidentales se débattaient contre les effets de la crise financière et économique et usaient leur influence et leurs moyens dans les querelles que la grande guerre a laissé subsister et où s'épuise la vieille Europe, le commandement japonais en Mandchourie a exécuté avec une rare maîtrise et aux moindres frais pour l'empire du Soleil-Levant le plan politique le plus vaste et le plus audacieux que l'on puisse concevoir. Il a agi constamment avec témérité, passant outre au besoin aux directives du gouvernement de Tokio préoccupé des répercussions diplomatiques d'une telle aventure, plaçant parfois le gouvernement impérial devant un fait accompli engageant la

responsabilité et le prestige de l'empire. Tandis que Tokio négociait avec Nankin en vue de réaliser cette coopération sino-japonaise qui doit marquer le réveil de l'immense monde jaune sous l'inspiration et la direction du Japon, le commandement nippon en Mandchourie a poussé hardiment vers le sud et, d'étape en étape, par la seule pesée de ses forces, sans faire la guerre proprement dite, le voici arrivé au but, tenant, par Pékin et Tien-Tsin, l'ensemble de la Chine du Nord.

On s'émeut aux Etats-Unis; on s'émeut en Angleterre, où l'on reconnaît que le parti militaire japonais l'a emporté et que la politique de l'Asie aux Asiatiques se traduit, dans la réalité des faits, par la formule beaucoup plus simple de l'Asie aux Japonais. L'*Asahi* définit clairement la situation nouvelle en disant que l'influence du général Tchang Kaï Chek est balayée du Hopeï, ce qui équivaut à l'abandon de toute autorité de Nankin dans la Chine du Nord. Comment réagiront contre cette situation les puissances particulièrement intéressées au maintien de l'intégrité de la Chine et de la porte ouverte dans cet immense pays? Ce qui s'est passé à propos du Mandchoukouo ne permet guère de se faire beaucoup d'illusions à ce sujet et a prouvé qu'en présence des difficultés et du désarroi où se débat le monde occidental, les principes et les doctrines les plus solidement établis ne sauraient prévaloir sur le fait accompli quand on est résolu à ne pas avoir recours à la force pour faire respecter le droit.

DECLASSIFIED: E.O. 11652, 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

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O.N.I. AND M.I.R.

REP

1-1826

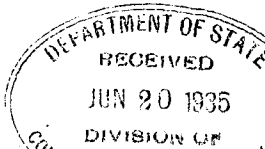
FROM

SPECIAL GRAY

Nanking via N. R.

Dated June 21, 1935

Rec'd 10:45 a. m.



Secretary of State
Washington.

DIVISION OF

DIVISION OF
FAR EASTERN AFFAIRS

JUN 21 1935

Department of State

175, June 21, noon.

One. It is reported but not confirmed that the Kwangtung air force has sent a number of planes to the Hunan border to be prepared for eventualities. It is reliably reported that Pai Chung Hsi has sent an emissary to Chiang Kai Shek at Chengtu and this is taken as a hopeful sign.

Two. Irrespective of any outside influence an open break with Nanking, there are said to be concrete causes of dissatisfaction in Kwangtung and Kwangsi arising from measures taken by the National Government to consolidate its position in nearby provinces. The establishment of government authority in Kiangsi following the departure of the Communists, the more recent reorganization of the Kweichow Provincial Government and the achievement in May of an apparently good understanding between the Yunnan Chairman and Chiang Kai Shek have tended to isolate the two Kwangs strategically

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

REP

2-#175, From Nanking, June 21, noon.

strategically and are understood to have had an adverse economic effect upon them. It is reported that shipment of opium from Szechwan and Yunnan which formerly passed through and paid revenues in Kwangsi and Kwangtung have been diverted and that the former general trade with Kiangsi has likewise been lost. Furthermore, the National Government has had plans, which have not been effectuated presumably because of Ho Chien's ambiguous position, of stationing a considerable body of Chiang's troops in Hunan and of constructing a series of air fields from Changsha in the direction of the Kwangtung border. These considerations are said to have caused Chen Chi Tang and Pai to feel that Chiang was working slowly but effectively for their ultimate elimination and they took advantage of the difficulties in North China to undertake some maneuver which has caused the grave disquiet in Nanking mentioned in previous telegrams.

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WWC-KLP

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

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tsingtao/86 FOR #29 to Legation.

FROM Tsingtao (Sokohin) DATED May 8, 1935.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese Relations: Protests against levies, small and necessary, illustrates to what absurdities principles of extra-territoriality may lead a foreign community; Opinions held on the Japanese Consul General; Japanese Reservists' Association in Tsingtao.

FRG.

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B. Relations with Other Countries.

Japan. As an indication of the intransigent attitude of the Japanese in their relation with the Chinese authorities was the appearance of a fairly long item in the local Japanese press voicing the objection of the Nipponese to a charge of twenty cents Chinese currency (eight cents United States currency) for the placing of an enameled street number plate on residences. In the abrupt translation of the Japanese interpreter of this Consulate-

"The attitude of the Japanese community on the matter is generally speaking, opposition

A. Japanese do not have to pay

B. -----

C. -----

D. Such procedure (of enamel house numbers) may be necessary to the police but not to the general public.

F. At least not to us, Japanese

"The Japanese Consular Police has notified them to be careful."

That the several changes of numbers on the houses have been irritating to the public, Chinese and foreign, may be admitted, but the expression of the Japanese community on a matter involving twenty cents Chinese currency to the owner of a piece of property valued in thousands of dollars illustrates to what absurdities principles of extraterritoriality may lead a foreign community. Perhaps

a....

- 3 -

a new generation of Japanese will some day read of such an attitude with the amusement that such an item as the following provokes:

THIRTY YEARS AGO
January 6, 1935.

Taken From The Peking And Tientsin
Times of January, 1905.

We learn with much gratification Mr. Fulford C.M.G., H.B.M.'s Acting Consul-General, has informed the Chairman of the Chamber of Commerce that a telegram has been received from H.M.'s Minister, Peking, to the effect that the levy of the fee of one tael recently imposed by the Chinese Authorities on transit passes has been suspended. We felt sure that Sir Ernest Satow would see the justice of the protest made by the Chamber of Commerce against this perfectly illegal and arrogant squeeze, and the promptitude which he and colleagues have acted will be much appreciated.

To think that British merchants (and others) protested and held meetings to oppose a tax of one tael on a transit pass "in the good old days" of thirty years ago!! What voluminous correspondence appears in the records of our Consulates dealing with "illegal" taxes of 2 cents per case of kerosene oil. Will the Japanese look back on these times with a feeling of shame, on these times when a fee of twenty cents for an enameled plate, even admitting a profit to some bright young Chinese, is made a matter of protest by the entire Japanese community? Happily, I find that the Americans here now accept these matters with more grace and common sense.

The head of the Tsingtao Municipal Administration feels that the Japanese Consul General is a sympathetic, understanding official; on the other hand the Japanese community.....

Officially Approved

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

- 4 -

community feels that its Consul General is too yielding and too acquiescent. This Consulate is given to understand that the Japanese Consul General requires every quality of real statesmanship, of diplomacy, of efficient administration to hold in check a goodly number of Japanese who possess the spirit of Dr. Jameson's raiders of Transvaal fame.

The Japanese Reservists' Association in Tsingtao with a membership of 400 established a Naval Reserve Division, enrolling approximately 50 men therein.

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

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tientsin/83 FOR #735

FROM Tientsin (Berger) DATED May 9, 1935.
TO NAME 1-1127 ...

REGARDING: Sino-Japanese Relations: Demilitarized Zone Pao An Tui; War
Zone Committee disbands; "Return permits" to "Manchukuo";
peasant migration uninterrupted; Yin T'ung to Japan; Rumored
changes in North China; Shanghai conference of Japanese Consuls;
Japanese experts in Eastern Chahar.

FRG.

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B. Relations with other countries.

1. Japan.

a. Demilitarized Zone Pao An Tui.

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(PP 2-6)

On April 12 and 13 T'ao Shang-ming (),
Yin Ju-keng (), Administrative Inspectors
of the Luan-Yu and Chi-Mi Areas, respectively,
Chu Shih-ch'in (), member of the Peiping
Branch Military Commission, Chang Hsi-kuang ()
of the Provincial Peace Preservation Corps, Colonel
Takahashi, Colonel Giga, and a staff officer of the
local Japanese Garrison, proceeded to Ts'anghsien
and Ts'aits'un to carry out the inspection of the
newly formed Pao An Tui which was a stipulated
preliminary to its transfer into the Demilitarized
Zone⁽¹⁾. But neither this inspection nor the
almost

(1) TA KUNG PAO, April 13, 1935.

- 3 -

almost continuous conferences in Peiping and Tientsin between the Chinese and Japanese officials involved had at the end of the month under review as yet effected the long delayed transfer into the Zone of the new Corps. The protracted negotiations would seem to have served only to bring into sharper relief the extent to which the influence of the Kuantung Army has become dominant in the affairs of Huapei.

b. War Zone Committee disbands.

On April 23 the Committee for the Settlement of Affairs Pertaining to the War Zone, which was formed on November 1, 1934, held its last meeting and voted itself out of existence⁽²⁾, apparently leaving its declared object still largely unattained.

c. "Return permits" to "Manchukuo".

Early in the month the Ta T'ung Kung Ssu decided that, in view of the inconvenience which the company's policy of requiring "passports" of Chinese entering Manchuria had caused business men of Huapei whose interests in "Manchukuo" made necessary frequent trips to and fro, there would from May 1 be issued to such travelers, as well as to natives of "Manchukuo" resident in Huapei, return certificates which they will be required to display at Shanhaikuan. The issuance of these "return permits" is effected in North China by the company, and in Manchuria by the Mukden Chamber of Commerce.⁽³⁾

d.

(2) NORTH CHINA STAR, April 25, 1935.
(3) I SHIH PAO, April 10, 1935.

- 4 -

d. Peasant migration uninterrupted.

Recent reports from various sources indicate that although the "passport" system for the control and selection of immigrants into "Manchukuo" instituted through the Japanese authorities by the Ta T'ung Kung Ssu is restricting to a limited extent the flow of migrants into "Manchukuo", the daily number who go by rail or boat to Mukden and Newchwang remains very high - possibly comparable to the movement during the heyday of the Chang regime.

e. Yin T'ung to Japan. Yin T'ung

(), Managing Director of the Peiping-Liaoning Railway, and Huang Fu's successor as the "organizer of submission" in North China, left Tientsin on April 5 on a trip to Nanking ostensibly to seek instructions there in connection with unsettled problems in the Demilitarized Zone and the question of the entrance of Chinese laborers into "Manchukuo". Informed Chinese appeared to believe that such instructions as he received came from General Huang, and concerned his mission to Japan. Returning from the south, he conferred with General Yu Hsueh-chung, and then left, on April 25, for Japan. In a press interview before his departure⁽⁴⁾ he stated that his sole object was to attend the Japanese Tourist Conference which was to open in Tokyo on May 2, and he made the further remarkable statement that since the occupation of the railway in September, 1931,

(4) TA KUNG PAO, April 25, 1935.

- 5 -

1931, the Japanese had paid for all the repairs: he hoped, he is quoted as having said, that the Chinese Government would be able to reimburse the Japanese authorities in the amount of the expenses so incurred. No less significant was the fact that, although an official of the Chinese Government, he travelled to Tokyo by way of Mukden.

f. Rumored changes in North China set-up. Yin T'ung's trip to Tokyo was enveloped in that smoke screen of baseless rumors unconvincingly denied which in Huapei is the characteristic mark of all significant events, and there would appear to be a growing feeling among local Chinese that a change in the political organization of North China is imminent. It is said that Huang Fu may return, and inconsistently enough, that Yin T'ung will be given charge of a reorganized Political Readjustment Council. These shifts are alleged to envisage the control of North China affairs by Huang Fu, Yin T'ung, Li Tse-i, and others of the "fu ts'ung Jih Pen" clique (also called the "Jih Pen T'ungs")* which would afford the Japanese military so great a degree of control in North China as to make unnecessary the actual occupation of Huapei even should the present rapprochement collapse.

g. Shanghai conference of Japanese Consuls. A conference of ranking Japanese consular officials in China was held at Shanghai from April

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* - a person who understands the language and customs of Japan. Similarly, an individual other than a Chinese who speaks Chinese and understands their culture is called a - Chung Kuo T'ung.

- 6 -

8 to 10. It is understood that the reports made to that conference touching on the attitude of Northern Chinese to the Japanese people and their commercial products were favorable, but Mr. Kawagoe, the Japanese Consul General at Tientsin, gave a press interview on his return to this city in which he is quoted as saying that the conference "... found that the goal of normal, unobstructed Sino-Japanese economic relationships was far from achievement. After all points were considered, the present state of affairs was declared not yet satisfactory from the Japanese point of view." (5)

h. Japanese experts in Eastern Chahar. A press despatch of April 11 reported that a party of eleven Japanese experts, comprising the "Mongolian Inspection Commission", and possessed of all necessary technical equipment, was entering upon a careful survey of the territories of the Silingol League. Usually well-informed local Chinese are disposed, in the light of such information as comes to them from other sources, to credit this report.

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00 P.R./93 FOR Despatch #-

FROM China (Johnson) DATED May 22, 1935.
TO NAME 1-1127 ...

REGARDING: Sino-Japanese Relations: Progress in Sino-Japanese "cooperation";
The Japanese Consular Conference; Mr. T.V. Soong's attitude to-
ward Japanese; Japanese leases at Hangchow; the Situation in
North China.

FRG.

793.94/ 7099

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

B. Relations with other countries:

1. Japan:

a. Progress in Sino-Japanese "cooperation":

There were no major developments apparent during the
month of April in the Sino-Japanese rapprochement which

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(1-6)

-2-

is being gradually effected. They seemed to depend on further conversations between Japanese and Chinese concerned and on further conversations among the Japanese themselves who were still regarded as lacking agreement as to the means by which their ends in China might be attained and even what those ends were. The departure for Tokyo of the Japanese Minister to China on April 20 and of Mr. Yin T'ung, one of the principal Chinese negotiators with Japanese over problems affecting North China, on April 25 were regarded as preliminary to important discussions in Japan. It was understood that one of Mr. Ariyoshi's recommendations would be the raising of the status of his Legation to that of an embassy. No authentic information could be obtained with regard to the real purpose of Mr. Yin T'ung's visit to Japan, but it was commonly said to include arrangements for closer relationship between the railways of North China and the South Manchuria Railway Company and for aerial connection of North China and Manchuria. Also during the month various groups of Japanese civilians moved over China. The subject of their conversations with Chinese officials was conjectural but probably had to do with economic understandings. In short, the situation during April seemed to be one of clearing the air (the Japanese in China refer now to Mr. Hirota's policy as the "atmosphere policy") in preparation for understandings of a concrete nature.

The activities of the Japanese military with respect to China Proper were less apparent than those of Japanese

civilians.

-3-

civilians. Speculation continued as to what progress was being made to gain the strategic objectives in which it is understood the Japanese military are primarily interested, such as the appointment of Japanese advisers to the Chinese military, and it was presumed that they were still permitting the Japanese civilians to continue for the time being to try out their policy of gaining the ends of the military by methods of diplomacy. However, it was thought that whether the methods were military or diplomatic the end would be impairment of Chinese independence.

b. The Japanese consular conference:

It was supposed that Mr. Ariyoshi, in his discussions at Tokyo, would make use of the findings of those Japanese diplomatic and consular officers who met for discussion at Shanghai from April 8 to 10. According to Japanese consular officers, the primary purpose of the meetings was to report the results of Japanese attempts through recent conversations to improve the relations of the two countries. They stated that the conclusion drawn was that there had occurred a general improvement throughout China, with certain exceptions, such as Kwangtung Province and the capital cities of Kiangsu and Chekiang Provinces, while in North China, beneath a superficially satisfactory exterior, conditions still caused concern. Reports on conditions were followed by discussion of means to improve relations further.

c. Mr. T. V. Soong's attitude toward Japanese:^{1.}

Although Mr. T. V. Soong, Chairman of the National

Economic

-
1. The Minister's unnumbered despatch of May 9, Nanking.

-4-

Economic Council, has not, unlike General Chiang Kai-shek, Dr. Wang Ching-wei, and Mr. Sun Fo, made any public utterance of a tenor friendly to Japan, it became common knowledge during April that his formerly uncompromising attitude toward the Japanese had changed. According to responsible sources, Mr. Soong had for some time been meeting Japanese bankers and business men and discussing China's financial problems with them, finding them more sympathetic than they had formerly been and receiving their advice. Japanese advice was understood to have played a part in the extension of the Government's control over three leading Chinese banks (described in the previous monthly report) which resulted in the return of Mr. Soong to an influential position in China's financial world. This change of attitude on the part of one who had long been regarded as an outstanding opponent of the policy of conciliating Japan again illustrated the increasing unity of Chinese officials in the belief that "friendship" with Japan is practically inevitable, regardless of their personal feelings, in the present critical situation and in the face of the improbability of assistance from Western nations.

d. Japanese leases at Hangchow:

Sensational reports that the Japanese authorities had forced the Chinese to renew the lease of the Japanese "concession" at Hangchow, Chekiang Province, were apparently based on a misunderstanding of the situation. Insofar as the Legation is aware, the status of Japanese lease holders at Hangchow is the same as that of lease

holders

-5-

holders of other nationalities. Certain foreigners, including both Japanese and Americans, had thirty year leases on property in Hangchow as a result of the opening of Hangchow to foreign residence under the terms of the Sino-Japanese Treaty of Peace of April 17, 1895. When these leases expired in 1927, the Chinese authorities concerned refused to renew them. Recently, however, they have entered into negotiation with representatives of the governments of the nationals concerned. (The American Consulate General at Shanghai was approached on this question by the Hangchow authorities early this year). It is, therefore, not a question of a "concession" but a question of leases by private individuals arising from the right of residence. Whether or not pressure by Japanese officials may have caused the Hangchow authorities to adopt a more reasonable attitude with respect to this question does not seem to be particularly important.

e. The situation in North China²:

The confused situation existing in North China was not clarified during April. Ineffectual negotiations continued between Japanese and Chinese for the despatch of a competent Chinese policing force into the disturbed demilitarized area of northern Hopei Province. The War District Liquidation Committee (of the Peiping Political Affairs Readjustment Committee), which was established November 1, 1934, for a term of six months for the purpose of improving the administration of the demilitarized area, was dissolved without that purpose having been

2. Tientsin's despatch to Legation No. 929, May 9.

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

-6-

been attained. Migration of Chinese into "Manchukuo" from Hopei and Shantung Provinces returned to its normal volume after an interruption caused by requirements made in connection with the issuance of permits for entry into "Manchukuo" and by alleged efforts on the part of Chinese officials of Shantung Province to discourage emigration. General Yu Ksueh-chung returned to his provincial capital at Tientsin; the removal of the capital to Paoing was not effected; General Huang Fu remained in retirement in Central China. Notwithstanding continued conversations, Japanese cotton interests had not, by the close of April, taken over the five depressed Chinese cotton mills of Tientsin. Conversations continued without agreement between representatives of Japanese and Chinese match interests looking toward a unification of direction of Chinese match factories and Japanese match factories in China (located principally in North China).

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

DOCUMENT FILE

NOTE

SEE 893.00/13123 FOR #743 (#941 to Legn)

FROM Tientsin (Berger) DATED May 23, 1935.
TO NAME 1-1127

REGARDING:

Possible repercussions arising out of the political assassinations
in the Japanese Concession at Tientsin, involving persons placed
high in Chinese life: Detailed account of -.

793.94/7100

7100

DECLASSIFIED: E.O. 11652, 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

DOCUMENT FILE

NOTE

SEE 893.00/13105 FOR Tel#129, 1pm.

FROM Nanking (Johnson) DATED May 31, 1935.
TO at Nanking NAME 1-1127 ...

Assassination of Chinese editors in Tientsin concession and the activities of Sun Yung Ching.

REGARDING:

Removal of Chinese control of the Peiping-Tientsin area; formation of a buffer state in north China, with the formal offering to Yu Hsueh Chung of the governorship of a new "special military area" to be created there, this according to reports emanating from Yu Hsueh Chung.

FRG.

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RB

SPECIAL GRAY

Nanking via N. R.

Dated May 31, 1935

Rec'd 1:55 p. m.

Secretary of State

Washington.

129, May 31, 1 p. m.

NOTE
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Minister of Finance Kung has informed me that he views the situation in North China seriously. Kung who in the past has shown a tendency to take an alarmist view said that the Japanese military claim that the Chinese Government is responsible both for the assassination of the two pro-Japanese Chinese editors in the Japanese concession and for the activities of Sun Yung Ching; that the Japanese military intend to employ these charges as the basis for demands which will mean the removal of Chinese control of the Peiping-Tientsin area; that the Japanese military have taken advantage of the assassinations and the activities of Sun because they believe that through using these two incidents they will be able to discredit the Tokyo cabinet, cause its resignation, and effect the formation of a military cabinet.

893.00/13105

Kung stated that the Japanese charges are spurious. With regard to the assassinations Kung said that there were three possibilities:

(one)

RB

2-129, May 31, 1 p. m. from Nanking

(one) That a secret patriotic association may be responsible, adding that the postal censorship had discovered a document allegedly published by such a society claiming responsibility for the assassinations and adding that its next two pro-Japanese Chinese victims would be Ho Ying Chin and Huang Fu;

(two) That the assassinations may have been engineered by Japanese for the purpose of making possible new demands with regard to North China; and,

(three) That communists may have committed the murders for the purpose of creating trouble which would draw Chiang Kai Shek's attention from his campaign against communists in West China. With regard to the Sun activities, Kung said that the Japanese claimed that they had found in his possession a document signed by Ho Ying Chin creating him an officer and that he had been given assistance by a Chinese magistrate. Kung said that the document must be a forgery; that the magistrate, being a civilian, could do nothing else but render assistance to an armed force; and that Sun was acting as he did to avenge the murder of members of his family by Japanese.

Kung did not inform me specifically what the Japanese military want in North China, but there were reports last autumn that they desired to effect the removal

from the

RB

3- 129, May 31, 1 p.m. from Nanking

from the Peiping-Tientsin area of all Chinese troops.

There have also been recent reports:

(one) That some of the Japanese military were opposed to the raising of the Japanese Legation to an Embassy;

(two) That they have been skeptical of the efficiency of the Japanese Foreign Office policy of gaining Japanese encouragement in China through improving Sino Japanese feeling; and

(three) That the military would be content to watch only for a limited time the direction of Japanese policy in China by Japanese civilians.

Information reported as emanating from Yu Hsueh Chung has been received to the effect that the Japanese military have admitted to him that recent penetration of Japanese troops into the truce zone, although ostensibly against Sun Yung Ching, was chiefly for the purpose of establishing a new precedent for future incursions; that they informed him that their intention was to proceed shortly with the Manchurianization of a buffer state in North China; and that they formally offered him the governorship of a new "special military area" to be created there.

JOHNSON

KLP

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

793.94

DOCUMENT FILE

NOTE

SEE 893.15/26 FOR Memorandum

State Department
FROM Far East Division (Myers) DATED June 10, 1935
TO NAME 1-1127 ***

REGARDING: General conditions in North China:

"Many Chinese hold fatalistic views to the effect that foreign (that is, Japanese) domination of China is unavoidable?.....
"Further, the U.S. with the understanding or possibly the cooperation of the Government of Great Britain, in financing large engineering development projects, which would increase China's food supply and help to raise the standard of living, would promote American trade with China and be helpful to the Chinese in withstanding Japanese encroachments." This according to Mr. O.J. Todd, Chief Engineer, China International Famine Relief Commission, in conversation with Mr. Myers and Mr. Hamilton.

793.94/7102

7102

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

Conversation.

June 10, 1935.

Mr. O. J. Todd, Chief Engineer, China International Famine Relief Commission.

Mr. Hamilton and Mr. Myers.

Mr. Todd called by appointment and talked at considerable length in regard to general conditions in north China. He briefly referred to the public works, namely, road building, river control and irrigation, which the China Famine Relief Commission has been carrying on in north China.

In reply to Mr. Hamilton's question concerning the work of the League of Nations experts in China, Mr. Todd made the statement that except for the sanitary work he felt that the League experts were not accomplishing much and stated further that some of the League's experts are not well qualified for the work to be done in China and gave an instance wherein they were influenced by political rather than scientific considerations.

The conversation turned to recent Sino-Japanese political developments in north China and Mr. Todd mentioned that many Chinese hold fatalistic views to the effect that foreign (that is Japanese) domination of China is unavoidable. Mr. Todd expressed the view that the growing influence of Japan in China will result in

Japan's

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

- 2 -

Japan's supplying a far greater share of China's trade than at present and that the most effective way for the United States to retain its trade is to finance large engineering development projects which would increase China's food supply and help to raise the standard of living of the Chinese. In his opinion the Government of the United States, with the understanding or possibly cooperation of the Government of Great Britain, should finance these projects which, although probably not a profitable investment in themselves, would promote American trade with China and be helpful to the Chinese in withstanding Japanese encroachments. Mr. Todd expressed the view that only by such action on the part of the United States could a war between the United States and Japan be averted.

FE:MSM/VDM

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

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TELEGRAM RECEIVED

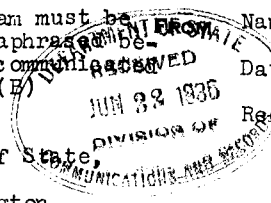
FS
This telegram must be ~~carefully~~ ^{carefully} Nanking
closely paraphrased ~~and~~ ^{and} be
fore being communi- ~~ated~~ ^{ated} Dated June 22, 1935
to anyone. (E)

Secretary of State,
Washington.

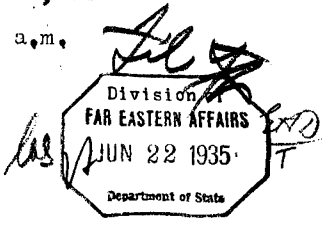
176, June 22, 9 a.m.

I orally communicated substance of paragraph
one Department's 51, June 20, 2 p.m., to Hsu Mo
late afternoon June 21st. Despatched to the Depart-
ment and Peiping.

RR ATCHESON
North China situation.



Rec'd 3:18 a.m.



793.94/7103

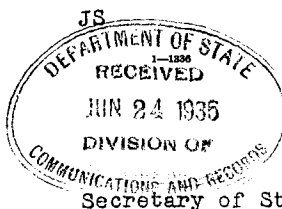
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JUL 26 1935

F/G.

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

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SPECIAL GRAY

FROM NANKING via N.R.

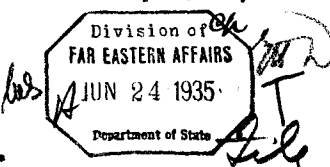
Dated June 22, 1935

Rec'd 6:23 p.m.

copy sent to Moscow June 25

Secretary of State,

Washington, D.C.



180, June 22, 1 p.m.

It is reported by an usually reliable source that delay in the settlement of the Chahar question is due to a Japanese demand that the troops of Sung Che Yuan be withdrawn from the province

ATCHESON

JS

793.94

793.94/7104

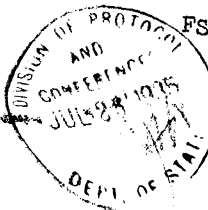
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JUL 26 1935

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

TELEGRAM RECEIVED

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



1-1336

FROM

GRAY

Peiping via N. R.

Dated June 23, 1935

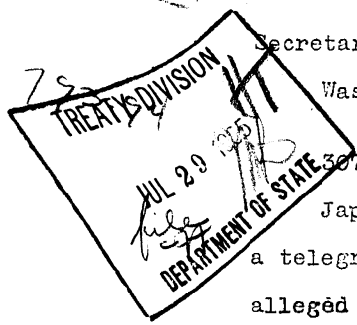
Rec'd 7:27 a.m.

Copies sent to Moscow June 25

Division of
FAR EASTERN AFFAIRS

JUN 24 1935

Department of State



Secretary of State,
Washington.

307, June 23, 3 p.m.

Japanese newspaper at Tientsin published June 22 a telegram from Nanking dated June 21, containing alleged statement by Wang Ching Wei to Japanese newspapermen. This statement has not appeared in local Chinese or English language press. According to this report Wang stated that China's great compromise over the Manchurian and Hopei questions will bring harmonious results; that although China is militarily weak and could have no hope of winning a Sino-Japanese war, Chinese in such an event could long resist, Japan would be exhausted, and neither country would profit; that good policy can bring about friendship and cooperation; that the uniting of China's raw materials and Japan's technique is the foundation of Far Eastern economy; that a spirit of harmony and friendship is an objective which will not be altered; that the Hopei situation

793.94/7105

FILED

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

FS 2-No. 307, June 23, 3 p.m. from Peiping

situation does not affect Sino-Japanese diplomatic relations although recurrence of such a situation must be carefully avoided; and that Chiang Kai Shek's allegedly doubtful attitude toward Japan was not the cause of the Hopei affair, as Chiang's attitude has been the same as his own. Wang also stated that all Japanese loans to the Minister of Communications and a part of those to the Minister of Railways have already been adjusted and that furthermore, other old loans are in the process of being adjusted, With regard to the question of Sino-Japanese air lines, Wang said that at a Chinese conference in February of this year, it had been decided that, until the facilities for China's internal air lines were perfected, negotiations with regard to international air lines should be given up.

If this report is accurate this interview would seem to be intended to meet the surface change evident during the past few days in the attitude of the Japanese military as suggested in the Legation's telegram No. 305, ¹⁷⁰⁹⁴ June 21, 5 p.m.,

By mail to Nanking and Tokyo.

HPD

JOHNSON

DECLASSIFIED: E.O. 11652, 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. 425
CONFIDENTIAL - STATE USE ONLY.

JUN 25 1935

The Honorable

William C. Bullitt,
 American Ambassador,
 Moscow.

Sir:

Supplementing the Department's instruction of even date enclosing copies of memoranda in regard to recent developments in relations between China and Japan in connection with North China, there are enclosed for your confidential information copies and paraphrases, as listed below, of certain telegrams on this subject.

Very truly yours,

William Phillips

Enclosures:

No. 211, May 23, from Peiping; Acting Secretary of State
 No. 124, May 27, from Nanking;
 No. 230, May 31, from Peiping;
 No. 129, May 31, from Nanking;
 No. 117, June 1, from Tokyo (paraphrase);
 No. 136, June 4, from Nanking;
 No. 140, June 6, from Nanking;
 No. 285, June 6, from Shanghai;
 No. 268, June 13, from Peiping;
 No. 274, June 14, from Peiping;
 No. 275, June 14, from Peiping;
 No. 276, June 14, from Peiping;
 No. 160, June 15, from Nanking (paraphrase);
 No. 283, June 16, from Peiping (paraphrase);
 No. 287, June 17, from Peiping;
 No. 292, June 18, from Peiping (copy and paraphrase);
 No. 294, June 18, from Peiping;
 No. 167, June 18, from Nanking (paraphrase);

No. 168

793.94/7105

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

- 2 -

- No. 168, June 18, from Nanking;
- No. 132, June 18, from Tokyo (paraphrase);
- No. 297, June 19, from Peiping;
- No. 169, June 19, from Nanking (paraphrase);
- No. 301, June 20, from Peiping;
- No. 171, June 20, from Nanking (paraphrase and copy);
- No. 172, June 20, from Nanking (paraphrase and copy);
- No. 305, June 21, from Peiping (paraphrase and copy);
- No. 180, June 22, from Nanking;
- No. 307, June 23, from Peiping. /7105-

793.94 /7105-

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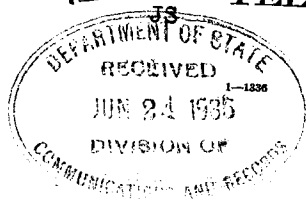
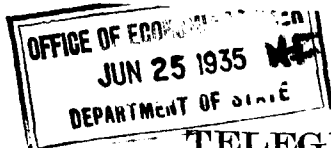
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VI-24-35

A true copy of
 the signed original
 del. *[Signature]*

507
 JUN 25 1972
 JUN 28 1935

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



TELEGRAM RECEIVED

GRAY

SHANGHAI via N R

FROM Dated June 22, 1935

Rec'd 6:45 p.m.

Secretary of State,

Washington, D.C.

339, June 22, noon

Referring to my telegram No. 335, June 21, 11 a.m.

C. Y. W. Meng, a frequent contributor to CHINA

WEEKLY REVIEW, has an article in today's issue under title of "Japan's latest '21 demands' to China" wherein he outlines Japan's recent demands to include retirement of Chiang Kai Shek and Chang Hsueh Liang and calls to task Chinese leaders for not being willing to lay aside personal differences in time of national crisis.

Decrying abandonment of American "dollar diplomacy"

he states "American foreign policy under President

Wilson gave the Japanese a good deal of ~~to~~ ^{chance} to go

on with their aggression in China, and to present the

'21 demands'; to China and the American foreign policy

under President Roosevelt gives another chance to the

Japanese militarists to resume their aggression in

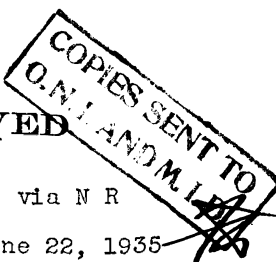
China and to present another '21 demands.' This

condition together with the fact that there is absolutely

no Anglo-American cooperation nor Anglo-American-Russo

nor to save the situation in the Far East explains why

we



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5601 06 101
JUL 26 1935

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-2-

Shanghai June 22, #339

we conclude that the present international position is very favorable to the aggressor but very unfavorable to the victim of the aggressor.

So while the Japanese are 'blaming' America because as they say, 'the real cause of China's acts ^{lies} ~~early~~ in the American silver policy' the Chinese are also 'blaming' the Americans for their 'wrong, short-sighted and selfish foreign policy' which made Japanese aggression possible."

Repeated to Legation and by mail to Nanking.

WWC

CUNNINGHAM

(*) ~~Apparent omission~~

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

DOCUMENT FILE

NOTE

SEE 500.A 15 A 5/424 FOR Tel. 244, 11 pm.

FROM U.S.S.R (Bullitt) DATED June 19, 1935
TO NAME 1-1127 ...

REGARDING: Japanese invasion of China: Conversation with Litvinov
regarding-, and reasons for not calling meeting of the
Council of the League of Nations.

jf

793.94/7107

7107

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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 21, 1935.

Reference:

Moscow's telegram No. 244, June 19,
11 p.m., pp. 2 and 3.

Assuming that, as stated by Mr. Litvinov, the actions of the Japanese military in North China are "most unpopular in Japan", obviously the wise thing for the United States and Great Britain to do would be to refrain from becoming involved in an issue between the Japanese public and the military. In the circumstances assumed, the issue would be of a domestic character. On the other hand participation by foreign powers in the issue would be interpreted in Japan as application by those powers of pressure on Japan, with the result that public opinion would be diverted from the actions in North China of the Japanese military to the attitude of the powers in regard to Japan. Although there have been noted indications of popular uneasiness, due in large measure to increasing difficulty in meeting the financial demands of the Japanese army and Navy, this Division is of the opinion that there is no warrant for the view that the "present action of the Japanese army was most unpopular in Japan".

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

- 2 -

The Division, therefore, is inclined to believe that Mr. Litvinov, in making the statement above quoted to Mr. Bullitt, was seeking to tempt this Government to take a course of action which would in all likelihood result in the assumption by the United States alone, or along with Great Britain, of responsibility which in part devolves upon the Soviet Union as a member of the League of Nations and as a signatory of the Kellogg Pact.

M. M. H.

[Signature]
END/DLY

0194

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

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

1-138
 TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
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Collect
 Charge Department
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 \$

Department of State

Washington
 June 21, 1935.

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

1935 JUN 22 PM

3 PM

AMEMBASSY,

95 TOKYO (Japan).

STRICTLY CONFIDENTIAL.

Ambassador Bullitt reports that on June 19 Litvinov/ stated to him in the course of an extended conversation/ that he PARENTHESIS Litvinov PARENTHESIS was greatly dis- turbed by the actions of the Japanese military in North China, and that, according to information from Soviet sources in Tokyo, such actions were very unpopular in Japan. Litvinov expressed the opinion that some action on the part of Great Britain or the United States in relation to recent developments in North China would cause/ Japanese popular opinion to become actually hostile to the Japanese army.

Huee

FE:AND/DLY

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JUN 21, 1935 PM

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/7107

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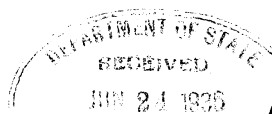
wsb

This message must be
carefully paraphrased
before being communi-
cated to anyone.(C)

Tokyo

FROM Dated June 24, 1935,

Recd. 8:35 a.m.



Secretary of State,
Washington.



793.94/7108

138, June 24, 2 p.m. /7107
Department's 95, June 22, 3 p.m.

One. The Embassy is not in accord with Litvinov's

statement as to the unpopularity in Japan of the Japanese
military / activities in North China. The Japanese public appears to
regard them as a routine matter aiming at the gradual expan-
sion of the area of order and for the protection of legiti-
mate Japanese interests. It is true that there has been no
great popular enthusiasm over recent developments in North
China as there was over the Manchurian incident but the
Embassy has received no indication from its numerous sources
of information that any considerable section of the nation
is actively opposed to the army's moves. The vernacular
newspapers recently have been giving only lukewarm support
to the military and there is some indication that the Japan-
ese people are a little tired and perhaps somewhat apprehen-
sive of the cost of the army's demands and aggressiveness at
home and abroad but the Embassy is not prepared to go further
than

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FILED

JUL 26 1935

Tokyo's 138, p 2

than this in support of Litvinov's information.

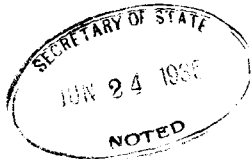
Two. An important element in the situation is the opposition in certain quarters in Japan to a united China or one under the control of Chiang Kai Shek whom the Japanese army apparently distrusts. It may be that this accounts for some of the army's demands in North China. It seems unlikely, however, that the army's activities aiming at the disunification of China will be pushed much further just now and therefore, in the Embassy's opinion, interposition by the United States or Great Britain at the present juncture would be most inadvisable as it would almost certainly tend to solidify sentiment in favor ^{of} the army's actions rather than against them.

Repeated to Peiping by mail.

GREW

wsb

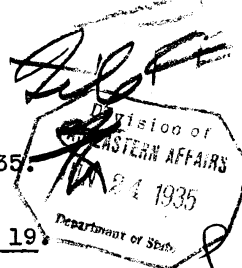
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 20, 1935.



NORTH CHINA CRISIS -- June 14 to June 19

793.94

Reports from the American Legation in China state that the Japanese authorities are seemingly attempting to minimize the scope and importance of the "demands" presented to the Chinese authorities in North China on May 29, June 9 and June 11. The Japanese seem to feel that they may have attracted an inconvenient amount of attention on the part of other interested countries and that the Chinese, if pressed too far, might conceivably resort to military resistance. On the part of the Chinese authorities, there is a feeling that the Japanese will now give China a breathing spell, although the Chinese do not feel that Japan has in any sense abandoned a plan to extend Japanese influence over North China and, ultimately, probably to Central China also. Chinese diplomatic representatives in Washington and in London conveyed a summary of the Japanese demands to the American and British Governments. The British Foreign Office then instructed its Ambassador in Tokyo to inquire of the Japanese Foreign Office whether it was true that the Japanese had demanded that no Chinese officials be appointed in North China, except with Japanese approval, and received from the Japanese Foreign Minister the answer that no such demand had been made. The American Ambassador

in

793.94/7109

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

- 2 -

in Tokyo was kept informed by his British colleague concerning these conversations. On Saturday last (June 15) the Japanese Ambassador in Washington called on the Secretary of State and communicated a reassuring message designed to minimize the importance of the whole incident. The Secretary of State took this occasion to emphasize the importance of the Japanese Government taking steps to clarify the situation.

The net result of the Japanese demands at the present time has been yielding by the Chinese Government to the extent of transferring two or three important officials from Peiping and Tientsin, the removal of Nationalist Party organs from those places, and the withdrawal in large part of Chinese troops. In consequence of the "Chahar incident", there has occurred the removal of the provincial chairman and, it would seem, the withdrawal of Chinese troops in that province from the "Manchukuo" frontier.

During the course of these events the Japanese Minister to China has been promoted to the grade of ambassador and this event was the occasion for impressive ceremonies in Nanking.

m. m. h.

FE:WRP/ZMK

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

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TELEGRAM RECEIVED

REP

1-1236

FROM

CORRECTED COPY

SPECIAL GRAY

Nanking via N. R.

Dated June 24, 1935

Rec'd 11:35 a. m.

Secretary of State,

Washington.

181, June 24, 2 p. m.

Press despatches of June 21st indicating that high figures in the Chinese Government might resign are believed to have had their origin in a proposal made by one or two disgruntled Kuomintang members to impeach Wang Ching Wei and other leaders because of the compliance of the Government with Japanese wishes in North China. The proposal is stated to have received little support.

ATCHESON

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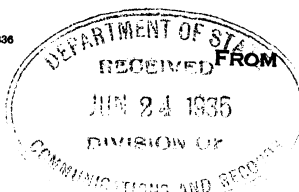
JUL 26 1935

DECLASSIFIED: E.O. 11652, 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

REF

1-1336



SPECIAL GRAY

Nanking via N. R.

Dated June 24, 1935

Rec'd 11:35 a. m.

Secretary of State,

Washington.

181

180, June 24, 2 p. m.



Press despatches of June 21st indicating that high figures in the Chinese Government might resign are believed to have had their origin in a proposal made by one or two disgruntled Kuomintang members to lessen Wang Ching Wei and other leaders' would be compliance of the Government with Japanese wishes in North China. The proposal is stated to have received little support.

ATCHESON

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CSB

See current copy - [initials]

793.94/7110

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

TELEGRAM RECEIVED

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REP

1-1336

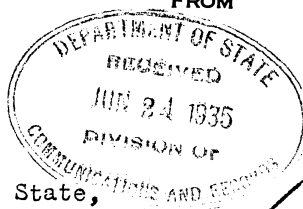
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GRAY

Peiping via N. R.

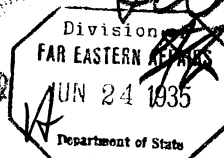
Dated June 24, 1935

Rec'd 12:35 p. m.



Secretary of State,

Washington.



309, June 24, 4 p. m.

Negotiations over the Chahar situation began here last night between Chin Teh Chun together with Cheng Keh former student in Japan friendly to the Anfu clique and Doihara and Matsui. Chin telegraphed to Hanking yesterday requesting that he be relieved from the post of acting chairman of Chahar.

American news correspondent who returned from Kalgan yesterday states that opinion in Kalgan is that all of Sung Che Yuan's troops will be moved from Chahar when a suitable place is found, that these troops being well disciplined will not cause trouble but that some 7000 irregulars are regarded with apprehension. He states that the Japanese have built an airfield at Kalgan and are behaving toward Chinese officials with effrontery.

Wang Keh Min arrived at Peiping afternoon June 25

to

793.94/7111

FILED

JUL 26 1935

F/G

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

REP

2-#309, From Peiping, June 24, 4 p. m

to assume the position of acting chairman of the Peiping Political Affairs Readjustment Committee and met Doihara this morning. According to Chinese newspaper men the National Government has placed a ban on publication of a report that Han Fu Chu submitted his resignation June 22. As it is understood that Han is uncertain about what the Japanese want of him and uncertain with regard to his standing with the National Government submission of resignation might be the result either of Japanese pressure or of his desire for the National Government to clarify its attitude towards him.

JOHNSON

WSB

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

DOCUMENT FILE

NOTE

SEE 500.A 15 A 5/426 FOR Tel. 250, 8 pm.

FROM U.S.S.R. (Bullitt) DATED June 22, 1935.
TO NAME 1-1127 ...

REGARDING: British Government has no intention of intervening in the
Japanese invasion of Northern China: Statement by British
Ambassador to Litvinov that the -, reported.

jf

793.94/
7112

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

793.94

DOCUMENT FILE

NOTE

SEE 793.9414/7 FOR Tel#177, 10am.

FROM Nanking (Atcheson) DATED June 22, 1935.
TO NAME 1-1197 ...

REGARDING: Pratas Reef: Japanese reported to be negotiating at Nanking
with the Chinese Government for the purchase of-,

Report unfounded: At no time, during the Sino-Japanese discussion begun in January, or during those in connection with North China, have the Japanese put forth any suggestion looking to the transfer to Japan of territory.

FRG.

793.94/7113

DECLASSIFIED: E.O. 11652, 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 893,515/637 FOR Tel#282, 2pm.

FROM Great Britain (Bingham) DATED June 25, 1935.
TO NAME 1-1127 ...

REGARDING: Japan's policies in China: Sir Fisher stated he was to see
Matsudaira, intending to point out that there are commercial
measures of retaliation open to foreign countries, if Japan's
policies in China curtailed foreign markets there.

FRG.

793.94/ 7114

7114

DECLASSIFIED: E.O. 11652, 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

FS

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

London

Dated June 25, 1935

Rec'd 9:20 a.m.

Secretary of State,

Washington.

262, June 25, 2 p.m.

CONFIDENTIAL.

My 266, June 14, 1 p.m.

Fisher had little to add today. He stated, however,
that he is seeing Matsudaira tomorrow prior to latter's
departure for Japan and pointing out to him in a private
conversation that if Japan's policies in China curtailed
foreign markets there, and incidentally British markets,
the Japanese Government must realize that there are
commercial measures of retaliation open to foreign
countries. Fisher said what he had in his mind was,
(first) the very necessary raw materials which Japan
must buy from the outside world and, (second) Japan's
foreign export markets.

WSB

BINGHAM

NOTE
793.94

893.515/687

DECLASSIFIED: E.O. 11652, 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~~

NOTE
793.94

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

Nanking

Dated June 22, 1935

Rec'd 3:25 a.m.

Secretary of State,
Washington.

177, June 22, 10 a.m.

Department's 171, June 18, 8 p.m.

I have so far been unable to discover any founda-
tion for the report. During a conversation recounted
in my 174, June 21, 9 a.m., Hsu Mo mentioned that at
no time during the Sino-Japanese discussions begun in
January or since, or during those in connection with
North China, had Japanese officials put forth any
suggestion looking to the transfer to Japan of terri-
tory for naval bases or other purposes and I have heard
similar comment by the Acting Minister of the Interior
and others, including the head of the Political Affairs
department of Chiang's field headquarters who has been
in Nanking during the crisis and who was Acting Minister
of the Interior prior to March. I am continuing to
investigate.

Despatched to the Department and Peiping.

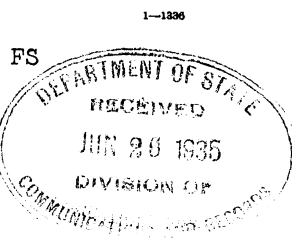
RR:HPD

ATCHESON

793.94147

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

TELEGRAM RECEIVED



Secretary of State,
Washington.

183, June 26, 2 p.m.

Suma of Japanese Embassy indicated to Counselor Lockhart and me in conversation this morning that he considered Sino-Japanese issues in Hopci completely settled and said that there was now no question of an exchange of memoranda between Japanese and Chinese or the signing of any kind of document by them and Chinese in that connection. He stated that the Chahar question would be taken up in Nanking within a few days, the details having been worked out in the North and the Chinese Government having already agreed in principle to the points suggested by the Japanese.

VWC:CSB

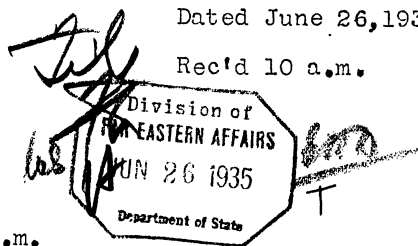
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O.N.I. AND M.I.D.
SPECIAL GRAY

FROM

Nanking via N. R.

Dated June 26, 1935

Rec'd 10 a.m.



ATCHESON

793.94/7115

FILED
JUL 26 1935

F/G

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

TELEGRAM RECEIVED

RB

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

FROM

Peiping

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

Dated June 26, 1935

Rec'd 9:15 a. m.

Secretary of State

Washington.

315, June 26, 2 p. m.

The Executive Yuan appointed on June 25 General Shang Chen to be chairman of the Hopei Provincial Administration concurrently with his position as Commander of Peace Preservation Corps at Tientsin and Tangku and Cheng Keh (Legation's 309 June 24, 4 p. m.) as mayor of Tientsin.

According to the official source mentioned in the first paragraph of my telegram No. 283, June 16, 7 p. m. these two appointments were made by the National Government without consultation with Japanese and without Japanese approval. He was most emphatic in this statement indicating that the alleged Japanese requirement that officials in this area be appointed only with Japanese approval has not yet been complied with. However, it is thought that appointments made so far in this area have been confined to persons who the National Government believes will be acceptable to the Japanese. Although Shang Chen is not believed to have had important

793.94/7116

FILED

JUL 26 1935

F/G

CORRECTED PAGE TWO

315 June 26, 2 p. m. from Peiping

important relations with the Japanese in the past and is generally regarded as unquestionably loyal he will be stationed according to this source in Paoting and will not therefore play so important a role in Sino-Japanese affairs in this province as will Wang Keh Min. Chang Hou Wan, recent acting chairman of Hopei, will continue as Provincial Commissioner of Civil Affairs (Legation's 297, June 19, 5 p. m.).

The situation continues to be quiet here and the Chahar negotiations continue to be obscure. It has so far been impossible to learn how much of Chahar Province is to be demilitarized.

Present indications are that the Japanese military intend to avoid the use of military force for attaining their further objectives (although the threat still exists) and too employ "diplomacy" thereby staying within the bounds of directions from Tokyo and making it difficult for foreign governments to allege that the Japanese military are aggressors. It is understood that conversations looking toward inexorable "cooperation" have begun between Wang Keh Min and Doihara.

By mail to Tokyo and Nanking.

CSB

JOHNSON

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

RB

2-315, June 26, 2 p.m. from Peiping

important relations with the Japanese in the past and is generally regarded as unquestionably loyal he will be stationed according to this source in Paoing and will not therefore play so important a role in sino Japanese affairs in this province as will Wang Keh Min. Chang Hou Wan, recent acting chairman of Hopei, will continue as Provincial Commissioner of Civil Affairs (Legation's 297, ⁷⁰⁸³ June 19, 5 p. m.).

The situation continues to be quiet here and the Chahar negotiations continue to be obscure. It has so far been impossible to ^(learn?) learn how much of Chahar Province is to be demilitarized.

Present indications are that the Japanese military intend to avoid the use of military force for attaining their further objectives (although the threat still exists) and to employ "diplomacy" thereby staying within the bounds of directions from Tokyo and making it difficult for foreign governments to allege that the Japanese military are aggressors. It is understood that ^{conventions} conventions looking toward inexorable "cooperation" have begun between Wang Keh Min and Doihara.

By mail to Tokyo and Nanking.

JOHNSON

CSB

*see corrected
Page 2*

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (315) of June 26, 1936, from the American Minister at Peiping, reads substantially as follows:

On June 25 Cheng Keh was appointed by the Executive Yuan as mayor of Tientsin and General Shang Chen was appointed Chairman of the Hopei Provincial Administration, concurrently with his position as Commander of Peace Preservation Corps at Tangku and Tientsin.

The Minister has learned from a Chinese official source that the National Government made these appointments without Japanese approval or consultation with the Japanese. The Chinese official made this statement very emphatically and indicated that the Chinese have not as yet complied with a reported Japanese requirement to the effect that appointment of officials in the Peiping-Tientsin area be made only with Japanese approval. It is believed, however, that only persons believed by the Nanking Government to be acceptable to Japan have been appointed so far in this area. According to the Minister's informant, although Shang Chen is believed to be unquestionably loyal to China and not to have had important relations with the Japanese in the past, he will be stationed in Paoting and will, therefore, not be so prominent in Sino-Japanese affairs in Hopei as will Wang Keh-min. Chang Hou-wan, lately Acting Chairman of Hopei Province, will continue to be Commissioner of Civil Affairs of the Province.

Conditions continue quiet in the vicinity of Peiping. The Chohar negotiations remain obscure. It has not been pos-

sible

DECLASSIFIED: E.O. 11652, 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 -

sible to ascertain what part of Chahar is to be demilitarized.

Although there still exists a threat of military force by Japan, it appears at present that it is the intention of the Japanese military not to use military^{force}/in order to achieve their further objectives and to use "diplomacy" thereby keeping within instructions received from Tokyo and making it hard for foreign powers to assert that the Japanese military are the aggressors. Conversations are understood to be in progress between General Doihara and Wang Zeh-min which have as their object the forcing of "cooperation" from which the Chinese will be unable to escape.

793.94/7116

EGC.
 FE:EGC

VI-27-35

FE

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

TELEGRAM RECEIVED

RB

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

FROM

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

Tokyo

Dated June 26, 1935

Rec'd 9:30 a. m.

Secretary of State

Washington.

141, June 26, 5 p. m.

CONFIDENTIAL.

One. I am reliably informed that negotiations for a settlement of the Chahar incident have now been successfully concluded and that an oral agreement has been reached between General Doihara and General Chin To Chun. This agreement will probably be signed either today or tomorrow.

Two. The agreement consists of the following demands all of which were accepted by the Chinese:

- (a) Resignation of General Sung as Provincial Chairman.
- (b) Removal of the 132nd Division from Chahar.
- (c) Dismissal of Chief of Staff of 132nd Division and the head of the military police.
- (d) An official apology to be made.
- (e) All anti Japanese activities to be suppressed.
- (f) Chinese troops along the line Dolonor-Kuyuan-Tushikou-Huai Lai and at Yen Ching to be permanently removed elsewhere.

(g) All

793.94/7117

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JUL 26 1935

F/G

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

RB

2-141, June 26, 5 p.m. from Tokyo

(g) All anti Japanese organizations to be disbanded.

(h) Protection for all Japanese travelers to inner
Mongolia.

(i) Kuomintang headquarters to be disbanded.

Three. An incident reported in the press this morning involving an attack by some five hundred soldiers of Sung's army upon about forty Manchukuo frontier guards near Tushikow has not yet been reported to the War Office here by the Kwantung army but my informant believes that in any event this incident will in no way affect the agreement already reached and will be attended to locally by the Kwantung army. He further stated that for the most part Sung's troops were well trained and disciplined and that only this detachment stationed near Tushikow was causing trouble.

Four. See paragraph 4 of my 132 / 7068 June 18, 1 p. m.

Repeated to Peiping.

GREW

CSB

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 141) of June 26, 1936, from the American Ambassador at Tokyo, reads substantially as follows:

According to reliable information negotiations have been concluded successfully for the settlement of the Chahar incident and General Chin To-chun and General Doihara have reached an oral agreement. It is probable that this agreement will be signed on June 26 or 27.

The following demands which were accepted by the Chinese are incorporated in the agreement:

- (a) removal from Chahar of the 1324 Division of Chinese troops;
- (b) the head of the military police and the Chief of staff of the 1324 Division to be dismissed;
- (c) resignation of General Sung as Provincial Chairman;
- (d) an official apology to be made;
- (e) permanent removal elsewhere of Chinese troops along the line Dolonor-Kuyuan-Tushikou-Huzi Lai and at Yen Ching;
- (f) suppression of all activities against the Japanese;
- (g) protection to be afforded all Japanese travelers in Inner Mongolia;
- (h) disbandment of Kuomintang headquarters;
- (i) disbandment of all anti-Japanese organizations.

The Kwantung army has not yet reported to the Japanese War Office an incident which, according to the press of June 26, involved an attack by about 500 of Sung's soldiers upon some forty "Manchukuo" frontier guards near Tushikou,

but

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

- 2 -

but the Ambassador's informant is of the opinion that this incident will be attended to locally by the Kwantung army and will not affect the agreement which has already been reached. The informant added that most of General Sung's troops were well disciplined and trained and that the only ones causing trouble were those stationed near Tushikow.

793.94/7117

89.C
FE:EGC

WTT
FE
M.M.N.

VI-26-35

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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 27, '35

~~247~~
~~W.P.P.~~
~~RCM~~
~~W.M.A.~~

To note Rome's
interesting despatch of
June 14, 1935, in regard
to Far Eastern situation

W.M.A.

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



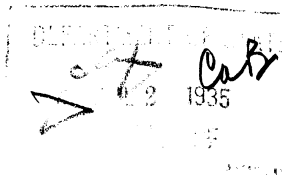
EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1148.

Rome, June 14, 1935.

Subject: Far Eastern Situation.

793.94

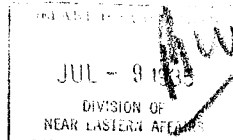


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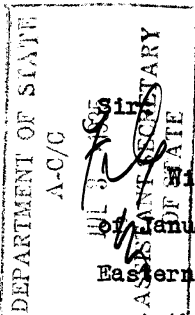
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DEPARTMENT OF STATE

1935 JUN 26 AM 11 42

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The Honorable
The Secretary of State,
Washington.



Copy transmitted by line
Commercial Office (A-C/G)
To

Peking
Tientsin

500 A48/647 7/5/35

With reference to the Embassy's despatch No. 939 of January 31, 1935, reporting Italian views on the Far Eastern situation, I have the honor to inform the Department that present developments in China are being followed with the closest attention here. There is, however, comparatively little editorial comment on Japan's latest move, chiefly because it is apparently felt, in view of what is considered the actual nature of this situation, that little can be said. Japanese conquest of China is regarded here as a natural, formidable, inevitable process which Europe and America are powerless to check. One can, the press says, only sit back and watch the course of one of the greatest developments in the history of modern times.

Japan,

793.94/7118

F/G

- 2 -

Japan, says the STAMPA, feels herself invulnerable and would even be prepared to face the apparently impossible contingency of an Anglo-Russo-American alliance against her; aware of the fruitless rivalries that debilitate the white race, the Japanese are certain that no power will dare to oppose their military advance and that London, Washington, and Moscow will continue to hide their heads in the sand. The STAMPA concludes that:

"Such is the tragic fact of the case; we proffer no comment, we indicate no remedy. However we cannot refrain from noting with skeptical and bitter irony that the Empire closest and most susceptible to the zone of such great peril prefers to expend all its polemical rancor in the defense of a savage tribe against a people that has inherited one of the most glorious of human civilizations, appealing to universal principles which, on more openly defined problems, have been brutally trodden upon amidst general indifference.

"Are those who act so uncertainly and inconsistently the heirs of the greatest empire of modern times? We merely ask."

Other editorials on the situation deal chiefly with the League of Nations (which, it is felt, will make no move in China's defense despite that country's membership in the League) and are used as a means of intimating that Italy will abandon that organization if it attempts to interfere with her movements in Abyssinia (see my despatch No. 1150 of even date on Italo-British relations).

In connection with Italo-Chinese relations, I have the honor to inform the Department that the press during the past few days has contained accounts of various Italo-Chinese manifestations in Rome, such as a reception on

June

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

- 3 -

June 10th at the Italo-Chinese club of Rome (founded under the auspices of the Chinese Ambassador and Count Galeazzo Ciano) in honor of a group of twenty Chinese aviators who have just completed a course in flying in Italy. A dinner was also offered the Chinese flyers on June 11th by the Undersecretary for Air, attended by the Chinese Ambassador and other members of the Embassy, Count Ciano, Count Senni and Signor Buti of the Foreign Office, and a number of officers of the Air Force. General Valle presented the aviators with distinguished flying medals. The Chinese flyers were also received cordially by the Pope. It is further reported that on June 13th the Chinese Ambassador accompanied a group of high officials of the Kuomin tang, now in Italy to study the work of the Fascist Regime and the Fascist Party organization, to visit the new University City in Rome.

Respectfully yours,

A. Kirk
Alexander Kirk
Chargé d'Affaires ad interim.

710.
eh/ajl L

CC to A-M

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

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TELEGRAM RECEIVED

REP

1-1336

FROM
DEPARTMENT OF STATE
RECEIVED
JUN 26 1935
DIVISION OF
COMMUNICATIONS AND RECORDS

GRAY

Peiping via N. R.

Dated June 26, 1935

Rec'd 11:55 a. m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
JUN 26 1935
Department of State

318, June 26, 9 p. m.

Following has been received from the Consul General
at Mukden:

"June 26, noon. Despatches in local press report
that on 24th forces of 500 from Sung's army invaded
Manchukuo near Tushihkao and engaged local police who
are feared to have suffered serious casualties and that
Kwantung army is awaiting detailed report."

JOHNSON

CSB

793.94/7119

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JUL 26 1935

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12

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

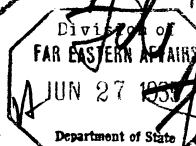
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

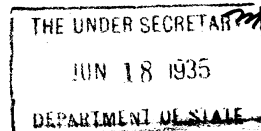
June 18, 1935. *FEA*

U
Mr. Phillips:

S
Mr. Secretary:



You may care to glance through the attached memorandum of June 18 summarizing developments in the North China situation from June 14 up to the morning of June 18.



FE:MMH:EJL

DEPARTMENT OF STATE

¹
DIVISION OF
DEPARTMENT OF STATE
OF FAR EASTERN AFFAIRS

June 18, 1935.

1935 JUN 27 PM 12 50

NORTH CHINA CRISIS - June 14 to June 17.

DIVISION OF
COMMUNICATIONS

793.94
The first approach of the Chinese Government to the American Government in connection with recent Japanese military activities in North China was on June 13, when the Chinese Minister called and showed the Department a telegram from Nanking recapitulating these events. The Minister did not inquire regarding the reaction of this Government to those events.

On June 14 the Chinese Political Vice Minister for Foreign Affairs summoned the American Legation's representative in Nanking and gave him orally another summary of events, substantially the same as the one just mentioned. However, the Vice Minister added that the Chinese Government would be pleased to learn the attitude of the American Government with regard to the developments he had described.

Before the Department had decided what reply, if any, it should send to the Chinese Vice Minister for Foreign Affairs, the British Ambassador called at the Department, under instructions, to state that instructions had been sent by London to the British Ambassador in Tokyo to inquire at the Japanese Foreign Office whether it was true, as reported, that a Japanese demand had been presented to

the

793.94/7120

FILED

JUL 26 1935

F/G

- 2 -

the Chinese authorities in Peiping that the Japanese authorities should be consulted in the selection of Chinese officials in North China, and in the event of a confirmation of this report, to inform the Japanese Government that such a demand constituted a violation of the Nine Power Treaty in regard to the administrative integrity of China.

A telegram dated June 15 from the American Ambassador in Tokyo said that his British colleague had told him about these instructions, but added that the British Ambassador, instead of carrying them out literally, had decided to send the Counselor of Embassy to see a subordinate official of the Japanese Foreign Office and remind him of an assurance given to the British Ambassador on June 3 that the Japanese did not intend to demand the inclusion of Peiping and Tientsin in the demilitarized zone and an assurance given to the British Ambassador by the Japanese Vice Minister for Foreign Affairs on June 8 that no ultimatum had been issued to the Chinese or could be issued by the Japanese military authorities without the approval of the Japanese Government; the British Ambassador intended to call on the Japanese Minister or Vice Minister for Foreign Affairs on June 17 if the reply made to the Counselor of Embassy by the bureau chief should be unsatisfactory.

Apparently

- 3 -

Apparently the British Ambassador did not state whether the assurances received by him from the Japanese as early as June 3 had been in response to inquiries or remonstrances from him, or had been unsolicited.

A second telegram dated June 15 from the American Ambassador in Tokyo reported that the Counselor of the British Embassy had been informed at the Foreign Office that the Japanese Foreign Office had not heard that the Japanese military authorities in North China had made a demand that no Chinese officials should be appointed in North China without Japanese approval; the Foreign Office informant ridiculed the idea that such a demand would have the endorsement of the Japanese Government, but admitted that the Japanese military authorities had indicated to the Chinese the advisability of appointing only such officials as should be friendly to Japan. The telegram said that the British Ambassador intended to see the Japanese Minister for Foreign Affairs early in the week beginning June 16, but that he still believed it would be preferable not to invoke the Nine Power Treaty except as a last resort. The American Ambassador in Tokyo and the American Minister in Peiping have both telegraphed that they concur in this opinion.

In addition to those already mentioned, the following conversations have taken place between the American,

British

- 4 -

British and Chinese Governments: On June 15 the Japanese Ambassador called at the Department and stated, under instructions, that the only basis of the many reports coming out of China was to be found in an effort of the Japanese authorities to have carried out two or three minor things which the Japanese had asked the Chinese to do. The Japanese Ambassador was told that the Department believed that it was very desirable that the Japanese Government should clarify the situation in North China, as he had done, and that it would be helpful if the Japanese Foreign Office continued to keep in touch with the Department from day to day in connection with this entire matter. The Department learned from the British Ambassador that the Chinese Minister in London called at the British Foreign Office on or about June 14 and stated that the Chinese Government, after accepting a number of demands of the Japanese military, had refused formally to agree to exclude from the Province of Hopei any person or organization whose conduct might prejudice Sino-Japanese relations. On June 17 the British Ambassador made a second call and agreed that since the British Ambassador in Tokyo had not actually made the representations which he had been instructed to make and was awaiting further instructions, no immediate reply was necessary regarding the nature of the instructions which should be sent to the American Ambassador

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

- 5 -

in Tokyo.

The latest reports tend to indicate that the Japanese military authorities are definitely paving the way for (a) a military advance westward through the Province of Chahar as a strategic move against Soviet Russia; and (b) the creation of an independent, buffer state in North China. It is also said that there is a movement on foot in the southern provinces of Kwangtung, Kwangsi and Hunan to cease from cooperating with Nanking and possibly to form another independent state; one report states that the Japanese have been connected with this movement.

m.m.h.

WMP
FE:WRP:EJL

DECLASSIFIED: E.O. 11652, 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.

BC

1-1336

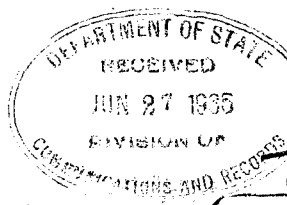
FROM

Gray

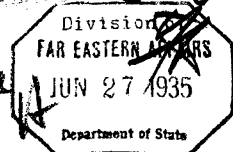
Peiping via NR

Dated June 27, 1935.

Received 7:15 AM



Secretary of State,
Washington.



321 June 27, 4 p.m.

Doihara announced at 1 p.m. today that the Chahar incident was settled fully and completely shortly before noon today when Chin Teh Chun called on him and that Chin expressed regrets for its occurrence, stated that officials responsible for the incident had been dismissed and promised to strive for amiable relations. Takahashi also stated that Chin had given him a signed letter which is supposed to contain Chinese acceptance of the Japanese demands especially as Doihara is understood to have threatened later on June 25 that he would return to Hsinking unless the Chinese did what he wanted them to do. The terms of the settlement have not been made public but it is presumed that they are in general those contained in paragraph two of Tokyo's telegram No. 141/June 26, 5 p.m. with perhaps two further items, namely, (one) promise that no more Chinese shall migrate to Chahar Province for settlement

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FILED

JUL 26 1935

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

Page 2 from Peiping No 321

settlement and (two) a time limit of two weeks for fulfilling the Japanese demands.

Doihara also stated that the incident created by the alleged attack by Chahar soldiers on a Manchukuo force (paragraph three of above mentioned telegram) has been settled. The details are not yet known.

Repeated to Tokyo and Nanking.

JOHNSON

CSB

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

DEPARTMENT OF STATE

RECEIVED THE UNDERSECRETARY
DEPARTMENT OF STATE

June 18, 1935.

DIVISION OF
FAR EASTERN AFFAIRS

JUN 21 1935

1935 JUN 26 PM 1 04

MEMORANDUM OF CONVERSATION WITH THE ITALIAN AMBASSADOR

DIVISION OF
COMMUNICATIONS
AND RECORDS

The Italian Ambassador read to me a telegram which

he had received from his Government containing the substance of a recent communication from the Chinese Ambassador in Rome, which seemed to me similar to the recent communication presented to us by the Chinese Minister here. It referred to the two sets of demands by the Japanese military and the fact that those presented on June 11th could not be granted. The Ambassador went on to say that he was instructed to ask for the views of this Government in regard to the whole Far Eastern situation.

In reply I gave him briefly the various steps which had been taken, including the instruction which the British Foreign Office had sent to their Ambassador in Tokyo (Sir Ronald Lindsay had told me that the fact that this instruction was being sent had been circulated among all the signatories to the Nine Power Treaty). I said that we were receiving many reports from China and Japan, that a number of them were in conflict, it was still too early to know precisely what the Japanese had asked and were insisting upon; the precise relationship between the Japanese Government and the Japanese military was also not clear and it was too

soon

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FILED

JUL 26 1935

F/G

2

soon, therefore, in our opinion, to form any definite plan as to any action which we might or might not take. I pointed out that Chiang Kai Shek had not, as yet, expressed himself although I had the impression from some of our despatches that he would favor acceding to the Japanese demands.

The Ambassador thanked me for this information.



William Phillips.

U WP/AB

DECLASSIFIED: E.O. 11652, 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. 1695

June 26 1935

CONFIDENTIAL - FOR STAFF USE ONLY.

The Honorable

Nelson T. Johnson,
American Minister,
Peiping.

Sir:

There is enclosed, for your personal and confidential information, a copy of a memorandum of the conversation which the Under Secretary had on June 18, 1935, with the Italian Ambassador, in regard to Sino-Japanese relations.

Very truly yours,

For the Secretary of State:

William Phillips

Enclosure:
Memorandum of conversation
June 18, 1935.



WE:JCG:EBJ
6/21/35

WJ
FE 1935

JUN 24 1935 PM

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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

No. 788

June 26 1935

CONFIDENTIAL - FOR STAFF USE ONLY.

The Honorable

Joseph C. Grew,
American Ambassador,
Tokyo.

Sir:

There is enclosed, for your personal and confidential information, a copy of a memorandum of the conversation which the Under Secretary had on June 18, 1935, with the Italian Ambassador, in regard to Sino-Japanese relations.

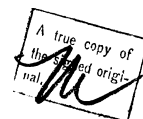
Very truly yours,

For the Secretary of State;

William Phillips

Enclosure:
Memorandum of conversation,
June 18, 1935.

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WE:JCG:EBJ
6/21/35
6/24/35
amw

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m. m. H.

JUN 24 1935 PM

DECLASSIFIED: E.O. 11652, 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 26 1935

No. 499

CONFIDENTIAL - FOR STAFF USE ONLY.

Alexander C. Kirk, Esquire,
American Chargé d'Affaires ad interim,
Rome.

Sir:

There is enclosed, for your personal and confidential information, a copy of a memorandum of the conversation which the Under Secretary had on June 18, 1935, with the Italian Ambassador, in regard to Sino-Japanese relations.

Very truly yours,

For the Secretary of State:

William Phillips

Enclosure:
Memorandum of conversation,
June 18, 1935.

793.94/7122

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6/24/35

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A true copy of
original
M

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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

MED

TELEGRAM RECEIVED

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

TIENTSIN VIA N.R.

Dated June 28, 1935

Received 9:30 a.m.,

June 27, 1935

Secretary of State,

Washington, D. C.

June 28, 10 a.m.

Railway between Tientsin and Peiping interrupted
this morning reported to be due to the attempt of
mutinous Chinese forces at Fengtai to enter Peiping
last night. Will report further as soon as possible.

CALDWELL

CSB

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FILED
JUL 26 1935

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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

COPIES SENT TO
O.N.I. AND M.I.
TELEGRAM RECEIVED

MED

1-1336

FROM

SPECIAL GRAY

NANKING VIA N.R.

Dated June 28, 1935

Received 6:40 a.m.

Secretary of State,

Washington, D. C.

186, June 28, noon.

Foreign Office states it is rumored that Wan Fu

Lin's troops at Fengtai have mutinied *and have* cut the
telegraph lines. It requests me to furnish it any
information in this respect which I may obtain
by radio.

ATCHESON

HPD

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FILED
JUL 26 1935

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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

MED

TELEGRAM RECEIVED

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

PEIPING VIA N.R.

Dated June 28, 1935

Received 9:50 a.m.

Secretary of State,

Washington, D. C.

322, June 28, noon.

As the result of a disturbance which began last night about 10 p.m. south of Peiping, martial law was declared within the city. It was lifted about 9 o'clock this morning but the city gates are still closed.

According to Chinese official sources some plainclothesmen (reported variously to number from 20 to 200) began the trouble at Fengtai, a railway junction about 10 miles south of Peiping. Some of the plainclothesmen seized an armored train belonging to Wan Fu Lin's 53rd army and persuaded or forced its crew, consisting of about 100 men, to drive it toward Yungtingmen a gate in the outer South Wall of Peiping. There occurred considerable firing in that vicinity between the armored train and Peiping troops.

According to the latest information from a responsible Chinese official the train has not yet been retaken and there is also fighting in progress at Fengtai between plainclothesmen and government forces.

A circular telegram from Fengtai has been received
by Chinese

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JUL 26 1935

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

- 2 - #322, From Peiping, June 28, noon
by Chinese officials in Peiping which states that this
is a movement to establish an independent government.
According to one official the telegram was sent by disgruntled officers of Sung Che Yuan; according to another official the telegram was sent by Pai Chien Wu, former chief of staff of Wu Pei Fu.

I shall report further as soon as various reports which are now in circulation become more clarified.

I have just been officially informed (11:30 a.m.) that the plainclothesmen have retreated into the demilitarized zone and that fighting at Fongtai has ceased with the recapture of the armored train.

In Mukden's despatch to Legation 119, June 19, it was stated that an informant had said that Pai Chien Wu had been residing incognito in Mukden and left Mukden for Tientsin about the middle of June in the hope of becoming an official of importance in a new North China regime.

Repeated to Nanking and Tokyo.

JOHNSON

RR:CSB

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

DEPARTMENT OF STATE
RECEIVED
THE UNDER SECRETARY OF STATE
DIVISION OF FAR EASTERN AFFAIRS
JUN 17 1935

JUN 17, 1935
1935 JUN 27 PM 2
DIVISION OF
FAR EASTERN AFFAIRS
JUN 20 1935
COMMUNICATIONS
AND RECORDS
NOTED

U:
Mr. Phillips
S:
Mr. Secretary, Department of State

In connection with the resolution which Senator King has introduced in regard to the North China situation, you will recall that Senator King, under date January 3, introduced a somewhat similar resolution and that the Department's views in regard to that resolution were set forth in a letter of January 31, 1935, to Senator Pittman.

It is believed that the carrying out of the resolution introduced by Senator King would be disadvantageous to the conduct of the foreign relations of the United States.

M. M. H.

MMH/REK

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

DEPARTMENT OF STATE

RECEIVED
DIVISION OF FAR EASTERN AFFAIRS
DEPARTMENT OF STATE

June 17, 1935.

1935 JUN 27 PM 2 00
Conversation.

DIVISION OF
COMMUNICATIONS
AND RECORDS

Senator William H. King of Utah,
and Mr. Hamilton.

Senator King telephoned and stated that he had today introduced in the Senate a resolution which had been referred to the Foreign Relations Committee stating that Japan had raped China by seizing Manchuria and that Japan was now seizing additional Chinese territory, and authorizing the Senate to appoint a committee which, after holding hearings and investigations, would report to the Senate its considered judgment as to the course of action the United States should take in reference to the present situation. He stated also that he had asked that a copy of the resolution be referred to the Department of State for an expression of views.

Mr. Hamilton stated that he could assure the Senator that the Secretary and the Under Secretary and other officials of the Department were following the situation attentively, that constant reports were being received on the matter; and that the Department was giving the present situation careful attention. Senator King remarked that he realized that the Department was following developments in the situation but that



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JUN 28 1935

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

- 2 -

that he thought that some action should be taken by the American Government to make it clear that the Government and the American people disapproved of Japan's actions. He stated that in his opinion Japan's flagrant flouting of the provisions of the Nine Power Treaty should be protested by the American Government. He said that he did not think that we should get into a war with Japan in regard to the matter but that the United States should make it clear that it did not countenance Japan's actions.

Senator King stated that he realized that the Department might not like the action taken by him in introducing this resolution.

Mr. Hamilton thanked the Senator for bringing to his attention the fact that the Senator had introduced this resolution.

M. M. H.

MMH/REK

DECLASSIFIED: E.O. 11652, 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

RECEIVED
DEPARTMENT OF STATE
Paris, June 18, 1935.

1935 JUN 28 PM 12 16

DIVISION OF
COMMUNICATIONS
AND RECORDS

SPECIAL REPORT

No. W. D. 1548.

Division of
FAR EASTERN AFFAIRS
JUN 28 1935
Department of State

For Distribution-Check			
Grade		For	
For		To Field In U.S.A.	

To the Secretary of State,

Washington, D. C.

HMS
JUL 19 1935

The American Ambassador forwards herewith
Mr. Warrington Dawson's Special Report No. W. D.
1548, dated June 18, 1935.

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FILED
JUL 22 1935

F/FG

WD/MM

W.D.



EMBASSY OF THE
UNITED STATES OF AMERICA

Paris, June 18, 1935.

Serial No. W. D. 1548.

SPECIAL REPORT,

By Warrington Dawson,
Special Assistant.

SUBJECT: The Sino-Japanese Situation
as Reviewed in LE TEMPS
and LE FIGARO

Roland de Marès discussed the situation of the Far East in the edition of LE TEMPS which appeared on the afternoon of June 14 under date of the next day, June 15. He declared that events in North China were continuing to preoccupy all minds attentive to events in the Far East, since it appeared that the difference between Japan and China had not been settled by the acceptance of the conditions which had been laid down by the Japanese High Command.

Commenting upon the incidents which served as arguments for this new development in the situation, he remarked:

"All this is evidently very singular and gives a strange idea of the political and diplomatic methods prevailing in the distant East and which our mentality

as

- 2 -

as Westerners does not allow us to understand. Japan raised her Legation in China to the rank of an Embassy, thereby treating the latter country as a great power, and yet the Japanese High Military Command is actively urging on the advance of Japanese troops into Northern China. On the one hand the intention of Japan to extend to Northern China the protection already granted to Manchukuo is evident and could not be questioned by any well-informed person; on the other hand relations between Tokyo and Nanking have developed in such a way that the political and economic cooperation of China and Japan on the Asiatic Continent may be considered as having become a reality whose consequences will soon be felt in all directions. These two policies seem difficult to reconcile if one adheres to the principles and doctrines which rule international relations according to the most respectable European traditions. But the mentality of men of the Yellow Race agrees very well with such conflicting facts, which the subtlety of their diplomacy renders acceptable to the Japanese and Chinese masses, saving appearances for the established power."

In his conclusion de Marès remarks that it is recognized even in Peiping that the expansionary policy of Japanese protection on the Asiatic Continent is developing methodically and that Japan intends to create north of the Yellow River a buffer state to connect the provinces of Northern China with Manchukuo, reasserting what he himself had written in LE TEMPS of June 12, 1935 (See Special Report No. W. D. 1545 of June 13, 1935, page 6), to the effect that the day may be near

at

- 3 -

at hand when the Japanese would restore the Manchurian Emperor to the throne in Peiping itself, thus bringing into effect the great idea of a vast Northern Chinese Empire under Japanese control.

De Marès reports that both Washington and London are refusing to consider the idea of an eventual recourse to force in order to stand in the way of the Japanese advance. Furthermore, China herself has not thought well to appeal to the League of Nations, as she would have the right to do concerning the new situation created by Japanese activities in the Hopei.

In a letter dated from Mukden and published in LE TEMPS of June 15, 1935, André Duboscq declared that what he was now writing could not be more than a mere preface to what he would have to say concerning Manchukuo, which was far from being a myth or a subject for jokes, but existed as a fact, although the State was not yet recognized. Although subject to special conditions, it had a sovereign cabinet, ministers and even occasional resignations of cabinet ministers, exactly like any other country.

Viewing the general situation on the Asiatic Continent, he went on to declare:

"A new Sino-Japanese policy is appearing, which does not correspond to Western conceptions of international ententes. This policy may not succeed. It may be deflected, under European influence, in directions having no issue, but it may also lead to an Asiatic equilibrium which would be to the advantage of the European Powers, provided these last do not mistake Far Easterners for Westerners."

LE

- 4 -

LE FIGARO published on June 14 and 16, respectively, two articles dealing with Japanese expansion in North China.

The first of these articles, which was unsigned, dwelt upon the method shown in this expansion, the latest ultimatum addressed to Nanking being destined to assure the hold of Japan on a vast territory.

The writer remarked:

"Since China has not appealed to the League of Nations, the latter has no occasion to deal officially with present events. The Powers having interests in these regions do not seem desirous to intervene, since intervention might end in war, and nobody wants that. The most they might do would be to make a demarche in Tokyo, which would probably have no result at all.

"Japan seems resolved to continue establishing herself in Northern China where she has already acquired a very great influence. First there was the creation of Manchukuo and next there was the seizure of the Jehol. Today the Province of Hopei is the aim in view."

In FIGARO of June 16, 1935, Roger Labonne went to the extent of arguing that Japan aspired to economic hegemony in China with the latter's market of 450 million human beings.

In the course of this article, which is very diffuse, the writer remarks:

"America has ceased to send broadsides of admonitions, as in the Stimson notes (to Japan), the Roosevelt diplomacy

- 5 -

diplomacy having become as conciliatory as the Hoover diplomacy was aggressive. If the Navy proceeds with big spectacular manoeuvres between Alaska and Hawaii, care is had to send Admiral Upham on a friendly visit to Japan, begging the latter not to take exception to these training exercises. Finally, England, anxious for Singapore and Hong Kong, has a care not to frown, since it is not her custom to stand alone against a rival of such size, even when threatened in the vital parts of her world trade."

The originals of the articles mentioned in this despatch are enclosed herewith.

Respectfully yours,

Warrington Dawson

Warrington Dawson,
Special Assistant.

4 ✓
Enclosures:

Extracts from:

- 1) LE TEMPS of June 15, 1935, (Roland de Marès)
- 2) LE TEMPS of June 15, 1935, (André Duboscq)
- 3) LE FIGARO of June 14, 1935,
- 4) LE FIGARO of June 16, 1935,

In quintuplicate

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WD/MM

Enclosure 1 to Special Report No. W.D. 1548
of June 18, 1935, from American Embassy, Paris.

Clipped from LE TEMPS of June 15, 1935.

Paris, le 14 juin

BULLETIN DU JOUR

EN EXTRÊME-ORIENT

La situation dans la Chine du Nord continue à préoccuper les esprits attentifs aux événements d'Extrême-Orient. Alors que l'on considèrerait le différend réglé par l'acceptation des conditions posées par le haut commandement japonais au sujet de l'élargissement de la zone démilitarisée jusqu'à la ligne Pékin-Tien-Tsin, l'affaire rebondit à la suite de nouveaux incidents, encore mal éclaircis, qui ont déterminé les Nippons à formuler des exigences complémentaires, plus sévères que celles déjà acceptées du côté chinois. Dans le Chahar, au sud-ouest du Jehol, des officiers japonais auraient été retenus pendant plusieurs heures en état d'arrestation par les autorités chinoises; d'autre part, le ministre de la guerre chinois, le général Ho Ying Tchin, aurait refusé de donner par écrit son acceptation définitive de l'accord convenu, parce qu'il se serait trouvé dans le texte qui lui fut soumis par l'attaché militaire japonais une condition supplémentaire que le président du conseil militaire de Pékin aurait jugée inadmissible. La démission du général Ho Ying Tchin, annoncée hier, est démentie aujourd'hui, mais toujours est-il que les Nippons ont pris des mesures militaires en vue d'exercer une pression de nature à faire tomber les dernières hésitations des autorités chinoises. Ils ont amené des renforts à Tien-Tsin, et aujourd'hui même des escadrilles d'avions militaires venant de la base du Jehol survolent Pékin, à seule fin, est-il dit, de constater le retrait des troupes chinoises. On ne manque pas de souligner que cette démonstration militaire a lieu à Pékin le jour même où l'ambassadeur du Japon en Chine présente ses lettres de créance.

Tout cela est évidemment fort curieux, et donne une singulière idée des méthodes politiques et diplomatiques qui prévalent dans l'Orient lointain, et que notre mentalité d'Occidentaux ne nous permet pas de comprendre. D'une part, le Japon a érigé en ambassade sa légation en Chine, traitant ainsi ce pays en grande puissance; d'autre part, le haut commandement militaire japonais pousse activement l'avance des troupes nippones dans la Chine du Nord. D'un côté, l'intention du Japon d'étendre à la Chine du Nord la protection qu'il accorde au Mandchoukouo est évidente, ne saurait plus faire aucun doute pour tout esprit averti; de l'autre côté, les relations entre Tokio et Nankin ont pris un développement tel que l'on peut considérer que la coopération politique et économique sino-japonaise sur le continent asiatique est devenue une réalité dont les conséquences ne tarderont pas à se faire sentir dans tous les domaines. Ces deux politiques paraissent difficiles à concilier si l'on s'en tient aux principes et aux doctrines qui commandent les relations internationales dans le cadre des plus respectables traditions européennes; mais la mentalité des hommes de race jaune s'accommode fort bien de ces oppositions de fait, que la subtilité de leur diplomatie finit par faire admettre par les masses nippones et chinoises dès l'instant où elle réussit à sauver la face pour le pouvoir établi.

Le Japon a déjà obtenu, on le sait, la dissolution des sociétés secrètes antijaponaises à Pékin, l'effacement du bureau militaire chinois et le retrait des divisions chinoises qui occupaient le Hopei. Ses nouvelles exigences, à en croire des informations transmises de différentes sources, auraient un caractère beaucoup plus général. De Pékin, on signale à l'agence Reuter que le haut commandement japonais réclame le départ du gouverneur chinois du Chahar et l'évacuation de cette région par les troupes chinoises qui s'y trouvent encore. De Shanghai, on annonce que le commandement des forces nippones a présenté à Pékin un ensemble de demandes dont l'acceptation équivaudra, en réalité, au contrôle par le Japon de toute la politique générale de la Chine. L'activité des groupements antijaponais devrait être supprimée; les anciens emprunts japonais, contestés jusqu'ici, devraient être consolidés; la Chine devrait abandonner toute idée de chercher un appui auprès des puissances étrangères contre le Japon; elle devrait tenir compte de l'opposition du gouvernement

sur la résistance de Nankin. Il serait bien surprenant que le cours des événements, tel qu'on le voit se dessiner depuis quelques semaines, ait encore se modifier sensiblement. A Pékin même on constate que la politique d'extension de la protection japonaise sur le continent asiatique se développe méthodiquement, et que le Japon entend créer au nord du fleuve Jaune un Etat tampon par lequel les provinces de la Chine du Nord seraient reliées au Mandchoukouo. Le jour, peut-être proche, où les Japonais rétabliront l'empereur mandchou sur le trône à Pékin même, la grande idée d'un vaste empire chinois du nord sous contrôle japonais sera totalement réalisée. C'est à Tchang Kai Chek qu'il appartient à cette heure de décider de la politique qu'entend suivre le gouvernement national de la Chine; mais, au point où en sont les choses, il est bien invraisemblable que la résistance de Nankin puisse entraver pratiquement la poussée nipponne. Quant aux puissances directement intéressées au maintien de la porte ouverte en Chine, et qui tiennent des traités des droits auxquels elles n'entendent point renoncer, si elles suivent de près les événements, et si elles réagissent par la voie diplomatique contre l'attitude du Japon, il n'apparaît guère jusqu'ici qu'elles soient disposées à intervenir avec énergie. A Washington et à Londres, où l'on a bien d'autres soucis pour l'instant, on écarte nettement toute idée d'un recours éventuel à la force pour faire obstacle à l'avance nipponne. Et il est à noter, au surplus, que la Chine elle-même n'a pas cru devoir saisir la Société des nations, comme elle serait en droit de le faire, de la situation nouvelle créée par l'activité japonaise dans le Hopei.

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

l'agence Reuter que le haut commandement japonais réclame le départ du gouverneur chinois du Chahar et l'évacuation de cette région par les troupes chinoises qui s'y trouvent encore. De Shanghai, on annonce que le commandement des forces nippones a présenté à Pékin un ensemble de demandes dont l'acceptation équivaudra, en réalité, au contrôle par le Japon de toute la politique générale de la Chine. L'activité des groupements antijaponais devrait être supprimée; les anciens emprunts japonais, contestés jusqu'ici, devraient être consolidés; la Chine devrait abandonner toute idée de chercher un appui auprès des puissances étrangères contre le Japon; elle devrait tenir compte de l'opposition du gouvernement de Tokio au projet d'emprunt international; la coopération économique sino-japonaise devrait s'étendre au Mandchoukouo; à Pékin devrait être établie une administration chinoise en réalité contrôlée par le Japon, et pour le gouvernement de la province du Hopei il devrait être fait choix d'une personnalité notoirement favorable au Japon; enfin les « chemises bleues », qui sont à la dévotion de Tchang Kai Chek, et toutes les organisations secrètes devraient être supprimées dans la Chine entière. Le comité politique du Kuomintang, bien que son influence soit particulièrement visée par de telles demandes, serait résigné à les admettre; mais les autorités de la Chine du Nord considéreraient, non sans raison, que la plupart de ces questions ne peuvent être réglées que par le gouvernement central de Nankin, lequel, du fait que les organisations dépendant directement de Tchang Kai Chek sont menacées, ferait de sérieuses objections aux dernières demandes des Nippons.

Il n'y a pourtant pas d'illusions à se faire

Enclosure 2 to Special Report No. W. D. 1548
of June 18, 1935, from American Embassy, Paris.

Clipped from LE TEMPS of June 15, 1935.

2. — LE TEMPS. — 15 juin 1935

Lettre d'Extrême-Orient

AU MANDCHOUKOUO

(De notre envoyé spécial)

Moukden, mai.

Cette lettre, pour deux raisons, ne doit être qu'une courte préface à ce que j'écrirai par la suite sur le Mandchoukouo. La première de ces raisons est que les questions que soulève ce pays si ancien et si nouveau à la fois sont multiples; la seconde, qu'il faut un certain recul pour que toutes les choses vues et entendues coup sur coup pendant un long voyage se dégagent et se classent un peu d'elles-mêmes suivant leur importance, au rang qu'elles doivent avoir.

Le Mandchoukouo n'est pas un mythe. On en a ri, on en a souri, on pourra en sourire encore, il n'en existe pas moins quoique non reconnu. C'est un Etat constitué suivant des règles un peu particulières, j'en conviens, mais enfin, il s'y trouve un souverain, des ministres et même des ministres dont certains viennent de donner leur démission, comme cela se voit dans tous les pays... Je n'oublie pas que ces ministres mandchous ont auprès d'eux des vice-ministres japonais, ce qui évidemment est spécial au pays, que les forces militaires mandchoues (100.000 hommes) sous les ordres du souverain et du ministre de la guerre peuvent, pour la défense nationale, recevoir des directives du chef de l'armée japonaise du Kouang-Toung (50.000 hommes) qui est en même temps, du moins quant à présent, l'ambassadeur du Japon au Mandchoukouo, le général Minami. Les Japonais jouent donc dans l'Etat indépendant du Mandchoukouo un rôle dont l'importance n'est pas niable...

Tout cela est assez particulier; les Japonais le reconnaissent eux-mêmes et en dépit de leurs explications, cela donne l'impression d'être provisoire. « Les deux nations, dit un article de propagande, sont maintenant appelées à grandir et à tomber ensemble, mais jamais séparément. Rien de pareil ne s'est encore vu dans l'histoire du monde. C'est une ligue loin de toute espèce d'alliance offensive et défensive. Il n'y a aucune comparaison à établir. » Mais l'on sait que le provisoire peut durer longtemps et que des situations qui tout d'abord peuvent faire craindre des froissements, certaines difficultés entre les autorités d'un pays, s'arrangent avec le temps. Et puis n'est-on pas en Asie où des états de fait qui, en Europe, ne dureraient pas, trouvent leur équilibre dans des formules qui ne peuvent être traduites ni dans notre langue ni dans nos pensées; tel le *Quang Tao*, la voie du roi, ou du bon souverain, ou de la justice, principe qui justement préside au gouvernement du Mandchoukouo et dont l'empereur lui-même et son ministre des affaires étrangères m'ont parlé, un peu comme nous dirions liberté, égalité, fraternité... Grâce à ce principe qui se tend partout et toujours qu'au bien du peuple, les difficultés auxquelles je fais allusion ne doivent pas exister. Je ne sais si le *Quang Tao* sera inscrit sur les murs des édifices publics du Mandchoukouo comme notre formule républicaine sur les nôtres, mais s'il n'est pas sur les murs, il sera présent à la pensée des gouvernants et rien ne dit après tout qu'il n'ait pas sur la collaboration des autorités mandchoues et japonaises. L'influence que l'on en attend généralement.

Le développement économique du pays est plus aisé à envisager dès à présent et il est incontestable qu'il aura lieu, sauf imprévu, dans un délai relativement court; ce qui a été fait depuis deux ans laisse à penser ce que l'on verra dans cinq ans, époque à laquelle les Japonais vous donnent rendez-vous. Ce développement n'est pas douteux parce qu'il correspond au caractère résolu des Japonais, secondé par les qualités de réalisateurs et d'organiseurs que l'on sait. Oh ! là encore l'on peut craindre des difficultés du dehors et du dedans. La question financière est certainement la plus grave qui se posera parce qu'elle commande toutes les autres.

Le Mandchoukouo recèle de grandes richesses et les Japonais ont le personnel technique capable de les exploiter; mais cela nécessite pour commencer de grands capitaux. Je sais bien qu'il y a des « bas de laine » japonais; la preuve en est que les emprunts intérieurs ont été jusqu'ici rapidement couverts. Mais cela durera-t-il ? Les autorités japonaises s'en préoccupent à juste titre. Par exemple, les usines et les fabriques qui s'élèvent dans le Mandchoukouo grâce à ces emprunts, armeront économiquement le pays; mais quand ces usines auront produit tout ce qui fera du Mandchoukouo un Etat moderne, que deviendront-elles ? Ne seront-elles pas un poids mort, auquel

Des conversations ont lieu entre Nankin et Tokio sur un ton favorable à l'entente économique d'abord que le Japon a en vue entre la République chinoise, le Mandchoukouo et lui. L'élévation des légations chinoise et japonaise à Tokio et à Nankin en ambassades correspond probablement à un résultat de part et d'autre avantageux déjà obtenu par les négociateurs chinois et japonais. Nous n'avons d'ailleurs jamais pensé que les avantages recherchés puissent être autres que réciproques, et la paix en Extrême-Orient ne nous a jamais paru pouvoir être assurée autrement que par un accord où les Chinois interviendraient sur un pied d'égalité avec les Japonais.

Malgré tout, la question politique du Mandchoukouo reste pendante entre les deux peuples; mais le cours des affaires n'en est guère gêné. La Chine achète en effet au Mandchoukouo près de deux fois et demie ce qu'elle lui vend; de nombreux Chinois ont investi des capitaux au Mandchoukouo; la Banque de Chine qui, avant la constitution de l'Etat mandchou, avait un siège central à Moukden pour ses affaires en Mandchourie, et une simple succursale à Hsinking, transfère, le 1^{er} juillet de cette année, son siège central à Hsinking, la capitale, tout en laissant une succursale à Moukden.

L'économique, en le voit, ne perd jamais ses droits en dépit de la politique, chez un peuple pratique et commerçant comme l'est le peuple chinois.

Le général Doihara, chef de la mission militaire japonaise, qui vient de parcourir la Chine et parallèlement aux conversations du représentant diplomatique du Japon avec le gouvernement de Nankin, eut des entretiens avec des personnalités officielles et non officielles, afin d'améliorer les relations entre les deux pays, m'assurait ici que l'atmosphère politique était moins lourde. Son opinion confirmait tout ce qui m'avait été dit à ce sujet.

Une nouvelle politique sino-japonaise s'esquisse, politique de fait si l'on veut et qui ne correspond pas à l'idéal qu'on se fait en Occident des ententes internationales, politique qui peut ne pas aboutir, qui peut dévier, s'égarer encore précisément du fait d'influences européennes dans des directions sans issue; mais qui peut aussi mener à un équilibre asiatique auquel les puissances occidentales trouveraient leur compte, à condition toujours de ne pas prendre pour des Occidentaux les Extrême-Orientaux.

Plus on observe ces derniers, plus on est convaincu de l'illusion qui consiste à croire que des normes uniformes conviennent à l'humanité tout entière. Le monde est fait de diversités que la politique doit chercher à concilier et à équilibrer, non point à supprimer. Le mot équilibre qu'on a stupidement voulu rayer du vocabulaire politique s'impose fatalement aux nations avec tout ce qu'il signifie. Un équilibre asiatique est tout aussi nécessaire qu'un équilibre européen. Cela ne veut pas dire qu'il faille élever des cloisons étanches entre l'Asie et l'Europe, mais que si des rapports de toutes sortes, matériels et moraux, doivent être recherchés entre les peuples des deux continents, ils doivent l'être sans l'illusion d'une fusion possible des conceptions innées et des ententes de vie de l'Orient et de l'Occident.

Pratiquement, ces considérations tendent à l'établissement et à l'exécution de programmes économiques et politiques qui nécessitent de la part des gouvernements d'Occident une parfaite connaissance de la psychologie orientale. Et s'il

est un cas où cette connaissance soit particulièrement requise, c'est bien celui des rapports de la Chine et du Japon depuis la création du Mandchoukouo.

ANDRÉ DUBOSCQ.

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

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Mais ne soyons pas pessimistes. Faisons crédit à l'esprit d'opportunité des Japonais. En ce moment, et peut-être seulement en apparence, cet esprit cède chez certains à la griserie du succès; mais la plupart des officiels sont d'avis de demander aux étrangers ce que le Japon ne pourra faire lui-même. Ils ont donc conscience que le Japon aura besoin d'aide. En attendant, la capitale du nouvel Etat, Hsinking s'élève rapidement. Les ministères, les bâtiments des grandes administrations se construisent; l'emplacement du palais de l'empereur est désigné, celui des légations est prévu... L'empereur, jusqu'à présent, occupe l'ancien bâtiment de la gabelle en pierre grise, lamentablement triste, de style administratif chinois semi-moderne.

La Chine, bien qu'elle vienne de régler avec le Mandchoukouo la question des douanes, des chemins de fer et de la poste, n'a pas reconnu le nouvel Etat. On se rappelle que le Salvador seul l'a reconnu officiellement et que l'Union soviétique, en traitant avec lui la cession du chemin de fer de l'Sst-Chinois, dorénavant North-Mandchouria-Railway, s'est mise vis-à-vis du Mandchoukouo dans une situation très difficilement définissable. Mais ne nous hasardons pas sur le terrain des subtilités diplomatiques et revenons aux Chinois.

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Department of State letter, August 10, 1972
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Enclosure 3 to Special Report No. W.D. 1548
of June 18, 1935, from Embassy, Paris.

Clipped from LE FIGARO of June 14, 1935.

L'expansion méthodique du Japon dans la Chine du Nord

**Un nouvel ultimatum
à Nankin doit assurer
la mainmise nipponne
sur un vaste territoire**

La situation dans le nord de la Chine continue d'être très tendue. De nouveaux incidents se sont produits entre les forces chinoises et japonaises. Le gouvernement de Tokio a soumis à Nankin de nouvelles demandes, qui équivalent à un ultimatum. Les Chinois devraient retirer entièrement leurs troupes de la province de Hopei. Des administrateurs favorables au Japon devraient y être installés. Toute action antinipponne devrait cesser dans tout le pays. La Chine devrait s'engager à ne pas recevoir de l'étranger une aide qui pourrait être considérée comme étant dirigée contre le Japon.

Le gouvernement de Nankin paraît désireux de donner satisfaction aux réclamations de Tokio, l'expérience lui ayant appris que toute résistance était vaine. Il a ordonné le retrait de ses troupes de la province de Hopei. Les Japonais n'en ont pas moins fait survoler la région par leurs avions et ils y ont concentré de nouvelles forces. L'inquiétude continue de régner à Pékin et à Tien-Tsin. Les puissances qui, depuis la guerre des Boxers, entretiennent des garnisons dans ces deux villes — la France, notamment — se demandent si elles pourront les y maintenir, et s'il ne serait pas préférable de les transporter dans le sud, en même temps qu'elles installeraient à Nankin leurs légations, sur le point d'être transformées en ambassades.

La Chine n'ayant pas saisi la Société des nations des événements actuels, celle-ci n'a pas officiellement à s'en occuper. Les puissances qui ont des intérêts dans ces régions ne semblent pas elles-mêmes désireuses d'intervenir, car toute intervention pourrait se terminer par une guerre, que personne ne souhaite. Tout au plus feront-elles une démarche à Tokio, mais qui n'aura vraisemblablement aucun résultat.

Le Japon paraît, en effet, décidé à poursuivre son établissement dans la Chine du nord, où il a déjà acquis une influence considérable. Ce fut d'abord la création du Mandchouhouo, ensuite la mainmise sur le Jehol. C'est aujourd'hui la province de Hopei qui est visée.

Enclosure 4 to Special Report W. D. 1548
of June 18, 1935, from Embassy, Paris.

Clipped from LE FIGARO of June 16, 1935.

LE JAPON veut s'assurer l'hégémonie économique en Chine

Un marché de 450 millions d'êtres humains

Au moment où les relations sino-japonaises semblaient suivre un meilleur cours, où, Nankin, lassé d'attendre du côté de Washington ou de Moscou, un secours efficace, venait de rétablir les relations ferroviaires et postales avec ses provinces perdues, accédant peu à peu aux exigences de son redoutable voisin, le colonel Takahashi remettait à Pékin un véritable ultimatum: et, contraste plus poignant encore, le jour même où la légation nipponne à Shanghai (route Pichon, concession française) était, par un geste aimable, érigée officiellement en ambassade, des escadrilles aux couleurs du Soleil Levant survolaient les toits polychromes de la Cité interdite.

En même temps, une brigade mixte de l'armée du Kwan-Fung franchissait la grande muraille à Shanghai-kwan et venait camper aux abords de Ching Wang Tao, la plage balnéaire utilisée par la flotte américaine du Pacifique, pour le délassément de ses marins en période estivale...

Une politique complexe

D'impertinents raisonneurs à la Diderot tentent d'appliquer les règles de leur logique à ces événements contradictoires et discutent des choses d'Extrême-Orient comme de celles d'un arrondissement. C'est perdre un peu son temps que les imiter. La politique est là-bas un art complexe, dont les subtilités échappent à l'entendement de l'Occidental. Parmi les Chinois hauts placés, il est en effet des japonophiles avérés et convaincus comme le généralissime Tchang Kai Chek, ancien élève de l'Académie de Tokio, son compatriote le général Huang Fu, ministre de l'Intérieur et le général Ho Ying Ching, ministre de la Guerre.

Or, Tokio, s'il voulait ruiner leur crédit et les mettre dans l'embarras, n'agirait pas autrement qu'en faisant perdre la précieuse face à leur pays. Dans la liste de ses nouvelles demandes, il exige la suppression des chemises bleues, l'organisation fasciste du dictateur. Il insère une clause supplémentaire et humiliante dans la liste des demandes présentées au général Ho Ying Ching le 11 juin. Enfin, en lançant le ballon d'essai de la dislocation de la Chine et de la constitution d'un Etat tampon dans le Nord, il indique le nom de son candidat à la présidence du nouvel Etat; et ce personnage de confiance n'est autre que le général Huang Fou.

On tente bien d'expliquer ces anomalies en disant qu'il existe à Tokio deux diplomaties, celle du Gaimucho et celle de l'Etat-Major, comme il existe à Londres celle du War Department et celle du Foreign Office.

En réalité, le Japon est un pays bien trop discipliné et trop subtil pour que pareille analogie puisse être retenue, et il doit lui arriver bien souvent de mettre au compte des militaires les événements dont il souhaite ou prépare secrètement la venue.

Roger Labonne.

Le Japon veut s'assurer l'hégémonie économique en Chine

Un marché de 450 millions d'êtres humains

(Suite de la première page)

Sa politique se distingue essentiellement de celle des autres, en ce qu'au lieu d'être faite de mots, elle est en actes, tout en actes, dont la succession interrompue brouille les idées comme quelque film hallucinant tourné dans la Nevada.

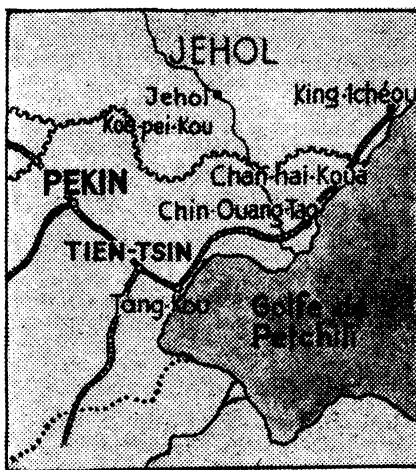
Il existe cependant une trame dans ces scènes d'apparence sans suite brouillées par les impatiences de l'armée de Kwantung qui ronge son frein aux portes d'un empire immense, Maroc gigantesque et anarchique qu'elle rêve de pacifier et d'organiser avec l'aide de ses admirables régiments de Port-Arthur, Dairen, Moukden et Hsingking; aux frontières de Tchagar semi-désertique, où ses Lawrence au petit pied, préparent la révolte des Mongols comme leur défunt émule prépara en Syrie la révolte des Arabes.

Cette trame si ténue soit-elle, c'est la protection des intérêts et des capitaux nippons investis en Chine. On l'oublie trop: une des raisons profondes des événements de Moukden le 18 septembre 1931, fut la nécessité d'arrêter sans délai le travail de neutralisation entrepris dans les provinces mandchoues avec l'appui ouvert de l'étranger et consistant à miner Dairen et le sud mandchourien par la construction du port d'Hulutao et

l'Angleterre, inquiète à Singapour et à Hong-Kong, se garde néanmoins de lui faire mauvais visage, n'ayant pas coutume d'affronter seule un concurrent de sa taille, la menaçait-il dans les œuvres vives de son commerce mondial.

Reste la Chine. Il est devant elle face à face. La Chine toujours anarchisante, moins à même que jamais de lui résister autrement que par l'envoi de protestations qui ne trouvent plus, sur les rives du Léman, que des échos affaiblis. La Chine brutalisée et rancunière, mais mue par un sentiment presque féminin, admirant en secret ce cousin fort et professant un dédain non dissimulé pour la longanimité sans mesure des autres puissances. La Chine ruinée par le brigandage, les malfaçons de milliers de Verrès et de « strong-men »; incapable, malgré les efforts méritoires et courageux de ses patriotes, de mettre sur pied un gouvernement stable, de procéder sur son territoire à l'œuvre de rénovation impressionnante réalisée au Manchukuo; la Chine pacifique songeant au repos après vingt-trois années de tribulations, fût-ce au prix provisoire d'une indépendance d'ailleurs toute factice; bien certaine, au demeurant, d'absorber ce conquérant comme elle en a absorbé tant d'autres, et prête peut-être à lui ouvrir ses bras, comme les habitants de Pékin, qu'on dit prêts à acclamer, le drapeau à la main, leur ancien souverain Kang Teh, quand il quittera sa résidence de Hsingking pour revenir s'asseoir sur le trône de ses pères.

Roger Labonne.



La région du conflit sino-japonais.

d'un réseau de voies ferrées parallèle aux lignes japonaises.

Nankin et Canton ripostèrent aux combats de la Nonni par le boycottage qui fit baisser d'un coup d'une manière catastrophique les importations nippones. Le bombardement de Chapei n'y mit fin qu'en partie; et depuis cette époque, le pays du Mikado a mis tout en œuvre non seulement pour rétablir sa situation commerciale mais encore pour assurer, par les temps difficiles où vit le monde, l'hégémonie d'un marché immense, l'exclusivité d'une clientèle de 450 millions d'êtres humains à une industrie qui connaît un essor foudroyant mais que guettent, comme elles guettent les autres, la surproduction et la mévente.

Cette idée est la note dominante des cinq premières demandes présentées à Pékin: suppression des activités antijaponaises, engagement de ne pas accroître le tarif douanier, de repousser la collaboration financière internationale et enfin de reconnaître le Manchukuo.

Tokio a déjà marqué des points

Certes, depuis 1932, le Japon a marqué maints et maints points sur son échiquier économique en Chine. Même du côté de Canton où le blocus demeure rigoureux, ses marchandises arrivent à filtrer au travers des barrages tendus par les comités de surveillance « chargés d'exterminer les traîtres ». Il y a des accommodements avec les consciences même chauvins au pays du Sourire; malgré la prohibition et les droits

autre que le général Huang Fou.
On tente bien d'expliquer ces anomalies en disant qu'il existe à Tokio deux diplomaties, celle du Gaimucho et celle de l'Etat-Major, comme il existe à Londres celle du War Department et celle du Foreign Office.

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(Suite page 3, colonnes 1 et 2.)

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Mais la grande industrie japonaise est apparemment lasse de passer par ces petits ports, d'avoir à user de subterfuges pour placer ses produits aux grands magasins de Shanghai et Canton. Elle réclame l'« Open Door », l'ouverture de la grande porte américaine, comptant bien d'ailleurs être la seule à en franchir le seuil le front haut, avec des camions chargés à craquer, car plus que jamais il faut faire vivre un pays où l'agriculture, faute de terres arables, demeure incapable d'assurer la subsistance des populations surprises et où la vente d'objets fabriqués apparaît comme le seul remède capable d'empêcher un pays de mourir littéralement de faim.

Telle semble, au demeurant, la raison véritable de la nouvelle algarade, du nouveau coup de poing asséné sur le tapis diplomatique par le vaillant Samourai à l'emploi des attitudes contradictoires et paradoxales, il ressemble seulement en apparence à M. Thiers, et on ne peut dire de lui : « Il ne sait pas ce qu'il veut, mais il le veut bien. »

Un pays qui vogue hardiment

Maitre aujourd'hui de l'Extrême-Orient, comme un capitaine à bord de son navire, il vogue hardiment, sans souci des récriminations. Il est passé outre, voici trois ans, à l'avis exprimé par quarante-sept nations. Il passera outre sûrement à toute note individuelle ou collective.

Depuis le règlement des questions ferroviaires avec Moscou, il n'a plus de sujet de discussion avec son voisin du nord, particulièrement intéressé en cas de conflit du côté de l'Occident, à ne pas se créer des embarras en Asie. L'Amérique a cessé de lui envoyer les bordées de semonces des notes Stimson et la diplomatie Roosevelt s'est faite aussi conciliante que la diplomatie Hoover était agressive ; si la Navy procède à des grandes manœuvres tapageuses entre l'Alaska et les Hawaï, on a grand soin de lui dépêcher l'amiral Upham en visite amicale et le prier de ne pas prendre en mauvaise part ces exercices d'entraînement. Enfin,

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

MEMO

This message must be closely paraphrased before being communicated to anyone. *of Paraphrase*
COPIES SENT TO TOKYO
(C.N.I. AND M.I.D.) dated June 29, 1935

TELEGRAM RECEIVED

Received 1:57 a.m.

Secretary of State,
1-1336
Washington, D. C.

143, June 29, 11 a.m.

STRICTLY CONFIDENTIAL.

From completely reliable source I have received direct word from the Prime Minister that he believes himself fully in control of the situation in China; that he is determined that there shall be no major military operations and that the differences shall be settled through peaceful measures.

My informant stated that the Prime Minister, in the judgement of the thinking men of the empire, is in a stronger position than any Premier in recent years, citing as evidence of Okada's adroitness and ability the fact that he is the only man who supported the moderates in the dispute over the London Naval Conference who is now in high active office; the others have been eliminated or sidetracked. Okada believes that there will probably be *border* ~~border~~ incidents engineered by overzealous younger officers, but they will not develop into larger issues if he can prevent it. In this policy he is stated to have the support of the court, which is a great moral asset, the more so because it is an influence that requires extreme discretion in practical use.

Repeated to Peiping.

WSB

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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

(STRICTLY CONFIDENTIAL)

PARAPHRASE

A telegram (No. 143) of June 29, 1935, from the American Ambassador at Tokyo, reads substantially as follows:

According to direct information received, through an entirely reliable source, from the Prime Minister, Okada, he (Okada) is determined that no major military operations shall take place in China and that a peaceful settlement shall be reached of the differences between China and Japan. Okada feels that he is in complete control of the China situation.

According to the informant, it is the belief of the Prime Minister that there may be incidents along the border brought about by overzealous young officers but if Okada can prevent it, these incidents will not grow into larger issues. It is said that Okada has the support of the Court in this policy in connection with the China situation and that this support is a great moral asset, especially as in practical use it is an influence which requires great discretion. The Ambassador's informant declared that, in the opinion of thoughtful persons in Japan, Okada occupies a stronger position than any Prime Minister in the last few years has occupied and, as showing Okada's ability and adroitness, the informant mentions the fact that, with the exception of Okada, none of the men who supported the moderates in the arguments over the London Naval Conference now occupy a high active office but have been sidetracked or eliminated.

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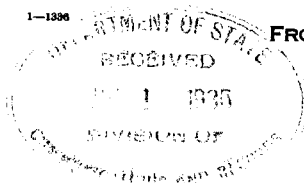
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REP

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

CORRECTED COPY



FROM

SPECIAL GRAY

Nanking via N. R.

Dated June 29, 1935

Rec'd 6:38 a. m.

Secretary of State,

Copies hereof to be sent to Commerce
(as confidential)

Copy also to

Washington.

SECRET (CONFIDENTIAL)

187, June 29, noon.

Suma of the Japanese Embassy states that among his

activities in the back wash of the situation in Hopei

and Chahar he has obtained assurances from the Chinese

Minister of Finance that action on the proposed imposition

of a 10% surtax on ^{imports} ~~the~~ will be postponed indefinitely,

that the new pilotage regulations will not be put into

effect for three months and that no action will be taken

toward creating a sugar monopoly. Suma stated that upon

expiration of three months a further postponement in

respect to the pilotage regulation would be arranged,

the period having been named as a face saving device.

He said also that the Japanese had "permitted" the

Chinese Government to promulgate and publish the new

export tariff (published in the press June 26) without

protest and if necessary later he would take up any

questions that might arise concerning inserted items. He

added that all questions relating to Chahar were now

completely settled.

WSB

ATCHESON

(#) Apparent omission

FILE
DEPARTMENT OF STATE
1-C/C
JUL 1 1935
ASSISTANT SECRETARY
OF STATE

793.94/7129

FILED
JUL 1 1935

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

Copies hereof to be sent to Commerce
Copy also to (as confidential)
and

MED

TELEGRAM RECEIVED

SPECIAL GRAY

NANKING VIA N.R.

Dated June 29, 1935

Received 6:38 a.m.

Secretary of State,
Washington, D. C.

187, June 29, noon.

Suma of the Japanese Embassy states that among his activities in the back of the situation, ^{wash} Hopei and Chahar

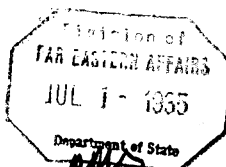
he has obtained assurances from the Chinese Minister of Finance that action on the proposed imposition of a 10% ^{import?} surtax on (#) will be postponed indefinitely, that the new pilotage regulations will not be put into effect for three months and that no action will be taken toward creating a sugar monopoly. Suma stated that upon expiration of a further postponement in respect to the pilotage regulation would be arranged, the period having been named as a face saving device. He said also that the Japanese had "permitted" the Chinese Government to promulgate and publish the new export tariff (published in the press June 26) without protest and if necessary later he would take up any questions that might arise concerning inserted items. He added that all questions relating to Chahar were now completely settled.

ATCHESON

WSB

(#) Apparent omission

793.94
DEPARTMENT OF STATE
A-C/C
JUL 6 1935
ASSISTANT SECRETARY
OF STATE



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FILED
JUL 1 1935

DECLASSIFIED: E.O. 11652, 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

CA

1-1336

FROM

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

Secretary of State,
Washington.

June 29, 1 p.m.

My June 28, 10 a.m. / 7123

Rail traffic resumed yesterday. Situation at present
quiet but cause of incident not clear and some apprehension
exists regarding future.

CALDWELL.

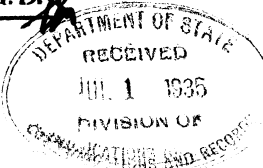
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GRA Department of State

Tientsin, VIA N.R.

Dated June 29, 1935.

Rec'd 5:15 p.m.



793.94/7130

FILED
JUL 26 1935

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

MP

TELEGRAM RECEIVED

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

Peiping via N.R.

Dated June 29, 1935

Rec'd 7:15 p.m.

Secretary of State
Washington.

DEPARTMENT OF STATE
RECEIVED
JUL 1 1935
DIVISION OF
COMMUNICATIONS AND RECORDS

Division
FAR EASTERN AFFAIRS
JUL 1 1935
Department of State

325, June 29, 2 p.m.

I refer to United Press report from Tokyo claiming that trouble south of Peiping yesterday and the preceding night (my 322, June 28 noon) was due to mutiny of Wan Fu Lin's troops and that there was rioting within Peiping. Official sources all claim that the trouble was instigated by plain clothes men, alleged to have come from Tientsin to Fengtai during the last few days. Peiping remained quiet throughout the entire time.

Indications are that the plain clothes men intended to organize an anti-Chiang Kai Shek government and anticipated assistance from within Peiping. However, officials here having received intimations some three days prior to the outbreak of trouble, state that precautions were taken to prevent disturbances within city. A plain clothes man arrested yesterday afternoon admitted according to Chinese authorities that there were 300 plain clothes men within Peiping. It would seem that

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JUL 26 1935

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

MP

2-#325 From Peiping June 29, 2 p.m.

the instigators had had connection with certain Japanese and had been misled into believing that they would receive support. Support failing to materialize the movement proved to be abortive. As a result of the confession of the men arrested yesterday afternoon local authorities have decided to place Peiping under martial law every night from 9 p.m. to 6 a.m. for an indefinite period during which time persons on the streets must have passes.

I am officially informed that the persons who caused the trouble at Fengtai and on the armored train were completely ^{suppressed} ~~suppressed~~ last evening and also that some twenty to thirty plain clothes men who appeared near Tungchow (fifteen miles east of Peiping) were suppressed yesterday.

In view of the fact that the instigators failed this time and that the local authorities have taken precautions, nervousness in Peiping has fell off. The 41st Division of Sung Che Yuan's army arrived last night at Peiping from Chahar and is to be stationed in and near Peiping. It is one of Sung's best divisions and officials say that it has come because of the lack of troops in the Peiping area and because of some suspicion of the loyalty and intentions of Wan Fu Lin's troops

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

MP

3-#325 From Peiping June 29, 2 p.m.

troops and even of Wan himself.

Repeated to Tokyo and Nanking.

JOHNSON

HPD

(#) apparent omission.

DECLASSIFIED: E.O. 11652, 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.A.D. AND M.I.R.

CA

GRAY

1-1336

FROM

Peiping via N.R.

Dated June 29, 1935.

Secretary of State,
Washington.

324. June 29, noon.

The following two telegrams have been received from

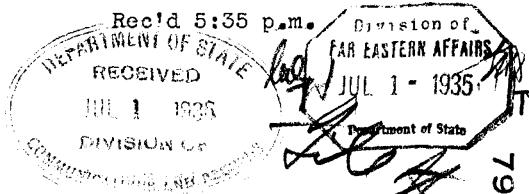
Harbin "June 28, 10 a.m. Unconfirmed reports believed to be true state that a surveying party of the Kwantung army was on June 24, attacked and two members kidnapped by outer Mongolian troops who allegedly crossed the boundary 80 kilometers southeast of Gandjur. The army regards it seriously and has proposed to settle the matter at the present Manchuli conference if the Mongolian delegates can receive appropriate instructions from their government."

"June 29, 2 p.m. Referring to my despatch No. 86, of June 14, a Japanese official has confirmed a report stating that the Manchukuo delegates have received instructions to accept the limited agenda desired by the Mongols and that consequently general questions will not be taken up at least for the present. A possible break-up of the conference has thus apparently been averted."

~~Despatch~~ ^{The local} of Japanese Embassy states that it has no new information with regard to these matters.

JOHNSON.

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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 2, 1935.

WRP

W. H.

To note Peiping's
No 3606, of June 7, '35,
in regard to Sino-
Japanese relations in
Shantung. The enclosure
from Tsinian is short
& is worth reading.

W. 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



LEGATION OF THE
UNITED STATES OF AMERICA
Peiping, June 7, 1935.

No. 3606

Subject: Sino-Japanese Relations in Shantung.

CONFIDENTIAL



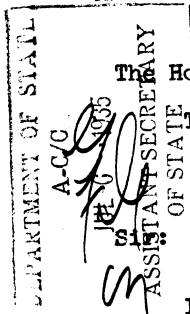
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DEPARTMENT OF STATE

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



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I have the honor to enclose, for the information

- 1/ of the Department, a copy of confidential despatch
No. 145 of June 3, 1935, from the Consulate at Tsinan.
It will be observed from that despatch that the
Japanese Consul General at Tsinan, Mr. Nishida, is
pressing for the dismissal of the Tsinan Mayor on
somewhat flimsy grounds, and that Mr. Nishida
apparently is acting as a spearhead for Japanese
pressure now being brought against Chairman Han Fu-
ch'ü of Shantung.

Respectfully

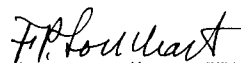
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

Respectfully yours,

For the Minister:


F. P. Lockhart,
Counselor of Legation.

✓
Enclosure:

- 1/ Copy of confidential despatch
No. 145, June 3, 1935, from
Tsinan to the Legation.

710

EC/rd

Original and 4 copies to the Department.
Copy to American Embassy, Tokyo.

4

2/21

(C O P Y)

3606

No. 145

AMERICAN CONSULATE,
Tsinan, China, June 3, 1935.

CONFIDENTIAL

Subject: Japanese Request Removal
of Shantung Officials.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to inform the Legation that on May 30th, Mr. Wen Ch'eng-lieh (聞承烈), the Mayor of Tsinan, called at this consulate informally and during the conversation which took place stated that he and the Japanese Consul General, Mr. K. Nishida, were on very bad terms as a result of the latter's attempts to have the Mayor removed from office.

I was informed that Mr. Nishida on several recent occasions had pressed for Mayor Wen's dismissal, but that General Han Fu-chu, the Provincial Chairman, was not inclined to yield to the pressure. Mr. Nishida was stated to have called on General Han a few days ago and besides renewing his request for the Mayor's dismissal also suggested the removal of Mr.

Chang

- 2 -

Chang Hung-lieh (張鴻烈), the Provincial Commissioner of Reconstruction, an American educated Chinese, whose successful accomplishments in the duties of his office are widely known and respected.

In reply to a question as to the reasons given by Mr. Nishida for desiring these changes in personnel, I was informed that he had been vague but had used such pretexts as (1) a charge that the Mayor had prevented Chinese property owners from leasing buildings to Japanese residents, (2) discrimination against Japanese commercial interests when purchasing foreign-made materials for the various reconstruction projects, and (3) acts of Chinese discourtesy towards Japanese residents and officials.

It was explained to me how annoyed General Han had become over the numerous unsolicited visits of the Japanese Consul General at Provincial Headquarters. "He would call at the most unexpected times and remain for hours," said the Mayor, "preventing General Han from attending to important matters which required his presence elsewhere." Mention was made of one occasion when General Han was compelled to leave Mr. Nishida waiting in his office for over two hours and upon returning found his visitor greatly agitated.

In giving his own views on the reason for these developments, Mayor Wen stated that it was but a part of the Japanese plan for military penetration and administrative control of North China. In this connection, I

was

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

- 3 -

was informed that General Han was now taking a serious view of developments in the Demilitarized Zone and had a conviction that his own elimination would be sought for as soon as the Japanese had accomplished their objective in Hopeh. Mayor Wen emphasized the fact that General Han had consistently shown much restraint in his relations with the Japanese here, but expressed the belief that the General would resist a Japanese invasion of the province by armed force regardless of any assistance he might receive from the Central Government.

Respectfully yours,

(Signed) H. E. Stevens,

H. E. Stevens,
American Consul.

Original to Legation.
Copies to Nanking and Tsingtao.

800
HES:KCC

(Copied by RD)

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

THE UNDER SECRETARY

July 11, 1935.

LDS:

MEM:

WHM:

WHM:

JUL 17 1935

DEPARTMENT OF STATE

Tokyo's 1350 of June 14, 1935, presents an analysis of the causes which led the Japanese military to undertake the recent actions in North China. While containing little that is new, the despatch is worth reading for the opinions it presents.

It seems probable that the Japanese military authorities themselves have been uncertain as to their objectives in North China. Their immediate object was to eliminate from territories contiguous to "Manchukuo" all elements opposing Japanese interests and to insure that elimination in the future by securing a degree of political control over those territories. Moreover, it is doubtful that the military, who have been following an opportunist policy in China, have any definite plan in mind in regard to the eventual fate of China.

In the opinion of well-informed observers the following factors underlie Japanese military actions in China:

1. The army's growing opposition to Mr. Hirota and his conciliatory policies;

2. Resentment of the army over the raising of the Legation in China to an

Embassy.

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

Embassy. The Ambassador in China will have a position as direct representative of the Emperor, higher than that of any army officer in China, and would normally have the authority to curb the activities of the Japanese military in China.

3. The much-discussed "crisis of 1935-1936" has failed to materialize, thereby causing the army, which had taken the lead in the cry for preparation, to seek a method of self-justification.

4. Budgetary considerations, and the necessity of demonstrating to the nation the continued necessity for large appropriations.

These factors are all connected either with the army's desire to maintain its position of predominance in the nation's councils, or with financial considerations. It seems probable, therefore, that the recent action of the military in North China may have been motivated more by domestic than by external considerations.

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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
Tokyo, June 14, 1935.

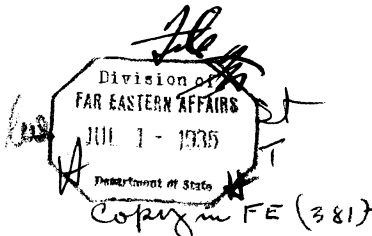
No. 1350.

Subject: FACTORS IN JAPAN'S POLITICAL SITUATION
IMPELLING THE ARMY'S RECENT PRESSURE ON
NORTH CHINA.

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DEPARTMENT OF STATE

JUL 11 1935



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STRICTLY CONFIDENTIAL.

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

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to offer the following analysis and
evaluation of the various causes which influenced the
Japanese military in their recent successful attempt to
exert pressure upon the Chinese administration in North
China. Very little information has been given out offi-
cially by the Japanese governmental departments concerned
as to the underlying causes and objectives of the action
of the military - so little that it seems probable that the
Japanese military authorities themselves were uncertain

as

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- 2 -

as to the exact scope of their immediate desires and the method of procedure. In view of this paucity of official information, the Embassy has had to base its analysis upon such unofficial sources of information as were available.

There now appears to be no doubt that the immediate objective of the Japanese military, in their activities in North China, has been to rid North China, especially the Peiping-Tientsin area, of all organized elements hostile to the Japanese, in order to avoid the annoyance and expense of constantly defending "Manchukuo" against the "bandit" menace and other subversive activities, and, as a corollary, to secure such political control over North China as to prevent such anti-Japanese elements from again obtaining a foothold in the district. It is impossible to say what plans the Japanese military have in regard to the eventual fate of North China - it is doubtful if even the military, who apparently have been following an opportunist policy, have any definite scheme in mind. It is possible that they may endeavor to create there a buffer zone in the form of an autonomous state friendly to Japan, as is known to be the wish of some of the younger officers, or they may even go so far as to attempt to restore the Dragon Throne to Pu Yi, thus creating a vast Manchuria-North China empire under the control of Japan. Such future steps, however, cannot be predicted, and for the present it can only be said that the immediate objective of the Japanese military was to eliminate from territory contiguous to "Manchukuo" all elements opposing Japanese interests and to ensure that elimination

in

- 3 -

in the future by securing a degree of political control over the territory.

The Japanese military, however, have presumably had this objective in view for some time past, and therefore the question arises of the reasons which impelled them to take the action which they did at this particular time and which impelled them to ignore the usual diplomatic channels in their negotiations. The Embassy has been able to obtain no definite official information in regard to these reasons, but offers the following as the opinions of well-informed observers.

1. The Army's Opposition to Hirota.

When Mr. Hirota assumed the post of Minister for Foreign Affairs nearly two years ago, his appointment pleased rather than displeased the Japanese military. Mr. Hirota had for long been associated with the Black Dragon and other ultra-patriotic and reactionary societies, and had the reputation of being a staunch patriot. For over a year past, however, the Army has been growing dissatisfied with Mr. Hirota's diplomacy, because of its pacifist and conciliatory methods. The Army feels that the Chinese are insincere in their moves for reconciliation with Japan; that they have been deluding the Japanese and causing the Japanese to appear ridiculous in the eyes of the world; and that the only method of dealing successfully with the Chinese is by using the mailed fist. The situation as between the Japanese Foreign Office and the Army thus was much as it was in September of 1931, when the

Army.

- 4 -

Army, disgusted with the peaceful and conciliatory methods of the "Shidehara Diplomacy", decided to take matters in its own hands. The Army also believes, it is reported, that Mr. Hirota has ambitions in regard to the Premiership, and, with the idea that he can create fame for himself and thereby win the coveted post by settling Japan's problems through peaceful diplomacy, is willing to sacrifice Japan's best interests (as the jingoists see them) for the sake of his own prestige. The Army therefore decided to deal Mr. Hirota a blow from which it would take him long to recover by taking steps in contradiction to his conciliatory policy toward China, and at the same time to teach the Chinese, and especially Chiang Kai-shek, the uselessness of insincerity, procrastination and "two-edged diplomacy" in dealing with Japan.

2. The Raising of the Legation in China to an Embassy.

As is well known, the Japanese Army was distinctly opposed to the gesture of Mr. Hirota in raising the rank of the Japanese Legation in China to that of an Embassy, at least at the present time. The grounds for the Army's objections have never been clearly defined, but it is the opinion of some observers that the Army does not relish the idea of having a Japanese civil official stationed in China whose rank will be higher than that of any Army officer on duty there, and whose position as direct representative of the Emperor would normally give him the authority necessary to control and perhaps curb the activities of the Japanese military in China. This was precisely the purpose of Mr.

Hirota's

- 5 -

Hirota's step. It is therefore possible that one of the impelling factors of the recent activities of the Japanese military in North China was the desire to demonstrate, both to the Japanese Foreign Office and to the Chinese Government, that the Japanese Army has no intention of relinquishing to a civil official the predominant voice which it possesses in Japan's relations with China. This supposition is strengthened by the fact that in the early days of the recent Japanese activities in North China the Japanese Foreign Office was distinctly told by the Army not to interfere in the Army's negotiations with the Chinese authorities in North China.

3. The Delayed "Crisis".

The 1935-36 "crisis" in Japan's foreign relations, which the Army has been predicting in order to maintain its commanding position in the Japanese Government, has as yet failed to develop. The final withdrawal of Japan from the League of Nations (one of the predicted causes of the "crisis") was accepted by other nations with little comment and certainly without the rancor which the Japanese seemed to expect; the strained relations between Japan and the Soviet Union have been alleviated to a very considerable extent by the diplomacy of Mr. Hirota; and it appeared that consistent conciliatory effort on the part of Mr. Hirota was about to restore more amicable relations between China and Japan. It is true that the naval disarmament problem has not been settled, but this question alone is no more apt to create a crisis in Japan than in any other country party to the Washington naval treaty.

The

- 6 -

The principal causes of a "crisis" in Japan's national life were therefore being rapidly eliminated, and it is possible that the Army decided that it was advisable, in order to maintain the "crisis" atmosphere and thereby retain its commanding position in the Government, to take drastic steps which would bring down upon Japan the criticism of the Western nations and the hostility of China. This theory is widely held by foreign observers.

4. Budgetary Considerations.

The 1936-7 budget is now in course of preliminary compilation. Judged from the criticism which the large defense appropriations in the 1935-6 budget provoked in the last Diet session, it appeared possible that the Army would find it difficult to obtain approval of its 1936-7 monetary demands, which, it is rumored, will be even larger than those of 1935-6. It is possible, therefore, that the Army wished to demonstrate to the Japanese nation the continued necessity of maintaining the strength of the Army for the purpose of keeping the "peace of East Asia".

It will be noted that the domestic factors which have been adduced as impelling causes of the recent activities of the Japanese military in North China are connected either with the Army's desire to maintain its position of predominance over the civil authorities in the Japanese Government, or with financial considerations. In the Embassy's despatch No. 1225, dated April 4, 1935, it was pointed out that the possibility always existed that the Japanese military might on their own initiative take drastic steps in order to preserve their position of predominance in the affairs of Japan.

It

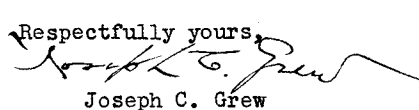
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 7 -

It appears probable that the recent Japanese military activities in North China constitute an example of such an action. It can hardly be claimed that the anti-Japanese elements in North China constituted any real menace to the safety of either Japan or "Manchukuo", and, with all of Manchuria and Jehol to exploit, the Japanese nation can hardly lay claim to the immediate need of more economic elbow-room. It seems probable therefore that the recent steps taken by the Japanese military in North China may have been motivated more by domestic than by external considerations, although they were in line with the whole Japanese military plan of political control of northeastern Asia.

These recent developments have indicated once again, in no uncertain fashion, the divergence of the extremist and the moderate schools of thought and policy in Japan. It is known that both the Prime Minister and Hirota had audiences of the Emperor at the height of this crisis in North China and, according to general belief, counseled moderation. Signs were not lacking of a restraining influence at the height of the crisis, but whether this influence was exerted by the Emperor as a result of the representations by Okada and Hirota, or whether General Hayashi, the War Minister, and other older and saner heads among the military hierarchy called a halt to the extremist ambitions of the more chauvinistic elements in the Army must be a matter of speculation. It may at least be said with confidence that Hirota's influence is still a positive factor in the councils of the nation.

Respectfully yours,


Joseph C. Grew

710.

ERD:g
Copy to Legation, Peiping.
" " " Bern

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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 8, 1935.

~~MSM:~~
~~MMH:~~

Shanghai's despatch No. 10,102 of June 4, 1935, encloses a copy of a despatch to the Legation which briefly summarizes four newspaper articles on the north China situation.

Although these articles appear to contain no information not known to FE, it is believed that the brief summary is worth reading.

No action required.

EW
EW/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. 12/102

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, June 4, 1935.

Subject: Press Comment in Shanghai
on North China Situation.

For Distribution-Check		Yes	No
Grade	G		
For	M.B. Davis		
	ONI		
	MID		

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

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

I have the honor to enclose a copy of a self-

- 1/ explanatory despatch No. 8550 of this date, with
enclosures, from this Consulate General to the
American Legation at Peiping in regard to the
subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosure:

- 1/- Copy of Shanghai Consulate
General despatch No. 8550
with enclosures.

800
MBD MB

793.94/7135

FILED
JUL 11 1935

F/G

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

No. 1550

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, June 4, 1935.

Subject: Press Comment in Shanghai
on North China Situation.

The Honorable

Nelson Trulser Johnson,
American Minister,
Peiping.

Sir:

I have the honor to report that, while considerable space has been given in the local press to news despatches relating to the situation in North China, comparatively little has appeared in the way of editorial comment. The principal Chinese dailies have not risked any editorial opinion at all on this subject, and the English language papers have for the most part been slow to conclude that matters are as serious as first reports seemed to indicate and have clung to the hope that the disturbances do not pre-
sage any serious developments in Sino-Japanese relations.

The

-2-

1/ THE NORTH CHINA DAILY NEWS (British), in a brief editorial on June 1, 1935, took the position that there is no reason to believe the Kwantung Army has any intention of jeopardizing the efforts of Japanese diplomacy to establish better relations with China, and that while the action of the Chinese in removing General Yu Hsueh-chung to Paotingfu instead of dismissing him out of hand is not pleasing to the Japanese, it would be wise at present to regard the whole affair as mainly of local significance. It is added, however, that such an interpretation has not always been satisfactory in the past.

Local commentators are divided in their opinions regarding the unity of Japanese policy. The majority are apparently convinced that there is considerable divergence in the aims of the Foreign Office on the one hand and the military authorities on the other, that the former has been sincere in seeking to improve relations, that the steps taken in this direction have not been pleasing to the Kwantung Army, and that the latter took the present occasion to show that it is after all the dominating factor in the situation and not one to be ignored.

2/ This view is taken in a rather long editorial entitled "Army Rule," in the CHINA PRESS (Chinese independent daily, American registered) of May 31, 1935, in which it is stated that the Kwantung Army is never at a loss for a pretext when the urge to be on the march in China becomes too compelling, that the Chinese have been doing their

-3-

their utmost to meet the requirements imposed by the Japanese and have welcomed the friendly overtures of the Foreign Office and Mr. Ariyoshi. It is pointed out that the exchange of ambassadors marked the high point in the revival of goodwill between the countries, but that this step piqued the military, which is "impatient with the whole rapprochement program". Here mention is made of the "old cleavage between army rule and civil rule in Japan. Who is the Japanese Government? With whom is China to deal? What assurance and pronouncements can she believe? Is talk of peace and cooperation only a camouflage for new and bloodier aggressions?"

3/ In a somewhat sarcastic editorial THE NORTH CHINA DAILY NEWS of June 4, 1935, says that the suggestions of the Kwantung Army have an impelling flavor, and remarks that the technique at work in the north is familiar, it having been "written large in the history of the last four years". The opinion is expressed that Tokyo may not thank the military for its assistance in interpreting the new regime ushered in by Mr. Ariyoshi's recent visit to Japan. Remarking on the general satisfaction with which the recent improvement in Sino-Japanese relations were welcomed, it is suggested that the Kwantung Army appears to have held downright views which were not in accord with the diplomatic moves of the Foreign Office. The writer decries this latest apparent discrepancy between Tokyo's genuine desires and the Kwantung Army's no less genuine actions, and expresses the hope that the Foreign Office will be able to resume "its gentler way with China". Admitting the great

importance

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

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importance of Japan's economic interests in China and the reasonableness of her desire to seek an outlet for her industry in this country, this paper raises the question whether she is not running considerable risk by countenancing "flamboyant military gestures which may once more deprive her of the world's sympathy".

The opposing view is that there is no rift between the civil and military authorities, but that both are deliberately following a policy of encroachment on China, whereby diplomacy disarms suspicion and allays irritation preparatory to new aggression on the part of the army.

In THE CHINA WEEKLY REVIEW (American and Chinese registered, weekly) of May 25, 1935, an article entitled "One New Ambassador and Two Ultimatums" contains the statement that

"Some suspicious persons have suggested that these events prove that Imperial Japan has two kinds of diplomacy, one operated by the Foreign Office and the other by the Military general staff and enforced through the Kwantung Branch of the army, but we are not so sure that the two policies are entirely disconnected. We admit the evidence is circumstantial, but the Tokyo newspaper Yomiuri announced on May 14 that the elevation of Japan's legation to an embassy would be followed immediately by a Japanese demand that China grant full diplomatic recognition to the puppet state of Manchukuo. This, of course, was only a newspaper report but newspapers in Japan have an uncanny habit of forecasting official policy".

Respectfully yours,

Edwin S. Cunningham,
 American Consul General.

Enclosure

DECLASSIFIED: E.O. 11652, 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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Enclosures:

- 1/- Editorial from THE NORTH CHINA
DAILY NEWS of June 1, 1935.
- 2/- Editorial from THE CHINA PRESS
of May 31, 1935.
- 3/- Editorial from THE NORTH CHINA
DAILY NEWS of June 4, 1935.

800

MBD MB *ll*

In Quintuplicate to Department
by despatch No. *10,102* of even date.

Copy to Embassy, Tokyo.

A true copy of
the signed ori-
ginal.

DECLASSIFIED: E.O. 11652, 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. 9550 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated June 4,
1935, on the subject: "Press Comment in Shanghai on North
China Situation".

SOURCE: THE NORTH CHINA DAILY NEWS
(British), June 1, 1935.

Editorial.

NORTHERN ALARMS

In spite of the note of alarm indicated by some of the messages from the North, there is no reason to believe that the Kwantung Army has any intention of jeopardizing the efforts of Japanese diplomacy to establish a *rapprochement* with the Central Government of China. For that would probably be the outcome of extensive military operations or the dramatic fulfilment of those threats with which the spokesman of the Foreign Office at Tokyo has made the world familiar. Generally it would seem that the Japanese authorities regard the issue in Tientsin as the primary concern of the local military experts to settle. Apparently there is a definite belief that General Yu Hsueh-chung's removal to Paotingfu does not entirely fall in with the ideas of the Japanese authorities who regard him as unfavourably disposed toward them and would consequently prefer that he and not his headquarters should be removed. However that may be, it would probably be wise at present to assume that the whole affair is mainly of local significance, although, unfortunately, that form of interpretation has not always been satisfactory in the past. It will be admitted that the reported demonstration by Japanese troops outside General Yu's yamen sounds a little quaint. Still, it must be repeated that the Japanese diplomats are firm in their pursuit of Sino-Japanese friendship and they have a right to expect that their colleagues in the army will do nothing to hinder that eminently praiseworthy enterprise.

NOTE: THE CHINESE (Chinese Independent Daily, American registered), May 31, 1938.

1011

Shanghai, Friday, May 31, 1935

ARMY RULE

THE Kwangtung Army is never at a loss for pretexts when the urge to be on the march in China becomes too compelling to be resisted. The thing is done neatly now and according to formula.

In the present North China incursion, a band of irregulars under a Sung Yung-ching became overnight the ostensible reason for a new Japanese invasion of Chinese territory. Irregulars there have been in Chahar, Jehol and the demilitarized zone before. The situation in the latter area—Japanese fostered—is such as to encourage irregulars. But at this particular time it served the needs of the occasion for the Kwantung Army to make an issue of Sung's particular unit and to despatch from Jehol into North China an avenging force. The clash occurred a few days ago at Tsunhwa, and the puny independents were practically wiped out while inflicting but slight losses upon the Japanese force.

Japanese forces withdrew, according to reports from North China on Monday, but apparently the Kwantung Army's sally south of the Great Wall was but a prelude to a more general gesture of aggression and intimidation. The warlords of Nippon were loath to let the opportunity pass for a "liquidation" of phases of the North China situation inimicable to their conception of the rightness of things.

In a belligerent statement to Chinese authorities in Peiping, Japanese Army officials have threatened a new invasion south of the Wall and intimated the possibility of taking over Peiping and Tientsin as a reprisal against alleged anti-Japanese activities in North China. Official Chinese assistance to "volunteers" in the vicinity of the Wall has been charged and acts of anti-Japanese terrorism in Tientsin alleged. The assassination of two Chinese journalists of pro-Japanese sentiments in Tientsin is charged to be "an anti-foreign act and a provocative gesture aimed at the Japanese Army." The usual ingredients of the formula of invasion, the necessity to act in "self-defense" and the placing of "entire responsibility" for future develop-

Noted City War Organized Into National Settlement Election One For All And Communities For Peace As Great Dangers Attending

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Enclosure No. 2 to despatch No. 1000, American Consul General at Shanghai, 1935, on the subject: "Press China Situation".

Editor

Shanghai, Friday, May 31, 1935

ARMY RULE

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In the present North China incursion, a band of irregulars under a Sung Yung-ching became overnight the ostensible reason for a new Japanese invasion of Chinese territory. Irregulars there have been in Chahar, Jehol and the demilitarized zone before. The situation in the latter area—Japanese fostered—is such as to encourage irregulars. But at this particular time it served the needs of the occasion for the Kwantung Army to make an issue of Sung's particular unit and to despatch from Jehol into North China an attacking force. The clash occurred a few days ago at Tsunhwa, and the puny independents were practically wiped out while inflicting but slight losses upon the Japanese force.

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been discovered for doing so. Whether the army will go ahead now or later cannot be predicted, but developments warrant the gravest fears.

The Japanese Army's charges of insincerity and violation of agreements on the part of the Chinese officials in Peiping and Tientsin hardly deserve consideration or refutation. The Chinese have been doing their utmost in avoiding any further development of a bitterly unsatisfactory situation, imposed by the Japanese and inherent with possibilities for incidents over which the Chinese could have little control.

The Chinese, on the other hand, have every foundation now for charging the Japan government and nation with insincerity.

Over the last three or four months there has been much talk from Tokyo diplomatic officials of earnest co-operation with China. Ambassador Ariyoshi has made repeated pronouncements since his return to Tokyo of plans for more mutual relations. He has mentioned encouragement to be offered establishment of improved trade relations, interchange of products, private financial assistance and investments in China. He has given every indication for thinking that a spirit of mutuality and a derogation of military aggression had entered into the Japanese conception of relations with China.

Mr. Ariyoshi's statements have been reinforced by similar pronouncements from Foreign Minister Hirota.

To climax the feeling of reviving goodwill in Sino-Japanese relations there occurred the raising of the diplomatic representatives of China and Japan to the rank of ambassadors.

This action, on the admission of War Minister Hayashi, piqued many officers of the Japanese Army, because they fundamentally did not wish to see China so honored and because the action was taken without detailed discussion between Mr. Hirota and the military.

Of course, the Japanese Army's disagreement with the trend of Sino-Japanese relations goes further than opposition to the embassy status. Despite lip service otherwise, there is every indication that the army is impatient with the whole rapprochement program. The North China events certify this indication.

Here, then, is again the old cleavage between army rule and civil rule in Japan. Who is the Japanese government? With whom is China to deal? What assurances and pronouncements can she believe? Is talk of peace and co-operation only a camouflage for new and bloodier aggressions?

Events seem to point their own sure answer. Actions must always speak louder than words. An impatient, cocksure Japanese Army again seems to have taken the bit between its teeth, set at naught the policies of Nippon's officially-constituted spokesmen and marched off to new expansionist adventures in China.

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

...
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Just what the Chinese can do "to make amends" the Japanese army men do not make clear. Subsequent army statements refuse to countenance any compromise over the Kwantung Army's secret demands, and prompt action, which in the Kwantung Army's vernacular means murder, pillage and air bombings, is threatened if the Chinese do not immediately come to terms.

The truth of the matter is that "demands" and dissatisfactions of the Japanese Army with China's "sincerity" in carrying out commitments do not mean a great deal. The situation in reality is that the army is out to break all spirit of resistance and establish hegemony over a wide area of North China and pretexts have

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

Enclosure No. 3 to despatch No. 12550 to Edwin S. Cunningham,
American Consul General at Shanghai, China, dated June 4,
1935, on the subject: "Press Comment in Shanghai on North
China Situation".

FROM: THE U.S. CONSUL, SHANGHAI
(British), June 4, 1935.

Editorial.

TACT AND TACTICS

June 4, 1935

It has been officially suggested that the conversations and demonstrations in the North of China during the last fortnight have been confined to such topics as are well within the competence of the local military authorities on both sides to determine. This seems to give to the Kwantung Army and the War Office's representative at Tientsin, to say nothing of General Yu Hsueh-chung and General Ho Ying-ching, fairly wide terms of reference. The removal of the Hopei Government headquarters, the appointment of a new chairman of the Peiping Political Council, the "purge" of that same Council on approved Japanese lines, the closure of all Kuomintang offices in North China and the suppression of the Blue Shirt organization, are reported to be the suggestions put forward by the Japanese military representatives. And as suggestions they have a specially impelling flavour, experience will at once admit. Moreover, they certainly seem to have considerable bearing on the relations between the two Governments at Nanking and Tokyo respectively. If General Yu Hsueh-chung ventured to hold the view that consideration of these proposals necessitated reference to General Chiang Kai-shek, few could call him unreasonable. It seems, too, that the Kwantung Army's spokesmen in Peiping do not conceal their readiness to accept responsibility for more than local action. They wish to combine tact with tactics. And their tactics are designed tactfully to "clarify Sino-Japanese relations." This may be their way of interpreting the new régime ushered in by Mr. Ariyoshi's recent visit to Japan, but it is possible that the Foreign Office at Tokyo may hesitate to return thanks for such assistance. If the Chinese Government has to consider the feelings of the Kwantung Army in regard to Sino-Japanese relations, the task of combining that exercise with the diplomatic treatment of the newly established embassies in Nanking and Tokyo becomes more exciting than intelligible.

The technique at work in the North is familiar. It has been written large over the history of the last four years. It is insatiable in its pretensions. Nor does there seem any reason to limit its possibilities. At the same time, leaving the Kwantung Army for the moment out of account, if such a feat be possible, it is necessary to try and gauge Tokyo's position in this new development. A few days ago the welcome improvement in Sino-Japanese relations received appropriately sympathetic note in both countries principally concerned. It was hailed abroad by other nations

with considerable satisfaction. The elevation of their respective representatives to ambassadorial rank was accompanied by decorative expressions of esteem and goodwill for the future. The first fine careless rapture of this *rapprochement* had hardly exhausted itself when certain alarms and excursions intruded themselves on public notice in the North. It seemed as if jubilee day were over, the decorations had come down, the bunting had been packed away and now Hopei was confronted by the spectacle of a grim, workaday world, with its drab streets and houses, and the Kwantung Army frowning hard—in disbelief of everything. This appeared to be a little inconsiderate of jubilant emotions. It suggested that the Kwantung Army—and possibly the War Office's representatives at Tientsin—did not sympathetically share the views of the Foreign Office at Tokyo. It might indeed, be feared that the Kwantung Army had downright opinions which had received scant encouragement from the interesting diplomatic transformations suddenly effected in Peiping, taking the time from Tokyo. Whether this assessment of the curious contrast between the Kwantung Army's frown and Tokyo's metaphorical bunting is correct must be left to the taste and fancy of the reader. It certainly seems to fit in the pieces to a pretty jig-saw puzzle with more accuracy than any explanation hitherto vouchsafed.

It is greatly to be hoped that Tokyo will be able satisfactorily to resume the even tenor of its gentler way with China. The emergence of this latest apparent discrepancy between Tokyo's genuine desires and the Kwantung Army's no less genuine actions raises certain definite reflections. The Japanese Government can rest assured that its policy of pursuing friendship with China has general sympathy and support. It can also be assured that none but the most prejudiced outsiders can possibly do otherwise than recognize the great importance of Japan's economic interests in China. Furtherance of those interests by political and diplomatic endeavour is an eminently acceptable policy. Japan must have an outlet for her vigorous industrial growth. She has every right to seek it in a country which geographically, traditionally and politically has a special significance for her. Indeed, China can not do without Japan, any more than Japan without China. Yet, it may be pertinent to inquire whether this impeccable design for living in the Far East is best served by allowing military action to usurp diplomatic functions and—here this seems to touch the national position of the Japanese Government itself—to dictate policy. It may be argued that Japan need not fear military action.

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

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 12, 1935.

MSM:
MGR:

The attached despatch under date June 5 from Consul General Spiker reports certain information received by him from Dr. Kan Chieh-hou, Special Delegate of the Ministry of Foreign Affairs for the Provinces of Kwangtung and Kwangsi, in connection with the recent visit paid to those provinces by Mr. Matsumoto said to be a special representative of the Japanese Foreign Office and persona grata with the Japanese War Office.

(1) According to Dr. Kan, Mr. Matsumoto's interest in south China lay in Kwangsi rather than Kwangtung which would explain the fact that he avoided seeing the various Canton leaders until he had first proceeded to Kwangsi.

(2) Mr. Matsumoto informed Dr. Kan that the attitude of south China toward Japan was of great interest to the Japanese Foreign Office because the Japanese military authorities in China are constantly seeking to justify to their War Office their sabre-rattling by referring to recalcitrant south China as evidence that the Japanese Foreign Office erred in seeking rapprochement with Nanking since Nanking had not sought to put an end to the anti-Japanese attitude of the south China leaders. In this connection it

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

it would greatly strengthen the hands of the Japanese Foreign Office and the more reasonably inclined elements in the Japanese War Office to withstand the clamors of the Japanese military leaders for direct action against General Chiang Kai-shek if Mr. Matsumoto were able to ascertain that the Kwangsi and Kwangtung leaders were willing to cease their opposition to Japan.

(3) Mr. Matsumoto frankly implied in talking with Dr. Kan that China is faced with the alternative of sincerely cooperating with Japan or taking the consequences threatened by the Japanese military leaders in China.

(4) Dr. Kan informed Mr. Spiker that it was extremely doubtful if the Kwangtung and Kwangsi leaders could be persuaded directly to comply with Matsumoto's request that they inform him whether or not they would cease all opposition to Japan.

(5) Mr. Spiker feels that Mr. Matsumoto's visit to south China would appear to have been of very doubtful value in so far as the peaceful settlement of Sino-Japanese difficulties is concerned but that his words of warning to the south China leaders may cause them to adopt a more conciliatory attitude toward Nanking.

(6)

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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

- 3 -

(6) The despatch concludes by listing various recent incidents through which the Japanese military apparently wish to create trouble in south China, such as (a) the customs recently seized on a Japanese launch a package addressed to the Japanese Military Attaché resident in Canton which contained a number of pamphlets denouncing Chiang Kai-shek and the Nanking Government; (b) the Japanese have been making surveys in the vicinity of Hainan; and (c) Japanese "workmen" have been recently landed on a small group of islands near Hainan from fishing boats escorted by a Japanese naval vessel allegedly for the purpose of gathering seaweed.

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

Copy for the Department

AMERICAN CONSULATE GENERAL
CANTON, CHINA.

copy in FE
En route from Hongkong to
Division of Shanghai.)
FAR EASTERN AFFAIRS

June 5, 1935.

CONFIDENTIAL

Subject: Japanese Activities in Kwangtung and Kwangsi:
Mr. M. Matsumoto's "Good Will Mission" to
South China.

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1935 JUN 29 AM 11 28

DIVISION OF
COMMUNICATIONS
AND RECORDS

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

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For	In U.S.A.		
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Spiker	MID		

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

Sir:

With reference to this office's reports concerning
the recent visit to Kwangtung and Kwangsi of Major
General Doihara for the purpose of making representations
on behalf of the Japanese military party to the Kwang-
tung and Kwangsi leaders concerning Sino-Japanese
relations, I have the honor to submit the following
information based chiefly on that which was supplied
to me in confidence just prior to my departure from
Canton, by Dr. Kan Chieh-hou, Special Delegate of the
Ministry of Foreign Affairs for the Provinces of
Kwangtung and Kwangsi, in relation to the visit paid

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JUL 18 1935

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to the Kwangtung and Kwangsi provincial leaders by Mr. M. Matsumoto during the period May 27th to June 4th inclusive. Mr. Matsumoto was described in the Hongkong and Canton press as the "Envoy-at-large" of the Japanese Foreign Office while Dr. Kan informed me that Matsumoto was not only a special representative of the Foreign Office but was also persona grata with the Japanese War Office which considered him a dependable and impartial inquirer and observer - whose findings would be worthy of due consideration.

In considering Mr. Matsumoto's visit, it is particularly interesting to note that upon his arrival in Canton on May 27th, he apparently completely ignored the Kwangtung leaders yet promptly called on Marshal Li Tsung-jen, the Kwangsi leader, and frankly discussed with him and with Dr. Kan Chieh-hou, the Nanking Government's Foreign Office representative in Canton, the purposes of the visit. On the following day, without seeing the Kwangtung leaders, Matsumoto, accompanied by Mr. Tatsuo Kawai, the Japanese Consul General at Canton, left by a special plane for Nanning, the provincial capital of Kwangsi, in which province the two Japanese officials remained for three days and held conversations with Chairman Huang Hsu-ch'u of the Kwangsi Provincial Government and General Pai Chung-hsi, Vice Commander of the Kwangsi forces. The party returned to Canton by plane on May 31st and it was only after such return that Matsumoto called upon the

Kwangtung

-3-

Kwangtung leaders, namely Marshal Ch'en Chi-t'ang and Provincial Chairman Lin Yun-k'ai. This procedure caused considerable speculation in Canton, the local press commenting that Mr. Matsumoto's disregard of the Kwangtung leaders would appear to indicate that Japan's interest in South China lies in Kwangsi rather than Kwangtung.

Dr. Kan informed me that Mr. Matsumoto, in his conversations with him and with the Kwangsi and Kwangtung leaders, had been quite outspoken and frankly intimated that since the Japanese Foreign Office and the War Office in Japan had been unable to agree upon a common policy toward China, he had come, just as Major General Doihara had, in an effort to obtain directly from the Kwangtung and Kwangsi leaders a definite statement as to whether or not they were willing to cooperate with Japan. He stated that the attitude of South China toward Japan was of great interest to the Foreign Office in that the Japanese military authorities in China were constantly seeking to justify to the War Office, their sabre-rattling in China, by referring to recalcitrant South China as abundant evidence that the Japanese Foreign Office erred in seeking rapprochement with the Nanking Government since that Government has not sought to put an end to the anti-Japanese attitude of the South China leaders and thus furnishes to the Japanese military mind another evidence of the "insincerity" of Chiang

Kai-shek

-4-

Kai-shek and Wang Ching-wei.

Dr. Kan stated that Mr. Matsumoto appeared particularly interested in ascertaining whether or not there had been any change in the attitude of the South China leaders toward Japan as evinced by them to Major General Doihara at the time of his recent visit to Kwangtung and Kwangsi. To clarify this statement, I inquired of Dr. Kan if Matsumoto had also inquired as to the attitude of the South China leaders toward the Nanking Government and Dr. Kan replied that Matsumoto had only asked as to South China's attitude toward Japan itself, thus apparently seeking to eliminate from the general picture as drawn by the Japanese militarists in China, the known strong personal dislike of the Southern leaders for Chiang Kai-shek, as long made manifest in the published statements of Hu Han-min and other Southern leaders. Dr. Kan stated that if, through Mr. Matsumoto, the Foreign Office and the War Office should be able to ascertain that the Kwangsi and Kwangtung leaders were willing to depart from their long maintained stand of opposition to Japan, it would greatly strengthen the hands of the Foreign Office and would help possibly more reasonably inclined elements in the Japanese War Office to withstand the clamors of the Japanese military leaders in China for direct action against Chiang Kai-shek and the Nanking Government because of its "insincerity".

Dr.

-5-

Dr. Kan stated that Mr. Matsumoto indicated that these same military leaders were insisting that Chiang Kai-shek was merely playing for time, was not making any serious attempt to stamp out anti-Japanese activities in South China or elsewhere, as provided under the "rapprochement agreement" with the Japanese Foreign Office and that the only way to put an end to this unsatisfactory situation was by the direct application of military measures. Matsumoto then frankly implied that China is faced with the alternative of sincerely "cooperating" with the Japanese or taking the consequences threatened by the Japanese military leaders in China. He further pointed out that the attitude of the South China leaders toward Chiang Kai-shek and the Nanking Government, was obviously playing into the hands of the Japanese military leaders in China and making it increasingly difficult for the Japanese Foreign Office to persuade the country that adjustment of the strained relations between the two nations by diplomatic means is possible. Mr. Matsumoto also bluntly asked the Southern leaders if they for one moment harbored the belief that the League of Nations, the United States, Great Britain or any other great Power had the slightest intention of coming to China's aid at this critical juncture when China has either to meet Japan's wishes or face the weight of the hand of the Japanese military leaders in China.

In

-6-

In answer to my query as to the position of the South China leaders in the matter, Dr. Kan informed me that obviously South China could not fight Japan but that it was extremely doubtful if the Kwangtung and Kwangsi leaders could be persuaded directly to comply with Matsumoto's request that they definitely inform him whether or not they would cease all opposition to Japan. Dr. Kan then observed that the Japanese military-in-China had promptly sought to counter every move made by the Japanese Foreign Office which would rob the military of excuses for further conquest in China; that when the Foreign Office made the "rapprochement agreement" with the Nanking Government, the Japanese military promptly staged the "Chahar Incident" as evidence of "China's bad faith"; that with the success of the Japanese Foreign Office in persuading the Japanese Government to elevate the rank of its diplomatic mission in China to an embassy, and with other nations taking similar steps, the Japanese military-in-China started the movement which has already led to the ousting of General Yu Hsueh-chung from Tientsin with promise as a preliminary to probable further Japanese military aggression in North China. Dr. Kan pointed out that these two moves by the Japanese militarists-in-China, clearly show their temper and unwillingness to permit the Japanese Foreign Office to adjust Sino-Japanese relations by any measures which do not fully meet the wishes of a military group which

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-7-

is a power unto itself and which, in spite of its experience in seizing Manchuria, seems intent on adding to its burdens more of China's territory "for the glory of Japanese arms".

In view of this situation, Mr. Matsumoto's visit to South China would appear to have been of very doubtful value in so far as the peaceful settlement of Sino-Japanese difficulties are concerned. It is possible, however, that coming from a non-military man, his words of warning to the South China leaders will cause them to adopt a more conciliatory attitude toward the Nanking Government, a situation which is apparently not desired by the Japanese military in China. As a concrete evidence of this attitude of the military, there is reported the following revealing incident of which I have just been confidentially informed from an entirely reliable source: About two weeks ago, the Customs authorities at Canton seized one thousand or more seditious pamphlets, one lot bitterly attacking Chiang Kai-shek personally as a traitor, grafter and entirely "insincere" toward his own people, while a second series denounced the Nanking Government and urged the Chinese people without delay to rid themselves of these "perils to the peace, prosperity and happiness of the Chinese people".

The pamphlets in question were intercepted by Customs employees who saw them being smuggled from a

Japanese

-8-

Japanese steamer into the launch of the local Japanese agent of the steamship company, the packages being addressed in Chinese and Japanese characters, to the Japanese military attaché resident in Canton. The Japanese Consulate General was evidently promptly informed of the seizure for the Japanese vice consul called at the Customs House and requested that the packages be handed over to the Consulate for its "inspection". When told that the pamphlets were seditious ones and so had been confiscated forthwith, the consular officer was evidently embarrassed but subsequently blandly suggested that it was probably all a plot of some ardent young Chinese nationalist who, by addressing such pamphlets in care of the resident Japanese military officer in Canton, sought to create the impression that the Japanese military party is interested in keeping alive the opposition of the South to the Nanking Government. In relation to this general subject, it is interesting to note that the English language press at Hongkong shortly thereafter published a statement to the effect that "a vigorous denial has been made in Tokyo that Japanese military attachés in China have made 'personal attacks' on General Chiang Kai-shek".

Another part of the same general picture of Japanese machinations in South China, is found in

the

-8-

the following incident related to me by Dr. Kan Chieh-hou during our conversation on June 3rd. Within the past ten days, a fleet of eight large Japanese fishing vessels, escorted by a Japanese armed vessel, arrived at the small group of islands lying off the island of Hainan and Kwangtung, this group being known as the Tung Sha Chuan Tao (translation, East Sand Group Islands). From the eight vessels, 300 or more men were landed, allegedly for the purpose of gathering seaweed. The men put up tents and other shelters on the islands and began to harvest seaweed, in spite of protests lodged by the local Chinese authorities when the matter was reported by Chinese fishermen residents of the island group. The eight vessels later sailed away but left camped on the islands approximately 300 Japanese "workmen", who announced to the islanders that 16 vessels will shortly return and that 400 additional men will camp on the islands "during the seaweed harvest season". Dr. Kan stated that he had just lodged with the Japanese Consul General at Canton an emphatic official protest at this gross violation of China's sovereignty. Dr. Kan then added that there was a somewhat similar occurrence several months ago when a Japanese steam trawler landed a large number of men, some of them armed

-10-

armed, at a deep bay on the island of Hainan. These men drove the fishermen and local inhabitants away from the bay and remained in the vicinity for several days, during which time it is believed that they made soundings and thoroughly surveyed the bay which the Chinese believe to be one well adapted for the shelter of submarines. Dr. Kan added that during the recent visits of two Japanese admirals to Canton, they both expressed a desire to visit Hainan officially but did not press the matter when the Chinese authorities dared to use the Japanese formula and stated that such visits "would not be convenient" at just that juncture.

In this relation it is to be noted that during the past month there have been repeated rumors that the Portuguese are planning to grant to Japanese firms certain extensive land leases at Macao but this has been flatly denied by the Macao authorities. The rumors persist, however, and it is definitely known that the place has been visited by a number of Japanese naval vessels in recent months and shore parties of officers and men have been observed taking notes, pacing off general dimensions of certain reclaimed land, et cetera. There are also reports that a Japanese firm has offered to construct a new water works at Macao near the shore on very liberal terms. My efforts

to

-11-

to substantiate these reports by inquiries in Canton and Hongkong failed to meet with any success.

Owing to lack of proper facilities on board the Japanese steamer on which I am travelling, these pencilled notes will have to await typing at the American Consulate General in Shanghai, if the stay of the steamer permits, or at one of our offices in Japan. To expedite transmission to the Department, copies will be mailed direct to the Department via the diplomatic pouch of the Embassy at Tokyo.

Respectfully yours,

*4 Carbon Copies
Received
Lundt*

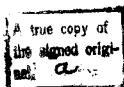
C. J. Spiker.

In duplicate.

Copies to the Department.

Copy to the Legation, Nanking,
and copy to Canton for file.

CJS:a



Copy for the Department

AMERICAN CONSULATE GENERAL

CANTON, CHINA.

(En route from Hongkong to
Shanghai.)

June 5, 1935.

CONFIDENTIAL

Subject: Japanese Activities in Kwangtung and Kwangsi:
Mr. M. Matsumoto's "Good Will Mission" to
South China.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

With reference to this office's reports concerning the recent visit to Kwangtung and Kwangsi of Major General Doihara for the purpose of making representations on behalf of the Japanese military party to the Kwangtung and Kwangsi leaders concerning Sino-Japanese relations, I have the honor to submit the following information based chiefly on that which was supplied to me in confidence just prior to my departure from Canton, by Dr. Kan Chieh-hou, Special Delegate of the Ministry of Foreign Affairs for the Provinces of Kwangtung and Kwangsi, in relation to the visit paid

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-2-

to the Kwangtung and Kwangsi provincial leaders by Mr. M. Matsumoto during the period May 27th to June 4th inclusive. Mr. Matsumoto was described in the Hongkong and Canton press as the "Envoy-at-large" of the Japanese Foreign Office while Dr. Ken informed me that Matsumoto was not only a special representative of the Foreign Office but was also persona grata with the Japanese War Office which considered him a dependable and impartial inquirer and observer - whose findings would be worthy of due consideration.

In considering Mr. Matsumoto's visit, it is particularly interesting to note that upon his arrival in Canton on May 27th, he apparently completely ignored the Kwangtung leaders yet promptly called on Marshal Li Tsung-jen, the Kwangsi leader, and frankly discussed with him and with Dr. Ken Chieh-hou, the Hanking Government's Foreign Office representative in Canton, the purposes of the visit. On the following day, without seeing the Kwangtung leaders, Matsumoto, accompanied by Mr. Tatsuo Kawai, the Japanese Consul General at Canton, left by a special plane for Nanking, the provincial capital of Kwangsi, in which province the two Japanese officials remained for three days and held conversations with Chairman Huang Hsu-ch'u of the Kwangsi Provincial Government and General Pui Chung-hsi, Vice Commander of the Kwangsi forces. The party returned to Canton by plane on May 31st and it was only after such return that Matsumoto called upon the Kwangtung.

-3-

Kwangtung leaders, namely Marshal Ch'en Chi-t'ang and Provincial Chairman Lin Yun-k'ai. This procedure caused considerable speculation in Canton, the local press commenting that Mr. Matsumoto's disregard of the Kwangtung leaders would appear to indicate that Japan's interest in South China lies in Kwangsi rather than Kwangtung.

Dr. Kan informed me that Mr. Matsumoto, in his conversations with him and with the Kwangsi and Kwangtung leaders, had been quite outspoken and frankly intimated that since the Japanese Foreign Office and the War Office in Japan had been unable to agree upon a common policy toward China, he had come, just as Major General Doihara had, in an effort to obtain directly from the Kwangtung and Kwangsi leaders a definite statement as to whether or not they were willing to cooperate with Japan. He stated that the attitude of South China toward Japan was of great interest to the Foreign Office in that the Japanese military authorities in China were constantly seeking to justify to the War Office, their sabre-rattling in China, by referring to recalcitrant South China as abundant evidence that the Japanese Foreign Office erred in seeking rapprochement with the Nanking Government since that Government has not sought to put an end to the anti-Japanese attitude of the South China leaders and thus furnishes to the Japanese military mind another evidence of the "insincerity" of Chiang

Kai-shek

-4-

Kai-shek and Wang Ching-wei.

Dr. Kan stated that Mr. Matsumoto appeared particularly interested in ascertaining whether or not there had been any change in the attitude of the South China leaders toward Japan as evinced by them to Major General Doihara at the time of his recent visit to Kwangtung and Kwangsi. To clarify this statement, I inquired of Dr. Kan if Matsumoto had also inquired as to the attitude of the South China leaders toward the Nanking Government and Dr. Kan replied that Matsumoto had only asked as to South China's attitude toward Japan itself, thus apparently seeking to eliminate from the general picture as drawn by the Japanese militarists in China, the known strong personal dislike of the Southern leaders for Chiang Kai-shek, as long made manifest in the published statements of Hu Han-min and other Southern leaders. Dr. Kan stated that if, through Mr. Matsumoto, the Foreign Office and the War Office should be able to ascertain that the Kwangsi and Kwangtung leaders were willing to depart from their long maintained stand of opposition to Japan, it would greatly strengthen the hands of the Foreign Office and would help possibly more reasonably inclined elements in the Japanese War Office to withstand the clamors of the Japanese military leaders in China for direct action against Chiang Kai-shek and the Nanking Government because of its "insincerity".

Dr.

DECLASSIFIED: E.O. 11652, 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-

Dr. Kan stated that Mr. Katsumoto indicated that these same military leaders were insisting that Chiang Kai-shek was merely playing for time, was not making any serious attempt to stamp out anti-Japanese activities in South China or elsewhere, as provided under the "rapprochement agreement" with the Japanese Foreign Office and that the only way to put an end to this unsatisfactory situation was by the direct application of military measures. Katsumoto then frankly implied that China is faced with the alternative of sincerely "cooperating" with the Japanese or taking the consequences threatened by the Japanese military leaders in China. He further pointed out that the attitude of the South China leaders toward Chiang Kai-shek and the Nanking Government, was obviously playing into the hands of the Japanese military leaders in China and making it increasingly difficult for the Japanese Foreign Office to persuade the country that adjustment of the strained relations between the two nations by diplomatic means is possible. Mr. Katsumoto also bluntly asked the Southern leaders if they for one moment harbored the belief that the League of Nations, the United States, Great Britain or any other great Power had the slightest intention of coming to China's aid at this critical juncture when China has either to meet Japan's wishes or face the weight of the hand of the Japanese military leaders in China.

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The pamphlets in question were intercepted by Customs employees who saw them being smuggled from a

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In this relation it is to be noted that during the past month there have been repeated rumors that the Portuguese are planning to grant to Japanese firms certain extensive land leases at Macao but this has been flatly denied by the Macao authorities. The rumors persist, however, and it is definitely known that the place has been visited by a number of Japanese naval vessels in recent months and shore parties of officers and men have been observed taking notes, pacing off general dimensions of certain reclaimed land, et cetera. There are also reports that a Japanese firm has offered to construct a new water works at Macao near the shore on very liberal terms. My efforts

-11-

to substantiate these reports by inquiries in Canton and Hongkong failed to meet with any success.

Owing to lack of proper facilities on board the Japanese steamer on which I am travelling, these pencilled notes will have to await typing at the American Consulate General in Shanghai, if the stay of the steamer permits, or at one of our offices in Japan. To expedite transmission to the Department, copies will be mailed direct to the Department via the diplomatic pouch of the Embassy at Tokyo.

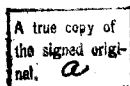
Respectfully yours,

C. J. Spiker.

In duplicate.

Copies to the Department.

Copy to the Legation, Nanking,
and copy to Canton for file.



CJSaa

DECLASSIFIED: E.O. 11652, 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.E.

MoL

1-1236

FROM

Gray.

Nanking via N. R.

Dated July 1, 1935.

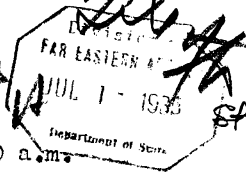
Received 6.55 a.m.



Secretary of State,

Washington.

188, July 1, 10 a.m.



I am informed by a ranking Chinese official that the recent trouble Peiping is now believed in local circles to have grown out of a plot conceived by Wan Kuo Pin, son of Wan Fu Lin, and that Wan Kuo Pin received encouragement from some irresponsible ronin in Tientsin. Wan Fu Lin is suspected of having been to some extent involved and the informant states that the troops who defended Yung Ting Men were not of Wan's own command but were remnants of the so called civic government forces which have been transferred. The correctness of this last statement would seem to be open to question.

ATCHESON

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793.94/7137

FILED
JUL 26 1935

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

TELEGRAM RECEIVED

MED

This message must be
closely paraphrased
before being communi-
cated to anyone (a)

FROM

NANKING

Dated July 1, 1935

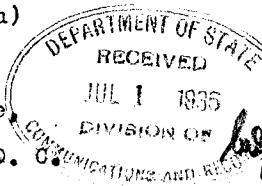
793.94
Secretary of State

Washington, D. C.

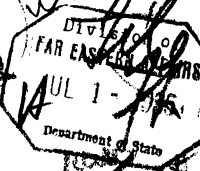
189, July 1, 11 a.m.

One. I learn from a ranking official that during a recent government meeting at which were read telegrams from Chinese missions abroad concerning the reactions of foreign governments to the situation in North China, the acting Minister for Foreign Affairs made a point of stating that the American Government had shown a very cold attitude to China in these difficulties and that the British Government had been the most sympathetic.

Two. The Central Kuomintang activities mentioned in my 181, ¹⁷¹¹⁰ June 24, 2 p.m., have not been abandoned. I am confidentially informed by a responsible official that the control yuan has censored Hwang Fu for his "weakness" in dealing with the Japanese military in North China last year and that as a result Huang has determined that he will not return to Peiping under any considerations, although the Japanese are understood to favor his return. The informant remarked that the Kuomintang had not yet learned its lesson, that its present activities were of the kind which had brought about



Received 7:40 a.m.



Telegram to
Nanking

793.94/7138

FILED
JUL 26 1935

F/G

- 2 - #189, From Nanking, July 1, 11 a.m.

about the Japanese demarche in Hopei, and that the party's continued subversive war against Japanese and against Chinese officials who were trying to keep peace with the Japanese would undoubtedly result in further Japanese interference in Chinese affairs.

Three. Another dependable official source states that the Japanese have ceased to press for anything in writing in connection with Hopei and recently withdrew the demand that official appointments there must have prior Japanese approval. Far from viewing the latter development as hopeful, the informant expressed fear that party interference with appointments and appointees would soon irritate the Japanese military and destroy any benefit which might otherwise accrue from an honest effort by loyal officials to deprive the Japanese army of excuses for taking further action.

Four. To the Department and Peiping.

ATCHESON

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

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

1-138

TO BE TRANSMITTED
✓ CONFIDENTIAL CODE ✓
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Collect
Charge Department

Charge to

Department of State
DEPARTMENT OF STATE

This cable was sent in confidence and it should be carefully paraphrased before being communicated to anyone. A

1935 JUL 5 PM 5 19

Washington,
July 5, 1935.

AMERICAN CONSUL

56 NANKING (China) DIVISION OF
COMMUNICATIONS
AND RECORDS

Your 189, July 1, 11 a.m.

793.94/7138

One. / After your telegram arrived, the Department mentioned to the Chinese Minister informally the story of statement of the Minister for Foreign Affairs alleging a QUOTE cold attitude UNQUOTE on the part of this Government toward difficulties recently experienced (by China) and the Chinese Minister said that he had had similar information.

Two. / The Department told the Chinese Minister that the American Government's attitude and position with regard to treaty rights and obligations was in no repeat no way altered; that the Department during these difficulties had been in communication with the British and other interested governments; that while the American Government had been actuated by the belief that no repeat no useful purpose would be served by making charges either directly or through the press, it had taken steps which had seemed to it appropriate and feasible; that the situation has called for tactful handling and the American Government has refrained from public statements; that the Department has reasoned that

the

Enciphered by

Sent by operator M., 19.

793.94/7138

DECLASSIFIED: E.O. 11652, 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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 PREPARING OFFICE
 WILL INDICATE WHETHER

Collect
 Charge Department
 OR

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TELEGRAM SENT

Department of State

1-138

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Washington,

- 2 -

the situation/would only have been made more acute/had the
 American Government/appeared to intrude into the controversy/
 that the American Government has received/certain assurances/
 of which it has made/careful note; that the American Govern-
 ment intends to/attempt to exert/its influence quietly and/
 unobtrusively, to avoid/giving any countenance/to measures/
 or/situations contravening any legitimate interests or treaty
 rights; and to/continue to keep in/contact with the interested/
 powers; that the courses/followed by the American and the
 British Governments have apparently been on/parallel lines;
 and that/in the light of the foregoing the Department/finds/
 without warrant/in fact any allegation that it/had shown/a
 QUOTE cold attitude, UNQUOTE.

Three. While this digest of statements made informally
 to/Sze/is transmitted primarily for the information and/
 guidance of the American Minister and yourself, you may in
 your discretion, if occasion arises without being made use/
 its substance orally in conversation with the Political Vice/
 Minister for Foreign Affairs.

Four. Repeat to Peiping, as reports 1991

FE:WRP:MMH/REK

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

1321
DECLASSIFIED: E.O. 11652, 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 SENT

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

1-138
TO BE TRANSMITTED
✓CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Collect
Charge Department

Department of State
DEPARTMENT OF STATE

Washington,

Charge to
\$

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

JUL 16 PM 5 59 July 16, 1935.

AMERICAN CONSUL,

NANKING (China).

DIVISION OF
COMMUNICATIONS
AND RECORDS

63
Please send American Embassy, Tokyo, by safe means /
paraphrase of Department's telegram 56, July 5, 6 p. m.

793.94/7138

Philip
G. C.

793.94/7138

FE:MMH:REK

FE

m. m. d.

Enciphered by

Sent by operator

M.,

19

D. C. R.—No. 50.

1-138 U. S. GOVERNMENT PRINTING OFF E: 1934

DECLASSIFIED: E.O. 11652, 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

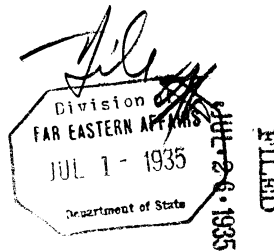
DIVISION OF FAR EASTERN AFFAIRS

June 13, 1935.

U:
Mr. Phillips.

S:
Mr. Secretary.

The attached memorandum of June 12, 1935, discusses the question whether there is need for the American Government to take action in regard to the present situation in North China. Although the general situation has been altered somewhat by developments which were reported on the evening of June 12 and today, it is believed that the memorandum contains observations which we feel warranted in bringing to your attention.



MMH/REK

DEPARTMENT OF STATE /

DIVISION OF FAR EASTERN AFFAIRS

June 12, 1935.

NORTH CHINA CRISIS.

793.94

The action taken by Japanese military leaders in the Peiping-Tientsin area from about May 29, 1935, which action has had for its avowed object the elimination of all persons and organizations from that area unfriendly to Japan, raises the question whether there are necessity and justification for any step by the American Government in pursuit of its traditional objectives in and with relation to China, and whether such a step, if taken, would be advantageous or disadvantageous to the interests of the American Government and of American citizens. This memorandum discusses the nature of the step which might be taken and the probable effect of the step on the international position of the United States.

The facts of the situation, briefly summarized at the time of writing, are that the Japanese military leaders have "suggested" to the Chinese authorities the removal of certain Chinese officials and bodies of Chinese troops and of the Kuomintang organs from the Peiping-Tientsin area, on the ground that their presence is not conducive to amicable cooperation between Japan and China. To strengthen these "suggestions", Japanese armed forces have been disposed at strategic points and military demonstrations have occurred

in

793.94/7139

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- 2 -

in Tientsin and Peiping. The Chinese authorities in Peiping, with the apparent authorization of the National Government, have taken the action "suggested" by the Japanese military authorities.

The immediate objective of the American Government in China, faced with this situation, is to guard against impairment of the right of American citizens to pursue all lawful activities in China on a basis of equality with the citizens of other countries; and, as conducive to the attainment of this end and possibly other ends sought by the United States, to refrain, along with other nations, from any measures which may impair the administrative and territorial integrity of China. Through the Nine Power Treaty both the American and Japanese Governments, and twelve other governments, are committed to respect for the territorial and administrative integrity of China and to the principle of equal opportunity for the commerce and industry of all nations throughout China.

Viewing the matter from the standpoint of China's integrity, it is clear from the record of Japan's encroachments on China since 1931 that the only thing that will deter Japan is force. The American Government does not (and in our opinion should not) contemplate the use of force to prevent Japan from violating China's integrity. Moreover, the obligation to respect the integrity of China is an

obligation

- 3 -

obligation common to all the governments party to the Nine Power Treaty and is not an obligation of the United States alone. It does not appear that China has made any representations to the League of Nations or to any country protesting that the recent actions of Japanese military authorities in North China have violated any international obligations imposed on Japan by treaties to which Japan, China or the United States are party. The last factor is not conclusive, but should, it is believed, be noted.

Similarly viewing the matter from the standpoint of American rights, it does not appear at the present time that the action taken by the Japanese military authorities in the Peiping-Tientsin area has resulted in the impairment of the rights of American citizens in that area. Nevertheless, the example of "Manchukuo" warrants the fear that American rights in North China will be in danger of impairment in the future if Japanese influence in that area is further increased and entrenched, and watchfulness is undoubtedly necessary.

Any step which the American Government might decide to take at the present time with regard to these complications, actual or threatened, may be regarded as restricted to (a) informal inquiry or (b) representation in the nature of a remonstrance or reservation of rights, or (c) informal consultation. Such inquiry or representation might be addressed

to

- 4 -

to China or Japan, and consultation might be held with some nation, such as Great Britain, which is co-signatory with the United States of some joint statement of policy.

Notwithstanding the case which might be made for one or more of these steps, it would appear unwise for the American Government to take the initiative in such manner at this time, because it may be anticipated that the result would be either valueless or even positively disadvantageous to the ends in view.

In relation to a possible inquiry regarding the purpose and effect of recent Japanese activities, there appears to be no reasonable doubt that the steps taken by the Japanese military authorities in North China have as their object the bringing of that area within the sphere of Japanese effective influence and, to that extent, will result in depriving the National Government of its rightful freedom of action there. Nevertheless, if an inquiry were addressed to the Japanese Government in relation to this point, the reply might confidently be expected that the authority of the Chinese Government is and will be in no way impaired, provided that its authority is exercised in a way consistent with friendly cooperation between China and Japan.

If an inquiry were addressed to the Government at Nanking, that government would be placed in an embarrassing position, since it would be obliged either to assert that

Japan

- 5 -

Japan had violated the political integrity of China, and thus to forfeit the benefits to be anticipated from the recently adopted policy of the Chinese Government to cultivate friendly relations with Japan, or it would be obliged to state that the Chinese Government had no objection to the action of the Japanese military authorities, in which case the concern evidenced by the American Government would appear to be gratuitous.

An incidental risk which would be incurred through addressing an inquiry either to the Japanese or the Chinese Government would be the possibility that the American Government might be regarded as assuming the role of the special champion of China, a position which would entail many disadvantages, whether China accepted the United States in that role, or rejected it.

Representations, remonstrances or renewed statements of principle seem, for the present at least, to be taken care of by declarations made in times past. When the situation shall have become clarified and should there then appear need for the making of representations, that question can then be given consideration.

Consultation with the British Government would entail relatively less risk of awkward results, but there seems to be reason to anticipate that Great Britain would either minimize any reason for alarm, or would only too willingly concur in the position of leadership assumed by the United States in starting the discussion. The present political and economic interests in China of Great Britain are admittedly far greater than those of the United States. They are equally exposed to Japanese aggression. It would not, therefore, be illogical for us to await British initiative

in

- 6 -

in the present situation.

The essential points seem to be that: (1) whereas no reply from Japan or China to an inquiry on the subject could lessen a reasonable conviction that the Japanese measures in North China have been designed to make Japanese influence in that area of greater authority than the Chinese Government, nevertheless a denial either from Japan or from China would place the United States in the position of being unable to act on this conviction without giving open offense to the country returning the denial; (2) any intervention in the present situation, however colorless, might lead to the American Government appearing in the role (a) of an intruder in a matter concerning only China and Japan or (b) of a champion of China and fomenter of discord between that country and Japan or (c) of an especial antagonist of Japan.

It is admitted that Japan's recent activities in North China may result in a situation which would justify and require action by the American Government in support of the rights of its citizens or of the policies to which it is committed. The course of events must be watched carefully with this possibility in mind. What this memorandum respectfully submits is that insufficient grounds have as yet been supplied to serve as the immediate basis for any action by the American Government in the present so-called "crisis" in

North

- 7 -

North China; that any action at this time, even of an informal nature, might place the American Government in an awkward predicament; and that, as far as the record goes, the position of the United States with regard to the principles involved has been made sufficiently clear by its previous statements. For convenience of reference a list of the more pertinent declarations follows:

1. Identic notes, dated January 7, 1932, to the Chinese and Japanese Governments, announcing the intention of the United States not to recognize any agreement impairing American treaty rights, including those which relate to China's integrity or the Open Door policy and not to recognize any change brought about by means contrary to the Kellogg Pact;

2. A note, dated February 24, 1933, to the League of Nations, expressing general concurrence of the American Government in the findings of the Lytton Commission;

3. A note, dated March 13, 1933, to the League of Nations, expressing the willingness of the United States to cooperate with the so-called Sino-Japanese Advisory Committee of the League of Nations, which committee is still in existence; and

4. A note, dated April 27, 1934, to the Japanese Government, affirming the principle that no nation may alter the terms of a treaty or abridge the rights of
another

DECLASSIFIED: E.O. 11652, 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 -

another nation without the consent of the latter.

It may again be stated that this memorandum has not attempted to discuss in detail whether, in order to "keep the record clear", it is necessary for the American Government to make any declaration regarding what has just transpired in North China, but has dealt with the practical aspects of any intervention which might be contemplated. Even granting that the spirit of the Nine Power Treaty has been violated, there still appears to be no need for hasty action. The need at present seems to be for careful attention to future developments. The basic and underlying need in the whole situation is realization that any independent action by the American Government directed toward thwarting Japan's imperialistic program in and with relation to China will, by exacerbating public feeling both in the United States and Japan, operate toward bringing nearer the definite joining of issue between the United States and Japan which could be resolved only by armed force.

mmh

mmh *EJD*
FE:WRP/MMH/EJD:EJL

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

Copy for the Department

AMERICAN CONSULAR SERVICE

American Consulate, Dairen, Manchuria, June 1, 1935.

DIVISION OF
 FAR EASTERN AFFAIRS
 JUL 2 1935

SUBJECT:

Reported inclusion of Peiping and Tientsin
 within the Demilitarized Zone of North
 China.

The Honorable

Joseph C. Grew,

Tokyo, Japan.

For

(A)

ONI and MID VDS

Popl. CB

I have the honor to report that Lieutenant-General
 Yoshijiro Umetsu, Commander of the Japanese Garrison in
 North China left Dairen last evening to return to his
 post following upon a series of discussions reported to
 have taken place at Hsinking with the Japanese Minister
 of War and with General Minami. It is currently be-
 lieved here that General Umetsu brings back to China in-
 structions for a more stringent policy on the part of
 the Japanese military, looking to the inclusion of
 Peiping and Tientsin within the demilitarized zone.

The MANCHURIA DAILY NEWS of last night carried the
 following official Japanese announcement issued sub-
 sequently to an interview between General Ho Ying-ching,
 Colonel Takeshi Sakai, Chief of Staff of the Japanese
 Garrison at Tientsin and Major Takahashi stationed at
 Peiping, during the course of which a strong protest is
 reported to have been made to General Ho against anti-
 Japanese activities in North China:

"The frequent occurrence of anti-Manchoukuo
 activities on the part of Chinese, the assistance
 given by Chinese officials to the volunteer corps
 in the districts near the Great Wall, and anti-

Japanese

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JUL 10 1935

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

- 2 -

Japanese terroristic acts centering around Tientsin instigated by Chinese authorities are flagrant violations of the Sino-Japanese agreement for the maintenance of peace and order in the demilitarized zone.

"Such acts are regarded as a part of the anti-Japanese operation directed by General Chiang Kai-shek.

"These activities should be taken seriously especially in view of the fact that the bases of operations are located in Peiping and Tientsin.

"As long as the present situation continues, the Japanese army sees the necessity of sending troops over the Great Wall into China and at the same time will be forced to include Tientsin and Peiping, the centers of such activities, in the demilitarized zone.

"The assassination of the two Chinese publishers in Tientsin, Mr. Hu An-pu and Mr. Pai Yuhuan, is a violation of the Sino-Japanese agreement concluded at the time of the Boxer trouble. It is not only an anti-Japanese act but also a challenge against the Japanese army.

"In anticipation of possible recurrence of such acts in the future, the Japanese army sees the necessity of taking measures of self-defence in accordance with the provisions of the Tanku truce agreement.

A MANJU NIPPO despatch from Shanghai dated May 31st states in this connection that at a conference held on May 30th, of Japanese Military Attaches stationed in Shanghai and Nanking, it was decided to adopt a firm policy toward the Chinese for alleged violation of the Tanku truce agreement, and that it was agreed to "abandon the Truce agreement and take positive action in the event the Chinese continue to ignore the provisions of the truce accord."

Respectfully yours,

Stuart S. Grummon,
 American Consul.

800
 SEG:L

Two copies

DECLASSIFIED: E.O. 11652, 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 -

Two copies to Department.
Copy to Legation, Peiping.
Copy to Consulate General, Tokyo.
Copy to Consulate General, Mukden.
Copy to Consulate General, Harbin.
Copy to Consulate General, Tientsin.

A true copy of
the signed original.
a.m.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

TELEGRAM RECEIVED

RR

1-1286

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

FROM

Peiping

Dated July 2, 1935.

Received 7:38 a.m.

Secretary of State,
Washington.

RECEIVED
JUL 2 1935
DIVISION OF
RELATIONS AND
ATTACHMENTS AND

Division
FAR EASTERN AFFAIRS
JUL 2 - 1935
Department of State

330, July 2, noon.

Reference my telegram No. 325, June 29, 1 p. m.

The Mayor of Peiping stated last evening in confidence that 92 of the men who caused the trouble at Fengtai and on the armored train have been taken into custody; that among them are four retired Japanese military, one Korean and many men of Liu Kuei Tang and Shih Yu Shan; and that more than 20 men believed to be connected with the uprising have been arrested inside Peiping. He said that undoubtedly the men on the armored train expected others within the city to take simultaneous action that night but that the city authorities having had previous information took adequate measures to prevent such action. The Mayor further said that several hundreds of Japanese and Koreans had been arriving daily at Peiping prior to the trouble and that although many of them had been coming for the purpose of exchanging (?) for silver at Peiping banks and then taking the silver out of the country (a transaction which the

Peiping

793.94/7141

FILED

JUL 26 1935

330 from Peiping

-2-

Peiping authorities have now made difficult to effect) a considerable number came in the hope of profiting through the political turnover which the recent trouble might have caused. He stated that many of them are still in Peiping hoping to profit from a similar outbreak in the future and that martial law is being continued because the authorities hope thereby to make a complete survey of the situation and an improvement in regard to these armed undesirables: Japanese, Koreans and Chinese.

The Mayor further said that he expected an outbreak similar to the recent trouble before the end of the year, adding that such Japanese military as Doihara and Matsui are opposed to such tactics but that younger Japanese in Tientsin are working for it.

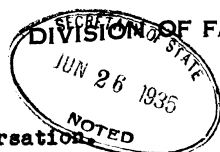
By mail to Tokyo and Nanking.

WSB

JOHNSON

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

*Copies sent to Tokyo, Peking
& Nanking*
DEPARTMENT OF STATE



June 21, 1935

Conversation.

Count Robert van der Straten-Ponthoz, the Belgian
Ambassador,
and Mr. Hamilton.

Subject: North China Situation.

The Belgian Ambassador telephoned and stated that he
had received a telegram from Brussels asking whether we had
received an aide memoire from the British Government in
regard to the situation in North China.

Mr. Hamilton replied that we had not received an aide
memoire from the British; that the British Ambassador had
called on Mr. Phillips and had informed him of the substance
of information communicated to the British Foreign Office by
the Chinese Ambassador in London; that the British Ambassador
had stated also that the British Government was instructing
its Embassy in Tokyo to make certain inquiries of the
Japanese Foreign Office; and that the British Ambassador
inquired whether this Government would be disposed to instruct
the American Embassy in Tokyo to make similar inquiry.

In response to further inquiries made by the Belgian
Ambassador, Mr. Hamilton stated that the Chinese Minister here
had informed us under instruction and in confidence with

regard

793.94/7142

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- 2 -

regard to certain information relating to the situation in North China; that the Chinese Minister had not asked that we invoke the Nine Power Treaty; and that we had not instructed the American Embassy in Tokyo to make inquiry of the Japanese Foreign Office for the reason that, shortly after the British Ambassador here had approached the Department, the Japanese Ambassador here had on his own initiative communicated to the Secretary of State certain assurances from the Japanese Foreign Minister in regard to the North China situation, whereupon the Secretary of State took that occasion to emphasize to the Japanese Ambassador that he (the Secretary of State) was very glad to receive these assurances from the Japanese Foreign Minister and that he (the Secretary of State) was of the opinion that it was very important that the Japanese Government take steps to clarify the situation.

The Belgian Ambassador remarked that the Belgian Government, as a signatory to the Nine Power Treaty, was of course interested in the situation in North China, to which Mr. Hamilton replied that he realized this and therefore wished to give the Belgian Ambassador a full account of what had transpired.

The Belgian Ambassador thanked Mr. Hamilton for the information communicated to him.

M. M. H.

MMH/REK

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

July 7 1935

No.
CONFIDENTIAL - STAFF USE ONLY.

793

To the American Ambassador,
 Tokyo.

The Secretary of State refers to the Department's strictly confidential instruction No. 791 of June 25, 1935, enclosing copies of various memoranda in regard to recent developments in relations between China and Japan in connection with North China, and encloses for the confidential information of the American Ambassador a copy of a memorandum of a conversation of June 21, 1935, between the Belgian Ambassador and an officer of the Department on this subject.

Enclosure:

Memorandum of conversation of June 21, 1935, between the Belgian Ambassador and Mr. Hamilton.

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Stamp: 1935
 Signature: [Handwritten 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

July 1 1935

No.
CONFIDENTIAL - STAFF USE ONLY.

1701

To the American Minister,
 Peiping.

The Secretary of State refers to the Department's strictly confidential instruction No. 1698 of June 25, 1935, enclosing copies of various memoranda in regard to recent developments in relations between China and Japan in connection with North China, and encloses for the confidential information of the American Minister a copy of a memorandum of a conversation of June 21, 1935, between the Belgian Ambassador and an officer of the Department on this subject.

793.94/7142

Enclosure:

Memorandum of conversation of June 21, 1935, between the Belgian Ambassador and Mr. Hamilton.

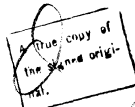
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M. M. H.

VII-1-35

JUL 1 1935



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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

July 1 1935

No.

CONFIDENTIAL - STAFF USE ONLY.

To the American Consul General,
 Hanking, China.

The Secretary of State refers to the Department's strictly confidential instruction of June 25, 1935, enclosing copies of various memoranda in regard to recent developments in relations between China and Japan in connection with North China, and encloses for the confidential information of the Consul General a copy of a memorandum of a conversation of June 21, 1935, between the Belgian Ambassador and an officer of the Department on this subject.

793.94/7142

Enclosure:

Memorandum of conversation of June 21,
 1935, between the Belgian Ambassador
 and Mr. Hamilton.

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JUL 1 1935

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

No. 883
CONFIDENTIAL - STAFF USE ONLY.

July 9 1935

To the American Ambassador,
 London.

793.94/7142

The Secretary of State refers to the Department's strictly confidential instruction No. 868 of June 25, 1935, enclosing copies of various memoranda in regard to recent developments in relations between China and Japan in connection with North China, and encloses for the confidential information of the American Ambassador a copy of a memorandum of a conversation of June 21, 1935, between the Belgian Ambassador and an officer of the Department on this subject.

Enclosure:

Memorandum of conversation of June 21, 1935, between the Belgian Ambassador and Mr. Hamilton.

793.94/7142

FE:230

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JUL 6 1935

VII-3-35

JUL 6 1935

A true copy of the signed original

MTH

DECLASSIFIED: E.O. 11652, 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. 240
CONFIDENTIAL - STAFF USE ONLY.

July 9 1935

To the American Ambassador,
Brussels.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of a conversation of June 21, 1935, between the Belgian Ambassador and an officer of the Department in regard to recent developments in relations between China and Japan in connection with North China.

793.94 / 7142

Enclosure:

Memorandum of conversation of June 21, 1935, between the Belgian Ambassador and Mr. Hamilton.

793.94/7142

egc.
FE:550

FE
m/m/h

VII-3-35

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7/6/35
amw

JUL 6 - Rec'd

A true copy of the original.

JUL 6 1935
JUL 9 1935

[Handwritten 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

No. 431

July 9 1935

CONFIDENTIAL - STAFF USE ONLY.

To the American Ambassador,
 Moscow.

The Secretary of State refers to the Department's instructions No. 424 and No. 425 of June 25, 1935, in regard to recent developments in relations between China and Japan in connection with North China, and encloses for the confidential information of the Ambassador a copy of a memorandum of a conversation of June 21, 1935, between the Belgian Ambassador and an officer of the Department and copies and paraphrases, as listed below, of certain telegrams on this subject.

Enclosures:

Memorandum of conversation of June 21, between the Belgian Ambassador and Mr. Hamilton;
 No. 309, June 24, from Peiping;
 No. 315, June 25, from Peiping;(paraphrase)
 No. 318, June 26, from Peiping;
 No. 183, June 26, from Nanking;
 No. 141, June 26, from Tokyo (paraphrase);
 No. 321, June 27, from Peiping;
 No. 324, June 29, from Peiping.

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VII-3-35

FE
 JUL 6 1935
 JUL 9 1935

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 7/6/35
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 A true copy of the original

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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.D.

TELEGRAM RECEIVED

REP

SPECIAL GRAY

1-1286

FROM

Shanghai via N. R.

Dated July 2, 1935

Rec'd 3:48 p. m.

Secretary of State,
Washington.

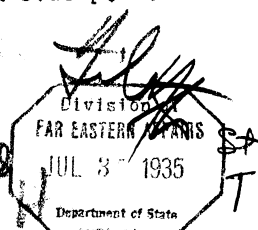
368, July 2, 5 p. m.

STRICTLY CONFIDENTIAL.

According to correspondent of the CHICAGO DAILY NEWS,
the third Japanese fleet which was scheduled to leave
Shanghai sometime this week has now deferred its departure
as a result of the following:

In May the "New Life Magazine" published an article
alleged to be ~~despatched~~ ^{derogatory} to the Japanese Minister and
also to the "Manchukuo Emperor". The Japanese Consulate
here made representations to Mayor of Shanghai and secured
the arrest of the editor, the Japanese now claim that the
article in question "Gossip About Emperors" "was passed
by a censor under the direct supervision of the Central
Kuomintang and are understood to be making a serious
issue of the case."

Third Secretary Motono of the Japanese Embassy informed
the above mentioned correspondent that it was hoped that
there



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

REP

2-#368, July 2, 5 p. m. from
Shanghai

there would be no incidents but, commented that feeling in the Japanese community was running high and that many thought that the Government was not taking a strong enough attitude. It is reported that Ambassador Arioshi is interviewing Nanking authorities today to obtain satisfactory explanation.

It may be that the situation in Shanghai and along the Yangtze is developing along the lines indicated by this Consulate General's telegrams Nos. 292, ⁷⁰¹² June 7, 6 p.m., and 296, June 8, 2 p. m. /7018

Repeated to Legation, Peiping and Nanking.

CUNNINGHAM

CIB

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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 3, 1935

WMAH

Murden's sketch
despatch of June 4, '35
in regard to recent
developments in North
China. The enclosure
need not be read.

Lu Ma.

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

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

No. ----

AMERICAN CONSULATE GENERAL

Mukden, Manchuria, June 3, 1935.

SUBJECT: 1-1403 ...

Transmission of Copy of Despatch of
Recent Developments in North China.

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

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

Division of
FAR EASTERN AFFAIRS
JUL 3 - 1935
Department of State

RECEIVED
DEPARTMENT OF STATE
JUL 2 2 PM 1

I have the honor to enclose herewith a copy
of my despatch No. 107 of June 3, 1935, to the
Legation at Peiping, China, entitled "Recent
Developments in North China".

Respectfully yours,

J. W. Ballantine
J. W. Ballantine,
American Consul General.

FILED
JUL 6 - 1935

DEPARTMENT OF STATE
A-C/C
JUL 5 1935
ASSISTANT SECRETARY
OF STATE

Enclosure: Copy of despatch No 107
to Legation at Peiping.

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No. 107.

AMERICAN CONSULATE GENERAL,

Mukden, Manchuria, June 4, 1935.

SUBJECT: Recent Developments in North China.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

1/- I have the honor to refer to my telegram of June 1, 3 p.m., and to enclose the KOKUTSU article upon which it was based, consisting of a statement issued at military headquarters in Hsinking on May 31. It will be noted that the anti-Japanese and anti-"Manchukuo" activities of Sun Yung-chin and other "bandit" leaders, and the support given to them by General Yu Hsueh-chung are cited as the reasons for the demands made upon the Chinese authorities, but that no mention is made of the Tientsin assassinations.

Subsequent to my call on Major Tajima on June 1, I met General Doihara after his return to Mukden on June 3 and inquired whether he had any information concerning developments in North China. He stated that the Mukden Military Mission was entirely out of touch with the situation in North China, and that he had no information other than that contained in the press.

An article published in the MANCHURIA DAILY NEWS

of June

- 2 -

of June 3 under a Hsinking dateline, and presumably emanating from military circles, states that the "replacement of Yu Hsueh-chung and his ilk (sic) from high positions in North China by other Chinese officials inclined toward Sino-Japanese cooperation and amity is the first requisite for easing the situation there".

According to KOKUTSU, Lieutenant General Umetsu, commander of the Japanese garrison in North China, left Hsinking for Tientsin on May 30 after conferring with War Minister Hayashi and General Minami on North China problems; the article states that the Generals decided on "concrete measures to deal with..... the reorganization of the peace preservation corps in the demilitarized zone, the recent murder of two prominent Chinese publishers in Tientsin, and the invasion of Sun Ying-chin's bandit troops".

Respectfully yours,

JOSEPH W. BALLANTINE

J. W. Ballantine,
American Consul General.

Enclosure:

1/- KOKUTSU article, as stated.

A true copy of
the signed original
JWP

Five copies to Department by despatch No. ---
dated June 4, 1935.

One copy to Embassy, Tokyo.

One copy to Consulate General, Harbin.

One copy to Consulate, Dairen.

800

AWB:wyp

Enclosure to despatch No. 107 of J. W. Ballantine,
American Consul General, Mukden, Manchuria, dated June
4, 1935, to the American Legation, Peiping, China,
on the subject: "Recent Developments in North China".

SOURCE: KOKUTSU,
The Manchuria Daily News,
June 3, 1935.

C O P Y

ARMY STATES REASONS FOR FIRM RESOLVE

Calls China's Bluff by Explaining how Nanking
Playing Game of Deception

KOKUTSU

HSINKING, June 3 - "The recent pronouncement by
the Nanking government on China's new policy toward
Japan is nothing but a deception," according to an im-
portant statement issued by the Kwantung army on Friday
afternoon in the form of an interview by its staff
officers.

The statement explains the reasons which have
compelled the army to deal with the situation on North
China. The announcement follows:

"The Kwantung army deeply regrets that the recent
activities of Sun Yung-chin's bandit troops in the
Tsunhua district in the demilitarized zone were apparent-
ly instigated by the North China authorities.

"Despite the fact that the peace preservation corps
under General Yu Hsueh-chung, which were charged with
the subjugation of Sun's forces, were given an opportunity
by our troops to take part in the punitive campaign, they
not only failed to launch even a single attack against
the bandits during the campaign but also opened for them
a way to retreat and secretly gave them every possible
convenience.

Obligations Unfulfilled

"This showed that they had no intention of subjugat-
ing them, and it should be said that they did not fulfill
their obligations.

"Furthermore there is evidence that the magistrate
of Tsunhua-hsien and other Chinese officials accorded
facilities to supply ammunition and provisions to the
bandit troops, that General Yu informed the bandits that
they should retreat to outside of the area of attack of
the Japanese troops, and that General Ho Ying-chin, chair-
man of the Peiping branch of the national military council,
officially named the bandit forces infesting the Sino-
Manchoukuo border districts as the North Eastern volunteer
army.

"The Kwantung army regards such anti-Japanese and
anti-Manchoukuo acts on the part of the Chinese authorities

- 2 -

as disturbing peace and order in the demilitarized zone and therefore views them with keen displeasure as well as taking a serious view of the situation.

True Terms Defies

"The Tangku truce agreement which was concluded for the purpose of removing the feeling of uneasiness between Japan and Manchoukuo is being destroyed by the actions of the Chinese authorities.

"The Kwantung army can not but point out that the so-called volunteer forces are being directed from bases in the Peiping and Tientsin districts.

"The Kwantung army consequently believes that in order to alleviate the uneasy situation in North China and to prevent the occurrence of untoward incidents in the future, it is only natural that the Chinese authorities should seriously reflect over their past acts and take measure to eradicate the causes of present trouble.

"This responsibility should be borne not only by the North China administration but also by the Nanking government.

Double-Crossing

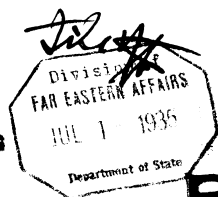
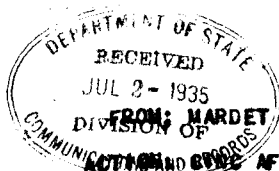
"The fact that anti-Japanese and anti-Manchoukuo activities are being openly conducted as formerly under the administration of the Nanking government, which has recently professed itself to have taken a friendly attitude toward Japan, proves that the recent pronouncement by the Nanking government on China's new policy toward Japan is nothing but a deception.

"If the present state of affairs continues, the Kwantung army will be compelled to take necessary measures in self-defence.

"The Chinese side, however, shall be held responsible for any situation that may arise as a result of such measures."

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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



1935

RESTRICTED

INFO: MARCORPS; PARPAC

0028 DURING NIGHT TWENTYSEVEN TWENTYEIGHT JUNE GROUP PLAIN CLOTHESMEN SEIZED ARMORED TRAIN CONSISTING ENGINE TWO ARMORED RAILWAY CARS EACH EQUIPPED WITH ONE THREE INCH GUN AND TWO FLAT CARS AT FENGTAI JUNCTION SIX MILES SOUTH WEST PEIPING ON PEIPING TIENTSIN RAILWAY ATTEMPTED FORCE TRAIN INTO CITY PEIPING. MARTIAL LAW DECLARED, CITY GATES CLOSED SANDBAG BARRICADED. SOUTH WALL CHINESE CITY MANNED BY CHINESE TROOPS WHO OPPOSED ENTRANCE WITH MACHINE GUNS TRENCH MOTARS. TRAIN FIRED SEVERAL ROUNDS SHRAPNEL AGAINST RAILWAY GATES SOUTHEAST CORNER CHINESE CITY ALSO FEW ROUNDS INTO WESTERN SECTION TARTAR CITY NO CASUALTIES REPORTED. TRAIN RECAPTURED NEAR FENGTAI THIS MORNING PLAINCLOTHES MEN DISPERBED INTO "DEMILITARIZED ZONE" AFTER RAILWAY HAD BEEN CUT TO PREVENT RETURN TRAIN TO PEIPING. ARMORED TRAIN BELONGED FIFTYTHIRD ARMY COMMANDED BY WAN FU LING. SITUATION WELL HANDLED BY LOCAL AUTHORITIES **EVERY THING QUIET.**

793.94/7145

CORRECTED DISTRIBUTION

13:... ACTION (3)
00A, 01, 05, 10A, 11, 16, 19, 20, 30, MARCORPS. MUNAV.

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

OSD letter, May 3, 1972

By [signature], NARS Date 3/19/83

793.94

TELEGRAM RECEIVED

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

RR

1-1326

FROM

SPECIAL GRAY

Shanghai via N. R.

Dated July 3, 1935.

Received 8:45 a. m.

Secretary of State,
Washington.

369, July 3, 11 a. m.

STRICTLY CONFIDENTIAL. With reference to my
telegram 368, July 2, 5 p. m.

Sjv
The press reports this morning that the Japanese
corporation
residents ~~is~~ is holding a meeting to consider possible
action.

The present reported incident is somewhat similar
to that reported in my despatch 7152 of March 8, 1932 (page
3) wherein was discussed the closing of the Min Kuoji
Pao (Chinese vernacular daily) as a result in consequence
of the Japanese taking offense at an alleged insult to the
Japanese Emperor and at an article blaming the Japanese
marines for certain local incidents.

I do not regard local conditions serious. Repeated
to the Legations Peiping and Nanking.

WSB

CUNNINGHAM

793.94/7146

FILED

JUL 26 1935

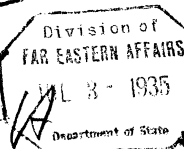
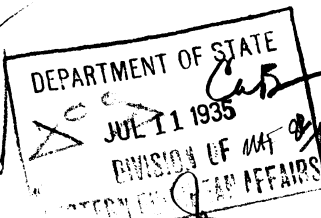
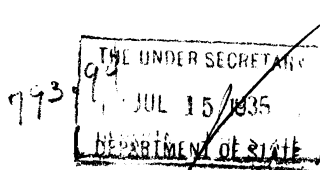
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA
ROME, June 20, 1935.

No. 1162.

Subject: Situation in the Far East.

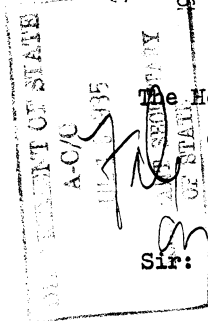


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DEPARTMENT OF STATE

JUL 3 PM 12 02

DIVISION OF
COMMUNICATIONS
AND RECORDS

For Distribution Check			
Grade		To Field	Yes
For		In U.S.A.	No
Peking, Tokyo			



The Honorable
The Secretary of State,
Washington.

Sir:

With reference to my despatch No. 1148 of June 14th reporting Italian comment on developments in the Far East, I have the honor to inform the Department that much interest continues to be evinced here in the Sino-Japanese situation. For editorial writers, however, the subject serves primarily as an occasion to criticize the British stand on the Abyssinian question, by comparing this with the allegedly indifferent attitude of Great Britain and the other powers on the far more important issue, as the Italians view it, of Japanese expansion in China.

The

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Copy Transmitted by the
Government Office (A-C/C)

To Peking
Tokyo

FILED
JUL 18 1935

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C/S

-2-

The POPOLO D'ITALIA (Mussolini's newspaper) affirms that Japan was encouraged by the Italo-British dispute over Abyssinia and the consequent "more or less temporary" weakening of the Stresa front, and states that since the establishment of the League of Nations the former cooperation of the Great Powers with respect to the Far East has completely disappeared, leaving Japan a free hand. Great Britain, the newspaper affirms, is rooted on the shores of Lake Tsana, France is unable to turn her back on the Rhine, Germany is caught in the Franco-Russian vise, Russia is immobilized on the European front, and even the United States is unwilling to give offense. As the Duce prophesied, the POPOLO D'ITALIA concludes, Europe is falling into decadence because it cannot attain a minimum of solidarity:

"This does not in the least mean, however, that modern Italy will decay along with the rest. We are young and we intend to live our history. ... There are abroad people who deceive themselves and others. But let the world beware of a nation solidly arrayed around its leader and the builder of its future, with whom Europe will become better and better acquainted.

"For years past there has been a chain series of serious international blunders, for which Italy has had no responsibility, ranging from a refusal to cooperate in four to the wrecking of fair armament proposals. Mussolini has always seen clearly. If the Four-Power Pact had functioned, Europe would have been able to resume its position as arbiter of world affairs. But if Europe is determined to relinquish its imperial functions, we, at least, shall not lose our way."

While

-3-

While Japan is busily ousting the "infamous generals and brigands in China, says the POPOLO DI ROMA, the Great Powers of the West are covering themselves with ridicule. American policy, continues this newspaper, is based on the following four points, which, if ineffectual to stop Japan, at least give the world some amusement:

↓ "(1) Cooperation with Great Britain -- that is, helping Great Britain do nothing; (2) abstention from any act offensive to Japan -- excuse my back, said the gentleman who had just been kicked; (3) decision to avoid hasty action -- also decision to think things over carefully, to reflect at length, to consider every move thoroughly, etc.; (4) non-recognition of Manchukuo -- that is, refusal to recognize the fact that Japan has had a meal, without in any way interfering with Japanese digestion."

In conclusion the POPOLO DI ROMA refers to the fact that China is a member of the League of Nations and that her territorial integrity is guaranteed by a nine-power treaty and inquires when the British House of Commons may be expected to present a resolution for the closing of the Suez Canal to Japanese ships.

The MESSAGGERO believes that Japan has chosen the present time to advance her conquest of China because of the realization that once China were in possession of material equipment comparable with her own, that country could validly resist any aggression. It is stated particularly that the Chinese are potentially superior to the Japanese not only in numerical strength but in natural ability to use mechanical equipment, especially airplanes. Had the

Great

-4-

Great Powers given China material assistance they could have saved her, the newspaper believes; now, however, even if they were to reach an agreement among themselves, they would be unable to force Japan back across the Great Wall and prevent China from becoming a Japanese economic preserve.

The MESSAGGERO also publishes in summary an article by Captain S. Tagaki of the Japanese navy, in which the writer denies that Japan is inspired by imperialistic ambitions, stating that she merely desires security, especially against the Russian peril, and an economic outlet in Asia. A translation of this summary is enclosed herewith.

In conclusion I have the honor to report that on June 20th the press here published under a Washington date-line, without explanation or comment, the announcement that a conversation on the Sino-Japanese question had been held in the State Department between the Italian Ambassador and the Chinese Minister.

Respectfully yours,

A. Kirk.

Alexander Kirk,
Chargé d'Affaires ad interim.

✓
Enclosure: Translation.

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710

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

Enclosure No I to Despatch No. 1162 of June 20, 1935,
from the Embassy at Rome.

MESSAGGERO, Rome,
June 21st, 1935.

(Translation)

JAPAN AND HER NAVY.

With a regularity at once disconcerting and admirable, Japan has made a further, but assuredly not final, step in her conquest of China. And further rivers of ink flow in the press of all nations on the subject of developments in the Pacific and the effects thereof on the rest of the world generally and Europe in particular, especially in view of the fact that when the initial results of the Anglo-German naval conversations were communicated to the Washington Treaty powers, the Japanese government immediately and unequivocally asserted its claim to naval parity. The two facts are connected, just as naval power and territorial expansion have always gone hand in hand in Japan.

While experts (and non-experts) all over the world frequently discuss the Japanese navy and related questions, the Japanese themselves rarely appear in the European journalistic arena. It may therefore be of interest to note one of the most recent expressions of the Japanese viewpoint, made by an officer of the Imperial Navy, Captain S. Tagaki, instructor in the Japanese School of War (Brassey, 1935).

The

-2-

The leading events in the twenty-six centuries of Japanese history were, first, the invasions of Khubla Khan in 1274, with an army of 140,000 men, carried on more than 4000 ships. Three centuries later the Japanese waged their first war over Korea, with disastrous results for Japan because of her defeat at sea. At the end of the 17th century Russian influence began to be felt in Kamchatka, and became increasingly powerful, with the repeated sacking of Sakalin and Hokkaido, Japanese territories, until the famous American naval demonstration staged by Commodore Perry, who unwittingly laid the foundation for Japan's present power, marked the beginning of the interferences and "peaceful" invasions of the Western Powers. The navy then came into being, and its first battles were fought in the Sino-Japanese conflict for the possession of Korea, regarded by Japanese policy as essential to the security and the very existence of the country. Despite the decisive defeat of China, Japan was arbitrarily and unjustly forced by France, Germany, and Russia, to hand over her territorial gains to Russia. The latter, not satisfied with these advantages and the unusual privileges in Manchuria subsequently acquired through the secret treaty with China in 1896, again attempted to seize Korea, and again little Japan rose up in the defense of the precious peninsula, fully aware that in so doing she risked total destruction in the event of defeat at the hands of the Russian giant, universally regarded as easily the victory. Japan, however, was successful, and since that time her policy in all matters referring to Manchuria and Korea has been

fixed

-3-

fixed and unalterable, dictated as it is by imperative national requirements.

The incident of 1931 in Manchuria led to numerous discussions, most of which were sustained by abstract principles and by selfish interests and were based on ignorance of the real state of affairs in the Far East, especially with regard to Japan. This country, far distant from the eastern Pacific, is in close proximity to the Asiatic continent and any development in Manchuria, China, or Siberia affects her just as England is affected by the most insignificant political or industrial development in countries along the Channel or the North Sea. For that reason, and for her security, Japan is convinced that the Russian menace is, under any regime and especially under the present one, ever present; it is therefore perfectly natural that the present generation of Japanese, remembering the bitter experiences of the past, is particularly sensitive to the Russian peril and intends to oppose it at any cost.

Japan was by nature an agricultural country, but during the past sixty years her population, now doubled and continuously increasing, has become essentially industrial. To meet these changed conditions, Japan was forced to turn to foreign countries, having obviously to find foreign markets for her products. Now, however, all countries are closing their doors to Japanese immigration and trade, and it therefore was apparent to the people that only one outlet could be opened to them by peaceful means -- the natural outlet of Asia. This is not a question of mere prestige or dignity, but a problem of life or death for 90 million

people

-4-

people; it is not territorial conquest or imperialistic expansion that Japan desires, but trade possibilities. And to protect her trade in Asiatic waters and to ensure security and peace in the Far East Japan has only one means: her navy.

When Japan entered the League of Nations she had no doubt that the United States also would join. Such, however, was not the case, and Japan found herself alone between two great powers outside the League -- the United States and Russia -- forced to face continual difficulties in Asia and at the same time to take into consideration the feelings of countries not directly concerned and situated at the opposite ends of the earth. This partly explains Japan's difficult position at the Washington Naval Conference and her acceptance of great inferiority with respect to England and the United States. However, during the ten years following the conclusion of that treaty, the development of the international situation and of military science, especially in regard to aviation, led the Japanese public to demand treaty revision. The Government nevertheless continued to respect the treaty and, being extremely anxious to avoid a further armaments race, even signed the new agreements at London, which were still more unfavorable to Japan in that they established the same ratio as that previously applied to larger units for the smaller units as well. The reaction at home was most violent, and it was felt that national security had been completely sacrificed

to

-5-

to national finance. Statesmen and financiers were assassinated, others were threatened; the Minister of Marine, who had been a delegate to the London Conference, was forced to resign. This gives an accurate idea of Japanese feeling on the naval question. In this atmosphere the first program of urgent naval constructions in 1931 was drawn up, but it was shortly afterward considered inadequate and the new minister was forced to draw up another more effectively answering the real needs of the country. The situation arising after the conflict with China in 1932, which forced Japan to shoulder the entire responsibility for the maintenance of peace in the Far East, made necessary not only an additional program of naval construction (approved in the spring of 1934 for a total of some 150,000 tons, so as to reach the maximum treaty level at the earliest possible date) but also the denunciation of the treaties and the demand for naval parity.

Commander Tagaki denies the frequent accusation that Japan started a new armaments race. Japan always supported any project for reduction, and even when circumstances forced her to leave the League of Nations she agreed to join in any international agreement for the maintenance of peace. But the intrinsic function of a navy is to protect the nation against threatened danger on the seas. Its importance must accordingly be determined on the basis not only of the length of coastline and number of shores, but also of the extent of the dangers which threaten the nation.

In

-6-

In some quarters it is claimed that the existing naval treaties must be preserved intact, as though the passing of time and the changing of conditions meant nothing. But this would mean that independent nations would be unable even to participate in conferences or agreements, since no country could commit itself to a permanent, unalterable treaty.

Another serious mistake frequently made is to connect Japan's desire for treaty revision with plans in other regions than the Far East. "Nothing is more unfounded and absurd. The Japanese navy has never contemplated operations in distant seas, and its mission is confined to the defense of national waters. But because a navy is solely responsible for guaranteeing the country's supplies does not mean that it must be content with a strength notably inferior to that of other powers having colonial possessions or trade routes to defend. There is no ground for refusing parity of rights to all civilized nations as regards their defense, especially now that the military, naval, and air agreements of Versailles are about to be cancelled; nor can the cause of peace be won until all nations enjoy equality and independence in all matters pertaining to armaments.

"The world," the author concludes -- and we must frankly agree with him, "will never reach a truce in the present chaos and disorder so long as there are countries which, arrogating to themselves the role of arbiter of peace and morality, disregard the exigencies of the various countries in relation to varying circumstances of time and place."

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

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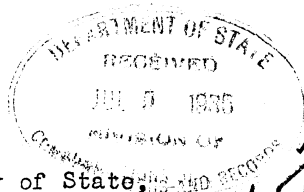
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FROM

Nanking (via N.R.)

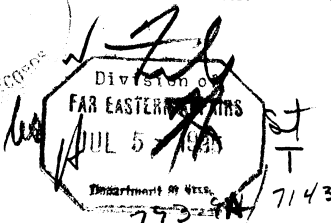
Dated July 4, 1935

Rec'd 11:30 a.m.



Secretary of State;

Washington.



191, July 4, 3 p.m.

Shanghai's 368, July 2, 5 p.m.

The Japanese Ambassador has not come to Nanking
and according to Japanese Embassy here is not expected
to visit the Capital for some time.

ATCHESON

WSB

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JUL 26 1935

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

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TELEGRAM RECEIVED

MRM

PEIPING

This message must be closely
paraphrased before being ^{FROM} com-
municated to anyone. (C).

Dated July 5, 1935

Rec'd. 5:12am.

Secretary of State

Washington, D.C.

#336, July 5, 2pm.

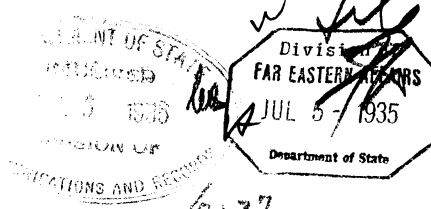
Section one.

Reference Nanking's telegram No. 188, July 1, 10am.

Two responsible Chinese here claim that Japanese
were not involved in the Fengtai and armored train
affair except perhaps incidentally. The first informant
is Chiang Mon Liu and the second is a protege of Huang
Fu and a relative of Ho Ying Chin and has just returned
from a week in Nanking where he went for the purpose of
conferring with them.

JOHNSON

RR



793.94/7149

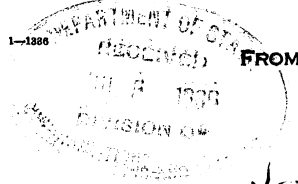
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

REP



GRAY

Peiping via N. R.

Dated July 5, 1935

Rec'd 2:10 p.m.

Secretary of State,
Washington



336, July 5, 2 p. m. (SECTION TWO)

Both informants state that Wan Fu Lin engineered the incident for his own ends. According to the first Wan created the incident in order that he might put it down successfully and thereby enhance his own reputation. According to the second informant Wan was motivated by dissatisfaction with treatment of northeastern forces by Chinese with turning the Hopei Provisional Government over to Shansi men and by hatred of Huang-Fu and his protege Yuan Liang, Mayor of Peiping, whom he hoped to oust upon investigation his activities. This informant expects Ho Ying Chin to return to Peiping before long. He also believes that the present Mayor will be replaced by Hsiao Chen Ying, member of Chahar Provisional Administration, who has recently been in conference with Chiang Kai Shek. He says that the appointment is desired both by Wan Fu Lin and by Feng Chihan, Commander of the Chahar Division which recently arrived at Peiping.

Two.

793.94/7149

F/G

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

REF

2-#336, From Peiping, July 5, 2 p.m.
(Sec. Two)

Two. New members of the Hopei Provisional Administration and new commissions have been appointed. These are Shansi men who served under Shang Chen (Shansi man) when Shang was chairman of Hopei in 1928. Chinese officials here state that as Shang's and Yen Hsi Shan's relations are still unfriendly, these new appointments are not (repeat not) a step in preparation for Yen Hsi Shan to become head North China. Nevertheless, it is felt that this Government by Shansi men would make Yen's emergence ^{easier} ~~easier~~ if that development were eventually decided on.

Three. It appears at present as if the Kwantung army will remain quiet for the time being watching the progress of Sino-Japanese efforts toward economic cooperation and the behaviour of North China officials. The more immediate danger to North China appears to be Chinese military leaders motivated by jealousies and personal ambitions and there are various rumors in circulation in this regard. These rumors are too conflicting for any accurate forecast to be made at present.

Repeated to Nanking and Tokyo.

JOHNSON

RR-WSB

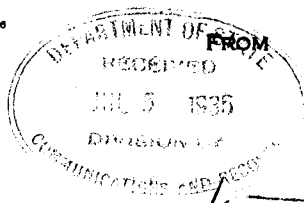
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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SPECIAL GRAY

SHANGHAI via N.R.

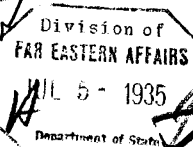
Dated July 5, 1935

Received 9:45 a.m.

Secretary of State,

Washington, D. C.

374, July 5, noon.



CONFIDENTIAL. With reference to Legation's (Nanking's) telegram No. 191, July 4, 3 p.m., the statement made in the last sentence of the penultimate paragraph of No. 368, July 2, 5 p.m., was made as a report with the knowledge that the Japanese Ambassador was in Shanghai. However, SHANGHAI TIMES today states that he has been interviewing Nanking authorities at Shanghai.

Repeated to Legations Nanking and Peiping.

CUNNINGHAM

HPD

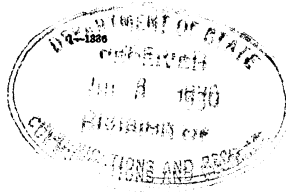
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MP



FROM

GRAY

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

Nanking via N.A.

Dated July 5, 1935

Rec'd 7:52 p.m.

Secretary of State,
Washington.

193, July 5, 3 p.m.

My 192, July 5, 2 p.m.



One. Central Daily News Agency Nanking which frequently carries reports from official sources today published the following: " 'NEW LIFE' weekly magazine case, it is learned here today that the Central Publicity Council has telegraphically instructed all the provincial and municipal Koumintang headquarters to confiscate copies of the magazine containing the offending article and to prevent recurrence of a similar incident in the future.

The Council, it is understood, has further ordered the dismissal of the head and members of the examination section of the publications censorship committee on charges of negligence of duties, as they failed to suppress the publication of the offending article.

It may be recalled that the "NEW LIFE" magazine in its latest issue, published an article which was alleged to have offended the Emperor of Japan. Acting upon instructions from Tokyo Mr. Ishi, Japanese Consul

General

793.94/7151

FILED
JUL 26 1935

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

MP

2-#193 From Nanking, July 5, 3 p.m.

General at Shanghai, made representations to General Wu Tieh Chen, Mayor of Greater Shanghai, who immediately banned the publication and promised to punish the persons responsible and prohibit the reproduction of the article for publication. Mayor Wu is said to have further expressed profound regret over the affair."

Two. To Tokyo and Shanghai by mail.

ATCHESON

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

TELEGRAM RECEIVED
THE UNDER SECRETARY
JUL 9 1935
DEPARTMENT OF STATE
FROM

MP

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

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

Secretary of State,
Washington.

381, July 6, noon.

STRICTLY CONFIDENTIAL

T. V. Soong told Captain McHugh, Intelligence Officer of Fourth Marines, last night that he thought British would do something if Japanese started operations in Yangtze. He also implied that China's attitude of acquiescence might be altered within a few weeks.

Repeated to the Legation and Nanking.

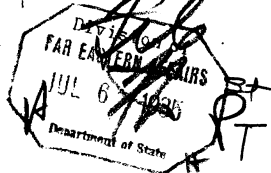
CUNNINGHAM

RR

Shanghai

Dated July 6, 1935

Rec'd 2:54 a.m.



793.94/7152

FILED
JUL 26 1935

1376

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

(STRICTLY CONFIDENTIAL)

PARAPHRASE

A telegram (No. 381) of July 6, 1935, from the American Consul General at Shanghai, reads substantially as follows:

On July 5 Mr. T. V. Soong expressed the opinion to Captain McHugh, Intelligence Officer attached to the Fourth Marines, that if operations in the Yangtze Valley were begun by the Japanese the British would take some steps. Mr. Soong left the impression also that within a short time there might be a change in the Chinese attitude of acquiescence.

Eg.C.
FE:EGC

FE

M.W.H.

VII-8-35

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

TELEGRAM RECEIVED

MP

1-1836

FROM

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

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

RECEIVED
Peiping

Dated July 6, 1935

Rec'd 8:50 a.m.

793.94
Secretary of State,

Washington.

342, July 6, 5 p.m.

(Section one) General Shang Chen expressed his views
this morning to the Military Attache in confidence as
follows:

JOHNSON

RR

793.94/7153

FILED
JUL 26 1935

F/G.

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

TELEGRAM RECEIVED

RB

1-1836

FROM

GRAY

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

Peiping via N.R.

Dated July 6, 1935

Rec'd 5:15 p. m.

Secretary of State
Washington.

342, July 6, 5 p. m.

(SECTION TWO)

Hsiao Chen Ying (Legation's telegram No. 336 July 5, 2 p. m.) obtained by various means Doihara's support for removal of pressure against Sung Che Yuan's troops; following the Fengtai incident, the military Council directed two of Sung's regiments to come to Peiping but five additional regiments seized the opportunity to come without permission; Hsiao is taking advantage of the present situation to threaten to create disturbances unless he is appointed Mayor and Sung is appointed Defense Commissioner of the Peiping area; Hsiao is now en route to see Chiang Kai Shek at Chiang's orders; and Hsiao will probably be given some other position and Sung may be made Defense Commissioner of Chahar. (Sung sources state that Sung has a technical grievance because he was relieved of his duties as Chairman of Chahar by the National Government without the Japanese military having demanded his removal)

Two. The informant believes that Wan Fu Lin was not

(repeat

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

RB

2-342, July 6, from Peiping
Section Two.

(repeat not) directly concerned with the Fengtai incident; that Wan is being friendly to Hsiao in order to prevent the transfer of his troops to the South; that Chang Hsueh Liang favors the transfer; that Wan's division commanders are inclined to obey Chang; and that the transfer may be effected notwithstanding Wan's opposition which is allegedly because of his financial interests in Peiping.

Three. Wan Fu Lin's strength in Hopei Province is as follows: 116th division of 5,000 at and in vicinity of Peiping (one regiment of this division entered the city this morning); 119th division of 5,000 at Tangfang half way between Peiping and Tientsin; 130th division of 6,000 at Liuliho thirty three miles south of Peiping on Pinghan Railway; second cavalry division of 1,500 at Paoting; seventh artillery brigade of 2,500 and one engineering regiment of 1,000 at Hsiyuan a few miles west of Peiping. Chahar troops (37th division) at and in vicinity of Peiping are said to number 12,000.

Four. The transfer of Wan's troops would apparently considerably lessen the danger to this area of action by ambitious Chinese leaders and unsettled troops.

JOHNSON

CIB

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

(CONFIDENTIAL)

PARAPHRASE

Section one of a telegram (No. 342) of July 6, 1936, from the American Minister at Peiping, reads substantially as follows:

In a conversation on July 6 with the American Military Attaché General Shang Chen made confidential observations to the following effect:

(Section two follows)

793.94/7153

29C.
 FE:EGC

FE
 - M. H.

VII-9-35

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

TELEGRAM RECEIVED

REP

1-1836

FROM
CORRECTED COPY

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

SPECIAL GRAY

Nanking via N. R.

Dated July 5, 1935

Rec'd 11:10 p. m.

Secretary of State,

Washington.

192, July 5, 2 p. m. (SECTION ONE)

One. The informant in first paragraph of Section Two to follow stated that the new Life Magazine on about May 5 published some paragraph of gossip about Emperors in which it was stated that the Japanese Emperor was not the controlling authority of the Government but was a figurehead in the sense that the King of England is a figurehead. The word "puppet" was used. The article passed unnoticed until it was reprinted more than a month later in the TAPAO, a Chinese vernacular daily published in the French concession, Tientsin. The Japanese demanded the suppression of both the TAPAO and the new Life Magazine, the punishment of the publisher later and of the author of the offending article, and an apology by the mayor of Shanghai. These demands were fully acceded to except as regards the question of punishment. The publisher and author were placed in custody and

that

Division of
FAR EASTERN AFFAIRS
JUL 8 - 1935
Department of State

793.94/7154

FILED

JUL 26 1935

DECLASSIFIED: E.O. 11652, 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-#192, From Nanking, July 5, 2 p.m.
(Sec. One) Corrected Copy.

that question is before the courts and will have to be decided according to law. Later the Japanese learned the article had been passed for publication by the Shanghai Censorship Committee of the Central Kuomintang and they not desire to hold the Central Party headquarters responsible for it in addition to insisting that the courts convict the publisher and author, the former being considered an especial enemy because he had at one time successfully competed against Japanese porcelain firms in Mukden and was formerly a friend of Chang Hsueh Liang.

One. Section Two follows by cable.

3 to Tokyo and Shanghai by mail.

ATCHESON

WSB

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

TELEGRAM RECEIVED

REP

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

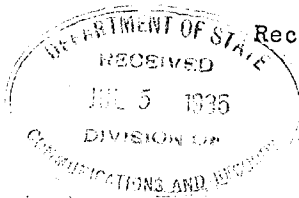
FROM

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
NANKING

Dated July 5, 1935

Rec'd 10:20 a. m.

Secretary of State,
Washington.



192, July 5, 2 p. m. (SECTION TWO)

STRICTLY CONFIDENTIAL.

One. Informant cited in section one is a responsible Foreign Office official who spoke with me confidentially this morning.

Two. He stated that although the Japanese demands in Shanghai and Tientsin were accepted, the Japanese are dissatisfied because the courts have not yet passed sentence upon the publisher of the magazine and the author of the offending article and the Japanese Embassy yesterday approached the Foreign Office with additional demands including (one) that the central party headquarters apologize for the action of the Shanghai censorship committee in passing the article. He was unwilling to describe the demands further. He confirmed the statement in Shanghai's 368, July 2, 5 p. m. that Japanese naval vessels at Shanghai had postponed their departure on account of this matter

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

REF

2-#192, From Nanking, July 5, 2 p.m.
(Sec. Two)

and said that the Japanese Ambassador had requested them to remain in order to quell any trouble which might be caused by Japanese residents who were being stirred up by the Japanese Military Attache Isogai. He expressed belief that the matter would be settled between the Foreign Office and the Embassy but remarked that other incidents would occur and that there was some justification for the attempts of some Kuomintang members to cause the impeachment of various officials (see my 189, July 1, 11 a. m., paragraph two) because each new capitulation to the Japanese merely brought on more demands and there would be no end to this sort of thing. Thus, he added, the Japanese would probably not take any military action in Shanghai over this case but trouble of some kind would be sure to arise there in the future.

Three. Suma of the Japanese Embassy also gave me an account of the case this morning which factually was in substantial agreement. He said that some reorganization of the Kuomintang in Shanghai was necessary and he had now been instructed by his Government to present to the Foreign Office certain demands which, he said he could assure me, were of a mild nature. He said it was

true

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

REP

3-#192, From Nanking, July 5, 2 p.m.
(Sec. Two)

true that the Japanese naval vessels in Shanghai had postponed their departure because of this case and not on account of rumors of impending changes in the Chinese Government but there was no possibility of trouble in Shanghai or Nanking and he thought the case would be settled in a few days.

Four. To the Legation and Department. By mail to Tokyo and Shanghai.

ATCHESON

WSB

TELEGRAM RECEIVED

MRM

SPECIAL GRAY

NANKING via NR.

Dated July 5, 1935

Rec'd. 11.10pm.

Secretary of State

Washington, D.C.

192, July 5, 2pm.

Section One.

One. The informant in first paragraph of section two to follow stated that the new Life Magazine on about May 5 published (?) our desire of gossip about Emperors in which it was stated that the Japanese Emperor was not the controlling authority of the Government but was a figurehead in the sense (?) (?) of England is a figurehead. The word "puppet" was used. The article passed (?) until it was reprinted (?) (?) later in the TAPAO, a Chinese vernacular daily published in the French concession, Tientsin. The Japanese demanded the suppression of both the (?) (?) and the new Life Magazine, the punishment of the publisher (?) and of the author of the offending article, and an apology by the (?) (?) Shanghai. These demands were fully acceded to except as regards the question (?) punishment. The (?) and author were placed in custody and that question is before the courts and will have to be decided according to law. Later the Japanese learned

Division of
FAR EASTERN AFFAIRS
JUL 8 - 1935
Department of State

See
corrected
copy

793.94/7154

F/G

793.94

7E

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

192, July 5, 2pm. from Nanking. -2-

learned the article had been passed for publication by the Shanghai Censorship Committee of the Central Kuomintang and they (?) (?) hold the Central Party headquarters responsible for it in addition to insisting that the crossing the convict the published in and authenticity, dockets former being (?) and especial enemy because he had at one time successfully competed against Japanese (?) firms in Mukden (?) formerly a friend of (?) Hsueh Liang.

One. Section Two follows by cable.

3 to Tokyo and Shanghai by mail.

ATCHESON

* Above message badly garbled; repetition has been requested.

DCR

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

(STRICTLY CONFIDENTIAL)

STRICTLY CONFIDENTIAL

PARAPHRASE

Section two of a telegram (No. 192) of July 5, 1935, from the American Consulate General at Nanjing, reads substantially as follows:

According to confidential information received on July 5 from the person mentioned in Section one of this telegram, who is a responsible official of the Chinese Ministry for Foreign Affairs, the Japanese are not satisfied, although their demands in Nientain and Shanghai were met by the Chinese, because as yet the courts have not sentenced the author of the offensive article and the publisher of the HAN KAI MAGAZINE. The informant stated that on July 4 the Japanese Embassy made further demands on the Chinese Foreign Office among which was one that an apology be made by the Central Party Headquarters for the Shanghai Conscription Committee's action in passing the article for publication. He was averse to giving further information in regard to the demands. This informant confirmed a statement reported previously to the effect that because of this affair the departure from Shanghai of Japanese naval vessels had been delayed and he added that this action had been taken on the request of the Japanese Ambassador in order that the vessels might put down any disturbance which might arise due to excitement among Japanese in Shanghai who were being aroused by the Japanese Military Attaché. The informant was of the opinion that the Chinese Foreign Office and the Japanese

ness

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 -

ness Embassy would effect a settlement of the case but he observed that there would be a recurrence of incidents and that, inasmuch as each new surrender to the Japanese was followed by more demands, to which there would be no end, there was some warrant for the efforts of certain members of the Kuomintang to bring about the impeachment of some Chinese officials. He added that this affair would probably not bring about military action by Japan in Shanghai but that in future there would certainly be trouble of some kind.

On July 5 an account which agreed substantially as to facts with the above statements was received from the Secretary of the Japanese Embassy, Mr. Suma, who confirmed the statement that the Japanese vessels had remained in Shanghai on account of this matter and not because of reported changes which were about to take place in the Nanking Government. Suma stated that it was necessary that there be some reorganization of the Kuomintang in Shanghai and that he had been instructed by the Japanese Government to present certain demands to the Chinese Government, adding that those demands were mild in character. Suma expressed the opinion that the matter of the offending magazine article would be settled shortly and that there was no likelihood of trouble in Nanking or Shanghai.

793.94/7154

FE:EGC

VII-9-35

FE

TELEGRAM RECEIVED

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

MG

1-1288

CORRECTED COPY

GRAY

Nanking

Dated July 5, 1935

Rec'd 12:30 a.m.

Secretary of State,
Washington.

194, July 5, 4 p.m.

My 181, June 24, 2 p.m.; second paragraph 189, July 1, 11 a.m.; fourth sentence second paragraph and second sentence third paragraph section two 192, July 5, 2 a.m. Paragraph No. 1. The Chinese informant mentioned in my 192, July 5, 2 p.m., and inferred press reports that the control Yuan is proceeding against the following officials in addition to Huang Fu on account of their alleged pro Japanese activities: Tang Yu Jen, administrative Vice Minister of Foreign Affairs; Yin Tung, managing director of the Peiping Liaoning Railway; Ying Ju Keng, Special Administrator of the Miyun - Chihhsien district; and Tao Shang Ming, Special Administrator of the Tangshang - Shanhaikuan area. Both informants stated that the movement against these officials was instituted by Kuomintang members from Hopei.

Two. Any rumors of impending important changes in the Government are not (repeat not) believed to have

arisen

793.94/7155

FILED
JUL 26 1935

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

MG 2 - #194, from Nanking,
arisen from the NEW LIFE magazine case or the impeachment
proceedings but rather from the illness of Wang Ching
Wei which I am reliably informed, will probably require
an operation on the gall bladder. Wang went to Shanghai
night of July 1, and was immediately taken to a foreign
hospital. In his absence Kung is in charge of the ex-
cutive Yuan and Hsu Mo of the ministry of Foreign Affairs.
Three. To Tokyo and Shanghai by mail.

ATCHESON

HPD

TELEGRAM RECEIVED

MED

GRAY

FROM

NANKING

Dated July 5, 1935

Received 12:30 a.m.

Secretary of State,

Washington, D. C.

194, July 5, 4 a.m.

My 181, June 24, 2 p.m.; second paragraph 189,

July 1, 11 a.m.; fourth sentence second paragraph and

second sentence third paragraph section two 192, July

5, 2 a.m. Paragraph No. 1. The Chinese informant

mentioned in my 192, July 5, 2 p.m., and inferred press

reports that the control Yuan is proceeding against the

following (?) in addition to Huang Fu on account of their

ability alleged pro (?) activities (?) Tang Yu Jen, (?)

Vice Minister of Foreign Affairs (?) extraordinary session

Yin Tung, managing director of the Peiping Liao Ning

Railway (?) Ying Ju Keng, Special Administrator of the

Mi Yun - Chi Hsien district (?) and Tao Shang Ming,

Special Administrator of the Tang Shang - Shan Hai Kuan (?).

Both informants stated that the movement against your offi-

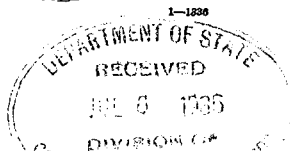
cial was (?) by Kuomintang members from (?) 1.

Two. Any rumors of impending important changes in

the Government are not (repeat not) believed to have

arisen from the New Life (?) case or the impeachment

proceedings



See correct copy

793.94

793.94/7155

F/G

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

- 2 - #194, From Nanking July 5, 4 p.m.

proceedings (?) rather from the illness of Wang Ching Wei (?), I am reliably informed, will probably require an operation on the arrival of (?). Wang went to Shanghai night of July 1, and was immediately taken to a foreign hospital. In his absence Kung is in charge of the executive Yuan and (?) (?) of the Ministry of Foreign Affairs.

Three. To Tokyo and Shanghai by mail.

ATCHESON

HPD

(?) Omissions.

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

TELEGRAM RECEIVED

RB

1-1236

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

FROM

Nanking

Dated July 7, 1935

Rec'd 7:38 a. m.

Secretary of State

Washington.

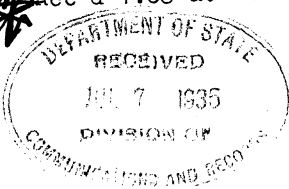
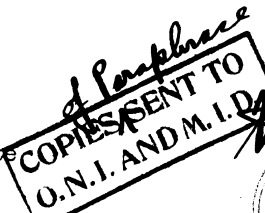
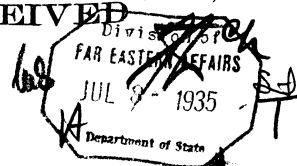
197, July 7, 2 p. m.

I learn from authoritative official sources that the annual training camp at Kuling for military officers and magistrates will not be held this summer solely because of a demand for its abandonment made by the Japanese Military Attache.

To the Legation and Department. To Tokyo by mail.

ATCHESON

KLP



793.94
note
893.20

793.94/7156

FILED
JUL 26 1935

F/G

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (197) of July 7, 1935, from the American Consulate General at Hanking, reads substantially as follows:

According to official, authoritative sources, it has been learned that/as a result of a demand made by the Japanese Military Attaché for the abandonment of the training camp held annually at Kuling for magistrates and military officers the camp will not be held this summer.

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VII-8-35

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

TELEGRAM RECEIVED

REP

1-1836

FROM

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

Peiping via N. R.

Dated July 8, 1935

Rec'd 11 a. m.

Secretary of State,
Washington.

345, July 8, 5 p. m.

There continue to be rumors activities of undesirables within Peiping but they appear to be exaggerated as the Commissioner of Public Safety stated at a meeting of officials this morning that he believes martial law can safely be lifted in the near future. There are also rumors of a separatist movement but Chinese officials express opinion that the situation will continue to be quiet for some time. With regard to press reports from Hsinking claiming grandiose schemes of economic ~~mob~~ ^{cooperation} in North China between Japanese and Chinese both local Chinese and Japanese officials say that they believe such schemes are still in a nebulous state.

The Chinese political situation in North China continues to be obscure. The mayor of Peiping has recently submitted his resignation to Nanking and it has been rejected. An official of the Foreign Office to Nanking went to Tsinanfu a few days ago to see Han Fu Chu to attempt

793.94/7157

FILED

JUL 28 1935

F/G

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

REP

2-#345, From Peiping, July 8, 5 p.m.

attempt a clarification of Han's relations with Nanking.
However, the intentions of the various Chinese leaders
in North China are still unpredictable.

The English language newspaper described in Legation's
893.911/309
310, June 24, 5 p. m., has been discontinued "at least
for the time being".

By mail to Nanking and Tokyo.

JOHNSON

WSB



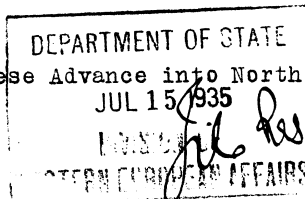
EMBASSY OF THE
UNITED STATES OF AMERICA

Berlin, June 20, 1935.

2073

No.

Subject: The Japanese Advance into North China.



793.94

5
RECEIVED
DEPARTMENT OF STATE

1935 JUL 8 AM 11 00

DIVISION OF
COMMUNICATIONS
AND RECORDS

For Distribution Check			
Grade		For	No
For		in U S A.	✓

The Honorable

The Secretary of State,
Washington.

Sir:

1/ I have the honor to enclose herewith some German press comment on the recent Japanese advance into North China. There is no unity of opinion in regard to the Japanese aims though there seems to be a certain respect for Japanese technique. The reaction, if any, of these events upon British policy in Europe is not discussed.

The Japanese Ambassador has attracted attention by trips to Hamburg and Munich, where he of course was received by the leading authorities. In a speech

at

793.94/7158

FILED
JUL 16 1935

F/G

- 2 -

at the first mentioned city, Count Mushakoji declared that in 1932 Japanese exports amounted to but 3.05 per cent of those of the total world: whereas the population of Japan was about 5 per cent. He is reported to have placed a wreath on the tomb of Bismarck. It was announced that he would visit the Brown House in Munich.

762.94/47

2/

In a former despatch No. 1508 of November 28, 1934, I alluded to the Nazi sympathy for the ideals of the Japanese army. An excellent example of this is to be found in an interview with General Araki published on the front page of the BERLINER BOERSEN ZEITUNG of June 14th. The general talked of the honor codes of "Kodo" and "Bushido", which he exemplified by the suicide of a blameless Japanese major. Whether the "bourgeois" readers of the BERLINER BOERSEN ZEITUNG are susceptible of captivation by such ideas seems problematical; but in view of the notorious reluctance evinced by R hm and others on or about June 30th, 1934, to terminate their existence - and it is said to secure life insurance payment - by availing themselves of the facilities proffered, one might well conceive of a course of Kodo becoming part of the curriculum for training of higher Nazi leaders.

Respectfully yours,

For the Ambassador
William E. Dodd.

Enclosures:

1. German press comment;
2. Interview with General Araki.

710
JCW AC

J. C. White
Counselor of Embassy

DECLASSIFIED: E.O. 11652, 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 1.

Translation.

German Press Comment.

BERLINER BOERSEN ZEITUNG, June 12, 1935.

Under the heading "Geneva Episode" this paper claims that China demanded a permanent seat on the Council of the League of Nations. There is a suspicion that perhaps the Japanese were back of this demand.

The paper observes that were such a supposition justified, no doubt the Council and the Assembly would have approved it, following its unwritten law of supporting the strong and leaving the weak alone.

Actually it put the whole thing off till September.

BERLINER PAGEBLATT, June 14.

Paul Scheffer, in an article entitled, "The Japanese in North China" writes that the surprising thing regarding the appearance of the Japanese in Tientsin and their wide grasp on China is the astonishment which seems to be felt not only by public opinion but also by the Cabinets of the Occident and of the United States in view of this world-historical event. Regarded from a practical standpoint and from the concrete relationship of power between China and Japan, as well as from the point of view of Japan's economic and political (with regard to its population - bevölkerungspolitisch) position, an extension of its sphere of influence was

but

- 2 -

but a natural development.....

..... Japan will reject the idea that it is annexing or occupying territory. It desires to extend - considerably to extend - the neutral zone which has existed for a long time to the south of the Great Wall...

.... There is no question of anything further, but neither is there a question of anything less.....

.....

"One may be sure that Japan is entirely clear on the point that only the first stage of a great economic and political action can be reached, and that the condition now created needs to be fortified and its single significance emphasized. This is compulsory as regards the Nanking Government which finds itself in an extremely difficult situation between the young and hot-headed Chinese nationalism and the necessity of laborious, constructive work, demanding all available strength, and the offended Great Powers. They are offended. But Japan has no intentions of permitting itself to be limited in any way, even through "collectivism." And who can blame it, in its position? It goes its own way - straight ahead - with a strong heart. To the enthusiasm of those who are alive. But it is already feeling the oppressively heavy burden which it will hand on - by its present action - to the future generations."

GW

FRANKFURTER

- 3 -

FRANKFURTER ZEITUNG, June 16.

In Europe there has been a feeling of relief as a result of Anglo-German talks. In East Asia Japan has shown great skill in knowing how to use the confusion in Europe to advance further its own interests.

DEUTSCHE ALLGEMEINE ZEITUNG

M. Th. Schewe suggests a new large dominion of North China, Mongolia and Manchuria under Pu Yi.

This would be a blow to China; particularly the detachment of Peking. That city is a diplomatic centre and also one of spiritual Chinese life.

JCW AC

DECLASSIFIED: E.O. 11652, 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 2.

Excerpts in
translation
from
BERLINER BOERSEN ZEITUNG
June 14, 1935.

Conversation with Araki.

The educational value of being a
soldier.

"..... If the economic order in Japan were built up
on the Kodo principles we would never have had labor
questions, for instance, not to mention labor troubles.."

It will be noted that Araki's statements in con-
nection with this point are very cautious and rather
vague as to substance. There are good reasons why.
In spite of that fact everyone in Japan knows in what
direction the politico-economic plans not only of
Araki but also of the whole Japanese army are tending;
they desire an economic reorganization of the kind
planned here by the National Socialists and based -
in the freest possible formulation - on the main sti-
pulation, namely, "the general good above personal
good" (Gemeinnutz vor Eigennutz). Theoretically this
was proved by the army in March and September 1934 in
two highly interesting pamphlets which called forth an
internal-political sensation each time. Practically
the army proves it constantly in the way it uses its
very strong influence in shaping the economic condi-
tions in Manchukuo.....

"What

- 2 -

"..... What share would you say the army had in the policies of the government?" "In our country the army is the supreme bearer, custodian and propagator of our ancient spiritual traditions. That is why it is the duty of the army to give the masses of the people, especially the youth, intellectual training.... There is no direct influence exercised by the army on current politics, but I can imagine a hypothetical case, namely, if the official policies were to depart obviously from the 'way of the Emperor'. In such a case, the army would simply enforce a return to the Kodo principles. You understand what I mean!"

"Does the Kodo principle play any important part in the life of the individual citizen, the 'commoner', or the masses of the people in the rural districts?"

"..... It is a great mistake to represent our Bushido teachings as a sort of class ethics of the ancient Samurai (knightly) caste, as is done in the West. Bushido has nothing to do with class. Bushido ~~is~~ is a moral code for practical life, compulsory for every Japanese. It is true, however, that my soldiers are the ones who most visibly embody this attitude....."

..... In his book "The Spirit of the Japanese Army", Araki says: "The Japanese soldier is always victorious - or else he dies. There is no third alternative"..... The General illustrated this point by describing how a

Japanese

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

- 3 -

Japanese officer, Major Kuga, who had, in the 1931 Shanghai fighting, been wounded and captured by the Chinese. The latter tended his wounds and eventually released him. Kuga upon his return to the Japanese lines, shot himself.

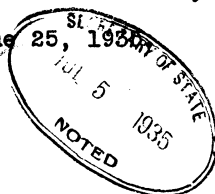
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

June 25, 1935

S
Mr. Secretary:



It is believed that you will be interested in the attached résumé of developments in the North China situation from June 20 to June 24, inclusive.

m. m. d.

FE:MMH:EJL

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 24, 1935

NORTH CHINA CRISIS -- June 20 to 24.

During the days June 20 to 24, inclusive, a lull has occurred in the North China situation. On June 19 an official of the Japanese Embassy, stationed in Nanking, said, inter alia, to an American news correspondent that the reports of the Japanese demands in North China have been greatly exaggerated; that Japan would not take military action to force a written declaration from China in respect to China's attitude toward Japan; that Japan had never considered extending the demilitarized zone to include the Peiping-Tientsin area; and that Japan had no intention of requiring that the Kuomintang (Nationalist Party) be suppressed, but merely desired a necessary reorganization and reform. In commenting on this lull, the American Legation in Peiping said in a telegram dated June 21 that it may be on account of one or more of the following reasons: there may have been a hitch in the plans of the Japanese military, such as the failure of the Southwest provinces of Kwangtung and Kwangsi to start a rebellion at the appropriate time; Tokyo may have informed the Japanese military authorities in North China that an undesirable degree of apprehension has been aroused in foreign countries; the Japanese

may

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SECTION

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
JUL 5 1935
JUL 9 1935

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- 2 -

may wish to await favorable developments at Nanking; or the Japanese may wish to push further their plans in regard to Chahar Province, before taking more positive action in Hopei Province.

On June 20 an estimate of the situation produced by the recent events in North China was given informally to an officer of the American Legation in Nanking by the Chinese Political Vice Minister for Foreign Affairs, a man who belongs in the group of Chinese officials which has been disposed since the Mukden incident of September 18, 1931, to base China's relations with Japan on the Covenant of the League, the Nine Power Treaty, the Kellogg Pact, etc. He is thus to be distinguished from those Chinese who, early in the game, thought the more advisable course would be for China to ignore this whole international set-up and conciliate Japan. The Vice Minister remarked, in brief, that it seemed superfluous to look into the question whether the recent Japanese activities constituted a violation of the Nine Power Treaty and of the Kellogg Pact, as proposed in a recent resolution introduced in the United States Senate, because it is matter of common knowledge that Japan has violated both those agreements on many occasions since 1931 and is continuing to do so. He realized, he said, that no nation was willing to put forth a maximum effort to prevent Japan from gaining control of China, but he thought that if two great powers should cooperate to alleviate

- 3 -

alleviate the situation, conditions would be greatly altered; however, China was not asking any nation for assistance. He said that China is now passing through some of the darkest hours of its history; China does not know from one day to the next what step undisciplined Japanese military officers may take; and although Japan has not formally occupied Hopei Province, it has in effect seized Chinese territory and is exercising control over it.

A statement published in a Japanese newspaper at Tientsin on June 22 and purporting to have been made by the Chinese Acting Minister for Foreign Affairs is of interest in this connection. The Chinese official is reported to have said that China's compromise with Japan will result in harmony; that although China could not hope to win a Sino-Japanese war, nevertheless China could resist for a long time, Japan would be exhausted, and neither country would profit; that good policy can bring about friendship and cooperation; that the uniting of China's raw materials and Japan's technique is the foundation of Far Eastern economy; that a spirit of harmony and friendship is an objective which will not be altered; and that Chiang Kai-shek's allegedly doubtful attitude toward Japan was not the cause of the Hopei affair, since Chiang's attitude has been the same as that of the speaker. In the same interview the Acting Minister for Foreign Affairs is reported to have said that Chinese loan obligations to Japan have been adjusted or are being adjusted
and

- 4 -

and that negotiations for setting up Sino-Japanese and other international air lines should be given up until China's internal air lines are perfected.

The Japanese attitude during the present lull is indicated by a remark of General Doihara, the well-known political strategist of the Japanese Army in China, to Japanese press representatives on June 21, that if the attitude and guiding principles of the Chinese Government (i.e., toward Japan) are improved, then no more incidents will occur. The American Legation in Peiping, reporting this observation, prefaced it with the opinion that the Japanese military have not abandoned their objectives and seem to expect to see in North China a régime of Chinese officials who will be more amenable to the dictation of the Japanese military than their predecessors and will pave the way for another step in the direction of rendering it impossible for China to become a menace to Japan.

Telegraphing on June 24, the Embassy in Tokyo expressed the opinion that the Japanese public is not opposed to the recent Japanese military activities in North China, although it is lukewarm in its support, possibly because the public is apprehensive of the cost of the Japanese Army's demands and aggressiveness at home and abroad. The Embassy pointed out that an important section of Japanese opinion opposes a united China, or a China under the control of Chiang Kai-shek, whom the Japanese Army appears to distrust. The Embassy felt that interposition by the United States or Great Britain on China's behalf at the present juncture would be inadvisable, since

- 5 -

since it would be likely to solidify Japanese sentiment in favor of the Army's actions, rather than against them.

Pending questions causing concern in China are (1) the possibility that a further "incident" may be caused in Chahar Province by the troops of General Sung Che-yuan, recently deposed as provincial chairman at Japanese request, and (2) the possibility of a secession movement in Kwangtung and Kwangsi Provinces, caused by fear that Chiang Kai-shek may succeed in his supposed desire to make military dispositions which would enable him to oust the present military leaders in those provinces. The necessity for negotiations between the Chinese authorities and the Japanese military authorities over the Province of Chahar arose from the alleged improper detention of Japanese military and civilian officials in that Province and from alleged firing on "Manchukuo" troops by Chinese forces. Negotiations for the final settlement of the situation in Chahar began in Peiping on the night of June 23. The American Legation in Peiping in a telegram dated June 24 reported that an American news correspondent who had just returned from Kalgan, Chahar Province, stated that opinion in that city was that all of the troops of the deposed provincial chairman would be moved and would not cause trouble in the meantime, but that some 7000 irregular troops were regarded with apprehension; the correspondent stated that a Japanese air field had been

constructed

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

- 6 -

constructed at Kalgan and that the Japanese military were adopting an arrogant attitude toward Chinese officials.

Nothing has been heard recently in regard to Chiang Kai-shek's continuing campaign against the Chinese Communist forces which are said to have entrenched themselves in western Szechuan Province.

Representatives in Washington of the Belgian and French Governments, signatories to the Nine Power Treaty, have asked the Department for information regarding Chinese-Japanese relations in North China and have been given orally brief summaries of conversations between the American, British, Japanese and Chinese Governments. Apparently these inquiries were prompted by communications from the British Government stating that it was making certain inquiries of the Japanese Government. (These inquiries were made on June 18, at which time the Japanese Foreign Minister gave to the British Ambassador certain assurances.)

WRP:REK

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

Copies sent to London, Tokyo, Hankow + Peking

DEPARTMENT OF STATE

RECEIVED THE UNDERSECRETARY
DEPARTMENT OF STATE

1935 JUL 8 PM 1 06

July 1, 1935

MEMORANDUM OF CONVERSATION WITH THE BRITISH AMBASSADOR

DIVISION OF
COMMUNICATIONS

During the British Ambassador's call upon me yesterday, 1935
I referred to the exchange of views which he and I had had
with respect to the situation in North China. I reminded
him that he had brought a message from the Foreign Office
inviting this Government to take certain steps in Tokyo
along the lines of the British action; that Ambassador
Clive had apparently not carried out fully his instructions
from the British Government with respect to Japanese inten-
tions in North China; at the same time the Japanese Am-
bassador in Washington had given the Secretary of State
certain assurances, which I reminded the Ambassador I had
already read to him. I said I assumed that, since we
had heard nothing more from him (the Ambassador), his Gov-
ernment had decided to let matters rest without taking any
further action in Tokyo. I said that, in view of the
assurances which we had received and the attitude of the
Chinese Government itself, we had come to the same con-
clusion. I said I had noticed a recent statement by
Sir Samuel Hoare in Parliament, which was in sympathy with
this idea - that there was nothing to be gained at the
present time by representations to Japan.

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JUL 8 - 1935

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

2

I reminded Sir Ronald that we were always desirous of cooperating with the British in this situation and that I mentioned it now only to reiterate that the views of both our Governments seemed to be running along the same lines.'



William Phillips.

U WP/AB

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

No. 1712

CONFIDENTIAL - STAFF USE ONLY.

JUL 12 1935

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

Referring to the Department's instruction No. 1701 of July 1, 1935, and previous correspondence in regard to recent developments in relations between China and Japan in connection with North China, there is enclosed for your confidential information a copy of a memorandum of a conversation of July 1, 1935, between the British Ambassador and the Under Secretary of State on this subject.

Very truly yours,

For the Secretary of State:

William Phillips

Enclosure:

Copy of memorandum.

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JUL 12 1935



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

No. 802

CONFIDENTIAL - STAFF USE ONLY.

JUL 12 1935

The Honorable

Joseph C. Grew,
American Ambassador,
Tokyo.

Sir:

Referring to the Department's instruction No. 793 of July 1, 1935, and previous correspondence in regard to recent developments in relations between China and Japan in connection with North China, there is enclosed for your confidential information a copy of a memorandum of a conversation of July 1, 1935, between the British Ambassador and the Under Secretary of State on this subject.

Very truly yours,

For the Secretary of State:

William Phillips

Enclosure:

Copy of memorandum.

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VII-11-35

JUL 12 1935

A true copy of
the signed original
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Department of State letter, August 10, 1972
By Milton D. Chute NARS, Date 12-18-75

No.

JUL 12 1935

CONFIDENTIAL - STAFF USE ONLY.

Willys R. Peek, Esquire,
American Consul General,
Nanking, China.

Sir:

Referring to the Department's instruction of July 1, 1935, and previous correspondence in regard to recent developments in relations between China and Japan in connection with North China, there is enclosed for your confidential information a copy of a memorandum of a conversation of July 1, 1935, between the British Ambassador and the Under Secretary of State on this subject.

Very truly yours,

For the Secretary of State:

William Phillips

Enclosure:

Copy of memorandum.

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JUL 12 1935

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

No. 896

JUL 12 1935

CONFIDENTIAL - STAFF USE ONLY.

The Honorable

Robert Worth Bingham,

American Ambassador,

London.

Sir:

Referring to the Department's instruction No. 883 of July 9, 1935, and previous correspondence in regard to recent developments in relations between China and Japan in connection with North China, there is enclosed for your confidential information a copy of a memorandum of a conversation of July 1, 1935, between the British Ambassador and the Under Secretary of State on this subject.

Very truly yours,

For the Secretary of State:

William Phillips

Enclosure:

Copy of memorandum.

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

MRM

TELEGRAM RECEIVED

GRAY

NANKING (via NR)

Dated July 9, 1935

Rec'd. 9:20am.

Secretary of State

Washington, D.C.

200, July 9, 10am.

My 193, July 5, 3pm.

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

Division of
FAR EASTERN AFFAIRS
JUL 9 - 1935
Department of State

One. On July 6 local press reported that the Central Political Committee of the Kuomintang had issued a circular order to party headquarters throughout the country directing the confiscation of copies of the NEW LIFE magazine and conveying a general warning ~~and even against~~ violating the government mandate of June 10 prohibiting discriminatory or provocative speeches or acts detrimental to international relations, under which mandate the publisher of the NEW LIFE magazine and author of the offending article are facing trial.

Two. A free translation of the committee's pronouncement is as follows:

"In May this year, the NEW LIFE weekly of Shanghai published an article insulting the Japanese Imperial family and caused ill feeling among the Japanese. Japan is famous for her loyalty to her ruling family and the way her nationals honor their Emperor is beyond imagination of the general public. A slight carelessness in writing

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FILED

JUL 26 1935

F.

200, July 9, 10am. from Nanking.

-2-

writing or commenting may cause ill feeling among the Japanese. For a year, this committee has repeatedly warned against such articles and in most of the cases, the warnings are carefully carried out.

It is most deplorable that the NEW LIFE weekly published such an article while the committee has adequately disposed of the case, a warning must be issued again to prevent recurrence of such incidents in the future. You are, therefore, instructed to warn the publishers, newspapers and news agencies in your respective areas to take precautions against such articles.

In connection with the anti-Japanese movement, the central authorities have repeatedly given instructions that the National Government mandate on June 10 should be carried out. You are instructed to inform all of the ^{correspondents} ~~press~~ and at all times advise the people to faithfully obey these principles".

581

Three. The press reports that in an interview the chairman of the Central Publicity Committee stated that the Kuomintang members unanimously endorse the statements concerning policy toward Japan issued by Chiang Kai Shek and Wang Ching Wei on February 1st and twenty and the Central News Agency states today that the case is settled.

Four.

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

200, July 9, 10am. from Nanking.

-3-

Four. To the Legation and Department. To
Shanghai and Tokyo by mail.

ATCHESON

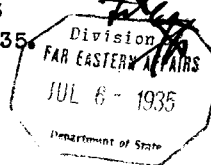
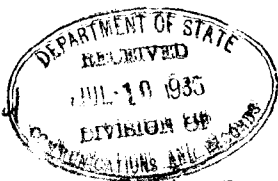
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 13, 1935



Senator Townsend of Delaware telephoned stating that there are some people in the Peiping-Tientsin area in whom he is interested and desired to know what information we had in regard to conditions in that area.

Mr. Myers stated that according to our information there have been no disturbances at those places and that although it is not possible to predict what might occur in a situation such as exists at present it would appear that these people if in Peiping or Tientsin are in no danger. Senator Townsend stated that he would be pleased to be informed of any important developments in that area. Mr. Myers promised to keep him informed.

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MSM
MSM/VDM

John G. Townsend, U.S.S.

7162
JUL 10 1935

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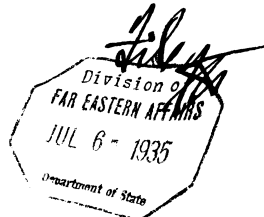
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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
DEPARTMENT OF STATE

July 1, 1935.

1935 JUL 6 PM 12 15



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DIVISION OF
COMMUNICATIONS
AND RECORDS
In accordance with the wishes of Senator Townsend
of Delaware that Mr. Myers keep him informed of important
developments in the Peiping-Tientsin area (memorandum
of June 13, 1935), Mr. Myers today telephoned Senator
Townsend's office and informed his secretary that the
trouble in the vicinity of Peiping had subsided and
that Peiping was quiet.

Handwritten initials

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7163

FILED
JUL 6 - 1935

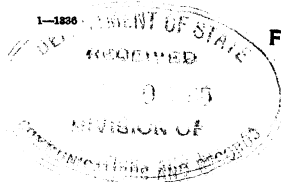
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

RB



FROM

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

GRAY

Nanking via N.R.

Dated July 9, 1935

Rec'd 9:03 a.m.

Secretary of State

Washington.

202, July 9, noon.

Since June 26, Huang Shao Hsiung, Chen Yi, Hsiung

Shih Hui and Chang Chun, respectively chairmen of the ~~provincial~~ ^{provincial} governments of Fukien, Chekiang, Kiangsi and Hupeh, has been conferring with government leaders in Nanking and Shanghai ostensibly in regard to conditions in their provinces, and the Chekiang chairman is now en route to Chengtu to see Chiang Kai Shek. Section two follows by land wire. To Tokyo by mail.

ATCHESON

WSB

793.94/7164

FILED
JUL 20 1935

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

DEPARTMENT OF STATE

TELEGRAM RECEIVED

JUL 9 1935

DIVISION OF ASIAN AFFAIRS

1-1826

MG

This message must be closely paraphrased before being communicated to anyone. A

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

Nanking

Dated July 9, 1935.

Rec'd 6:32 a.m.

Secretary of State,

Washington.

202, July 9, noon.

(Section Two).

I am confidentially informed that last week in Shanghai this group conferred with officials of the Japanese Embassy and decided, as a possible means of gaining China at least a temporary respite from further Japanese encroachments, to recommend to the Chinese Government acceptance of a Japanese proposal that the Chinese and Japanese Governments draw up a protocol providing inter alia for mutual defense in case of attack by third party. The informant states the proposal does not have the approval of Wang Ching Wei and that the purpose of Huang Shao Kshun's journey to Chengtu is to seek the approval of Chiang Kai Shek. He predicts that if any such protocol is signed the appointment of Japanese military advisers to the Chinese army will inevitably follow in time.

To the Legation and Department. To Tokyo by mail.

ATCHESON

WWC

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

(CONFIDENTIAL)

PARAPHRASE

Section two of a telegram (No. 202) of July 9, 1935, from the American Consulate General at Hanking, reads substantially as follows:

According to confidential information, there was a conference in Shanghai a few days ago between the group mentioned in Section one of this telegram and Japanese Embassy officials and it was decided, as a way of obtaining possibly for China a cessation temporarily at least, of further Japanese encroachments, to advise the Hanking Government to accept the proposal made by Japan to the effect that a protocol providing, among other things, that each should come to the other's defense in the event of attack by a third party should be drawn up by the Chinese and Japanese Governments. It is understood that Song Shing-wei does not approve of this proposal and that Huang Shao Hsiung's trip to Chungku is being made for the purpose of trying to obtain Chiang Kai-shek's approval of the proposal. The informant is of the opinion that in time Japanese military advisers will undoubtedly be appointed to the Chinese army if the above described protocol is signed.

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EG.C,
 FE:EGC

FE

VII-11-35

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

TELEGRAM RECEIVED

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O.N. EAND M.I.D.

RB

GRAY

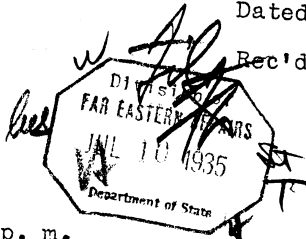
FROM

Shanghai via N.R.

Dated July 10, 1935

Rec'd 8 a. m.

Secretary of State
Washington.



386, July 10, 3 p. m.

With reference to my despatch 8738 of July 8th and telegrams 368 and 369 of July 2, 5 p. m. and July 3, 11 a. m., the following is reported.

One. Editor of the NEW LIFE weekly was sentenced yesterday to 14 months imprisonment by second Kiangsu high court. The court stated that circumstances did not permit suspension or commutation of sentence and that no appeal could be granted. Legal opinion differs as to pardon in cases of this kind since Supreme Court is understood not to have ruled directly on this point in similar case. It should be borne in mind however that accused can still petition for writ of certiorari.

Two. After sentence had been pronounced the accused and sympathizers created a disturbance which the police state is greatly exaggerated in the local press. The situation is apparently well in hand and no serious disorders or demonstrations against the court are expected.

Repeat to Legation, and to Nanking by mail.

CUNNINGHAM

WSB

793.94/7165

FILED
JUL 26 1935

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

TELEGRAM RECEIVED

MED

1-1236

FROM

SPECIAL GRAY

Nanking, via N. R.
Dated July 10, 1935

Received 7:40 a.m.

Secretary of State,
Washington, D. C.

203, July 10, 9 a.m.

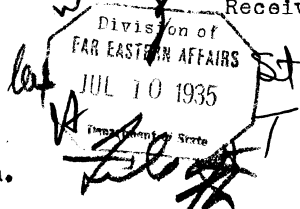
An unconfirmed report is in circulation here to the effect that the Japanese are now formulating plans for the establishment in Peiping of a central Administration for the Peiping-Liaoning, Peiping-Suiyuan and Tientsin-Pukow Railways. A Chinese news correspondent who made inquiry of the Japanese Embassy concerning this report received the ambiguous reply that the report seemed unreasonable in respect to the Tientsin-Pukow Railway because of the British investment therein but it was natural that the Japanese should be interested in the Peiping-Shanhaikuan section of the Peiping Liaoning Railway and in the Peiping-Suiyuan lines, because of important military reasons.

The only comment on this report which I can offer at present is that it may be an exaggeration of a previous report that the Japanese military desired the effectuation of a through traffic arrangement between the Peiping-Liaoning and Peiping-Suiyuan lines.

ATCHESON.

WSB

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FILED

JUL 26 1935

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

TELEGRAM RECEIVED

(CORRECTED COPY)

MRM

1-1336

FROM

Division of
FAR EASTERN AFFAIRS

JUL 15 1935

Department of State

NANKING VIA TUTUILA
and N.R.

Dated July 10, 1935

Rec'd. 7:51am.

Secretary of State

Washington, D.C.

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

204, July 10, noon.

One. The following report has been received from a
foreign news agency marked "for information only":

"Shanghai, July 9. Tu Chu Yuan, editor and publisher
of the NEW LIFE WEEKLY, was sentenced today by the Kiangsu
high court to fourteen months imprisonment. Amazing
scenes were witnessed in the packed court room as the
judge pronounced the sentence. The defence attorney
banging his fist on the table cried "China's law has
been conquered by Japan". The spectators rose shouting
"down with Nanking Government! Down with Japan imperi-
alists!" Hundreds of denunciatory hand bills written in
Chinese showered the court room. The judge and his
assistants hurriedly made their exit through a wide door.
Police and the riot squad were called out to clear the
court room and dispersed the crowd."

Two. To Tokyo and Shanghai by mail.

ATCHESON

WSB

793.94/7167

FILED

JUL 26 1935

F/G

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

TELEGRAM RECEIVED

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

MED

1-1236

GRAY

FROM

NANKING VIA TUTUILA and N.R.

Dated July 10, 1935

Received 7:51 a.m.

Secretary of State

Washington, D. C.

204, July 10, noon.

One. The following report has been received from a foreign news agency marked "for information only":

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Two. To Tokyo and Shanghai by mail.

ATCHESON

WSB

Division of
FAR EASTERN AFFAIRS
JUL 10 1935
Department of State

See
Corrected
Copy

793.94/7167

793.94

FE

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

TELEGRAM RECEIVED

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

RB

1-1234

FROM

GRAY

Shanghai

Dated July 10, 1935

Rec'd 10:15 a. m.

Secretary of State
Washington.

Division of
FAR EASTERN AFFAIRS
JUL 10 1935
Department of State

387, July 10, 5 p. m.

My telegram July 10, 3 p. m. on the subject of

NEW LIFE weekly case.

One. On further inquiry it is learned that the court did not rule definitely that appeal could not be taken but that the attorney for the defense moved for bail pending appeal and that the judge denied this motion, adding that appeal was not allowable in cases of this character. This cannot be regarded as decision on this point, however, since a motion for appeal was not before the court and since under the rules such a motion cannot be entertained until the record is completed.

Two. There is much to indicate that the Nanking authorities had given instructions to the President of the Court regarding this case and it is considered likely that the judge's statement referred to was made in the hope of preventing an application for appeal.

Repeated to Legation and Nanking by mail.

CUNNINGHAM

RK
WSB

793.94/7168

JUL 26 1935

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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. Hunter NARS, Date 12-18-75

MED

TELEGRAM RECEIVED

Division of
FAR EASTERN AFFAIRS

JUL 10 1935

GRAY Department of State

NANKING VIA TUTUILA

AND N.R.

Dated July 10, 1935

Received 2:05 p.m.

Secretary of State,

Washington, D. C.

205, July 10, 5 p.m.

My 204, July 10, 12 noon. /7167

One. Tu Chung Yuan was technically tried and sentenced for slander under article 310 of the new criminal code which became effective July 1st and which provides for punishment of not more than one year and a fine. The additional four months imprisonment have been imposed under a new provision of law which is consistent with the government mandate of June 10th cited by the Japanese in their demands and which has been incorporated in the new code as Article 116. This article reads as follows:

"Whoever commits any offense of causing the willful injury to, of restraining liberty or of injuring reputation against a head of a friendly state of the Republic of China or a representative of a foreign state against the Republic of China may be liable for the prescribed punishment with an increase of one-third of the whole."

Under

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

793.94/7169

FILED
JUL 26 1935

F6

- 2 - #205, From Nanking July 10, 5 p.m.

Under an article of the new criminal procedure no appeal is allowable. Strict prosecution under article 116 would jeopardize the liberty of a large number of persons at the present time and the article would seem to furnish the government an effective weapon against anti-Japanese propagandists if it should desire to employ it for that purpose or, bluntly, give to the Japanese a specific legal ground of complaint against Chinese officials or others who may displease them in the future.

Two. In regard to the Japanese demand for the punishment also of the author of the offending article it has been reported that the author had disappeared and could not be found. The most recent report which is unconfirmed is that the author and publisher are one and the same person and reports from various official and other sources that the case is settled may be reasonably accepted unless fresh difficulties arise from the outbursts of defense counsel and spectators in the court described in the telegram under reference.

Three. To Tokyo and Shanghai by mail.

ATCHESON

WSB

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

TELEGRAM RECEIVED

MG

1-1236

FROM Peiping via N.R.

Dated July 12, 1935

Rec'd 4:19 p.m.

Secretary of State
Washington
Division of
EASTERN AFFAIRS
JUL 13 1935
Department of State

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

352, July 12, 6 p.m.

One. The press continues to carry reports of plans for Sino-Japanese cooperation in economic exploitation of North China. The Consul at ^{Dairen} ~~Dairen~~ reports that according to the press two officials of the South Manchuria Railway Company are now touring North China presumably to study the question of the expense of participation by that company in such exploitation and that according to a Japanese press report from Tientsin the Manchuria Electric Corporation and Chinese are now negotiating with regard to the construction of an electric railway between Tientsin and Tangku.

Two. A report which seems to be well substantiated is that a Japanese commercial organization has been formed at Dolon~~mor~~ and that one of its objects is to construct three roads in Chahar presumably for the purposes of trade and military strategy.

Three. The Legation is attempting to verify such reports. At present it seems that the major part of the
reputed

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Page 2, #352 from Peiping.

reputed plans are still in the stage of contemplation.

Four. Conditions in North China continue outwardly calm although it is believed that there continues to be dissatisfaction on the part of Wan Fu Lin and some Chahar men who are alleged to be seeking appointment by Nanking to official positions. Martial law in Peiping is ^(now?) not in force only from midnight to 5 A.M. The municipality of Tientsin, according to the mayor of that city, will be officially enlarged and elevated to the rank of a "special municipality". Action was taken last month by Nanking to transfer Tientsin from the control of the provincial administration to the control of the Executive Yuan, a step which it is believed will give the Tientsin officials greater freedom in negotiation with Japanese. Japanese consular and military authorities in Tientsin were reported to have stated July 11th that they would not tolerate subversive activities in North China by Japanese or Koreans and to have ordered the dissolution of the North China Japanese Young Men's Association alleged to have been involved in the Feng Tai incident and to have effected the return to Japan of several undesirables.

Five. The widespread activities of the Japanese on the mainland continue to create uneasiness which is added to by such reports as a Reuter report from Amoy to the effect that headquarters of the Kuomintang at that place have been abolished and as a Rengo report from Tokyo

complaining

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

MG

Page 3, #352 from Peiping.

complaining of alleged anti-Japanese activities at Hankow.

JOHNSON

WWC

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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 17, 1935.

~~675~~
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Peiping's No. 3622,
June 17, 1935, forwarding
a short memorandum
of a conversation which
Mr. Johnson had with
Mr. Yoshigawa who
recently assumed
the duties of Counselor
of Embassy here.

W.M.

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



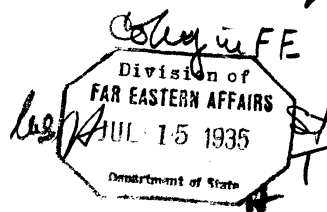
LEGATION OF THE
UNITED STATES OF AMERICA

No. 3622

Peiping, June 17, 1935.

Subject: Mr. Yoshizawa's attitude toward
China.

793.94



5
RECEIVED
DEPARTMENT OF STATE

1935 JUL 13 AM 11 13

For Distribution Check			
Grade	For	To field	Yes
	X	In U.S.A.	✓

793.94/7171

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

1/

I have the honor to enclose a memorandum of a conversation which I had on May 17, 1935, with Mr. Yoshizawa, newly appointed Counselor of the Japanese Embassy at Washington, D. C. Mr. Yoshizawa has recently completed two years of service in the Japanese Embassy at Hsinking and is understood to be persona grata to the leaders of the Kwantung Army.

Mr. Yoshizawa indicated the belief that China, both politically and spiritually, is disintegrating

and

FILED
JUL 19 1935

FG

- 2 -

and that China would become divided into separate entities.

Respectfully yours,



Nelson Trusler Johnson.

Enclosure:

1. Copy of memorandum of conversation, dated Nanking, May 17, 1935.

710

LES-SC

Original and four copies to Department.
Copy to American Embassy, Tokyo.

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

ENCLOSURE No. 1
TO DESPATCH No. 3622

Future Situation in China

Memorandum of Conversation

Nanking, May 17, 1936.

Conversation with: Mr. Yoshizawa, appointed Counselor of
Japanese Embassy, Washington.

Mr. Yoshizawa called. He stated that he had recently been appointed Counselor of the Japanese Embassy at Washington and was shortly proceeding to take up his post. He said that he had just served for two years in "Manchukuo" and I inferred that he has been persona grata to the Kwantung Army leaders who dictate Japan's policy in that area at the present time.

In the course of a general conversation Mr. Yoshizawa asked me what I thought of the future trend of the situation in China. He remarked that he had formerly served at Foochow and at Tsinan and that he observed on this first visit after a number of years a great change. I stated that I thought a very great change had occurred in China in recent years not only in the physical aspects of the Chinese situation as evidenced by improvements in the cities, construction of roads, et cetera, but also in the spiritual aspects.

Mr. Yoshizawa admitted the physical change and referred to my statement about a spiritual change, indicating that it was his belief that politically as well as spiritually

China

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

-2-

China was disintegrating. I gathered that it was his belief that China would become divided into separate entities. I told him that I did not hold this view, that I felt that China was undergoing a revolution the end of which was not in sight. I said that I was convinced that this revolution was affecting the spiritual side of the people very deeply and that out of the strain they were slowly coming to a greater spiritual and cultural unity than I had hitherto known. I said that I was not at all certain as to the political future but that if the trends which I now saw continued I felt that unity would be the outcome.

Nelson Trusler Johnson,
American Minister.

NTJ:HC

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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. 3632

Peiping, June 19, 1935.

Subject: Pamphlet advocating separatist
movement in North China.



RECEIVED
DEPARTMENT OF STATE

1935 JUL 13 AM 11 17

For Distribution-Check		Yes	No
Grade	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
For	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

793.94/7172

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to my telegram No. 271/7035 of June 13, 5 p.m., reporting the distribution of pamphlets which denounced General Chiang Kai-shek and advocated an independence movement in North China, and to enclose a copy in translation of one of the pamphlets.

Internal evidence, that is, the use of an unusual Chinese character and of an unusual arrangement of characters, indicates that the pamphlet may

have

FILED
JUL 20 1935

1/

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

- 2 -

have been written by a Japanese. Furthermore, it would seem, from the statement of a local Chinese official, that the pamphlets distributed were not all worded identically. According to this official, a pamphlet which he saw contained mention, unlike the pamphlet obtained by the Legation, of the names of alleged sponsors of the movement, these names including those of General Sun Chuan-fang and Tsao Ju-lin, members of the pro-Japanese Anfu Clique.

Respectfully yours,



Nelson Trusler Johnson.

Enclosure:
Translation of pamphlet,
as stated.

710

LES-SC

Original and four copies to Department.
One copy to American Embassy, Tokyo.

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

(TRANSLATION OF A HANDBILL)

(Trans. GHT)

ADVICE OF THE CHINA DEMOCRATIC ALLIANCE
SOCIETY TO THE BRETHREN OF NORTH CHINA

Dear Brethren of North China:

Since the Tangku agreement the heart of Chiang Chung-cheng* cannot be fathomed. The danger in North China certainly will take place sooner or later. This can be foreseen by all those who are concerned about current events. The disturbances of several chaotic changes at Tientsin were bitterly suffered by everybody in this municipality.

You should know where the calamity came from. First, Chiang Chung-cheng's dictatorship of the government by one Party and his betrayal of the Republic consisting of five tribes. Second, Chang Hsueh-liang's helping the tyrant to be cruel and his unfriendliness to friendly Powers, which caused the incident of September 18th. It is known to the world that Chiang Chung-cheng's alliance with the communists and his (subsequent) suppression of the communists have placed the people of the several southwestern provinces in the (hot) water and (torment) fire. It looks as if a cruel calamity would come to North China again. This is also well known to everybody. The comrades of this Society, having long foreseen this, have organized a China Democratic Alliance Society which advocates the overthrowal of the Party dictatorship of the government and the restoration of the Republic of five tribes and which will make every effort to

*Chiang Kai-shek

- 2 -

to effect friendliness between China and Japan and to preserve the peace in Eastern Asia. When we were successfully organizing the society, Chiang Chung-cheng suddenly sent his Blue Shirts agents to assassinate our old comrades, Messrs. Pai Yu-huan and Hu En-p'u. This has caused great anger on the part of our friendly Power which has made strong representations. If this Society does not hurriedly start to deal with the situation, it is feared that the great and perfect Tientsin will become a second Mukden, and that the several provinces in North China will become the continuation of the four Northeastern Provinces.

At present, on the one hand we immediately carry out friendly relations and economic collaboration between China and Japan, thus forming friendship in technical cooperation and preserving people's sovereign rights over the land in North China. On the other hand, we earnestly urge the comrades at the various places promptly to start a punitive campaign against Chiang and to overthrow the Party, in order to deliver the people of our whole country from danger. Any organization, groups and individuals, who concur in the principles of this Society, will be regarded as our comrades. Those who are willing to be subordinate to the rebels will be regarded as enemy by the comrades of this Society.

This is a special advice)

(Peiping, June 17, 1935)

(Copied by SC)

CHARGE SLIP

File No. 793.94

[illegible]

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

REMARKS

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
July 17, 1935.

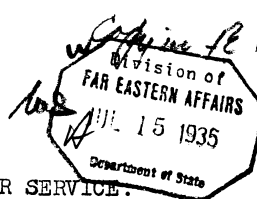
~~MSM:~~
MAH:

To note Shanghai's despatch No. 10119, June 11, 1935, which encloses and briefly summarizes four editorials on the north China situation. I suggest that the despatch but not the enclosures be read.

EW/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

No. 10,119



AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, June 11, 1935.

Subject: Press Comment in Shanghai
on North China Situation.

THE HONORABLE

THE SECRETARY OF
STATE, WASHINGTON.

For Distribution Check		Yes	No
Grade	<u>G</u>		
For	<u>Amis</u>		
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JL *Q* *EW*

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DEPARTMENT OF STATE

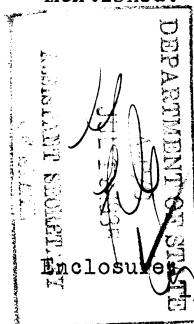
PM 12 17
JUL 14 1935

I have the honor to enclose a copy of a self-explanatory despatch No. 8670 of this date, with enclosures, from this Consulate General to the Legation at Peiping in regard to the subject above mentioned.

793.94/7173

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.



- Copy of Shanghai Consulate
General despatch No. 8670
with enclosures.

800
MBD MB

In Quintuplicate.

F/B
FILED
JUL 24 1935

No. 8670

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, June 11, 1935.

Subject: Press Comment in Shanghai
on North China Situation

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

17132-

I have the honor to refer to my despatch No. 8550 of June 4, 1935, on the above subject, and to report that the lessening of the tension in Sino-Japanese relations has been greeted with considerable relief in the editorial columns of the local English language dailies. The change for the better was all the more welcome because of rumors that were rife toward the end of last week to the effect that Japanese demands were to include the recognition of "Manchukuo", that an excuse to commence operations in the Yungtze Valley was being sought, that the Japanese military would not stop short of breaking the power of General Chiang Kai-shek, and that high officials in the Government were prepared to accept Japanese aid in furthering their political ambitions. While little of this actually appeared in print, it circulated freely and increased public apprehension greatly.

The

-2-

1/ The pro-Japanese SHANGHAI TIMES (British), that had had nothing to say as the situation in the North became increasingly serious, came out in its issue of June 10, 1935, with a statement that the North China situation will soon quiet down if facts are squarely faced. It explains that the Japanese are determined that underground activities against them, which the Government has lacked the will or power to stop, shall cease "not on paper but in actual fact", that the Chinese must acquiesce or face the consequences, and that although it may be a bitter pill for some there is no reason why it should be since the agitation only stirred up needless strife.

2/ In a short article, in today's NORTH CHINA DAILY NEWS (British) the statements emanating from the spokesman of the Japanese Foreign Office are referred to as giving a welcome note of moderation in expressing Japanese views, and are contrasted with Colonel Sakai's interview with Rengo Sunday in which he is reported to have referred to the "insincere attitude of the Nanking Government" and to General Chiang Kai-shek's "two-faced policies". It stops on the note that it is a matter for speculation and wonder whether "etiquette elsewhere encourages a military attache to pass public judgment on the head of a friendly foreign Government." The same theme is developed at greater length in a leading article that appeared in yesterday's issue of THE NORTH CHINA DAILY

3/ NEWS, in which it is stated that

"Once again the Japanese Government has been handicapped by the vigorous opinions expressed by its own military representatives in apparent assumption of diplomatic functions",

and

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

-3-

and that all will agree that diplomacy is embarrassed

"When a military attache confides to the world at large his dissatisfaction with the conduct of the chief figure in a friendly government".

Today's issue of THE CHINA PRESS (Chinese independent daily, American registered) contains an article ascribing the sudden change for the better in the North China situation to the following two causes: (1) Older and wiser heads in Tokyo, Changchun and Dairen decided that a use of force at present was inopportune and took steps effectively to check the younger and more belligerent officers who had confronted General Ho Ying-chin with demands that he certainly could not have met within the time limit set and who probably were planning the immediate occupation of the North China area; and (2) both in Peiping and Nanking the Chinese displayed a sincere effort to avoid an open clash by acceding to Nipponese demands. The article continues that peace was won and an open invasion was prevented at the price of further Japanese encroachment, but that the Government leaders felt that there was no other alternative and realized that China was in no position to match force with force. This pronouncement assumes especial interest because of the recent purchase of this paper by a high Government official (see my despatch No. 9560 of June 10, 1935).

In private conversation with a member of the staff of this office Mr. Edward Bing-Shuey Lee, editor of the CHINESE REPUBLIC (Kuomintang weekly published in English), stated that the Chinese press is now closely censored

to

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

-4-

eliminate any expression of anti-Japanese feeling
whatever.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

Enclosures:

- 1/- Editorial from THE SHANGHAI
TIMES of June 10, 1935.
- 2/- Editorial from THE NORTH CHINA
DAILY NEWS of June 11, 1935.
- 3/- Editorial from THE NORTH CHINA
DAILY NEWS of June 13, 1935.
- 4/- Editorial from THE CHINA PRESS
of June 11, 1935.

800

MBD MB *SL*

In Quintuplicate to Department
by despatch No. 10,119 of even date.

Copy to Embassy, Tokyo.

A true copy of
the signed
original

145

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

Enclosure 1 to despatch of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated June 11,
1935, on the subject: "Press Comment in Shanghai on North
China situation".

Source: The New York Times (British
Daily), June 10, 1935.

Material.

Shanghai, Monday, June 10, 1935

**ROOT OF THE TROUBLE
IN NORTH CHINA**

The situation in North China remains a difficult one although there are indications that a peaceful settlement of outstanding questions between the Chinese and Japanese is now more likely. But what is really essential is that something more than a merely temporary understanding should be reached so that the constant "excursions and alarms" in Hopei province may be put to an end. It would be to everybody's interest if this could be done—with the exception perhaps of a few professional agitators and malcontents who ought to have their claws cut out once and for all. What the Japanese are demanding in North China is the cleaning-up of all the subversive bodies of a political complexion that have been carrying on an underground agitation in North China and elsewhere. Without giving any sort of recognition to Manchoukuo, the Nanking Government has endeavored to maintain a working basis for relations with Japan and it has officially ordered the cessation of anti-Japanese agitation. But there is a tremendous amount of underground activity which the Government has either lacked the will or the power to stop. Some of this underground agitation is sponsored by persons of criminal antecedents but a large part is organized as a definite political movement. And there is some reason to connect with this latter agitation, as it finds expression in the North, and particularly in Peiping and Tientsin, if not Marshal Chang Hsueh-liang himself at least some of his former subordinates. It is obvious that the old Mukdenites lost a good deal when they lost their hold on Manchuria, and the new State of Manchoukuo was founded, and there is no doubt about their will to make things as uncomfortable as possible on Manchoukuo's southern border while they are also suspected of supporting the small bodies of "volunteers" that still roam about some parts of Manchuria in the guise of bandits.

General Yu Hsueh-chung, who has just been removed from the post of Chairman of Hopei, is a well-known Mukden leader of the Chang régime, and there is no doubt that in demanding his removal the Japanese were justified in regarding him as the centre of a good deal of ill-will directed against themselves. But the removal of General Yu and a number of other officials is not felt to be enough; it is not sufficient to remove the heads and leave the roots. Therefore, we need

with the Japanese in putting an end to all occasion for friction. There has been talk on the part of Japan's critics about a desire to add Peiping and Tientsin to the Demilitarized Zone or even to "grab" all North China. But it is the encouragement of subterranean agitation which causes Japanese intervention in the internal affairs of Hopei province and the complete suppression of this agitation is the essential preliminary to the improvement of affairs. Japan may not agree to the abolition of the Tangku armistice agreement until China recognizes Manchoukuo, it is true, but the arrangements made under that armistice agreement might work adequately if all agitation were stopped. Nanking seems to take this view but it must impress the necessity upon the officials on the spot. If the facts are squarely faced, the North China situation will soon settle down.

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

General Yu Hsueh-chung, who has just been removed from the post of Chairman of Hopei, is a well-known Mukden leader of the Chang régime, and there is no doubt that in demanding his removal the Japanese were justified in regarding him as the centre of a good deal of ill-will directed against themselves. But the removal of General Yu and a number of other officials is not felt to be enough; it is not sufficient to remove the heads and leave the roots. Therefore, we need not be surprised when we hear that the Japanese are urging the removal of all the troops belonging to Marshal Chang Hsueh-liang, the former "War Lord" of Manchuria, from Hopei and the suppression of all organizations that have aided and abetted the fomentation of strife either inside or outside the Great Wall. Japan is now determined that the agitation against either herself or the new State of Manchoukuo must completely cease—not on paper but in actual fact. This determination lies behind all that has happened in North China during the last few days and it is quite plain that China, and the Chinese people, both nationally and locally, must accept and acquiesce in Japan's determination or take the consequences. To do this may, to some people, be a rather bitter pill to swallow. But there is really no reason why it should be so considered. It is not as if the agitation effected anything; it simply stirs up needless strife, causes dislocation of business, and plays into the hands of some of the worst elements of the nation.

One would have thought after some of the experiences suffered by patriotic but not very thoughtful Chinese who have contributed towards the expenses of "volunteers" in Manchuria and the revelations as to how their money has been wasted that it would have been difficult to get a single dollar together for this ostensible purpose, but it appears that people in parts of North China have been deluded into giving support to the enterprises of various bands while in other ways anti-Japanese and anti-Manchoukuo activities have been carried on. The latest reports are more reassuring and we can only hope that the Chinese authorities will make an earnest effort to co-operate

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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

Enclosure No. 2 to despatch No. 9670 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated June 11,
1938, on the subject: "Press Comment in Shanghai on North
China Situation".

SOURCE: THE NORTH CHINA DAILY
NEWS (British), June 11,
1938.

Editorial.

DIPLOMATIC MODERATION

The Tokyo Foreign Office spokesman's reference to the situation in North China gives a welcome note of moderation in expressing the Japanese Government's views. Maintaining a desire to exorcise "anti-Japanese" feelings from Chinese sentiment in the North, the spokesman agrees that Chinese soldiers may properly harbour pro-Chinese views. That at least is a point gained and may be useful to General Shang Chen, to whom a fine tribute is paid, in taking up his arduous duties in Tientsin. The situation is, however, regarded by the Foreign Office spokesman as "still not a diplomatic matter properly speaking." There again he seems to be on sound ground, for diplomacy appears little to enter into Colonel Sakai's philosophy, judging from the interview which he gave to Rengo on Sunday. After referring to the "lukewarm and insincere attitude of the Nanking Government" the Colonel capped his observations by remarking that as there were "no signs of a change in General Chiang Kai-shek's two-faced policies," the "basic question" remained "open". Cryptic though the remark is, it shows clearly that Colonel Sakai is not a diplomat and therein the spokesman at Tokyo is abundantly vindicated. Whether etiquette elsewhere encourages a military attaché to pass public judgment on the head of a friendly foreign government is a matter for speculation--and wonder. However, Mr. Ariyoshi's remarks on leaving Kobe show that he, at any rate, is not disposed to underestimate the importance of observing diplomatic courtesy in dealing with the personality of the Generalissimo.

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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. 3 to despatch No. 8670 of Genl. Consul, American Consul General at Shanghai, China, dated June 11, 1935, on the subject: "Press Comment in Shanghai on North China Situation".

RECEIVED: THE AMERICAN CONSUL GENERAL
(British), June 10, 1935.

Memorial

A QUIETER TONE

News from the North happily suggest an improvement in the situation. The tension is relaxed. Once again the Japanese Government has been handicapped by the vigorous opinions expressed by its own military representatives in apparent assumption of diplomatic functions. When a military attaché confides to the world at large his dissatisfaction with the conduct of the chief figure in a friendly government, it will be agreed that diplomacy is embarrassed. Mr. Ariyoshi, on arrival here to-day, will, no doubt, be able to smooth down ruffled feelings. The pity is that his first task as Ambassador should be that of dissipating misunderstandings which might have been avoided, had reasonable attention been paid to the niceties of international courtesy. From the Japanese side much has been heard of Chinese delinquencies: anti-Japanese agitation, furtive assistance to bandit and other elements operating against Manchoukuo. More has been heard of the drastic measures conceived to put Sino-Japanese relations in the North on a satisfactory basis. At one moment it is bluntly declared that the Chinese authorities have been presented with a series of unnamed demands. At another the nature of the demands is indicated on what appears to be unimpeachable authority. Then comes the denial that anything like an ultimatum has been issued or that the so-called demands have been more than bland suggestions. All this is hardly impressive. On the other hand, study of the Chinese newspapers shows signs of considerable restraint among those who normally would be expected to present the Chinese side of the controversy. It does not require a very alert memory to recall the tone and character of Chinese commentary in a situation in which it could be alleged that a strong anti-Japanese sentiment was being encouraged by high authority. Indeed it would seem that the Chinese Government had taken most effective steps to prevent its press from giving the slightest ground for Japanese offence.

The Japanese Government has every right to pursue whatever policy may seem appropriate in developing its rapprochement with China. When the Chinese newspapers are ready to view the departure of the Chairman of the Hopei Government as the natural outcome of the elevation of Tientsin to the status of a special municipality under the direct supervision of the Executive Yuan and the consequent removal of the provincial headquarters to the historic seat of the Manchu Viceroys of Chihli at Paoting, it is a perverse obduracy which seeks to assign credit for the changes to Japanese dissatisfaction

the Chinese authorities appear to have been specially eager to tidy up Hopei, in conformity with Japanese predilections, the settlement will take a quiet turn. It may be indecent to inquire whether the Kuantung Army has achieved what it desired and is content for the time being to rest upon its laurels, or whether it has met with unexpected firmness from Tokyo. Yet, whatever Tokyo may decide to do in the immediate removal of the present tension, the Kuantung Army's ideas have an uncanny knack of cropping up again sooner or later in the gradual development of Sino-Japanese relationships in the North. It is generally agreed that the extension of the demilitarized zone has a close family resemblance to the process of creating a buffer territory between Manchoukuo and Soviet Russia. Even the happenings of the present month have created a situation which effectively emphasizes Japanese control of Hopei and the whole of the railway communication from Tangku to Kalgan. That may accrue from the Kuantung Army's thinking aloud. The political aphorisms negligently decorating the thoughts may be purely incidental. Chinese diplomats and soldiers have some reason to prefer the simpler and more direct procedure of stating Japanese requirements in plain language—and without decorations—for they then can more faithfully address themselves to the inevitable, though not too congenial, task of seeing that those requirements are fulfilled. Peace of mind for the inquietly fluttering bosoms of the Kuantung General Staff may thus be secured—for the time being.

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

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Whether the Kuantung Army considers that the situation may be improved by an occasional indulgence in the pleasant habit of "thinking aloud" which may also be designated as the practice of giving all and sundry a piece of its mind, it is not possible immediately to determine. Now it is asserted that, after all the alarms and excursions of the last fortnight, in the course of which

Enclosure No. 4 to despatch No. 8670 of Edwin M. Gurnea, American Consul General at Shanghai, China, dated June 11, 1935, on the subject. "Press Comment in Shanghai on North China Situation".

Dr. Louis C. Jones (Chinese independent daily, American registered). June 11, 1935.

Editorial.

Shanghai, Tuesday, June 11, 1935

IMPROVED OUTLOOK

WITH dramatic suddenness, the situation in North China has changed from one threatening almost immediate Japanese military action to one indicating a definitely peaceful solution of Chinese and Japanese difficulties there.

A number of explanations can be given for this overnight shift in outlook.

In the first place, elements in the Japanese army opposed to the viewpoint prevalent among a group of younger and more belligerent officers that military action was called for at this time apparently asserted themselves and checked scheduled army operations in the North. Developments in the series of Japanese demands throughout last week, climaxed by a near-ultimatum, indicated that Japanese officers on the spot in Peiping had confronted General Ho Ying-chin with claims impossible for him to meet within the time-limit stipulated. The assumption was almost inescapable that a general occupation of the North China area was planned at the start of this week in spite of confident statements to the contrary from Japanese Foreign Office representatives.

Reuter aptly summarized the sentiment in Peiping on Saturday evening by declaring the feeling to be general that "there is no question that if the Japanese demands are not met speedily, action will follow, and any resistance to it is unthinkable."

Believers in imminent armed operations, however, did not reckon with coincidental developments in Tokyo, Changchun and Dairen late last week. Older and wiser heads in the Tokyo War Office, the Gaimusho as well as in the Kwantung Army were evidently deciding—at the same time—that fulminations in Peiping and Tientsin were in their most bellicose stage—that a forceful incursion was not opportune at the moment, particularly in view of the fact that the Chinese displayed a sincere effort to avoid an open clash by acceding to Nipponese demands, given a reasonable length of time and a reasonable state of mind on both sides. This decision was impressed on the Tientsin conference and superior

Dr. Louis C. Jones, Chinese independent daily, American registered. June 11, 1935.



Return From Manila

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Editorial

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

Enclosure No. 4 to despatch No. 86
American Consul General at Shanghai
1935, on the subject: "Press Conference
China Situation".

Editorial

Shanghai, Tuesday, June 11, 1935

IMPROVED OUTLOOK

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of further Japanese encroachments, but the government leaders felt that there was no other alternative and realized that China was in no position to match force with force.

There is no denying that the evolution of the present situation in North China will leave the Japanese in virtual control of Hopei. General Yu Hsueh-chung has been removed from the chairmanship of the province and his 51st army corps is being evacuated probably to Shensi. The central government divisions in the province are being withdrawn, and all these soldiers are being replaced by troops of General Shang Cheng from Shansi while the latter will take over the garrisoning of the North Hopei district. The Peiping gendarmerie and its leader are being removed and the Peiping political training center abolished and its director shifted. Chinese administrators having the confidence of the Japanese are being installed in the more responsible Hopei posts and so-called anti-Japanese elements are being suppressed in all phases of activity. Other demands have been made, such as the removal of the Peiping Branch Military Council, the arrest and punishment of the murderers of two pro-Japanese newspaper editors in Tientsin and the enforcement of peace and order in the demilitarized zone, to which Chinese reaction has not been indicated.

It is reported that the central troops will be evacuated within two weeks while late North China telegrams give a new slant on the withdrawal of Gen Yu's men by quoting a Japanese demand that they must leave within three days.

Despite the pretty real predominance the Japanese will achieve in Hopei as a result of enforcing their demands, the structure of Chinese administration will remain to be handled as effectively as the situation will permit. That future administration will be carried out with a sincere determination to fulfill commitments and pursue a policy of peacefully solving difficulties with the Japanese can be assured. It remains for the Japanese to display a similar sincerity, to realize that a policy of peaceful co-operation with China would serve both countries best in the long run and to learn that the continued use of force and threats of force do but inflame the sentiments which they so assiduously seek to extinguish.

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A second cause for the peaceful outcome of the North China situation was the obvious unwillingness of the Chinese to pursue a policy that would lead to an open clash at this time. Both in Peiping and in Nanking it was the sentiment, as Reuter puts it, that "resistance was unthinkable." The Chinese, therefore, in all earnestness and sincerity agreed to the Japanese demands. Peace was won and an open invasion was prevented at the price

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

No. 10/131

W copy in FE
Division of
FAR EASTERN AFFAIRS
JUL 15 1935
Department of State

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, June 18, 1935.

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RECEIVED
DEPARTMENT OF STATE
JUL 12 1935
THE HONORABLE
THE SECRETARY OF STATE

Subject: Shanghai Opinion on North
China Situation.

Registration Check
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For Davis
In USA
Yes No
ON I M I D

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

WASHINGTON.

Sir:

I have the honor to enclose a copy of a self-
1/ explanatory despatch No. 8687 of this date from
this Consulate General to the American Legation at
Peiping in regard to the subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 8687

800
MBD MB

In Quintuplicate.

FILED
JUL 26 1935

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793.94/7174

NO. 8687

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, June 18, 1935.

Subject: Shanghai Opinion on North
China Situation.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

With reference to my despatches Nos. 8550 and
8670 of June 4 and 11, 1935, on the above subject, I
have the honor to report that the press and important
sections of the public in Shanghai have been inclined
from the start to minimize the seriousness of develop-
ments in the North and assume whenever possible an
optimistic outlook. Much has been made of the apparent
divergence between the policies of the Foreign Office
on the one hand and the Kwantung Army on the other,
with a view to making it appear that the trouble was only
due to a group of officers who had got a little out of hand.

The conservativeness of pronouncements in this vein
has not, however, prevented an undercurrent of apprehension
that has existed since early this year and that has been
intensified by rumors of a disturbing nature. As reported
in my confidential despatch of May 10, 1935, an obscure

political

-2-

political group was even then in possession of a document that purported to be an excerpt from an agreement allegedly signed by a high official in Nanking about the middle of February, providing that Japan would aid China in suppressing Communism and reactionary movements in exchange for a free hand to carry out her program that would incidentally involve the exchange of ambassadors and the creation of a permanent neutral zone in North China.

In view of recent happenings and rumors now current, the provisions of this document assume peculiar interest. The Japanese not only took the initiative in raising their Legation to embassy status, but they commenced activities in North China on the date set for the agreement to go into effect. It has been rumored, since the Japanese unfriendliness toward General Chiang Kai-shek became manifest, that the official who is supposed to have signed this agreement is working with the Japanese in the hope of supplanting the Generalissimo as the leading figure in the Chinese Government.

In reviewing rumors in Shanghai mention should also be made of reports that have been current for some time to the effect that General Chiang Kai-shek was not on the best of terms with the official in question and that he anticipated a break with the Japanese and planned to cut loose from the coast and establish himself at some interior point, possibly Sian, Shensi.

Although press comment has continued moderate there is no question but that a feeling of discouragement has been

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been quite general since the negotiations between Ho Ying-chin (何應欽) and the Japanese broke down. A local official in conversation with a member of my staff stated that he and his associates considered the situation rather hopeless and believed that the greater the concessions the greater would be the demands made by the Japanese. He stated that the Japanese were unquestionably doing all they could to start subversive movements against the Nanking Government. According to a statement attributed to Dr. H. H. Kung, Japanese agents have already made arrangements with Pai Ch'ung-hsi (白崇禧) and Li Tsung-jen (李宗仁) in Kwangsi and Ch'en Chi-tang (陳濟棠) in Kwangtung to take action designed to make Fukien, Kwangsi and Kwangtung independent of the Central Government.

THE CHINA PRESS (Chinese owned, American registered), stated to be controlled now by Dr. H. H. Kung (see despatch No. 8560 of June 10, 1935), carried a leading article in its issue of June 15, 1935, entitled "North China Trends", which is of interest chiefly because it may be regarded as an expression of official opinion. In it reference is made to reports of a separatist movement in North China under the leadership of Shih Yu-san (石友三), who is referred to as an "unscrupulous trouble-maker" and "not the sort to cavil at strife and bloodshed if personal aggrandizement came as a reward", and Sun Chuan-fang (孫傳芳), "one of the more enlightened warlords that sprang into prominence after Yuan Shai-kai's death." The news, whether true or not, is taken to indicate the desperateness of the situation. It is pointed out that the weakening of Chinese control

encourages

-4-

encourages adventurers and opportunists, and that an independence movement would result in "misery, pillage and bloodshed" as in the demilitarized zone where "banditry has been rampant, drug trafficking everywhere prevalent and rural economy in a state of collapse."

As already stated, the local vernacular press has been prevented from publishing statements that might prove offensive to the Japanese or that would unduly excite the people. It might be worthy of mention in this connection that a leaflet in Chinese was circulated in the down town district of Shanghai a few days ago containing a summary of the more sensational news despatches in the foreign press on the subject of Sino-Japanese relations. It was headed "Wild Rumors from Japanese Sources in Regard to an Invasion of the Yangtze Valley."

An editorial in yesterday's NORTH CHINA DAILY NEWS (British) referred to the helplessness of the Japanese in face of the filibustering diplomacy of the Kwantung Army, and stated that while Mr. Ariyoshi has done his part to effect a Sino-Japanese entente, Japanese military attaches have devised fresh schemes for the humiliation of China. This paper feels that however drastic Japanese demands might be, they should be made through the prescribed channels. It is stated further that recent events can be explained only on the assumption that the Japanese Government has delegated the power to the Kwantung Army to bring North China within the scope of the military autocracy that created "Manchukuo", and that Tokyo betrayed anxiety to keep pace with the military by refusing gratuitously

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

-5-

to take part in an economic conference, indicating that Japan is definitely opposed to team work in developing outside aid for China.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

800
MBD MB

In Quintuplicate to Department
by despatch No. 1013 of even date.

Copy to Embassy, Tokyo.

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A true copy of
the signed ori-
ginal.

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

DEPARTMENT OF STATE

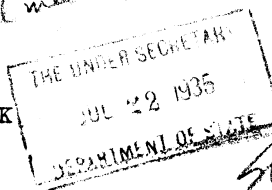
DIVISION OF FAR EASTERN AFFAIRS

July 19, 1935.

U:
Mr. Phillips

It is believed that you
will be interested in reading
the memorandum of conversation
between T. V. Soong and Captain
McHugh of the United States
Marine Corps at Shanghai.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
July 18, 1935.

~~WDM:~~
~~WDM:~~

Shanghai's despatch No. 10136 of June 20, 1935, encloses an extremely interesting memorandum of a conversation between Mr. T. V. Soong and Captain McHugh of the Marine Corps.

The memorandum is briefly summarized in Shanghai's despatch to the Legation (enclosed) but I believe that the memorandum itself is worth reading in its entirety. It contains Mr. Soong's ideas on both the Sino-Japanese and the Nanking-Canton situations.

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NO. 10136

AMERICAN CONSULATE GENERAL,
Shanghai, China, June 20, 1935.

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Division of
FAR EASTERN AFFAIRS
JUL 15 1935
Department of State

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SUBJECT: Sino-Japanese Relations.

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THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

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

793.94/7175

RECEIVED
DEPARTMENT OF STATE
JUL 14 1935

I have the honor to enclose a copy of a self-explanatory despatch No. 8694 of this date from this Consulate General to the American Legation at Peking in regard to the subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

✓
Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 8694

800(vv)
MBD:JLM

In quintuplicate

4 Carbon Copies
Received *[initials]*

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JUL 27 1935

F/G

No. 8694

AMERICAN CONSULATE SERVICE

American Consulate General,
Shanghai, China, June 20, 1935.

Subject: Sino-Japanese Relations.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

1/ With reference to my despatches of May 10 and June 18, 1935, concerning the terms of a reported agreement between the Chinese and Japanese Governments, I have the honor to enclose a memorandum of a very interesting conversation that Captain J. M. McHugh, Intelligence Officer of the Fourth Marines had with Mr. T. V. Soong apropos of this agreement and other matters. Chinese and English copies of the terms of the protocol in question had been furnished Captain McHugh at his request.

It will be observed that, while Mr. T. V. Soong thinks no one in Nanking would dare sign such a document, he says it unquestionably outlines the Japanese program. Special attention is directed to his expression of opinion to the effect that China needs a new "crop of statesmen" and that those now in Nanking ought to resign. This and his outburst regarding General Chiang Kai-shek's policies with respect to the Communists and the New Life Movement

indicate

DECLASSIFIED: E.O. 11652, 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 -

indicate a state of mind that occasions some surprise in view of the fact that his attitude toward the Government seemed greatly improved after his conference with the Generalissimo in Manila in the first of March.

It is believed that Mr. [redacted] was not candid in saying that he was not going to urge the Japanese to take any action in Manchuria at the present time but on the contrary that he had a very definite reason for doing so. [redacted] [redacted] on this subject.

Respectfully yours,

William W. Sullivan, Jr.,
American Consul General.

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Enclosure:

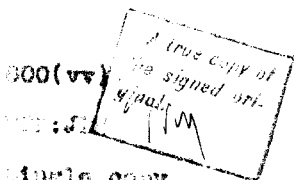
1/- Confidential source and of conversation as stated above.

800(vv)

WWS:JL

Single copy

In duplicate to the Department



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

INT/JMMcH-gwj

Headquarters, 4th Marines
Marine Corps Expeditionary Forces
Shanghai, China

17 June 1935

CONFIDENTIAL

MEMORANDUM OF CONVERSATION BETWEEN MR. T.V.SOONG AND CAPTAIN

J.M.MCHUGH. U.S.M.C.

I called upon Mr. Soong by appointment at his residence at 5:00 P.M. I opened the conversation by showing him the attached document (with a Chinese text appended), saying that it had come to my attention sometime previously, but that I had not considered it seriously because of its doubtful source. I stated that because of recent developments I had begun to wonder if it might, after all, be authentic.

He read the paper carefully and with evident interest, but did not inquire as to how I had obtained it. He then said that he thought it spurious. I suggested that, while it might not have been agreed to by anyone in Nanking, it might well represent a program that the Japanese had presented. To this he assented, saying, "Yes, it unquestionably represents the Japanese program, but I do not think the Executive Yuan or any high official would dare to sign such an agreement with the Japanese."

When I suggested that the two months time limit mentioned therein coincided with the approximate date of the beginning of the recent developments in the North, he waved his hand and said, "It has always been June 1st. You remember that I told you that a long time ago (our conversation of 4 March, 1935)."

I then inquired whether the rumor about a rebellion starting in the South were true. He replied, "Yes, there is trouble brewing down there". He added that it was being encouraged by the Japanese who, he had recently heard, have offered to give Kuangsi ten bombing planes plus arms and ammunition.

I suggested that these representations had probably been made by General Doihara and by Foreign Minister Hirota's recent special envoy, Mr. Matsumoto, who had passed through Shanghai last week.

- 2 -

Mr. Soong quickly replied,

"He wasn't Hirota's man; he represented the War Office.

He tried to see me while he was here. I sent back word that I would be glad to see him at the Bank of China, thus indicating that I did not wish to discuss politics with him. He never accepted."

I inquired whether the departure of Hu Han-min for Europe the other day had any connection with this new trouble. He replied, "Yes, I think he wanted to get away until it blows over". He added, "The Japanese are telling those fellows down there, 'Now is your chance'". He went on to say that he expected trouble in the South very soon. He then added, as though thinking aloud, "I am doing my best to forestall it".

I suggested that the recent open denunciation of the Generalissimo by the Japanese sounded as though they really mean to eliminate him and that the rebellion in the South is possible only a part of their plans to this end. He replied, "Yes, that is true. What the Japanese want is to divide China into three parts".

I inquired what he ^hthought of the Generalissimo's policy to date of avoiding direct contact with the Japanese. This visibly aroused Mr. Soong and seemed to touch him off on what, to me, was a very surprising tirade against the Generalissimo. He said,

"I respect the Generalissimo as a man, but I do not approve of his methods. This is a time for fighting. If we do not resist now, our chance is lost for good. Even a defeat, after all, is something. It is better to fight and lose than to give up everything without a struggle. Instead of fighting the Japanese, he is spending his time fighting communists, making ridiculous rules about not smoking cigarettes and about women cutting their hair."

He then added, "We make a mistake in fighting our own people, for, after all, the Communists are our own people. But that is the wrong method of dealing with them. They are not a military

- 3 -

problem."

He indicated throughout a very evident irritation with his brother-in-law which seemed at moments to border upon scorn. His frankness with me in this respect, in fact, amazed me.

He then went on to say that he considered the loss of Hopei very serious and a continuation of a far-reaching Japanese military program. He added,

"I have just heard from Nanking by long-distance telephone that the Government today ordered General Sung Che-yuan to resign his post and remove his soldiers from Chahar. This means Suiyuan next, as I told you last winter." North China will meet the same fate as Manchuria. If you held a plebiscite in Manchuria today you would find at least 90% of the people in favor of returning to Chinese rule. But there are people now in North China who no doubt welcome the advent of the Japanese because they are tired of the Kuomintang. After about two years, however, you will see that they will be sick of Japanese domination and wish they were back."

I inquired whether there might be any tendency on the part of China as a result of this new situation to enter into closer relations with the USSR. He replied, "Russia will never fight outside her own borders".

I then asked whether he thought Huang Fu would go back to the North. He replied, "No", and then added with obvious disparagement,

"You know, these people who think they understand the Japanese and can get along with them make a great mistake. The Japanese appreciate nothing but force. While I was abroad two years ago I urged the government many times by cable not to sign any agreement in the North, but to resist. I still have those messages here among my papers. I told them to make the Japanese take Tientsin and Peiping by force rather than sign, but to resist at any cost. It would have meant many people killed, but even street fighting

- 4 -

is better than making. It is a great mistake to try
and negotiate with them."

I then inquired whether we had yet seen the complete terms
of the Tangku Truce in the press, (hoping to elicit from him the
complete story). He merely replied that he 'did not think so' and
added, "The Japanese program is very comprehensive".

I reverted to the paper I had showed him and asked whether,
since the South is revolting, it could be certain that everyone in
Nanking would remain loyal. In reply he reiterated that he thought
none would dare to sign any agreement with the Japanese. He then added,
however,

"You know, what those fellows really ought to do is
to resign. I do not see how the present government can
last. China needs a new crop of statesmen. But we must
wait and suffer first. This aggression will continue until
we have to fight. Many people will have to be killed. About
five years from now, though, it will be different. You will
see."

I asked if he thought there really had been a split between
the Foreign and War Offices in Tokyo. He replied,

"It isn't actually a split. The Army has always been
in control. The situation may appear to be in the hands of
the Foreign Office for awhile; then the Army suddenly starts
action and the diplomats have to do their bidding."

He quoted a remark in this connection which he said had been
made to Mr. Wang Ching-wei by a prominent Japanese diplomat who had
recently returned from Japan (I inferred that it was Ambassador
Ariyoshi). This Japanese, in referring to this question had said,
'You know, you Chinese diplomats are lucky. After all, we have no
foreign concessions in Japan to which we can retreat'.

In parting, Mr. Soong inquired whether I had any information
as to possible Japanese action in Shanghai. When I replied in the
negative, he asked that I let him know at once in case I learned anything,
to which I assented. He added, however, that he did not expect them to
do anything here now.

4

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

- 5 -

Although Mr. Soong specifically denied in two instances the authenticity of the paper which I showed him and stated that he thought no official in Nanking would dare to sign such an agreement with Japan, his very evident gloom over the situation in general plus his subsequent specific denunciation of the Generalissimo and of the present Nanking government did not lend confidence to these particular statements. The very fact that he in each instance ascribed 'fear' rather than patriotism or personal integrity as the reason for not agreeing to some such program is in itself illuminating. He distinctly left me with the impression that if one or more members of the present government has not already done something of the kind, he at least does not consider them above doing it if they could feel safe in their action.

Furthermore, his obvious depreciation of Huang Fu, whom Wang Ching-wei had only yesterday (16 June) come to Shanghai to see, certainly did not tend to exonerate Wang or his followers.

Respectfully submitted,

J.M. McDUGH,
Captain, U.S.M.C.,
R-2

✓
The document
hereunder should
also be read.

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

Agreement Alleged To Have Been Signed in February by Representatives of China, Japan and Manchoukuo. Said to have been Copied from the original protocol by a member of the Secretariat of the Executive Yuan who disapproved of the agreement & is associated with a political group that subscribes to similar views.

1. That Japan maintain the complete territorial integrity of China and aid China in exterminating communism and eradicating reactionary movements.

2. To maintain normal diplomatic relations between China and Japan.

3. That according to Japan's viewpoint, it shall assume the responsibility of carrying out political, military, economic and other objects in China.

4. That Japan is most desirous of exchanging Ambassadors and advisers with China and that China's relations should be a basis of equality with those of Manchoukuo. At the same time China should acknowledge the serious nature of the responsibility assumed by Japan in protecting the peace of Eastern Asia and that China cannot depend upon Europe, the United States and the League of Nations.

5. That Japan desires to enter into direct negotiations with China in regard to political questions in the Far East and does not desire to be subject to the kind of restrictions imposed by the Nine Power and other Treaties.

6. That in regard to the military problems of the Far East, Japan is also not desirous that China depend upon the League of Nations, Europe, the United States and other countries which may interfere with Japan or give counsel (to China).

7. That Japan for the purpose of achieving an economic entente among China, Japan and Manchoukuo shall form a common beneficent kind of economic combination.

8. That if China is sincere in accepting the above requests of Japan, China should immediately demarcate North China as a perpetual defense zone between China and Manchoukuo.

9. That a reply to the above treaty shall be made before March 27th, and that it shall go into effect two months after the date thereof.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
July 17, 1935.

~~MMH~~
MMH:

To note Harbin's brief
despatch No. 162 of June 14,
1935, which briefly summarizes
an enclosed translation of an
editorial from a local Japanese
newspaper in regard to the Far
Eastern situation.

No action required.

EW
EW/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

6
RECEIVED
No. 162 DEPARTMENT OF STATE
AMERICAN CONSULATE GENERAL

1935 JUL 13 AM 11 59 HARBIN, MANCHURIA,

June 14, 1935

DIVISION OF
COMMUNICATIONS
AND RECORDS



SUBJECT: JAPANESE EDITORIAL ON THE FAR
EASTERN SITUATION.

For Distribution-Check				
Grade	For	To field	Yes	No
	M	In U.S.A.		
	Adams	ONI MID		

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D. C.

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

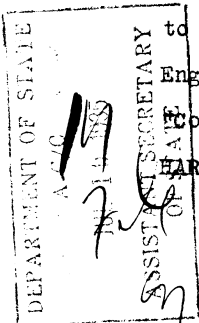
Sir:

I have the honor to enclose herewith copies
of my despatch No. 87, June 14, 1935, addressed

to the Legation at Peiping, transmitting an
English translation of an editorial entitled
"Conditions in north China" appearing in the
HARBIN SHIMBUN, issue of June 2, 1935.

Respectfully yours,

Walter A. Adams
Walter A. Adams,
American Consul General.



Enclosure:

Copy of despatch No. 87, June 14, 1935,
to the Legation at Peiping with its
enclosure.

In quintuplicate.

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WAA:av

793.94/7176

JUL 22 1935

FILED

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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

No. 87

AMERICAN CONSUL GENERAL

HARBIN, MANCHURIA, June 14, 1935.

SUBJECT: JAPANESE EDITORIAL ON THE FAR EASTERN
SITUATION.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to attach hereto an English translation of an editorial entitled "Conditions in north China" appearing in the HARBIN SHIMBUN, issue of June 8, 1935. The SHIMBUN is a Japanese owned and edited paper published in Harbin. The SHIMBUN is a paper of some independence vis-a-vis the Japanese authorities in Manchuria and exercises considerable influence though it is not as important as the HARBIN NICHINICHI, the organ of the South Manchuria Railway. It has a daily circulation of approximately five thousand copies.

The Legation will note that the editorial advocates ejection of the British naval forces from Hongkong and Singapore, the establishment of an independent state in north China to act as a buffer between "Manchukuo" and China, the removal of South Manchuria Railway quarters to Peiping, the removal of the Japanese army headquarters to Peiping, and the rapid extension of Japanese influence into western China.

- I am -

DECLASSIFIED: E.O. 11652, 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 am informed that this editorial has aroused the
curiosity of the Shanghai office of the Reuter service.

Respectfully yours,

Walter A. Adams,
American Consul General.

Enclosure:
Translation of Japanese editorial,
appearing in the HARBIN SHIMBUN,
June 2, 1935, Harbin.

In duplicate.

Five copies to Department by despatch
No. 162, June 24, 1935.
Copy to Embassy, Tokyo.
Copy to Consulate General, Mukden.

WAA:av
800

162
JUN 24 1935
WAA

DECLASSIFIED: E.O. 11652, 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 with Harbin Consulate General's
 despatch No. 87, June 14, 1935, to the
 Legation at Peiping, entitled "Japanese
 Editorial on the Far Eastern Situation."

SOURCE: HARBIN SHIMBUN (independent
 Japanese language daily),
 June 2, 1935, Harbin.

Translated by the American
 Consulate General, Harbin.

Translation of Editorial.

CONDITIONS IN NORTH CHINA.

Yushuechung has fled to Paoting. The next step
 would seem to be an extension of the neutralized zone to
 Tientsin and Peiping districts. If possible, we would
 like an independent Mohammedan nation established in the
 area, to serve as a buffer between China and Manchuria.

It is doubtful whether the Kwantung army is wise
 in being so deeply concerned for north China. North
 China may be well left to a great General like Umezu at
 Tientsin, placing a larger force at his disposal, for
 complete maintenance of the prestige of the Great Empire of
 Japan. Behind Yushuechung is Chang Hsue-liang, and be-
 hind Chang Hsue-liang is none other than Chiang Kai-shek.
 They are busy working to let Britain, America and other
 Powers to voice loud accusations about the aggressiveness
 of Japan. After all the question of north China is too
 broad and deep to be the business of the Kwantung army.

The things that we should not lose sight of in con-
 nection with north China are not few. First, the Red
 Russians plot in Outer Mongolia and Hsinking frontiers;
 second, the British activities for the invasion of Szechuan
 and Yunnan via Burma. In order to cope with these two aims
 of Britain and Russia, Japan ought to establish a firm posi-
 tion in north China with sufficient influence reaching as
 far as the upstream districts of the river Huang-ho. Con-
 struction by the Japanese of a railway from Peiping to as
 far west as Ili by way of Tatung, Suiyuan and Lanchow,
 claims attention prior even to the formation of the Cabinet
 Council or the Japan Manchu Economic Commission. It is an
 anachronism that the staff of the South Manchuria Railway
 are working for the Manchukuo Government. It is high time
 that the South Manchuria Railway was reorganized and re-
 named, with its head office removed, say, to Peiping.

In dealing with the British, whose invasion of China
 via India and Burma is imminent, Japan must first reinforce
 her navy in the Yangtze river and force the British fleets
 at Hongkong and Singapore far away to the Mediterranean.
 It should not be forgotten for a moment that the object of
 the formation of Manchukuo lies in saving the whole of Asia
 from the aggression of Russia and Britain. It is quite
 natural, then, that the Japanese army should have its
 headquarters for execution of her continental policies
 removed from Hsinking to Peiping, now that the center of
 Russian policies for her eastern conquest has moved in
 the direction of Mongolia and Hsinking.

- Manchuria -

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

- 2 -

Manchuria is the lifeline of Japan, they say; but the security of the whole China is the corner-stone of the very existence of Japan. In order to cope with the Soviet force which is going to occupy Outer Mongolia and Hsinking, and to invade Szechuan, the Japanese army should not lose a moment in extending its influence towards Suiyuan and Kansu provinces. These provinces are rich in wool, cowhide, cow-bone, etc. Cotton in Shantung and Honan is also worth attention. To save the four hundred million people of China, who have been making a continued and strenuous effort for the past four thousand years to defend the northern border along the Great Wall, from the Russian menace, is surely the lofty mission of the Yamato race, the samurai of Nippon.

It is feared that the arm of the Kwantung army is not long enough if it is deeply concerned in north Chinese affairs. Rather, to serve the American-Russian chain linked together by the Jewish people in the far north, is the first duty for the Kwantung army, in co-operation, needless to say, with our navy in the northern seas around Alaska and the Aleuthian Islands.

Let the Kwantung army leave the north Chinese affairs in the hands of those stationed in north China, and let the latter have a greater commander, greater even than that of the Kwantung army, for the handling of the supreme policies towards China.

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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 17, 1935.

~~MSM:~~
~~MAH:~~

To note Harbin's brief despatch No. 161 of June 14, 1935, in regard to a visit to north Manchuria of General Minami at the time of the recent "Manchukuo" Mongol conference.

No action required.

EW
EW/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. 161

6
RECEIVED AMERICAN CONSULATE GENERAL
DEPARTMENT OF STATE
HARBIN, MANCHURIA,

1935 JUL 13 AM 11 59 June 14, 1935

DIVISION OF
COMMUNICATIONS
AND RECORDS

DIVISION
OF EASTERN
EUROPEAN AFFAIRS
JUL 20 1935

Division of
FAR EASTERN AFFAIRS
JUL 15 1935

SUBJECT: GENERAL MINAMI VISITS NORTH MANCHURIA.

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DEPARTMENT OF STATE
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RECEIVED
SECRETARY
OF STATE

The Honorable

The Secretary of State,

Washington, D. C.

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

Sir:

I have the honor to transmit herewith copies
of my despatch No. 86, June 14, 1935, addressed to
the Legation at Peiping on the above subject.

Respectfully yours,

Walter A. Adams
Walter A. Adams,
American Consul General.

FILED
JUL 22 1935

In quintuplicate.

Enclosure:

Copy of despatch No. 86, June 14,
1935, to the Legation, Peiping.

800
HMB:av

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F/G

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

No. 86 AMERICAN CONSULATE GENERAL
HARBIN, MANCHURIA,
June 14, 1935.

SUBJECT: GENERAL MINAMI VISITS NORTH MANCHURIA.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to inform the Legation that General Minami visited Hailar, Tsitsihar, Harbin, and other points in north Manchuria between June 3 and 11. This journey was not reported in the press until June 10, when his Vice Chief of Staff, Major General Itagaki, left his party at Tsitsihar and hurried to Hsinking to confer with Major General Doihara, Colonel Giga, and others.

According to the press, the General was accompanied by a staff of fourteen persons, all traveling by air. It was announced that he was making a routine inspection of troops, but the fact that he is reliably reported to have visited an important Mongol fair and festival in the neighborhood of Lake Buinor leads one to the assumption that the visit was actually intended as a gesture of friendship toward Mongolian troops and population in "Manchukuo" just as the conference to settle the Lake Buinor incident is getting under way in Manchuria.

- It will be -

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

- 2 -

It will be recalled that the chief "Manchukuo" delegate to the conference, Lin Sheng (凌 陞), is a Mongol, and that the military have always given special treatment to the Mongols of Manchuria. Attention is also called to reports from Manchuria stating that the Mongolian delegates have requested their government to grant them power to discuss matters of general concern between the two countries, in addition to authority to settle the Lake Bulnor incident. As this request was made at the instigation of the "Manchukuo" delegates, it seems likely that the latter, at least, desire to seize the opportunity of the conference to establish close and amicable relations with their neighbors to the west. It was announced some time ago that a proposal was made to set up a "Manchukuo" diplomatic office in Urumqi if the conference came to a successful conclusion.

There is little doubt that the present regime in Manchuria is greatly perturbed by recent reports of Soviet loans and railway projects in Outer Mongolia, and is doing its best by friendly gestures to the Mongols to checkmate the southward advance of Soviet influence. It is accordingly likely that the visit of General Minami may have been designed to cultivate the good will of Mongol banners in Manchuria as an aid in establishing friendly relations with the banners of Outer Mongolia.

This policy, always important, is even more vital in view of the recent developments in north China and Eastern Inner Mongolia. The active friendship of the Outer Mongolian banners would on the one hand assist

- the westward -

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

- 3 -

the westward advance of Japanese influence in north China and Inner Mongolia, and on the other would nullify Soviet efforts to jeopardize that advance by an extension of influence in the direction of "Man-chukuo."

Respectfully yours,

Walter A. Adams,
American Consul General.

In duplicate.
Five copies to Department by
despatch No. 161, June 14, 1935.
Copy to Embassy, Tokyo.
Copy to Consulate General, Mukden.

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HMB:av

100-100000
100-100000
100-100000

- 2 -

Tsingtao is awaiting with a very calm confidence the settlement of the questions now disturbing Sino-Japanese relations in Hopei. The Japanese community feels that the Manchurian question was settled to the satisfaction of Japan; the difficulties in Shanghai were likewise so settled; then the problem of demilitarization in the Jehol area was solved in a manner satisfactory to Japan; now the feeling of the Japanese in Tsingtao is that the Peiping-Tientsin difficulties will also be settled and that there is very little likelihood of any threats to the lives and property of the local Japanese community.

The Chinese population, if it is not so confident as the Japanese, is equally calm. There is no outward agitation and certainly no vestige of a boycott movement. If the consulate judges correctly the spirit of the Chinese here, it may be stated that the Japanese and the steps the Japanese military may take are feared to an extent never noted before; there appears little likelihood of an anti-Japanese movement such as was prevalent a few years ago.

While it has just been stated that the Chinese population is calm, it is of interest to report that last week some of the high Chinese authorities were alarmed by a rumor that an attack was to be made on the Maritime Customs house on the night of June 11; it was said that Japanese hoodlums would attempt to provoke an incident. Nothing happened.

A Chinese of some standing has indicated to the

Consulate

144

DECLASSIFIED: E.O. 11652, 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 -

Consulate that the issue from the Japanese viewpoint is that it is not sufficient now that the Chinese (authorities) eradicate the anti-Japanese virus, but that the Chinese in letter and in spirit must adopt a "pro-Japanese attitude" which must be expressed in word and in deed. This Chinese opinion, expressed on or about June 7, as far as I recall, is of some interest when read in connection with the REUTER telegram dated Washington, June 12, which reads in part as follows:

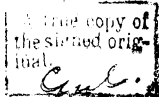
"This statement (of the belief that secret protocols were attached to the Sino-Japanese Tangku truce of May 1933) was made by Mr. T. A. Bisson in a report to the Foreign Policy Association. He quotes diplomatic quarters at Peiping as being of the opinion that the protocols embody the substance of the famous 21 demands."

Respectfully yours,

Samuel Sokobin,
American Consul.

Original to Legation,
5 copies to Department,
Copy to Nanking,
Copy to Tainan-Chefoo.

800
SS



DECLASSIFIED: E.O. 11652, 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 of State.

No. 34.

AMERICAN CONSULATE

Tsingtao, China, June 17, 1935.

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DEPARTMENT OF STATE

JUL 13 PM 12 30

DIVISION OF
COMMUNICATIONS
AND RECORDS

Subject: Tsingtao Free from Sino-Japanese
Difficulties.

For Distribution Check		Yes	No
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Sakalun		ON	ALL

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

JUL 20

Sir:

I have the honor to refer to this Consulate's telegram of June 16, 1935, 11a.m. reporting that Tsingtao was unaffected by the Sino-Japanese controversy in the Peiping-Tientsin area.

While the local Chinese press is publishing a great many news items bearing on the situation in the north, the absence of any editorial comment has made an impression on this Consulate. Whether the Chinese authorities in Tsingtao have intimated to the Chinese newspapers that it is desirable that no contentious or critical material appear is unknown to this office. As interesting as the absence of editorial treatment in the Chinese newspapers of the Sino-Japanese situation is the similar absence in the local Japanese press of other than news items; in the publishing of the news there appears to be no chauvinistic attitude. This may possibly be explained by the statement that the Japanese community in

Tsingtao

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JUL 24 1935

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



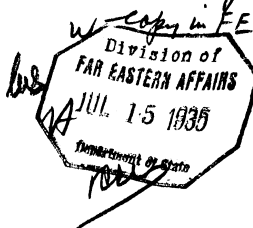
LEGATION OF THE
UNITED STATES OF AMERICA

No. 3642

Peiping, June 22, 1935.

Subject: Japanese desire for dismissal of
Mayor of Tsinan.

CONFIDENTIAL



For Distribution-Check		Yes	No
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For	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to the Legation's
despatch No. 3606 ^{7/33} of June 7, 1935, with which was
enclosed a copy of confidential despatch No. 145
of June 3, 1935, from the Consulate at Tsinan with
regard to Japanese pressure for the dismissal of the
Mayor of Tsinan and of the Provincial Commissioner
of Reconstruction, and to enclose a copy of confi-
dential despatch No. 150 of June 19, 1935, from the
Consulate at Tsinan, in which further information

is

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

- 2 -

is given with regard to Japanese dissatisfaction
with the Mayor of Tsinan.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosure:

1. Copy of despatch No. 150,
June 19, 1935, from American
Consulate, Tsinan.

815.1

1 Carbon Copy JM

LES-SC

Receded -----

Original and one copy to Department.
Copy to American Embassy, Tokyo.

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

100-3642

No. 150

AMERICAN CONSULATE

Tsinan, China, June 19, 1935.

CONFIDENTIAL

SUBJECT: Japanese Demand Contract
for Tsinan Waterworks.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to refer to this consulate's despatch, No. 145 of ⁷¹³³ June 3, 1935, on the subject of a Japanese request for the removal of Shantung officials. It was stated on page two of the despatch that one of the reasons given by the Japanese for desiring the dismissal of the Mayor of Tsinan was discrimination against Japanese commercial interests when purchasing foreign materials for reconstruction projects. I am now able to elucidate this point with a small amount of detail.

Mention was made on page five of this consulate's political report for April, 1934, of a joint project undertaken by the municipal and provincial authorities to construct a waterworks system in Tsinan. It has recently come to light that of the five foreign firms (Siemens China Co., Siemens & Co., Kunst & Albers, Eastern Engineering Works, Ltd., and Mitsubishi Shoji Kaisha, Ltd.) who submitted bids for the piping and engineering work the Mitsubishi Shoji Kaisha, Ltd.,

was

- 2 -

was the lowest bidder by some Yuan \$30,900. On June 12th, it was learned in what is believed to be a reliable quarter that this development came as a surprise and is proving embarrassing for the Chinese authorities who had confidently expected that one of the competing German firms would underbid the Japanese.

On June 16th, an employee of the Shantung Provincial Government informed me that notwithstanding the results of the bidding the Provincial Chairman was exceedingly reluctant to award the contract to a Japanese firm, and that as a result of General Han's delay in announcing his decision the Japanese consular authorities here had become indignant and demanding in their attitude.

The enclosed copy of a memorandum of a conversation between Mr. K. C. Ch'en of this office and one of the Chinese technicians attached to the Tsinan Waterworks is an interesting sidelight on this issue.

Respectfully yours,

H. E. Stevens

H. E. Stevens,
American Consul.

Enclosure:

Memorandum.
Original to Legation.
Copy to Tsingtao and Nanking.

815.1

HES:KCC

(Copied by SC)

149

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

Memorandum of a conversation on June 12, 1935, between
Mr. K. C. Ch'en and Mr. Ch'ang Yang-pin, Technical
Expert of the Tsinan Municipal Government.

Mr. Ch'en saw Mr. Ch'ang at a birthday party and was informed that the Japanese Consul General, in company with five merchants of Mitsui Bussan Kaisha, Ltd., called the other day upon the Mayor of Tsinan and asked whe he had changed his plan to use iron pipes, instead of steel pipes, for the waterworks system. The Japanese contrasted the disadvantages of the steel pipes with the advantages of the iron pipes, and urged the Mayor to revert to his original plan. During this conversation Mr. Ch'ang was present. Mr. Ch'ang told the Japanese Consul General that after careful consideration the Mayor had his own reasons for using steel pipes, which he was under no obligation to disclose to others. The Consul General continued to raise unreasonable questions for three hours and greatly irritated the Mayor. Mr. Ch'ang also became impatient and said to the Consul General that the waterworks were purely a Chinese undertaking and that the Japanese Consul General had nothing to do with any plan that the Chinese authorities might make.

There are believed to be two reasons for this unpleasant conversation. (1) It is understood that Mitsui Bussan Kaisha had constructed iron pipes for the waterworks system with the expectation that they would be able to get the contract. (2) The change of plans on the part of the Mayor had been brought to the attention of the Japanese Ambassador long before the Japanese Consul General learned of the fact and the latter is reported to have been blamed for carelessness.

A few days after the incident a representative of another Japanese firm, namely, the Mitsubishi Shoji Kaisha, Ltd., called upon the Mayor and advised him to use steel instead of iron pipes. The Mayor immediately called upon the Japanese Consul General and asked which advice he should follow in case he placed an order with the Japanese merchants. To this unexpected question the Japanese Consul General was at a loss to make an answer.

K. C. Ch'en

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 18, 1935.

*MSM
mjt*

To note Peiping's
despatch no 3643 of June 22,
1935 which briefly summarizes
and enclosed memorandum
of conversation between Mr
Johnson and the Soviet
military Attaché in regard
to Sino-Japanese-Soviet
relations.

rw.

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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. 364.3

Peiping, June 22, 1935.

Subject: Views of Soviet Military Attache on
Sino-Japanese-Russian relations.

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note
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CONFIDENTIAL



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Grade	X		
For	X		

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1935 JUL 13 AM 11 14

DIVISION OF
COMMUNICATIONS
AND RECORDS

793.94/7180

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

1/ I have the honor to enclose a copy of a memorandum of a conversation which I had on June 18, 1935, with Mr. Edward Lepin, Military Attaché of the Soviet Embassy, during which he expressed the opinion that the five northern provinces would be divested before the end of the year of any authority of Nanking; that the Japanese had missed their opportunity in 1932 with regard to Russia; and that, if Russia were forced to fight, she would fight on foreign soil. I gathered

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

- 2 -

the impression from his statements that it was his opinion that, if territory lost by China to the Japanese fell to Russia as a result of a Russo-Japanese war, it could not be argued that Soviet Russia was therefore either politically ambitious or acquisitive.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

✓
Enclosure:

Copy of memorandum of conversation.

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Original and four copies to Department.
Copy to American Embassy, Tokyo.

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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
3643

North China situation.

Peiping, June 18, 1935.

Conversation with: Mr. Edward Lepin, Military Attache
of the Embassy of the U.S.S.R.

Mr. Lepin called and in the course of conversation stated that he had found the Chinese very much worried about the situation in North China. He said that he thought no one could count very much upon the Chinese, as they were confused in counsel and thought. He expressed the opinion that there was much debate between the pro-Anglo-American group and the pro-Japanese group as to what might be done. He stated that in his opinion we might expect to see all five of the northern provinces of China divested of any authority from Nanking before the end of the year, and that perhaps in another year they would become independent entirely of Nanking. It would then be but a question of time until the Japanese would remove Pu Yi to Peiping.

Mr. Lepin stated that he felt Japan considered that North China and the resources of North China, particularly cotton, were of very great importance to Japan in the face of a war which he considered to be inevitable.

- 2 -

inevitable. There was only one obstacle to complete Japanese domination over this area, and this was the presence in Chahar of General Sung Che-yuan. He expressed the view that General Sung would not join the Japanese in spite of the fact that the latter had tried in every way possible to offer him inducements to join. He stated that it was believed in Nanking that Sung Che-yuan would fight and that this would precipitate a military invasion of Chahar by the Japanese.

With reference to Soviet Russia, Mr. Lepin stated that they were now quite calm and confident in regard to the safety of their boundaries. He stated that the critical period was in 1932, but that the Japanese had missed this opportunity, and he thought that they now regretted it very much, as in the meantime Soviet Russia had very much improved its defenses in the far eastern part of Siberia. The weakest link in their connection with the Far East had been the trans-Siberian, but that had now been double-tracked as far as Khabarovsk, and they are already working on the railway north of Baikal. He remarked that Japan could never hope to exceed them in the air.

Mr. Lepin stated that politically they had no interest whatever in Manchuria, nor in any part of Chinese territory, but that from a military point of view their doctrine was that the best defense was an offensive, and that they would not fight on Russian soil. The war

when

- 3 -

when it came would be fought in Manchuria and along the Manchurian border.

Mr. Lepin expressed himself as believing that Japan would not provoke a war this year or next; that, having missed the opportunity offered in 1932, Japan now counted on the continuation of difficulties in Europe - possibly a war - and the preoccupation of the United States with its domestic economic situation, for an opportunity to consolidate her position in Asia.

I gathered from what he said to me that he had talked at length with various Chinese generals about the prospects, and had found them discouraged and convinced that there was no help for China from any direction. I inferred, from his statement that Russia would not permit the conflict between itself and Japan to occur on Russian soil, and his speculation as to the future of the northern five provinces of China eventually coming under Japanese control, and the fact that he used these statements in his conversations with the Chinese, that he desired to impress them with the fact that, once this area was lost to China, it could not be argued that Soviet Russia was politically ambitious and acquisitive if it should fall heir to this area as the result of a war with Japan.

I inferred also from Mr. Lepin's conversation that Soviet Russia felt that England and the United States should really be alert to Japan's ambitions in the East as they must inevitably be the first and last losers in this situation.

Nelson Trusler Johnson,
American Minister.

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(Original and 7 copies)

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

THE UNDER SECRETARY
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DEPARTMENT OF STATE
DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

August 7, 1935.

~~SECRET~~
NOTE:

Mr. Atcheson has written an admirable outline of Japanese military action in China since 1931. There can be little dispute in regard to his major argument: that dualism in the Japanese Government has accounted for much of the activity of the military on the continent and that the civilian government has in many cases been forced to accept a fait accompli by the military.

However, I must confess some surprise that the writer has taken such pains to develop a thesis which is self-evident and which has received the comment of the Tokyo Embassy on many occasions.

Reading the despatch as a whole one receives the impression that this dualism is an outgrowth of a conflict between two factions of the Japanese nation; that the military have seized political power from the people and their representatives; and that under the surface there exists strong opposition to military dominance in the councils of the nation and to military adventures in China. If this is the intention of the writer, I would emphatically dissent.

Despite

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

- 2 -

Despite its strong constitutional position the Japanese army is responsive to public opinion. The army could not have undertaken or accomplished what it has in China without the support of Japanese public opinion; since 1931 the policies and actions of the army have more completely represented the feeling of the Japanese people than have the policies of the Foreign Office. This important fact, to my mind, accounts for the uniform support which the public has given the army.

The writer has neglected to mention an additional factor which has had strong effect in throwing public support to the military and has enabled the army to carry out its undertakings unchecked by the civil government. This factor is universal disgust and distrust of the public toward parliamentary government brought on by the abuses of the politicians. The people have repudiated the perfidious politicians and have placed their trust in the military whose loyalty is unquestioned. At times they have had misgivings as to the wisdom of the military's actions, but never in regard to the army's motives.

This

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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 -

This same factor explains to a considerable degree the indiscipline in the Japanese army noted by the writer, the existence of which in a highly organized nation seems to puzzle him. He thinks that cliques in the army seem to be more powerful than the rest of the army and that no one in the government dares go very far in attempting to rectify the situation. The explanation is that again these cliques in the army profess, and are regarded by many Japanese to embody, the highest form of patriotism -- a patriotism which will sacrifice self and will even endure the onus of a breach of discipline for the good of the country.

Note (page 8) the statement that the Emperor has decided to give all cabinet ministers direct access to the throne. Actually all cabinet ministers have the right of direct access to the throne, and as far as I am informed no change has been made affecting this right in recent years.

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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 23, 1935.

~~MSM:~~
~~MMH:~~

Peiping's despatch No. 3644 of June 22, 1935, encloses a copy of a despatch from Mr. Atcheson in regard to "The dualism in Japanese policy toward China".

Mr. Atcheson's despatch contains no factual information not known to FE but ~~it~~ does contain certain interesting observations.

Section 1 (pages 1-5) is a résumé of developments and Japanese objectives in the most recent demarche of the Japanese military in north China. Particular reference is made to the divergent policies of the Foreign Office (as exemplified by the raising of the Japanese Legation to the status of embassy) and of a substantial part of the Japanese army (as exemplified by the military demonstrations in Tientsin, the attitude toward the murder of two Chinese editors, etc.).

Section 2 (pages 5-7) discusses the Tangku truce agreement and points out that the Japanese army desired to replace Japanese diplomatic policy with a military policy.

Section 3

150

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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 -

Section 3 (pages 7-9) states that divergence of action by the military and the civil branches of the government has existed for a long time in Japan and points out that the spirit of independence of the Japanese military probably had its origin in the "Emperor cult". The desire of General Ugaki (Minister of War 1925-29 and 1929-31) to curry favor with officers of the army is stated to have greatly enhanced the independence of the military.

Sections 4 and 5 (pages 9-14) deal with the Mukden, ~~and~~ Shanhaikwan and Shanghai affairs and cite examples of independence of action on the part of the Japanese military.

Section 6 (pages 14-17) discusses the divergence between the Japanese army and Foreign Office as shown in the statements and actions of General Doihara and various military and assistant military attachés as opposed to the actions and statements of the Japanese Minister and the First Secretary of Legation.

Section 7 (pages 16-17) discusses "indiscipline" within the Japanese army and states that the only reasonable explanation

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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 -

explanation why this has been allowed to continue would seem to be that the intransigent army cliques are more powerful than the rest of the army and that no one in the government dares to go very far in attempting to rectify the situation.

Section 8 (pages 17 and 18) points out that the problem of dualism has been solved, if solved at all, in "Manchukuo" by giving the principal military official there a concurrent civil post or, in other words, by establishing concentrated military control. In concluding, it is stated that it can be argued (a) that a revolution has already started in Japan in which the farm-bred soldier has revolted against the industrialists and capitalists, (b) that the seizure of Manchuria was the army's intentioned way of increasing Japan's wealth so that a portion might accrue to the intolerably taxed workers of the land from which class the army sprang, and (c) that the achievement of a military government in Japan may logically be the ultimate result of the extraordinary dualism in Japanese officialdom. According to Mr. Atcheson, "Such a conclusion impels somber speculations as to the future of China, the future of Japan itself and what an autocratic military government in Japan might augur for the United States and the rest of the world."

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

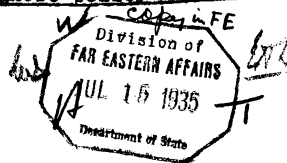


LEGATION OF THE
UNITED STATES OF AMERICA

No. 3644

Peiping, June 22, 1935.

Subject: The dualism in Japanese policy toward China.



793.94

CONFIDENTIAL

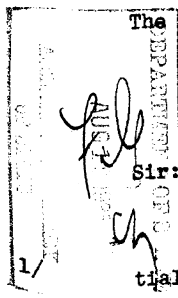
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AND RECORDS

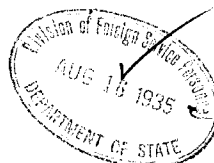
For Distribution-Check		Yes	No
Grade	VG		<input checked="" type="checkbox"/>
For	Atcheson		<input checked="" type="checkbox"/>
To Field In U.S.A.			<input checked="" type="checkbox"/>

793.94/7181



The Honorable

The Secretary of State,
Washington, D. C.



Sir:

I enclose copies in quintuplicate of confidential despatch No. L-716 of June 15, 1935, from Second Secretary George Atcheson, jr., with regard to the dualism in Japanese policy toward China.

I also enclose a copy of an instruction of today's date commending him for the preparation of this despatch.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Noted on Efficiency Report

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

- 2 -

✓
Enclosures:

1. Copy of despatch No. L-716,
June 15, 1935, from American Legation,
Nanking, to Legation, Peiping;
2. Copy of Legation's instruction
to American Legation, Nanking,
June 22, 1935.

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Original and four copies to Department.

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

No.L-716 Diplomatic

ENCLOSURE NO.
TO DELEGATION

13644

Nanking, June 15, 1935.

CONFIDENTIAL

Subject: The dualism in Japanese policy toward China.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

I have the honor to observe that the latest demarche of the Japanese military in North China, which began ten days after the elevation of the Japanese Legation to an Embassy, affords the most startling example since the Mukden Incident in 1931 of the divergence between the policies of at least a substantial part of the Japanese Army and those of the Japanese Foreign Office.

1. On May 3 two Chinese editors of unimportant vernacular papers considered to be pro-Japanese were assassinated in the Japanese concession in Tientsin. Announcement that China and Japan would exchange Ambassadors was made May 17 and subsequent press reports indicated that certain Japanese military officials were dissatisfied with this move on the part of the Japanese Foreign Office. Coincident with these despatches were press and other reports indicating that the Japanese military in North China were regarding the assassination

of the

-2-

of the two editors as a grave matter affecting the relations of China and Japan. On May 21 the press reported a clash in the Luantung demilitarized zone between a force of Japanese troops from outside the Great Wall and the so-called volunteers of Sun Yung-ching who had fled from Jehol. By May 24 it was reported that Sun had been killed and his men practically annihilated and that upon him was found documentary evidence that he had been operating under direct orders from General Chiang. On May 28 Japanese troops in Tientsin demonstrated before the headquarters of the Hopei Provincial Government and other Chinese Government offices, reports were current that the Japanese military in the north had presented a series of demands to the Chinese officials there and it was apparent that the Japanese military in the area had launched upon a new demarche which rapidly created a serious crisis.

While there have been varying reports as to the exact nature of the demands made then or later, it is now established that in general terms they looked to the replacement of Chinese officials in North China with officials satisfactory to the Japanese, to the practical demilitarization of the area and the suppression of all organizations considered by the Japanese to be inimical to their interests.

By June 10 it appeared that the Chinese had complied in fact or in principle with every stipulation which had been made to that date with the result that the crisis was generally believed to have passed and the Japanese Premier is reported to have so informed the

Emperor

-3-

Emperor: The removal, long delayed, of the headquarters of the Hopei Provincial Government had been speedily effected; General Yu had been assigned to the Szechwan-Shensi-Kansu border, his troops with him; the Third Peiping Gendarmerie, members of whom were alleged by the Japanese to be the "Blue Shirts" responsible for the Tientsin murders, had been moved and its commander who is a nephew of General Chiang Kai-shek, had resigned; the Mayor of Tientsin had resigned and in his place was appointed General Wang Ke-min, senior councillor of the Peiping Political Affairs Readjustment Council, a member of the former Anfu clique; the Party offices in Peiping and Tientsin were being transferred to Factingfu; the National Government had issued a mandate for the cessation of anti-foreign acts or activities of any kind.

Meanwhile it developed that one phase of the demarche was a campaign against General Chiang Kai-shek. The Chinese Ambassador in Tokyo was reported as having complained to the Japanese Foreign Office that Japanese military officers in China were making "personal attacks" against General Chiang. This report was followed by press despatches indicating that the complaint had angered the Japanese military in China and that their anger was increased when Mr. Hirota, after the Chinese Ambassador's call, gave out conciliatory references to General Chiang.

Although it was clear what the results of the demarche were thus far, the further objectives of the Japanese military remained obscure. The extension of the demilitarized zone to include the Tientsin-Peiping area was generally feared to be one; the forced recognition by China of "Manchukuo" was considered a possible

second

-4-

second and the opinion was held in some circles that a determination of the Japanese military to demonstrate their independence of the civil branches of the Japanese Government might lead to direct action by Japanese troops. Certain official sources in Nanking claimed to have reliable information that the demarche was undertaken by the military officers in North China, not alone without the knowledge or consent of the Japanese Foreign Office or Cabinet, but even without the consent of the General Staff in Tokyo. It was reported that the first demands presented had been formulated in Changchun, where the Japanese Minister of War was visiting, and that these were not considered sufficient in scope by the Japanese military in North China.

On June 11 fresh demands were presented to General Ho by Colonels Takahashi and Sakai embodied in a memorandum which recapitulated the previous stipulations and which they demanded he sign. He sought instructions from the National Government and after a meeting of the Central Political Council on June 12 was directed not to sign the memorandum and to "prepare for eventualities", the official attitude in Nanking being that the Chinese in good faith had done everything possible to accommodate the Japanese and were unwilling and unable to do more. The fresh demands, it is understood, included requirements that the Japanese "supervise" the steps taken in compliance with previous demands, that their approval must be obtained to all municipal and provincial appointments in the north, and that no National Government troops be stationed north of the Yellow River. In addition it was

demanded.

-5-

demand, or "suggested", that General Chiang come to Nanking to discuss the situation. It is understood that the first suggestion in this respect was that he should come here to meet with Japanese military officials and that this requirement was modified to provide for discussion with the new Japanese Ambassador, possibly indicating that the Japanese military somewhat belatedly desired to involve the Japanese Foreign Office in the demarche and to obtain its official approval upon their acts already accomplished.

General Ho arrived in Nanking on the morning of June 15 and it was reported that General Chiang might come to the capital. On June 13 Mr. Ariyoshi, the appointed Japanese Ambassador, called on Mr. Wang Ching-wei, President of the Executive Yuan and Acting Minister for Foreign Affairs, and handed him an eight-point memorandum concerning Sino-Japanese issues. On June 14, when the uncertainty arising from the crisis appeared at its height, Mr. Ariyoshi presented his credentials and the day passed, not in important Sino-Japanese discussions designed to relieve the situation, but in the official festivity customary on such occasions, as if no crisis existed. At the time of writing (June 15) the course of events seems suspended for the moment except for an incident in Chahar out of which ^{are} expected to arise still further demands, at least with respect to that Province.

2. The demilitarized zone in the Luantung area has been a continued source of trouble because of the provisions of the Tangku Truce of May 31, 1933, which denied the right of the Chinese to maintain armed troops there for the purpose of keeping order. The

terms

-6-

terms of the Truce provided also for the withdrawal of Japanese troops but the Japanese have misinterpreted this provision to grant them the right, whenever they consider that circumstances demand, of reentering the zone to suppress disorder. They have also interpreted it to prohibit the Chinese from adequately policing the area and it was not until early May of 1935 that arrangements were approved for the establishment of a special police corps which no sooner took station than Sun Yung-ching and his troops were driven into the zone from Jehol. Anti-Japanese activities, such as the murder of the two editors in Tientsin, have been a source of friction in other parts of China as well as in the north. Neither of the recent incidents--the flight of Sun Ying-ching into Luantung or the assassination of the editors in the Japanese Concession--would seem to call for the harsh measures undertaken by the Japanese military or explain the far-reaching nature of their demands in connection with these and other matters. Conservative opinion regards the "incidents" as excuses and points to the elevation of the Japanese Legation, a move over which Japanese army spokesmen did not hesitate to express dissatisfaction, as the motivating cause of the demarche. Irrespective of the other ulterior purposes behind the actions of the Japanese Army--Chinese recognition of "Manchukuo", the creation of a demilitarized buffer state in North China, the elimination of objectionable officials in order that their places might be filled with more compliant functionaries--it is apparent that those actions are an expression of the Army's disregard for the Japanese Foreign Office and resentment at the compliment paid the

Chinese

-7-

Chinese Government in establishing an embassy in China before the rapprochement had been effected or there appeared any real progress toward realizing Japanese desires in that respect and without any quid pro quo having been obtained from China.

Fundamentally, the causes of the Army's actions lie in the belief held in many Japanese military circles that the Foreign Office policy is a mistaken policy, in an ambition on the part of some of the military to take control of Japanese policy in China from the hands of the Foreign Office, and in a desire to destroy the diplomatic policy and replace it with a military policy. Mr. Hirota has been too conciliatory, he has sought too sincerely to effect a rapprochement by peaceful means and one can not help but recall, even without considering it too seriously, a rumor current early this year that the aggressive elements of the Japanese Army had set June 1 as the limit of time which would be allowed the Foreign Office to make a good showing with its policy of effecting Sino-Japanese "co-operation".

3. Divergence in action has existed for a long time in Japanese officialdom between the military and the civil branches of the Government. One source of this divergence is to be found in the interpretation of the Constitution which claims that the Chiefs of Staff of the Army and Navy have as a constitutional right direct access to the Emperor without the consent or even the knowledge of the Ministers of State, an interpretation which the military are adamant in maintaining as correct.

Orders

-8-

Orders issue from the Emperor only on official advice and the Chiefs of Staff are accordingly independent of Cabinet control.

Early in June, 1935, press reports from Tokyo stated that the Emperor had decided to give all Cabinet ministers direct access to the throne and while this may place more opportunity and hence more power in the other Cabinet heads there seems little likelihood that it will mean any reduction in the influence, authority or independence of the military chiefs.

The spirit of the independence of the Japanese military, which has been made possible of indefinite continuation by the Constitution, probably had its origin in the "Emperor cult" to which the Japanese officer and soldier so fervently subscribe. The Japanese soldier regards himself as the defender of the Emperor; it is his historical point of view; and the powerful military clansmen who were in large measure responsible for the Restoration and the Constitution were not at all desirous of any alteration of this viewpoint. The possibility of dualism in Japanese policy and of independent action on the part of the military was greatly enhanced by the treatment of military officers extended by General Ugaki during his periods as Minister of War (August, 1925 to April, 1927, and July 1929 to April 1931). Being personally ambitious, it being understood that he wished to become Prime Minister, General Ugaki so curried favor with officers of the Army, including junior officers, for his own political purposes, that he helped pave the way for the breakdown in discipline which resulted

in the

-9-

in the seizure of Manchuria. The instances of indiscipline which have gained publicity since he was Minister of War may thus be in no small measure laid to him.

4. Prior to the Mukden incident, there were evidences of conflict between military and civilians over Japanese policy, such as shown in budget debates over military appropriations, in differing attitudes toward the Siberian expedition, in the question of the increase of the Japanese army by two divisions, in the attitude toward international disarmament, and in the opposition of the military toward the so-called Shidehara policy with respect to China while Baron Shidehara was Minister for Foreign Affairs (June 1924 to April 1927 and July 1929 to December 1931). Such differences finally culminated in the Mukden Incident of September 18, 1931, since when it has become practically established that the Japanese Foreign Office had no prior knowledge of the scope of the plans of the Japanese officers involved or any connection with those plans, although the Foreign Office was probably aware that action of some kind was being considered in certain military circles. Possibly the War Ministry itself, or at least a considerable number of its higher personnel, did not realize the magnitude of the purposes of the officers in Manchuria.

The Incident was the outcome of a plot conceived by junior officers in Manchuria without direction from Tokyo and was born in the minds of the officers because of a variety of circumstances. Among these were the insulting attitude of the Chinese toward the Japanese Army, a

large

-10-

large number of "irritating" minor incidents; the Wanpao-shan affair; the approaching completion of Chinese railways designed to compete with the South Manchuria Railway; general dissatisfaction among the Army with Baron Shidehara's policy toward China; dissatisfaction with the naval treaties entered into at Washington in 1922 and at London in 1930; the approaching disarmament conference at Geneva where further curtailment of Japanese military power would presumably be effected. Also, civilians in the Government at Tokyo had been gaining power and threatened the military right of direct access to the throne.

The younger officers in Manchuria, drawn like a large proportion of Japanese soldiers from the impoverished agricultural population of Japan, were disgusted with and bitter toward the capitalistic control of the Diet. Some of them were probably sincere in thinking that a peaceful and successful state could be fashioned out of Manchuria, the "life line" of Japan; many of them must have believed honestly that the acquisition of Manchuria would solve the economic problems of their country and relieve their kinsmen of an intolerable burden of taxation. Furthermore the Chief of Staff had probably received Imperial sanction to take what measures might be necessary in Manchuria in case of trouble with the Chinese and long before instructions to separate units had been issued accordingly. Since the instructions by the nature of things must have been elastic, the Army in Manchuria could easily claim that action subsequently termed "the Mukden incident" was within the scope of Imperial sanction.

Once

-11-

Once the occupation of Mukden and other places was a fait accompli, the War Office supported its servants who had sought on their own to serve their masters. The Foreign Office obviously hoped that it could stop the Army. It promised that Chinchow would not be captured, that Japanese troops would not go south of the Great Wall. The Foreign Office finally persuaded the War Ministry to issue orders that the Wall should not be penetrated and one recalls the story that the troops did not halt in their southward movement until three telegraphic instructions had been despatched from Tokyo under the signature of the Chief of Staff, Prince Kanin, uncle of the Emperor. Japanese Army officers in Manchuria have openly boasted that "whatever we do, Tokyo must follow" and are reported to have included in this boast a possible "decision" to undertake war with Soviet Russia. In the consolidation of Japanese military control in Manchuria the War Office supported the army in the field; popular enthusiasm forced the Foreign Office to do likewise; and by now the mass of Japanese civilians approve the acquisition of Manchuria by Japan. The world-wide criticism of the Japanese action has probably tended to consolidate this feeling in the sensitive and patriotic Japanese. Looking at Japan from China, where the word "patriotism" has had so little substance, the loyalty of the Japanese to his country seems to amount to a fanatical religion that represents an incalculable force. One is inclined to believe now that no matter what adventure the army and navy might undertake in

China

-12-

China or elsewhere, the people will in the end support it with all their energy and efficiency.

5. The capture of Shanhaikuan at the beginning of 1933 is an example of the operation in modern Japanese psychology of the ancient theory of the relationship between master and servant whereby the servant who successfully undertakes the accomplishment of some purpose which the master himself might not undertake is entitled to the master's support. There was reason to believe, from reports received in Tientsin, that the attack on the Shanhaikuan gate by a young officer following a New Year's celebration, was the fancy of the moment, and the rest followed as naturally as air sweeps into a vacuum.

Between the Mukden Incident and the Shanhaikuan affray, occurred the fighting between the Japanese and Chinese at Shanghai in February, 1932. This disastrous affair involved the Japanese Navy, acting independently of the Foreign Office and, at first, independently of the Ministry of the Navy. From the circumstances it seems clear that Tokyo could have had no prior information and the affair could not have been reasonably planned in advance because there was so little to gain. It supposedly started when a Japanese naval landing party was taking over some extra-Settlement roads and Chinese began sniping at them. The Japanese Admiral had issued prior to this an ultimatum to the Mayor of Greater Shanghai but before the time named had expired this clash had occurred and the Japanese Navy rushed in. The loss of prestige which the Japanese suffered through the

unexpected

-13-

unexpected and efficient stubbornness of the Chinese troops entrenched in Chapei does not seem to have called down on the Japanese officers concerned any punishment or criticism.

Further examples of the independence of the military are not wanting: the sudden occupation of Jehol Province in February 1933; its incorporation into "Manchukuo"; and the continued advance of Japanese troops into North China until they were so near Tientsin and Peiping that the Chinese capitulated in the Tangku Truce of May 31, 1933, the provisions of which have been or are being fulfilled with the Japanese military acting for Japan; the highly militarized character of the Japanese government in Jehol; the recently reported offer of the Japanese Navy to lend \$40,000,000 to the Fukien Provincial Government; the fact that the Japanese Army and not the Foreign Office has been the agency of the Japanese Government (or of itself) in marking the boundary between the rest of China and "Manchukuo"; the alienation from China Proper of a small section of Hopei Province north of the Great Wall which is not to be found on the oldest maps ever to have been considered part of Manchuria; activities of Japanese troops in Chahar in January and February, 1935; the extension of Japanese military control over Dolonor in Chahar Province in March of this year and the setting up there of a military government.

These developments have not even been clothed with a pretense of having resulted from governmental direction and the Japanese Foreign Office, so far as is known,

has not

-14-

has not entered into negotiations with the Chinese Government concerning them. They have been "local matters" handled "locally" by the Japanese military authorities, and the army has practically announced that most of the questions were for local settlement by Japanese army officers and none others. The Tangku Truce of May 31, 1935, was a military arrangement entered into by the local Chinese authorities with the Japanese military; the Japanese military have conducted all subsequent negotiations concerning any question which has arisen out of the agreement (or related agreements) or out of the insoluble situation which the agreement created. It would be interesting to learn whether there is any truth in a recent report which reached Nanking from Shanghai to the effect that the "secret clauses" of the Tangku Truce included provisions for Sino-Japanese economic and other "cooperation", and that it was out of these provisions, a year and a half later, there materialized the demarche of the Japanese Foreign Office undertaken in January 1935 for a rapprochement with China.

6. Even when the first known step towards a rapprochement was undertaken by the Foreign Office the Japanese military intervened. Mr. Ariyoshi, according to Japanese sources, learned while en route to Nanking in January 1935 for his most important conversation with Dr. Wang Ching-wei, that "his" Military Attache, General Suzuki, had called on General Chiang Kai-shek on the preceding day and had made

representations

-15-

representations looking to military "cooperation" between China and Japan which exceeded Mr. Hirota's ideas of Sino-Japanese cooperation. Japanese sources are also responsible for information that General Isogai, General Suzuki's successor as Military Attache (at Shanghai), was sent by the reactionary military in Japan to watch the Japanese Minister and other Japanese diplomatic officers in China because of suspicion of the Foreign Office program. General Isogai is called a "robot" of the chauvinistic Japanese Military such as the Kwantung Army type. Turning back a little, it is understood that Lieutenant Colonel Shibayama, formerly Assistant Military Attache in Peiping, was removed because the Tientsin Japanese military, who are closely allied with the Kwantung Army, considered him too lenient in his attitude toward Chinese officials in matters affecting North China. This view is supported by the well founded report that Major Takahashi, his successor, was chiefly responsible for making a major issue of the Kuramoto affair of June, 1934. Major (now Lieutenant Colonel) Takahashi, it is understood, so influenced Mr. Y. Suma, First Secretary of the Japanese Legation in Nanking, that a crisis in Sino-Japanese relations ensued.

The campaign for the rapprochement was scarcely well launched after a period of extraordinary activity on the part of Mr. Suma, before General Doihara suddenly entered the scene and made a tour of the important political centers of China. The present activities of the Japanese military in North China are the latest example of the independence of the Japanese Army from the civil

authorities

-16-

authorities of the Japanese Government.

7. One cause of the independence of the Japanese military is the indiscipline within the Army itself which has already been touched upon but which deserves further comment. This curious phenomenon of junior officers became noticeable some years ago; as mentioned above General Ugaki was perhaps responsible for fostering it. But there is little good explanation as to why indiscipline is allowed to continue in a military machine which in most respects is highly efficient. The only reasonable explanation would seem to be that the intransigent army cliques are more powerful than the rest of the army and that no one in the Government dares go very far in attempting to rectify the situation. One recalls the plot discovered in Tokyo in October 1931, which had been conceived by a group of Japanese military officers, to assassinate the leading civilians of the Japanese Government and, possibly, to make Prince Chichibu dictator. The plot was discovered but a few days before its consummation had been planned, but the officers involved were not punished and were merely transferred to posts outside of Tokyo. They belonged to an organization of junior officers and any punishment imposed upon them might have resulted in concerted action by the organization which, because of the closeness of the junior officers to the troops, would probably have had the support of the troops.

It is stated by Japanese informants that about a year ago the transfer from the Asiatic Continent to Japan of some of the chauvinistic ringleaders of the

ultra-reactionary

-17-

ultra-reactionary military who had played an important part in the Mukden Incident was effected by the War Office in the hope that their removal from Asia would preclude the possibility of further forward military action by the armies on the mainland. But a few months later, the same kind of officer was being sent to Asia because of the fear that he was more dangerous at home than in "Manchukuo" or China. It is not surprising that since the rapprochement began in January 1935, the Foreign Office's statements concerning improved relations have frequently been counter-balanced by statements made to the press by such men as Suzuki, Doihara and Takahashi expressing scepticism of the "reality" of the rapprochement and tending to undo the work of the Foreign Office. Lately it has said that the dissatisfaction of the War Office or the Army with the elevation of the Japanese Legation in China, as given prominence in the press, represented the views of only a small group of General staff officers and it is interesting to note now that the Japanese War Minister has taken pains to deny, for publication, that the Army opposed the plan of the Foreign Office to exchange Ambassadors with China.

8. The denials of the Japanese War Minister may indicate a growing realization in Japan that the independence of the Army is a problem of the first magnitude to the country as a whole. Perhaps this fact has been acknowledged in some circles before this; the appointment of General Minami to triple office is a pertinent example. The divergences in Government in Manchuria have been reconciled, at least on the surface, by

concentrating

-18-

concentrating in Minami the offices of Ambassador to "Manchukuo", Commander-in-Chief of the Kwantung Army, and Governor-General of the Kwantung Leased Territory. In other words the problem has been solved, if solved at all, by giving the military official concurrent civil posts or in other words by establishing concentrated military control. It could be argued that a revolution has already started in Japan, that the actions of the Japanese military in Manchuria are an expression of the revolt of the farm-bred soldier against the industrialists and capitalists whose support by the Government is made possible by the unequal and intolerable taxation with which the workers of the land have been burdened. It could be argued that the seizure of Manchuria was their honestly intentioned way of increasing their country's wealth so that a portion might accrue to the class from which they sprang. It could be argued that the achievement of a military government in Japan may logically be the ultimate result of the extraordinary dualism in Japanese officialdom. Such a conclusion impels somber speculations as to the future of China, the future of Japan itself and what an autocratic military government in Japan might augur for the United States and the rest of the world.

Respectfully yours,

George Atcheson, jr.,
Second Secretary of Legation.

Original and 5 copies to Legation, Peiping.
Copy to Embassy, Tokyo.
Copy to Consulate General, Tientsin.

800
GAjr: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

Peiping, June 22, 1935.

George Atcheson, jr., Esquire,
Second Secretary of Legation,
American Legation,
Nanking.

Sir:

I acknowledge the receipt of your confidential despatch No. L-716 of June 15, 1935, with regard to the dualism in Japanese policy toward China.

I have read this despatch with interest, and desire to commend you for its high quality as evidenced by the material selected, the analyses based thereon, and the manner of presentation.

A copy of this instruction is being forwarded to the Department.

Very truly yours,

(Signed) Nelson Trusler Johnson

LES-SC



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

No. 12,198

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, June 24, 1935.

CONFIDENTIAL.

For Distribution-Check		Yes	No
Grade	G		
For	Cunningham		
To field			
In U.S.A.			
Cunningham		OK	MD

Subject: Visit to Mayor Wu Te-chen
of Shanghai.

The Honorable

The Secretary of State,
Washington.

Sir:

STRICTLY CONFIDENTIAL

I have the honor to enclose a copy of a
self-explanatory despatch No. 8702 of this
date, with enclosure, from this Consulate Gen-
eral to the American Legation at Peiping, in
regard to the subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosures:

- 1/- Copy of despatch No. 8705
to the Legation, dated July 24,
1935, with enclosure.

800
ESC:LMF

In quintuplicate.

4. FP

793.94/7182

FILED
JUL 24 1935

No. 8705

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, June 24, 1935.

CONFIDENTIAL

Subject: Visit to Mayor Wu Te-chen
of Shanghai.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to advise the Legation that there have been many rumors regarding the demands which Mr. Ishii, Japanese Consul General at Shanghai, is supposed to have made upon Mayor Wu Te-chen. These demands were given considerable credence by many, therefore I availed myself of the opportunity to interview Mayor Wu Te-chen on June 20 for the purpose of informing him of the rumors and requested his comments thereon. The nature of the rumors are stated in the first paragraph 1/- of the memorandum of conversation enclosed herewith.

His explanations in regard to the Blue Shirt are very surprising. Though the remainder of the subjects covered in the memorandum of the interview are given full credence, the reference in the penultimate paragraph

to

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

-2-

to the Mayor's assurance given the Japanese in regard to the extra settlement roads is a little more frank than any previous statement. It was realized that the Mayor would probably eventually yield to the Japanese demands in reference to this question, and that he would refuse to sign an agreement with the Shanghai Municipal Council unless that agreement had the approval of the Japanese. Yet I was surprised that he made the statement so definitely as reported in the interview.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Memorandum of Conversation.

800
ESC:IMF 72

Original to Legation - Peiping.
Copy to Legation - Nanking.
In quintuplicate to the Department.

Enclosure No. 1 to despatch No. 8700
of Edwin S. Cunningham, American Consul
General in Shanghai, China, dated June 24,
1935, on the subject "Visit to Mayor Wu Te-chen
of Shanghai".

Shanghai, China,
June 20, 1935

CONFIDENTIAL

MEMORANDUM OF CONVERSATION

General Wu Te-chen, Mayor of Shanghai.

Consul General Edwin S. Cunningham.
Consul E. F. Stanton.

Consul General Cunningham called on Mayor Wu at 11 a.m., and after an exchange of the amenities, mentioned the fact that he had heard a great many rumors recently in regard to certain demands said to have been made by the Japanese with respect to Shanghai, namely, the dismissal of General Yang Fu, Commandant of the Peace Preservation Corps, General Tsai Ching-chun, Commissioner of the Bureau of Public Safety, Wu Sing Yah, Bureau of Social Affairs, Woo Kei Sien, member of the local Tangpu and General Yang Hu, Peace Preservation Corps; the suppression of the activities of the so-called "Blue Shirt" organization; the refusal of the Chinese newspapers to carry Japanese advertisements; and the anti-Japanese boycott.

With reference to the removal of certain officials, the Mayor emphatically denied that the Japanese had made any such demand but humorously said he wished they would insist upon his resignation in order that he might retire and get a little rest. In regard to the "Blue Shirts," General Wu explained at considerable length that no such organization existed either in Shanghai or elsewhere in China although there were some special agents engaged in countering and suppressing Communists and "counter-revolutionaries." The inference was that since no such organization existed, the Japanese could not reasonably be concerned. With reference to the refusal of the local vernacular papers to carry Japanese advertisements, Mayor Wu stated that he had induced these papers to agree to accept such advertisements which he said would, in all probability, again appear within the next few days. Mr. Cunningham inquired whether the Japanese had demanded that action be taken in regard to this question and in reply the Mayor stated that the Japanese Consul General had merely come to him and requested that he use his influence to affect a settlement of the matter. As for the anti-Japanese boycott, General Wu pointed out that such did not exist here and that the Japanese were doing a good business. Nevertheless, it was evident from some of his remarks that the Japanese Consul General complained, not infrequently, about alleged boycott activities and in this connection the Mayor mentioned that the Japanese complained about the present Chinese "back-door" method of doing business with them in Shanghai.

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

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In conclusion the Mayor said that while it was, of course, impossible to predict what the Japanese might do since they so often acted in an illogical and totally unreasonable manner, he did not anticipate any trouble here and that it was his policy to prevent, if possible, the formulation of any actual demands by anticipating them. As indicative of his efforts to placate them, he mentioned the fact that he had assured the Japanese, with reference to the question of the extra-Settlement roads, that no agreement would be concluded with the Shanghai Municipal Council without Japanese approval. In reply to Mr. Cunningham's inquiry as to when a settlement of this question might be expected he replied "very soon."

Upon leaving the Mayor said that he had the situation under control; that he had the support of the people of Shanghai; and that so far as he could see the Japanese had absolutely no cause for complaint about conditions affecting their interests in Shanghai.

EFS

EFS/POB

ON

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

TELEGRAM RECEIVED

MED

GRAY

1-1836

FROM

PEIPING

Dated July 15, 1935

Secretary of State,

Washington, D. C.

359, July 15, 3 p.m.

Counselor of Japanese Embassy here states that

there are no new developments in the Chahar situation; that the principal questions in this respect at present are (one) the number of the peace preservation corps which is to be in charge of the new neutral zone in Chahar and (two) the identity of the leader of that corps and that the troops of Sung Che Yuan are to be withdrawn to south of the Great Wall which runs through Kalgan. (30,000 of Sung's troops are in Chahar, the other 12,000 being still in Peiping and its vicinity).

Two. Informant states that he had no information on economic cooperation and has not heard of any building of three roads in Chahar by Japanese Company mentioned in paragraph two of my telegram 352, July 12, 6 p.m. Confirmation of this report is still lacking. The Legation's view that actual progress in Sino-Japanese economic cooperation in North

China

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

Received 7:57 a.m.

Division of
FAR EASTERN AFFAIRS

JUL 15 1935

Department of State

Ch Copy sent to Moscow
July 25

793.94/7183

FILED

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

- 2 - #359, From Peiping, July 15, 3 p.m.

China is as yet slight is substantiated by press
statement of vice president of South Manchuria
Railway Company to the effect that his company
is at present only investigating possibility and
that press reports have gone too far.

By mail to Nanking and Tokyo.

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

NO.-----

AMERICAN CONSULATE GENERAL

Mukden, Manchuria, June 20, 1935.

SUBJECT: ... Transmission of Copy of Despatch on
North China Situation.

For Distribution-Check		Yes	No
Grade	G	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
For	Ballantine	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
To file in U.S.A.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

RECEIVED
DEPARTMENT OF STATE
JUL 15 1935
THE HONORABLE
THE SECRETARY OF STATE
DIVISION OF
COMMUNICATIONS
AND RECORDS
WASHINGTON.

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

I have the honor to enclose herewith a copy
of my despatch No. 120 of June 20, 1935, to the
Legation at Peiping, China, entitled "North China
Situation".

Respectfully yours,

J. W. Ballantine
J. W. Ballantine,
American Consul General.

✓
Enclosure:

Copy of despatch No. 120
to Legation at Peiping.

800
wyp

793.94/7184

FILED
JUL 25 1935

F/G

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

No. 120.

AMERICAN CONSULATE GENERAL,

Mukden, Manchuria, June 20, 1935.

CONFIDENTIAL - For Staff Use Only.

SUBJECT - North China Situation.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to inform the Legation that I took the opportunity of my visit to Hsinking yesterday to inquire of various officials regarding the situation in North China. Among civilians there was an apparent desire to dissociate themselves from any connection with it. Mr. Nagaoka, the Director of the General Affairs Board, while surprisingly frank about many of the difficulties which are being encountered in internal administration, said that he knew nothing about the North China situation and suggested that I see some army officer. Mr. Ono, who previous to assuming his position as the Director of the Kwantung Bureau was civilian adviser to the Kwantung Army, made a similar statement. Mr. Ohashi, the Vice Minister for Foreign Affairs, was rather discursive on the subject but confined himself to generalities, laying special emphasis upon the point that Japan had no thought of adding to her problems by assuming responsibility for the poverty-stricken teeming

millions

- 2 -

millions of Hopei Province. An old friend in the Japanese Embassy, to whom I had not mentioned the subject, suggested that I might be interested in seeing General Minami or General Itagaki to obtain authoritative information on the situation, and he offered to make an appointment for me. I said that, while I should be most happy to do so, I should not wish that they should misunderstand my position or conclude that I had been instructed to seek an interview. He said that he would make this clear. Later on he called me over the telephone to tell me that the two generals were occupied in making preparations to proceed to Harbin on the following day for a routine inspection of the Japanese troops, but that he had arranged an interview with Colonel Ishimoto, of the Information Section of the Kwantung Army.

On my way to the interview in company with the Secretary of the Embassy who had arranged it, I met a Japanese press correspondent who asked me whether I had come to Hsinking in connection with the North China situation, as he understood that the British Consul General had seen General Itagaki on the previous day to discuss the situation. When I replied in the negative and that my visit was a routine one to meet appointments arranged a week ago, he expressed a desire to learn my views on the North China situation. I replied that I had none.

Colonel Ishimoto, who is a brother of some old acquaintances, said that in view of various misleading reports he was glad of an opportunity to review the situation, but his explanation contained nothing that has not already been given in official Japanese inter-

views

- 3 -

views to the press in China and Japan. He said that in regard to the situation growing out of the demands made on May 29, all that remained was the carrying out of the points already agreed to, and that in regard to the second Changpei affair a favorable settlement was expected in one or two days. That the situation has become much more clarified is indicated by the preparations of Generals Minami and Itagaki to proceed to Harbin on the following day.

Some recent statements made by military officials at Hsinking may be of interest in this connection. Colonel Sakai stated to a KOKUTSU representative upon his arrival at Hsinking on June 17 that the Tientsin assassinations, the second Changpei Incident and the recent violation of "Manchukuo's" territory by Sung Che-yuan's troops were questions of secondary importance, and that the fundamental issue was the alteration of the anti-Japanese policies of the Nanking Government and the Kuomintang. "Anti-Japanese education in schools must be completely abolished," he continued. "It does not matter whether questions arise in Hopei, Shanghai or anywhere else.... Although there are many organizations in North China favoring 'North China for the people of North China' and opposed to Nanking's rule, Japan is in no way connected with such movements..... If there are no agencies of the Nanking Government in North China, the question arises with whom will we negotiate. To this we reply that even if there are no parties to negotiate with, it doesn't matter."

Major-General Itagaki, Vice-Chief of Staff of the Kwantung Army, stated in an interview given to KOKUTSU

on

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

- 4 -

on June 18 that since the Chinese authorities had accepted all the Japanese demands, nothing remained but to watch closely that the demands were carried out with sincerity. He stated that the Kwantung Army had no intention of extending the demilitarized zone, and that the army was in no way concerned with movements for autonomy in North China.

Copies of news items from the MANCHURIA DAILY NEWS of June 19, containing these and other statements of Japanese officials concerning the North China situation are enclosed.

Respectfully yours,

J. W. BALLANTINE

J. W. Ballantine,
American Consul General.

A true copy of
the signed original.

Enclosures:

Copies of news items from the M. N. D.

Five copies to Department by despatch No. ----
dated June 20, 1935.

Copy to Embassy, Tokyo.
Copy to Consulate General, Tientsin.
Copy to Consulate General, Harbin.
Copy to Consulate, Dairen.

800
JWB/AWE:wyp

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

Enclosure to despatch No. 120 of J. W. Ballantine,
American Consul General, Mukden, Manchuria, dated
June 20, 1935, to the Legation at Peiping, China,
on the subject: "North China Situation".

SOURCE: THE MANCHURIA DAILY NEWS,
DAIREN, MANCHURIA,
June 19, 1935.

C O P Y

ROOT OF TROUBLES IN CHINA TRACED TO CHIANG KAI-SHEK

ARMY TO DEAL DIRECTLY WITH NANKING GOV'T

To Take Decisive Measures Whenever Necessary,
Says Col. Sakai

KOKUTSU

HSINKING, June 19 - "The fundamental cause of General Sung Che-yuan's anti-Japanese activities lies in the policy of the Chiang Kai-shek government," Col. Takashi Sakai, chief-of-staff of the Japanese garrison in Tientsin, declared here yesterday following an important conference with staff officers of the Kwantung army.

He arrived here Monday afternoon from Tientsin together with Col. Seiya Giga, chief of the Shanhaikwan military mission and Lt.-Col. Matsui, chief of the Kalgan military mission, to report to the Kwantung army authorities on the latest conditions in North China.

BACK TO CHIANG

"As General Sung's anti-Japanese activities are based on General Chiang Kai-shek's policy, the Kwantung army is not concerned with minor issues," he said.

"Whenever any insincere action is taken, we will take decisive measures to cope with the situation until our final object will have been reached, that is the correction of General Chiang Kai-shek's mistaken policy towards Japan."

Asked as to how the Kwantung army will conduct its negotiations with the Chinese government if a new situation occurs in North China during the absence from Peiping of General Ho Ying-chin, chairman of the Peiping Military council, Col. Sakai stated the Japanese army is not dealing with one provincial governor or local administrative power.

CENTRAL GOVERNMENT

He said that the army is not concerned whether General Ho Ying-chin leaves for Nanking or General Sung Che-yuan vanishes from sight.

"AS

- 2 -

"As I have already stated," he explained, "we are dealing with the central government.

"We must make close observation of the changes in the present Chahar problem, and are determined to take firm action against any insincere attitude of the Chinese authorities. I believe that in the final state, the question must be settled through diplomatic channels.

NORTH THRIVES

"In contrast to the exhaustion of the Chekiang financiers in Shanghai, the financial situation in North China has become very active.

"The Chinese believe that a society without government, military, police or taxation systems is the best place to live in.

"Viewed in this light, North China must be a very agreeable place for them to reside in hence the present active economic situation in North China."

Replying to a further question, Col. Sakai declared that the army has never considered the establishment of a new regime in North China.

JAPANESE ARMY TO PROCEED ALONG FIXED CHINA POLICY

Army to Work for Nanking Awakening

Military Leaders Hold Conference in Hsinking and
Make Arrangements for Coordinated Action
Between Kwantung Army and North China Army

Menshu Nippo

HSINKING, June 19 - Further personal conferences between leading staff officers of the Kwantung army and of the North China contingent will be held whenever new occasions call for new understandings and cooperation between the two forces, it is understood here.

The latest visit of Col. Takashi Sakai, chief-of-staff of the North Chian force, here established clear understandings on the means of coordination between the Kwantung army and his force, it is said.

Menshu Nippo

HSINKING, June 19 - Following are the statements made by the three Japanese military leaders in North China subsequent to the nocturnal conference held here from 9:30 p.m. Monday to 2 p.m. Tuesday at the official residence

of

- 3 -

of Maj-General Seishiro Itagaki, Vice chief-of-staff of the Kwantung army:

Col. Takashi Sakai, chief-of-staff of the Japanese garrison in Tientsin:

"A basic change in the attitude of the Chinese government towards Japan should be effected through close cooperation of the Kwantung army and North China contingent in concert with the foreign office in Tokyo.

"Unless the mentality and outlook of the Nanking regime is altered, inclining more favorably towards Japan, these unfortunate incidents are likely to recur.

"Therefore we should not be satisfied with effecting the settlement of the Hopei and Changpei affairs, but work steadily and energetically for reforming the Chinese official attitude towards Japan."

Col. Seiya Giga, chief of the Japanese military mission in Shanhaikwan:

"The Changpei affair is being dealt as an isolated case, separate from the Hopei incident."

Lt.-Col. Matsui, resident officer at Kalgan:

"I will confer on the Changpei case with Maj-General Kenji Doihara, chief of the Japanese special military mission at Mukden, in Tientsin today.

"I expect to return to Kalgan, either alone or accompanied by General Doihara."

Col. Giga and Lt.-Colonel Matsui left here yesterday morning for their respective posts.

Col. Sakai called on General Jiro Minami at the headquarters of the Kwantung army yesterday at 10 a.m. and made a detailed report on the present situation in North China.

He left here by the 10 p.m. train yesterday for Tientsin. From Shanhaikwan he will travel with Lt.-Col. Matsui by air for Tientsin.

SUNG IS OUT, HSING TAKES GOVERNORSHIP

Wang Acts in Place of Huang Fu While Shang
Named Tientsin Mayor.

Kokutsu

NANKING, June 19 - The replacement of Sung Che-yuan by Hsing Teh-chun as governor of Chahar was announced by the Nanking executive yuan yesterday.

The

- 4 -

The decree follows:

"Hsing Teh-chun, commissioner of civil affairs of the Chahar government, appointed in place of Governor Sung Che-yuan, resigned.

"As Huang Fu, chairman of the Peiping political council, is unable to proceed to Peiping, due to illness, Wang Ku-min is appointed acting chairman of the council.

"Shang Chen shall officiate as the mayor of Tientsin for the time being."

DISPOSAL OF TROOPS

Manshu Nippo

HSINKING, June 19. - The proper disposal of Sung Che-yuan's personal command, the 29th army, looms as an urgent problem, according to the official view here.

Hsinking authorities have had so far no official confirmation of Sung's replacement by Hsing Teh-chun, but believe the report is true.

If Sung is relieved of the governorship of Chahar, and leaves the province, his command is likely to follow their leader.

When Yu Hsueh-chung was deprived of the governorship of Hopei, his army followed Yu to the Yangtze area.

The Sung troops have provoked much trouble in recent months along the Chahar-Jehol border. If they are left in Chahar after their commander is gone, they may become even more troublesome, it is feared.

WANG IS GOVERNOR

Manshu Nippo

NANKING, June 19 - The formal appointment of Wang Ku-min as governor of Hopei and concurrently acting chairman of the Peiping political council followed a report made to the executive yuan here by Mr. Wang Ching-wei, chairman of the executive yuan, on his recent conversations with Ho Ying-chin and Huang Fu.

Mr. Fu told of his inability to resume his Peiping post, owing to continued illness.

Mr. Wang, the new governor, left Shanghai last evening for here. He is expected to stay two or three days at Nanking, conferring with leading officials. Then he will proceed directly to Peiping.

FIRMLY DETERMINED

Kokutsu

HSINKING, June 19 - "In case General Sung Che-yuan does not show any sincerity of acknowledging his responsibility for the recent Chahar incident, the Kwantung army may take

positive

DECLASSIFIED: E.O. 11652, 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 -

positive action to settle the matter," Maj.-General Seishiro Itagaki, Vice-chief-of-staff of the Kwantung army, declared in a press interview yesterday morning.

The interview was given following an important conference held on Monday night with Japanese military officers stationed in North China and authorities of the of the Kwantung army.

"We deliberated on measures to be taken to cope with the recent Chahar incident on the basis of a report submitted by Lt.-Col. Matsui, chief of the Kalgan military mission," Maj.-General Itagaki said.

SAKAI, GIGA REPORT

"We also heard reports from Col. Takashi Sakai, chief of staff of the Japanese garrison in Tientsin and Col. Seishiro Giga, chief of the Japanese special military mission in Shanhaikwan on the latest developments in the North China situation."

"Although it is needless to say that there is a need of urging General Sung Che-yuan to reflect seriously over his illegal acts, the Kwantung army cannot overlook the recent violation of Manchoukuo's territory by his troops and intends to demand that General Sung assume responsibility on this point.

TO SUFFER CONSEQUENCE

"In case he does not show any sincerity in acknowledging his responsibility for the incident, the Kwantung army may take positive action to settle the matter.

"I believe Maj.-General Kenji Doihara, chief of the Japanese special military mission at Mukden, and Lt.-Col. Matsui will negotiate directly with General Sung.

"This morning, on behalf of General Jiro Minami, I received a certain consul-General stationed in Mukden who wanted to learn about the North China situation.

FOREIGN INTERROGATION

"The first question he asked me was what the Kwantung army intended to do with North China. In reply I stated that since the Chinese authorities had accepted all our demands, there was nothing left for us but to watch closely that they carry out the demands with sincerity.

"The consul then inquired whether the demilitarized zone in North China would be extended to include the cities of Peiping and Tientsin.

"I emphatically told him that the Kwantung army had absolutely no intention of extending the demilitarized zone.

"I also informed him that the movement by the people

in

- 6 -

in North China for their self-administration was a question concerning China alone and that the Japanese army was in no way concerned with it. I believe that by those replies, the real intentions of the army could be understood.

"Although certain quarters appear to be worrying about the maintenance of peace and order in North China, there is no need of so much anxiety as the armies of Generals Shang Chen and ManFu-lin are attending to it."

DETERMINED TO ELIMINATE ALL HOSTILE GROUPS

Not question of Time but to Following
Fixed Policy of Peace

Kokutsu

HSINKING, June 19 - "So long as China does not change her anti-Japanese policy, there is nothing left for us but to proceed with our fixed policy even if it takes five or 10 years to attain our objects," declared Col. Takashi Sakai, chief-of-staff of the Japanese garrison in Tientsin, in a press interview upon his arrival here on Monday evening aboard the Express Asia.

"The purpose of my visit to Hsinking is to submit a report on the North China situation to the authorities of the Kwantung army and to devise measures to cope with the situation," he continued.

"The assassination of two pro-Japanese newspaper publishers in Tientsin, the second Changpei incident, and the recent violation of Manchoukuo's territorial integrity by General Sung Che-yuan's troops are questions of secondary importance.

CORRECTIVE MISSION

"The Nanking government is pursuing a policy of instigating the Chinese masses in order to make the Japanese and Chinese nations enemies.

"It is the object of the Japanese army to cause the Nanking government and the Kuomintang to modify their policies fundamentally, in other words, to make them readjust the basic cause of the various questions frequently arising between the two countries.

"It does not matter whether questions arise in Hopei, Shanghai or anywhere else.

"Anti-Japanese manifestations in China are incessant. Anti-Japanese education in schools must be abolished completely.

"China

- 7 -

China may say that the educational question is her domestic problem, but we can not keep quiet in view of the fact that such education has a fearful effect upon Japan as well as upon peace in the Far East.

"The populace of Hopei is rejoicing at the eradication of the Blue Shirt society, the Third gendarmerie corps and other terroristic organizations in the province.

ANTI-NANKING FEELING

"In view of public opinion, Chinese newspapers in North China do not publish articles in support of the Nanking government.

"Owing to the long oppression by the Central government, here are many organizations in North China which are adopting the slogan of 'North China for the people of North China,' and are unfurling anti-Nanking banner. Japan, however, is in no way connected with such movements.

"Our policy is to do away with the organizations which have for their motto, 'Anti-Japanism.' At present these organizations are none other than the Nanking government and the Kuomintang.

"If there are no agencies of the Nanking government in North China, the question arises with whom to negotiate. To this we can reply that even if there are no parties to negotiate with, it does not matter.

"With regard to the maintenance of public peace in North China, even if there are no terroristic bodies to perform this task, the armies of Generals Shang Chen and Man Fu-lin are attending it."

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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

No. -----

AMERICAN CONSULATE GENERAL
Mukden, Manchuria, June 21, 1935.

SUBJECT: Military Propaganda on North China Situation.

RECEIVED
DEPARTMENT OF STATE
JUL 11 11 33 AM '35
THE HONORABLE
THE SECRETARY OF STATE
DIVISION OF
COMMUNICATIONS
AND RECORDS
WASHINGTON.

For Distribution-Check		Yes	No
Grade	MI		<input checked="" type="checkbox"/>
For	Ballantine		<input checked="" type="checkbox"/>
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	MID		<input checked="" type="checkbox"/>

SIR:

I have the honor to enclose herewith a copy of my
despatch No. 122 dated June 21, 1935, to the Legation,
Peiping, China, entitled "Military Propaganda on North
China Situation".

Respectfully yours,

Joseph W. Ballantine
American Consul General.

Enclosure: 1

Copy of despatch No. 122
to the Legation at Peiping.

800
HTW

793.94/7185

FILED
JUL 24 1935

F/G

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

No. 122

AMERICAN CONSULATE GENERAL,

Mukden, Manchuria, June 21, 1935.

SUBJECT: Military Propaganda on
North China Situation.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to enclose a translation made in this office of an item which appeared under large headlines today at the head of the first news page of the Hotei Mainichi Shinbun, which has all the earmarks of being inspired by the Mukden Military Mission.

This specimen of military propaganda in the local press is transmitted not for its news value but as showing the manner in which justification of action in North China is being attempted and also as indicating further possibilities for the future in the situation.

Respectfully yours,

JOSEPH W. BALLANTINE
Joseph W. Ballantine
American Consul General

Enclosure:

Translation as described.

Five copies to Department by despatch No.-----
dated June 21, 1935.

One copy to Embassy, Tokyo.
One copy to Consulate General, Tientsin.
One copy to Consulate General, Harbin.
One copy to Consulate, Dairen.

800

JWB:htw

A true 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. Gustafson NARS, Date 12-18-75

Enclosure to despatch No. 122 of J. W. Ballantine,
American Consul General, Mukden, Manchuria, dated
June 21, 1935, to the Legation at Peiping, China,
on "Military Propaganda on North China Situation."

SOURCE: HOTEI MAINICHI SHIMBUN,
June 21, 1935.

TRANSLATION

WITH A SECRET TELEGRAM CHIANG KAI-SHEK MAKES
HU HAN-MIN AND CHANG HSUEH-LIANG DANCE

A semblance of a settlement of the North China situation has been reached in consequence of the acceptance by China of our demands, but, just as our military authorities have repeatedly stated, a solution has not been reached. Any question is likely to arise in the future, depending upon the extent of the sincerity of the Chinese side. The North China question will henceforth be at the center of the state. According to a telegram which has been received by a certain organ (presumably the Mukden Military Mission - translator) that Chiang Kai-shek, while putting Kasumigaseki (The Japanese Foreign Office) in a high fettle by making to it a gesture of friendship towards Japan, at the same time sent a secret telegram to Hu Han-min, leader of the anti-Japanese faction in Canton, and Chang Hsueh-liang, connecting this message with General Doihara's inspection trip to China to the effect that the import of proposals received from General Doihara was invasion by Japan. In consequence of this Chang Hsueh-liang forthwith despatched a telegram to Yu Hsueh-chung ordering him to "guard North China to the death," whereupon Yu Hsueh-chung's anti-Japanese sentiment was spurred to kill Koreans, to assassinate the pro-Japanese publicists and to violate the truce agreement. Thus a situation similar to that prevailing before the Manchurian incident was precipitated. Thus Chiang Kai-shek's double diplomacy rendered our bomb-shell proposals unavoidable. Now that the foregoing facts have been revealed, it must be regarded as problematical whether China will act with sincerity.

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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

No. 447

July 28 1935

CONFIDENTIAL - STAFF USE ONLY.

To the American Ambassador,
 Moscow.

The Secretary of State refers to the Department's instruction No. 431 of July 9, 1935, and previous correspondence in regard to recent developments in relations between China and Japan in connection with North China, and encloses for the confidential information of the Ambassador a copy of a statement, together with a copy of a covering self-explanatory memorandum, dated July 5, 1935, on this subject.

Copies of telegrams No. 352 and No. 359 of July 12 and July 15, respectively, from the American Minister at Peking on this subject are also enclosed.

793.94/7185A

JUL 24 1935
 CR

Enclosures:

As described.

793.94/7185A

FE:39C

JUL 26 1935

JUL 23 1935

A true copy of the signed original
 L. M. H.

VII-23-35

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

7/24-10:00
 7/24-2:50
 7/24-3:50

No. 920

CONFIDENTIAL-STAFF USE ONLY.

July 26 1935

To the American Ambassador,
 London.

The Secretary of State refers to the Department's instruction No. 896 of July 12, 1935, and previous correspondence in regard to recent developments in relations between China and Japan in connection with North China, and encloses for the confidential information of the Ambassador a copy of a statement, together with a copy of a covering self-explanatory memorandum, dated July 5, 1935, on this subject.

793.94/7185A

Enclosure:

As described.

793.94/7185A

FE:ECG

VII-23-35

JUL 26 1935

FE

C. M. M. H.

9/25/35
 RW

A true copy of
 the original
 document

M 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

*Copies sent to
Moscow + London*

DCR

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 5, 1935.

July 28 1935

On the morning of July 2 the Chinese Minister called on Mr. Hornbeck and asked whether Mr. Hornbeck would give him some helpful comment in regard to the attitude of the Department and of the American Government toward recent events in north China. Later in the day Mr. Hornbeck gave the Chinese Minister the original of the attached statement, the substance of which might be used by the Chinese Minister as a basis for sending a cable to the Chinese Government.

MMH/VDM

mmh *ltd*

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

DOR

The Department of State has received information that the Acting Minister for Foreign Affairs, speaking at a meeting of Chinese Government officials, stated that the American Government had shown a very cold attitude to China in the present difficulties whereas the British Government had shown itself highly sympathetic. The Department of State emphatically deprecates and objects to this statement.

The Department of State and the British Foreign Office have been in frequent communication, and have apparently been in touch with other interested governments. Reports from various sources with regard to the facts in the matter of course do not coincide. Both the American and the British Governments have apparently taken steps which they consider appropriate and feasible, and their action appears to have been on parallel lines. The American Government reasons that no useful purpose would be served by directly or through the press making accusations. The situation calls for tactful handling and minimum of publicity by the powers. You will note that the American Government has refrained from public statements. The American Government has received certain assurances of which it has made careful note.

I am assured that the American Government's attitude and position with regard to treaty rights and obligations is in no way altered. The Department of State reasons,

793.94/7185A

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 -

however, that appearance of intrusion by it, with or without appearance of the same by other powers, would serve only toward inflaming the situation and would be of no benefit to China or to the United States or other powers. It therefore apparently intends to avoid indication of apprehension, to attempt quietly and unobtrusively to exert a wholesome influence, to continue in consultation with Great Britain and other interested powers, and to refrain from assent or indication of assent to steps taken or conclusions arrived at in contravention of treaty rights or of legitimate interests.

FE:SKH/ZMK

7/2/35 TH

m.m.H.
FE

W.P.

DECLASSIFIED: E.O. 11652, 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 16, 1935.

Mr. Sayre suggests in connection with the Ambassador's supposed call at the Foreign Office on Thursday that it might be useful, if the Ambassador, without making any particular representation, should casually express to the Foreign Minister the hope that negotiations now proceeding between this country and Japan with the object of arriving at an adjustment of the Philippine textile situation, may be brought to a successful conclusion.

LDS/DLY

*Telegram to Tokyo
July 16 and
July 17, 1935.
Zmx*

TELEGRAM RECEIVED

MG

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

Tokyo

Dated July 16, 1935

Rec'd 5:30 a.m.

Secretary of State,
Washington.

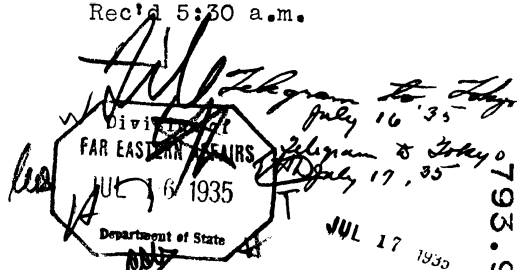
RUSH

151, July 16, 4 p.m.

It is announced that General Masaki, Director
General of Military Education, has been relieved of his
post owing to his objections to certain changes in army
personnel planned by the Minister of War with the ap-
proval of Chief of the General Staff, Prince Kanin, a
member of the Imperial family.

STRICTLY CONFIDENTIAL. The Minister for Foreign
Affairs told me today that the incident is significant
as indicating the control of the government which must
necessarily move slowly and step by step (reference
Embassy's 143, ^{7/28} June 29, 11 a.m.). In this specific
connection Hirota took occasion to thank me in appre-
ciative terms for the fact that we had not asked him
official questions during the crisis in North China
because such questions would have rendered all the
more difficult his efforts to control the situation.

I am to have a final talk with Hirota on Thurs-
day at 11 a.m. If the Department has any specific
views



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JUL 26 1935

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

MG

Page 2, #151 from Tokyo

views which it would like to have brought to the Minister's attention as casual comment rather than as official representations, this would be a favorable opportunity to do so.

GREW

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/13143 FOR Despatch #745

FROM Tientsin (Berger) DATED May 25, 1935.
TO NAME 1-1127 ...

REGARDING: Political Assassinations in the Japanese Concession: Assassination of Chinese editors of anti-Nanking newspapers.

FRG.

793.94/7187

7187

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

No. 745

AMERICAN CONSULATE GENERAL,

Tientsin, China, May 25, 1935.

STRICTLY CONFIDENTIAL

Subject: Political assassinations in the
Japanese Concession.

The Honorable

The Secretary of State,
Washington.

Sir:

1/ I have the honor to transmit herewith a copy
of my despatch No. 943 of today's date, addressed
to the Legation, on the above subject.

Respectfully yours,

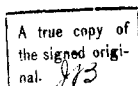
David C. Berger,
American Consul.

Enclosure:

1/, To Legation, No. 943, May 25, 1935.

800
RSW:JB

Transmitted in quintuplicate.



DECLASSIFIED: E.O. 11652, 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. 943

Enclosure No. 1 in Despatch
No. 745, Dated May 25, 1935
From the American Consulate General
at Tientsin, China.

AMERICAN CONSULATE GENERAL,

Tientsin, China, May 25, 1935.

STRICTLY CONFIDENTIAL

Subject: Political assassinations in the
Japanese Concession.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

I have the honor to refer to this Consulate General's despatches Nos. 933 and 941 of May 17 and 23, respectively (Nos. 738 and 743 to the Department), on the subject of the assassination on the night of May 2-3 in the Japanese Concession of Pai Yu-huan and Hu En-fu, both editors of anti-Nanking newspapers published in this city, and further in connection with those assassinations, to report that confidential information given to a member of the staff of this office this morning by an official of the Municipal Government indicates
that

- 2 -

that the net of Japanese investigation seems to be closing gradually over the person of P'an Tzu-hsin, reputed to be the leader of the North China Ch'ing Pang and to be very influential in the Lan Shan Tang ("Blue Shirts").

The informant stated that the Japanese police had discovered that the killing of Pai Yu-huan was carried out on the third floor of his dwelling house, the approach to his room being guarded by six bodyguards and a barred door. Since access to Pai would have been impossible had the servants in the house given the alarm or the bodyguard had been at its post, the police took into custody everyone on the premises at the time of the shooting, and subjected them all, it is said, to a very severe third-degree and to torture. Under this pressure they severally made confessions which are said to implicate a certain Ma Hung-chang, the Manager of the I Ho Yuan Hotel on Rue Dillon in the French Concession, and one-time Inspector of the Municipal Government during the mayorship of Chou Lung-kuang. Ma is a member of the Lan Shan Tang, and has, it is alleged, close connections with Mr. P'an.

Following these disclosures, Ma was taken into custody by the Japanese concession authorities, and is now being subjected to the most rigorous examination. Mr. P'an has not yet been arrested, and is believed to be in hiding.

The

- 3 -

The official responsible for the statements set forth above affirmed what other members of local government circles have said repeatedly in the last five days: that it is the intention of the Japanese Army and of certain Japanese government officials to force an issue on these killings with the Chinese Government. He also said that the Chinese are now adopting the attitude that since the crimes occurred in the Japanese Concession, beyond the police administration of the Chinese Government, that Government will not and cannot take any responsibility for them. This argument, the informant continued, is one that the Japanese are finding some difficulty in meeting, although it may be said parenthetically that it would seem to be one which could be used two ways.

An amusing sidelight on the tense situation which the Japanese authorities have been successful in creating over the question of these killings is the report which has been current among certain local Chinese for the last three days that the Japanese believe that there are in Tientsin two Americans who are "in the know", and that it is planned to seize the two individuals and hold them for questioning.

Respectfully yours,

David C. Berger,
American Consul.

800
RSW:JB

A true copy of
the signed original.
JB

Transmitted in duplicate.
Five copies to the Department under cover of
despatch No. 745 of May 25, 1935.

DECLASSIFIED: E.O. 11652, 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. Tsingtao/87 FOR #32 to Legation

FROM Tsingtao (Sokobin) DATED June 3, 1935.
TO NAME 1-1127 ...

REGARDING: Dealings with the Japanese; The high Chinese officials tread
a cautious and conciliatory path in their-, This is the
impression one gains in Tsingtao.

FRG.

793.94/ 7188

7188

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

695.94

B. Relations with Japanese.

The impression one gains in Tsingtao is that the high Chinese officials tread a cautious and conciliatory path in their dealings with the Japanese. No case is permitted to develop to the point of serious conflict or controversy. Possibly this conciliatory attitude is one prompted by the higher officials in Nanking. It would seem that the Chinese are prepared to go to extraordinary lengths to "conciliate" the Japanese: the policy now is, "Well, since the Japanese want it, let them have it, for they'll get it anyway." Such is the colloquial expression of the Chinese position in regard to the Tsingtao-Tainan (Shantung) Railway. "What is the use of worrying about 40,000,000 yen, so hard to get under the best of circumstances, with which to pay off notes for a Railway which the Japanese want and will get, sooner or later?"

That may not be a policy of high statesmanship or diplomacy, but perhaps the Chinese know best.

DECLASSIFIED: E.O. 11652, 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

DOCUMENT FILE

NOTE

SEE 893.00/13145 FOR Despatch #2

FROM Tientsin (Caldwell) DATED June 4, 1935.
TO NAME 1-1127 ...

REGARDING: Transfer of Hopei Provincial Capital from Tientsin to Paotingfu,
and Japanese activities in North China.

FRG.

793.94/7189

7189

No. 2

AMERICAN CONSULATE GENERAL,

Tientsin, China, June 4, 1935.

Subject: Transfer of Hopei Provincial Capital
from Tientsin to Paotingfu, and
Japanese activities in North China.

The Honorable

The Secretary of State,
Washington.

Sir:

1/ I have the honor to transmit herewith a copy
of my despatch No. 1 of today's date, addressed to
the Legation, on the above subject.

Respectfully yours,

John K. Caldwell,
American Consul General.

Enclosure:

1/, To Legation, No. 1, June 4, 1935.

800
DCB:JB

Transmitted in quintuplicate.

A true copy of
the signed origi-
nal. *JB*

DECLASSIFIED: E.O. 11652, 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. 1

Enclosure No. 1 in Despatch
No. 2, Dated June 4, 1935
From the American Consulate General
at Tientsin, China.

AMERICAN CONSULATE GENERAL,

Tientsin, China, June 4, 1935.

Subject: Transfer of Hopei Provincial Capital
from Tientsin to Paotingfu, and
Japanese activities in North China.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Sir:

I have the honor to refer to the Consulate *received*
General's despatch No. 948 of May 29, 1935 (No. 747
to the Department), and to state that General Yu
Hsueh-chung, the Chairman of the Hopei Provincial
Government left Tientsin by motor car for Paotingfu
about 11 a.m. on June 3, 1935. The transfer of
the archives and personnel of the provincial govern-
ment has been in process for the past several days
and was completed before his departure, with the
exception of his English secretary and a small
staff, who have remained in Tientsin for the time
being to look after certain unfinished business.

I

- 2 -

I called on the Provincial Chairman on Saturday morning, June 1, and, after exchanging the usual courtesies, he requested permission to speak to me regarding recent developments in Tientsin and the province, with special regard to his relations with the Japanese.

The Chairman gave me a short account of the recent difficulties in Tsunhuahsien, involving the sending by the Japanese of a military force through the Great Wall into this district. He stated that the Japanese commander of these forces had requested the Tsunhuahsien magistrate to withdraw the Pao An Tui under his command to a distance of 25 li from the Great Wall. The Tsunhuahsien magistrate replied that this would involve evacuation of the district city, which is only about 20 li from the Wall. The magistrate and the commander of the Japanese forces finally agreed that the Pao An Tui would be withdrawn to a distance of 15 li from the Great Wall, following which a force of bandits under the command of Sun Yung-ch'in appeared in the evacuated area. The commander of the Japanese forces then demanded that the magistrate exterminate these bandits but the latter replied that since the Japanese had required the evacuation of this area by the Pao An Tui he was powerless to comply with this demand and suggested that since the bandits had followed the Japanese into his district from beyond the Great Wall the

Japanese

- 3 -

Japanese should attend to the matter themselves or permit him to send the Pao An Tui back into the evacuated area. These bandits had eventually been suppressed by the Japanese and the Pao An Tui.

The Chairman then adverted to the killing of the two pro-Japanese and anti-Chiang Kai-shek Chinese editors in the Japanese Concession at Tientsin on the night of May 2 and stated that the Japanese military had on several occasions made oral representations to him regarding these murders. He stated that he informed the Japanese military that these incidents had taken place in the Japanese Concession, over which area the Japanese did not permit him as provincial governor to exercise any authority whatever; that murders, robberies and other outlawry had in the past taken place from time to time in the Japanese Concession, concerning which law breaking the Japanese had never requested his assistance nor referred to him in any way; that, however, if the Japanese desired that he take over law enforcement in the Japanese Concession he would be pleased to do so and would endeavor to the best of his ability to provide proper policing for this area.

The Chairman further stated that on five consecutive days, beginning on May 25, groups of Japanese soldiers had appeared before the provincial government offices, the offices of the Mayor and

Chief

- 4 -

Chief of Police, and various other public offices in Tientsin, as well as the barracks in which his bodyguard was quartered. These groups of soldiers and officers were at first in small numbers and contented themselves with loafing about and taking photographs of the bodyguard and others of the inmates of these offices and generally making nuisances of themselves, but their numbers had increased until on May 30 a company of infantry with full equipment and units of armored cars, light artillery, and machine guns spent the whole morning on the street outside his office. He stated that his bodyguard and all the government employees had showed the greatest self restraint in connection with these demonstrations on the part of the Japanese soldiers who jeered at the Chinese, made faces at them, pushed cameras into their faces on the pretext of making "close-up" photographs, and otherwise behaved most obnoxiously. He stated, however, that the Japanese had not forced an entry into the public offices, but he feared that if the Japanese attempted to enter the government premises his bodyguard might not be able to restrain themselves and serious trouble might develop.

The Chairman stated further that, in compliance with a telephonic instruction from General Ho Ying-ch'in, he proceeded to Peiping on May 31 and found that Colonel Sakai, Chief of Staff of the Japanese

Army

- 5 -

Army in North China, and Major Takahashi, Military Attache at Peiping, had called on General Ho in Peiping and informed him that the situation was extremely precarious in North China, but that if the Chinese would show "sincerity" and take certain action it was possible that the Japanese could overlook their past misconduct and endeavor to assist them in restoring proper conditions of peace and order. The steps which these two officers "suggested" be taken by the Chinese were:

(1) The dismissal of General Yu from his post as Chairman of the Hopei Provincial Government and dismissal of the Mayor of Tientsin and the Commissioner of Public Safety for Tientsin.

(2) Transfer away from Peiping of the Third Central Government gendarmery.

(3) Dismissal of Colonels Chiang and Ting, Commander and Deputy Commander, respectively, of the Third Central Government gendarmery.

(4) Dismissal of Ting Kuan-chih, Chief of the Political Department under General Ho Ying-ch'in.

(5) Transfer away from Peiping of the Central Government troops now stationed at Nanyuan and Peiyuan.

(6) Complete suppression of all activities of the Kuomintang in North China.

In presenting these "suggestions" the Colonel and the Major indicated to General Ho Ying-ch'in that, if they were not met, it might be necessary for Japanese troops to be sent into this area and for Peiping and Tientsin to be incorporated in the Demilitarized Zone.

The Chairman stated that General Ho, on his

own

DECLASSIFIED: E.O. 11652, 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 -

own initiative, had already issued orders for the removal of the Third Central Government gendarmery from Peiping and for the dismissal of the three officials mentioned in (3) and (4) above.

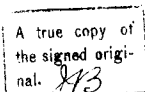
As to his own removal, the Governor stated that he would abide by any instructions issued by Nanking, whatever they might be, but that he would not submit his resignation without qualifications. He stated that he had informed both the Japanese and General Ho that he would not hesitate to sacrifice himself and that he would submit his resignation immediately if the Japanese would, as a price therefor, give an explicit undertaking to refrain from further encroachment or interference in Hopei Province, but that he did not intend that his successor should be submitted to such insults and indignities at the hands of the Japanese as he had suffered.

Respectfully yours,

John K. Caldwell,
American Consul General.

800
DCB:JB

Transmitted in duplicate.
Five copies to the Department under cover of
despatch No. 2, June 4, 1935.



DECLASSIFIED: E.O. 11652, 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 661.9431/24 FOR despatch #3596

FROM China (Lockhart) DATED June 4, 1935
TO NAME 1-1127

REGARDING: Miscellaneous conversations with Minister in Nanking -
Sino-Japanese Relations. Japanese Control of Iron
resources. Far Eastern Situation. Soviet-Chinese Trade.

dt

755.94/7190

7190

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

DOCUMENT FILE

NOTE

SEE 841.00 P.R./393 FOR desp. #1521

FROM Great Britain (Atherton) DATED June 17, 1935
TO NAME 1-1127 ***

REGARDING: Conflict between China and Japan.
Substance of remarks made by Sir Samuel
Hoare in the House of Commons on recent
developments in China in connection with the -

793.94/7191

7191

DECLASSIFIED: E.O. 11652, 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 House of Commons this afternoon Sir Samuel
gave an account of recent developments in China,
fully reported in the Embassy's despatch No. 1509,
June 18, 1935 and the Embassy's telegram No. 272, June 17,
4 p.m.).

After/

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

continental empire by learning Japan's own methods * * *

There is Russia building up her air power on the north
and the United States building up her air and naval
power on the east. * * * * * The future seems likely
to be tempestuous if the Japanese Army continues to win
victories on the home front." The OBSERVER returns
to one of its favorite themes when it says that "America
and Great Britain are faced with a crisis which demands
a positive policy -- a policy which probes beneath such
issues as naval parity and does not attempt any mere
palliative for the present predicament in North China. * * *

The only sound course is to devise a policy of long range
to meet the fundamental causes of the whole Far Eastern
problem. Failing that, we shall one day find that the
force which we cannot use to-day will have to be used
without stint to defend the vital interests of the British
Commonwealth."

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

after mentioning the forthcoming mission of Sir Frederick Leith-Ross to report on China's economic difficulties, the Foreign Secretary confessed that favorable political developments had been prejudiced by "disquieting developments during the past two weeks or so." So far as could be gathered, he said, the local Japanese military authorities had complained of persons or organizations alleged to be hostile to themselves in or near the demilitarized zone established between the Chinese and Japanese forces. "In regard to the most recent developments in North China, I have been in communication with His Majesty's representatives in Tokyo and Nanking and through them with the Chinese and Japanese Governments. These communications are still continuing."

The latest Japanese move in North China continues to receive a bad press in this country, the MANCHESTER GUARDIAN holding that it "fits in perfectly with the long game that Japan is playing on the continent of east Asia. * * * * * When the time comes again there will be another excuse, more demands and yet one more addition to this incalculable empire." These military excursions into the domain of diplomacy can, says THE TIMES, "only mean that the soldiers intend to have their own way; that they interpret the 'sincerity' which they demand of the Chinese as submission and that they intend to play the part of censors of their own Foreign Office and perhaps of other departments of State." In the opinion of THE ECONOMIST the Japanese Army is simply training the Chinese people "to overthrow the Japanese

Paraphrases
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TELEGRAM RECEIVED

MG 1-1336

FROM
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fore being communicated
to anyone. A

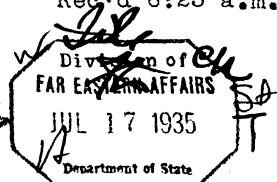
Shanghai

Dated July 17, 1935

Rec'd 6:23 a.m.

Secretary of State,
Washington.

404, July 17, 1 p.m.



A foreigner in a position to be well informed
stated in a letter dated July 11 to Captain J. M.
McHugh that General Chiang Kai Shek viewed the sit-
uation in reference to Japan and that Chiang put forth
the arguments that to fight now is what Japan wants;
to fight and lose would give Japan the notion that
she had won a war and would demand signed settlement.
To fight would let the Reds loose in this (*) to the
complete control of Szechuan and perhaps the North-
west. To let the Japs steal what they felt inclined
to steal without acknowledging it and without signing
anything keeps Japan in the wrong, and if China will
profit by the humiliation to reorganize and develop
unity and patriotism it will be worth while, for in
time they can get back what has been taken. Chiang
argued that the Reds must be exterminated first;
second, the country must be reorganized; third, the
army

793.94/7192

FILED

JUL 26 1935

F/G

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

MG

Page 2, #404 from Shanghai

army must be reorganized; fourth, determined efforts must be made to develop the whole of the West - Yunnan, Kweichow, Szechuan, Kansu, as well as Shensi, Hupeh and Hunan - but particularly Szechuan, Kansu and Kweichow, where there is plenty of mineral and agricultural wealth if properly developed on modern lines. He urges to keep at this work and if the Japanese try to enforce their control on the Yangtze region to resist.

CUNNINGHAM

HPD

(*) Apparent omission.

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 404) of July 17, 1936, from the American Consul General at Shanghai, reads substantially as follows:

Captain J. M. McHugh (American Marine Corps officer stationed at Shanghai) has received a letter, dated July 11, from a foreigner who is in position to have reliable information, setting forth certain views expressed by General Chiang Kai-shek to the effect that for China to fight now would be giving the Japanese what they desire; that, if China were to fight and lose, the Japanese would get the idea that Japan had won a war and would demand a written settlement; that, if China were to fight, the communists would be free to gain entire control of Szechuan Province and possibly all of Northwest China; that, if China allowed Japan to steal whatever she desired to take without acknowledging the arrangement or signing an agreement of any kind, Japan would be kept in the wrong; and that, if China as a result of the humiliation put upon her by Japan will reorganize Chinese affairs and develop patriotism and unity, the humiliation will be of value to China as she can in time retrieve what has been taken from her. General Chiang takes the position that the communists must be wiped out first; that then the country and the army must be reorganized; and that finally there must be a determined effort to develop all of West China - Szechuan, Kweichow, Kansu, Yunnan, Hupoh, Hunan, and Shensi Provinces, especially the first three provinces which, if developed in the proper way along modern lines, contain, according to Chiang, a suffi-

ciency

DECLASSIFIED: E.O. 11652, 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 -

ciency of agricultural and mineral wealth. Chiang urges
 that China continue at the work outlined above and resist
 the Japanese if they attempt to enforce their control in
 the region of the Yangtze.

795.94/7192

egc.
 FE:EGC

ws
 FE
 M.M.N.

VII-18-35

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

TELEGRAM RECEIVED *of paraphrase*
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MED

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closely paraphrased FROM
before being communi-
cated to anyone (a)

PEIPING

Dated July 19, 1935

Received 9:22 a.m.

Secretary of State,

Washington, D. C.

368, July 19, 2 p.m.

The possibility increases that an agreement

may be reached by North China leaders unfriendedly
to National Government to form a regime to direct
the affairs of the five northern provinces. It
seems probable that this regime will be under
nominal control of National Government and at the
same time "cooperative" with the Japanese. Japanese
military continue to visit these provinces pre-
sumably in furtherance of such a plan. A responsi-
ble local Chinese official states confidentially
that the Japanese military have definitely given
up the idea of an independent North China in
favor of the scheme outlined above. The advantages
to the Japanese military of North China regime
nominally under Nanking would be (one) they would
not be going contrary to the alleged opposition of
Tokyo to the creation of an independent state,
(two) the establishment of such a regime could
further the plans of the military for economic
exploitation

Division
FAR EASTERN AFFAIRS

JUL 19 1935

Department of State

793.94/7193

FILED

JUL 26 1935

F/G

793.94
note
893.00

- 2 - #368, From Peiping, July 19, 2 p.m.

exploitation of North China as successfully as could an independent regime, (three) the "peaceful penetration" of North China would still leave the way open for an extension of Japanese political and economic influence in Central South China either without resistance on the part of National Government or perhaps even with its assistance and (four) foreign governments would have less basis for criticism.

Two. It is too soon to predict who might become the chief Chinese figure in such a regime. There seems to be no important figure in the five northern provinces except possibly Shang Chen who would not lend himself to the scheme if he thought that his own interests would be adequately served by participation or if he were sufficiently threatened.

Three. The press reports that chairman of the five northern provinces will meet at Peiping in the near future for discussion the agenda of which is still unknown. However, I am reliably informed that Wang Keh Min will not call the conference unless there are good prospects of agreement being reached.

To Nanking and Tokyo by mail.

JOHNSON

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

P A R A P H R A S E

A telegram dated July 19, 1935, from the American Minister at Peiping, reads substantially as follows:

There is an increasing possibility that leaders in north China who are unfriendly to the Nanking Government may reach an agreement to establish a régime for the direction of the affairs of the five northern provinces. Such a régime would probably be under the nominal control of the Central Government at Nanking but would cooperate with the Japanese. Officers of the Japanese army continue to visit these five northern provinces presumably for the purpose of furthering this plan which, according to a confidential statement by a responsible Chinese official at Peiping, is now favored by the Japanese military who have definitely abandoned the idea of an independent north China. From the standpoint of the Japanese military a régime in north China nominally under Nanking would have certain advantages as follows:

(1) It would not necessitate the Japanese military proceeding contrary to the position of Tokyo in the matter which position is alleged to be opposed to the creation of an independent state in north China;

(2) The plans of the military for economic exploitation in this area would be furthered equally as much by such a plan as by the establishment of an independent régime;

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

- 2 -

régime;

(3) Such "peaceful penetration" in the north China area would still permit Japanese political and economic influence to extend into central south China either without resistance from the Nanking Government or perhaps even with assistance from Nanking; and

(4) There would be less cause for criticism from foreign powers.

The Minister states that as yet it is impossible to predict who the chief Chinese figure might be in such a régime as, with the possible exception of Shang Chen, there is no important person in the area in question who would not be willing to participate in the scheme if he were threatened sufficiently or if he thought his own interests would be adequately furthered thereby.

According to the press, a meeting of the chairmen of the five northern provinces will soon be held at Peiping, but the agenda of this proposed meeting is still secret. Reliable information which has come to the attention of the Minister, however, is to the effect that such a meeting will not be called by Wang Keh-min unless the prospects for reaching an agreement are considered to be good.

EE:EW/VDM
7-22-35

Antm
FE
M.M.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

DOCUMENT FILE

NOTE

SEE 893.00/13146 FOR Tel#338. 4pm.

FROM China (Johnson) DATED July 5, 1935.
TO NAME 1-1127 ...

REGARDING: Various imminent changes in Government of China personnel.

Wang Ching Wei: Chiang Kai Shek is displeased with-, because of Wang's failure to convince the Japanese that Chiang has no responsibility for the administration of Sino-Japanese affairs. Relinquishing of the position of Chairman of Military Affairs Commission would not actually decrease the substance of the power of Chiang Kai Shek, but would nominally relieve him of some of the responsibility and give him greater freedom on action.

FRG.

793.94/ 7194

7194

DECLASSIFIED: E.O. 11652, 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

REP

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

PEIPING

Dated July 5, 1935

Rec'd 11:25 a. m.

Secretary of State,
Washington.

338, July 5, 4 p. m.

Chinese official who is protege of Huang Fu and relative of Ho Ying Chin and who has just returned from Nanking where he went for the purpose of conferring with those two officials, states that a number of changes in the National Government are imminent. He says that Wang Ching Wei's illness is political and that probably Wang will shortly be relieved of his two principal positions because: (one) the Southwest is dissatisfied with Wang's Japanese policy and his removal would please the Southwest; (two) Chiang Kai Shek is displeased with Wang's failure to convince the Japanese that Chiang has no responsibility for the administration of Sino-Japanese affairs; and (three) the Political Science Group of which Huang Fu is a member has been working for Wang's downfall (other sources indicate that Wang's physical condition is actually serious). This informant anticipates that Sun Fo temporarily at least will fill the post of President of the

NOTE
793.94

893.00 / 13146

DECLASSIFIED: E.O. 11652, 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-#333, From Peiping, July 5, 4 p.m.

the Executive Yuan with Huang Fu becoming Foreign Minister. He expects that Chiang Kai Shek will relinquish his position of Chairman of Military Affairs Commission to Ho Ying Chin who will thereupon relinquish his post of Minister of War to Chen Yi, present Fukien chairman. He also believes that the Ministers of Railways, Communications and Industry will be changed and that T. V. Soong's position will be improved as a result of the various changes.

Two. If Chiang Kai Shek relinquishes position of Chairman of Military Affairs Commission this would not actually decrease the substance of his power but would nominally relieve him of some of the responsibility which he now bears with regard to both the internal situation and Sino-Japanese relations and would give him greater freedom of action particularly in connection with his alleged desire to avoid the Japanese by remaining in Szechuan.

Repeated to Nanking.

JOHNSON

RR

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/13147 FOR Tel#196, 9am.

FROM Nanking (Atcheson) DATED July 7, 1935.
TO NAME 1-1127 ***

REGARDING: "Settlement of North China questions ephemeral only and further incidents are to be expected". "China will eventually attempt resistance". Nanking comments on observations of a foreign adviser.

PRG.

793.94/7195

7195-

DECLASSIFIED: E.O. 11652, 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

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

NANKING

Dated July 7, 1935.

Received 11 a.m.

Secretary of State

Washington.

196, July 7, 9 a.m.

Legation's 338, July 5, 4 p.m.

CONFIDENTIAL.

One. I have received no information here indicating the imminence of sweeping government changes. Ho Ying Chin told me yesterday that he might return to Peiping shortly although final decision had not been reached. Suma stated July 5 that he felt certain no important changes would occur at this time unless Wang's condition should grow worse. A foreign adviser very close to Sun Fo and other party leaders who has been intimately connected with them for many years and whom I have found straightforward and reliable states confidentially that he is unaware of any move to place Sun in Wang's principle post, that Sun himself is not furthering any such move and plans to leave in a week to spend the summer at Tsingtao. This informant thinks Wang's illness, which is serious although not grave, is political only in that recent criticism and the impeachment of

NOTE
793.94

893.00/13147

-2-

No. 120, July 7, 1935, from Nanking.

of other officials reported in my 194, July 5, 4 p.m., have so aggravated his ailments through worry that hospitalization became necessary. He states that Wang's greatest danger of being ousted lies in a protracted absence from his duties. He and others consider Sun Fo a logical successor to Wang in case latter should leave office but he pointed out the possible difficulty with elements antagonistic to the Government if Hwang Fu's alleged weakness vis a vis the Japanese should be given the vindication implied in appointment as Minister for Foreign Affairs although, on the other hand, such appointment might be the only means of retaining Hwang's valuable services in dealing with the Japanese should the conciliatory policy continue. He said that Chiang Kai Shek would never relinquish his own post in any manner indicating personal capitulation to the Japanese.

Two. In latter connection he made observations which I think are worth noting. He said the Japanese know their aims can not be realized until Chiang is made to "eat out of their hands" and that the Japanese military are determined to bring this about. Thus, unless Chiang should alter his attitude (which he said Chiang would not) the so-called settlement of North China questions would be ephemeral only and further incidents would occur there and elsewhere. He envisaged a probability, arising from Chiang's recalcitrance and the insatiate nature of Japanese harassment coupled with the criticism suffered by the Government, that the Chinese would

DECLASSIFIED: E.O. 11652, 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-

No. 120, July 7, 1935, from Nanking.

would eventually attempt resistance. He stated that Chiang's idea, which is being increasingly shared in official circles, is that ~~the~~ penalties of resistance can be no greater than those of acquiescence and that China is too big to be conquered, particularly if some helpful rapprochement with Russia can be effected.

To the Department and Legation. To Tokyo by mail.

ATCHESON

CIB

DECLASSIFIED: E.O. 11652, 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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Amoy/93 FOR Despatch #55

FROM Amoy (Dick) DATED June 12, 1935.
TO NAME 1-1127 ...

REGARDING: Sino-Japanese Relations: Japanese Navy; Formosan
Dives Closed; Japanese Officers Inspect Iron Mines
at An Chi.

FRG.

793.94/ 7196

7196

Japan

79394
The Japanese Navy has apparently designated Amoy as a home port for one division of destroyers probably the 3rd as its units are the most frequent visitors in port. While the Japanese Consul would not confirm this fact he admitted that one division did not have a home port in either Japan or in Formosa and he hoped that there would be one vessel at least in port at all times.

A club for the sailors has been fitted up near the Japanese Consulate where cheap meals, baths and entertainment facilities are provided. Ordinarily the sailors are well behaved but in one particular instance they trespassed on foreign property and became very rude.

Hithertofore Japanese destroyers seemed contented to lie at anchor while holding daily drills and surveying the harbor and its environment, but lately, however, according to several European witnesses, the routine drills have been augmented to include gun fire with blank shells and boarding parties when both sides engaged in the simulated warfare

- 5 -

warfare fire machine guns loaded with blank cartridges.

Destroyers based in Amoy harbor are also readily available to assist Formosan smuggling junks caught by Customs Preventive Cruisers. They were first used for this purpose on May 30, 1935, when the destroyers Yukaze and the Shiokaze, bound to Amoy, received a wireless call for help from a Japanese fishing boat. The destroyers investigated by firing upon the C.I.S. Chuentiao then towing two junks within 28 miles of the Chinese Coast. When the C.I.S. Chuentiao stopped a boarding party, led by an officer, inspected the ship's papers, and eventually let her continue to Amoy.

This unusual procedure was an outcome of two seizures, allegedly in Formosan waters on May 10, 1935, when the C.I.S. Chuentiao stopped a Japanese fishing junk, Hasei Maru, and the C.I.S. Futing stopped the Urai Maru.

Japanese vessels, it appears, must not be subject to search although they are sailing in waters famous for smuggling activities.

Copies of letters dated June 5, and 6, 1935, from the Japanese Consul to the Commissioner of Customs and his reply dated June 11, 1935, are appended as enclosures to this report.

Needless to say the atmosphere following this affair was tense although it is not believed that the Japanese intended to create an "incident" to enable them to seize Amoy or enter South China.

Formosan Dives Closed

The Formosan owned brothels, gambling joints, and opium dens have been closed by order of the Japanese Consul.

- 6 -

Consul. The operators raised practically no objection probably because their gambling business is more or less seasonal and the period from April to August is stated to be a dull one. Big profits are made from August to April. It has been estimated that \$120,000 is made daily in season on the "12 character" game alone. It is probable that some of the gambling dens will re-open in the Autumn and that tickets for the game will be clandestinely sold.

Japanese Officers Inspect Iron Mines at An Chi.

A group of four Japanese officers, after much difficulty, obtained permission from the Provincial Government in Foochow to visit the mines at An Chi (安溪) in company with a delegation of Chinese officers. After arrival at An Chi a dispute arose between the two groups of officers. Whereupon the Chinese left the Japanese, who made a thorough investigation of all the mines.

It has been proposed that the Provincial authorities raise \$5,000,000 to develop these mines and build a railway from An Chi to the seaport of Chuanchow (泉州) in order to prevent the Japanese from obtaining the concession.

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

793.94

DOCUMENT FILE

NOTE

SEE 893.01 Outer Mongolia/14 FOR Despatch #-

FROM Mukden (Ballantine) DATED June 17, 1935.
TO NAME 1-1127 ***

REGARDING: Anti-Soviet Propaganda in connection with Japanese Military
Activities.

FRG.

793.94/7197

7197

DECLASSIFIED: E.O. 11652, 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 765.84/480 FOR Telegram #388, 10 am.

FROM Shanghai (Cunningham) DATED July 11, 1935.
TO NAME 1-1137 ***

REGARDING: An editorial appearing in the CHINA PRESS on July 11th saying that the United States initiated the Anti-war pact but did nothing to demand its enforcement at the first test in Manchuria.

wth

793.94 / 7198

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

DOCUMENT FILE

NOTE

SEE 841.00 P.R./394 FOR Despatch #1526

FROM Great Britain (Johnson) DATED June 24, 1935
TO NAME 1-1127 670

REGARDING: Events in China.

Events in China.

It was stated in the House of Commons last week that there was no intention of increasing the British garrison in North China.

Sir Samuel Hoare was asked if Great Britain was pledged by treaty to preserve the integrity of China as a nation and in reply stated, "His Majesty's Government are under no obligation in the matter except as regards anything which might result from the Covenant of the League of Nations and the Nine Power Treaty."

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

79294

DOCUMENT FILE

NOTE

SEE 893.515/659 FOR Telegram #393, 4pm.

FROM Shanghai (Cunningham) DATED July 11, 1935.
TO NAME 1-1127 ***

REGARDING: U.S. Silver policy: "U.S. has done as much damage to China as a war, and such action may eventually deliver China into the hands of the Japanese". This quoted from summary of a statement by E.F. Harris.

FRG.

7200

wsb

GRAY

Shanghai (via N.R.)

Dated July 11, 1935,

Recd. 10:55 a m

Secretary of State,
Washington.

393, July 11, 4 p m.

793.94/7039 Referring to my telegram No. 214, May 3, 4 p m; and
312, June 14, 1 p m. China press this morning carries as
a news item summary of a statement made in Montreal (prob-
ably about a month ago) by E. F. Harris, a Canadian, former
member of Shanghai municipal council, former president
Shanghai Rotary Club, and present branch manager of Sun Life
Assurance Company in China. Harris is reported to have said
that in raising the world price of silver to help the three
silver producing States of the Union, the United States has
done as much damage to China as a war and that such action
may eventually deliver China into the hands of the Japanese.
The concluding paragraph of the article reads as follows:

"In Japan, Mr. Harris pointed out, the feeling is that
the United States is delivering China into Japanese hands.
Sooner or later China will have to ask for a big loan. If
the Japanese make it, they will 'tie strings to loan.' They
will probably demand the dismissal of all foreign experts

and

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

393 Shanghai, p 2

and advisers serving the Chinese Government and replace them with Japanese experts".

Repeated to Legation. Copy to Nanking by mail.

CUNNINGHAM

wsb

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/13150 FOR Tel#350, 2pm.

FROM China (Johnson) DATED July 12, 1935.
TO NAME 1-1197 ***

REGARDING: Nanking Government foreign policy; new alignment:

Complete change in-, forecast of-, with Hu Huan Min as
President of the Executive Yuan, supported in resistance
to Japan.

FRG.

793.94/7201

7201

MRM

PEIPING

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

Dated July 12, 1935

Rec'd. 5:27am.

Secretary of State

Washington, D.C.

350, July 12, 2pm.

The following telegram has been received from Canton.

"July 7, 5pm. Under instructions of Kwangtung Provincial Chairman and Marshal Chen Chi Tang their Counselor for Foreign Affairs forecast for your confidential information complete change of Nanking Government foreign policy under agreement between Hu Han Min and Chiang Kai Shek. Hu's trip abroad alleged to be secret mission to arrange for cooperation with Great Britain and the United States against Japanese treaty violations. Hu returning to Nanking not later than November 12th and earlier if situation precipitates action, as president of Executive Yuan supported by Sun Fo, T. V. Soong, H. H. Kung and the brothers Chen Kwo Fu and Chen Li Fu in policy of resistance to Japan. Wang Ching Wei's foreign policy now discredited with Chiang discontented the Legation is of the opinion that the situation in China has not yet become sufficiently clarified to warrant the belief that this new alignment will become an actuality.

JOHNSON

WSB

note
793.94

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800/1317-0

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

DOCUMENT FILE

NOTE

SEE 500.A.15.a.5/438 FOR Tel 309.6pm

FROM Great Britain (Bingham) DATED July 9, 1935.
TO NAME 1--1127 ...

REGARDING:

Conversation with Foreign Minister relative to his policy as far as possible to strengthen the liberal element in Japan.

793.94/7202

g

See 894.00/887

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224
224

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

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

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TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington, D.C.
July 19, 1935.

1935 JUL 20 11 15

AMEMBASSY,

LONDON (England).

This cable was sent in confidence.
It should be carefully paraphrased before
being communicated to anyone. (C)

189 Your 309, July 9, 6 p.m., last paragraph in regard
to Japan. 500A15a5/438

We concur in general with the comments made by the
Foreign Minister to you.

With regard to his QUOTE policy as far as possible
to strengthen the liberal element in Japan UNQUOTE, our
estimate, based on deliberate effort and close study along
that line, is that the QUOTE liberal element UNQUOTE falls
far short of any decisive or controlling influence.
Although development and emergence of the QUOTE liberal
element UNQUOTE should be given sympathy and encouragement,
not repeat not for a long time to come is that element
likely to have sufficient influence to render it a factor
to be relied upon for bringing the policies and action of
Japan into line with liberal thought in the family of
nations and voluntary respect for the rights and interests
of other countries. Hopeful reliance upon any early
emergence of the liberal element to a position of ascendancy
would be almost sure to be illusory. At the same time, at

Enciphered by

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

793.94/7202

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

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

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TELEGRAM SENT

Department of State

- 2 -

Washington,

1-138
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 PLAIN

present intrusion or appearance of intrusion by foreign powers in matters relating to Japan's policy in regard to China almost invariably operates toward uniting the various elements in Japan in opposition to what is portrayed by the military as unwarranted foreign intrusion in Asiatic affairs and toward inciting the military element to intensification and extension of their operations in China. Meanwhile, there exist in Japan social and political cleavages and issues with regard to domestic problems and procedure in the field of foreign relations. We believe that foreign governments which have rights and interests and obligations in and with regard to China, especially such as the American and the British Governments have in common, should on the one hand be economical of such diplomatic representations as serve only to inflame the Japanese and on the other hand avoid giving any assent to action taken by the Japanese in disregard or impairment of their rights. Our attitude and position in regard to American rights, interests and obligations, and in regard to the treaties and principles to which we are committed, remain unchanged. It may be that in action, objection to impairments or threatened impairments of tangible

Enciphered by

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

223

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

1-128
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PLAIN

- 3 -

Washington,

foreign interests, flowing from courses pursued by Japan, will have more deterrent and less inflammatory effect than emphasizing of violations of principles or pledges alone. We concur in the Foreign Minister's thought that there is danger of further action by Japan in and with reference to China which would infringe or disregard the provisions of the Pact of Paris; also, the provisions of other treaties. We view the situation as one in which recurring pressure outward and forward by Japan may be expected. We feel that the interested governments should endeavor, in such ways as may be practicable and appropriate, to exercise a wholesome and restraining influence. We believe that consultation between and among the foreign powers most interested, followed, in those cases where action is taken, by action on parallel lines and concurrently, tends greatly to promote the effectiveness of such efforts. We earnestly desire that there be cooperation as far as possible between and among the governments thus concerned. In this connection we especially welcome at all times suggestions from the British Government and opportunity frankly to discuss with them questions of ways and means.

Enciphered by

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

161

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

1-138
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Department of State

1-138

TO BE TRANSMITTED
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NONCONFIDENTIAL CODE
PARTAIR
PLAIN

- 4 -

Washington,

You may in your discretion use the foregoing in further conversations with the Foreign Minister in the event that he again brings up this question. You should not repeat not initiate the discussion.

Phillips
accy

FE:SKH/ZMK

FE

Enciphered by _____

Sent by operator _____ M.,

19

D. C. R.—No. 50.

1-138

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

JUL 27 1935

793.94/7202

No. 1722

STRICTLY CONFIDENTIAL

The Honorable

Nelson T. Johnson,

American Minister,

Peiping.

Sir:

There are enclosed for your strictly confidential information the code text of the last paragraph of telegram No. 309 of July 9, 1935, 6 p.m., from the American Embassy at London, and the code text of the Department's telegram No. 189 of July 20, 1 p.m., to the Embassy, in reply.

As it is believed that the information contained in the enclosed code texts will also be of interest to the Counselor of Legation at Nanking and as the Department's records show that there are no current cipher tables at Nanking for the code used in these telegrams, the Legation is requested to prepare and to send to Nanking, by an American Government officer proceeding there from Peiping, a copy of the true reading of each of the enclosed code texts.

Copies of the enclosed code texts are also being sent to the American Embassy at Tokyo.

Very truly yours,

WILBUR J. CARR
Acting Secretary of State.

Enclosures:
Copies of two code texts.

FE:EW/VDM
7-25-35

FE

DCR



793.94/7202

JUL 26 1935

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

JUL 27 1935

No. 812

STRICTLY CONFIDENTIAL

Edwin L. Neville, Esquire,
 American Chargé d'Affaires ad interim,
 Tokyo.

Sir:

There are enclosed for your strictly confidential information the code text of the last paragraph of telegram No. 309 of July 9, 1935, 6 p.m., from the American Embassy at London, and the code text of the Department's telegram No. 189 of July 20, 1 p.m., to the Embassy, in reply.

Copies of the enclosed code texts are also being sent to the Legation at Peiping for the information of the Minister and of the Counselor of Legation resident at Nanking.

Very truly yours,

Very truly yours, of the:

ALFRED J. CARR

Acting Secretary of State.

793.94/7202

Enclosures:
 Copies of two code texts.

JUL 28 1935

FE:EW/VDM
 7-24-35

FE

DCR
 D42.

793.94/7202

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

NO. -----

AMERICAN CONSULATE GENERAL

Mukden, Manchuria, June 25, 1935.

SUBJECT: 1-1403 ***

Transmission of Copy of Despatch on Interview
between Consul General Butler and Major General
Itagaki on North China Situation.

THE HONORABLE

THE SECRETARY OF STATE

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

WASHINGTON.

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

I have the honor to enclose herewith a
copy of my despatch No. 124 of June 24, 1935 to
the Legation at Peiping, China, entitled "Inter-
view between Consul General Butler and Major
General Itagaki on North China Situation".

Respectfully yours,

J. W. Ballantine,
American Consul General.

Enclosure:

Copy of despatch No. 124
to Legation at Peiping.

800
wyp

793.94/7203

FILED
JUL 25 1935

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F/G

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

No. 124.

AMERICAN CONSULATE GENERAL,

Mukden, Manchuria, June 24, 1935.

SUBJECT - Interview between Consul General Butler
and Major General Itagaki on North
China Situation.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

1/- I have the honor to enclose a copy of a KOKUTSU article which appeared in the MANCHURIA DAILY NEWS on June 22, reporting an interview at Hsinking between my British colleague, Consul General Butler, and Major General Itagaki, Vice Chief of Staff of the Kwantung Army, concerning the situation in North China.

Itagaki's statements to Mr. Butler were confined to the stereotyped apologia which had been previously published by army spokesmen in Peiping and Tientsin, and the interview is of interest chiefly because of the manner in which it was made public.

The interview was held on June 17, not June 22 as stated in the article. On June 18, a brief account of the interview was given in KOKUTSU, Mr. Butler being described as "a Consul General of a certain country". The JAPAN ADVERTISER of June 19 carried a short RENGO account of the interview naming Mr. Butler, and the enclosed article gives the essentials of the whole

interview

- 2 -

interview with reasonable accuracy.

It has been my previous experience that Japanese officials (except those connected with the Foreign Office) and especially the military have a strong predilection for giving publicity to interviews of the kind, and possibly one of the motives is to gain credit with the Japanese public for an unyielding attitude towards foreign powers, one of the favorite subjects of public criticism being the "weak-kneed" attitude of the Foreign Office. While Mr. Butler, although taking exception to the ethics of such publicity, feels that no particular harm has been done in this instance, the case is illustrative of the care that has to be exercised in avoiding in private conversation any statements of opinion or "leading questions" the publication of which would be undesirable. Fortunately there has been no publicity in connection with my interview with Colonel Ishimoto reported in my despatch No. 120 of June 20.

2/-

As of possible interest, I also enclose a translation of a KOKUTSU article containing comments on the North China situation by Professor Holcombe, of Harvard University, who recently visited Hsinking. It is my understanding that Professor Holcombe gave no newspaper interviews on political subjects, so that this article is probably based on supposedly private conversations with Hsinking officials which were disclosed to the press without Professor Holcombe's knowledge. Whatever Dr. Holcombe said, the newspaper account appears to be thoroughly garbled and conveys very little definite meaning.

Respectfully

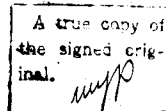
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

Respectfully yours,

JOSEPH W. BALLANTINE

J. W. Ballantine,
American Consul General.



✓
Enclosures:

- 1/- Copy of a KOKUTSU article in THE MANCHURIA DAILY NEWS.
- 2/- Translation of a KOKUTSU article in the MANSHU NIPPON.

Five copies to Department by despatch No. ----
dated June 25, 1935.
Copy to Embassy, Tokyo.
Copy to Consulate General, Harbin.
Copy to Consulate, Dairen.

800
JWB/AWE:wyp

DECLASSIFIED: E.O. 11652, 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. 124 of J. W. Ballantine, American Consul General, Mukden, Manchuria, dated June 24, 1935, to the Legation at Peiping, China, on the subject: "Interview between Consul General Butler and Major General Itagaki on North China Situation."

SOURCE: MANCHURIA DAILY NEWS,
June 22, 1935.

C O P Y

ITAGAKI INTERVIEWED

Japanese Demands Explained Based on Rigid Agreements

Soviet-Japan Relations Improves

KOKUTSU

Hsinking, June 22 - "The Japanese demands to the Chinese authorities are based on the terms of the Tangku truce agreement and the Boxer agreement," Maj.-General Seishiro Itagaki, Vice-chief-of-staff of the Kwantung Army, told Mr. P. D. Butler, British Consul General in Mukden, at a 40-minute interview held here at the army headquarters.

The interview dealt with the North China situation and Soviet-Japanese relations.

As regards the relations between Soviet Russia and Japan, Maj.-General Itagaki told the British Consul General that viewed broadly, Soviet-Japanese relations have improved since last year.

The following questions and answers were exchanged between the Maj.-General and the Consul General:

Question: What is the attitude of the Kwantung army toward the North China question and is the Kwantung army satisfied with the Chinese attitude?

Answer: As General Ho Ying-chin, chairman of the Peiping branch of the National Military council, on June 10 accepted all the demands of the Japanese army, the remaining question is that whether or not the Chinese authorities will carry out the demands with sincerity.

Question: What is the substance of the Japanese demands?

Answer: Our demands are based on the terms of the Tangku truce agreement and the Boxer agreement. The substance of the demands has been reported by newspapers many times.

In the concrete, they are the dismissal of General Yu Hsueh-chung as chairman of the Hopei Provincial government and the withdrawal of various

organs

- 2 -

organs of the central government from North China. They have been all complied with by the Chinese authorities.

Question: In accordance with the demand for the withdrawal of the Central army from Hopei Province, I understand that the 25th Division has already evacuated the province.

Are the Chinese troops going to be completely withdrawn from North China, and the Tangku truce demilitarized zone extended to include Hopei province?

Answer: Personally, I do not think so. The Japanese army has no intention of extending the demilitarized zone as far as Peiping and Tientsin.

The object of the army is the establishment of peace in North China and this is an important question not only to Japan but also to every country in the world.

What the army is insisting on is that the Chinese authorities make clear their responsibility for the recent incidents in the demilitarized zone and the Japanese concession in Tientsin.

The transfer of the 25th Division does not mean the total absence of Chinese troops from North China as General Shang Chen's troops are expected to remain in Hopei.

Question: Have General Shang's troops pledged their allegiance to the Central government and are they going to obey the government's orders or are they under the command of General Shang?

Answer: Needless to say they will obey the orders of the Central government.

Question: Both Great Britain and the United States are attaching importance to the movement by the people for self-government in North China. What is the attitude of the Japanese army toward this movement?

Answer: I have no knowledge of such a movement as reported by newspapers, and the Japanese army has not received any official report.

The Japanese army is not concerned in the internal affairs of China, and moreover has no such intention.

China today is not unified and such a movement is nothing new in that country.

Question: What is the Japanese attitude toward the Chahar question?

Answer: There have been repeated anti-Japanese acts on the part of General Sung Che-yuan's troops in the past.

The second

- 3 -

The second Changpei incident arose as a result of the illegal detention of four members of the Kwantung army's special service department.

As regards this incident, the army has submitted demands and are at present conducting negotiations. The substance of the demands can not be made public.

Question: I am aware that Soviet-Japanese relations have shown some improvement since last year. What are your impressions of the present Soviet-Japanese situation?

Answer: There are some on the eastern Manchoukuo-Soviet frontier where the boundary line is not clear, and it is regrettable that clashes occur occasionally between Manchoukuo and Soviet troops.

Recently two Soviet soldiers entered Manchoukuo territory in the vicinity of Yanglintzu in disregard of signals by Manchoukuo sentries and one of them was unavoidably killed.

It is most regrettable that Soviet newspapers should have published a totally different report of the incident.

From a broad standpoint, however, Russo-Japanese relations have improved since last year.

Question: Although it is believed that Soviet Russia will not withdraw even a portion of her troops from the Soviet-Manchoukuo frontier, what are your impressions?

Although War Minister Senjuro Hayashi is reported to have stated the necessity of perfecting the Japanese troops in Manchuria in the future, does he mean the 9th Division as reported in the press?

If the Kwantung Army increases her military strength, there is no doubt that the Soviet would also increase hers. Would this not bring about a danger of aggravating the relations between Japan and the USSR?

Answer: I can not believe that the Soviet would withdraw even a portion of her troops from the frontier. She is actually double-tracking railways in the hinterland and strengthening the border defenses.

The perfection of the Japanese troops in Manchuria as stated by War Minister Hayashi means the readjustment and replenishment of the present troops.

The despatch of the 9th Division is none other than to relieve the present troops in Manchuria.

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

Enclosure No. 2 to despatch No. 124 of J. W. Ballantine, American Consul General, Mukden, Manchuria, dated June 24, 1935, to the Legation at Peiping, China on the subject "Interview Between Consul General Butler and Major General Itagaki on North China Situation."

SOURCE: MANSHU NIPPON, Dairen,
June 24, 1935.

TRANSLATION

VIEWS ON NORTH CHINA SITUATION OF HOLCOMBE
AMERICAN FAR EASTERN EXPERT

KOKUTSU

Hsinking, June 22 - Mr. Holcombe, Professor of Political Science at Harvard, who is an expert on Far Eastern Affairs is on a lecture tour and who expects to interview Chiang Kai-shek, recently came to Hsinking where he has been making a round of calls to exchange views. On the occasion of a call upon a certain important person before his departure on June 21, he expressed the following opinions on the North China situation:

"North China has an excessive population and is of very little value except as a buffer zone. Chiang Kai-shek has taken advantage of the North China situation and made use of the anti-Japanese agitation to effect a rapprochement with the South West Faction. He will make the most of the opportunity to unite all China except the north. Originally Chiang's sphere of influence lay in central China only, and North China was only a source of trouble. In case a second Manchukuo is established in North China, finally the necessity will arise for it to move southwards. I consider the establishment of a buffer state in North China inevitable, and that that such a buffer state should be an independent state which recognize the power of the Nanking Government to a certain extent."

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

Enclosure No. 2 to despatch No. 124 of J. W. Ballantine, American Consul General, Mukden, Manchuria, dated June 24, 1935, to the Legation at Peiping, China on the subject "Interview Between Consul General Butler and Major General Itagaki on North China Situation."

SOURCE: MANSHU NIPPON, Dairen,
June 24, 1935.

TRANSLATION

VIEWS ON NORTH CHINA SITUATION OF HOLCOMBE
AMERICAN FAR EASTERN EXPERT

KOKUTSU

Hsinking, June 22 - Mr. Holcombe, Professor of Political Science at Harvard, who is an expert on Far Eastern Affairs is on a lecture tour and who expects to interview Chiang Kai-shek, recently came to Hsinking where he has been making a round of calls to exchange views. On the occasion of a call upon a certain important person before his departure on June 21, he expressed the following opinions on the North China situation:

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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

August 13, 1935

U:
Mr. Phillips.

S:
Mr. Secretary.

I believe that you will wish to read the attached thoughtful despatch No. 3679 of July 10, 1935, written by Minister Johnson, on the subject "Effect upon China of recent activities of Japanese military".

m. m. f.
MMH/REK

DECLASSIFIED: E.O. 11652, 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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O.N.I. AND M.I.D.

TELEGRAM RECEIVED

MED

FROM

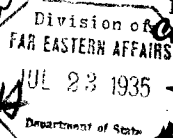
GRAY

PEIPING VIA N.R.

Dated July 23, 1935

Received 9:40 a.m.

Secretary of State
Washington, D. C.



373, July 23, 10 a.m. (Section one).

Reasons for continued disrespect of Japanese military with regard to Chinese "sincerity" were explained by Major Takahashi to American press correspondent as follows; (one) Chinese anti-Japanese boycott persists especially in the Yangtze Valley region, in part because China insists that name of country of origin be placed on imported goods and in part because Chinese are afraid of Kuomintang activities against them in case they buy Japanese goods; (two) Japanese goods do not receive the same administrative treatment by Chinese Customs as do other foreign made goods; and (three) anti-Japanese education still exists in Chinese schools. Takahashi said that if verbal representations could change the Chinese attitude the Japanese military would be gratified but if not, then pressure would have to be exerted.

Two.

793.94/7204

FILED

JUL 26 1935

F/G

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

- 2 - 373, From Peiping, July 23, 10 a.m.

Two. Japanese press also continues to report dissatisfaction of Japanese military. According to press statement of Japanese military headquarters at Tientsin various former anti-Japanese agitators of the Kuomintang are continuing their activities through the Chinese Chamber of Commerce and other organizations (this allegation has been categorically denied in a signed statement by an officer of the Chamber); the movements of Japanese military officers are being watched; and anti-Japanese education is still found in schools.

Three. The reason for the meeting at Hsingking July 17, of important Japanese military officers of North China and elsewhere is unknown. Takahashi claims that economic development in North China was not discussed. Local observers are inclined to believe it had some connection with recent enforced resignation of General Masaki at Tokyo.

JOHNSON

CSB: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

TELEGRAM RECEIVED

of paraphrase
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MED FROM
This telegram must be
closely paraphrased
before being communi-
cated to anyone (a)

PEIPING

Dated July 23, 1935

Received 9:10 a.m.

Secretary of State,
Washington, D. C.

373, July 23, 10 a.m. (Section two).

Four. These continued references to the Kuomintang which has been eliminated from Hopei and which is weak elsewhere in North China indicates the Japanese are more or less attempting to bring about some compromise on the part of the Kuomintang in Central China in addition to understandings already arrived at as well as some understanding with Chiang Kai Shek. It is possible that increased Japanese activities in North China (where there seems to be considerable activity on the part of old Anfu clique officials) may be awaiting the outcome of pressure on the National Government and Chiang Kai Shek. I am reliably informed that Chiang's German advisers are leaving as their periods of engagement expire; that Chiang intends to stay at least one year in Szechuan having rented foreign mission houses; that he is having brought to Chentu some heavy guns which could

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

- 2 - #373, From Peiping July 23, 10 a.m.

could not be intended for the anti-communist campaign indicating that he is establishing himself in Chengtu for self defense. (Reference Shanghai's 404, July 17, 1 p.m.)

Five. Paralleling these developments are Japanese press reports that the Japanese wish to help Chiang in his campaign against communists and "in any way possible" in regard to economic problems. The first step in such help would presumably be the appointment of Japanese advisers.

Repeated by mail to Nanking and Tokyo.

JOHNSON

CSB:HPD

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

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FE

REP

1-1226

FROM

GRAY

Peiping via N. R.

Dated July 23, 1935

Rec'd 2:25 p. m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
JUL 23 1935
Department of State

374, July 23, 3 p. m. (SECTION ONE)

17170

Reference paragraph one of my telegram No. 352,
July 12, 6 p. m.

Consul General at Tientsin reports in despatch to
Department No. 18, July 20, that he has been informed
that rumor of construction of electric railway between
Tientsin and Tangku is groundless but that local
Japanese authorities have approached the Mayor with request
that a hard surfaced motor road be built between
those two cities. The Consul General also reports that
he has been privately informed that a number of Japanese
who did not appear to be connected with any known
business or other organization have recently arrived at
Tientsin and rented offices and quarters; that it is
believed that they may be investigating possibilities of
economic developments; that there does not appear to be
any notable participation by Chinese in these activities;
that the Kokusai Unsu Kaishaam allegedly said that

Japanese

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FILED
JUL 26 1935

F/G

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

REP

2-#374, From Peiping, July 23, 3p.m.
(Sec. One)

Japanese organization has added 20 Japanese to its staff
more than doubling the former number; and that that
company plans to operate bus lines in North China.
(END OF SECTION ONE)

JOHNSON

WSB

KLP

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

TELEGRAM RECEIVED

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MED FROM
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closely paraphrased
before being communi-
cated to anyone (a)

PEIPING

Dated July 23, 1935

Received 7:21 a.m.

Secretary of State,
Washington, D. C.

374, July 23, 3 p.m. (Section two).

Consul General at Mukden reports in despatch
July 16, that there is very little of a concrete
nature in his consular district with regard to
Japanese economic development of North China and
expresses the suspicion that much of the publi-
city on this subject is military propaganda for
the purpose of (one) distracting attention from
the unprofitableness of the Manchurian adventure;
(two), justifying the recent Japanese forward
movement in North China; and (three) supporting
demands of Tokyo War Department for larger budget.

The Legation has been unable as yet to obtain
evidence of concrete developments of importance in
Japanese economic exploitation of North China.

By mail to Nanking and Tokyo.

JOHNSON

CSB:HPD

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

(CONFIDENTIAL)

PARAPHRASE

Section 2 of a telegram (No. 374) of July 23, 1935, from the American Minister at Peiping reads substantially as follows:

A despatch dated July 16, 1935, from the American Consul General at Mukden states that there is very little concrete information in the Mukden consular district concerning economic development of North China by Japanese and the Consul General suspects that much of the publicity in regard to this matter is military propaganda put out in order (a) to support the Japanese War Department's demands for an increased budget, (b) to justify the recent movement forward by the Japanese into North China, and (c) to divert attention from the fact that the adventure in Manchuria has proved unprofitable.

Up to the present time the Legation has not been able to obtain information indicating that there have been important concrete developments in the economic exploitation of North China by Japan.

733.94/7205

29.C.

FE:EGC

FE

VII-24-35

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

TELEGRAM RECEIVED

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

SPECIAL GRAY

Shanghai via N. R.

Dated July 24, 1935

Received 7 a.m.

1-1336

FROM

Secretary of State,

Washington, D. C.

422, July 24, 8 a.m.

CONFIDENTIAL.

Division of
FAR EASTERN AFFAIRS
JUL 24 1935
Department of State

One. The spokesman of the Japanese Embassy Nanking stated that Japan was prepared if necessary to resort to open declaration of war against China in order to protect her aims. He stated that Japan placed a time limit upon her patience. Chang Kai Shek has generally speaking two months to determine whether he will openly and actively become friendly to Japan or be prepared to fight. Unless Chang leaves Szechwan and assumes responsibility of the government drastic action must result. This is understood to mean that Japan intends at an early date to dominate the Yangtze Valley in the same manner that she has recently North China. The foregoing is a paraphrase of an item cabled to the NEW YORK TIMES. The correspondent states that this act will constitute a direct challenge to British and American positions in the Yangtze provinces.

Two. In addition to the political significance it

is a

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JUL 2 1935

F/G

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

- 2 - #422, From Shanghai July 24, 8 a.m.,
is a matter of unusual interest that the foregoing was
permitted by the Chinese censors at Shanghai to be
abled without censorship and it tends to confirm my
telegram No. 315, /⁷⁰⁴⁹ June 15, 9 a.m., to the effect that
the Chinese are now anxious to have an unbiased version
of sino-Japanese developments brought to the world's
attention.

Repeated to the Legation.

CUNNINGHAM

CSB:WSB

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

DEPARTMENT OF STATE
RECEIVED

TELEGRAM RECEIVED

FS

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

FROM

Nanking

Dated July 25, 1935

Rec'd 9:10 a. m.

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

Secretary of State,
Washington.

Division
FAR EASTERN AFFAIRS

JUL 25 1935

Department of State

216, July 25, 9 a. m. (Section one).

One. I am informed by a Chinese official of Cabinet rank that Chiang Kai Shek has yielded to Japanese pressure and pleas of government leaders for a more definitive direction of affairs than is possible from Szechuan and that he now plans to come to Nanking August 6th. Suma recently reiterated the statement of other Japanese spokesmen that Chiang must shortly declare himself without equivocation in respect to Sino-Japanese issues "or it would be the worse for him" and if Chiang actually arrives it is expected that the probable future trend of Sino-Japanese developments in the Yangtze Valley and elsewhere in China will become more clearly delineated. It seems generally believed in Chinese official circles that whatever open (repeat open) stand Chiang may take, he will continue in his general policy of attempting to consolidate the west and of preparing to resist the Japanese by force if they attempt to extend their hegemony

into,

793.94/7207

FILED
JUL 30 1935

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

FS 2-No. 216, July 25, 9 a. m. from Nanking

into the Yangtze Provinces. But the National Government itself is imbued with defeatism; the belief is prevalent that it is too late to fight and it is feared that if Chiang should order resistance the Japanese will destroy his military in this region and the present government personnel will be replaced by officials selected by whatever military man is subsequently permitted by the Japanese to be in control here. It is noteworthy that rumors persistently state that numbers of Chinese officials and politicians are making overtures to the Japanese looking to Japanese influence to secure them appointments if and when Japan moves to dominate the National Government.

Two. One internal development now envisaged by several highly placed sources is that the failure of Wang Ching Wei to obviate Chiang's reported capitulations to Japanese wishes that he come to Nanking will mean the termination of Wang's political career in the present government whether or not Wang recovers from his illness. Section two follows by radio.

CSB:HPD

ATCHESON

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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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RB

1-1386

FROM
DEPARTMENT OF STATE
RECEIVED
JUL 25 1935
DIVISION OF

SPECIAL GRAY

Nanking via N.R.

Dated July 25, 1935

Rec'd 10:50 a. m.

Secretary of State

Washington.

216, July 25, 9 a. m. (Section two).

Three. Otherwise the situation here has not (repeat not) recently been distinguished by any clear cut political developments. It has been my impression that government leaders have looked for a respite perhaps of some weeks duration before any new crisis should arise either vis a vis Japan or in domestic politics. They appear to have been waiting, as apparently have also the Japanese, for Chiang to take a decisive open stand in respect to Sino-Japanese issues and there are indications that Chinese official circles have in a sense been coming to share the view of the Japanese spokesman mentioned above. They have appreciated Chiang's desire to dissociate himself from any openly controlling connection with Sino-Japanese problems but they have come to realize that Chiang must declare himself unequivocally if further major international difficulties are to be avoided or if

he

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

RB

2-#216, July 25, 9 a.m. Nanking
(Section two)

he himself is to maintain his predominant position in Chinese affairs.

Four. The foreign press in Shanghai has published reports which appear to have emanated from a Japanese daily there of a probable change in the mayoralty of Shanghai and a reallocation of the chairmanships of Anhwei, Chekiang, Hupeh and Fukien and I have been informed by a reliable official Chinese source that a reshuffling of these provincial posts was being considered at the suggestion or request of the Japanese. I have, however, been unable to confirm this latter statement; it may well have resulted from the recent meetings here and in Shanghai of the Provincial Chairman of Fukien, Kiangsi, Chekiang and Hupeh military. I have seen no indication that Chinese Government circles entertain any immediate fear that ^{no}pro~~posed~~ Japanese activities in the Yangtze Valley have as yet extensively commenced.

Five. I am informed by an official source close to an important government leader that no new appointments to Wang's concurrent posts are likely for some time. Kung will continue to function as acting head
of the

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

RB

3-#216 July 25, 9 a.m. from Nanking
(Section two)

of the Executive Yuan and the two vice ministers for Foreign Affairs will direct the Foreign Office. This source states that an invitation will be sent to Hu Han Min to join the government and that Hu is (?) expected to nominate Wang Chung Hui in his stead. It seems too early, however, for schemes of this nature to be accepted as plans which are probable of consummation, since prior developments in major international issues are likely to intervene and dictate an entirely different course of action.

Six. Both sections repeated to Department and Peiping. To Tokyo by mail.

ATCHESON

W/SB

CSB

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

(CONFIDENTIAL)

PARAPHRASE

Section one of a telegram (No. 216) of July 26, 1935, from the Consulate General at Nanking reads substantially as follows:

According to information received from a high ranking Chinese official, General Chiang Kai-shek has decided, as a result of pleas of Government leaders and pressure from the Japanese, to direct affairs more definitively than he is able to do from Szechuan Province and now plans to come on August 6 to Nanking for this purpose. Recently the Secretary of the Japanese Embassy repeated the statement made by other Japanese spokesmen to the effect that before long General Chiang must state unequivocally his attitude toward the issues between China and Japan "or it would be the worse for him" and that the probable trend in future of Sino-Japanese developments in the region of the Yangtze and other parts of China is expected to be outlined more clearly if General Chiang does in fact return to Nanking. Chinese officials seem generally to believe that regardless of what stand General Chiang may take openly he will go on with his general policy of trying to consolidate West China and of getting ready to resist Japan forcibly if that country tries to extend its hegemony over the provinces of the Yangtze. However, the Nanking Government itself is filled with a feeling of defeatism and there is prevalent a belief that it is too late to fight. There is a fear that Chiang's military in this area will be destroyed by the Japanese if he should order resistance and that the present Government of-

officials

DECLASSIFIED: E.O. 11652, 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 -

officials will have to give way to officials selected by whatever military man the Japanese later allow to control the area. It is of interest to note that there are persistent reports to the effect that many Chinese politicians and officials are making overtures to the Japanese with a view to obtaining appointments through Japanese influence if and when the Japanese Government moves to control the Government at Nanking.

Several highly placed persons foresee as one internal development the end of Wang Ching-wei's political career in the present Government regardless of whether he regains his health due to the fact that he (Wang) failed to make unnecessary Chiang's reported surrender to Japanese wishes in the matter of returning to Nanking.

793,94/7207

29.C.
 FE:EGC

W
 FE

VII-26-35

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Nanking/88 FOR #-

FROM Nanking (Atcheson) DATED June 12, 1935.
TO NAME 1-1157 ***

REGARDING: Japanese Military Demarche in North China.

FRG.

793.94/ 7208

7208

793.94
Japanese military demarche in North China.

Two Chinese editors of unimportant journals published in the Japanese Concession at Tientsin which had favored Sino-Japanese "cooperation" were assassinated on May 3, allegedly by "Blue Shirts" or agents of some kind of the Chinese Government or of General Chiang Kai-shek.

Immediately following the elevation of the Japanese Legation, and press despatches reporting the dissatisfaction of certain Japanese military officials with the compliment to China, reports were received that the Japanese Army in North China was regarding the assassination as a most

serious matter affecting the relations of China and Japan. On May 21 the press reported a clash in the demilitarized zone between a force of Japanese troops who had penetrated intramural China from "Manchukuo" and the so-called volunteers of one Sun Tung-shing who had fled from or been driven by other Japanese troops from Jehol where they had been operating for some time. By May 24 it was reported that Sun had been killed in battle and the volunteers practically annihilated by Japanese troops. On May 25 it became apparent that as a result of the two "incidents" the Japanese military in the north had launched upon a new demarche which might have far-reaching consequences and which rapidly created a serious crisis. It was reported that Japanese officers demanded the removal of General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, and the replacement of other Chinese officials, and on May 29 armed Japanese troops of the Japanese Garrison in Tientsin demonstrated

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

-7-

before the headquarters of the Provincial Government in Tientsin and other Chinese government offices. On that day also the Japanese Military Attache's office in Peiping announced that a warning had been given the Chinese Minister of War and concurrently Chairman of the Peiping Branch Military Affairs Commission in connection with the alleged assistance given by Chinese authorities to the assassins of the two editors and to the incursion of Sun's "volunteers" into the demilitarized zone.

Following the warning further demands were presented orally to the Chinese authorities in the north by Japanese military officials looking to the elimination of all Chinese officials in that region who have stood in the way of Japanese hegemony, the removal from the province of all Central Government troops, including the 51st Army Corps of General Yu and other remaining units of the Northeastern Armies so that the area would be practically demilitarized, the suppression of the Kuomintang and other Chinese official or private organizations which the Japanese considered inimical to their interests. Threats of direct military action to enforce these demands inclined some quarters to believe that ulterior motives behind the demarche included the forced recognition of "Manchukuo" and the extension of the demilitarized zone to include the Peiping-Tientsin area. This seemed, however, somewhat premature; as viewed in Nanking the purpose of the demarche was to place the Japanese military in virtual control of North China through a new Chinese administration compliant to their wishes and as one phase of the demarche there seemed to be materializing a campaign of criticism leveled by Japanese military

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

-3-

officers against General Chiang Kai-shek which appeared to look to the complete destruction of his authority in North China and a general restriction of his personal power and prestige in the country as a whole.

Reports reaching Hankow indicated that ⁱⁿ the demerits to be seen in another example of the curious dualism in Japanese policy toward China -- the divergence between the policy of the military and that of the Foreign Office -- and the action of the Japanese troops in the north was not only contrary to the intentions and wishes of the Japanese Foreign Office but was even contrary to instructions of the Japanese General Staff.

DECLASSIFIED: E.O. 11652, 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 611b.9417/20a FOR Tel.#109,8pm
FROM Japan () DATED July 16, 1935.
TO NAME 1-1187

REGARDING: Relations ; treaties, between China and Japan.
Leaves to the judgment of the Ambassador selection
of other matters which might appropriately be dis-
cussed with the Foreign Minister.

793.94/ 7209

7209

DECLASSIFIED: E.O. 11652, 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 841.00 P. R./395 FOR Despatch #1551

FROM Great Britain (Johnson) DATED July 1, 1935
TO _____ NAME _____ 1-1157 ***

REGARDING: Relations between China and Japan. Statement of Sir Samuel Hoare in the House of Commons that as far as he was aware British interests and treaty rights in North China had not been effected by recent events there. Reference to British policy in Far East.

fp

793.94/7210

7210

China.

Sir Samuel Hoare in the House of Commons last week stated that so far as he was aware British

interests/

- 6 -

interests and treaty rights in North China had not been effected by recent events there and that the whole course of British policy in the Far East was naturally directed toward the protection of British treaty rights and the maintenance of the "Open Door" policy.

Replying to another question, Sir Samuel said, "As soon as the Chinese Government had been informed of the appointment of Sir Frederick Leith-Ross, His Majesty's Government communicated with the United States, French, Japanese, and Italian Governments and expressed their hope that these Governments would take similar action. I have not as yet received any intimation of their intentions in this respect."

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

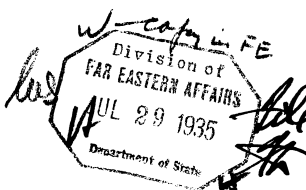


LEGATION OF THE
UNITED STATES OF AMERICA

RECEIVED
No. 3661 DEPARTMENT OF STATE Peiping, July 3, 1935.

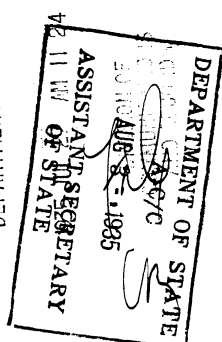
Subject: Views of the Minister of Industry
on Japan's policy in China.

DIVISION OF
COMMUNICATIONS
AND RECORDS



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

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to forward a copy of confidential despatch No. L-721 of June 27, 1935, from the Legation at Nanking, with which is enclosed a copy of a memorandum of a conversation during which the Minister of Industries described the contents of a report allegedly giving the policy of the Japanese military with regard to China.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Carbon Copies
used

Enclosure:
1, as stated.
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LES-SC
Original and four copies to
Department.

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AUG 7 - 1935

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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

L-721 Diplomatic

Nanking, June 27, 1935.

CONFIDENTIAL

Subject: Sino-Japanese Issues; remarks of the
Chinese Minister of Industries.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Sir:

I have the honor to enclose a memorandum of a conversation with the Chinese Minister of Industries on June 27, 1935, on the occasion of Counselor Lockhart's call upon that official.

Dr. Chen stated that he thought the situation in North China had quieted only temporarily because the aims of Japanese policy in China had not been attained and in this connection he described the contents of a report said to have been adopted at a conference of Japanese staff officers in Tokyo a month ago.

In regard to the situation of the Southwestern faction vis-a-vis the National Government, he stated that the Japanese had tried to persuade Marshal Chen Chi-tang to declare the independence of Kwangtung and Kwangsi.

Respectfully yours,

For the Minister:

George Atcheson, Jr.,
Second Secretary of Legation.

Enclosure:

Memorandum of conversation
dated June 27, 1935.

Original and 5 copies to Peiping,
Copy to the Embassy at Tokyo.

GAjr:HR

A true
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that *HR*

DECLASSIFIED: E.O. 11652, 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 OF CONVERSATION

Nanking, China,
June 27, 1935.

CONFIDENTIAL

Subject: Sino-Japanese Issues: Remarks of the
Chinese Minister of Industries.

Mr. Chen Kung-po, Chinese Minister of Industries.

Mr. Lockhart.

Mr. Atcheson.

During the course of a lengthy conversation at the Ministry of Industries on the occasion of Mr. Lockhart's call this morning, Dr. Chen stated that he thought the situation in North China had quieted only temporarily and that Sino-Japanese issues in respect to that area were not really settled because the aims of Japanese policy had not been attained. In this connection he stated that the Chinese Government had secretly obtained a copy of a report defining Japanese military policy in China which, he said, had been adopted at a conference of Japanese staff officers held in Tokyo about one month ago. He said that Japanese military staff officers from China were included in the conference, and he went on to outline the contents of the report, which as he described them may be summarized as follows:

The first tenet of policy must be to keep China in a weakened condition as compared to Japan so that in case of aggression against China by a third power China will look to Japan for assistance; that North China must be brought under Japanese control by any means necessary, the term

"North China"

-2-

the
"North China" meaning territory north of old course of the
Yellow River thus including Haichow; that assistance should
not be given by Japan to any particular faction in China
but on the other hand civil wars should not be fostered; and
that assistance and support should not be given to any one
leader to enable him to increase his power.

In regard to the Southwest Dr. Chen stated that one of
the Japanese officers who was at the conference in question
had suggested to Chen Chi-tang that the time was opportune
for an open break with Nanking and the establishment of an
independent government for at least the provinces of Kwang-
tung and Kwangsi because of the extension of Chiang Kai-shek's
control over Kiangsi and Kweichow and the loyalty to Chiang
of Lung Yun, Chairman of the Provincial Government in Yunnan,
and also because Chiang and many of his troops were heavily
engaged in Szechwan. Chen, however, hesitated because he
was uncertain whether he would receive the foreign assist-
ance which the Japanese officer promised and because he was
also uncertain as to the extent of support he might receive
from friends and associates in other sections of China.

George Atcheson, Jr.,
Second Secretary of Legation.

GAjr:HR

DECLASSIFIED: E.O. 11652, 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 29, 1935.

MSM
MPH

The attached despatch
from Peiping (40 3669) contains
little information of importance
in regard to the "Fungtai
incident" which has not
been received by telegram.
The last paragraph of the
despatch is worth noting.

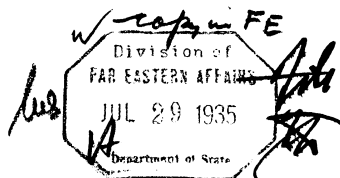
EW



LEGATION OF THE
UNITED STATES OF AMERICA
Peiping, July 5, 1935.

Subject: Fengtai Incident.

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DEPARTMENT OF STATE

1935 JUL 27 AM 11 21

DIVISION OF
COMMUNICATIONS
AND RECORDS

For Distribution-Check		Yes	No
Grade	X		
For	X		

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to my telegram No. 322 of June 28, 12 noon, in regard to the disturbance which occurred in the vicinity of Peiping on the night of June 27. As I indicated in that telegram, the trouble began at Fengtai, a railway junction about ten miles south of Peiping, where a number of plain clothes men, 117 of whom have since been taken into custody (Legation's telegram No. 330, July 2, 12 noon), seized an armored train and proceeded against Peiping. It is alleged that at the time they announced that they were on their way to establish the Independent State of

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- 2 -

of North China. As the Department was informed in my telegram No. 330, Mr. Yuan Liang, the Mayor of Peiping, told a member of my staff that among those arrested were four former Japanese military men, one Korean and many Chinese ex-soldiers who have served under Liu Kuei-t'ang and Shih Yu-shan. One Chinese official informed me that a large number of Chinese coolies were hired at \$3.00 a person by the instigators of the plot (who, he alleged, were Japanese) and that, having received their pay, the coolies immediately deserted the cause. It is difficult to ascertain who organized this abortive uprising. As the Mayor indicated, it was probably true that these men expected others within the city to take simultaneous action. However, the Peiping authorities, having previous information, were able to prevent collusion.

As was reported to the Department in Nanking's telegram No. 188 of July 1, 10 a.m., certain Chinese officials are of the opinion that the plot was conceived by Wan Kuo-pin, son of Wan Fu-lin, in conjunction with some irresponsible Japanese ronin in Tientsin. The most recent information (see my telegram No. 336⁷¹⁴⁷ of July 5, 2 p.m.) indicates that the entire incident may have been engineered by General Wan Fu-lin in order that he might put it down successfully and thereby enhance his own reputation. It is stated that his action was prompted by dissatisfaction with the treatment accorded the Northeastern forces. Moreover, it is believed that he hoped his plan would result in the ousting of Mayor

Yuan Liang

- 3 -

Yuan Liang, of Peiping, protege of Huang Fu, whom Wan Fu-lin is known to dislike. (General Wan Fu-lin has at present one division of 5,000 men stationed at Peiping, one cavalry division of 2,500 and one regiment of engineers numbering 1000 at Hsiyuan, a few miles west of Peiping, one division of 5,000 men at Langfang, which is half-way between Peiping and Tientsin on the railway, one division of 6,000 men at Liuliho, which is thirty three miles south of Peiping on the Ping-han Railway, and a cavalry division of 1500 at Paoting. These total 21,000 in strength.) However, as the CHEN PAO (Chinese) pointed out in an article, a translation of which appeared in the PEIPING CHRONICLE (Chinese owned, British edited) of June 30, 1935, circumstances in North China at present are such as to facilitate and encourage such uprisings. It names the following factors as being contributory to rebellion: 1) there is a group of disgruntled politicians and military men in North China who are ever on the alert for an opportunity to create trouble; 2) North China abounds in armed stragglers and disbanded soldiers; 3) the depression and natural disasters of the last few years have resulted in so much suffering and unemployment among the people that there are many willing to risk their lives for any action which might bring temporary relief from their present plight; and 4) the existence of a large area (the demilitarized zone in northern Hopei Province) where the Chinese cannot exercise their full authority and into which bandits and rebels frequently take refuge after causing trouble. The author of this article points out that while it is gratifying that

the

- 4 -

the uprising was so quickly suppressed, one should not assume therefrom that there will not be further disturbances and he advises that intensive precautions be taken to prevent a recurrence of such trouble. The article contains an echo of the feeling prevalent in Peiping at present that the situation in Hopei is particularly perilous and that one false step would result in serious consequences for China.

The Chinese authorities in Peiping appear to be doing everything in their power to avert the occurrence of any incident which might have unfortunate consequences. Martial law has been established and no one (except bearers of special passes) is allowed on the streets between 10 p.m. and 6 a.m. All public places of amusement such as restaurants, theatres, moving picture theatres, cabarets and the like must be closed by 10 p.m. How long these restrictions will be enforced with such rigidity it is impossible to say. As was indicated in my above-mentioned telegram No. 330, the Mayor of Peiping is not sanguine regarding the non-recurrence of future outbreaks similar to the recent trouble. His fears would appear by no means imaginary.

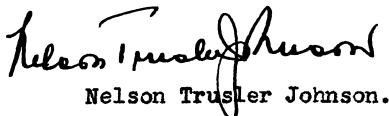
Although the Fengtai incident may not have been actually engineered by the Japanese, the possibility of a similar incident being instigated by Japanese exists. However, the situation in North China is at present so confused that definite prognostication is impossible. The general feeling is that incidents similar to the Fengtai incident will occur in the future and will

probably

- 5 -

probably end only when the Japanese military have obtained that degree of domination over North China which they desire. Whether such domination will come about through pro-Japanese officials acting more or less independently of Nanking, through military occupation, or through the establishment of a completely independent Northern State, it is difficult as yet to state. It is the general opinion locally, however, that the first of these alternatives will occur prior to either of the other developments.

Respectfully yours,


Nelson Trusler Johnson.

710

CBL/rd

Original and four copies to the Department.
Copy to American Embassy, Tokyo.
Copy to American Legation, Nanking.

DECLASSIFIED: E.O. 11652, 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. 10,150

Handwritten initials and markings

AMERICAN CONSULAR SERVICE.

793.94

American Consulate General,
Shanghai, China, June 24, 1935.

Subject: Shanghai Opinion Regarding
Sino-Japanese Relations.

Division of
FAR EASTERN AFFAIRS
JUL 2 1935
Department of State

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON

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DEPARTMENT OF STATE
JUL 11 1935

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1/ I have the honor to enclose a copy of a self-explanatory despatch No. 8709 of this date, with enclosures, from this Consulate General to the American Legation at Peiping in regard to the subject above mentioned.

ASSISTANT SECRETARY
OF STATE

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

FILED
AUG 12 1935

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 8709
with enclosures.

800
MBD MB

In Quintuplicate.

F/G

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

No. 8709

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, June 24, 1935.

Subject: Shanghai Opinion Regarding
Sino-Japanese Relations.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

With reference to my despatches Nos. 8687 and 8694 of June 18 and 20, 1935, respectively, and previous reports on local opinion regarding Japanese activities in China, I have the honor to state that interest has shifted recently from North China to developments in the Southwest and in Shanghai itself. During the past week happenings in Canton and Hongkong have been front-page news, what with the widely discussed departure of Hu Han-min at this particular time, and the dramatic withdrawal of the Chinese cruisers HAICHI and HAISHEN from Canton.

The motive commonly attributed to Hu Han-min for leaving just now is to avoid becoming associated in any way with a revolt backed by the Japanese. Some criticism is leveled at him for not sinking his personal antipathies and coming out definitely for a united China. As to the cruisers, the opinion has been expressed in the press that HAICHI and HAISHEN are obsolete, expensive and totally unsuited

DECLASSIFIED: E.O. 11652, 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-

unsuited to China's needs and that they should be put out of commission. According to an unconfirmed rumor received through police channels the Canton Government recently telegraphed Mr. Wang Chingwei demanding that the conditions imposed by the Japanese be published, together with such reply as may have been made thereto.

As to rumors to the effect that the Japanese had presented a series of demands to the Mayor of Greater Shanghai, reference is made to my confidential despatch No. 8705 of today's date. In a conversation with Captain J. M. McHugh, Intelligence Officer of the Fourth Marines, subsequent to the one reported in my despatch of June 20, 1935, Mr. T. V. Soong stated that Mayor Wu told him the Japanese had asked nothing more than that he warn the people to be careful. Mr. Soong vouchsafed the opinion in this connection that the Japanese are going to proceed carefully in Shanghai, and that they originally intended to go much farther in the North than they did but stopped for fear of arousing outright opposition from Great Britain. When asked whether they feared opposition from the United States, he said he thought they were fairly sure that the United States would not fight but were not so sure of Great Britain or Russia. To the question whether he anticipated a written agreement covering arrangements in the North, he replied in the negative expressing the belief that the Chinese could not possibly afford to sign such an agreement and that the Japanese would not press the matter further.

Apropos of the foregoing, it is understood that the ban placed on advertisements from Japanese firms since 1931 will be lifted effective today by the local Chinese press in accordance with orders issued by the Municipal

Government

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

-3-

Government of Greater Shanghai. It will affect the following publications:

Sin Wan Pao, 274 Hankow Road.
Shun Pao, 309 Hankow Road.
Shanghai Morning Post, 205 Shantung Road.
Min Pao, Lane 286, No. 6 Shantung Road.
Eastern Times, 302 Hankow Road.
China Times, 130 Avenue Edward VII.
China Evening News, 130 Avenue Edward VII.
Central China Daily News, corner Hankow and Honan Roads.

According to a police report dated June 22, a representative of the Municipal Government has expressed anxiety over the possibility that certain rabidly anti-Japanese elements here may organize demonstrations against these papers and create disturbances that may lead to further difficulties. A further report from the same source states that General Yang Hu, Commander of the Peace Preservation Corps, and concurrently a committee member of the Seamen's Kuomintang and the Chung Hwa Seamen's General Labor Union, has communicated with the Central Executive Committee of the Kuomintang offering to withdraw from the two organizations named on account of the antagonistic attitude of the Japanese toward him and a dispute that has arisen between seamen and their employers over a reduction in wages.

There has been considerable summing up of the general Sino-Japanese situation by local papers and a noticeable tendency on the part of most of them, especially the British papers, to avoid offending Japanese sensibilities. Contrasting sharply with the rather acrid editorials of THE NORTH CHINA DAILY NEWS (British) summarized in previous despatches, the leading article in its issue of June 21 anent Sir Samuel Hoare and Mr. Matsudaira was mild in the extreme. It contains the statements that whatever criticism may be incurred by certain developments of

Japanese

-4-

Japanese policy, British sympathy with the Japanese people and British admiration for the virility of the Japanese nation have never faltered", and that "Japan's right to outlets for her economic expansion cannot be fairly questioned by any nation, least of all by Great Britain." In view of recent happenings and the reaction of this paper to them, it is strange to read in this article that there is no reason why the mutual needs of China and Japan "should not be peacefully fulfilled by diplomatic contacts", that such a development is not inconsistent with China's national hope of unification, and that by the cooperation of Japan China's development can be assisted to the common benefit of both countries and the stability of the Far East as a whole. In Sunday's CHINA PRESS (Chinese owned, American registered) on the other hand a Havas despatch predicts a "less indulgent attitude --- by Great Britain in regard to Japan's action in China, as a result of the replacement of Sir John Simon."

2/ THE SHANGHAI TIMES (British), which is frankly pro-Japanese, frankly advised China to recognize Manchukuo in these words:

"It would be unwise, however, to overlook the enormous difficulties which are bound to continue to perplex the North so long as there is a refusal to recognize the new State of Manchukuo---. This is a situation which must, at some time or another, be regularized, and it is truly an expression of friendliness to China to suggest that the earliest possible opportunity, consistent with domestic political safety, be taken officially to admit that Manchukuo exists."

On June 17, 1935, three Chinese dailies published articles calling on the people to stand behind the Government.

THE

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THE MORNING POST calls attention to the importance of uniting at a time described as more critical than the period at the close of the Boxer trouble, when the Powers although bent on inflicting punishment had no intention of causing China to perish. THE SIN WAN PAO considers that the situation is one to be handled with composure and equanimity since precipitate action often makes matters worse, and that all Chinese nationals should be of one mind instead of going in different directions, acting rashly or looking on the dark side of things. THE SHUN PAO urged the use of judgment at this critical time, since rash acts may make matters worse. China is compared with a ship in distress, and all are asked to place confidence in the helmsman and cooperate with him in the hope that they may thereby be saved.

THE CHINA WEEKLY REVIEW (Chinese and American registered) of June 22, 1935, shows no perceptible change of front. In an article entitled "Economic Significance of Japanese Aggression in North China", it is asserted that Japan wishes to escape dependence upon foreign sources for raw materials, especially cotton, and a Tokyo despatch is quoted as advocating a lasting economic cooperation with China whereunder Japan would aid in the cultivation of cotton in Hopei, Shantung, Hunan, and Shansi Provinces. The article closes with the query: "If the (Japanese textile) industry, working under these adverse conditions, has been able to grow to such extent as to endanger its foreign rivals, what will be the position when the Japanese textile industry will have its own supply of raw material within

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

-6-

withih easy reach?"

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

✓
Enclosures:

- 1/- Editorial from THE NORTH CHINA
DAILY NEWS of June 21, 1935.
- 2/- Editorial from THE SHANGHAI
TIMES of June 20, 1935.

800
MBD MB *SL*

In Quintuplicate to Department
by despatch No. 10,450 of even date.

Copy to Embassy, Tokyo.

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

Enclosure No. 1 to despatch No. 8707 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated June 24,
1935, on the subject: "Shanghai Opinion Regarding Sino-
Japanese Relations."

SOURCE: THE LONDON TIMES
(British), June 21, 1935.

Editorial.

UNDERSTANDING

The new Secretary of State for Foreign Affairs has quickly shown his direct personal interest in the Far East. To the House of Commons the other day Sir Samuel Hoare made a brief but sympathetic reference to the economic rehabilitation of China and to the Chinese Government's efforts at establishing its authority. At the dinner of the Japan Society he has managed to reaffirm British friendship with Japan, and at the same time, to indicate British anxiety over certain aspects of Anglo-Japanese relations. In particular Sir Samuel referred to recent events in the North, as indicative of at least one cause of that anxiety. In Mr. Matsudaira the British Foreign Secretary was addressing a Japanese statesman who has succeeded in acquiring and preserving British confidence in a remarkable manner. Despite the controversies of the last four years, Mr. Matsudaira's diplomacy has never been at fault. It has happily retained the support of the Tokyo Foreign Office and, moreover, evoked British respect and appreciation. Mr. Matsudaira was, therefore, in an exceptionally favourable position to welcome Sir Samuel Hoare's pointed appeal for a proper understanding between the two countries. Whatever criticism may be incurred by certain developments of Japanese policy, British sympathy with the Japanese people and British admiration for the virility of the Japanese nation have never faltered. Sir Samuel, in effect, laid upon Mr. Matsudaira the charge of conveying to the better minds of Japan a message of encouragement in a moment of possible national uncertainty.

As has been frequently emphasized in these columns, Japan's right to outlets for her economic expansion cannot be fairly questioned by any nation, least of all by Great Britain. It is utterly illogical to seek to hamper the legitimate exercise of that right on one hand and on the other, to wax indignant over measures taken by Japan to mitigate the handicaps imposed. Geographical, political and cultural considerations give Japan a peculiarly intimate association with and interest in Chinese affairs. China, on her side, cannot do without Japan. Japan, on hers, cannot do without China. There is no reason why these mutual needs should not be peacefully fulfilled by diplomatic contacts, on lines admirably defined by Mr. K. Hirota and Mr. Wang Ching-wei. The recent elevation of their respective representations to ambassadorial rank has helped to enhance the possibilities of Sino-Japanese *rapprochement*, on which Great Britain and other Powers are bound to cast a sympathetic and friendly eye. Nor should this development be inconsistent with the support of China's national hope of unification. Indeed, Mr. Hirota himself has gone further

than the Japanese Ambassador to the Court of St. James encourage the belief that a more satisfactory turn may be given, not only to Anglo-Japanese relationships but also to the processes by which Sino-Japanese understanding is to be consolidated. Mr. Matsudaira laid emphasis on direct contact between nations as a useful reinforcement of diplomatic and official effort. Applying that argument, it may be well to suggest that a necessary corollary is the due marshalling of official activities in proper form. The difficulties confronting the Chinese Government in dealing with the situation in the North during the last few days have been partly due to the existence of what may best be called extra-diplomatic channels of communication. This has seemed to be prejudicial to Japan no less than to China. Perhaps experience of the impression created by the consequent events may induce Tokyo seriously to reconsider the relations obtaining between the various representatives of the Japanese Government in China. Nowhere would there be greater satisfaction than in Great Britain if Sino-Japanese friendship could be fostered without the intrusion of elements which tend to perpetuate China's fissiparous weaknesses rather than to further international amity. A strong China is not incompatible with the full expansion of Japan's economic activities. Indeed, it is by the co-operation of Japan that China's own economic development can be specially assisted, to the common benefit of both countries and of Far Eastern stability as a whole.

Department of State letter, August 10, 1972
By Milton D. Gustafson 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

enclosure to. 2 t - dispatch 1127-5 add. . can i . . .
... dated June 24,
1935, on the subject: ...
... ..

June 24, 1935.

Editorial.

Shanghai, Thursday, June 20, 1935

AN EASIER SITUATION

There can be nothing but gratification expressed at the greatly eased situation in North China, although there is the prospect that further "cleaning up" work will possibly have to be done. The dismissal of General Sung Cheh-yuan from the post of Chairman of the Chahar Provincial Government seems to provide ample evidence that Nanking is now seeking as best it can to satisfy the Japanese claim that all disturbing elements must be removed, but there is the problem of Sung's army still to deal with, in which connection the Kwangtung Army has come to the decision to treat such troops as though they were "bandits." This possibly means that unless such troops are quickly withdrawn from Chahar there will be action taken on the other side to enforce that withdrawal. It is to be hoped that that development will be avoided, and that with the complete re-shuffle which has taken place in the North there will now be ushered in a period of peaceful working. The change-over has been little less than sweeping. To name some of the most important, there is a new Governor of Hopei, a new Governor of Chahar, the withdrawal of certain troops from Hopei, new Mayors both for Tientsin and Peiping, the closing of Kuomintang Headquarters, the removal of the Provincial Government of Hopei from Peiping to Paotingfu, and a new Acting Head of the Peiping Military Council—a list sufficiently imposing to warrant the assertion that the Japanese were determined to bring about a "clean up" and also to prove that Nanking, once it understood that the Japanese were very much in earnest, acted with as much energy as possible to save the situation from going from bad to worse. It is also thought that Nanking will put into writing its acceptance of the demands which have brought about the above changes, and so regularize the relationships between those who made the demands and those who carried them out. Whatever may be one's individual opinion of the justification for and correctitude of Japan's latest actions in North China, there can be no doubt that if all the new incumbents of important Chinese posts act in a spirit of friendly co-operation and do their best to prevent underground intrigue and irritation the situation in the North will now very materially improve to the benefit of the very large population in that historically important area.

It would be unwise, however, to overlook the enormous difficulties which are bound to continue to perplex

attitude of the various Powers interested in China, but perhaps Washington is adopting the only safe attitude when it decides that, in view of the varying reports, it is going to use the utmost caution in considering what diplomatic moves, if any, might be made. Japan has taken action to improve conditions in territory bordering on her protégé State, and it is a moot point whether any other Powers have a right to interfere unless there has been a clearly proved violation of China's territorial and sovereign rights. Japan's contention is that her demands have been freely accepted and that they were in accordance with treaty rights—a situation which calls for nothing in the way of protest from others. One would like to regard the whole thing as something which is finished and done with—something which will ease relations, improve conditions, and help North China get back into working stride.

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

Enclosure No. 2 to despatch 8727 of 24 June 1935, on the subject: "The situation in North China, dated June 24, 1935, on the subject: 'The situation in North China'."

June 2, 1975.

Editorial.

Shanghai, Thursday, June 20, 1935

AN EASIER SITUATION

There can be nothing but gratification expressed at the greatly eased situation in North China, although there is the prospect that further "cleaning up" work will possibly have to be done. The dismissal of General Sung Cheh-yuan from the post of Chairman of the Chahar Provincial Government seems to provide ample evidence that Nanking is now seeking as best it can to satisfy the Japanese claim that all disturbing elements must be removed, but there is the problem of Sung's army still to deal with, in which connection the Kwangtung Army has come to the decision to treat such troops as though they were "bandits." This possibly means that unless such troops are quickly withdrawn from Chahar there will be action taken on the other side to enforce that withdrawal. It is to be hoped that that development will be avoided, and that with the complete re-shuffle which has taken place in the North there will now be ushered in a period of peaceful working. The change-over has been little less than sweeping. To name some of the most important, there is a new Governor of Hopei, a new Governor of Chahar, the withdrawal of certain troops from Hopei, new Mayors both for Tientsin and Peiping, the closing of Kuomintang Headquarters, the removal of the Provincial Government of Hopei from Peiping to Paotingfu, and a new Acting Head of the Peiping Military Council—a list sufficiently imposing to warrant the assertion that the Japanese were determined to bring about a "clean up" and also to prove that Nanking, once it understood that the Japanese were very much in earnest, acted with as much energy as possible to save the situation from going from bad to worse. It is also thought that Nanking will put into writing its acceptance of the demands which have brought about the above changes, and so regularize the relationships between those who made the demands and those who carried them out. Whatever may be one's individual opinion of the justification for and correctitude of Japan's latest actions in North China, there can be no doubt that if all the new incumbents of important Chinese posts act in a spirit of friendly co-operation and do their best to prevent underground intrigue and irritation the situation in the North will now very materially improve to the benefit of the very large population in that historically important area.

It would be unwise, however, to overlook the enormous difficulties which are bound to continue to perplex

attitude of the various Powers interested in China, but perhaps Washington is adopting the only safe attitude when it decides that, in view of the varying reports, it is going to use the utmost caution in considering what diplomatic moves, if any, might be made. Japan has taken action to improve conditions in territory bordering on her protégé State, and it is a moot point whether any other Powers have a right to interfere unless there has been a clearly proved violation of China's territorial and sovereign rights. Japan's contention is that her demands have been freely accepted and that they were in accordance with treaty rights—a situation which calls for nothing in the way of protest from others. One would like to regard the whole thing as something which is finished and done with—something which will ease relations, improve conditions, and help North China get back into working stride.

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It would be unwise, however, to overlook the enormous difficulties which are bound to continue to perplex the North so long as there is a refusal to recognize the new State of Manchoukuo—a situation which lends itself to all manner of intrigue both by those who are friendly towards the State and those who conceive it to be their patriotic duty to be its enemies. This is a situation which must, at some time or another, be regularized, and it is truly an expression of friendliness to China to suggest that the earliest possible opportunity, consistent with domestic political safety, be taken officially to admit that Manchoukuo exists and can be treated with as an autonomous neighbour. It is worth while noting that there have been two categorical and official denials by responsible Japanese leaders of any intention either to establish a new independent administration in North China or to include Peiping and Tientsin within the demilitarized zone. A spokesman at the War Office in Tokyo and the Assistant Chief of Staff of the Kwangtung Army at Hsinking are the officials concerned in these statements, one of which was made to Mr. P. D. Butler, British Consul-General in Mukden, who called to make a specific inquiry. The Japanese have made it clear that they are not interested in the form of Government in North China, but are only seeking the establishment of friendly relations, the removal of anti-Japanese factions and influences. Let it be admitted that the Japanese have been typically thorough in the methods they have adopted to bring about those conditions and it can still be hoped by all concerned that all-round benefits will result. There has been a good deal of talk about the

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

No. 10,153

CONFIDENTIAL.

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

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, June 26, 1935.

Subject: Sino-Japanese Relations: Conversation
with Japanese Consul General re Rumors.

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

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

I have the honor to enclose a copy of a self-explanatory despatch No. 8713 of this date, with enclosure, from this Consulate General to the American Legation at Peiping in regard to the subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 8713
with enclosure.

800
ESC MB

In Quintuplicate.

14 Carbon Copies
Received *[Signature]*

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AUG 3 - 1935

793.94/7214

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

No. 8713

CONFIDENTIAL.

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, June 26, 1935.

Subject: Sino-Japanese Relations: Conversation
with Japanese Consul General re Rumors.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Sir:

Supplementing this Consulate General's confidential
despatch No. 8705 of June 24, 1935, I have the honor to
1/ transmit herewith a memorandum of conversation which I
held today with Consul General Ishii regarding the rumors
mentioned in the above despatch. The Japanese Consul
General has covered the same points that Mayor Wu Te-chen
discussed when I called upon him on June twentieth.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Memorandum of Conversation
with Consul General Ishii.

800

ESC MB *el*

In Quintuplicate to Department
by despatch No. 107153 of even date.

Copy to Legation, Nanking.

DECLASSIFIED: E.O. 11652, 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. 8773 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated June 26, 1935,
on the subject: "Sino-Japanese Relations: Conversation with
Japanese Consul General re Rumors."

Memorandum of Conversation.

June 26, 1935.

Consul General Cunningham
Consul General Ishii.

Subject: Sino-Japanese Relations.

I stated to Mr. Ishii that many rumors had been heard in regard to demands made by the Japanese upon Mayor Wu Te-chen concerning local affairs. He smiled and said that on the tenth of the month he called upon the Mayor and suggested that it was highly important that he and the Mayor endeavor to prevent any Sino-Japanese trouble in Shanghai; he said he felt that the most important ways of preventing trouble in Shanghai were:

(1) that the Chinese press should not cover the developments in the North in editorials which would tend to give offense to the Japanese; that the news from the North might be treated as freely as seemed fit but editorially the press should be controlled so that it would not hurt the susceptibilities of the Japanese. He said that the Mayor assured him that the Chinese press was entirely under his control and that there would be no editorials which would offend the Japanese;

(2) that the Tangpu should also be very careful lest it cause rumors to be circulated and action to be taken which would be detrimental to Japanese interests. He said the Tangpu in the North had fostered actions which were certainly antagonistic to the Japanese and it was because of these that the Japanese military authorities insisted that the Tangpu should cease to function in Hopeh; that he felt that the Tangpu here had at times supported rumors of a character which were detrimental to the Japanese. He then instanced the ban that had been placed upon Japanese advertisements by the Chinese press as having been fostered by the Tangpu. He said that no protest in regard to local matters other than this had been filed with the Mayor or other Chinese official by him or by anyone acting in his behalf; that no demand of any kind had been made upon the Mayor, unless the request for the discontinuance of the ban against Japanese advertising was considered such, but this matter had been arranged by conferences between the Mayor and himself covering many months and the present withdrawal of the ban was due to negotiations resulting from these conferences.

In reply to an inquiry as to whether a demand had been made in regard to any of the local Chinese officials, either that they be removed or that their activities be censored

by

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

-2-

by the Mayor, he said that there was absolutely no truth in such statement. He said he was of the opinion that this rumor was due to the fact that a certain group of Chinese officials comprise many able and outstanding men who criticized the ordinary Chinese and because of their insistence that the ordinary Chinese should conform to definite rules and regulations the latter had started the rumor that they must be removed and that at the insistence of the Japanese. He said there was no truth whatever in the rumor.

MB *el*

ESC

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

No. 168

AMERICAN CONSULATE GENERAL

Copy HARBIN, MANCHURIA,
Division of
FAR EASTERN AFFAIRS *File* June 27, 1935.

JUL 29 1935

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

SUBJECT: JAPANESE NEWS ITEM UPON CONDITIONS
IN NORTH CHINA.

For Distribution-Check			
Grade	<i>M</i>	To field	Yes No
For	<i>Adams</i>	In U.S.A.	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
		<i>ONI</i>	<i>MID</i>

The Honorable

The Secretary of State,

Washington, D. C.

I have the honor to enclose herewith a copy of my despatch No. 92, of even date, addressed to the Legation at Peiping, transmitting an English translation of a news item entitled "Earnest Desire by Chinese People to Include Peiping-Tientsin District in the Truce Area" appearing in the HARBIN NICHINICHI, issue of June 14, 1935.

Respectfully yours,

Walter A. Adams
Walter A. Adams,
American Consul General.

Enclosure:

Copy of despatch No. 92, June 27, 1935, to the Legation at Peiping, with its enclosure.

In quintuplicate.

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WAA:av

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AUG 3 - 1935

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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

No. 92

AMERICAN CONSULATE GENERAL

HARBIN, MANCHURIA, June 27, 1935.

SUBJECT: JAPANESE NEWS ITEM UPON CONDITIONS IN
NORTH CHINA.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to supplement my despatch to the Legation, No. 87, June 14, 1935, entitled "Japanese Editorial on the Far Eastern Situation," by attaching hereto a translation of an article which appeared in the HARBIN NICHINICHI, June 14, 1935, entitled "Earnest Desire by Chinese People to Include Peiping-Tientsin District in the Truce Area." The HARBIN NICHINICHI is owned by the South Manchuria Railway and has close official connections.

I have been watching the press for other news items of similar purport but have thus far failed to find any in newspapers of north Manchuria.

Respectfully yours,

Walter A. Adams,
American Consul General.

800
WAA:av

Enclosure:

Copy of English translation of
article appearing in the HARBIN
NICHINICHI, June 14, 1935.

In duplicate.

In quintuplicate to Department by
despatch No. 148, June 27, 1935.

Copies to Embassy, Tokyo; Consulate
General, Mukden; Consulate, Dairen.

original

167

DECLASSIFIED: E.O. 11652, 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 with Harbin Consulate
General's despatch No. 92, June
27, 1935, to the Legation, Peiping,
entitled "Japanese News Item Upon
Conditions in North China."

SOURCE: HARBIN NICHINICHI (semi-
official Japanese language
daily), June 14, 1935.

Translated by the American
Consulate General, Harbin.

EARNEST DESIRE BY CHINESE PEOPLE TO INCLUDE
PEIPING-TIENTSIN DISTRICT IN THE TRUCE AREA

Complications in Hopei Province have been dissolved by the Chinese acceptance en toto of our terms, the various dark political organizations working for execution of Chiang Kai-shek's dictatorial policies have been grossly swept away, and the Hopei populace are beginning to see dawn in a cloudless sky at long last. Interest should now be focussed upon how the people of north China desire to be governed.

In this connection it is already reported that on June 11 and 12, various Chinese groups sent representations to the Japanese authorities, unanimously offering gratitude for the steps taken by Japan to cause the evacuation of the National Party, dissolution of the secret societies and various other bodies working with them; and in expressing their earnest desire to have Peiping-Tientsin district included in the Truce area, to establish a Japan-China joint police system for maintenance of peace in the future, and to tide over the economic crisis by Japanese assistance. They also point out that contributions they were forced to make towards the anti-Japanese funds of the Tientsin political party, under the name of the National Salvation Tax, had amounted to some two million yuan a year. Such a general desire for a clear-sky administration forecasts the trend of the forthcoming popular movement in north China.

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

No. 10,154

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DIVISION OF
FAR EASTERN AFFAIRS
JUL 29 1935
Department of State

FE
H-26

AMERICAN CONSUL GENERAL.

American Consulate General,
Shanghai, China, June 27, 1935.

793.94

Subject: Sino-Japanese Relations.

For Distribution Check				
Grade	For	To field In U.S.A.	Yes No	
	G Stanton	ONI	✓	✓
		MID		

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

RECEIVED
DEPARTMENT OF STATE
JUL 27 11 55 AM '35

793.94/7216

I have the honor to transmit herewith a very
interesting memorandum by Consul Edwin F. Stanton in
regard to political happenings in Shan tung Province
and in North and South China.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

✓
Enclosure:

1/- Memorandum concerning
political events.

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ESC MB

In Quintuplicate.

Copy to Legation.

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AUG 3 - 1935

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

Enclosure No. 1 to despatch No. 10154 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated June 27,
1935, on the subject: "Sino-Japanese Relations."

Memorandum by Consul Edwin F. Stanton.

During the course of a conversation yesterday evening with a well informed Chinese who is closely connected with General Han Fu-chu, Chairman of the Shantung Provincial Government and who has a wide circle of friends amongst officials of the National Government, the following information was elicited in regard to present Sino-Japanese relations and recent political developments.

My informant confirmed the prevailing impression with respect to the presentation of specific demands by the Japanese and said that the most important of these demands are those connected with the recognition of "Manchukuo" and the abolition of the National Economic Council which has been anathema to the Japanese for some time. He said that thus far nothing had been signed, the National Government having successfully avoided making any specific written commitments by yielding to Japanese demands in regard to Hopei and Charhar. He stated that the Japanese had not gone as far as they intended in North China partly because of the firmer attitude displayed by the newly inducted British Government and more particularly because of developments in the South for which he said the Japanese were largely responsible.

He characterized relations between Nanking and the South (Kwangtung and Kwangsi) as extremely strained and was of the opinion that a definite break is likely. In this connection he stated that a clash had already occurred along the Fukien-Kwangtung border and that Kwangsi troops under General Pai Chung-hsi (白崇禧), one of General Chiang Kai-shek's most bitter enemies, were also on the move and were apparently acting in conjunction with Kwangtung. He attributed this definite move by the southern faction to the machinations of the Japanese and to the financial and military support the Japanese are said to have promised.

My informant intimated that these developments had had a definite bearing on the attitude of the National Government vis-a-vis Japan and instanced the fact that just prior thereto the leaders of the National Government, including General Chiang, had come to the conclusion that further Japanese demands must be resisted by force if necessary but that this policy had had to be abandoned inasmuch as any aggressive action on the part of the South would involve Nanking in a struggle which would tax its military and financial resources to the limit.

He added that the Japanese were actively fomenting trouble not only in North and South China but that they

had

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

-2-

had also endeavored to subvert General Han Fu-chu of Shantung, by offering to give him five or six airplanes and other equipment and that having failed to bribe him they had intimated that certain demands regarding alleged anti-Japanese activities might be presented unless he broke away from Nanking.

The financial position of the National Government he described as most precarious and stated that Minister of Finance Kung was endeavoring to raise funds to finance the impending struggle with the South but that this was not proving to be an easy task.

EFS

June 25, 1935.

Copied by MB *MB*
Compared with JLM *JLM my*

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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

August 5, 1935.

MSM

~~E.H.D.~~ see tag

M.H.H.

To note Shanghai's
despatch which brings
out the important
points contained in its
enclosure.

rw.

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

No. 10173

Confidential.

793.94
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AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 6, 1935

Subject: Observations of Mr. T. V. Soong on
Sino-Japanese Relations and Local
Political Situation: Illness of
Mr. Wang Ching-wei.

For Distribution Check		Yes	No
Grade	<u>G</u>		<input checked="" type="checkbox"/>
For	<u>Rams</u>	<input checked="" type="checkbox"/>	
		<u>ONI</u>	<u>HPD</u>

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

COPIES SENT TO
O.N.I. AND A.L.D.

Sir:

1/ I have the honor to enclose a copy of a self-
explanatory despatch No. 8737 of this date, with
enclosures, from this Consulate General to the
American Legation at Peiping in regard to the subject
above mentioned.

Respectfully yours,

Edwin S. Cunningham

Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 8737
with enclosures.

800
MBD MB

In Quintuplicate.

793.94/7217

FILED
AUG 15 1935

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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. Hufschmidt NARS, Date 12-18-75

No. 1737

~~Confidential.~~

CLASSIFICATION CANCELLED
Authority: P.A. WINNACKER, OSD Lt 11/8/63
By: fyd/evlmg Date: 11/7/64

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 6, 1935.

Subject: Observations of Mr. T. V. Soong on
Sino-Japanese Relations and Local
Political Situation: Illness of
Mr. Wang Ching-wei.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

I have the honor to refer to my confidential
despatch No. 8694 of June 20, 1935, and to my telegram
of July 6, 12 noon, concerning conversations between
T. V. Soong and Captain J. M. McHugh, Intelligence
1/ Officer of the Fourth Marines, and to enclose for the
Legation's information a copy of a memorandum reporting
statements made by the former last night.

The interview as reported indicates a marked change
in Mr. Soong from an attitude of discouragement and un-
certainty to one of apparent assurance. Instead of
speaking vaguely of comparatively remote periods of two
and five years as he did on June seventeenth, he now
says to wait only a few weeks for a radical change in
China's policy toward Japan. In the light of his previous
associations, his statement that he thinks the British

will

-2-

will do something if the Japanese start operations in the Yangtze Valley is very interesting. As reported in my despatch No. 3709 of June 24, 1935, he expressed the opinion that the Japanese intended to go farther in North China but stopped for fear of arousing outright opposition from Great Britain.

2/ There is also enclosed a copy of a memorandum supplied by Mr. Frank Smothers, correspondent of the Chicago Daily News, and believed to have been written by T'ang Leang-li, Editor of the PEOPLE'S TRIBUNE (Chinese semi-monthly emanating from official quarters). The memorandum undertakes to dissociate Wang Ching-wei from concessions made the Japanese by placing the blame on Tang Yu-jen, Vice Minister of Foreign Affairs, who it alleges grossly exceeded his authority in negotiating with the representatives of Japan and made promises without the knowledge or consent of his chief. It also attributes to him a suggestion that all foreign advisers to the Chinese Government be replaced by experts from Japan. The memorandum announces further that a group of well-known officials, including General Huang Fu, have been made the subject of serious charges before the Control Yuan, but that formal impeachment proceedings will probably not be carried out for fear that grave complications with Japan might follow since the persons concerned are considered to be pro-Japanese in their sympathies.

Although Wang Ching-wei has come to Shanghai for medical treatment many times in the past, his arrival on the first of July to enter the private hospital of his physician,

-2-

physician, Dr. Kurt Noll, gave rise to more than the usual speculation that follows the reported illness of an important official in this country. This has been due it is believed to the admittedly difficult situation that confronts the Government with respect to the Japanese and unfriendly political factions, and to unconfirmed rumors of a serious split in the ranks of the Government itself. Reports about Wang Ching-wei that are being circulated by irresponsible persons or by politicians for purposes of their own are so conflicting in content and speculative in character that they are not considered worth repeating here. Suffice it to say that they are for the most part to the effect that he has resigned or is about to resign, and that he entered the hospital to escape the present political situation.

With a view no doubt to counteracting rumor, Dr. Noll gave out a statement to the effect that Mr. Wang would have to have a rest of several weeks to prevent his condition from becoming serious. This announcement was followed on the fifth of July with a short editorial in THE CHINA PRESS (now controlled by Dr. H. H. Kung), stating that Mr. Wang Ching-wei has striven with admirable loyalty and undaunted spirit to discharge his numerous duties despite the state of his health, but that nature, not always to be denied, has asserted itself to deprive the Government for the moment of this official's unfailing guidance. The wish is expressed that he may resume his official duties without undue delay and lead the

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

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the Government through these anxious times with renewed health and vigor.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

Enclosures:

- 1/- Copy of memorandum by Captain J. M. McHugh.
- 2/- Copy of memorandum by Mr. Frank Smothers.

800

MBD MB

In Quintuplicate to Department
by despatch No. 4473 of even date.

Original to Legation, Peiping.

Enclosure No. 2 to despatch No. 1737 of Edwin S. Cunningham, American Consul General at Shanghai, China, dated July 6, 1935, on the subject: "Observations of Mr. T. V. Soong on Sino-Japanese Relations and Local Political Situation: Illness of Mr. Wang Ching-wei."

Copy

Hankin, June 24

(Note: The writer of this memorandum is known to be a Chinese who is a close adherent of Wang Ching-wei.)

Standing with a foot in two opposite camps is an old trick of Chinese "politicians" -- using that word in the sense which in all countries conveys a suggestion of crookedness. China has her share -- more than her share, may be -- of gentry of this character, and their activities lately have had the usual effect of dragging men with a sense of honour and responsibility into a position of the greatest danger and difficulty. In the early days of the Republic and Anfu clique made it impossible for the Revolutionary party to make headway with its plans; today there are similar reactionaries busily engaged in subversive activities which render it impossible for the National Government to make headway with its work of National reconstruction by enlarging the difficulties already facing the administration as a result of Japan's "forward" policy on the continent of Asia.

Impeachments of half a dozen or more well-known figures in official circles have been and are being drawn up -- the most notable of those personalities being General Huang Fu, Chairman of the Peiping Political Council, -- but there is good reason to believe that the indictments will not be formally investigated. The Control Yuan -- an organ of the National Government which is vested with powers of impeachment -- has formulated a number of exceedingly grave charges against General Huang Fu, Li Cheh-Yi, Yin Tung, Managing-director of the Peiping-Pukden Railway, Yin Ju-Keng, Colonel Yuan Liang, Mayor of Peiping, and others, and is preparing a similar indictment against Tang Yu-Jen, Vice Minister of Foreign Affairs -- charges so grave that it is understood the Government does not consider it expedient to go into any investigation of them because of the grave international complications which might result. It is very probably, therefore, that although the Control Yuan has drawn up a formidable indictment against General Huang Fu and others, and is preparing a case against the Vice-Minister for Foreign Affairs as the General's representative in the Kaichiaopu, no action will be taken -- at least for the time being -- other than to exercise all possible precautions to prevent further treachery in the ranks of the National Government.

The present trouble has arisen out of the recent demands made by the Japanese military authorities upon the Chinese Government in connection with alleged anti-Japanese activities in the North. It transpires that during the conversations which took place between the Japanese and Tang Yu-Jen, Vice-Minister for Foreign Affairs, the latter

grossly

-2-

grossly exceeded his authority by making proposals and promises which were not only unauthorized by his chief, Mr. Tang Ching-wei, President of the Executive Yuan and Officialiating Foreign Minister, but were actually made without his knowledge. It is also learned, on very good authority, that the much debated suggestion about the demilitarization of North China came not from the Japanese but from Tang Ku-jen -- his theory being that with neither Chinese nor Japanese troops in Hopei and Chahar, there could be no possibility of a clash between them. That argument is sound enough so far as it goes, and the Japanese were naturally very pleased at the gratuitous suggestion from a spokesman of the Chinese Government that a vast tract of Chinese territory should be denuded of Chinese troops, leaving a strong Japanese military force in the highly advantageous strategic position of overlooking the "Neutral" Zone. It may be recalled that Mr. Ariyoshi, the Japanese Ambassador, recently denied that any demand had been made for the demilitarization of North China by the Japanese military authorities. The diplomat was strictly accurate in making this denial; no such demand was made by the High Command of the Kwantung Army -- the step was suggested quite voluntarily by Tang Ku-jen, and it was naturally assumed by the Japanese that the Vice-Minister for Foreign Affairs was speaking with full authority behind him, whereas in fact he was not. The actual position at the moment of writing is that although a number of measures have been taken by the Chinese Government to meet Japanese complaints regarding conditions in North China, the demand that written acknowledgment of acquiescence be submitted to the Japanese military authorities has been steadfastly refused. The Chinese Government takes the view that what it has done in North China is in the routine of local administrative arrangements, and it has so far refused to give the proceedings diplomatic force or even color by putting its plans into writing and submitting the document to the Japanese authorities.

It appears that General Kuang Fu and those associated with him have been for a long time engaged in trying to weaken the prestige of the Kuo-min-Tang in every possible way. They are all men of the class known as "pro-Japanese" --- men who are sympathetic to Japan's "forward" policy, and in aiding and supporting it have hopes of securing positions of greater authority for themselves. It is not unlikely that, taking long views, they have in mind the possibility of eventually becoming prominent members of a puppet "independent" Government in the North, but that opportunity may not come just yet. At the moment the Japanese are very well satisfied with their recent achievements; they have established without fear of challenge their military strength in North China, and can afford now to hasten slowly with the rest of the programme. The next step is to establish financial and economic control in that territory -- and in this connection there are already rumors of the possibility of "suggestions" being made to the Chinese Government that the Custom revenue and Salt-tax collected in North China be retained there for the financing of the local administration instead of being forwarded to the National Treasury in Nanking. It is

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

-5-

is not impossible that Dr. Chang Kia Aun (for many years manager of the Bank of China, and who recently resigned to take part for an appointee of the National Government, and whose resignation was the occasion of yet another Japanese protest) may find his "part" and assist in the financial "reorganization" of the Bank of China which is expected to follow the recent military "adjustment". Then, perhaps, it will be time for those who wish to weaken the authority of the Chinese Government in its own territory to set seriously to work with their political "re-organization". The lines along which such "reforms" would be carried out may be guessed from a recent suggestion by Wang Ching-wei that all British, German, American, and other foreign advisors who are now assisting the Chinese Government in various ways be dismissed -- and their places filled with Japanese experts! It may be noted, too, that the recent outburst of Japanese indignation against General Chiang Kai-shek was to a great extent due to irritation at the removal of Dr. Chang Kia Aun from the post of Manager of the Bank of China -- a change attributed to General Chiang's initiative, and which led to the appointment of a man less favorably regarded by Japan.

If the impleachments which have been drawn up by the Control Yuan were investigated, it would be found that while General Chiang Kai-shek, Chairman of the Military Affairs Commission, and Mr. Wang Ching-wei, President of the Executive Yuan, have been working earnestly together for the last four years doing their utmost to keep unity in the Kuo-min-tang ranks, and maintain a solid front during the grave crisis which has faced the nation, there have been men working behind their backs whose objects have been and is to create dissension. With a foot in both camps -- holding official positions in the Chinese Government but professing to the Japanese authorities deep sympathy with their ambitions in China -- these men have been responsible for placing the National Government in a position of the utmost difficulty and danger. Whether it will be possible in some way to avoid the full consequences of their double-dealing it is difficult to say. Much depends upon the development of events from now on through regular diplomatic channels. Mr. Wang Ching-wei and Mr. Ariyoshi, the Japanese Ambassador, if left to handle the situation themselves, may be able to reach a settlement which will not be disastrous to China's interests. Whether methods of diplomacy will be allowed to operate depends upon circumstances beyond China's control, but the National Government must guard against traitors within the gates, and while it may not be possible to avoid lamentable consequences of recent treachery, it should be possible to prevent the men whose conduct has been the subject of criticism by the Control Yuan working any further mischief, even if from motives of expediency it is not considered wise to deal with them as they deserve.

Copied by: JIM
 Compared with: MB *SL*

Enclosure No. 1 to despatch No. 9737 of Edwin C. Cunniff, American Consul General at Shanghai, China, dated July 6, 1935, on the subject: "Observations of Mr. T. V. Soong on Sino-Japanese Relations and Local Political Situation: Illness of Mr. Wang Ching-wei."

Copy

5 July, 1935.

I called upon Mr. Soong by appointment at 6:00 P. M. and waited until nearly 7:00 P. M. during which interview three other callers (Chinese) arrived. Since Mr. Soong's visit to me all received by appointment, it was obvious that his pre-occupation was unusual and unanticipated. The reason became apparent when he ushered out his visitor, who turned out to be none other than Chang Chun, Governor of Hubei. He accompanied Governor Chang to his motor car and then beckoned me into his study.

The immediate reason for my call was the attached memorandum which had been handed to me on 3 July by Mr. Frank Mothers of the Chicago Daily News, who stated at the time that he was not free to reveal the name of the author. I showed him a copy of the memorandum to Mr. Soong, who read it with interest and then inquired if it had been written for publication. I replied that I thought not; that I thought it was intended only for background information. I added that, although I had not been told the name of the author, I thought I knew who had written it. Mr. Soong said, "It sounds like Wang Ching-wei to me".

(This I believe to be correct. This had been my original guess because I knew that Wang Ching-wei's publicity man and also that Mr. Mothers had seen him frequently. Furthermore, I had showed the article to Mr. T. W. Kwok, Secretary of the National Economic Council, on the evening of 3 July when he made the same guess and subsequently pronounced the contents of the article to be "seventy per cent correct.")

Mr. Soong then said, "I think there has been some trouble between Wang Ching-wei and Wang Yu-jen."

I then inquired if the assertion were true that the Control Yuan has prepared impeachments against some of the officials in Nanking. He merely nodded assent, but did not venture further comment. (There seems little doubt of this. There has been bad blood between Wang Ching-wei and Yu Yu-jen, President of the Control Yuan, for some time. Mr. Kwok recalled this to me on Wednesday, mentioning the case of the impeachment of the Minister of Railways, one of Wang's men, last year.)

I then inquired whether the rumor that Wang Ching-wei had actually resigned his posts were true. Mr. Soong replied, "No", but did not comment further on the point, although his reply was definite and convincing. He then said

293.94/7217

-2-

said,

"You see who was just here with me. He is down here sounding out the question of possible co-operation with Japan, but I just played along with him."

I inquired whether the report were true that Governor Chany contemplated a trip to Japan providing he could first ascertain that he would be well received. I added that possibly the Generalissimo had asked him to make the trip to sound out the Japanese.

Mr. Soong definitely denied the report, but added, "The Generalissimo is in a very difficult position". He then edged over more closely to my chair and said in a low voice,

"I have some information for you. The Japanese are now quietly transferring troops to the vicinity of Kobe and Chimonosaki. They are moving both infantry and heavy artillery. You know, sudden large troop movements not only attract attention but they also seriously congest traffic."

He then asked, "Do you think Russia will fight Japan?"

I replied that I understood that their military concentration in eastern Siberia is still strong, but said I had no further information as to Russia's intentions. I called attention to the recent report from Moscow that the Foreign Office there had intimated to the Japanese that they might turn over the settlement of border disputes in the future to the Siberian army. Mr. Soong nodded significantly, but did not comment further on the point.

I inquired whether he had any information as to possible Japanese action in the near future along the Fukien coast. He replied,

"General Chen Yi (Governor of Fukien) came to see me the other day when he was in Shanghai. He assured me that there will be no trouble down there and that all but possibly the extreme southern part of the province will definitely remain loyal to the Central Government."

I then inquired about the present state of affairs in the South. He replied, "It is still serious", but did not volunteer any further details. He then said,

"What do you think the British will do if the Japanese start action in the Yangtze Valley?"

I said that I had begun to wonder recently if the British had some kind of understanding with Japan. To this he replied, "No", very emphatically.

He then bent over toward me again and said,

"This

-3-

"This is very confidential. I think their action with regard to Abyssinia will be an important indication. Italy means business there. The Japanese may take a lead from this. If they start anything in the Yangtze Valley, I think the British will do something, but in just what form such action may be translated, it is difficult to say."

As I rose to leave, I reverted to the question of Governor Chang Chun's presence in Shanghai and repeated for confirmation Mr. Soong's previous statement that the visit was for the purpose of investigating the question of possible co-operation with Japan. Mr. Soong confirmed this, but again said to me smilingly, "He was sounding me out, but I just played with him".

As we walked to the door of the study, I purposely made the leading assertion that I had begun to believe that direct resistance by China might not be so bad after all since it would serve to clear the atmosphere.

He raised a finger and waved it at me saying, "Wait a few weeks".

He personally escorted me clear across the drawing room past the other visitors and as I took leave of him, he again asked me to keep in close touch with him.

I particularly noted, in contrast with my recent visits with him, that he appeared much more cheerful and rather mysteriously confident and optimistic. He was, if anything, more cordial and intimate in his manner this time than on previous occasions.

Respectfully submitted,

J. P. McHUGH
Captain, U.S.M.C.,
R-2

Copied by: JIM *mm*
Compared with: MB *ed*

CLASSIFICATION CHANGED
Authorized: RA Wynnacke OSD/ta 11/8/63
By: fydonly Date: 1/7/64

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

CA

This telegram must be COPIES SENT TO N.I. AND M.I. CHAI VIA N.R.
closely paraphrased before being communicated
to anyone. (SG)

Rec'd 6:05 p.m.

1-1236
Secretary of State, FROM
Washington.

July 27, 10 a.m. 433.

Major General 940gai in paraphrase stated to the

NEW YORK TIMES correspondent, in discussing the statements transmitted in my telegram number 422/7206 July 24, 8 a.m., that the Japanese army will not take drastic steps in China unless compelled to do so and China's attitude and conditions must become worse than at present before the army advances. Chiang Kai Shek must be prepared to fight unless he adopts a friendly pro-Japanese policy. He would not establish any time limit for warlike activities although he was aware that the Chinese expect action about September 1st but the Japanese attitude was that of patient watchfulness. The Japanese army views with greatest gravity hostilities anywhere and will not risk Japanese lives unless the peace of the Far East is in danger when it will not hesitate to take necessary measures. Personally he hoped the Chinese Government would shortly abandon anti-Japanese attitude and reiterated in this connection Japan had not decided upon action within two months or any other fixed period. He denied that the Japanese desired Chiang Kai Shek to withdraw to Nanking from Szechuan and stated that it is a matter of supreme indifference where

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

-2- From Shanghai \$433 July 27, 10 a.m.

he goes or tarries. Even coming to Nanking making pro-Japanese speeches would avail nothing without (?) . The Japanese army insists upon sincere fundamental change from anti-Japanese policies regardless of agency. He expressed the opinion that Chiang was not even sincere in his attempt to eradicate communists from Szechuan but the entire costly campaign was primarily started to establish himself firmly in the rich western provinces eventually affording him important strategic base, ample supplies and handsome revenues. The statement of the military herein set forth and that of the spokesman of the Embassy are at considerable divergence in the preceding telegram. No explanation can be made unless it be that the army and civil authorities do not always act in sympathy.

Repeated to the Legation, paraphrase by mail to Legation at Nanking and Embassy at Tokio.

CUNNINGHAM.

CA

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 438) of July 27, 1936, from the American Consul General at Shanghai reads substantially as follows:

In discussing the statements set forth in the Consul General's telegram No. 422 of July 24, Major General Isogai made statements to the NEW YORK TIMES correspondent to the following effect:

No drastic action will be taken by the Japanese army unless there is a compelling reason and the army will not advance unless China's attitude and conditions change for the worse. Unless General Chiang Kai-shek adopts a friendly policy toward Japan, he must be ready to fight. Although General Isogai knows that China anticipates action on the part of Japan about September 1, he would not place any time limit for belligerent activities but let it be known that patient watchfulness is the attitude assumed by Japan. Unless peace in the Far East is endangered the Japanese army will not risk the lives of its soldiers as it looks with the greatest seriousness upon war anywhere but it will not hesitate to take such measures as are necessary if there is a threat to peace. Japan has not decided to take action within two months or any other set time, according to General Isogai who expressed the personal hope that soon China would give up its anti-Japanese attitude. The Japanese Government is entirely indifferent with regard to the whereabouts of General Chiang Kai-shek - whether he goes to Hankow or remains in Szechuan Province. Regardless of how it is accomplished, the Japanese army insists that there be a sincere basis

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

- 2 -

basic change from the anti-Japanese attitude of the Chinese Government. General Isogai does not consider that General Chiang Kai-shek is sincere even in his efforts to uproot the "reds" from Szechuan Province but he believes that Chiang began all of the expensive anti-communist campaign for the primary purpose of establishing himself firmly in the rich provinces of the west in order that he might eventually have ample supplies, large revenues, and an important strategic base.

The Consul General invites attention to the divergence in the statements of General Isogai as set forth above and those of Japanese Embassy spokesmen as set forth in the Consul General's telegram No. 422 of July 24, and he remarks that he cannot explain this divergence except it be that the Japanese civil and military authorities do not act always in unison.

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VII-30-35

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

No. 10176

793.94

Division of
Far Eastern Affairs
JUL 24 1935
Department of State

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 8, 1935.

Subject: Sino-Japanese Relations: Local
Reaction to "New Life" Magazine
Case: Protests over Arrest of
Alleged Communist.

RECEIVED
DEPARTMENT OF STATE

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THE HONORABLE

THE SECRETARY OF STATE
WASHINGTON.

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

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1/ I have the honor to enclose a copy of a self-explanatory despatch No. 8738 of this date, with enclosures, from this Consulate General to the American Legation at Peiping in regard to the subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

RECEIVED
DEPARTMENT OF STATE
JUL 27 1935

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 8738
with enclosures.

800
MBD MB

In Quintuplicate.

AUG 15 1935

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

No. 8728

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 8, 1935.

Subject: Sino-Japanese Relations: Local
Reaction to "New Life" Magazine
Case: Protests over Arrest of
Alleged Communist.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

7/14/35 I have the honor to refer to my telegrams of July
2, 5 p.m., and July 3, 11 a.m., 1935, concerning the
New Life magazine case, and to submit the following
summary of local developments relating to Sino-Japanese
relations.

A report that the local censorship committee established
by the Central Kuomintang Headquarters had passed the New
Life magazine article regarded as showing lack of respect
to the Emperor of Japan incensed the Japanese community
greatly. The furor occasioned by the resurrection of the
case, after it had seemingly been disposed of by the
suppression of the periodical concerned, an apology from
the Mayor, and assurances that the Editor would be
prosecuted, has been surprisingly intense. The Japanese
Amalgamated Association of Street Unions and the Japanese
Residents' Corporation held meetings to consider the

case

-2-

case, and an inflammatory handbill from an unknown source was mailed to prominent Japanese residents. This leaflet is roundly critical of Ambassador Ariyoshi's willingness to settle the case "by a worthless formal protest." It avers that the Kuomintang has consistently followed an anti-Japanese policy, expresses the opinion that Hirota Ariyoshi and Ishii flatter the Nanking Government and do not know how to uphold the dignity of the Empire, and exhorts Japanese to rise and fight, exterminate incompetent diplomats and wipe out the treacherous Kuomintang.

1/ In an editorial entitled "Smouldering Fire", THE SHANGHAI EVENING POST AND MERCURY (American) of July 4, 1935, states that despite all the Chinese have done to make amends, feeling in the Japanese community is said to be becoming stronger and that the Japanese flagship "Iwate" apparently delayed its departure from Shanghai on account of this matter. Mayor Wu's efforts at conciliation are contrasted with Japan's increasing "truculence", and the opinion is expressed that there may be a deliberate and directed movement to create another "Shanghai incident." The writer of the article, Randall J. Gould, states that he consulted Seiichi Monoto, Third Secretary of the Japanese Embassy, this morning and was told that the local Japanese organizations were being instructed to cease their agitation with regard to this case, but that the matter was being taken up in a very energetic manner by the Embassy.

2/ A leading article in THE CHINA PRESS (American registered, Chinese owned) of July 7, 1935, regarding this

-3-

this case is of especial interest because it may be regarded as an expression of official opinion. It is decidedly conciliatory in tone, stating that indignation over the insult to the Emperor is easily understandable, but that the greatness of his personality and people can never be dwarfed by insult or insinuation. It is recalled that he was the first to offer relief to the victims of the Hankow flood in 1931, and that his humane benevolence and neighborly friendship did not go unappreciated. All are reminded that in token of this friendship apologies have been tendered and punishment will be meted out to the offending party. Meanwhile the hope is expressed that nothing may jeopardize the rapprochement desired by the Japanese Emperor no less than the Chinese. Various news 3/ articles regarding this case are also enclosed.

Mention is also made in this connection of an article in the SHANGHAI MAINICHI (Japanese) of June 24, as reported in THE CHINA WEEKLY REVIEW (American and Chinese registered) of June 29, 1935, regarding the arrest of the Editor in Chief of the CHINA IN FOREIGN EYES PRESS for alleged communistic activities. The Japanese paper states that the real reason for his arrest was his pro-Japanese attitude and that the Japanese authorities would regard this arrest in the same light as they had the assassination of two pro-Japanese newspaper men in Tientsin. It appears that the Japanese Press Director requested the Director of the Publicity Department of the Kuomintang to release the person concerned, and that Mayor Wu gave instructions to have the matter investigated and subsequently told the Japanese Press Director that the person concerned was in fact a communist suspect and had been sent to Wuchang for trial.

While

-4-

While there is every reason to believe that the Chinese in official positions will leave no stone unturned to avoid giving the Japanese grounds for complaint, it is quite evident that very little serves as a pretext for energetic protests on their part. The extreme care taken by the Mayor, referred to in my confidential despatch No. 8705 of June 24, 1935, to avoid difficulties with the Japanese is illustrated further by the decision of the Bureau of Social Affairs to postpone indefinitely the "Cooperative Movement Propaganda" week, which was scheduled to commence on the first of July. This action, it is learned through police channels, was taken at the instance of the Mayor upon the receipt of a protest from the Japanese to the effect that this movement was really anti-Japanese in purpose.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

✓
Enclosures:

- 1/- Editorial from THE SHANGHAI EVENING POST AND MERCURY of July 4, 1935.
- 2/- Editorial from THE CHINA PRESS of July 7, 1935.
- 3/- Clippings from THE NORTH CHINA DAILY NEWS of July 2 and 3, 1935, and from THE CHINA PRESS of July 6, 1935.

800
MBD MB

In Quintuplicate to Department
by despatch No. 10176 of even date.

Copy to Legation, Nanking.

Copy to Embassy, Tokyo.

gpc

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

Enclosure No. 1 to despatch No. 8738 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 6,
1935, on the subject: "Sino-Japanese Relations: Local
Reaction to 'New Life' Magazine Case: Protests over Arrest
of Alleged Communist."

SOURCE: THE SHANGHAI EVENING POST
AND MERCURY (American) of
July 4, 1935.

Editorial.

SHANGHAI, July 4, 1935

Smouldering Fire

WHILE the local Japanese community is getting up steam over the question of indiscretions of the press, it might be well to indulge in a little self-questioning with reference to the apparently growing current tempest in a teapot.

Because the *New Life* magazine recently printed something concerning the Japanese Emperor which the Japanese officials found objectionable, complaint was made to the Chinese authorities with the result that Mayor Wu Te-chen suppressed the magazine and caused the publisher to be haled into court which promptly held him in bail of \$500 for further action. It is understood that remaining copies of the magazine were destroyed and reproduction of the offending article was prohibited.

That, we would say, was a pretty drastic and prompt way to deal with the complaint. Although magazines and newspapers in Japan frequently publish matter to which Chinese might well take exception, we know of no corresponding instance of Japanese suppression and court action on behalf of any Chinese individual or institution.

Yet according to the *Shanghai Nippo*, "feeling among the Japanese community is becoming stronger daily" and apparently the local Japanese Residents Corporation is disposed to pick a quarrel with the Central Kuomintang on the theory that its censorship committee shouldn't have passed the offending article in the first place.

The matter has been subject of official discussion among such notables as Ambassador Ariyoshi, Rear-Admiral Sato, the Japanese naval and military attaches, and Consul-General Ishii.

Apparently in this connection the flagship Iwate deferred a scheduled departure for the north and is being held in Shanghai till further notice.

Efforts to stir up indignation among Japanese residents are said to have included the distribution of inflammatory handbills—surely a thing in itself laying the Japanese open to grave criticism, if true.

Such contrast of Mayor Wu's efforts at conciliatory meeting of Japanese demands, and increasing Japanese truculence manifesting itself in a variety of ways despite the lack of excuse allowed through the Mayor's attitude, brings the obvious inquiry, "Is somebody trying to start something?"

There appears to be evidence of a deliberate and directed movement to create a fresh "Shanghai incident"—but we hope the evidence is misleading. We hope that this whole unfortunate flurry dies down promptly.

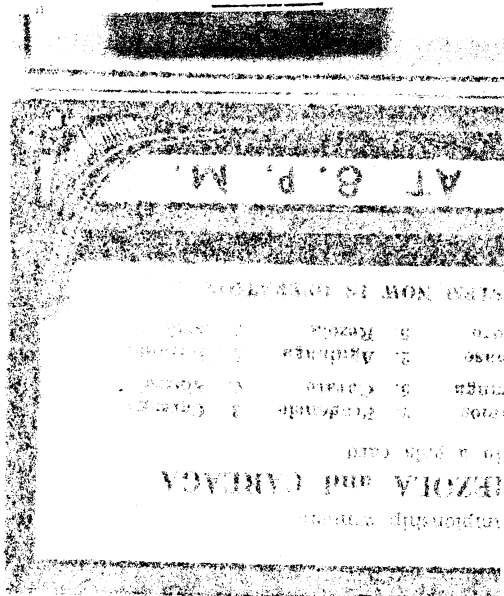
Trouble at this time can profit nobody. Let the lessons of the "Shanghai war" be taken to heart. It seems impossible that anyone could court repetition of such a thing with his eyes open, but as we saw through the circumstances

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allowed through the Mayor's attitude, brings the obvious inquiry, "Is somebody trying to start something?"

There appears to be evidence of a deliberate and directed movement to create a fresh "Shanghai incident"—but we hope the evidence is misleading. We hope that this whole unfortunate flurry dies down promptly.

Trouble at this time can profit nobody. Let the lessons of the "Shanghai war" be taken to heart. It seems impossible that anyone could court repetition of such a thing with his eyes open; but as we saw through the circumstances of the outcome of those hostilities, it is easy enough to blunder along into disaster if jingoistic malice overrides wise guidance.



THE FOLLOWING IS A LIST OF THE NAMES OF THE PERSONS WHOSE NAMES WERE OBTAINED FROM THE FILES OF THE NEW YORK CITY POLICE DEPARTMENT ON JULY 11, 1972.	
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ON JULY 11, 1972. THE FOLLOWING IS A LIST OF THE NAMES OF THE PERSONS WHOSE NAMES WERE OBTAINED FROM THE FILES OF THE NEW YORK CITY POLICE DEPARTMENT ON JULY 11, 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

enclosure No. 2 to despatch no. 8738 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 8,
1935, on the subject: Sino-Japanese Relations: Local
Reaction to "New Life" Magazine Case: Protests over arrest
of alleged Communist.

SEARCHED INDEXED (American
registered, recently
purchased by Dr. H. H.
Kung) July 7, 1935.

Editorial.

Shanghai, Sunday, July 7, 1935

DUE PUNISHMENT

THE indignation of the Japanese, over the insult to their beloved ruler as alleged against the "New Life Magazine" is easily understandable. Even more than the King of England, the Emperor of Japan is held in reverence and affection by his people of all classes and all political complexions. The rôle which he has played as a potent factor of national unity is generally acknowledged though it may not, at the first sight, appear spectacular to a casual observer.

Of the universal respect which he has always commanded, the Chinese press is not unaware. If any indiscretion should ever be discerned, it may probably be attributed to human frailty rather than deliberate malice. The greatness of his personality and the greatness of the empire over which he presides can never be dwarfed either by insinuation or by insult, and when the spirit of forgiveness is given free expression, the dual greatness will stand out all the greater.

It may be recalled that, when the unprecedented flood occurred in Hankow in 1931, the Japanese Emperor was the first to offer relief to its victims. His humane benevolence was bestowed far beyond his own realm, and his neighborly friendship for the Chinese did not go unappreciated. In token of this friendship the Chinese authorities have promptly tendered apologies for the regrettable commission on the part of a single periodical published within their domain, and within the scope of law they may be relied upon to mete out the fittest measure of punishment to the offending party.

If reference were made to the Chinese Criminal Code, penalty would be found for public insult to the head of a friendly state. On the basis of this specific provision action, as far as we know, has already been instituted against the editor of the journal in question, and in the course of time ample satisfaction may be awarded in the name of justice.

Meanwhile forbearance is perhaps to be recommended. Particularly in view of the growing friendliness between China and Japan, no false step should

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Meanwhile forbearance is perhaps to be recommended. Particularly in view of the growing friendliness between China and Japan, no false step should be taken which may jeopardise the chance of an early rapprochement so earnestly desired by the Japanese Emperor no less than by the Chinese.

At a time when China is making every effort to maintain the rule of law, it may well devolve upon the friendly powers to assist her in a judicious application of the law. For due punishment, and nothing more or less, public endorsement will be forthcoming, and toward that end, we are sure, Japanese statesmanship will ultimately prevail.

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of various committees.
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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. 2 to despatch No. 8738 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 8,
1935, on the subject: "Sino-Japanese Relations: Local
Reaction to 'New Life' Magazine Case: Protests over Arrest
of Alleged Communist"

(British) July 2 and 3, 1935.

July 6, 1935.

"NEW LIFE WEEKLY" SUSPENSION

Publisher Summoned Before Court for Inquiry

Accused of having published in his magazine an article allegedly unfavourable to the Japanese Emperor, Doo Tsoong-yuen, publisher of the "New Life Weekly," a Chinese language magazine with offices in Foochow Road, was summoned before the Second Branch Kiangsu High Court, yesterday, for preliminary inquiries by a Procurator. At the conclusion of the inquiry, the Procurator said that he would have the publisher prosecuted and ordered him to furnish \$500 cash security in addition to a guarantee that he would appear before the Court whenever required.

Doo, questioned by the Procurator, admitted he was the publisher of the magazine, but said the article about which a complaint had been filed had been contributed by one Yeh Sui, whose real name and address were unknown to him. Doo said he had been in Kiangsi for several weeks and only arrived in Shanghai on Sunday morning. During his absence, another man carried out his duties and the article complained of was published while he was away from Shanghai.

The Procurator pointed out that it was against the law to insult the ruler of a nation, and, since Doo was the publisher, he must be held responsible for any articles that appeared in his magazine.

The complaint against Doo was, according to a Central News Agency report, filed with local Chinese authorities by Japanese consular officials. Besides the punishment of the publisher and editor of the "New Life Weekly," the Japanese demanded the suspension of the magazine and a guarantee against a recurrence of similar incidents in the future. The article complained of was entitled "Gossip about Emperors," and dwelt in detail on the political system of Japan and touched on the Japanese Imperial Household. This, in the Japanese consular officials' opinion, constituted a lack of respect to their ruler.

LOCAL JAPANESE AGITATED

Blame Kuomintang for "New Life" Magazine Case

There is growing agitation among the Japanese community over the case of the recently banned "New Life" magazine, and the Embassy is to open negotiations with the Chinese Government authorities on the question, it was learned yesterday. It is claimed by the Japanese that the responsibility for the case rests with the Central Kuomintang—and therefore the Government—inasmuch as the offending article was published after having passed through the hands of the Documents and Magazines Censorship Committee of the Kuomintang.

Mr. A. Ariyoshi, the Japanese Ambassador, has been in conference during the past few days, with Rear-Admiral Sato, Naval Attaché; Major-Gen. Isogai, Military Attaché; and Mr. I. Ishii, Consul-General to Shanghai, and the results of their meeting have been telegraphed to the Foreign Office in Tokyo. Instructions from Tokyo are awaited before further negotiations with the Nanking authorities are instigated.

In the meantime, it is learned that H.I.J.M.S. Iwate, the flagship of the Third Fleet, is not sailing north today, as first intended, but is being held here until further notice. It is also reported that handbills, containing strong expressions of indignation over the case, have been distributed among the Japanese community.

Second Hearing

The second hearing of the case against Doo Tsoong-yuen, who is responsible for the "New Life" magazine, and Yih Su, the writer of the article which has caused the trouble, took place in the Second Branch of the Kiangsu High Court on Monday. Doo Tsoong-yuen explained that he was absent from the first hearing because he was making a trip in Kiangsi, and that he returned to Shanghai on June 30. He said he did not know the true name and address of Yih Su, who did not appear at the hearing. After deciding to apply article 122 of the Chinese Criminal Code (which is virtually the same as article 116 of the New Code) to the present case, the Court committed Doo for trial.

Article 122 of the old code, applied in the case, which was launched before July 1, reads:—

Whoever commits any offence against a representative of any foreign State sent to the Republic shall be punished according to the provisions specified in the Chapter on "Interference with the Exercise of Public Functions."

Local Censors Of "New Life Weekly" Hit

Nanking Decision Said Reached To Punish Censorship Committee

The local censorship committee in charge of examination of books and magazines, established by the propaganda department of the Central Kuomintang Headquarters in Nanking, is to get its share of punishment for allowing the New Life Weekly to publish an article entitled "Gossip About Emperors," according to a news dispatch from Nanking appearing in yesterday's Shun Pao, one of the leading local Chinese vernacular dailies.

The decision said to have been reached in Nanking will call for the dismissal of the chief and certain other members of the examination section of the books and magazine censorship committee in Shanghai for their alleged negligence of duty. In addition, a reorganization of the censorship committee will be effected.

The article has given rise to the Sino-Japanese issue of the moment, known as the New Life Weekly case. The article in question allegedly criticized the Imperial Household of Japan and therefore, it was charged by local Japanese authorities, showed a lack of respect to the Japanese Emperor.

The City Government of Greater Shanghai has complied wherever possible with all the demands of the local Japanese consular authorities on the case, including the suspension of the weekly. The publisher of the magazine and author of the article are now under trial in court. Mayor Wu has also tendered his apologies for this unfortunate affair.

So far, however, the Japanese authorities have refused to write "finis" to the case. Japanese newspapers in Shanghai and Tokyo are still featuring the incident.

According to a telegram from Nanking appearing in yesterday's Nippo, local Japanese daily, Mr. Y. Suma, Japanese consul-general in Nanking, called on Mr. Tang Yu-jen, vice-minister of foreign affairs Thursday. The former is said to have drawn Mr. Tang's attention to the "seriousness" of the case. Mr. Suma urged a speedy settlement.

The Shanghai Nichi-Nichi carried a telegram yesterday from Tokyo which quoted the Tokyo Nichi-Nichi as stating in its leading article that the case cannot be settled by the punishment of the persons responsible for the publication of the weekly, and that the Kuomintang should be held responsible.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Paris, July 17, 1935.

AUG 17 1935

SPECIAL REPORT

No. W. D. 1562.

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The American Ambassador forwards herewith
Mr. Warrington Dawson's Special Report No. W. D.
1562, dated July 17, 1935.

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EMBASSY OF THE
UNITED STATES OF AMERICA

Paris, July 17, 1935.

Serial No. W. D. 1562.

SPECIAL REPORT,

By Warrington Dawson,
Special Assistant.

SUBJECT: Far Eastern Questions as Viewed
in French Magazines and Newspapers.

Saint Brice inquired in LE JOURNAL of June 30, 1935, why the Chinese occasionally fight among themselves, but never against the Japanese. His own conclusion is that Chang Hai Check, who formerly had the support of the Japanese, may wish to gain time in order to strengthen his own power.

Roland de Marès wrote, discussing the Far Eastern situation in LE TEMPS of June 30, 1935:

"As a matter of fact, under cover of the Manchus, the Japanese are already the effective masters in the demilitarized zone of the Great Wall, in Tientsin and in Peiping itself, where the Chinese authority no longer exists, except on the condition of proclaiming itself as being clearly pro-Japanese."

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1935 - Narcotics

LA TRIBUNE DES NATIONS published on July 11, 1935, an article by Hoo-Chi-Tsai, Chinese Minister to Switzerland, and permanent delegate to the League of Nations, discussing the drug traffic in China and the problem of chemical warfare. This article, of considerable length, appears to deserve a full reading in the original, it being difficult to give an adequate idea of it in summarized form. The following extract will give an indication of its general bearing:

"In conclusion, I wish, as I have done on every occasion when I have discussed the question of narcotics in China, to stress the importance we attach to the collaboration of certain foreign powers in this connection. For reasons which do not exist in other countries, the problem of narcotics is particularly difficult for us to solve, because there exist on Chinese soil centers of illicit production and traffic, which are beyond the control of the Chinese authorities. All our efforts and all the sacrifices we make would be in vain if these centers continued to flood China with their poison. We must not allow it to be said in China that all we have done for the suppression of opium and drugs of Chinese origin have served merely to open an illicit market for foreign narcotics and traffickers."

René Pinon concluded as follows a discussion entitled "Japan and China" in his Fortnightly Chronicle of LA REVUE DES DEUX MONDES of July 15, 1935:

"Neither the anger of the Americans nor the anxiety of the English nor the timid protests of the Russians, who are constantly retreating, will prevent the Empire of the Rising Sun from devouring the Chinese artichoke, leaf by leaf."

The

- 3 -

The French authority who discusses Chinese questions under the pseudonym "Percheron" dealt with the "Summarized Soul of the Japanese Army" in LA REVUE DE FRANCE of July 15, 1935. He remarked, notably:

"Whether or not the Army succeeds in taking over the power, it may already be said to have played its part. It has made the Japanese people realize that they have adored false gods which are ours. But for the peace of the world it is evident that the Army should henceforth exercise only one influence, helping artisans to bring about the national renovation. It would appear that of late it has accepted this position of surveillance.

"Although the ideas attributed to it for conquering the world should not be taken too seriously, the Japanese Army has the great defect, as far as Westerners are concerned, of being 100% Japanese. This makes it tend to neglect the interdependence of peoples and races, recognizing nothing but the pan-Asiatic bloc.

"Let us say once again that there is no question for the Army of an economic war or a war for commercial supremacy and dumping. Moral ideas prevail and philosophical conceptions, a law of patriotic honesty which the Japanese wish to establish at home and among people of the same color."

André Dubosq has published two further articles dealing with the Japanese situation in LE TEMPS of July 4 and 17, respectively. He dwelt considerably upon military questions, insisting upon the impersonal quality of Japanese military men, who rarely speak, but

create

- 4 -

create an atmosphere which envelopes the governmental power in a permanent and not a merely exceptional or temporary way.

The originals of the articles mentioned in this Report are herewith enclosed.

Respectfully yours,

Warrington Dawson

Warrington Dawson,
Special Assistant.

✓
Enclosures:

Extracts from:

- 1) LE JOURNAL of June 30, 1935.
- 2) LE TEMPS of June 30, 1935.
- 3) LA TRIBUNE DES NATIONS of July 11.
- 4) LA REVUE DES DEUX MONDES of July 15.
- 5) LA REVUE DE FRANCE of July 15.
- 6) LE TEMPS of July 4, 1935.
- 7) LE TEMPS of July 17, 1935.

In quintuplicate

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Enclosure 1 to Special Report No. W.D. 1562
dated July 17, 1935, from Embassy, Paris.

LE JOURNAL

Dimanche 30 Juin 1935

POURQUOI LES CHINOIS se battent-ils parfois entre eux mais jamais contre les Japonais ?

Le canon a tonné à Pékin. Mais ce n'est pas pour une bataille entre Chinois et Japonais. Ce sont les Chinois qui se sont battus entre eux. Cet incident, comme l'autre épisode récent de la désertion d'un croiseur chinois parti de Canton pour se réfugier dans les eaux britanniques d'Hong-Kong, éclaire bien des choses qui paraissent fort étranges à bon nombre de Français.

Que les Japonais profitent de l'évolution qui a retourné les Soviets vers l'Europe, des embarras intérieurs des Américains et des complications européennes pour développer leur action, cela tout le monde le comprend. Même on prêterait volontiers aux Nippons un appétit et un estomac auxquels ils ne peuvent prétendre en les supposant capables d'avoir digéré la Mandchourie en quatre ans et de chercher à avaler tout le nord de la Chine. Les aspirations

japonaises s'inspirent de conceptions plus réalistes. Elles tendent à créer une large zone démilitarisée, soumise à leur influence, tout autour du Man-Tchéou-Kouo, à contenir la propagande hostile des nationalistes chinois, à mettre fin au boycottage commercial. Tout cela ne va pas évidemment sans une pression politique très poussée.

Ce que beaucoup de Français comprennent moins, c'est l'inertie, pour ne pas dire plus, opposée par les dirigeants chinois aux opérations japonaises. La résistance ne va pas au delà de chicanes qui aggravent les capitulations ou d'un refus de coucher par écrit les concessions qui ne fait que fournir aux Japonais l'occasion de suspecter la bonne foi des autorités chinoises.

Evidemment tout cela est explicable si on ne tient pas compte d'un certain nombre de faits que mettent en lumière les incidents de Nankin et de Canton. L'homme fort de la Chine à l'heure actuelle est le chef du gouvernement de Nankin, le maréchal Tchang Kai Chek. Mais son autorité ne s'exerce que sur la Chine centrale et encore a-t-il fort à faire à mater les communistes. Le nord et le sud sont très douteux. La preuve est qu'à Canton et à Pékin l'indiscipline vient de se manifester. Plutôt que de se compromettre pour des éléments aussi peu sûrs en se lançant dans l'aventure d'une guerre contre le Japon, le maréchal Tchang Kai Chek, qui a été autrefois soutenu par les Japonais, préfère prendre le temps de consolider son pouvoir. — SAINT-BRICE.

Enclosure 2 to Special Report No. W.D. 1562
dated July 17, 1935, from Embassy, Paris.

Clipped from LE TEMPS of June 30, 1935.

Paris, le 29 juin

BULLETIN DU JOUR

EN EXTRÊME-ORIENT

Les incidents se multiplient en Extrême-Orient, où le différend sino-japonais relatif au Hopeï et au Chahar a créé ces temps derniers de sérieuses préoccupations. Des troupes rebelles ont tenté un coup de force contre Pékin, tentative qui a été énergiquement réprimée par l'armée chinoise régulière. L'alerte a été vive, car 2,000 hommes appartenant au corps du général Tsao, dont l'arrestation avait été décidée par le conseil de guerre parce qu'il n'avait pas évacué ses positions à la date prévue par l'accord récemment intervenu avec les Japonais, s'étaient emparés d'un train blindé, à Fengtai, et avaient attaqué en direction de Pékin, tandis que dans la ville même une partie de la police chinoise se révoltait. La ligne Pékin-Tien-Tsin a été endommagée en plusieurs endroits, mais l'attaque contre Pékin a échoué et les informations de source britannique assurent que, les autorités chinoises dominant complètement la situation, les Japonais estiment ne pas devoir intervenir pour l'instant. Il n'en reste pas moins que de tels incidents témoignent du désordre et de la confusion qui règnent dans la Chine du Nord, où les arrangements conclus avec les Nippons provoquent de vives résistances de la part de certains généraux chinois agissant trop souvent pour leur propre compte, et dont les forces, réfractaires à toute discipline, se livrent à des opérations particulières. Tous les malheurs de la Chine s'expliquent par cette anarchie militaire que le gouvernement national de Nankin n'a jamais pu réprimer définitivement.

Mais l'affaire de Pékin n'est qu'un incident d'une importance relative dans l'ensemble de la situation qui existe en Chine du Nord, et qui est sans précédent. On sait à quelles tractations ont donné lieu les réclamations des Japonais relatives à la province de Hopeï. A peine l'accord était-il réalisé que quelque nouvel incident fournissait aux Nippons l'occasion de formuler de nouvelles exigences, cette fois au sujet de la région du Chahar. Là encore les autorités chinoises ont dû céder; mais comme elles refusaient de prendre par écrit les engagements qu'elles avaient contractés verbalement, il a fallu un ordre formel de Nankin pour confirmer le règlement qui avait été arrêté. Les Chinois ont donné l'assurance que les incidents qui marquent trop souvent la campagne antijaponaise parmi les populations de la Chine du Nord ne se renouvelleront plus; ils ont consenti à destituer le chef d'état-major de la 132^e division chinoise et à remplacer les troupes chinoises stationnées dans l'est du Chahar par un corps spécialement chargé du maintien de l'ordre, comme il en existe déjà un dans la zone démilitarisée au sud de la Grande-Muraille. De source japonaise on a indiqué qu'il y avait d'autres conditions, auxquelles Nankin a bien dû souscrire. C'est ainsi que l'installation dans le Chahar des émigrants chinois venant du Chantung sera suspendue, que les organisations du Kuomintang et les formations antijaponaises seront supprimées, et enfin que le Chahar oriental sera transformé, lui aussi, en zone démilitarisée.

C'est dans ces conditions-là, bien plus que dans les mesures à prendre contre certaines autorités locales, que l'on discerne les préoccupations d'ordre politique auxquelles obéissent les Japonais dans leur activité dans la Chine du Nord, activité qui est d'une remarquable continuité d'inspiration et d'exécution. En faisant suspendre l'installation dans le Chahar des Chinois venant du Chantung, les Nippons écartent des éléments qui leur sont hostiles en général, et ils se ménagent la bienveillance des Mongols, que l'immigration des Chinois du Chantung inquiète; en exigeant la démilitarisation du Chahar oriental et la suppression de toute activité des organisations politiques chinoises, ils garantissent dans la mesure du possible la sécurité du Mandchoukouo tel qu'ils l'ont maintenant construit pour le développement de leur influence dans toute la Chine du Nord. On ne s'étonne point que le nouvel ambassadeur du Japon en Chine, M. Aleira Ariyoshi, ait fait publier une déclaration pour affirmer la satisfaction qu'il éprouve du fait du règlement amical des incidents du Hopeï et du Chahar, en exprimant l'espoir que le gouvernement de Nankin fera d'autres efforts pour réprimer l'agitation antinipponne dans toutes les régions de la Chine. Le général Umatsu, qui commande les troupes japonaises stationnées à Tien-Tsin, a exprimé, de son côté, le souhait particulier qu'il soit mis fin à l'agitation antijaponaise tout le long des frontières du Mandchoukouo, dont le Japon a garanti la sécurité. Le but de l'activité nipponne est ainsi clairement défini: asseoir sur des bases solides l'Etat mandchou et écartier tous les obstacles auxquels se heurte jusqu'ici le rayonnement de l'influence nipponne, au delà des frontières du Mandchoukouo, dans les provinces de la Chine du Nord.

En fait, sous le couvert des Mandchous, les Japonais sont déjà effectivement maîtres de la situation dans la zone démilitarisée de la Grande-Muraille, à Tien-Tsin, et à Pékin même, où l'autorité chinoise ne subsiste plus qu'à la condition de s'affirmer nettement pro-japonaise.

Lors des incidents du Hopeï, il y a quelques semaines, un organe important de Tokio, l'*Asahi*, a reconnu que le but des militaires japonais qui conduisent l'affaire actuelle était de détruire toute l'influence de Tchang Kai Chek dans la Chine du Nord. Il semble bien qu'au cours de ces derniers mois les Nippons aient sensiblement progressé vers ce but, tandis que la diplomatie du gouvernement de Tokio a réussi, à force de souplesse et d'habileté, à développer l'entente avec Nankin en vue d'une large politique de coopération sino-japonaise tendant à réserver le vaste champ oriental du continent asiatique à l'activité des hommes de race jaune. Au point où en sont les choses, les Nippons pourront ramener l'empereur mandchou à Tien-Tsin et à Pékin quand ils le voudront, et recréer ainsi, sous leur protection, un vaste empire de la Chine du Nord. Mais il y a des raisons de croire que leur politique a une portée beaucoup plus générale, et qu'elle amorce en réalité ce prodigieux réveil du monde jaune dont nous avons à plusieurs reprises souligné l'intérêt, et qui s'annonce comme devant être, du point de vue économique comme du point de vue politique, un événement capital dans l'histoire du monde civilisé.

Enclosure 3 to Special Report W.D. 1562
dated July 17, 1935, from American Embassy,
Paris, France.

Clipped from LA TRIBUNE DES NATIONS of July 11, 1935.

La chimie en guerre contre la drogue

par HOO-CHI-TSAÏ

Ministre de Chine en Suisse,
délégué permanent de la Chine
auprès de la S. D. N.

(Suite de)

Vu l'étend
nois et la d
dans les dif
lutte contre le fléau des stupéfiants.
Mais alors qu'auparavant nous
nous attaqu
l'opium par
n'avions à lutter que contre le fléau
aboutir grad
de l'opium, notre tâche est mainte
nant rendue beaucoup plus complexe
l'usage de l'op
et plus difficile par l'apparition d'un
la Chine, — le fléau qui menace de causer des ra
suppression
vages encore plus grands : celui des
aboutir à cet
stupéfiants manufacturés, tels que la
avons décrét
morphine, l'héroïne, etc. Il ne suffit
sortir de « pé
plus pour nous de combattre l'usage
contre les stu
de l'opium à fumer, il nous faut aussi
possession de
et surtout combattre celui des stu
pions nécessa
fiants manufacturés, car l'expérience
ces mesures
nous a montré que l'usage des stupé
rison obligat
fiants manufacturés tendait à se dé
comanes dan
velopper précisément dans les pro
vinces où la suppression de l'usage
de l'opium a été la plus rigoureuse.

Mais il ne
Ces considérations ont amené le Gou
vernement chinois à adopter en mai
1934 une série de nouvelles mesures
ment chinois, visant d'une part les stupéfiants m
portante est
nufacturés et d'autre part l'opium.
règlements
Ces nouvelles mesures peuvent se dé
sont les pre
finir comme suit : — d'une part,
application.
mesures draconiennes contre l'usage

Certes, les
non-médical, la fabrication, le trans
port et le trafic des stupéfiants ma
nufacturés, et, d'autre part, substitu
tion d'une méthode de restriction
de tracts; propagande faite par des

L'application du règlement pour la
répression de la fabrication clandestine, le trafic et l'usage des drogues
a été étendue dans la plupart des
provinces chinoises. Pendant l'année
1934, la peine de mort a été appli
quée dans 163 cas, sans distinction
de la condition sociale des personnes
inculpées.

Ce n'est pas de gaieté de cœur que
je mentionne ces exécutions. Nous
sommes les premiers à déplorer la ri
gueur des mesures que nous avons dû
adopter, mais en face d'une situation
d'une gravité exceptionnelle, les me
sures d'une sévérité exemplaire de
vaient être prises et appliquées. Par
ailleurs, un nouveau règlement qui
complète celui de mai 1934 prévoit
une graduation de peine pour les
délinquants. Selon ce règlement, si
les fabricants clandestins et les trafi
quants de drogues sont passibles de
la peine de mort, leurs complices se
ront condamnés à un emprisonnemen
t de 5 à 12 ans. A partir de 1937,
les complices seront également con
damnés à mort.

Le nouveau règlement stipule, d'aut
re part, que toutes les personnes
s'adonnant aux drogues manufactu
rées doivent suivre un traitement de
désintoxication pendant l'année 1935.
Celles qui réussiront à se soustraire à
cette obligation seront passibles, dès
1936, de 5 ans d'emprisonnement, et à
partir de 1937 de la détention perpé
tuelle ou de la peine de mort. Ce
règlement, qui a obtenu la plus gran
de publicité, permet d'espérer que
tous les toxicomanes de drogues sui
vront en 1935 un traitement de leur
propre gré.

Quant à l'opium, pour les provinces
où la culture du pavot est complète
ment interdite, des inspecteurs ont
été nommés pour se rendre sur place
et voir si le règlement a été appliqué.
En cas de besoin, des troupes peu
vent être envoyées pour faire appli
quer le règlement. Pour les provinces
où la culture du pavot est encore

progressive de l'usage de l'opium et
de la culture du pavot à celle de la
prohibition absolue qui n'avait pas
donné de résultats satisfaisants.

Il m'est impossible de résumer ici
les mesures prévues dans les règle
ments élaborés par le Gouvernement
chinois. Je me bornerai à indiquer
qu'en ce qui concerne les drogues le
Conseil Politique Central a posé, le
16 mai 1934, les deux principes sui
vants modifiant les dispositions lé
gislatives antérieures :

1) La fabrication, le transport et
la vente des drogues peuvent être pu
nis par la mort ;

2) Les toxicomanes doivent être
envoyés dans des hôpitaux ou éta
blissements spéciaux pour y subir
un traitement obligatoire et ceux qui
contractent de nouveau leur habi
tude, après avoir été guéris, devront
être sévèrement punis.

Quant à l'opium, les nouveaux ré
glements permettent au Gouverne
ment chinois de contrôler toutes les
phases des opérations — à commen
cer par la culture du pavot et à ter
miner par l'achat de l'opium par les
fumeurs.

stupéfiants et distribution
de tracts; propagande faite par des

de son pouvoir sur toute la Chine, le
développement progressif de notre
économie nationale et la coopération
des pays intéressés, il n'y a aucune
raison pour qu'il ne réussisse pas.
En effet, il n'y a aucun sacrifice au
quel nous ne soyons prêts à consen
tir pour éliminer le fléau des stu
péfiants qui menace les forces vives de
la nation chinoise.

Pour donner une idée exacte de la
situation actuelle en Chine, je ne
puis passer sous silence le fait que
le général Chiang Kai-Shek, lui
même, nommé par le Gouvernement
chinois inspecteur général pour la
suppression de l'opium, s'est dévoué
à la lutte contre les stupéfiants. Tou
tes les nouvelles mesures prises en
Chine contre l'opium et les drogues
émanent de lui; l'application de ces
mesures et les résultats obtenus sont
placés sous son contrôle immédiat.
Ceci facilite de beaucoup la tâche
que nous avons entreprise, car dans
la période actuelle que j'ai qualifiée
de « période militaire de lutte con
tre les stupéfiants, l'intervention,
en cas de besoin, de la force armée,
qui est commandée par le général
Chiang-Kai-Shek, est rendue plus fa
cile et plus directe. Partout où il a
eu, depuis quelques mois, l'occasion
de prononcer un discours en public,
surtout dans les provinces cultivant
encore le pavot, comme le Szechwan
et le Kweichow, le général Chiang-
Kai-Shek n'a pas manqué de pronon
cer des discours sur le fléau des stu
péfiants et, soulignant le fait que la
suppression de ce fléau est une des
conditions essentielles de la recons
truction de la Chine. De pareilles
paroles venant de sa bouche ont, en
Chine, non seulement un retentisse
ment et un effet exceptionnels, mais
constituent également un gage de la
détermination avec laquelle le Gou
vernement chinois entend poursui
vre sa lutte contre les stupéfiants.

Pour conclure, je voudrais, com
me je l'ai fait chaque fois que j'ai
parlé sur la question des stupéfiants
en Chine, souligner l'importance que
présente pour nous la collaboration
de certaines puissances étrangères
en cette matière. Pour des raisons

nt leurs représenta
grande publicité est
les journaux sur toutes
prises par le Gouverne
ment chinois, l'opium et les drogues,
notamment les trafiquants,
la toxicomanie et les
les toxicomanes de
ttement de désintoxica

mes provinces, on a
pris à des mesures spé
ciales. La diffusion de
tracts et chansons con
traignant les cultivateurs
à ne pas planter le pavot, etc., etc.

lequel nous tendons,
l'usage de l'opium pré
fin de 1940. Evidem
ment de l'opium est un
complexe. Obtenir en

ultat que nous désirons
nement de la plus
tance pour la lutte con
traignant dans le monde en
vernement national est
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time qu'avec l'extension
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raison pour qu'il ne réussisse pas.

Il est nécessaire de faire observer que si le développement de l'industrie sociale fut la raison principale, elle ne fut pas l'unique raison qui déterminait la liquidation du chômage. Une autre cause de cette suppression du chômage, et la plus décisive sans doute, a été la collectivisation de l'économie rurale. Aujourd'hui, les trois quarts des exploitations paysannes sont réunies en kolchozes. Les kolchozes sont des coopératives de paysans ayant mis en commun leurs terres et leurs outils. Ils ont permis de passer de 100.000 en 1928 à 408.000 en 1934. Pour bien comprendre toute l'importance de ces chiffres, il faut se rappeler qu'en 1913, l'industrie russe n'avait que 1.200 entreprises.

ort W.D. 1562
rican Embassy,
July 11, 1935.

La chimie en guerre contre la drogue

(Suite de la première page.)

Vu l'étendue du territoire chinois et la diversité des conditions dans les différentes régions, nous nous attaquons au problème de l'opium par provinces, de manière à aboutir graduellement à la suppression de la culture du pavot et de l'usage de l'opium préparé dans toute la Chine, — le délai prévu pour cette suppression étant de 6 ans. Pour aboutir à cette suppression nous avons décrété provisoirement une sorte de « période militaire de lutte contre les stupéfiants » pour être en possession de tous les moyens d'actions nécessaires. Mais parallèlement ces mesures, nous prévoyons la guérison obligatoire et gratuite des toxicomanes dans les établissements ouverts par les autorités centrales ou locales.

Mais il ne suffit pas d'exposer, — en les simplifiant à l'extrême, — les lois et ordonnances du Gouvernement chinois. La question la plus importante est celle de savoir si les règlements sont appliqués et quels sont les premiers résultats de leur application.

Certes, les statistiques sur la question des stupéfiants étant de date récente, ne peuvent être forcément ni complètes ni parfaites. Je pense néanmoins que les informations que je chercherai à résumer ci-dessous donneront aux lecteurs de la « Tribune des Nations » une image assez adéquate des progrès réalisés en Chine.

L'application du règlement pour la répression de la fabrication clandestine, le trafic et l'usage des drogues a été étendue dans la plupart des provinces chinoises. Pendant l'année 1934, la peine de mort a été appliquée dans 163 cas, sans distinction de la condition sociale des personnes inculpées.

Ce n'est pas de gaieté de cœur que je mentionne ces exécutions. Nous sommes les premiers à déplorer la rigueur des mesures que nous avons dû adopter, mais en face d'une situation d'une gravité exceptionnelle, les mesures d'une sévérité exemplaire devaient être prises et appliquées. Par ailleurs, un nouveau règlement qui complète celui de mai 1934 prévoit une graduation de peine pour les délinquants. Selon ce règlement, si les fabricants clandestins et les trafiquants de drogues sont passibles de la peine de mort, leurs complices seront condamnés à un emprisonnement de 5 à 12 ans. A partir de 1937, les complices seront également condamnés à mort.

Le nouveau règlement stipule, d'autre part, que toutes les personnes s'adonnant aux drogues manufacturées doivent suivre un traitement de désintoxication pendant l'année 1935. Celles qui réussiront à se soustraire à cette obligation seront passibles, dès 1936, de 5 ans d'emprisonnement, et à partir de 1937 de la détention perpétuelle ou de la peine de mort. Ce règlement, qui a obtenu la plus grande publicité, permet d'espérer que tous les toxicomanes de drogues suivront en 1935 un traitement de leur propre gré.

Quant à l'opium, pour les provinces où la culture du pavot est complètement interdite, des inspecteurs ont été nommés pour se rendre sur place et voir si le règlement a été appliqué. En cas de besoin, des troupes peuvent être envoyées pour faire appliquer le règlement. Pour les provinces où la culture du pavot est encore temporairement autorisée — une enquête sera faite pour établir la

également des mesures pour employer les toxicomanes guéris dans des travaux d'utilité publique. On cherche ainsi à éliminer une des causes de la toxicomanie qui est la misère matérielle et partant morale des personnes en cause.

Pour réduire le nombre des toxicomanes et opiomanes, il ne suffit pas de les guérir mais il est aussi nécessaire de prévenir les personnes normales contre le danger de la toxicomanie et de les empêcher ainsi de s'adonner aux stupéfiants. A cet effet, le Gouvernement chinois a édicté toute une série de mesures visant la propagande à faire dans les provinces, municipalités et districts. Il serait trop long de décrire et même d'énumérer ce qui a été fait comme propagande dans toute la Chine depuis la dernière session de notre Commission. Je me bornerai à mentionner seulement les moyens qui ont été généralement employés : démonstrations monstres, processions et réunions publiques dans lesquelles les fonctionnaires et les personnalités les plus en vue de l'endroit où ces manifestations ont lieu prennent la parole; conférences ambulantes dans les rues, organisées par un groupe de conférenciers spécialisés; enseignement par les professeurs dans les écoles; affichage d'avertissements contre les stupéfiants et distribution de tracts; propagande faite par des

artistes pendant leurs représentations; la plus grande publicité est donnée dans les journaux sur toutes les mesures prises par le Gouvernement contre l'opium et les drogues, les peines frappant les trafiquants, les dangers de la toxicomanie et les facilités qu'ont les toxicomanes de suivre un traitement de désintoxication.

Dans certaines provinces, on a même eu recours à des mesures spéciales, par exemple, la diffusion de maximes, proverbes et chansons contre les stupéfiants, distribution de brochures de propagande appelées L'A. B. C. du toxicomane, l'institution dans les écoles de concours oratoires ou de dessins antistupéfiants, la distribution, au moyen d'avions, de tracts enjoignant les cultivateurs à ne pas cultiver le pavot, etc., etc.

Le but vers lequel nous tendons, c'est la suppression de la culture du pavot et de l'usage de l'opium préparé vers la fin de 1940. Evidemment, le problème de l'opium est un problème très complexe. Obtenir en six ans le résultat que nous désirons serait un événement de la plus grande importance pour la lutte contre les stupéfiants dans le monde entier. Le Gouvernement national est fermement résolu à s'attaquer à cette tâche et il estime qu'avec l'extension de son pouvoir sur toute la Chine, le développement progressif de notre économie nationale et la coopération des pays intéressés, il n'y a aucune raison pour qu'il ne réussisse pas. En effet, il n'y a aucun sacrifice auquel nous ne soyons prêts à consentir pour éliminer le fléau des stupéfiants qui menace les forces vives de la nation chinoise.

Pour donner une idée exacte de la situation actuelle en Chine, je ne puis passer sous silence le fait que le général Chiang Kai-Shek, lui-même, nommé par le Gouvernement chinois inspecteur général pour la suppression de l'opium, s'est dévoué à la lutte contre les stupéfiants. Toutes les nouvelles mesures prises en Chine contre l'opium et les drogues émanent de lui; l'application de ces mesures et les résultats obtenus sont placés sous son contrôle immédiat. Ceci facilite de beaucoup la tâche que nous avons entreprise, car dans la période actuelle que j'ai qualifiée de « période militaire de lutte contre les stupéfiants, l'intervention, en cas de besoin, de la force armée, qui est commandée par le général Chiang-Kai-Shek, est rendue plus facile et plus directe. Partout où il a eu, depuis quelques mois, l'occasion de prononcer un discours en public, surtout dans les provinces cultivant encore le pavot, comme le Szechwan et le Kweichow, le général Chiang-Kai-Shek n'a pas manqué de prononcer des discours sur le fléau des stupéfiants et, soulignant le fait que la suppression de ce fléau est une des conditions essentielles de la reconstruction de la Chine. De pareilles paroles venant de sa bouche ont, en Chine, non seulement un retentissement et un effet exceptionnels, mais constituent également un gage de la détermination avec laquelle le Gouvernement chinois entend poursuivre sa lutte contre les stupéfiants.

Pour conclure, je voudrais, comme je l'ai fait chaque fois que j'ai parlé sur la question des stupéfiants en Chine, souligner l'importance que présente pour nous la collaboration de certaines puissances étrangères en cette matière. Pour des raisons qui ne se présentent pas dans d'autres pays, le problème des stupéfiants

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

tuelle ou de la peine de mort. Le règlement, qui a obtenu la plus grande publicité, permet d'espérer que tous les toxicomanes de drogues suivront en 1935 un traitement de leur propre gré.

Quant à l'opium, pour les provinces où la culture du pavot est complètement interdite, des inspecteurs ont été nommés pour se rendre sur place et voir si le règlement a été appliqué. En cas de besoin, des troupes peuvent être envoyées pour faire appliquer le règlement. Pour les provinces où la culture du pavot est encore temporairement autorisée — une enquête en cours permettra d'établir la superficie des terres servant à cette culture et le montant de la production de l'opium. Ces chiffres, une fois établis ne devront pas être dépassés et la culture devra être réduite d'année en année. D'ici 6 ans, toute culture de l'opium doit disparaître de la Chine.

Pour ce qui concerne les opiomanes, un nouveau règlement prévoit que l'enregistrement de tous les opiomanes doit être complété dans les six mois. Après 1935, aucun enregistrement ne sera admis et les opiomanes découverts seront soumis à une cure obligatoire de désintoxication. Les chiffres des enregistrements de 1935 devront servir de base pour la réduction graduelle du nombre des opiomanes de manière à ce qu'à la fin de 1940, tous les opiomanes, enregistrés en 1935 soient guéris de leur vice.

Que le traitement des toxicomanes et des opiomanes a donné des résultats satisfaisants — les quelques chiffres suivants le démontrent éloquemment. En 1934, il existait en Chine 597 hôpitaux où les toxicomanes et opiomanes pouvaient se faire traiter et 81.344 fumeurs ont été traités et guéris. Le nombre d'hôpitaux en 1935 sera supérieur au chiffre que je viens d'indiquer, car les nouveaux règlements prévoient la création d'établissements nouveaux. En fait de nouveaux hôpitaux ont déjà été créés depuis la fin de 1934 et le nombre des toxicomanes guéris, même en 1934, est bien supérieur à 81.344 — car beaucoup d'hôpitaux n'ont pas encore fourni de statistiques. A ma connaissance, dans aucun autre pays du monde le nombre d'hôpitaux de désintoxication et de toxicomanes et opiomanes guéris n'a atteint de tels chiffres en si peu de temps.

Dans certaines provinces et certaines villes, on cherche à enseigner aux patients dans les hôpitaux de désintoxication un travail professionnel, pour qu'après leur guérison les toxicomanes puissent plus facilement trouver une occupation. On envisage

struction de la Chine. De pareilles paroles venant de sa bouche ont, en Chine, non seulement un retentissement et un effet exceptionnels, mais constituent également un gage de la détermination avec laquelle le Gouvernement chinois entend poursuivre sa lutte contre les stupéfiants.

Pour conclure, je voudrais, comme je l'ai fait chaque fois que j'ai parlé sur la question des stupéfiants en Chine, souligner l'importance que présente pour nous la collaboration de certaines puissances étrangères en cette matière. Pour des raisons qui ne se présentent pas dans d'autres pays, le problème des stupéfiants, pour nous, est particulièrement difficile à résoudre par suite de l'existence en territoire chinois, échappant au contrôle des autorités chinoises, de foyers de production et de trafic illicites. Tous nos efforts et tous les sacrifices que nous faisons seraient rendus vains si ces foyers continuaient à inonder la Chine de leur poison. Il ne faudrait pas que l'on puisse se dire en Chine que tout ce que nous avons fait pour supprimer l'opium et les drogues d'origine chinoise n'a servi qu'à ouvrir un marché illicite aux trafiquants et stupéfiants étrangers.

On comprendra aisément l'importance que le Gouvernement chinois attache à l'œuvre entreprise par la Société des Nations pour combattre le terrible fléau des stupéfiants. Tout dernièrement encore, en présentant à la Commission consultative du trafic de l'opium un exposé sur l'œuvre accomplie par mon gouvernement, j'ai eu l'honneur d'adresser un appel à tous les membres de cette commission pour qu'ils interviennent auprès de leur gouvernement afin de mettre fin à certains abus que les autorités chinoises ne peuvent réprimer.

De pareilles mesures seraient la meilleure preuve de la sincérité de leurs intentions et seraient grandement appréciées par tout le peuple chinois. Si elles étaient prises et appliquées, une des causes, et non des moindres, de méfiance et de malentendus existant dans nos relations avec certains pays serait éliminée. Si, par l'intermédiaire de la Commission consultative, il était possible au Gouvernement chinois d'aboutir à une collaboration étroite contre le trafic illicite, je suis sûr que cela constituerait, pour la Société des Nations elle-même, un des plus justes motifs de succès et de satisfaction.

HOO-TCHI-TSAI,
ministre de Chine en Suisse.

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

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Clipped from LA REVUE DES DEUX MONDES of July 15, 1935.

REVUE. — CHRONIQUE.

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et à l'Entente balkanique, rapprochement avec l'Italie. On aime à croire que l'un des premiers actes de M. Stoyadinovitch sera d'appeler à Belgrade ses collègues MM. Benès et Titulesco, qui étaient sur le point d'y arriver au moment où M. Jevtitch a donné sa démission. Paris voit avec regret s'éloigner M. Spalaïkovitch, un ami éprouvé de la France en même temps qu'un grand patriote yougoslave, l'une des figures les plus énergiques de la génération de rudes ouvriers qui ont forgé la grande Yougoslavie, mais il n'y trouve pas l'indice d'une modification de la politique extérieure.

Le colonel Beck, ministre des Affaires étrangères, qui est devenu, depuis la mort du maréchal Pilsudski, l'homme le plus influent du gouvernement, s'est rendu, les 3 et 4 juillet, en visite officielle à Berlin, où il a été accueilli avec de grandes démonstrations d'amitié et où il a eu un long entretien avec le Führer-Chancelier. C'est la première fois depuis la résurrection de la Pologne qu'un ministre des Affaires étrangères fait visite à Berlin. De ce qui s'est dit au cours de ces entretiens avec M. Hitler, M. de Neurath et M. de Ribbentrop, le communiqué ne donne qu'une idée assez vague. On se félicite d'avoir consolidé et développé les bons rapports établis depuis la déclaration du 26 janvier 1934 « qui s'est affirmée comme un élément constructif de la paix européenne ». « Les deux gouvernements resteront à l'avenir en contact étroit. » On peut en conclure que l'attitude concertée des deux gouvernements à l'égard du pacte de l'Est restera négative. L'orientation vers l'Allemagne de la politique polonaise, legs du maréchal Pilsudski, s'accroît avec M. Beck. On se demande ce que devient dans ces conjonctures l'alliance franco-polonaise. Il serait peut-être temps que notre nouvel ambassadeur à Varsovie, M. Léon Noël, s'en enquit officiellement.

LE JAPON ET LA CHINE

Pour un amateur de la virtuosité politique, au sens où on l'entendait au temps de Machiavel, il n'est guère de plus curieux spectacle que l'avance méthodique et pacifique des Japonais dans la Chine du Nord. On sait comment, après l'occupation du Mandchoukouo par les troupes nippones, y compris la province du Jehol au nord de Pékin, les troupes japonaises furent amenées à franchir la Grande Muraille ; les Chinois signèrent l'armistice

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Article by "Percheron" clipped from LA REVUE DE FRANCE
of July 15, 1935.



L'AME SAMOURAI DE L'ARMÉE JAPONAISE

LE Nippon n'a plus de sauvegarde que dans ses forces ». Ce mot de forces revient toujours — que l'interlocuteur soit un agriculteur, un professeur d'Université, un saint bonze, un diplomate ou un militaire, un industriel.

Certes, ce sont des forces que la paysannerie, l'Université, la religion, le Sud-Mandchourien Railway. Mais plus forte que chacune d'elles est l'Armée, car elle les contient toutes. Force du sabre — et des mitrailleuses — forces spirituelles, sociales, religieuses sublimisent le port de l'uniforme réséda.

Pour bien comprendre les bases morales sur lesquelles s'appuie l'âme de l'armée nipponne, il faudrait exposer celles mêmes qui ont présidé à la formation de l'Empire, ainsi que cette longue et vénérable tradition que le militaire place au-dessus de toute autre pensée. Bien entendu, un tel

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la cause de cette suppression. Elle est plaisante pour tout le monde, excepté pour l'auteur. Qui ne rirait en apprenant qu'une pièce ancienne est retirée de votre affiche, parce qu'un acteur du premier théâtre n'a pas d'habit pour la jouer ? »

Cela se passait en 1820, au temps de la Restauration, sous le règne de Louis XVIII. Les choses ont-elles tellement changé, sous le consulat de M. Albert Lebrun ? Le magasin d'accessoires de notre grande scène comique est-il aujourd'hui dans un état plus prospère ? M. Ed. Champion, véridique historiographe de l'illustre maison, raconte que le 22 mai 1933, comme on jouait le troisième acte de *Sapho*, la fauteuil de M. Dorival, qui interprétait le rôle du père Legrand, fit une chute inattendue et intempestive ; le comédien roula à terre, mais, en se relevant, il eut la présence d'esprit de s'écrier : « Dis donc, fille, tes meubles ne sont guère solides ! » Rien de nouveau sous le ciel en toile peinte. L'histoire du théâtre est un perpétuel recommencement, comme l'autre. A plus d'un siècle de distance, Pigault-Lebrun et Alphonse Daudet sont logés à la même enseigne, qui n'est pas celle de l'opulence.

JULES WOGUE.



exposé dépasserait les bornes d'un article, et nous nous bornerons à en tracer seulement quelques lignes essentielles.

On sait qu'il existe au Nippon, comme insignes du pouvoir impérial, trois « Trésors sacrés du Trône ». Ils symbolisent les principes moraux de la dynastie qui, en se basant sur eux, a fondé le Japon, il y a plus de trois mille ans. Une prophétie divine assure une éternelle durée à cette dynastie, gardienne de ces trésors, et elle trouve déjà sa confirmation dans le long cours de l'histoire, depuis la fondation jusqu'à nos jours. Ces trois Trésors sacrés sont : le Miroir, symbole de la justice éclairée ; le Collier, image de la bonté divine ; l'Épée, qui figure la dignité inviolable en tant que gardienne de ces principes.

C'est la mise en pratique de ces trois principes par la dynastie que l'on appelle au Nippon « la morale impériale ». Le moindre Japonais, quelles que soient sa classe et ses opinions politiques, a la ferme conviction de former une parcelle de la famille qui se groupe autour de la dynastie, dépositaire des traditions, pour se conformer à ces vertus.

L'Empereur, père de la famille-nation.

Au Nippon, l'Empereur est avant tout l'incarnation de ces trois vertus nationales : c'est du moins la foi de son peuple, et c'est dans ce sens que sa personne revêt un caractère sacré.

Quelles que soient les origines du peuple qu'on nomme aujourd'hui japonais, la vie en vase clos depuis des milliers d'années a régi une certaine forme de conscience publique.

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Les conditions géographiques et climatiques, les catastrophes naturelles, les fonctions biologiques, les troubles intérieurs qu'a déterminés la loi de la faim, la recherche d'une unité ont finalement formé un peuple homogène qui, dans la suite des temps, pourra être qualifié d'autochtone. Des qualités acquises, telles que la discipline — sur soi et au sein de la société — le maintien de la tradition, l'orgueil de respecter sa dignité personnelle comme une parcelle de la dignité nationale, la propreté physique et morale ainsi que le culte du corps, la courtoisie, l'esprit foncièrement religieux (ce mot pris dans sa plus haute acception) ont fini par devenir des qualités raciales.

La nation japonaise, constituée autour de sa dynastie en une seule « famille-nation », n'a donc jamais été conquise ou soumise par cette dynastie. Ses rapports avec l'Empereur sont ceux de la famille avec son chef, des membres entre eux, des enfants avec leur père. Ainsi, en dehors de tout rapport de souveraineté, ce lien moral indestructible de la famille constitue un trait tout particulier de l'Empire, une situation essentielle du Nippon. L'inviolabilité de la dynastie est inhérente à l'idée de nation. Aussi, depuis le règne du premier souverain, Jimmu, jusqu'à son cent vingt-quatrième successeur, l'Empereur actuel, son autorité est-elle restée intacte, fait unique dans l'histoire universelle. C'est qu'elle n'est pas à base d'intégrité de frontière, de coutume ou de langue : elle s'appuie sur la conservation d'une morale millénaire.

On ne peut nier qu'il existe aujourd'hui de sérieuses divergences entre les partis politiques : aucun, même celui des communistes, n'oserait parler contre le principe d'autorité impériale — car aussitôt il n'y aurait plus de Nippon.

L'Armée, expression de la conscience nationale.

L'Armée est la plus haute expression de cette morale. Non pas tant parce qu'elle a à plusieurs reprises protégé le pays contre l'invasion étrangère, qu'elle a étendu le rayonnement nippon sur le continent jaune, qu'elle détient le sabre et par là dicte un conformisme national, que bien plutôt parce que tous les redressements sociaux qui se sont imposés depuis des siècles ont été réalisés grâce à elle. Nulle part la discipline — non pas la discipline militaire mais la discipline sociale — n'a été pratiquée avec plus de rigueur. Elle est un corps homogène, issu du menu peuple et non d'une caste ou au service d'une caste, le seul qui possède une charte morale et s'y conforme étroitement.

Lorsque l'armée japonaise, à la suite des vexations chinoises, s'est ébranlée en Mandchourie, on a prétendu qu'elle était au service de la vingtaine de magnats qui, dans la métropole nipponne, font la loi économique ; lorsqu'elle a envahi le Jehol pour en chasser des bandits chinois, lorsqu'elle est intervenue à Shanghai, on y a vu un militarisme qui voulait s'affirmer à l'égard d'autres classes sociales ou qui essayait ses possibilités modernes de guerre.

Tout cela est en réalité assez faux...

Croit-on, par exemple, que si l'armée japonaise s'était arrêtée à son infériorité évidente à l'endroit de la Russie tsariste ou si elle avait eu conscience de servir des intérêts marchands, elle se serait, en 1905, lancée dans une guerre dont l'issue était fort douteuse, même pour son propre Etat-Major ?... Mais elle croyait en sa mission de réparer des injustices dont à ses yeux l'Empire était victime.

A la rigueur des combats succède aussitôt l'organisation de la paix. Le ravitaillement des pays occupés, les soins

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donnés aux blessés, l'ouverture d'hôpitaux, d'écoles et de marchés ne sont pas calculs de propagande, jalons posés en vue d'une pénétration économique mais bien application d'une des trois vertus fondamentales : la bonté divine. Le vaincu ne connaît jamais l'insupportable tribut de guerre ni une soldatesque vivant sur l'habitant. La victoire obtenue et l'honneur national sauvegardé, l'Armée rentre dans le rang. Mieux, même : elle essaye de collaborer avec l'adversaire de la veille. Il n'est que de voir les rapports de la Chine puis de la Russie — et peut-être même de la Chine de demain — avec leur vainqueur pour s'apercevoir qu'il existe un état d'âme dont en Occident nous ne nous sommes pas rendu compte.

Autant l'Armée a conscience d'avoir pour mission de combattre le crime et l'injustice, autant elle se montre sévère envers elle-même pour s'astreindre au respect de ces principes impériaux, fondement de toute paix équitable. Il n'est, pour s'en assurer, que de lire sa charte.

La charte du soldat.

Ce code de la morale militaire japonaise fut promulgué il y a cinquante-trois ans par le grand empereur Meiji, lorsqu'à la suite de la violation de ses côtes par le commodore américain Perry, le Japon sentit la nécessité de se hisser au niveau de nations dont jusqu'alors il soupçonnait à peine l'existence. Tout fut mis en œuvre et réglé jusque dans les moindres détails par l'Empereur qui s'appuya sur l'Armée, véritable instrument révolutionnaire, pour imposer sa volonté à une noblesse de clans. Mais pour bien définir le rôle de l'Armée et l'esprit qui devait l'animer, pour avoir en mains ce corps cohérent et sans appétits personnels, il lui donna sa charte dans cinq édits impériaux.

Nous ne pouvons les citer *in extenso*, mais nous en donnerons l'essence :

Le premier article pose, comme devoir le plus sacré, la fidélité envers le Souverain et la Patrie. Un seul devoir, insensible aux discussions publiques, qui doit être accompli « fût-il lourd comme une montagne, alors que le sacrifice de la vie doit être considéré comme plus léger qu'une plume ».

Le second article impose la maîtrise de soi et la courtoisie envers tous. L'indiscipline à l'égard des supérieurs, la brutalité de ceux-ci envers leurs inférieurs « troublent » la bonne harmonie et sont un crime impardonnable envers la Patrie. »

Le troisième édit traite de la bravoure, du sang-froid et de la prudence, qualités maîtresses du soldat : « Les hommes d'un vrai courage, précise-t-il, traitent les autres avec douceur, pour mériter le respect de tous les hommes. De la simple bravoure avec de la disposition à la violence vous fera haïr comme des brutes : cela, ne l'oubliez pas ! »

Le quatrième article prescrit le respect de la parole donnée et la loyauté : « Avant d'entreprendre aucune action, considérez si elle est juste ou injuste ; voyez si vous pouvez certainement tenir vos promesses ».

Le cinquième article, enfin, impose comme ligne de conduite la sobriété et la simplicité. « Soldats et marins doivent être frugaux, sans quoi ils risqueront de devenir efféminés et volages, cupides et sans discipline. »

Tel est — absolument sans rapport avec les cultes religieux, entièrement libres — le code samouraï que chaque jour tout soldat et tout officier doit réciter en lui-même et, s'il le peut, devant le portrait de l'Empereur. Qu'on ne croie pas que ce soient là paroles prononcées quotidiennement

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avec cette sorte de nonchalance que nous a trop souvent octroyée notre scepticisme occidental : c'est une récitation fervente, faite par des âmes simples et droites qui y voient l'accomplissement d'un rite. Et ce ne sont pas là seulement des mots : à chaque occasion, les chefs rappellent ces articles à leurs subordonnés et veillent à ce qu'ils s'y conforment. Nous ne pouvons nous, Blancs, retrouver cet esprit que dans la promesse solennelle que prononcent les boys-scouts de tous les pays. Les Japonais, eux, ont su prolonger dans l'âge d'homme la droiture puérile.

Naturellement, il y a des manquements, manquements volontaires — car les hommes sont faillibles, au Nippon comme ailleurs — manquements involontaires aussi. La sanction en est le blâme, la flétrissure morale, la mise à l'index par les hommes d'honneur. Le rachat en est le suicide, le *seppuku* comme on dit au Japon, pratiqué suivant le rite harakiri. Ce n'est pas tant le renoncement à l'existence, par l'acte terminant ce geste d'expiation, qui absout l'homme ou attire l'attention sur ses revendications ou sa protestation, mais bien la première partie de ce que nous appellerons un sacrifice. En effet, le *seppuku* doit d'abord être un geste de douleur physique, obtenu en s'éventrant lentement, qui prouve qu'avant le droit de se racheter ou de protester contre une injustice, l'homme témoigne qu'il était capable de supporter des douleurs plus fortes que toutes celles qu'il aurait pu éprouver en prolongeant son existence.

Fréquemment, au geste de protestation s'ajoute la certitude, en mourant dans le but de servir la Patrie, de devenir *Kami*, c'est-à-dire Esprit protecteur du pays. C'est ce sentiment qui explique ces gestes d'une audace folie accomplis par les militaires japonais en temps de guerre.

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L'organisation de l'Armée.

D'après l'annuaire de la Société des Nations — information dont on ne peut sans irrespect contester l'exactitude — l'armée japonaise compte 210.000 hommes pour l'armée de terre et 73.000 hommes pour la marine, l'aviation entrant dans ces chiffres. Dans les troupes de terre, on trouve naturellement les mêmes armes qu'ailleurs ; elles portent le classique uniforme réséda et ne se distinguent que par la bande de la casquette et les pattes de col : rouges pour l'infanterie, jaunes pour l'artillerie, bleues pour l'aviation.

Le recrutement pour le service de deux ans joue sans autres exceptions que celles prévues en France. A partir de 20 ans, les engagements sont reçus pour quatre et cinq ans. Le soldat japonais est équipé à l'europpéenne : ainsi à la caserne, il couche sur lit et matelas. Il reste cependant fidèle à la cuisine nationale : poisson, riz et légumes, thé ; cela au point qu'en guerre le ravitaillement est exclusivement assuré par la métropole. Soumis à une rigoureuse instruction militaire et aussi à un entraînement physique très poussé, le soldat japonais est devenu, à la fin de son service, un homme robuste et endurci.

Après sa libération, l'homme passe dans la réserve jusqu'à 37 ans et doit effectuer cinq périodes de moins de cinq semaines. Ajoutons enfin qu'aucune femme ne sert dans l'armée.

Le corps des sous-officiers est recruté dans le rang ou dans les promus d'une école comparable à notre Saint-Maixent. Quant aux officiers — environ 15.000, nombre absolument insuffisant — ils proviennent d'une école type Saint-Cyr pour toutes les armes ; mais les officiers de

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l'artillerie et du génie passent un ou deux ans dans une école type Polytechnique après avoir été nommés sous-lieutenants. Pour les grades supérieurs, ils proviennent de l'Ecole supérieure de la Guerre. Notons qu'aucun officier étranger ne sert dans les cadres japonais.

La solde est extrêmement modeste : ainsi un capitaine de deuxième échelon ne gagne que cent cinquante yens par mois (moins de 750 francs au cours actuel) et avec cela doit assurer la vie de sa famille, et fréquemment celle de ses parents et beaux-parents.

Dans l'organisation proprement dite de l'armée, on sent l'influence française, qui eut sa vogue avant 1870. Les méthodes allemandes furent ensuite adoptées ; puis des missions envoyées en Europe permirent de sélectionner ce qui, aux yeux des Nippons, paraissait le plus intéressant dans chaque pays. Aujourd'hui, il semble que les méthodes françaises suscitent un regain d'intérêt, car notre pays jouit du prestige de la stabilité, de la victoire et de la richesse nationale.

Mais ce qui est spécifiquement nippon, c'est l'organisation du haut commandement. A la tête est l'Empereur, non pas nominalement comme partout ailleurs le chef de l'Etat, mais effectivement. L'Empereur actuel a reçu une forte instruction militaire et il exerce déjà en temps de paix les fonctions supérieures qu'il assumerait en guerre. A côté de lui fonctionne un haut Etat-Major où l'on trouve le prince Kanin, ancien Saint-Cyrien, camarade d'études et de chambre de celui qui, plus tard, est devenu le général Weygand. Sous les ordres directs de l'Empereur, l'Etat Major s'occupe, d'accord avec le ministère de la Guerre, des effectifs, de l'armement, de la haute direction des affaires concernant la défense nationale et la tactique mi-

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litaire. Il laisse au ministère les questions d'administration.

Le ministre — aujourd'hui le général Hayashi, qui fut capitaine durant la guerre russo-japonaise avant de succéder au général Araki — dépend à la fois de l'Empereur et du Parlement, ce dernier se chargeant de l'administration et du budget de la Guerre.

Donc, toujours et partout, l'Empereur, chef suprême des cadres, présent à chaque instant de la vie des troupes et dont le portrait — joint à celui de l'Impératrice — préside aux fêtes commémoratives, aux cérémonies en l'honneur des mânes de ceux qui ont donné leur vie pour la Patrie. Son esprit flotte dans les conférences, sur le champ de manœuvres, dans les causeries de semaine où sont exaltés les hauts faits de guerre et où se forge et se durcit le patriotisme des militaires.

Le matériel.

Le matériel est presque totalement fabriqué au Nippon, soit dans les arsenaux de Tokio, d'Osaka, etc., soit dans des usines privées sélectionnées. Néanmoins, certaines pièces d'artillerie sont acquises à l'étranger, telles que le 105 Schneider. Le fusil est du « modèle 38 » (de la 38^e année de l'ère Meiji) : c'est une arme sûre mais lourde et datant un peu car elle fut adoptée à la fin de la guerre de 1905. Les mitrailleuses, du type Maxim ou Hotchkiss, et les fusils mitrailleurs sont plus modernes.

Quant aux canons, on y trouve les calibres 75, 110 et 240, l'obusier de 155, la pièce de montagne de 75 ; l'artillerie de campagne est munie de l'affût Deport. A part

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les batteries de D.C.A., l'artillerie, pour une bonne moitié, n'est pas extrêmement moderne.

En ce qui est des tanks, la fabrication japonaise a remplacé le modèle Renault par un char mi-lourd se rapprochant du type anglais. Les auto-mitrailleuses sont également de construction nationale.

L'aviation est devenue aussi essentiellement japonaise, bien qu'elle fasse encore appel à des licences étrangères : Short et Dornier pour les avions, B.M.W., Hispano, Jupiter pour les moteurs, et d'autres encore, souvent modifiés par le Service technique de l'Aéronautique japonaise. Mitsubishi à Nagoya, la Kawasaki Dockyard, les usines Kagajima et Ishikawajima, l'Aichi Tokei Denki K.K. ont mis au point d'excellents avions et hydravions, principalement pour l'observation et le bombardement de jour. Pourtant rien de comparable encore à ce qui se fait en U.R.S.S. et aux Etats-Unis.

Que vaut l'armée japonaise ?

La conviction est grande, non seulement au Nippon mais dans l'univers, de l'invincibilité militaire des Nippons : il faut dire que, depuis la guerre de 1894 contre la Chine, l'Empire du Soleil Levant n'a connu que la victoire ; de tous ses ennemis, l'armée japonaise a vu la déroute. On comprend qu'elle soit orgueilleuse de sa force irrésistible. Pas un soldat, pas un officier qu'effleure l'idée d'un échec, même local et passager.

A examiner objectivement les choses, on peut cependant constater quelques lacunes assez graves. Ainsi de l'aviation. Si celle-ci compte déjà plus de 800 avions en état d'offensive, si elle prévoit d'ici deux ans un équi-

ment de deux mille appareils de bombardement, si les pilotes sont d'une qualité et d'une audace peu communes, si ce sont les avions de reconnaissance qui ont gagné les batailles du Jehol, l'utilisation de l'arme est encore à la recherche de ses directives. En 1923, une mission française lui a donné une première impulsion. Depuis, elle n'a que lentement progressé. Elle n'a pas encore acquis l'âme purement japonaise qu'a par exemple l'infanterie, elle est disparate : à l'heure actuelle, elle n'aurait sans doute pas la maîtrise du ciel. Cela, les Japonais le savent et depuis dix ans, ils ont regretté que nous nous en soyons désintéressés et ont fini par s'intéresser à l'aviation germanique. La nomination récente d'un attaché de l'Air français à Tokyo arrivera-t-elle à contrebalancer l'influence qu'on déjà prise les Allemands ?

L'artillerie ? Nous avons déjà signalé que le matériel aurait besoin d'être modernisé et unifié. Et aussi les principes de mise en batterie, assez désuets... Quant à l'infanterie, il n'est pas exagéré de dire qu'elle est une des trois meilleures du monde. Mais des méthodes anciennes ou trop héroïquement nippones, telles que l'attaque de front et le mépris des pertes, sont-elles compatibles avec la guerre moderne ? Ne faut-il pas souvent se défiler, se terrer, grignoter, attendre, tourner, parfois battre en retraite, même subir un échec cuisant ? Toutes choses qui paraissent trop souvent hors de la conception samourai du combat.

Ces méthodes nouvelles, si elles arrivent à être imposées par des états-majors qui, eux, sont fort avertis, violeront certainement les qualités raciales du Japonais, à un point tel que, désorienté, il risquera alors de se cantonner dans la stricte observance d'un règlement qu'il n'a déjà que trop tendance à considérer comme un évangile.

Ce qu'on doit retenir par-dessus tout, c'est que si le combattant nippon n'est pas familier avec l'improvisation, il sait par contre souffrir un quart d'heure de plus que son adversaire, et davantage ! Il est frugal, endurant et d'une énergie fantastique ; son courage le mène se « battre pour mourir » car c'est en expirant dans la bataille qu'on devient Esprit protecteur de l'Empire ; ses cadres sont étonnamment près des hommes. Si, lors d'un conflit, la métropole arrive à enrayer l'émoi des premiers bombardements aériens — à mon sens très sévères et inévitables — la victoire devrait, tout au moins aujourd'hui, revenir finalement aux Nippons.

Une armée qui fait de la philosophie sociale.

Bien qu'on n'en ait guère parlé, les récents événements de la frontière nord de la Chine ont prouvé l'influence considérable de l'Armée dans la politique extérieure du Gouvernement. Tout comme le beau décor suranné du Nippon ne traduit pas à lui seul la vraie figure de la nation, l'armée japonaise est en effet loin d'incarner exclusivement une agressivité posée par Genève en postulat des affaires d'Extrême-Orient.

Cette armée n'est pas seulement militaire : elle est aussi politique — et cela très fortement. Issue à la fois des campagnes et de la petite bourgeoisie, elle en représente les aspirations majoritaires. Sortant du mutisme imposé par la Charte, elle se pose en champion d'un réveil national ; elle en revendique le contrôle car elle est le peuple — et le peuple en armes. Elle fait peser la menace de sa force sur une minorité capitaliste et parlementaire qu'elle juge corrompue par les idées d'Occident et néfaste pour l'Empire.

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er, August 10, 1972
NARS, Date 12-18-75

Enclosure 5 to Special Report No. W.D. 1562
of July 17, 1935, from Embassy, Paris.

Elle parle, mais aussi elle agit, pénétrée de l'idée qu'elle sert la famille-nation et qu'elle doit tirer celle-ci de l'erreur, prête à reprendre son rang une fois l'ordre social rétabli « dans la ligne générale » — ainsi que le disent ses voisins soviétiques. On ne peut mieux la comparer qu'aux censeurs romains. Gardienne d'une constitution morale qui a fait ses preuves et s'étant aperçu que les nouvelles formes de vie que le Nippon a adoptées sont défectueuses, l'Armée, émanation de l'Empereur, forte de sa cohésion et de ses armes, veut assurer le règne des vertus symbolisées par les Trois Trésors sacrés du Trône.

L'Armée tracera-t-elle les voies du Nippon ?

Forte de sa popularité, l'Armée se défend d'être une caste. Elle est réactionnaire — ou extrémiste !... — pour lutter contre la mauvaise assimilation des idées d'Occident. Elle est beaucoup plus militaire que militariste, dans le sens où nous entendons ce mot. Elle est socialiste, pour limiter le mauvais emploi que font les capitalistes des sommes énormes dont ils disposent. Elle est nationaliste et se réclame d'internationalisme — mais d'internationalisme jaune. Nous, Blancs, nous ne pouvons voir dans cet esprit que l'appui qu'il veut donner à tous les Asiatiques pour se libérer du fardeau de l'homme blanc.

A la fois animée et tempérée par le général Araki, hier encore ministre de la Guerre, l'Armée veut imposer des réformes. Elle n'a pas de haine pour le Russe, encore moins pour le Chinois. Mais elle en nourrit une, profonde, contre les politiciens qui ont perdu les paix qu'elle gagna. Elle ne leur pardonne pas d'avoir cédé à la pression des

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étrangers qui ont amputé ses conquêtes, qui ont relégué le peuple nippon dans ses îles avec défense d'en sortir.

C'est de ses rangs que sont sortis les exécuteurs des ministres, des hommes politiques, des banquiers qu'elle dénonçait. S'il le faut, les associations secrètes de jeunes officiers ou d'anciens militaires, excédées de scandales, de faiblesses et de vénalités, reprendront la politique de l'action directe. Dans ses opinions et ses plans, l'armée japonaise est absolue, désintéressée et naïve. Elle est le dernier refuge du romantisme.

Pourtant, qu'elle aboutisse ou non à la prise du pouvoir, on peut dire que l'Armée a déjà joué son rôle. Elle a fait prendre conscience au peuple nippon qu'il a adoré de faux dieux — les nôtres. Mais pour la paix du monde il est évident qu'elle ne devrait plus exercer qu'un contrôle, qu'elle ne devrait plus qu'aider les artisans de la rénovation nationale. Il semble qu'elle ait depuis peu admis cette position de surveillance.

Sans qu'on prenne trop au sérieux les idées qu'on lui prête de conquérir le monde, l'armée japonaise a pour les Occidentaux le grand défaut d'être nipponne cent pour cent. Ce caractère la porte à négliger l'interdépendance des peuples et des races et à ne plus connaître que le bloc pan-asiatique.

Répétons-le : il n'est pas question pour elle de guerre économique, de primauté commerciale, de dumping. Ce sont des idées morales, des concepts philosophiques, une loi de probité patriotique, que le Nippon veut rétablir chez lui et instaurer chez ceux de sa couleur, autant par bonté divine que pour amener les autres nations à lui assurer la paix.

Aussi le Japonais de la rue, père, frère, fils de militaire en service, ancien militaire la plupart du temps, partage-

t-il complètement ces idées et voit-il en son armée le rempart de traditions éprouvées. Il n'y a qu'à voir le sérieux avec lequel il se plie aux répétitions d'alerte, à tous les exercices de mobilisation et de défense. Il ne saisit en rien l'hostilité étrangère contre son Armée et ne comprend pas l'accusation de militarisme. Il sait qu'elle désire moins asservir que convertir. Il a la conviction qu'elle est essentiellement honnête, courageuse et probe. Il considère que l'Asie l'appelle à grands cris et que toutes les puissances civilisées devraient applaudir à l'œuvre de régénération dont elle rêve. Soutenu par un dynamisme puissant, le peuple nippon espère en la charte du soldat et met sa confiance dans la prudence des anciens qui, au Conseil privé de l'Empereur, « ne font un pas que l'autre pied rive au sol ».

Plus important pour l'Empire qu'une bataille gagnée est le *risorgimento* qu'a amorcé l'Armée. Mais pour que le monde comprenne maintenant qu'un Nippon fort doit exister, il est indispensable que les officiers admettent de n'être que les gardiens de la nouvelle société que va édifier une jeune génération d'hommes politiques.

C'est à cette seule condition que l'Empire du Soleil Levant retrouvera des sympathies actuellement un peu obscurcies. De tous les peuples, c'est la France dont la loyauté et l'équité sont bien établies au Pacifique, c'est la France qui a la charge de vingt-cinq millions de protégés en Asie, c'est la France qui saluera en premier le Grand-Nippon de demain, cet empire qui sans doute donnera le mot d'ordre aux peuples jaunes et dont peut-être, si la sagesse des dieux l'inspire, l'aide sera un jour précieuse à l'Europe.

PERCHERON.

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

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of July 17, 1935, from Embassy, Paris.



LES ARTS ET LA VIE

La Musique

Les artistes du *Mai florentin* à Paris. — *Norma*, le *Requiem* de Verdi et *Falstaff* à l'Opéra.

Acette époque de l'année, au moment de partir en vacances, les Parisiens d'avant-guerre ne peuvent s'empêcher d'évoquer avec mélancolie le temps heureux des « Grandes Saisons » d'alors. Un seul homme en réglait l'ordonnance. De son somptueux cabinet en rotonde du Pavillon de Hanovre, Gabriel Astruc donnait des ordres précis et sûrs qui ne se discutaient jamais et qu'on exécutait toujours. L'ancien éditeur qu'il était n'avait pas son égal pour composer une affiche ou un programme, en disposer le texte et en choisir les caractères typographiques. Du jour au lendemain, il arrivait à donner au Châtelet une apparence de faste et de gaieté, à annihiler même son odeur qui tenait de la cave et du cirque. A peine le vieux théâtre municipal venait-il de terminer ses repré-

Enclosure 6 to Special Report No. W.D. 1862
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— LE TEMPS. — 4 juillet 1935.

Lettre d'Extrême-Orient

UNE AUDIENCE IMPÉRIALE A HSINKING

(De notre envoyé spécial)

Juin 1935.

— Je viendrai vous prendre à dix heures, m'avait dit l'interprète mandchou. L'empereur vous recevra à dix heures et demie.

Un peu avant l'heure fixée pour l'audience j'étais dans un salon de la demeure impériale qui, en attendant qu'un palais soit construit, est tout simplement le bâtiment de la gabelle d'avant l'affaire de Mandchourie.

Il y avait dans ce salon une vingtaine de personnes pour la plupart de la maison militaire et civile; quelques-unes seulement attendaient comme moi d'être reçues.

Je causais avec le chambellan qui n'était autre que mon ancien ami de Pékin, Shen Seou Ling, qui fut jadis vice-ministre des affaires étrangères, homme charmant aux manières douces et aimables comme on en rencontrait beaucoup en Chine il y a vingt ans, lorsqu'on vint me prévenir que l'empereur allait me recevoir.

Par un étroit escalier encombré d'officiers, je montai un étage. Arrivé à une petite porte, la personne qui me précédait s'effaça après s'être inclinée profondément et je me trouvai moi-même en face du jeune empereur Kang Teh en uniforme kaki, debout dans une sorte de petit salon mi-européen, mi-oriental, sans style défini.

L'empereur est grand, mince; on a vu son portrait partout. Bien qu'il sache l'anglais, il est convenu qu'il ne parle que mandchou. L'interprète traduisit mes hommages. L'empereur me tendit la main et m'invita à m'asseoir. Il me fit demander à quelle époque exactement j'avais séjourné à Pékin. Il réfléchit, parut calculer... J'évoquais le souvenir de certaines personnes de ce temps. C'était celui où Pékin l'avait relégué au fond du palais des Tsing. Je précisais mes souvenirs... Son visage jusque-là fermé s'éclaira. Le ton de la conversation changea. Une pointe d'émotion perça... Il me dit qui lui avait parlé de moi la veille. Puis ce fut la question attendue: « Votre impression, ici? » Enfin l'expression nette, appuyée, renouvelée de l'affection pour son peuple, sa volonté de ne régner que pour lui, de tout faire pour améliorer son sort, lui assurer la paix; sa confiance dans les personnalités politiques responsables de l'empire, sa résolution et la leur de diriger le pays suivant le principe de justice et de bonté du *Quang Tao*... Tout cela d'une voix claire, un peu monotone, mais prenante, par la fermeté de l'accent. (J'ai fait précédemment sur le *Quang Tao* ce qu'en attendent les gouvernants du Mandchoukouo, les réserves qui à mon avis s'imposent. J'ai perçu quelquefois du côté mandchou des sentiments qui, sans devoir créer de très grandes difficultés, sont pourtant de nature à provoquer des incidents. Je ne crains pas davantage.)

L'audience se prolongea une demi-heure environ. Le souverain me reconduisit jusqu'à la porte du salon, garda longtemps ma main dans la sienne et me quitta sur des paroles pleines de bienveillance.

Bien des choses avaient été dites, mais beaucoup plus encore avaient été pensées...

Quand pendant vingt ans on a suivi au jour le jour la politique chinoise et japonaise, les

événements qui se sont déroulés en Extrême-Orient depuis le jour où Suen Tong, enfant, abdiqua à Pékin, jusqu'à celui où il devint empereur en Mandchourie sous le nom de Kang Teh, il est difficile, quand le sort veut que l'on se trouve face à face avec le descendant des Tsing, de s'en tenir à noter ce que l'on a vu et entendu et de ne pas tenter de percer l'avenir.

L'affaire de Mandchourie n'est pas de celles qu'on peut se permettre de prendre à la légère. Elle a plus de grands que de petits côtés. Elle n'est pas finie, elle ne fait que commencer; ses conséquences mondiales se feront sentir un jour ou l'autre. Ceux d'ailleurs qui systématiquement la prenaient le moins au sérieux sont et seront de plus en plus ceux qui, à juste raison, la tiendront pour une réalité qu'on n'élude point et de laquelle il est plus intelligent de s'arranger que de rire.

Certes les difficultés entre Chinois et Japonais ne seront peut-être jamais aplanies au sujet du Mandchoukouo, mais la vie ne tient aucun compte des désaccords entre les hommes; elle s'impose à eux dans sa brutalité quotidienne et les met dans l'obligation de composer entre eux, quittes à saisir un jour l'occasion propice au redressement des torts que les uns et les autres pensent qu'on leur a causés. La politique sino-japonaise de ces derniers mois illustre ces propos d'une façon frappante. La légation de Chine au Japon et celle du Japon en Chine deviennent ambassades.

D'aucuns prétent malgré cela au Japon des ambitions que ce geste n'amointrit nullement, et ils justifient leur opinion par l'influence grandissante que prend l'armée ou une grande partie de l'armée sur les décisions du gouvernement. La diplomatie de ce dernier à l'égard de la Chine et de l'Union soviétique ne satisfait pas l'armée qui voudrait une politique plus énergique... Il y aurait, semble-t-il, beaucoup à dire là-dessus. La diplomatie peut être énergique sans être brusque. Et puis dans certains cas, même en Extrême-Orient, le Japon n'a pas seulement devant lui la Chine ou l'U. R. S. S., il a les puissances avec lesquelles il a signé par exemple l'accord de 1901 aux termes duquel il entretient en même temps et au même titre qu'elles des troupes à Pékin et à Tientsin. Le ministre des affaires étrangères quel qu'il soit est bien obligé de tenir compte de cet accord et de la situation qu'il a créée.

Pour certains même, l'armée veut non seulement étendre l'influence du Japon dans la Chine du nord, mais restaurer la monarchie à Pékin sous l'égide du Japon. Je ne me risquerai pas à dire ce que vaut cette opinion; je me demande seulement, après l'avoir approché, ce que peut être, dans l'ordre moral, l'avenir d'un souverain tel que Kang Teh, en tenant compte bien entendu des rapports particuliers du Mandchoukouo avec le Japon.

On dit l'empereur très intelligent. Je le crois volontiers, mais on ne juge pas du degré d'intelligence de quelqu'un en une demi-heure d'entretien; par contre on peut juger de sa sensibilité. Kang Teh est un sensible. Peut-être faut-il l'en plaindre. En tout cas, il prend son rôle au sérieux. Il aime son peuple. Si les Japonais l'aident à faire ce qui est juste et bon pour ce peuple, ils auront en lui mieux que l'allié que désigne le traité, mais le collaborateur le plus précieux à tous points de vue. S'ils ne comptent pas avec son sentiment pour le peuple, si une froide ambition, d'implacables résolutions leur dictent seulement leur politique à son égard, ils n'auront plus en lui qu'un personnage inerte, et détruiront de leurs propres mains une partie au moins et peut-être la plus parfaite de l'œuvre qu'ils ont accomplie en quelques années par leur habileté à tirer parti des circonstances en Asie et en Europe.

ANDRÉ DUBOSQ.

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of July 17, 1935, from Embassy, Paris.

Clipped from LE TEMPS of July 17, 1935.

Lettre d'Extrême-Orient

L'armée : élément permanent de la politique japonaise

(De notre envoyé spécial)

Tokio, juillet.

Les télégrammes ont relaté le dernier incident survenu au Tchahar entre Chinois et Japonais. Incident purement local, disent avec insistance les officiels japonais, mais incident qui peut, selon moi, servir à saisir une des particularités de la politique japonaise.

On se souvient que, le 5 juin, quatre hommes de l'armée japonaise du Kouantoung étaient arrêtés au Tchahar, alors qu'ils circulaient sans passe-ports dans une camionnette ne portant pas de numéro de licence. L'arrestation fut jugée arbitraire par les autorités militaires du Kouantoung, les hommes arrêtés appartenant au « service spécial » de l'armée du Kouantoung, et pouvant de ce fait circuler avec un simple sauf-conduit dont n'avaient pas voulu tenir compte les Chinois qui avaient procédé à l'arrestation.

Leur mise en liberté fut exigée et obtenue. Cependant, les officiers de l'armée du Kouantoung ne se tinrent pas pour satisfaits. Ils demandèrent : 1° La cessation de toute propagande antijaponne dans la province du Tchahar ; 2° La punition des officiers qui avaient fait arrêter les quatre Japonais ; 3° Des excuses et la promesse qu'un tel incident ne se reproduirait plus.

semble de la Chine. Toutefois ceci n'est pas encore fait, et nous nous voyons obligés d'exprimer le vœu fervent que les autorités chinoises cherchent à faire appliquer l'ordonnance recommandant l'amitié internationale qu'elles ont récemment publiée et fassent de nouveaux efforts pour supprimer toute activité antijaponaise.

Le rôle des militaires dans le règlement de l'incident du Tchahar

Mais ce qui me frappe le plus, c'est qu'à l'occasion de l'incident du Tchahar, les militaires se sont manifestés d'une façon qui permet peut-être mieux qu'une autre de comprendre leur rôle dans la politique japonaise. N'oublions pas qu'en l'espèce ils ont agi à l'égard de la Chine tout autrement que ne l'aurait fait le ministre des affaires étrangères.

Mais d'abord qu'entend-on par les militaires du Japon ?

J'ai déjà dit (n° du 29 mai) que les militaires ne constituaient pas un parti politique et qu'ils n'avaient que faire du pouvoir puisque, sans l'avoir, ils obtenaient tout ce qu'ils voulaient. D'ailleurs, depuis 1890, date de la Constitution actuellement en vigueur, l'empereur exerce le commandement suprême de toutes les forces militaires. En conséquence, le ministre de la guerre et celui de la marine, qui sont en même temps, le premier, chef d'état-major de l'armée, le second, chef d'état-major de la marine, ne dépendent pas du gouvernement, mais ressortissent immédiatement de l'empereur. Il s'ensuit qu'en tout ce qui concerne l'armée et la marine le cabinet ministériel n'a aucun droit d'intervenir directement. Le rôle du gouvernement, au point de vue militaire, consiste seulement à servir de trait d'union entre les hautes autorités militaires et l'empereur, en ce qui touche à la politique nationale, dont il a la responsabilité. C'est encore du gouvernement que dépendent les budgets de l'armée et de la marine. Ces limites à l'indépendance de ces derniers suffisent, du reste, à les empêcher de sortir du cadre de la politique générale du pays.

L'armée n'est pas un Etat dans l'Etat

Toutefois, l'indépendance presque complète où elles sont vis-à-vis du gouvernement explique en partie leur prépondérance, en même temps que la désharmonie qui se fait jour quelquefois entre les déclarations des personnalités politiques, civils et les actes des autorités militaires. Mais c'est précisément là qu'il s'agit de ne pas s'illusionner sur le véritable rôle de l'armée, et s'imaginer que les militaires constituent une sorte d'Etat dans l'Etat.

Les militaires, ai-je dit, ne sont pas un parti ; j'ajoute qu'ils ne sont même pas un élément tangible de la politique japonaise. Ils sont essentiellement impersonnels. Ils n'ont rien de commun avec les militaires allemands qu'on a vu agir ces temps-ci ou avec les militaires espagnols que l'on voyait agir autrefois. Les uns et les autres se nommaient et proclamaient leurs opinions ou leurs programmes.

Les militaires japonais ne parlent généralement pas. (Le général Araki a fait exception à la règle. Je le connais. Sa nature l'y entraînait, mais, même chez lui, la parole ne fut pas l'annonce des événements qui se déroulerent sous son ministère. Il exprima plutôt une théorie qui, pendant un temps, eut son utilité pour justifier aux yeux du monde ce qui s'accomplissait sans lui.) « On veut, en Europe, me disait le vieux comte Makino, conseiller privé, que ce soient de jeunes officiers qui aient poussé à l'affaire de Mandchourie ! Mais non, c'est la nation, c'est le Japon tout entier. »

Les militaires japonais sont donc impersonnels. Ils créent une atmosphère qui enveloppe le pouvoir gouvernemental d'une façon permanente et nullement exceptionnelle ou temporaire. Parfois les influences qui émanent d'eux se font sentir plus fortement qu'à d'autres moments, mais elles ne sauraient aller à l'encontre de l'autorité suprême qui règne sur le Japon, celle de l'empereur. « Rien ne se fait, rien ne peut se faire sans l'assentiment de l'empereur », me répondait encore le comte Makino, avec une sérénité que je n'oublierai pas, quand je lui exprimai la crainte qu'un Européen inexpérimenté pouvait concevoir à considérer l'incident du Tchahar.

De fait, si l'opposition entre les militaires et

le ministre des affaires étrangères, M. Hirota, existait à la manière dont elle existe entre hommes de partis politiques opposés dans un pays quelconque, le ministre n'eût pas résisté à l'aventure ; c'est à quoi du reste s'attendaient la plupart des Européens à Tokio. L'action des militaires de l'armée du Kouantoung au nord de la Chine et au Tchahar fut, en effet, contraire à la manière diplomatique de M. Hirota. Celui-ci désirait continuer à régler diplomatiquement les difficultés avec la Chine comme avec les Soviets. Il avait déjà à son actif la cession par ces derniers du chemin de fer de l'Est Chinois et, d'autre part, un commencement de rapprochement avec Nankin.

Les militaires voulaient une politique plus énergique avec la Chine, en attendant la Russie, ce qui ne tardera pas. L'élévation de la légation du Japon en Chine en sera d'autant accélérée.

(continued on verso of
first column.)

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of July 17, 1935, from Embassy, Paris.

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Après diverses péripéties au cours desquelles l'armée du Kouantoung menaça d'envahir le Tchahar, l'accord se fit le 28 juin entre le général japonais Dohihara et le nouveau gouverneur du Tchahar, le déplacement de son prédécesseur ayant été exigé par les Japonais ainsi que le remplacement des fonctionnaires gouvernemen-
taux antijaponais par d'autres de sentiments tout différents.

Le règlement du Tchahar est assez semblable à celui du Hopei (Chine du Nord) qui le précéda de peu. Comme à Hopei, les organisations du Kouo-min-tang sont supprimées au Tchahar; en outre, l'émigration chinoise dans l'est de la province est arrêtée. Enfin le Tchahar aura désormais, comme le Hopei, sa zone démilitarisée de 120 à 130 kilomètres le long de la frontière occidentale du Jehol, sur une largeur variant de 25 à 40 kilomètres. Une attaque contre le Mandchoukouo venue de Chine est maintenant pratiquement impossible; l'on ne pourra même plus gouverner contre les Japonais dans le Hopei et le Tchahar limitrophes du Mandchoukouo, toute mesure importante ne pouvant y être prise sans l'approbation préalable du Japon.

Je suis revenu sur cette affaire, d'abord parce qu'elle est très commentée par les étrangers en Extrême-Orient. Certains y voient une étape de plus vers le but des Japonais, qui envisageraient, d'après eux, une pénétration économique de la Chine du Nord, appuyée militairement. Ils croient en discerner la preuve dans un communiqué remis le 28 juin à la presse par M. Ariyoshi, ambassadeur du Japon en Chine, et où l'on trouve ce passage: « Pour parvenir à des relations véritablement amicales entre la Chine et le Japon, il est essentiel que tout sentiment antijaponais disparaisse, non seulement dans certaines régions, mais dans l'ensemble de la Chine. Toutefois ceci n'est pas encore fait, et nous nous voyons obligés d'exprimer le vœu fervent que les autorités chinoises cherchent à faire appliquer l'ordonnance recommandant l'amitié internationale qu'elles ont récemment publiée et fassent de nouveaux efforts pour supprimer toute activité antijaponaise. »

Le rôle des militaires dans le règlement de l'incident du Tchahar

Mais ce qui me frappe le plus, c'est qu'à l'occasion de l'incident du Tchahar, les militaires se sont manifestés d'une façon qui permet peut-être mieux qu'une autre de comprendre leur rôle dans la politique japonaise. N'oublions pas qu'en l'espèce ils ont agi à l'égard de la Chine tout autrement que ne l'aurait fait le ministre des affaires étrangères.

Mais d'abord qu'entend-on par les militaires du Japon?

J'ai déjà dit (n° du 29 mai) que les militaires ne constituaient pas un parti politique et qu'ils n'avaient que faire du pouvoir puisque, sans l'avoir, ils obtenaient tout ce qu'ils voulaient. D'ailleurs, depuis 1890, date de la Constitution actuellement en vigueur, l'empereur exerce le commandement suprême de toutes les forces militaires. En conséquence, le ministre de la guerre et celui de la marine, qui sont en même temps, le premier, chef d'état-major de l'armée, le second, chef d'état-major de la marine, ne dépendent pas du gouvernement, mais ressortissent immédiatement de l'empereur. Il s'ensuit qu'en tout ce qui concerne l'armée et la marine le cabinet ministériel n'a aucun droit d'intervenir directement. Le rôle du gouvernement, au point de vue militaire, consiste seulement à servir de trait d'union entre les hautes autorités militaires et l'empereur, en ce qui touche à la politique nationale, dont il a la responsabilité. C'est encore du gouvernement que dépendent les budgets de l'armée et de la marine. Ces limites à l'indépendance de ces derniers suffisent, du reste, à les empêcher de sortir du cadre de la politique générale du pays.

L'armée n'est pas un Etat dans l'Etat

Toutefois, l'indépendance presque complète où elles sont vis-à-vis du gouvernement explique en partie leur prépondérance, en même temps que la désharmonie qui se fait jour quelquefois entre les déclarations des personnages politiques civils et les actes des autorités militaires. Mais c'est précisément là qu'il s'agit de ne pas s'illusionner sur le véritable rôle de l'armée, et s'imaginer que les militaires constituent une sorte d'Etat dans l'Etat.

Les militaires, ai-je dit, ne sont pas un parti; j'ajoute qu'ils ne sont même pas un élément tangible de la politique japonaise. Ils sont essentiellement impersonnels. Ils n'ont rien de commun avec les militaires allemands qu'on a vu agir ces temps-ci ou avec les militaires espagnols que l'on voyait agir autrefois. Les uns et les autres se nommaient et proclamaient leurs opinions ou leurs programmes.

Les militaires japonais ne parlent généralement pas. (Le général Araki a fait exception à la règle. Je le connais. Sa nature l'y entraînait, mais, même chez lui, la parole ne fut pas l'annonce des événements qui se déroulèrent sous son ministère. Il exprima plutôt une théorie qui, pendant un temps, eut son utilité pour justifier aux yeux du monde ce qui s'accomplissait sans lui: « On veut, en Europe, me disait le vieux comte Makino, conseiller privé, que ce soient de jeunes officiers qui aient poussé à l'affaire de Mandchourie! Mais non, c'est la nation, c'est le Japon tout entier. »)

Les militaires japonais sont donc impersonnels. Ils créent une atmosphère qui enveloppe le pouvoir gouvernemental d'une façon permanente et nullement exceptionnelle ou temporaire. Parfois les influences qui émanent d'eux se font sentir plus fortement qu'à d'autres moments, mais elles ne sauraient aller à l'encontre de l'autorité suprême qui règne sur le Japon, celle de l'empereur. « Rien ne se fait, rien ne peut se faire sans l'assentiment de l'empereur », me répondait encore le comte Makino, avec une sérénité que je n'oublierai pas, quand je lui exprimai la crainte qu'un Européen inexpérimenté pouvait concevoir à considérer l'incident du Tchahar.

De fait, si l'opposition entre les militaires et

le ministre des affaires étrangères, M. Hirota, existait à la manière dont elle existe entre hommes de partis politiques opposés dans un pays quelconque, le ministre n'eût pas résisté à l'aventure; c'est à quoi du reste s'attendaient la plupart des Européens à Tokio. L'action des militaires de l'armée du Kouantoung au nord de la Chine et au Tchahar fut, en effet, contraire à la manière diplomatique de M. Hirota. Celui-ci désirait continuer à régler diplomatiquement les difficultés avec la Chine comme avec les Soviets. Il avait déjà à son actif la cession par ces derniers du chemin de fer de l'Est Chinois et, d'autre part, un commencement de rapprochement avec Nankin.

Les militaires voulaient une politique plus énergique avec la Chine, en attendant la Russie. ce qui ne tardera pas. L'élévation de la légation du Japon en Chine ou vice versa des deux pays.

(continued on verso of first column.)

DECLASSIFIED: E.O. 11652, 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

DOCUMENT FILE

NOTE

SEE 893.515/681 FOR Telegram #308, 10pm.

FROM U.S.S.R. (Bullitt) DATED July 26, 1935.
TO NAME 1-1127 ...

REGARDING: Japanese Demands presented to the Chinese Government:
(first), recognition of "Manchukuo"; (second), military
alliance; (third), economic alliance; (fourth), cultural
collaboration. Told in confidence to Bullitt by Dr. Yen,
Chinese Ambassador to Moscow.

FRG.

793.94/7221

~~FE~~
~~WE~~
~~EE~~

FS

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

Moscow

Dated July 26, 1935

Rec'd 4:52 a. m.

NOTE
792.94

Secretary of State,
Washington.

308, July 26, 10 p. m.

Dr. Yen, Chinese Ambassador, who returned to Moscow last night, called on me today and said that he had just received an urgent telegram from T. V. Soong saying that, although the American Government had promised to appoint a financial expert to make the same sort of visit to China that Leith-Ross is about to make, no American had been appointed. Yen said that Soong had telegraphed saying that it was urgent that an American should be appointed at once and should reach China at least as soon as Leith-Ross.

I asked Yen what I had to do with this matter about which I knew nothing. He replied that Soong had asked him to appeal to me personally to try to expedite the appointment.

I asked Yen if he knew what Leith-Ross intended to

893.515/681

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

FS 2-No. 308, July 26, 10 p. m. from Moscow

to propose. He replied that the British Government had intimated to the Chinese Government that if the Chinese Government would tie Chinese currency to the pound the British Government would see to it that the Chinese Government should receive a 10,000,000 pound credit or loan in Great Britain.

Yen then said that he had a piece of news of the utmost importance which he could communicate to me in strictest confidence. He went on to say that within the past few days the Japanese Government had presented four demands to the Chinese Government; (first), recognition of Manchukuo; (second), military alliance; (third), economic alliance (Yen said he thought this meant privileges of customs union with limitations); (fourth) cultural collaboration.

I asked Yen if he thought General Chiang Kai Shek could or would accept these demands. Yen replied that he believed acceptance was impossible and added that he had telegraphed General Chiang Kai Shek saying that it was better for China to fight even though fighting meant suicide rather than accept more Japanese demands.

WSB:HPD

BULLITT

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

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

1-138
TO BE TRANSMITTED
✓CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Collect
Charge Department
OR

Department of State

DEPARTMENT OF STATE

This message was sent in CONFIDENTIAL Code.
It should be DECLASSIFIED before
being communicated to anyone.

1935 JUL 29 PM 1 27

Washington, 29
July 27, 1935.

2 PM

AMLEGATION,

PEIPING (China).

DIVISION OF
COMMUNICATIONS
AND RECORDS

223

STRICTLY CONFIDENTIAL.

Under date July 26 the American Ambassador at Moscow telegraphed that the Chinese Ambassador had called that day and had QUOTE said that he had a piece of news of the utmost importance which he could communicate to me in strictest confidence. He went on to say that within the past few days the Japanese Government had presented four demands to the Chinese Government; (first), recognition of Manchukuo; (second), military alliance; (third), economic alliance (Yen said he thought this meant privileges of customs union with limitations); (fourth) cultural collaboration. ||

I asked Yen if he thought General Chiang Kai-shek could or would accept these demands. Yen replied that he believed acceptance was impossible and added that he had telegraphed General Chiang Kai-shek saying that it was better for China to fight even though fighting meant suicide rather than accept more Japanese demands. UNQUOTE.

Please repeat to Tokyo as Department's No. 115; also inform Nanking.

Enciphered by

Sent by operator

D. C. R.—No. 50.

FE:MMH:REK

893.515/001

793.94/7221

FE 514

1-138 U. S. GOVERNMENT PRINTING OFFICE: 1934

793.94/7221

DECLASSIFIED: E.O. 11652, 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/84 FOR Disp#-

FROM Tientsin (Berger) DATED June 24, 1935
TO NAME 1-1187 ***

REGARDING: Japanese and Chinese Relations.

FRG.

793.94/7222

7222

B. Relations with other countries.

1. Japan.

793.94
(pp 3-10)

a. Activities in Hopei. Japan's pressure upon North China during the month of May centered principally about the assassinations of two Chinese newspaper editors in the Japanese Concession in Tientsin on May 2, 1935⁽¹⁾, and the
despatch

(1) See despatches No. 933, May 17, 1935 (No. 738 to Department); No. 941, May 22, 1935; No. 943, May 25, 1935 (No. 745 to Department).

- 4 -

despatch of Japanese troops belonging to the Jehol garrison through the Great Wall to Tsunhuahsien⁽²⁾.

The circumstances of the killing of the two Chinese editors are veiled in considerable obscurity, but all the information available to the Consulate General from Japanese and Chinese official sources, and from certain Chinese unofficial sources believed to be closely connected with the actual killers, leads to the belief that the men were killed primarily because of their anti-Chiang Kai-shek activities. It is apparently true that these two men were subsidized in some fashion by Japanese interests, but the newspapers published by them were too insignificant and their pro-Japanese activities in Tientsin were altogether too unimportant to make it likely that they were put out of the way because of these connections. Both men had, however, offended by openly expressing and propagating anti-Chiang Kai-shek views.

There seems to be no doubt that they were killed by gun men or gangsters who normally operate under the direction of the so-called "Blue Shirts". It seems very probable, however, that the killings were done without an express order from headquarters. In fact, it is believed probable that a certain Chinese resident of Tientsin, well known to certain members of the staff of this Consulate General, engineered these killings on
his

(2) See despatch No. 939, May 22, 1935 (No. 741 to Department).

- 5 -

his own account with the idea that by exterminating two self-advertised enemies of Chiang Kai-shek, he would enhance his own popularity in certain high quarters and gain "face" for himself as a power in the underworld. It seems quite certain that the persons responsible for these killings did not anticipate the explosive reaction thereto among the Japanese. It is also believed to be quite certain that the Japanese did not really value the two men very greatly while they were still alive but seized with great relish upon the occasion and circumstances of their deaths to make demands upon the Chinese.

The Consulate General has been unable to obtain unbiased testimony regarding the activities of the Japanese military in Tsunhuahsien. It is apparently quite definite, however, that the Japanese first informed the Tsunhuahsien Magistrate that they were coming through the Wall into his district to exterminate "bandits" and requested him to withdraw the Pao An Tui under his command to a distance of 25 li from the Great Wall. The Magistrate replied that if he did so it would be necessary for him to evacuate the district city, since Tsunhua is situated only about 20 li from the Great Wall. It was finally agreed that the Pao An Tui would be withdrawn to a distance of 15 li from the Wall. The Japanese then entered the district and after some days had various minor encounters and one pitched battle with a group of "bandits", after which they reported that the "bandits" were
exterminated.

- 6 -

exterminated. The Japanese claimed that these "bandits" were already in the district before the coming of the Japanese troops and were preparing to slip through the Japanese lines along the Great Wall for operations in Jehol. The Chinese maintained, however, that the "bandits" followed the Japanese into the area from beyond the Wall.

All the information available to the Consulate General, however, points to the conclusion that the "bandits" were probably irregulars organized and equipped by direction of General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, and were in Tsunhuahsien awaiting an opportunity to slip through the Japanese lines along the Great Wall and create disturbances in "Manchukuo". The leader of the "bandits", Sun Yung-ch'in (孫永勤), was fairly well known in Manchuria and North China as a leader of anti-Japanese irregulars and was persona grata with the Chinese officials of this province. The Japanese claimed that when they killed him they found on his body documents indicating that he was acting under the direct orders of General Yu Hsueh-chung, but this claim must, of course, be considered as coming from an interested source.

Following the killing of the two editors at Tientsin and the Tsunhuahsien incident, the Japanese military in North China and the Kwantung Army held numerous conferences and exhibited

much

- 7 -

much activity in making representations to the Chairman of the Hopei Provincial Government at Tientsin and to General Ho Ying-ch'in, Acting Chairman of the Peiping Branch Military Commission, at Peiping. From May 25 to May 30 the Japanese garrison at Tientsin participated in the negotiations with the Chinese to the extent of sending bodies of troops to march through the Chinese city and visit the various government offices. During the visits to the government offices the Japanese soldiers are reported to have indulged in provocative and obnoxious behavior with the obvious intention of inciting the Chinese to retaliation. The Chinese restrained themselves, however, and no open clash occurred.

The principal result of these activities on the part of the local Japanese garrison was the hasty departure of the Hopei Provincial Government from Tientsin for Paotingfu. The transfer of the provincial capital from Tientsin to Paotingfu has been discussed and rumored for the past six months, the Japanese military authorities being by repute in favor of this move and General Yu Hsueh-chung, the Chairman of the Provincial Government, opposing it. When the Japanese became so excited over the assassination of the two editors and the general anti-Japanese attitude of General Yu and seemed to be preparing for the use of force if necessary in obtaining their desires in regard to this province, General Yu apparently decided that

it

- 8 -

it was high time for him to leave Tientsin and hastily removed the government to Paotingfu. Practically the whole of the Provincial Government archives and staff left Tientsin before the end of the month.

The whole situation in Tientsin and Peiping was extremely tense at the end of the month with only the Japanese having any idea at all of what action they would take next in the furtherance of their general policy in this section of China, and the Japanese not confiding in anyone. While the discussions and arguments between the Japanese and the Chinese and the published news regarding the whole situation constantly revolved about the Tsunhuahsien incident and the murder of the two editors in Tientsin, there seems to be no doubt that the moves of the Japanese were in accordance with a preconceived plan and would have taken place had these incidents not occurred.

It is obviously not possible to know the exact intention of the Japanese regarding North China, but all the circumstances point to the conclusion that they intend to obtain control of Hopei at least as far south as Tientsin and Peiping and of the whole of Chahar Province. In Tientsin and Peiping, they intend if possible to obtain this control through Chinese officials who will be subservient to their wishes. This method may be followed in Chahar, but it is quite possible that

Chahar

- 9 -

Chahar will, at a date not too far in the future, become an integral part of "Manchukuo".

The control of the Peiping and Tientsin areas through Chinese officials who are "sincere" is of very obvious advantage to the Japanese. This is very well understood by both the Japanese and those Chinese, such as Yu Hsueh-chung, who are bitterly opposed to the domination of China by Japan. The presence in Peiping of the Legations and in Tientsin of the various military contingents as well as the existence here of the British, French and Italian concessions would present a problem exceedingly difficult for even the most clever of Japan's new militarists to solve should the Japanese army be "forced reluctantly" to take possession of these areas. General Yu Hsueh-chung, the Chairman of Hopei Province, has been quite well aware of the possibilities of this situation and it is believed was prepared to force such a contre-temps upon the Japanese had occasion arisen. It is believed that he had in mind forcing this issue in connection with the transfer of the provincial capital to Paotingfu but that he was restrained therefrom by peremptory instructions from Nanking or Marshal Chiang Kai-shek, transmitted through General Ho Ying-ch'in, since the higher authorities of the Chinese Government feared drastic reprisals by the Japanese military should they be placed in such a difficult position by the Chinese.

It

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

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It is the expressed belief of the Chairman of the Province and his better informed subordinates that the Japanese are hastening to consolidate their position in North China at the present time, since they do not desire to wait until Chiang Kai-shek has completed the extermination of the communists in southwest China, when he will be more free to deal with the Japanese.

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

793.94

DOCUMENT FILE

NOTE

SEE 894.00 P.R./94 FOR Desp#3647

FROM China (Johnson) DATED June 28, 1935.
TO NAME 1-1127 ...

REGARDING: The Japanese military reassume direction of policy.

FRG.

793.94/7223

7223

1. Japan:

a. The Japanese military reassume direction of policy:

793.94
(PP 1-4)

Japanese diplomats were, at the beginning of May, still in the foreground pursuing their policy of effecting Sino-Japanese "cooperation" through conversations with Chinese officials. Presumably for the purpose of improving Chinese feeling, the Japanese Ministry for Foreign Affairs announced on May 17 that the status of the Japanese Legation to China would be raised to that of an embassy.

Subsequent developments indicated that it may have been this decision of the Japanese diplomats, possibly in conjunction with general impatience at the slow rate of progress in achieving a basic and satisfactory solution of Sino-Japanese questions, which decided the Kwantung Army and the Japanese Garrison at Tientsin definitely to abandon their passive attitude and to reassume direction of policy themselves.

One incident had occurred shortly before and another incident was to occur soon after which the military could, and did, employ as excuses for their action. The first was the assassination on May 3 in the Japanese concession

at

- 2 -

at Tientsin of two pro-Japanese Chinese editors, which the Japanese military claimed was a violation of the Boxer Protocol, and the second was the retreat from Jehol Province into the demilitarized area of northern Hopei Province of several hundred so-called volunteers under the leadership of Sun Ying-ch'in, which the Japanese military claimed was a violation of the Tangku Truce. The Japanese military further claimed that Chinese officials were behind both incidents.

Japanese troops entered the demilitarized area from Jehol Province on May 20 and 21, and began action, in conjunction with Chinese forces, which suppressed Sun's men within a few days. Beginning on May 29, the Japanese military in Tientsin committed a series of provocative and winatory actions. And on May 29 representations were made to General Ho Ying-ch'in, Chairman of the Peiping Branch Military Council and Minister of War, of a most serious nature. These representations were added to and enlarged in scope on three subsequent occasions, the final representations being made on June 11.

In so far as the Legation has been able to determine, the Japanese informed General Ho that they wanted the Chinese to effect the following: (1) the removal from Hopei of General Yu Hsueh-chung and his troops; (2) the transfer of the Provincial Government from Tientsin to Paoching; (3) the removal of certain officials of the Tientsin Municipal Government; (4) the removal from Hopei of troops of General Chiang Kai-shek; (5) the removal of the Third

Gendarmerie

- 8 -

Gendarmerie Regiment; (6) the abolition of the Political Training Section of the Peiping Branch Military Council; (7) the closing of all branches of the Kuomintang in Hopei; (8) the elimination of all anti-Japanese activities; (9) the non-return to Hopei of the people and organizations removed as a result of these representations; (10) the appointment to positions in Hopei only of Chinese officials acceptable to the Japanese; (11) the assignment by Japanese of inspectors (presumably for the purpose of seeing that Japanese desires would be carried out satisfactorily); and (12) a signed document containing all these provisions. (The last four of these requirements were understood to have been presented on June 11.)

Before the close of May, the transfer of the Provincial Government to Paoing had been begun, but other changes did not take place until June.

b. Motives of the Japanese military:

In taking from the Japanese diplomats the direction of Japanese policy in China, the Japanese military were prompted by a conviction that diplomatic measures would fail to gain the objectives which the military desire. The ultimate aim of the military, it is believed, is the expansion of control over China, with the elimination of any effective military opposition in China, to facilitate Japanese exploitation of the Asiatic mainland. Their more immediate aim appears to be the es-

tablishment

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

- 4 -

establishment in North China of a regime nominally under Nanking but staffed with Chinese officials "friendly" to Japan and to "Manchukuo", a regime which might easily make way for a regime entirely independent of the National Government.

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

793.94

DOCUMENT FILE

NOTE

SEE 893.515/683 FOR Despatch #3663

FROM China (Johnson) DATED July 5, 1935.
TO NAME 1-1187 ***

REGARDING: Sino-Japanese Relations: Mr. Jean Monnet's views on-,
Memorandum of conversation with Mr. Monnet, June 25, 1935:
Copy of-, transmitted as enclosure.

FRG.

793.94/7224

7224

TELEGRAM RECEIVED

RR

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

Tokyo

Dated July 31, 1935.

Received 9:40 a. m.

Secretary of State,
Washington.



161, July 31, 6 p. m.

Department's 115, July 29, 2 p. m.

793.94

7221

793.94/7225

Nothing has been published in the newspapers nor are rumors current in Tokyo to the effect that fresh demands have been presented by the Japanese Government to China although two Japanese newspapers this morning state that the Japanese Government is considering a "second phase" policy toward China which will include a request for the recognition of Manchukuo. The demands referred to in the Department's telegram however correspond in some degree with the instructions which it was reported were given to Ariyoshi on his return to China in June last and which, according to the Tokyo NICHU NICHU, included the following points as reported in the Embassy's despatch No 1406, dated July 22, 1935:

- (1) China should suppress anti-Japanese activities
- (2) China should cooperate with Japan on tariff arrangements, adjustment of loans and establishment of air lines.

Aug 2 - 1935
7238
FILED

F/G

161 from Tokyo

-2-

air lines.

(3) Japan is prepared to give unstinting aid to China if China will abandon dependence on third powers and strive for amity with Japan.

(4) Japan is willing to cooperate with other powers in extending non-political financial aid to China.

(5) China is urged to settle the North China affair and is also urged to endeavor to settle permanently through diplomatic channels relations with Japan and Manchukuo.

It was not indicated however that Ariyoshi was to present desiderata in the form of demands.

WSB HPD

NEVILLE

TELEGRAM RECEIVED

REP

1-1286

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

FROM

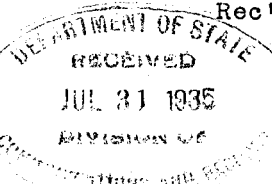
NANKING

Dated July 31, 1935

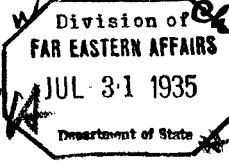
Rec'd 1:15 p. m.

Secretary of State,

Washington.



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



218, July 31, 10 a. m.

CONFIDENTIAL. Shanghai's 422, July 24, 8 a. m., received here by mail.

One. From statements made to me this morning by local American correspondent for NEW YORK TIMES who has just returned from visit to Shanghai it appears that Abend in giving information to Shanghai Consulate General confused statements possibly made to him by Military Attache Isogai with statements reportedly made here to the local correspondent by Suma. The correspondent states confidentially that Abend's cable of July 24 itself gave an exaggerated and unjustified version of the correspondent's interview with Suma; that Suma made no mention of declaration of war or possible military action; that his strongest statement was that Chiang Kai Shek must take an open stand in respect to Sino-Japanese issues within two months "or it would be the worse for him" and that Suma quickly qualified

FE

793.94

793.94/7226

AUG 6 - 1935

FILED

REP

2-#218, From Nanking, July 31, 10a.m.

qualified this by saying he did not mean a definite time limit but merely the near future. This statement was a repetition of previous statements made by Suma on several occasions as indicated in my 216, ⁷²⁰⁷ July 25, 9 a. m.

Two. The correspondent states, however, that before it was despatched Abend's cable was shown to a secretary of the Japanese Embassy in Shanghai who, being ignorant of its misrepresentations, approved it apparently on the ground that Suma had actually made the statements it quoted and that these were fairly consistent with statements which various Japanese military officials have been making during the past two months. He states that lurid accounts of his interview with Suma have been widely circulated in Shanghai and that the Associated Press and other agencies are cabling even more highly colored versions to the United States.

Three. Section Two follows by radio.

ATCHESON

HPD

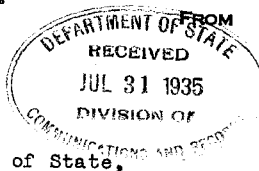
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

REP

1-1226



GRAY

Nanking via N. R.

Dated July 31, 1935

Rec'd 2:20 p. m.

Secretary of State,
Washington.

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

218, July 31, 10 a. m. (SECTION TWO)

Four. The correspondent this morning handed me a copy of Abend's cable despatched from Shanghai July 24 as follows: 'Japanese army won't take drastic steps in China unless compelled do so by Chino attitude and conditions must become worsen present before army acts' stated Major General Pensuke Isogai during discussion declaration Japanese Embassy spokesman Nanking effect 'Chiang Kai Shek must come fight us' unless adopted friendly pro-Japanese policy. Continuing discussion present Chino-Japanese crisis Isogai said he aware Chinese expecting Japanese action some kind about September 1st but emphatically reiterated denial any time limit set, Japan's attitude patient watchfulness, 'Japanese army views with utmost gravity question opening hostilities anywhere won't likely risk loss Japanese lives but, of course, if peace endangered won't hesitate take necessary

measures.

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

REP

2-#218, From Nanking, July 31, 10a.m.
(Sec. Two)

measures. Eye personally continue hope Chinese Government people soon abandon hostile attitude Japanward but case they don't Japanese army has not decided upon action within two months or any other fixed period'. Isogai added that many Chinese leaders trying create impression Japan waited long enough Chiang Kai Shek come ex Szechuan Hankowward or Nankingward but this entirely erroneous. 'It is matter entire indifference to Japanese army where Chiang Kai Shek goes tarries. Even if he comes Nanking clad Japanese clothes, makes pretty speeches, it would avail nothing. What we insist upon is sincere fundamental change from anti-Japanese policy Chinese Government regardless through what agency this may come about'. Japanese Military Attache expressed opinion Chiang Kai Shek uneven sincere in attempt eradicate communists Szechuan saying 'this whole costly campaign primarily designed establish firmly Chiang Kai Shek's authority Szechuan Kweichow Yunnan rich provinces which eventually afford him important strategic base, ample supplies, handsome revenues, but meanwhile eye understand Shanghai bankers view askance continuous series bond issues while real money shipped interior finance campaign'."

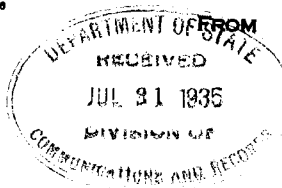
Five, (SECTION THREE FOLLOWS BY RADIO)
ATCHESON

RR-CSB

TELEGRAM RECEIVED

REP

1-1230



SPECIAL GRAY

Nanking via N. R.

Dated July 31, 1935

Rec'd 11:10 a. m.

Secretary of State,
Washington,

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

218, July 31, 10 a. m. (SECTION THREE)

Six. I did not inform the correspondent that
Abend had given an account of former's interview with
Suma to the Shanghai consuls or that Shanghai had
telegraphed the Department and Legation in the matter.

Seven. All three sections of this message to the
Department and Peiping. To Tokyo by mail.

ATCHESON

RR

WWC

(CONFIDENTIAL)

PARAPHRASE

Section one of a telegram (No. 218) of July 31, 1935, from the American Consulate General at Nanking reads substantially as follows:

According to information received on July 31 from the American correspondent in Nanking of the NEW YORK TIMES who has just visited Shanghai, it seems that when he gave information to the Consulate General at Shanghai (see telegram No. 422 of July 24, from Shanghai) Mr. Abend, correspondent of the NEW YORK TIMES, may have confused statements made to him by General Isogai, Japanese Military Attaché, with statements said to have been made by the Secretary of the Japanese Embassy, Suma, to the Nanking correspondent of the NEW YORK TIMES. According to confidential information from the Nanking correspondent, an unwarranted and exaggerated version of his interview with Suma was contained in Mr. Abend's cable of July 24 to the NEW YORK TIMES; Suma did not speak of possible military action or a declaration of war; Suma's remark to the effect that General Chiang Kai-shek must within two months state openly his attitude toward the issues between China and Japan "or it would be the worse for him" was his (Suma's) strongest statement and he qualified it quickly by declaring that he meant merely in the near future and did not mean to set a definite time limit; and this statement was a repetition of statements which Suma had made several times in the past.

However, the Nanking correspondent declares that Mr. Abend's cable

DECLASSIFIED: E.O. 11652, 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 -

cable was shown, before it was sent, to a secretary of the Japanese Embassy in Shanghai and that this secretary, not being aware of the misrepresentations in the cable, approved it seemingly on the ground that Suma had in fact made the statements attributed to him and that these statements agreed fairly well with statements made during the past two months by a number of Japanese military officials. The correspondent declares that there have been given wide circulation in Shanghai highly colored accounts of his interview with Suma and that even more lurid accounts have been cabled to the United States by the Associated Press and other agencies.

793.94/7226

E.O.C.
FE:EDC

FE

VIII-2-35

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

TELEGRAM RECEIVED

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

1-1286
MED

FROM

793.94
This telegram must be
closely paraphrased
before being communi-
cated to anyone (a)

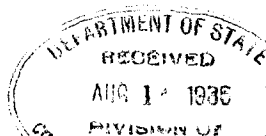
NANKING

Dated August 1, 1935

Received 5:21 a.m.

Secretary of State,

Washington, D. C.



Division of
FAR EASTERN AFFAIRS

AUG 1 1935

Department of State

219, August 1, 1 p.m. / 7226

My 218, July 31, 10 a.m. CONFIDENTIAL.

One. Suma told the correspondent this morning

that the Chinese Ambassador in London had cabled the Foreign
Office the text of the NEW YORK TIMES story taken from
the LONDON TIMES; that the Chinese Foreign Office had
approached the spokesman unofficially making anxious
inquiry as to whether the account conveyed Japan's
intentions; and that the Japanese Foreign Office had
also cabled him about it, placing him in a very embarrassing
position vis a vis his own government.

Two. Section two follows by radio.

ATCHESON

RR:WWC

FILED
AUG 6 - 1935

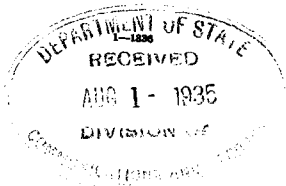
793.94/7227

F/G

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

REP

TELEGRAM RECEIVED



FROM

SPECIAL GRAY

Nanking via N. R.

Dated August 1, 1935

Rec'd 2:06 p. m.

Secretary of State,

Washington.

Section Two

219, August 1, 1 p. m.

My July 31, 10 a. m.

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

682

Three. The spokesman also said that he wished to avoid the necessity for an official denial by his Government and while he, therefore, did not desire a retraction by the newspaper, he hoped the newspaper would take some action to minimize the original account of his interview and the correspondent is taking steps to meet his wishes.

Four. The correspondent now believes the copy shown me (repeated as section two of my telegram under reference) was the Shanghai correspondent's second cable on the subject, the first having been even more highly colored. According to the intelligence officer of the Fourth Marines, the Shanghai correspondent's account of spokesman's statement to the Nanking correspondent was as follows: "Chiang Kai Shek has two months in which to make up his mind. When I say two months it is a general

term

DECLASSIFIED: E.O. 11652, 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-#219, From Nanking, Aug. 1, 1 p.m.

term for the fairly near future. Either Chiang must become actively and openly friendly toward Japan or be prepared to fight us. Unless he leaves Szechwan and assumes full responsibility for the real government of China, drastic action must result.

Five. Both sections to the Department and Legation Peiping. To Tokyo by mail.

ATCHESON

WWC

CSB

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

(CONFIDENTIAL)

PARAPHRASE

Section one of a telegram (No. 219) of August 1, 1935, from the American Consulate General at Hanking reads substantially as follows:

On August 1 the Hanking correspondent of the NEW YORK TIMES was informed by the Secretary of the Japanese Embassy (Suma) that the NEW YORK TIMES story as it appeared in the LONDON TIMES was telegraphed to the Chinese Foreign Office by the Chinese Ambassador in London; that the Chinese Foreign Office had unofficially but anxiously asked the spokesman whether the story set forth the Japanese intentions; and that he/had been put in a highly embarrassing position as regards his own Government which had also telegraphed him with regard to the matter.

793.94/7227

29.C.
FE:EGG

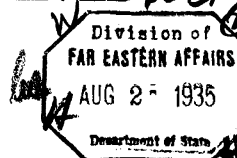
FE

VIII-2-35

TELEGRAM RECEIVED

1-1286

FROM



MG

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

Nanking

RECEIVED

Dated August 2, 1935.

AUG 2 1935

Rec'd 9:17 a.m.

Secretary of State,
Washington.

221, August 2, 9 a.m.

Legation's unnumbered telegram July 30.

One. Kung, who has been named acting President of Executive Yuan in Wang's absence, yesterday evening gave me information somewhat similar to, but not identic, with that furnished Ambassador Bullitt by Yen in Moscow on July 26. ^{893.515/181} Kung said no new "demands" had recently been presented by Japanese diplomatic representatives; that practically all the talking for Japan was now done by Japanese Military Attaches; that recently these officers had been pointing out to Chinese Government officials that if friendly relations were desired with Japan certain steps must be undertaken including recognition of "Manchukuo", a military alliance, economic cooperation and subscription to the Pan-Asia doctrine. Kung said that Japan's aims were set forth in the "Tanaka memorial" and that Japan was proceeding to accomplish these aims step by step. He made no mention of any possibility

of

of paraphrase
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793.94/7228

FILED

AUG 7 1935

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MG

Page 2
#221, from Nanking.

of resistance, but intimated that many problems awaited decision by Chiang Kai Shek and said that Chiang might come to Nanking in the near future.

Two. To the Department and Peiping. To Tokyo and Moscow by mail.

ATCHESON

HPD

WWC

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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. Quastgen NARS, Date 12-18-75

TELEGRAM RECEIVED *Paraphrase*

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MG

1-1226

FROM

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

Nanking

Dated August 2, 1935

Rec'd 11:35 a.m.

Secretary of State,
Washington.

223, August 2, 1 P.M.

My 221 August 2, 9 A.M.

One. In a general conversation this morning the Acting Minister for Foreign Affairs stated ^{to me} ~~that~~ that the Sino-Japanese situation was superficially calm ^{new} ~~that~~; there had been improvement in the feeling between China and Japan; anticipated Japanese activities in the Yangtze valley; and while Japanese officials in various places continued to talk about Sino-Japanese relations the Japanese had not of late, informally or otherwise, put forth any new proposals or presented any demands to the Foreign Office. However, he said, Japan's intentions were well known; this was a very dark period for China and no one could tell what would happen next or what demands the Japanese might present at any time.

Two. He said he had heard a great deal of criticism from foreigners that his government had not given publicity to development in North China or generally in respect to Sino-Japanese issues; but no good purpose would have been

been

793.94/7229

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F/G

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C.N.I. AND M.I.D.

MG

Page 2
#223 from Nanking.

been served by publicity because the Chinese Government knew that no nation would rush in to China's rescue. The Chinese Government was therefore keeping very quiet in respect to these matters; it was attempting to avoid irritating the Japanese and was willing to discuss Sino-Japanese problems with them.

Three. He went on to say that there was of course a limit to the extent China could go in meeting Japanese wishes. It was his personal opinion that the Chinese Government must proceed on two fundamental principles. The first was that China, having "temporarily lost control" over Manchuria, could not give up any more territory without resistance; if, for example, the Japanese should ask China to relinquish control over the territory north of the Yellow River, China must fight. The second was that there was no use discussing with the Japanese proposals involving loss of attributes of sovereignty; China could not without resisting by force surrender sovereign rights of any kind.

Four. Ching Kai Shek, he said, might come to Nanking soon.

Five. To the Department and Peiping. To Tokyo and Moscow by mail.

ATCHESON

CSB

HPD

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 283) of August 2, 1938, from the American Consulate General at Hankow reads substantially as follows:

The Chinese Acting Minister for Foreign Affairs remarked on August 2 during the course of a general conversation that the feeling between China and Japan had improved and superficially the situation was calm; that Japanese activities were expected in the region of the Yangtze; that the Japanese had not recently presented any demands to the Chinese Foreign Office nor submitted any new proposals, informally or otherwise, although various Japanese officials kept on talking about relations between China and Japan; that, however, the intentions of the Japanese were well understood; and that China was passing through a very discouraging time when it was impossible to foresee what demands Japan might at any time present or what would occur next.

The Acting Minister remarked that he had heard foreigners criticize the Chinese Government freely because it had not made public information in regard to developments in North China or in regard to the Sino-Japanese situation in general but that publicity would have been of no use as China was aware that no country would rush to her assistance. For this reason China was remaining very quiet in regard to these issues, was willing to talk over Sino-Japanese matters with Japan, and was trying not to irritate the Japanese.

The

- 2 -

The Acting Minister continued to the effect that of course there was a limit to the length to which the Chinese Government could go in meeting the desires of Japan and that he personally believed that China must follow two basic principles. The first of these principles was that, having "temporarily lost control" of Manchuria, the Chinese Government could not surrender additional territory without resistance, that is, for example, China must fight if Japan should ask her to give up control of the region north of the Yellow River. The second principle was that China could not give up sovereign rights of any sort without fighting and it was useless to discuss with Japan proposals which involve a loss of the attributes of sovereignty.

According to the Acting Minister, General Chiang Kai-shek may come to Nanking within a short time.

793.94/7229

EGC.
FE:EGC

VIII-3-35

FE

m.m.h.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 9, 1935.

~~MSM:~~ ~~END~~
~~RCM:~~
~~MMH:~~

Peiping's despatch No. 3678, July 10, 1935, supplements a previous despatch in regard to the advantages and disadvantages of economic cooperation between Japan and China by enclosing a memorandum on the resources and needs of these two countries.

The memorandum points out that Japan's annual output of coal is 31,000,000 metric tons. This coal is of inferior quality and Japan's imports of high-grade coal about equal her exports of low-grade coal. Copper is next to coal in importance as a mineral to Japan. Iron resources are scanty, gold and silver are limited and there is some lead, antimony, tungsten and manganese. Sulphur and building stone appear to be abundant, while imports and exports of wood about balance. Japan is especially poor in petroleum products and produces about one-fourth of the national requirement, exclusive of the Japanese navy's requirements.

With respect to China the memorandum points out that, although the coal deposits there

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

there are less than formerly believed, they are nevertheless sufficient to supply the wants of Japan for some years to come provided inaccessible coal fields are utilized. Small deposits of iron are found in many provinces and about 39 per cent of the total of iron ore is in Chahar, situated within easy reach of Peiping and not far from the coal fields of Hopei. Most of the producing iron mines in China are under Japanese control and Japan takes about 99 per cent of the total ore exported from China. The exact extent of China's oil resources is as yet unknown and no evidence has as yet come to light to justify the opinion that China's oil resources will prove an important factor in the future problem of power supply. Small deposits of copper are widely scattered throughout China and tin, which was an important export, is now being produced in steadily declining amounts. China has practically a world monopoly on antimony and reserves of tungsten are large. Deposits of gold, silver, lead, zinc, manganese and mercury are not important. China, excluding Manchuria, is lacking in forests.

In conclusion, the memorandum points out that China is in a position to furnish Japan with at least one of the important raw materials which Japan needs, i.e., coal. The development of "Manchukuo", it is believed, will solve the question of Japan's problem in regard to a supply of timber and iron.

EW:EJL

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



LEGATION OF THE
UNITED STATES OF AMERICA

No. **3678**

Peiping, July 10, 1935.

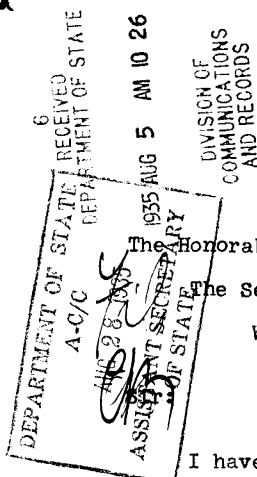
Subject: China as a Source of the Raw Materials
of Industry for Japan.

793.94

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893.63
894.63



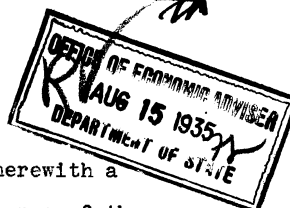
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DIVISION OF
COMMUNICATIONS
AND RECORDS

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

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



I have the honor to enclose herewith a

- 1/ memorandum regarding China as a source of the raw materials of industry for Japan which has been prepared by Third Secretary Lyon. This memorandum is the first of a series of studies which the Legation is preparing supplementing the Legation's despatch No. 3478 of March 29, 1935, regarding the advantages and disadvantages of economic cooperation to Japan and China.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosure:

793.94/7230

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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. Quate NARS, Date 12-18-75

- 2 -

✓
Enclosure:

- 1/ Memorandum regarding China
as a source of the raw
materials of industry for
Japan.

710

CBL/rd

Original and 4 copies to the Department.
Copy to Tokyo.

3678¹

MEMORANDUM

Peiping, July 5, 1935.

Subject: China as a source of the raw materials of industry for Japan.

Referring to the Legation's despatch No. 3478 of March 29, 1935, with regard to the advantages and disadvantages of economic cooperation to Japan and China, and in order to continue the study of this subject, there is submitted the following study of Japan's and China's raw materials from the point of view of their variety and availability for use by industry in Japan.

It is a common belief, especially in the Occident, that China possesses the raw materials needed by Japan for her economic development and that a solution of the Sino-Japanese problem lies in Japan's being able to have access to these raw materials, process them, and then resell them as finished products. Before examining the validity of this theory it would seem wise to ascertain the accuracy of the major premise on which it is founded: does China possess the raw materials required by Japan? Although coal, iron, oil, raw cotton and wood are generally conceded to be the materials most sought after by Japan, a resumé of the raw products produced by Japan would seem pertinent here.

wood?
w

JAPAN

- 2 -

J A P A N

MINERAL RESOURCES:

In his "Japan, Some Phases of her Problems and Development", published in 1931, Dr. Inazo Nitobe, referring to the mineral resources of his country, states that the annual output of useful minerals and metals amounts to about £37,500,000, of which coal is the most important, equalling about 67% of the total, or 31,000,000 metric tons. Most of the coal seams, however, are thin and expensive to work and are of inferior quality, being bituminous or sub-bituminous. Japan imports for certain purposes foreign coal of better quality, although it exports yearly between two and three million tons of the home product. Copper is the metal next in importance to coal, and a limited amount of gold and silver is also found. Iron resources are scanty and are limited to some magnetites and haematites, although there are valuable sedimentary deposits of bog iron sands in several parts of the country. There is also some lead, antimony and manganese. Sulphur mines and sulphur springs are widely spread throughout the country, while building stones of different kinds are being quarried more and more as improvement progresses in means of polishing and transportation. (See appendix 1.)

Japan is especially poor in petroleum, the consumption of which is increasing rapidly in that country. The domestic production amounts to about 240,000 tons, or about one-fourth of the national requirement, exclu-

sive

- 3 -

sive of naval demands. A rough estimate gives the yearly consumption of petroleum by Japan as 280,000,000 gallons of which Japan supplies only 23%. Of the shortage, approximately 53% is covered by imported foreign refined oil and 24% by imported foreign crude oil, which is later refined in Japan. (See appendix 2).

The Japan-Manchukuo Year Book for 1935 likewise emphasizes Japan's poverty in respect of mineral resources when it states:

"Japan is poor in mineral resources, and it is only copper that she produces more than enough to supply her requirements. In iron, coal, petroleum and some others she is hardly self-sufficient and has to import a good deal from outside."

(See appendix 3).

Japan produces so little gold itself that it is scarcely sufficient to cover the medical and industrial needs of the country and it is only due to imported gold that the specie reserve of Japan showed a large increase in recent years. Through "Manchukuo" Japan now controls the gold deposit of that country.

Japan does produce a certain amount of tungsten, which is found in the prefectures of Gifu and Yamanashi. Several rich tungsten veins are said to have been discovered in Korea.

C H I N A

In the Legation's despatch from Nanking*, entitled "An Estimate of the Future of Japan in China", p. 14, it was stated, "Coal, iron, oil, raw cotton and wool are the materials of greatest need (to Japan) and the search

* Dated May 1, 1935.

- 4 -

search is now on to find these things in China."

This memorandum will deal only with the first three of these products. In his chapter entitled "Second Eldorado" included in "Empire in the East", Foster Baine points out that it is now a known fact that with certain notable exceptions, China is rather poor than rich in minerals.

COAL:

No estimate in regard to the resources of coal can be strictly accurate but the relative simplicity which characterizes coal beds enables forecasts to be satisfactory in most cases. According to the estimates of the Twelfth International Geological Congress which met at Toronto in 1913, China's coal reserves amount to 996,613 millions of metric tons as against 3,838,657 millions for the United States, 1,234,269 millions for Canada, and 7,970 millions for Japan. The figures for China are considered greatly exaggerated. After the initial studies of the Geological Survey of China, which set the total of the probable resources at but 23,435,000 of metric tons, V. K. Ting and W. H. Wang estimated the actual resources at 213,255,000 tons. In 1929 the estimates of Wang and Hu placed the total probable resources at 265,455,000 tons, of which 218,455,000 tons are credited to provinces at least moderately well known. At her present rate of consumption this would last China 20,000 years whereas Japan's estimated supply of approximately 8,000 millions of metric tons would last her but 300 years. It would thus seem that China, although she does not apparently possess the great coal reserves with which it was customary to credit her twenty years ago, is nevertheless in a position to supply the wants of Japan in respect to

coal

It would appear that these figures should be multiplied by 1000.

- 5 -

coal for some years to come; that is, provided the facilities are provided for extraction of the coal, much of which is inaccessible. However, with the development of adequate railway communications in North China, these deposits would become readily accessible and the installation of modern mining machinery would greatly increase their productivity. Thus, since China possesses large amounts of excellent coal widely distributed, it seems reasonably certain that, as Foster Baine points out, one of the big coal mining industries of the world will grow up within that country with all that this implies in the way of supplementing human power with steam.

IRON:

Small deposits of iron are found in many provinces in China, but most of the deposits are limited in extent and poor in quality. China must be regarded as deficient in iron ore reserves.

Dr. Nitobe seems justified in saying that both China and Japan are denied by nature the primary condition of the industrial system, according to Western standards.

According to a table prepared some years ago by Tegengren for the National Geological Survey, China has a reserve of some 950,000,000 tons of iron ore, by no means much for so large and populous a country. The most recent investigations of the National Geological Survey show that, excluding the low grade deposits of Liaoning and Jehol, now incorporated in "Manchukuo",

China

- 6 -

China possesses known iron reserves of some 236,854,000 tons. Of this amount about 91,645,000 tons, representing nearly 39% of the total, are in Chahar, 19.7% are in Hupeh, 13.7% in Hopei, 8.4% in Anhwei, 5.8% in Shantung, 3% in Chekiang, and the remainder is scattered in various provinces.

However, the present consumption of iron in China amounts to about 600,000 tons per year, or approximately 3 lb. per person as against a per capita consumption of 30 lbs. per person in Japan, 285 lbs. per person in England and Germany, and 550 lbs. per person in the United States. Last year there were seventeen modern blast furnaces in China with a theoretical capacity of 1,000,000 tons of finished iron and 100,000 tons of steel. However, most of these furnaces are not now in operation.

Most of the producing iron mines in China are under Japanese control. The Manchurian production is used locally, but about 900,000 tons of rich ore is annually exported from the Yangtze Valley. Out of Japan's total requirements of 2,400,000 tons of iron ore for her blast furnaces, less than 200,000 are produced at home. About 500,000 tons are secured from Korea and 900,000 are imported from the Malay Peninsula.

According to Cressey ("China's Geographical Foundations") the scarcity of coking coal within economic distances of the iron ore is one of the major problems of the iron industry in China. A ton of coke is required to smelt two tons of iron ore, this making it essential that suitable coal be available near the iron deposits.

Although

- 7 -

Although China has large reserves of coking coal, it is necessary, in most cases, to transport it long distances by rail, thus making the cost of iron production high. It is therefore obvious that no significant development can take place until coke can be delivered at the blast furnaces at costs approaching those of foreign producing areas.

Pushun (Luh)
The Japanese would appear to have succeeded in mastering the problem from their own point of view, and it is understood that they are now producing iron at (Pushun) in Manchuria at a cost of, it is said, L.C.\$28 a ton (pig iron). (Conversation, May 9, 1935, between the Minister and Dr. V. K. Ting, Secretary General of the Academia Sinica*)

However, it is interesting to note that, although it is not commonly known, near the borders of Chahar, a reputedly poor province, lie rich iron deposits as yet scarcely touched (see Far Eastern Survey, February 13, 1935). These deposits, which were estimated by the Chinese Geologic Survey, amount to about 91,645,000 tons, which represents approximately 39% of the iron ore reserves still left in China. Situated as they are within easy reach of Peiping and not far from the coal fields of Hopei, they should prove comparatively easy to develop and of inestimable value to Japan, which now takes about 99% of the total ore exported from China.

PETROLEUM:

China has always been considered practically barren as regards petroleum (and investigations carried on some years ago in Shensi, Szechwan and Kansu by the Standard

Oil

* Copy sent to the Department under cover of despatch No. 3596, June 4, 1935.

- 8 -

Oil Company, accompanied by considerable boring, lead this concern to the conclusion that the rock formations of China were too old for the necessary large dome which is the usual formation of oil wells in other parts of the world and that any deposits which there might have been have undoubtedly disappeared through leakage). It is known, however, that there are promising evidences of oil in Chinese Turkestan, and recent explorations in western China which have been carried on by German geologists and mining engineers have resulted in the belief that there exist petroleum deposits of unknown quantity in Shensi and Szechwan. There has been considerable talk of the exploitation of these deposits by the National Government, but as yet there has been little or no progress in the scheme. The exact extent of China's oil resources is as yet unknown. All that is certain is that no evidence has yet come to light to justify the opinion that China possesses oil in quantity sufficient to make its resources in that field an important factor in the future problem of power supply.

COPPER:

Throughout China there are widely scattered deposits of copper, but there is no evidence of large reserves. Hence, prospects of development appear poor.

TIN:

Tin ranks after iron as China's second most valuable metal. In 1925 Chinese yield in this metal was roughly 7% of the world total, which placed China fourth among the world producers. However, with the exhaustion of

China's

- 9 -

China's resources of this metal, the production of tin is steadily declining. Most of this production comes from Yunnan.

ANTIMONY:

China has practically a world monopoly of this relatively unimportant metal and supplies about 80% of the entire world production. Hunan is the province producing most of the metal but it is likewise found in small quantities in Kwangtung, Yunnan, Kweichow and Kwangsi.

TUNGSTEN:

This metal, which is such an important alloy in the manufacture of fine tools and used so extensively for munitions and the filaments of electric lights, is the only other metal in which China dominates the world market. Tungsten is present in the same general zone as tin and both are sometimes found together. Reserves of tungsten are large and production could be greatly increased if necessary. Both tungsten and antimony are of importance for certain metallurgical processes, although neither of them is of relatively high importance commercially or of primary significance for heavy industry.

PRECIOUS METALS:

Although Chinese currency is on a silver basis (at present) and although next to India it is the largest consumer of silver in the world, there is little or no silver produced in the country. There is gold near the Siberian border and along the border of the Tibetan highlands, and, in fact, in very small quantities in

almost

- 10 -

almost every province of China, but there is so little of it that China's contribution to the world market of gold can be considered negligible.

LEAD AND ZINC:

Although China exports a certain amount of these metals to Belgium, she more than offsets these with her imports of the same metals and few deposits have been found large enough to justify modern operations.

MANGANESE AND MERCURY:

These two metals complete the list of which China is an important producer. In 1930 China produced about 35,000 tons of manganese, most of which was exported to Japan. China's production of mercury is chiefly historical for that metal has been known there for some 2,000 years. However, its production has been constantly diminishing and today its exportation is practically nil.

FORESTS:

About 51 percent of the total area of Japan proper is covered by forests, and up to 1920 Japan's exports of timber exceeded imports. At the present time, while Japan proper exports roughly ten million yen of timber annually, she nevertheless imports about one-fifth of her consumption, which in value amounts to about the same as she exports.

China proper is lacking in forests, though apparently this has not always been the case, and the principal reason for the present condition appears to have been destruction without reforestation. However, the mountains

of

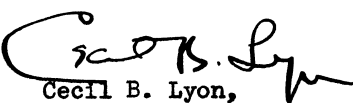
- 11 -

of eastern Manchuria contain some of the finest timber in all China and thus Japan will be in a position to fill her needs in this respect.

CONCLUSION:

From the above it would seem that China, although not as rich in certain raw materials needed by industry as is popularly believed, is nevertheless in a position eventually to furnish Japan with at least one of the important raw materials of which she has great need, namely, coal. Moreover, development of the Chahar iron deposits would to a certain extent fulfill another of Japan's needs.

The development of "Manchukuo", it is believed, will solve the question of Japan's problem in regard to a supply of timber and iron. The problem of oil still lacks a solution and there appears now to be no indication that China can fill Japan's great need of this vitally necessary fuel.


Cecil B. Lyon,
Third Secretary of Legation.

APPENDICES

- (1) Copper imported by Japan from the United States
(In kilograms)

<u>Year</u>	<u>Production</u>	<u>Export</u>	<u>Import</u>
1927	66,571,249	2,789,000	13,169,800
1928	68,232,865	2,965,400	20,464,100
1929	75,469,049	8,255,600	8,500,300
1930	79,032,844	33,201,000	2,460,400
1931	75,848,181	26,603,200	2,019,900
1932	71,876,557	23,121,600	1,966,900

(Japan-Manchukuo Year Book, 1935, p. 394.)

(2) Output and Import of Petroleum.

<u>Output</u>		1928	1929	1930	1931	1932
Gasoline	Quantity (hectolitres)	1,328,734	1,814,148	2,187,147	2,579,624	3,491,266
	Value (yen)	16,233,594	19,995,760	21,916,680	20,817,638	26,090,551
Kerosene	Quantity (hectolitres)	458,932	370,713	416,407	1,955,626	1,467,949
	Value (yen)	4,444,123	4,678,616	4,063,506	11,024,203	8,597,880
Neutral	Quantity (hectolitres)	1,993,841	2,116,770	2,111,313	1,699,147	1,784,480
	Value (yen)	9,243,832	10,376,040	9,684,604	6,353,587	6,817,524
Fuel	Quantity (hectolitres)	1,253,669	1,179,129	1,194,223	1,061,256	1,090,228
	Value (yen)	12,722,770	12,241,545	10,191,070	7,170,357	9,210,831
Lubricating	Quantity (hectolitres)	390,277	379,873	353,528	666,890	551,961
	Value (yen)	1,264,120	3,003,145	822,589	1,610,578	6,467,957
Asphalt	Quantity (kgs.)	22,410,278	31,078,729	26,909,023	44,979,779	52,419,906
	Value (yen)	758,259	1,088,799	773,630	1,126,146	1,515,020
Wax	Quantity (hectolitres)	14,504	14,894	20,859	49,202	51,219
	Value (yen)	437,618	623,137	675,471	1,164,906	1,063,486
Pitch	Quantity (kgs.)	83,899,950	59,746,046	30,601,297	26,091,360	25,803,540
	Value (yen)	1,272,675	765,864	336,959	223,050	797,140
Total value (yen)		46,376,991	50,816,764	49,047,318	49,583,925	60,610,739

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

Import

	Crude (incl. fuel)	Gasoline	Kerosene	Lubricat- ing (A)	Lubricat- ing (B)	Total
1929 Quantity (gals)	419,817	9,814	90,401	6,573	34,966	561,570
Value (yen)	46,603	4,088	34,682	4,557	2,997	92,928
1930 Quantity (gals)	426,374	2,890	110,829	5,131	*33,718	
Value (yen)	44,796	986	37,867	3,382	2,537	89,567
1931 Quantity (gals)	453,608	2,289	120,139	5,060	*28,772	
Value (yen)	44,064	794	35,998	2,983	1,954	85,788
1932 Quantity (gals)	568,665	1,424	133,383	4,836	*26,557	
Value (yen)	54,887	370	36,533	4,443	2,355	98,588
1933 Quantity (gals)	113,009	73	137,388	4,046	*13,662	
Value (yen)	68,347	47	34,773	3,979	1,714	108,859

MB - (A) Lubricating oil with specific gravity of 0.9218 or less.

(B) Other lubricating oil.

* - In kin.

(Japan-Manchukuo Year Book 1935, p. 399.)

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Department of State Letter, August 10, 1972
By William O. Brown / WOB / 12-18-75

(3) Total Mining Lots, Japan, and those under work in the last ten years.

Total Mining Lots

<u>Year</u>	<u>No.</u>	<u>Area (hectares)</u>	<u>Area per lot (hectares)</u>
1923	5516	543,363.24	98.51
1924	5448	530,250.04	97.33
1925	5195	523,749.74	100.82
1926	5099	513,751.02	100.76
1927	4993	508,055.72	101.75
1928	4913	508,596.36	103.52
1929	4780	497,521.48	104.08
1930	4620	483,873.96	104.73
1931	4400	450,534.22	102.39
1932	4318	447,099.63	103.54

Lots under Work

<u>No.</u>	<u>Area (hectares)</u>	<u>Area per lot (hectares)</u>
1335	222,358.27	166.58
1336	218,294.59	163.39
1213	209,264.67	172.52
1195	221,874.06	185.67
1183	221,508.13	187.24
1176	221,031.41	187.95
1265	223,416.95	176.61
1186	223,254.61	188.24
1099	210,378.12	191.43
1113	208,068.04	177.95

(Japan-Manchukuo Year Book, 1935, p. 392.)

The above figures indicate the steady decrease in Japan's annual coal production.

- (4) No figures indicating the total amount of tungsten produced are available. However, the entire production of tungsten in Hunan (one of the most important producing provinces in China) is exported. Figures covering the past ten years are as follows:

<u>Year</u>	<u>Quantity</u> (Piculs)	<u>Value</u> (Hk. Tls.)
1923	4,878	48,155
1924	3,760	32,561
1925	3,249	38,752
1926	7,280	103,790
1927	3,276	43,173
1928	2,667	38,080
1929	5,920	167,882
1930	9,322	338,660
1931	7,661	199,756
1932	2,100	53,050*

The above figures do not represent the entire tungsten ore exports from Hunan, as a portion is still exported through Kuangtung, but they are the only figures available.

*Dollars

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
August 12, 1935.

~~MSM:~~
~~BRD:~~
~~WCH:~~

Peiping's despatch No. 3679 of July 10, 1935, supplements a previous despatch written by Minister Johnson in regard to Sino-Japanese relations.

Mr. Johnson refers to recent indications that the Japanese military have again assumed control with respect to Japanese relations toward China and points out by way of background that it some times seems as though the Japanese military harbor feeling of thwarted effort that leads them to desire to force the Chinese to give them what they cannot obtain voluntarily. He points out that whereas the Japanese Foreign Office and industrial Japan were apparently prepared to let the Kuomintang work its own way out of the absurdity of its present activities, the Japanese military leaders, seeing the Chinese recalcitrant and believing that the Japanese Foreign Office was losing "face", became resolved to deal a drastic and forceful blow at the Chinese institutions which in their minds were guilty of deception and insincerity.

As a result of the recent action by the Japanese military the Chinese have had

to

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

to shift all of their political organizations out of Hopei and Chahar and to move away the armed forces of the Central Government, thus eliminating in this area every official to whom the Japanese military were opposed.

Mr. Johnson states that there is now a belief current among the European and American trained Chinese that the Japanese military, after eradicating the Kuomintang, intend to eliminate from positions of responsibility Westernized Chinese whom they are disposed to blame for China's employment of advisers of European and American nationality. In this connection, he also states that the Japanese military appear to believe that the Japanese are better able to act as advisers to China because of their idealistic interest in the welfare of the Yellow peoples.

Mr. Johnson then discusses the absurd lengths to which the Japanese military went in connection with the recent "New Life" magazine case in Shanghai and points out that out of this incident grows a situation in Shanghai which may furnish the necessary excuse for the Japanese army and navy to do in the Yangtze Valley what they have already accomplished in north China.

Mr.

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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 -

Mr. Johnson continues by pointing out that no Chinese would now dare to oppose any request that the Japanese make and states that he expects to see Japanese activities, both political and economic, increase in China in fields where only the Japanese, with the Japanese army as a police force, would care to enter.

The despatch concludes by stating that the Japanese army is determined to break China to its will whatever the consequences and whatever the expenditure of effort and treasure may be.

EW/VDM

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



LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, July 10, 1935.

No. 3679

subject: Effect upon China of recent activities
of Japanese military.

793.94



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DIVISION OF
COMMUNICATIONS
AND RECORDS

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For	In U.S.A.		

793.94/7231

The Honorable

The Secretary of State,
Washington.

Sir:

In my despatch dated May 1st at Nanking I pointed out that Japan's policy towards China has been adopted as a means of meeting the problem of her population, and that in carrying out this policy Japan wavers between the more positive plans of the military and the more negative plans of the liberal, organized industrial leaders. I expressed the opinion that, reacting to the disillusionment regarding the benefits to be derived from the newly acquired position in Manchuria, the Japanese military group were then apparently prepared to give the more liberal element in

Japan -

AUG 15 1935

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- 2 -

Japan - represented by a part of the Foreign Office - and Japanese industry, an opportunity to win benefits from the Chinese by a more conciliatory policy. I was the more convinced of this willingness of the military to make way for the policy of Japan's Foreign Office when it was made known in Tokyo early in May that Japan intended to raise the status of its Legation in China to that of an Embassy. Informed persons, Japanese as well as Chinese, accepted this announcement from Tokyo as indicating a triumph for the Foreign Minister, Mr. Hirota. It therefore came as something of a shock to learn from the press that, almost immediately upon this announcement, the military leaders questioned the decision of the Foreign Office and expressed their disapproval.

There are times when it seems as though the Japanese military were afflicted with an inferiority complex, accentuated by their failure in recent years in inducing the various peoples of the East, and particularly the Chinese, voluntarily to unite under Japanese leadership and the banner of Pan-Asianism. In my despatch of May 1st above referred to I mentioned the evidences of incompatibility as between Chinese and Japanese. Sometimes it seems as though the Japanese military, in the face of this incompatibility, harbor a feeling of thwarted effort that leads them to desire to force the Chinese to give them what they cannot obtain voluntarily. I have no doubt that the military leaders of Japan are imbued with high ideals for the welfare and position of the yellow races among whom

they

- 3 -

they aspire to be leaders. But there are times when I feel that they resent deeply the fact that the races they desire to lead have not evidenced their appreciation of that idealism.

The Japanese Foreign Office was just as well informed of the activities of the Chinese Nationalist Party (Kuomintang) and its general attitude of anti-foreignism and anti-Japanism as was the Japanese military. But whereas the Foreign Office and industrial Japan, along with the rest of the world, were apparently prepared to let the Kuomintang work its own way out of the absurdities of its present activities, the military, seeing the Chinese recalcitrant and believing that the Foreign Office by its policy of conciliation was stultifying itself in the eyes of the rest of the world and particularly in the eyes of the "cunning" Chinese, was resolved to deal a drastic and forceful blow at the Chinese institutions which in their minds were guilty of deception and insincerity. Mixed with this, of course, was the desire to make clear to the Chinese and to the Japanese that no one might act in any of these matters without the approval of the military general staff, the real rulers of Japan. By means of threats and the movement of various units of the Army to points of strategic advantage, the military were able to force the Chinese to shift all of their political organizations out of Hopei and Chahar Provinces, and to move away the armed forces of the Central Government. The military succeeded in obtaining the elimination from this area of every official to which they were opposed, so that now the Chinese

Government

- 4 -

Government will hardly dare to assign to this area an official to whom the Japanese may for some reason or another object.

1

Among those officers of the Chinese Government who received their training in Europe or in America there is a belief that as Japanese influence increases there will be a constantly diminishing opportunity for Chinese so trained to hold office. They believe that the Japanese military, after eradicating the Kuomintang, intend to eliminate from positions of responsibility Westernized Chinese, whom they are disposed to blame for China's employment of advisers of European and American nationality. There is reason to believe that the Japanese military resent the employment by China of European or American advisers as a studied insult to Japanese ability to furnish advisers of equal qualifications and, according to Japanese belief, peculiarly endowed with idealistic interest in the welfare of the yellow peoples and therefore better able to do the work which the yellow people under Japanese leadership will require.

An atmosphere of gloom and fear now permeates Chinese Government offices such as is difficult to appreciate except by those who have contact with those offices and who see and talk with the men who head the various departments. Wang Ching-wei, President of the Executive Yuan and Acting Minister for Foreign Affairs, is and for some time has been a very sick man, but there is no doubt that his recent collapse has been brought about in large measure by the worry and fear

which

- 5 -

which Japanese military, acting independently of the Japanese Foreign Office, have been able to inspire, to the point where the functions of the Government are almost paralyzed. No Chinese official feels secure. At any moment the visiting card of a hitherto unheard-of Japanese Major or Colonel may be presented to him and he knows that he is in for an interview with a man whose slightest opinion may become the active policy of the Japanese military, who are always ready to move.

Nothing is too absurd to occupy their attention. Take the instance of the publication in the "New Life" Magazine at Shanghai of an article containing certain observations on kings and emperors. I have not seen the article in question, but apparently it was a general article commenting upon various monarchs and describing their positions in their several governments. Among these comments which included statements regarding the King of England, there was one which described the Japanese Emperor as the figurehead of the Japanese state. Apparently the article was not noticed until it was reprinted in a daily newspaper in Tientsin where it fell under the eagle eye of the newspaper readers attached to the Kwantung Army Commandant who immediately demanded the punishment of the editor, holding that the article was an insult to the Japanese Emperor. It was then discovered that the article had been originally printed in the "New Life" Magazine a month before in Shanghai, so they demanded the punishment of the editor of the "New Life" Magazine. It was then discovered that the publication in

question

- 6 -

question had been passed by the censors, and as the censors are connected with the Kuomintang or Nationalist Party organization, naturally the whole thing connects itself with the Japanese campaign against the Kuomintang. And out of this - to any one else absurd - incident grows a situation in Shanghai which may furnish the necessary excuse for the Japanese Army and Navy to do in the Yangtze Valley what they have already accomplished in North China. It would be laughable if it were not so serious.

The result is that, so real is the fear which the Japanese military have succeeded in breeding in the minds of the Chinese, they can now obtain anything they wish. No Chinese would dare oppose any request that the Japanese may make; and I expect to see Japanese activities, political and economic, increase in China from now on, in fields in which perhaps no one but a Japanese would care to venture; this for the simple reason that the Japanese Army is prepared to police Japanese efforts in this area where otherwise they would not be able to control and exploit China's resources.

In my despatch of May 1st I expressed myself as pessimistic of the ultimate outcome. I see no reason to change my point of view, but apparently the Japanese military must continue the expenditure of their efforts and of Japanese treasure, whatever their end is to be. The Japanese Army is determined to break China to its will, whatever the consequences may be.

Respectfully yours,



Nelson Truett Johnson.

In quintuplicate to Department.
One copy each to Tokyo and Nanking.
NTJ:EA

178

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 221) of August 2, 1935, from the American Consulate General at Nanking reads substantially as follows:

On August 1, H.H. Kung who has been designated Acting President of the Executive Yuan in the absence of Wang Ching-wei, told the Consul at Nanking that no new "demands" had been presented recently the diplomatic representatives of Japan; that now Japanese Military Attachés do almost all of the talking for the Japanese Government; and that lately these Japanese officers have been telling officials of the Chinese Government that if China wishes to be on friendly terms with Japan she (China) must take certain steps, among which are economic cooperation, acceptance of the Pan-Asia doctrine, recognition of "Manchukuo", and a military alliance. Kung remarked that Japan was proceeding to accomplish step by step her aims which were set forth in the so-called Tanaka memorial. Although Kung did not speak of a possibility of Chinese resistance, he left the impression that a number of matters awaited decision by General Chiang and he stated that Chiang might soon come to Nanking.

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FR:EGC

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VIII-3-35

m.m./d

TELEGRAM RECEIVED

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REP

GRAY

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FROM

Peiping via N. R.

Dated August 6, 1935

Rec'd 4:23 p. m.

Secretary of State,
Washington.

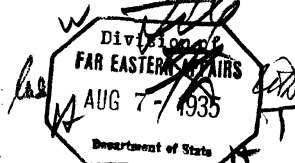
400, August 6, 4 p. m.

Captain Lin Tso Chou, *Commander* of the third unit of

special police of the demilitarized area was assassinated at about August 4, 4 p. m. at the railway station at Luanchow east of Tza on the Peiping-Mukden railway allegedly by several Chinese. At the same time a Japanese consul guard was wounded by a bullet presumably not seriously. Liu is understood to have been a follower of the undesirable General Shih Yu Shan pro-Japanese and of doubtful character. Martial law was declared at Luanchow and a number of suspects arrested.

Two. Colonel Sakai chief of staff of the Japanese North China garrison, Lieutenant Colonel Lyma chief of special military mission at Shanhaikwan and Major Oki staff officer at Tientsin (Lyma and Oki received transfer orders August 1st) called July 5 on Wang Keh Min and talked with him two hours. Information with regard to

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REP

2- From Peiping, #400, Aug. 6, 4 p.m.

what was said is lacking but it is understood that the Japanese take "a serious view" of the affair presumably not only because a Japanese was wounded but because Liu was pro-Japanese.

Three. I am now informed that Tao Shang Min was asked to call at the Japanese Legation August 5 at 3 p. m. which he did and that he has not been seen since. Tao was until July 5 special administrative inspector of the Luanchow ^{Shanghai} ~~Shanghai-Hailu~~ area of the demilitarized area within which Liu's assassination took place but was removed from that post according to a reliable Chinese official because of extracting exorbitant squeeze from magistrates in his area. There is a report that the Japanese military have warned Tao that he must tell the truth about Liu's death within three days. Tao has been since July 27 the councilor of the Peiping Political Affairs Readjustment Committee.

Four. Information is as yet too meager for the Legation to discover (one) the motive behind Liu's assassination and (two) intentions of the Japanese military with regard to the affair.

By mail to Nanking and Tokyo.

JOHNSON

CSB

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

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FS

FROM

Special Gray

Nanking via N. R.

Dated August 7, 1935

Rec'd 6:47 a. m.

Secretary of State,
Washington.

225, August 7, 9 a. m.

A responsible Chinese official has told me
that the Japanese are blaming the Kuomintang for
the murder of a gendarme chief and attack upon
a Japanese officer at Luanchow on August 4th and
that the Chinese Government fears the Japanese
military will present new demands in regard to
North China.

WWC:HPD

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

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

FROM

Peiping

Dated August 7, 1935

Rec'd 9:00 a.m.

Secretary of State,
Washington.

402, August 7, 5 p. m.

Referring to the Legation's No. 400, August 6,

4 p. m., Tao Shang Min has not yet been released from
the Japanese Embassy. He is understood to be confined
in the quarters of the guard. Wang Keh Min has tele-
graphed to Nanking for instructions. So far as is known
the Japanese have presented no demands as yet except
perhaps demands with regard to clearing up assassination
of Liu. It seems to be well established that Liu was
in the pay of the Japanese which helps to explain
drastic step of detaining Tao who may or may not be
implicated.

Two. The Japanese do not admit they have Tao;
but responsible Chinese officials insist that Tao has
not been seen since he called at the Japanese Embassy at
Japanese request. All available information supports the
Chinese contention.

Three. Assistant Military Attache Takahashi re-
turned this morning from visit to Paoting and Taiyuanfu
and his return may accelerate solution.

By mail to Nanking and Tokyo.

CSB:HPD

JOHNSON

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Division of
FAR EASTERN AFFAIRS
AUG 7 - 1935
Department of State

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AUG 10 1935

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 402) of August 7, 1936, from the American Legation at Peiping reads substantially as follows:

Tao Shang-min who is still held in the Japanese Embassy is understood to be imprisoned in the quarters of the Japanese guard. Wang Keh-min has telegraphically requested instructions from the Nanking Government. According to available information no demands have as yet been made by the Japanese, except perhaps a demand relating to the clearing up of the murder of Liu Tao-chow. It appears to be certain that Liu was receiving pay from the Japanese which may explain their drastic action in confining Tao Shang-min who may or may not have had connection with the assassination of Liu.

Although the Japanese do not admit that they are holding Tao Shang-min, all information which is available supports the contention of the Chinese officials who declare that Tao has not been seen since he called by request at the Japanese Embassy.

On August 7 the Japanese Assistant Military Attaché who has been visiting Taiyuanfu and Tientsin returned to Peiping and his return may hasten a solution of the matter.

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E.G.C.
FE:EGC

VIII-7-35

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GRAY

Peiping via N. R.

Dated August 8, 1935

Rec'd 1:45 p. m.

FROM

Secretary of State,
Washington.

407, August 8, 4 p. m.

My 402, August 7, 5 p. m.

Division of
FAR EASTERN AFFAIRS
AUG - 9 1935
Department of State

Copy sent to Moscow
August 28 1935

17234

Takahashi left this morning for Tientsin presumably to confer about Tao's detention and Liu's assassination with other important Japanese officers now meeting there. Their decisions may await arrival on August 16 of Major General Tad a newly appointed commander of the Japanese Tientsin garrison.

Two. Except for the question of Liu's assassination and Tao's detention the situation in North China appears to be quiet on the surface. (One) Martial law in Peiping was lifted August first; (two) the question of the Chinese police force for the recently demilitarized part of Chahar is understood to have been settled, the number of the force being reported as 4,000 who are to have not arms heavier than machine guns. Commander of the new force is General Chang Yun Chung former garrison commander at Changpei north of Kalgan. A Japanese press report

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REP

2-#407, From Peiping, Aug. 8, 4 p.m.

LMS
PCR

report of August 5 from Manchuria claims that Dolonorsien and Kuyuanhsien in eastern Chahar are "clamoring" for annexation by Manchukuo. (Three) The question of an air line between North China and Manchuria is still under discussion at Tientsin. According to a local Chinese official only minor details remain to be settled. Developments are however kept ~~secret~~ ^{SECRET}. (For some weeks there have been three or four Japanese planes at the Peiping air field and it is reliably reported that there is a weekly service maintained by these planes between Peiping and Manchukuo for the use of Japanese only). (Four). Japanese troops which were despatched to the vicinity of Shanhaikwan and Kupeikou during the threatening period of several weeks ago have been withdrawn. (Five). There have been no important movements recently of Chinese troops in Hopei and Chahar. (Six). There are frequent press reports of increasing bandit activity in the demilitarized zone of Hopei as well as in other parts of the province.

Three. Reliable information with regard to possible political machinations among Chinese politicians is unobtainable. However, several important Chinese are now in Peiping including the Minister of Railways, the Minister

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

REP

3-#407, From Peiping, Aug, 8, 40.m.

Minister of Justice, the vice-Minister of Interior,
the Chairman of Suiyuan and the acting Chairman of
Chahar. It is understood that the following Chinese
are in Tsingtau: Wang Ching Weh, Chang Fa Kuei, Tang
Cheng Chih and Sun Fo. Some of these persons may be
concerned with the organization of a new cabal.

By mail to Nanking and Tokyo.

JOHNSON

CSB-RR

(#) Apparent Omission.

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

No. 479

August 26 1935

CONFIDENTIAL - STAFF USE ONLY.

To the American Ambassador,
Moscow.

The Secretary of State refers to his instruction No. 447 of July 26, 1935, and previous correspondence in regard to recent developments in relations between China and Japan in connection with North China, and encloses for the confidential information of the Ambassador a copy of telegram No. 407 of August 8 and a paraphrase of telegram No. 415 of August 13, from the American Minister at Peiping on this subject.

793.94/7235

Enclosures:

No. 407, August 8, from Peiping;
No. 415, August 13, from Peiping (paraphrase).

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A true copy of
the original
document

M.M.H.

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

No. _____

10,206



AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 17, 1935.

Subject: Sino-Japanese Relations: New Life
Weekly Case: Handbill Criticizing
Municipal Government of Greater
Shanghai.

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THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

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

RECEIVED
DEPARTMENT OF STATE
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1/

1/ have the honor to enclose a copy of a self-explanatory despatch No. 8765 of this date, with enclosures, from this Consulate General to the American Legation at Peiping in regard to the subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 8765
with enclosures.

800
MBD MB

In Quintuplicate.

793.94/7236

AUG 20 1935
FILED

No. 8765

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 17, 1935.

Subject: Sino-Japanese Relations: New Life
Weekly Case: Handbill Criticizing
Municipal Government of Greater
Shanghai.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Sir:

I have the honor to refer to my telegrams of
July 10, ^{7/16} 3 p.m., and 5 p.m., ^{7/18} my despatch No. 8738 of ^{7/21} 19
July 8, 1935, and other correspondence regarding the

- 1/ New Life Weekly case, and to transmit as of interest
in this connection a copy of a report from the Special
Branch of the Shanghai Municipal Police setting forth
a translation of a handbill distributed in the Second
Kiangsu High Court on July ninth, when sentence was
pronounced on Tu Chung-yuan (杜重远), Editor of the
New Life Weekly. It will be noted that the author in-
veighs not only against the Japanese but also against
the Chinese authorities, particularly the Municipal
Government of Greater Shanghai.

The criticism of the local administration is on
two counts (see items five, eight and fourteen in the
enclosed handbill). In the first place the Municipal

Government

-2-

Government is accused of having pursued a "policy of surrender" in dealing with the Japanese, and of having betrayed Chinese interests and acted in an illegal manner in disposing of the New Life case. In the second, it is criticized for "shamefully flattering the foreigners", which is believed to have little to do with the case in point but to express a feeling, entertained in certain quarters unfriendly to Mayor Wu Te-chen, that he and his associates are entirely too friendly with foreigners.

As to publicity given the New Life Weekly case, all the English language dailies gave considerable space to news articles regarding it, but with the exception of THE SHANGHAI EVENING POST AND MERCURY (American) they have had little to say about it editorially. THE NORTH CHINA DAILY NEWS (British) of July 11, 1935, reviewed the case, commenting facetiously on the disappearance of the supposed author of the offending article, and stating that

"General Wu Te-chen, skilled in handling such difficulties, promptly apologized, banned the article and gave orders for the arrest of the writer and editor."

It concludes with the statement that the Chinese Government acted with great promptness and determination; that this case should serve to enlighten Mr. Tadao Matsumoto, who "has confessed in Tokyo to an ignorance whether the Chinese Government is sincere when it orders 'curbs on anti-Japanese movements.'"

THE SHANGHAI EVENING POST AND MERCURY of July 6 and 3/4/ 11, 1935, contain editorials on this case. The first commends the Japanese officials for asking their local

community

-3-

community to desist from holding mass meetings or taking other provocative steps. It states that there appears to have been a mischievous desire in certain quarters to agitate this issue, and asks how many would ever have known of the article in question had it not been for the spreading of rumors by the Japanese themselves. The writer sees in the situation considerable discomfort for the Kuomintang but no explosion such as appeared possible at first. The other article deals at some length with the trial of the editor of the New Life Weekly.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

Enclosures:

- 1/- Copy of report from Special Branch of Shanghai Municipal Police.
- 2/- Editorial from THE NORTH CHINA DAILY NEWS of July 11, 1935.
- 3/- Editorial from THE SHANGHAI EVENING POST AND MERCURY OF July 8, 1935.
- 4/- Editorial from THE SHANGHAI EVENING POST AND MERCURY of July 11, 1935.

800
MBD MB

In Quintuplicate to Department
by despatch No. 10,106 of even date.

Copy to Embassy, Tokyo.



Enclosure No. 1 to despatch No. 8762 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 17,
1935, on the subject: "Sino-Japanese Relations: New Life
Weekly Case: Handbill Criticizing Municipal Government of
Greater Shanghai."

COPY

Special Branch, S.M.P.
July 9, 1935.

Anti-Japanese Propaganda

Copies of a handbill, of which the following is
a translation, were scattered among the crowd at the
Shanghai Special District Court on July 9:

Our attitude towards the "New Life" Weekly Affair

- "1. The "New Life" affair signifies a new attack launched
by the Japanese Imperialists. It is the beginning
of their plan to get control of the Chinese culture
following the occupation of North China.
- "2. The "New Life" affair is not a question of disrespect,
but is purposely used by the Japanese Imperialists to
intensify the situation.
- "3. The "New Life" affair is not a question of carelessness
on the part of a single magazine, nor does it concern
an individual. It is a question of humiliation and
existence of the whole Chinese publication circles.
- "4. "Gossip about Emperors" does not constitute any offence
against the head of a friendly nation.
- "5. The question of responsibility in the "New Life" case
does not rest with the editors and writers of the
"New Life" Weekly, but on the Central Newspapers &
Magazines Censorship Committee as well as the Shanghai
City Government, which flatters the foreigners.
- "6. To ban the "New Life" is against the law.
- "7. Down with the Central Newspapers & Magazines Censor-
ship Committee.
- "8. Oppose the illegal and betraying disposal of the "New
Life" case by the Shanghai City Government.
- "9. The publication of the "New Life" should be resumed.
- "10. Support the "New Life", a book of the masses.
- "11. Salute the Chief Editor of the "New Life", Mr. Tu
Zong-yuan.
- "12. Do not produce "Yih Siu (the writer).

"13.

-2-

- "13. Supervise the court in such a way that it will give a sentence of "not guilty" in the "New Life" case.
- "14. Oppose the policy of surrender and shamefully flattering the foreigners.
- "15. Oppose the invasion policy of the Japanese Imperialists in respect of culture.
- "16. Down with the Japanese Imperialists.

The Chinese Cultural Circles.
July "

Colored paper slips bearing the following slogans in Chinese were also distributed:

- "Down with the "Kwar Min Tang" (Kuomintang) who are selling our national interests.
- "Down with the Kuomintang Fascisti.
- "The "New Life" Weekly is the throat and tongue of our people.
- "Down with the Fascisti which commits all kinds of wrongs.
- "Fight for freedom of speech.
- "Let us demand that the "New Life" Weekly be re-published.
- "Oppose the Imperialists and resist the Japanese.
- "Oppose the control on civilization.
- "Support the anti-Japanese and the anti-Imperialists "New Life".
- "Let all friends of the "New Life" unite together and rise up in order to work for the revival of the "New Life."
- "Down with the Kuomintang who are cheating the people.
- "Oppose the surrender by the Government.
- "Oppose the shameless surrender to the Japanese Imperialists.
- "Oppose the prohibition without reason of the publication of the "New Life".
- "Let us arm ourselves! Oppose the Japanese Imperialists!

Copied by ME *ly*
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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

Enclosure No. 2 to despatch No. 8765 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 17,
1935, on the subject: "Sino-Japanese Relations: New Life
Weekly Case: Handbill Criticizing Municipal Government of
Greater Shanghai."

SOURCE: THE NORTH CHINA DAILY NEWS
(British), July 11, 1935.

Editorial.

THE "NEW LIFE" CASE

On May 4, a magazine topically called "The New Life Weekly," published an article by a Mr. Yi Shui on the subject of Emperors in many parts of the world. Apparently Mr. Shui had not travelled widely—an omission which, it is hinted, he is now repairing—and was, like other journalists in his position, writing on the basis of second or even third-hand information. The editor and publisher was absent from Shanghai when the issue was being prepared, and it was not noted that, apart from its intrinsic defects, the article did not accord with the policy of the journal giving it hospitality. The editor himself, Mr. Tu Chun-yuen, was a travelled man; indeed he had been educated in Japan and was well in touch with Japanese sentiment, especially on the subject of the Emperor. This intimate information regarding the editorial conduct of "The New Life Weekly" was not, of course, generally available in May. It came to light in the development of events arising out of Mr. Yi Shui's article. For, some time in June, that article came under Japanese notice. Its passages relating to the Emperor of Japan aroused fiery wrath in the Japanese community in Shanghai. In the light of the Mandate issued from Nanking on June 10, expressly enjoining Chinese periodicals to avoid giving offence by criticism of friendly states and particularly the heads of those states, the Japanese view was that the article called for disciplinary treatment. Conferences were held with important Japanese officials and representations were duly made to the Chinese authorities.

General Wu Te-shen, skilled in handling such difficulties, promptly apologized, banned the article and gave orders for the arrest of writer and editor. The writer was and still is at large. The editor, Mr. Tu Chun-yuen, was duly committed for trial. Meanwhile Japanese resentment required further measures of correction. Direct approach was made to the Government at Nanking and it was pointed out that the magazine was under the supervision of the censors of the Central Kuomintang which therefore should take appropriate action. The depth of Japanese feeling was marked by the decision to cancel the sailing of a Japanese cruiser in harbour here. The Central Political Council did not hesitate. It dismissed the local censors—whose names have just been gazetted—and it issued an exceedingly exhaustive reiteration of the Government's determination to suppress and punish publishers of articles calculated to prejudice Chinese re-

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

supervision of the censors of the Central Kuomintang which therefore should take appropriate action. The depth of Japanese feeling was marked by the decision to cancel the sailing of a Japanese cruiser in harbour here. The Central Political Council did not hesitate. It dismissed the local censors—their names have just been gazetted—and it issued an exceedingly exhaustive reiteration of the Government's determination to suppress and punish publishers of articles calculated to prejudice Chinese relations with friendly states. Meanwhile arrangements were made for bringing the publisher of "The New Life Weekly" before the Kiangsu High Court. The trial resulted in a conviction and the sentence of the prisoner to fourteen months imprisonment—two months short of the maximum penalty prescribed. Under the provisions of the new Criminal Code, the judge, referring to certain unspecified "circumstances," rejected an application to file an appeal. Nor would he permit the sentence to be commuted by payment of a fine, which, indeed, many will think, would have met the ends of justice.

The judge's labour was lightened by the defence which made no attempt to justify the article or even to dispute the fact that it offended against the provisions of the Criminal Code. Mr. Tu Chun-yuen's counsel pleaded for an acquittal on the ground that his client was not actually in charge in person at the time of the publication of the journal. He also intimated that the article was repugnant to Mr. Tu's policy in the conduct of his magazine and that Mr. Tu was ready to express his sincere regret for the indiscretion. The prosecution, however, demanded a heavy sentence. The judge complied, with the award of the term of imprisonment noted and with a refusal of the request for an appeal. This bald recital shows that the Chinese authorities are firm in their intention to suppress anti-Japanese propaganda.

It deserves special attention from those who, not so long ago, were disposed to deny to the Chinese courts a proper conception of their duty in upholding law and order. Other critics who have been constantly accusing the Government at Nanking of a complete lack of control over the administration and have been picturing the condition of that administration as "chaotic," will have to revise their views. It is difficult to imagine any Government acting with greater promptitude and determination than has the Chinese Government in this affair. Mr. Tadao Matsumoto may surely take heart. After his tour in China he has confessed in Tokyo to an ignorance whether the Chinese Government is sincere when it orders "curbs on anti-Japanese movements." This "New Life" case should lighten his darkness. Whether it will satisfy him that the "ulterior motives" of Japan are not suspect to Chinese opinion and so spare him the pain of contemplating "drastic action," it is not possible to surmise. He must certainly admit that the Chinese executive and the Chinese courts have not hesitated to be drastic in their efforts to meet Japanese views.

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

Enclosure No. 3 to despatch No. 8762 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 17,
1935, on the subject: "Sino-Japanese Relations: New Life
Weekly Case: Handbill Criticizing Municipal Government of
Greater Shanghai."

SOURCE: THE SHANGHAI EVENING POST AND
MERCURY (American), July 6, 1935.

Editorial.

SHANGHAI, July 6, 1935

Japan's Thumb On The Censors

JAPANESE officials have acted wisely in asking the local Japanese community to desist from mass-meetings and other provocative, exciting activities while diplomatic authorities deal with the incident of the *New Life Weekly*.

Without a doubt there is plenty of dynamite in this whole matter, and while there has been an appearance of deliberate dissemination of knowledge of the offending article published by this magazine, it requires little if any stirring-up of the fire to arouse intense heat among Japanese anywhere when they believe that their Emperor has been insulted.

Certainly it appears to us that there has been, in certain quarters, a mischievous desire to agitate this issue. How many would ever have known of publication of the article in question, had it not been for the Japanese' own rumor-mongering in this connection? And both because of Mayor Wu's ban on reproduction of the article in Chinese, and because the English language press seems never to have seen the article at all, no one seems very sure precisely what it said to begin with. It is understood not to have comprised a direct or personal onslaught on the Emperor but to have embodied slighting references to the alleged lack of power exercised both by him and by the titular head of the "Manchukuo" state. As to how serious such a thing might be we can hardly judge, without access to a fair translation; but we doubt if such an article would stir much Japanese resentment if published in an Occidental country unless the language itself were ultra-provocative.

The issue now has moved to one centering about the Kuomintang's censorship. When a representative of the weekly magazine appeared in court, he expressed surprise that efforts should be made to hold the magazine or its officials responsible in view of the fact that the entire contents of the magazine had — so he alleged — been approved by official Nationalist censors. Naturally that gave the Japanese real excuse for "getting steamed up" since they were able, on such a showing, to declare that the Executive Yuan's order against publication of internationally inflammatory matter was being ignored by the governing party itself.

Without doubt, the situation is embarrassing for the Kuomintang and its censors, and we trust it may give Chinese officialdom a new point of view on the problem of censorship. Hitherto it has been felt, apparently, that the censors were little kings in their own right. Now the Japanese neatly fit the shoe on another foot, saying that if the party censors pass a thing they (and the party) thereby become responsible for it. This may be true doctrine but we suspect it hadn't previously occurred, to the Kuomintang or to its censors.

So far as we can see, the present situation

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

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So far as we can see, the present situation is one of considerable discomfort for the Kuomintang in general and a number of individuals in particular, but not one of the potential explosion which appeared possible a short time ago.

Officials of the magazine and book censorship bureau in Shanghai are to be dismissed, and replaced by others more conversant with the perils as well as the privileges of their job. Official amends will be offered and, we trust, accepted. And one more rather important step will have been taken toward Japanese domination of China, with the situation well in hand (from a Japanese viewpoint) on the literary front.

SECRET

SOURCE: KENSONIA (UNCLASSIFIED) 10/14/82
JAN BRITISHLY PAKING 10/14/82

CLONAL EXPANSION.

[illegible]

Enclosure No. 4 to despatch No. 8760 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 17,
1935, on the subject: "Sino-Japanese Relations: New Life
Weekly Case: Handbill Criticizing Municipal Government of
Greater Shanghai."

SOURCE: THE SHANGHAI EVENING POST AND
MERCURY (American) of July 11,
1935.

Editorial.

SHANGHAI, July 11, 1935

Mr. Doo's Conviction

POLITICAL aspects of the *New Life Magazine* case have been thrust so much to the fore that a general impression appears to have grown up among Shanghai foreign observers that in the sentencing of Mr. Doo Zoong-yuab, and the apparent denial of any appeal, Japanese pressure caused due processes of Chinese law to go pretty completely by the board.

If such were fact, it would be no more than common-sense for all persons now holding extraterritorial privilege to set this case down as a warning of what is to be expected from Chinese courts if and when extraterritoriality is surrendered.

Fortunately for the prestige of the Chinese courts, investigation indicates that the facts are not precisely as at first appeared. Among major points as they now appear are the following:

1.—The accused was a definitely responsible party under Chinese law, and would be under other laws as well.

2.—There was legal justification for conviction under the facts.

3.—A maximum sentence was not imposed. The accused was sentenced to 14 months' imprisonment whereas the term might have been as high as 32 months.

4.—The door to appeal is not closed. The judge may have been wrong in his verbal statement but in any case such remarks are not binding; the same judge may, when formal appeal is filed, grant it, or if he does not there is a chance for appeal against this position.

Certainly there have been unfortunate aspects to the case, not the least of these being remarks attributed to the judge to the effect that an appeal was not possible because of "circumstances."

Whatever the judge may or may not have said to this effect in open court, he based his position juridically upon Article 368 of the new Code of Criminal Procedure, a free translation of which runs:

No appeal shall be taken from the judgment of a Court of Second Trial to a Court of Third Trial in cases involving the crimes specified in Article 61 of the Criminal Code.

Article 61 includes, in general, crimes for which the penalty is less than three years. However, there appears to be a flaw in the judge's position because of the fact that conviction was under two articles (116 and 310) not specifically included under Article 61. These articles incidentally relate, respectively, to libel against the executive of a friendly state—in this case the Emperor of Japan—and to the basic punishment for other libel which in written form may bring a prison term of two years, increasable by one-third in the case of an offense against the executive of a friendly state.

Thus we see that conviction was under

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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

violation was under two articles (116 and 310) not specifically included under Article 61. These articles incidentally relate, respectively, to libel against the executive of a friendly state—in this case the Emperor of Japan—and to the basic punishment for other libel which in written form may bring a prison term of two years, increasable by one-third in the case of an offense against the executive of a friendly state.

Thus we see that conviction was under articles giving a possible term of 32 months, whereas Mr. Doo received 14 months, but that there is doubt as to whether these articles come within the scope of those from which appeal is to be taken. The doubt is multiplied by the fact that even Articles 368, already quoted, is subject to various interpretations; fundamentally, persons coming under Chinese law are always supposed to have the privilege of two trials, and it is arguable that Article 368 merely forbids a third trial.

In other words, even if Article 368 applies, the intent of the law is that when (as in this case) a trial originates in a Court of Second Trial, there may be appeal to the Supreme Court.

As to Mr. Doo's responsibility, even though he were out of the city at the time the offending article appeared, the Press Law clearly renders him responsible (in Article 35) as publisher and editor of the magazine.

From a moral point of view it is arguable that the Kuomintang censors who passed the article, should bear some responsibility if Mr. Doo is to be held responsible. But the argument is moral, not legal, and as they have been discharged from their posts it would appear that their responsibility had been acknowledged, and at least some measure of punitive action taken.

The one definitely open to question is with reference to appeal. The judge's verbal opinion that no appeal could be granted does not impress us as wise, but in refusing to grant bail pending such appeal he acted within his rights, we are informed.

If Mr. Doo wishes to test the matter completely, he should file a formal appeal application, which will then result in a binding decision from the same judge—who upon reflection may after all conclude to entertain the appeal and let it go to the Supreme Court.

But if this judge adheres to his view expressed verbally and declines to send the appeal up, then counsel for Mr. Doo still have the right to appeal against this refusal to send up the appeal!—a rather complex procedure known in Chinese as "kang kao" and corresponding to the writ of error. Thus the matter goes before the Supreme Court at least with reference to the lower court's attitude that no appeal is possible.

It is not certain that Mr. Doo will consider it advantageous to go to the trouble and expense of pushing this appeal process, since in any event the Supreme Court could deal with the law of the case, not its facts. But if he does, it is strongly to be hoped that strict care will be taken to comply with the law throughout. The case has aroused much feeling and a considerable degree of misapprehension, obviously. It is the courts' duty to themselves as well as to the public to see that any subsequent procedure is not only scrupulously fair, but clear in all aspects.

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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
August 21, 1935.

~~CJS~~
MMH:

Shanghai's despatch No. 10208 of July 22, 1935, states that after an absence of about two years handbills directed chiefly against the Japanese have again begun to appear.

The handbills, which are described in some detail in the despatch, call upon the people to unite against Japan and criticize the Chinese Government for yielding to Japan's demands. The Shanghai city government also came in for criticism for the manner in which the "New Life" case was handled.

The despatch concludes by stating that the Municipal Government of Greater Shanghai recently issued a proclamation warning citizens to be friendly toward foreign powers and to refrain from promoting boycotts, making offensive statements or organizing groups of an anti-foreign character.

No action required.

EW
EW/VDM

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

No. 10,208

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, July 22, 1935.

Subject: Sino-Japanese Relations:
Anti-Japanese Handbills.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Sir:

I have the honor to enclose a copy of a self-explanatory despatch No. 8766 of this date from this Consulate General to the American Legation at Peiping in regard to the subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 8766

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In Quintuplicate.

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8766

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 22, 1935.

Subject: Sino-Japanese Relations: Anti-
Japanese Handbills.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

893.00/12307

I have the honor to refer to my despatch No. 7456 of February 10, 1933, on the subject "Anti-Foreign Posters" and to report the reappearance after about two years of handbills directed chiefly against the Japanese. Since these reflect opinions that cannot find free expression in the press, and are an indication of political agitation that is being carried forward, a brief outline of the more significant handbills that have come to the attention of this office, through police and other channels, is submitted.

A leaflet found on the seventeenth of June was directed against both the Japanese and the present Government of China. It called on people to unite and oppose "the occupation of Peiping and Tientsin by the Japanese" and "the sale of North China by the Kuomintang." It contained the slogans "Down with the traitor Chiang Kai-shek", and "Let us arm ourselves and conquer the Japanese imperialists."

About

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About a week later the Shanghai Municipal Police found another handbill purporting to emanate from the "Preparatory Committee of the Council of Chinese People for Armed Self Defense." It was a protest against the action of the Chinese police in breaking up an anti-Japanese meeting of students of the Fudan University at Kiangwan, Shanghai, on June twenty-fourth. It set forth resolutions adopted by the students to the effect that the Government be requested to dispatch troops to the North to resist the Japanese, that economic relations with Japan be severed, and that the Shanghai Students' Anti-Japanese Federation be resuscitated; and urged its readers to unite under the banner of the Preparatory Committee of the Council of Chinese People for Armed Self Defense, to mobilize to resist the Japanese invasion of North China, to organize a People's Anti-Japanese Volunteer and Dare-to-Die Corps, to confiscate Japanese goods and to support the anti-Japanese students of Fudan University, demanding that "the treacherous Government" release them.

A second leaflet dealing with the arrest of Fudan University students was found on the second of July. It contained a summary of Japanese objectives as follows:

With the ultimate object of annexing China and suppressing the anti-Japanese and national salvation movement of the Chinese people, the Japanese imperialists commenced military operations in North China and submitted the following demands on May 29 and June 9:

(1) All Chinese troops to be withdrawn from North China to the south of the Yellow River.

(2) The branch offices of the Military Committee in Peiping and the North China Political Affairs Rehabilitation Committee to be abolished.

(3) The various Kuomintang organizations in Hopei to be dissolved and the Hopei Provincial

-3-

vincial Government to be moved out of Tientsin.
(4) All anti-Japanese movements to be vigorously suppressed.

The Nationalist Government have accepted these demands and are enforcing them, whilst the Japanese imperialists have gone a step further by demanding the evacuation of General Sung Chi-yuan from Charhar.

It then quoted the resolutions above referred to and continued:

During the progress of the meeting, however, the running dogs of the traitorous government and a large batch of armed policemen and detectives from the Public Safety Bureau dispersed the meeting by force of arms and arrested a number of those present. Detectives and policemen are still keeping a watch on the school premises.

All Chinese people in Shanghai should now declare strikes; call mass meetings; hold demonstrations; organize a committee for the armed defense of North China, and oppose the suppression of the anti-Japanese movement by the Chinese Government. All Chinese students should suspend studies; convene anti-Japanese meetings; organize a Shanghai students' anti-Japanese society; confiscate Japanese goods; organize anti-Japanese volunteer armies; demand the release of the anti-Japanese warriors of the Fudan University, and overthrow Japanese imperialism.

Later, on July twelfth, the following anti-Japanese slogans were found written on walls in the Yulin Road district in the International Settlement:

"Resist the Japanese by force of arms"; "confiscate Japanese goods"; "Drive the Japanese out of the country"; "Support the Red Army in resisting Japan", and "Restore the lost territory." Similar slogans appeared in two other sections of Shanghai on the following day.

It might be mentioned in this connection that a bookseller was arrested on July tenth in the Wayside district in the International Settlement for displaying

anti-

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anti-Japanese booklets. Three days later he was sentenced by the Shanghai District Court to two months imprisonment, such sentence to be suspended for two years. Two other book stores, both on Foochow Road, were searched by the Shanghai Municipal Police on July eighteenth, under authority of the First Special District Court, and certain books and maps were seized and ordered detained by the Court.

The most noteworthy development in this connection was the distribution of handbills and leaflets among the crowd at the Second Kiangsu High Court when sentence was passed upon the Editor of the New Life Weekly (see my telegrams of July 10, 3 and 5 p.m., and despatch No. 10,206 of July 17, 1935). The handbill pointed out that the New Life case did not involve any question of disrespect but was merely being used by the Japanese imperialists as an excuse to launch a new attack for the purpose of controlling Chinese culture; it stated that "gossip about Emperors" does not constitute any offense, and placed the responsibility with the local Censorship Committee and the Shanghai City Government. It criticized the latter for having pursued a "policy of surrender" in dealing with the Japanese, for having betrayed Chinese interests and acted in an illegal manner in disposing of the New Life case, and for "shamefully flattering the foreigners." Some of the slogans printed on colored slips of paper were as follows: "Down with the Japanese imperialists"; "Down with the Kuomintang who are selling our national interests"; "Down with the Fascists who commit all kinds of wrongs";

"Oppose

DECLASSIFIED: E.O. 11652, 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-

"Oppose the imperialists and resist the Japanese"; "Oppose the shameless surrender to the Japanese imperialists", and "Oppose the prohibition without reason of the publication of the New Life Weekly."

The Municipal Government of Greater Shanghai recently issued a proclamation warning citizens to be friendly toward foreign powers and to refrain from promoting boycotts, making offensive statements or organizing groups of an anti-foreign character. The proclamation cites as authority Order No. 3378 of the Executive Yuan, issued pursuant to a decree of the National Government of June 10, 1935, announcing it as the policy of the Government to improve administration and develop education at home, and to deal sincerely in diplomatic controversies and promote international peace abroad.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

800
MBD MB

In Quintuplicate to Department
by despatch No. 10208 of even date.

Copy to Embassy, Tokyo.

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

August 13, 1935.

~~MSM:~~
~~RCM:~~
~~MMH:~~
~~SMH:~~

The first 22 pages of Tokyo's despatch No. 1406 of July 22, 1935, entitled "The Japanese Army's Demands in North China", are devoted to a chronological account of the incident, as set forth in the Japanese press, and as known to the Embassy from various other sources. The concluding pages of the despatch contain interesting references by the Japanese press to the North China incident.

The narrative portion of the despatch has been very carefully prepared and contains so far as I can see a very detailed account of nearly everything of importance that transpired in Japan while the incident was occurring. It should be valuable for reference purposes, but I do not believe that it need be read at this time.

The first paragraph under the heading "NEWSPAPER COMMENT" (page 23) states that the Japanese press in general did not "show any great amount of enthusiasm over the latest venture of the Japanese Army in North China". Two of the papers, in fact, indulged in certain veiled


criticism

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
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DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
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criticism of the army. I suggest that
this portion might be read.

The despatch contains no comment
by the Embassy.


REW:DLX

75

RECEIVED
Tokyo, July 22, 1935.
DEPARTMENT OF STATE

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Copy in 7E(381)

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L. D.

The Secretary of State,
Washington.

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AUG 19 1985
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officials themselves did not know exactly what the Kwantung Army or the Japanese Tientsin Garrison was doing or trying to accomplish and feared to place themselves in a false position by asserting or denying anything, and partly to a reluctance, often observed in Japan, to give out any more information than is considered absolutely necessary. It is somewhat surprising, but true, that almost all information available in Tokyo in regard to the affair came to Japan in the form of press despatches from Peiping, Tientsin, Shanghai, Nanking and Hsinking (Changchun). Several official or informal pronouncements were, however, issued by the spokesmen of the Foreign and War Offices to Japanese or foreign press representatives, while the Japanese newspapers commented extensively on the subject. This despatch, therefore, will deal primarily with these two sources of information, in the expectation that the information, scant as it may be, will assist the Department in evaluating correctly the various factors connected with the affair.

The first news published in Tokyo of the demands of the Japanese Tientsin Garrison on the Chinese Government in Peiping was in the form of a news despatch from Peiping, dated May 29, 1935, stating that Major Takahashi and Colonel Sakai, of the Tientsin Garrison, had called on General Ho Yin-chin, to warn him against repeated anti-Japanese movements in the Peiping-Tientsin area. At this time Major Takahashi, who is the Assistant Military Attaché of the Japanese Embassy in Peiping, issued the following statement, according to the

- 3 -

to NIPPON DEMPO:

"The Japanese army considers the recent intrigues by the Chinese in the interior of Manchukuo, aimed at disturbance of the peace of that country, which the Chinese authorities secretly encouraged by aiding the illegal local Chinese militia along the Great Wall, and the murder of two of Tientsin's leading newspaper publishers as manifestations that the Chinese authorities are disregarding the letter and the spirit of the Tangku truce concluded between Japan and China a few years ago. What makes the situation graver is the occurrence of all of these unhappy incidents in the region of Peiping and Tientsin.

"The circumstances are such that the Japanese army, against its wishes, has been forced to cross the Great Wall into the demilitarized zone. Further, the Japanese authorities have been compelled to consider the advisability of extending to the Peiping-Tientsin district the demilitarized zone in order to maintain peace and order in North China. The recent murder of the two newspaper publishers was tantamount to an open challenge to the Japanese. If developments convince the Japanese authorities that similar incidents are likely to be repeated, the army will be forced to take positive action on the basis of the rights reserved in existing Sino-Japanese treaties. The responsibility for any further incidents must be shouldered by the Chinese authorities."

On May 30, 1935, various Japanese newspapers published what purported to be the Foreign Office and War Office views in regard to the demands made by the Japanese Army in China. According to the newspapers, friends of China in the Foreign Office were inclined to feel that they had been to some extent "betrayed" by the Chinese, who had failed to control anti-Japanese activities in China and had shown no "sincerity" in endeavoring to effect a Sino-Japanese rapprochement. According to RENGO, Foreign Office sources pointed out that, despite Japan's elevation of its legation to an embassy and
other

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other friendly gestures toward China, the Nanking Govern-
only
ment had not failed to respond but had continued activities
undesirable to Japan. The Nanking Government had failed to
eradicate anti-Japanese activities; Chinese newspapers in
Shanghai still refused to accept advertisements for Japanese
goods; China had inaugurated tests preparatory to opening
radio telephone service with the United States, while re-
fusing to conclude any agreement with Japan for radio tele-
phone service or for air lines; the Chinese were "encouraging
recalcitrant Koreans" by admitting them to the Chinese Mili-
tary Academy and in other ways supporting them, despite pro-
tests from Japan; the Chinese were preparing to levy a ten
per cent surtax on imports in the face of Japanese protests;
and Chinese diplomatic representatives abroad were indulg-
ing in anti-Japanese agitation as zealously as ever.

The view of the War Office, according to the TOKYO ASAHI,
was as follows:

"The demands made by the Japanese Garrison
at Tientsin to the North China authorities
were in accordance with instruction from the
central army authorities in Tokyo, and they
were not severe. If the Chinese are sincere
in taking up the matter, a settlement will be
reached without difficulty. The demands may
be regarded as a barometer indicating the depth
of China's sincerity. If China is not sincere
the Japanese Army may be compelled to take
vigorous action."

According to RENGO, a detailed account of the Kwantung
Army's attitude was issued orally, after authorization by
the staff of the Kwantung Army, in Hsinking on May 31, 1935.
RENGO's translation of the statement follows:

"After rounding up the bandits under Sun
Yung-chin in the Tsunhua district, the

Japanese

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Japanese garrison troops have been ordered to their stations. It is a matter of great regret that the persistent activities of these bandits seem to have been stimulated by influential Chinese in North China.

"No competent operations were launched by the Chinese Peace Preservation Corps under General Yu Hsueh-chung, chairman of the Hopei Provincial Government against the bandits, despite the fact that favorable opportunities for such moves were made by the Japanese punitive forces. Not a single serious attack is reported to have been made by the Chinese forces against the bandit group. On the contrary, there have been indications that the bandits were facilitated in their retreats from the Japanese by Chinese authorities. These facts are indicative of the lack of sincerity on the part of the Chinese forces in suppressing the outlaws.

"There have been, however, many other intrigues committed by the Chinese. Stores and munitions have been provided the bandits by the provincial authorities, and General Yu Hsueh-chung is reported to have instructed the bandits to retreat into the demilitarized zone.

"General Ho Ying-chin, chairman of the Peiping branch of the National Military Council, is reported to have named the bandit forces the 'North-eastern Local Militia' and sufficient indications may easily be obtained to point out that the source of the recent bandit movements lay somewhere in Peiping or Tientsin.

"The Kwantung Army staff is obliged to state with much regret that the truce agreement has been greatly endangered by these provocative operations of the Chinese authorities.

"The amelioration of the present tense situations in North China as well as the prevention of such incidents in the future can only be attained by sincere co-operation on the part of the Chinese. The Nanking Government must share with the northern powers the responsibility for the recent incidents.

"In the event such situations in North China continue to prevail, the Kwantung Army will be compelled to take some positive steps of its own, which will be necessitated by self-defense. It is the belief of the Kwantung Army that the blame for such a step must be borne by the Chinese."

On May 31, 1935, General Tsiang Tso-pin, the Chinese Ambassador to Japan, called on the Minister for Foreign

Affairs

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Affairs and, according to the JAPAN TIMES AND MAIL (which is usually well informed in regard to Foreign Office affairs), requested the good offices of Mr. Hirota in effecting an amicable settlement of the controversy in North China, stating that the dispute was apparently caused by mutual misunderstanding and that the Chinese authorities would deal with the Japanese authorities with sincerity in regard to the problem. Mr. Hirota replied, according to the newspaper, that the present dispute would be settled amicably if the Chinese authorities show "sincerity". He expressed his regret that this unpleasant dispute should have occurred at a time when Sino-Japanese relations were returning to normal, and hoped that China would act wisely with a view to the broader prospects of Sino-Japanese relations. He then promised to convey the Ambassador's wishes to the military authorities.

The representations of the Chinese Ambassador were duly conveyed to the War Office on June 1, 1935, and elicited the following semi-official statement from the War Office, according to RENGO:

"The War Office believes that as the matter concerns the Tangku truce agreement, it should be attended to by the military on the spot and in its nature should not be settled by diplomatic negotiation. This is fully understood by the Foreign Office."

The ASAHI gave the following more complete account of the views of the War Office in regard to intervention by the Foreign Office in the matter (ADVERTISER translation):

"The

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"The Army does not comprehend why the Chinese Ambassador has asked the Foreign Minister for an amicable settlement of the present question. The question arose out of China's violation of the Tangku truce, and its settlement is connected with the military operation rights of the commander concerned and has nothing whatsoever to do with diplomatic negotiation.

"The central authorities here are leaving the matter to be settled locally by the Kwantung Army and the Japanese military in North China. In these circumstances there is no way for China to settle the matter than by meeting the demands of the Japanese officials on the spot.

"However, Japan does not desire to settle the controversy locally with the authorities of North China, but is demanding a reply from the Central Government.

"If China desires an amicable settlement of the conflict, it must meet the demands filed by authorities of the Japanese Garrison in North China, for the Army has no intention of modifying them."

As far as the Embassy is aware, the Japanese Army officials in Tokyo made no statement advocating the ousting of General Chiang Kai-shek from power, such as Colonel Sakai, Chief of Staff of the Japanese troops in Tientsin, is reported to have made in Tientsin in an oral statement on June 1, 1935. The text of Colonel Sakai's oral statements, as reported by NIPPON DEMPO and translated by the ADVERTISER, is as follows:

"Such groups as the gendarmes, the National Relief Corps and the Blue Shirt Society that are active in North China are disturbing Manchukuo. Unless China accepts the demand of Japan that all of them be withdrawn from the demilitarized zone, Japan will have to take decisive steps against them.

"The Japanese army has come to the conclusion, after careful examination of his policy, that General Chiang Kai-shek must be overthrown. Under the guise of unifying China, he and his followers have been extending their influence in military, political and economic fields. Through the Central

Bank

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Bank of China, they are exploiting the Chinese populace. They look upon North China as a colony and are administering it as such. North China can do without General Chiang and his men.

"In fact, the overthrow of General Chiang and his cohorts is the only way to save China from its predicament. The dismissal of General Yu is a petty matter. As far as North China is concerned, the influence of General Chiang must be exterminated. He, not the Communist bandits, is bringing China to ruin. His overthrow would mean eternal welfare for East Asia."

The only indication that the Army authorities in Tokyo supported Colonel Sakai in his denunciation of Chiang Kai-shek consisted of a statement by NIPPON DEMPO to the effect that that agency was informed

"that Army circles in Tokyo would not be content with the dismissal of General Yu Hsueh-chung from his post as chairman of the Hopei Provincial Government. While his dismissal is desirable, it was held, appointment of another man affiliated with General Chiang, as his successor, and stationing of Nanking Government troops in North China, would make the situation worse than ever. Only a complete about-face by Nanking toward Japan and the adoption of a sincerely conciliatory attitude will satisfy the Army, it was understood. The Nanking Government is blamed for having precipitated the present situation in North China by encouraging General Yu, and mere dismissal of this official would not improve the situation, it is held. The Army was represented as convinced that all of Nanking's professions recently of willingness to let by-gones be by-gones have been spurious, and refuses to accept any more of them."

Mr. Hirota, the Minister for Foreign Affairs, was, however, quoted by the Japanese press as having stated that he believed the trouble in North China to have been due to the

activities

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activities of local officials, and as having exonerated General Chiang Kai-shek from connection with the affair.

According to RENGO, the War Office on June 3, 1935, issued a statement to the press, with the announced purpose of clearing up any misapprehensions which might exist abroad in regard to the North China situation. The text of this statement, as distributed by RENGO, is as follows:

"The recent bandit disturbances in Manchukuo, assassinations of pro-Japanese newspaper owners and other anti-Japanese and anti-Manchukuo acts were not the work of individual bandits, assassins or officials but were engineered or aided by a subterranean organization of troops and officials of the North China Government.

"By a solemn pact of truce concluded at Tangku, the Chinese took upon themselves the obligation not to provoke or disturb Japanese or Manchukuoans. This they have consistently violated, thereby endangering the present and future relations between China and Japan.

"The representatives of the Japanese Army on the spot therefore have demanded of the Chinese authorities, in accordance with terms of the truce and other treaties, the withdrawal of all anti-Japanese organizations in North China and punishment of those responsible for these several outrages.

"Under the provisions of the Sino-Japanese exchange protocol of 1903 regarding the return of the Japanese concession in Tientsin, the Japanese Army is authorized to deal with such lawless elements at its discretion, but the Army, desirous of amicable relations with North China to the very end, and taking a broader view of the situation, has decided to postpone any positive action and reserves the right to act at its own discretion, awaiting reflection and initiative on the part of the Chinese.

"The demands thus filed by the Japanese are such as would have come to Japan from the Chinese themselves had the Chinese any real sincerity in the matter of rapprochement with Japan for the sake of peace in North China, easy of accomplishment and more than

fair

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fair in nature. The Japanese authorities solemnly demand of the Chinese the fulfillment of their treaty obligations as embodied in these demands and will watch the attitude of the Chinese on the matter."

Although, as reported above, the War Office on June 1, 1935, informed the Foreign Office in no uncertain terms to keep out of the North China dispute, the TOKYO NICHU-NICHU on June 3, 1935, reported that the instructions of the Japanese Ambassador to China, Mr. Ariyoshi, upon his return to his post on June 4, 1935, were as follows:

- "1. To demonstrate that China in exchanging Ambassadors with Japan is able to live up to its obligations as a major Power, she should take effective measures to suppress anti-Japanese activities throughout China.
2. China should co-operate with Japan on tariff arrangements, adjustment of loans and establishment of Sino-Japanese air routes.
3. Japan is prepared to give unstinting aid to China as far as China is willing to abandon its attitude of dependence on a third Power and to strive to promote amity with Japan.
4. In case financial aid plans of a third power are entirely devoid of political motives, Japan would be prepared to co-operate with that Power in assisting China.
5. China is urged to accept the demands of the Japanese authorities on the spot for settlement of the North China affair but is also urged to undertake diplomatic endeavors for a permanent settlement of relations with Manchukuo and Japan."

On June 5, 1935, the War Office Liaison Officer informally explained the North China situation to the Military Attaché of this Embassy, speaking as an individual and not officially. Inter alia, he stated that there would probably be no attempt at this time to force the recognition of "Manchukuo" by China, and that there was no desire to overthrow the Chiang Kai-shek regime, as such action would leave China

without

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without anyone in authority to control the ensuing disorder. A copy of a memorandum of the conversation is
1/ appended hereto.

On June 5, 1935, according to the Japanese press, the Chinese Ambassador in Tokyo submitted to the Minister for Foreign Affairs, Mr. Hirota, tentative proposals for the settlement of the North China dispute. On June 6, 1935, Mr. Hirota referred these proposals to the War Office, which declared them unacceptable. The details of the proposals were not divulged, but, according to the Japanese newspapers, the military authorities took particular exception to the request of the Chinese Ambassador that Japanese Army officers stationed in China "refrain from utterances against Chiang Kai-shek". The military interpreted this request as an attempt to shift the responsibility for any aggravation of the situation to Japan. The military said, according to the TOKYO NICHU-NICHU, that they were unable "to discern any speck of sincerity" in the attitude of the Chinese.

According to the JAPAN TIMES AND MAIL of June 8, 1935, there was a consultation of Cabinet Ministers on June 5, 1935, after which Premier Okada said that "there is a complete harmony of views among the War, Navy and Foreign Ministers" in regard to the North China situation.

According to the JAPAN TIMES AND MAIL of June 7, 1935, the Foreign Office spokesman on that day stated to the foreign press correspondents that the War Office on June 6, 1935, sent instructions to the Japanese military officers

in

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in China to expedite the negotiations for a settlement of the dispute, as the replies so far given by the Chinese authorities were not satisfactory. According to the spokesman, no additional demands were made, and only friendly suggestions, not an ultimatum, were presented. The spokesman said

"The object of the Japanese authorities is to maintain peace and order in North China, particularly in the demilitarized zone, which has been disturbed under the guidance and orders from Peiping and Tientsin. We all hope that China will accept the Japanese demands and settle the question as soon as possible. And it is not a difficult problem to settle."

The spokesman refused to divulge the demands, but stated that they did not include the changing of the boundaries of the demilitarized zone. He further stated that Japan has no territorial ambitions and respects Chinese sovereignty. The situation continued to be a local issue in connection with the Tangku truce agreement, and therefore negotiations had not been transferred to diplomatic processes. But the Foreign Office concurred with the instructions sent on the 6th by the War Office, according to the spokesman.

According to the TOKYO ASAHI of June 7, 1935, the instructions sent to the Japanese military authorities in China by the War Office on June 6, 1935, included a demand for a definite reply from the Chinese, within a specified time limit, to the Japanese demands for a settlement of the North China issues. The instructions also contained a warning, according to the ASAHI, to the effect that unless the Chinese authorities abandon their alleged "dual diplomacy" toward Japan, the Japanese Army will not listen to any

replies

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replies which the Chinese might make in the future. The KOKUMIN of June 7, 1935, adds that the instructions contained the point that "military officers on the spot were expected to deal with the situation in accordance with their own convictions". On June 8, 1935, however, according to RENGO, the Army authorities stated that the latest military representations in North China only reiterated the repeated warnings previously served on China and did not fix a time limit for a reply.

On June 8, 1935, the British Ambassador in Tokyo, Sir Robert Clive, called on Mr. Shigemitsu, the Vice Minister for Foreign Affairs, to inquire in regard to developments in North China. Mr. Shigemitsu told the Ambassador, according to the ASAHI, that

"It has been decided to leave the settlement of the incident in the hands of the military authorities of both nations. Japan is asking China to accept reasonable demands essential to the maintenance of peace and order in North China. China so far has accepted part of the demands, and if she subsequently acknowledges them all with sincerity, the question will be settled amicably."

The British Ambassador, however, informed this Embassy that the principal subject of the conversations had to do with the ultimatum reported to have been delivered to China, and that Mr. Shigemitsu told him that no ultimatum had been issued or could be issued by the military without the consent of the Japanese Government.

According to a news despatch from Mukden to the TOKYO ASAHI, dated June 8, 1935, Major-General Doihara on that day denied that the demands of the Japanese Army were "exacting" or that Peiping and Tientsin were to be included

in

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in the demilitarized zone. According to General Doihara, the most important point in the Japanese demands

"is to make North China a genuinely peaceful district where Sino-Japanese cooperation can be effectively practiced. To that end all anti-Japanese action must be eliminated from the district. The Tangku truce agreement actuates Japan to attain this end by means of a peaceful policy. The activity of the Japanese Army, if any is undertaken, will not go beyond the spirit embodied in the truce agreement. Rumors that Peiping and Tientsin are to be included in the demilitarized zone are damaging to the prestige of the Japanese Army. In brief, what the Japanese Army hopes for in connection with the North China situation is the establishment of pro-Japanese influence, politically and economically, that will be unshaken by anti-Japanese elements."

The JAPAN TIMES AND MAIL, issue of June 9, 1935, reported that, according to the Foreign Office authorities, Consul General Yakichiro Suma, at Nanking, called on Mr. Tang Yu-jin, the Vice Foreign Minister of China, on June 8, 1935, and demanded the early settlement of the North China dispute. Mr. Suma stated, according to the TIMES, that the settlement of the North China situation depended on the sincerity of China, and that while the Japanese Government sincerely hoped for an amicable settlement of the dispute, it also was desirous that Nanking remove all causes of conflict by taking action in regard to Sino-Japanese relations in general. Mr. Suma asked the Nanking Government to take immediate steps for the strict control of anti-Japanese movements, for the opening of connections with Japanese air services, for the opening of Sino-Japanese radio telephone service, for the suspension of support to Korean malcontents in China, for the adjustment of old loans, and for the postponement of the projected increase of

import

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import tariffs. Mr. Suma emphasized that the solution of all these pending problems is the desire of both peoples, and that the Chinese attitude on these questions will decide in a fundamental way the future of Sino-Japanese relations.

On June 10, 1935, rumors were current in Tokyo that on the previous day Colonel Sakai, acting on behalf of the Tientsin Garrison of the Japanese Army, had delivered a second set of demands to General Ho Ying-chin at Peiping. The scope of the demands was not indicated, but it was rumored that they included the stipulation that a reply must be received by either midnight of June 11 or noon of June 12, it not being clear which. The rumors also had it that the demands, if accepted, must be fulfilled completely by June 20, 1935. The Embassy endeavored to confirm these reports through the War Office in Tokyo, but without result, the War Office claiming to have no official knowledge of such demands. The Foreign Office spokesman, in reply to questions asked by the foreign press correspondents on June 10, stated that the Foreign Office had no official reports on the alleged demands, but that in any event, there could be no ultimatum, as an ultimatum requires the threat of the use of force.

On June 11, 1935, the Assistant Liaison Officer in the office of the Minister of War called at his own request on the Military Attaché of this Embassy, for the purpose of explaining the situation in North China. The Assistant Liaison Officer had been friendly, communicative and accurate in his previous dealings with the Military Attaché, but on

June

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June 11 he plainly had been sent to the Embassy to deliver a special message. The substance of the message which he delivered is contained in the memorandum attached hereto.

According to a RENGO despatch from Mukden, dated June 11, 1935, the leaders of the Kwantung Army, as a result of a staff conference, agreed that North China must have an administration which would be willing to maintain friendly relations with Japan and "Manchukuo" and which would cooperate in the improvement of relations between the three countries. The leaders, it was also reported, were determined firmly to reject any administration in North China which adopted a "dual policy" toward Japan, as such a policy would encourage anti-Japanese and anti-"Manchukuo" activities, with results most injurious to the peace of the Orient. It is possible that the above is the basis of the reported demand that the Chinese should appoint no officials in North China without the approval of the Japanese.

On June 11, 1935, there were rumors in Tokyo of new activities by the Japanese military in China, looking toward a new Sino-Japanese agreement designed to preserve peace between the two countries. The War Office and other Governmental authorities in Tokyo, however, denied that any such pact was under consideration, according to the Japanese press. The War Office pointed out "that the value of any military agreement between Tokyo and Nanking would be insignificant after the Chinese have fully complied with the present set of demands presented in North China and have accordingly cleared Hopei Province of all Central Chinese troops

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troops and anti-Japanese organizations, including General Chiang Kai-shek's Blue Shirt Society. Thus at present the Army is only anxious to see that these demands are fully met, and, with a view to ascertaining this, is closely watching immediate developments." At the same time the War Office authorities stated that "the executive branch of the Army in Tokyo and the authorities in Hsinking and North China are moving in complete accord in carrying out their demarche in Hopei Province".

The rumors in Tokyo probably referred to the memorandum containing additional demands which it is reported was handed to the Chinese authorities in Peiping by Major Takahashi on June 11. No indication that such a memorandum was presented was published in Tokyo, as far as this Embassy is aware, and from the statements made by the War Office authorities, it appears likely that even the War Office was unaware at the time that Major Takahashi had presented a memorandum for signature, accompanied by fresh demands. The fact that no attempt was made to press the demands when the Chinese authorities refused to sign the memorandum or to accede to the fresh Japanese desiderata, would also indicate that Major Takahashi acted on June 11 without the knowledge or approval of the Tokyo authorities. Later occurrences would indicate that it was about this time that the Tokyo civil and military authorities became able to check the headlong actions of the Japanese Army in China.

On June 12 the War Office authorities expressed themselves as satisfied with the settlement of the North China situation.

A

- 18 -

A statement was issued to the press by the War Office,
of which the following translation was made by the JAPAN
ADVERTISER:

"The Japanese Garrison at Tientsin on May 29 opened formal negotiations with General Ho Ying-chin, chairman of the Peiping branch of the National Military Council, for settlement of the banditry issue and on June 9 the demand for settlement was renewed. General Ho replied on June 10, under instructions of the National Government, that he would accept all the demands.
"The Japanese demands were all in accordance with the Tangku truce agreement and originated in Japan's intention to settle pending issues in the most peaceful manner possible under the circumstances. The Japanese Army will continue to watch developments, looking for the sincere fulfillment of the promises made by the Chinese in their reply to the Japanese demands so that friendly relations between Japan, China and Manchukuo will be encouraged.
"It appears that the National Government on June 11 promulgated a decree prohibiting all anti-foreign activities and utterances throughout China and imposing penalties for transgression. It seems however that many anti-Japanese incidents have occurred even during the recent negotiations; therefore it is to be hoped that the Chinese authorities will not let the matter rest with verbal assurances, but will take the present opportunity to clear the whole country of anti-Japanese and anti-Manchukuo atmosphere."

THE JAPAN TIMES AND MAIL on June 12, 1935, in addition stated that the War Office regretted that opinions existed in Europe and America that Japan's diplomacy is dictated by the Army, and that an independent state was being carved out of North China. These opinions, according to the War Office, were based on lack of recognition of the North China situation. The Japanese Army has no such intentions, its actions consisting merely of reminding China of her violations of agreements and demanding a sincere attitude

on

- 19 -

on her part. Because of their suspicions, stated the War Office authorities, foreign peoples have not been able to grasp the true situation and the real intentions of the Japanese Army.

RENGO's account of the War Office attitude toward the settlement, as translated by the ADVERTISER, was as follows:

"1. With the withdrawal from North China of various anti-Japanese organizations including troops of the Central Army, the former Northeastern Army and the Blue Shirts, Hopei Province at least will be completely cleared of anti-Japanese activities, with pro-Japanese feeling gradually being fomented. At the same time the dependence of Hopei Province on the Nanking Government will be weakened.

2. With the withdrawal of various organizations under their influence, the Political Readjustment Council at Peiping and the Peiping Branch of the National Military Council will lose their sway, leaving only their names. They will naturally be abandoned in the future.

3. Under the circumstances, the chairman of the Hopei Provincial Government will become the partner to any negotiations with the Japanese authorities. The chairman of the Government will be a person of pro-Japanese inclinations."

No further public pronouncements were made in Tokyo, either by the civil or the military authorities, on the North China question, attention having been diverted to the Chahar situation. On June 19, however, the Kwantung Army authorities in Hsinking issued a statement, according to NIPPON DEMPO, to the effect that, as the situation in North China was developing in a manner highly gratifying to the Kwantung Army authorities, they would take no further action in that sphere in the immediate future for the attainment of the Army's objectives there. The authorities expressed high gratification

that

- 20 -

that the indications are that the Chinese are faithfully carrying out the demands of the Japanese military, and thought that henceforth the Army would have to do no more than watch developments.

The Embassy had received rumors from time to time that both the Premier, Admiral Okada, and the Minister for Foreign Affairs, Mr. Hirota, had conferred on several occasions with the Emperor, in an endeavor to control the military in China. Later events would indicate that, as a result of their efforts, orders were issued to the Kwantung Army (probably through Field Marshal Prince Kanin, Chief of Staff of the Japanese Army, although the Embassy has no direct information on this point) to the effect that the Japanese troops were not to move south of the Great Wall without Imperial sanction. This action effectually estopped the Kwantung Army from further ventures on its own initiative in North China, and it is probable that the above-mentioned statement of the Kwantung Army, issued on June 19, was in the nature of a face-saving gesture.

STRICTLY CONFIDENTIAL

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STRICTLY CONFIDENTIAL

While no further public pronouncements were made in Tokyo on the North China question, certain interesting statements were made by the Foreign Office to the British Ambassador and members of his staff as a result of certain representations made by the British Embassy in connection with the rumor that the Japanese military had demanded that no officials be appointed in the future in North China without the approval of the Japanese Army. On June 15, 1935, Mr. K. Kuwashima, the Chief of the Eastern Asia Bureau of the Foreign Office, informed Mr. Cunningham, the Japanese Counselor of the British Embassy, that the Foreign Office was not aware that the Japanese military had made any demand that officials should not be appointed in North China without Japanese approval. He furthermore laughed at the idea that such a demand would be endorsed by the Japanese Government, but stated that the Japanese military had pointed out to the Chinese officials, in the course of their conversations, that the recent troubles arose because of the presence of anti-Japanese officials in North China and that therefore it would be advisable to appoint only officials friendly to Japan.

On June 18, 1935, the Minister for Foreign Affairs stated to Sir Robert Clive, the British Ambassador, that no demand had been made by Japan on the Chinese authorities that the approval of the Japanese military should be obtained for the appointment of officials in North China; that orders had been issued that Imperial sanction would be required
before

- 22 -

before Japanese troops could move south of the Great Wall; that there was no intention of altering Japan's policy toward China; that of course it would be unfortunate if the present anti-Japanese officials in North China should be replaced by others equally anti-Japanese, as such action would delay a peaceful settlement of the situation and would result in further friction; and that the Japanese military had not demanded the dissolution of the Kuomintang in North China, although agents of the Kuomintang had been responsible for the assassination of the two pro-Japanese Chinese editors in Tientsin and branches of the Kuomintang were almost indistinguishable from branches of the Blue Shirt Society.

NEWSPAPER

- 23 -

NEWSPAPER COMMENT.

The editorials of the Japanese newspapers did not, as a general thing, show any great amount of enthusiasm over the latest venture of the Japanese Army in North China, and the support of the Army was much less pronounced than at the time of the occupation of Manchuria. The newspapers were inclined to deplore the situation in North China, and to accuse the Chinese authorities of responsibility for the dispute. Some of the newspapers counseled moderation in handling the situation, and it is notable that almost none of the newspapers advocated strong measures in dealing with the question.

The TOKYO ASAHI on May 31, deplored the fact that the Chinese have been instigating trouble in North China, thereby seriously affecting relations between China, Japan and "Manchukuo". "The betrayal of the hopes of Japan for improvement of relations by the joint efforts of the two countries may lead this country to pursue a firm policy toward China."

The CHUGAI SHOGYO on May 31 accused China of lack of faith in that plots were discovered to disturb peace in "Manchukuo", to support volunteer soldiers near the Great Wall, etc. This is all deplorable, and China must change its attitude toward Japan.

The TOKYO NICHU-NICHU on May 31 stated editorially that the deplorable state of affairs in North China was the fault of the Nanking Government and that it was futile to hope for sincerity on the part of the Chinese authorities, who have been negotiating with Japan on the one hand and

resisting

- 24 -

resisting on the other.

The HOCHI on June 1 stated that "China has shown itself aggressive in its attitude toward Japan and has violated in a glaring fashion the Tangku truce. As what the Chinese have done in Peiping and Tientsin violates the protocol signed following the Boxer trouble in 1900, it is only natural that the Japanese military authorities cannot stand idle and refrain from measures of self-defense."

The MIYAKO of June 1, 1935, deplored the seriousness of the situation in North China and stated that General Chiang Kai-shek must accept the demands made by Japan and work on a readjustment of relations in general with Japan.

The TOKYO ASAHI of June 4, 1935, commented in part as follows:

"It goes without saying that the situation in North China is the fault of the Nanking authorities, who have been pursuing a double policy toward Japan." "Those who hold that the Japanese demands do not represent the minimum necessary for the promotion of amity would be deliberately taking a far-fetched view of them. It is up to Japan to see that no misunderstanding is entertained regarding them and to bring it home to the Chinese at large that the sole motive which prompted their presentation was to contribute to the establishment of peace in North China on a firm footing."

The CHUGAI SHOGYO on June 4, 1935, became a little more belligerent:

"When all is said and done, the policy of the Nanking regime is deceitful and it must not be tolerated."

The FUKUOKA NICHI-NICHI (the leading newspaper in Kyushu) on June 3, 1935, however, took a very pacifist view of the situation:

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situation:

"That an incident like that in North China should take place is natural, considering the reputation of China as a country that is lacking in order. It calls for a settlement by Japan on a basis of goodwill and kindness, for which the Chinese should show gratitude by displaying sincerity. We believe that a peaceful solution is possible."

The HOCHI on June 5, 1935, endeavors to discover the dark machinations of foreign powers in the North China situation. After stating that the situation, which at first seemed confined to North China, had begun to assume serious proportions, the newspaper proceeded:

"The Minister to China of a certain Power is rumored to be pulling wires behind the Nanking Government and causing it to assume an ambiguous attitude toward the situation. The controversy threatens to become an international issue."

Two of the newspapers attacked the Foreign Office for its alleged gullibility in placing confidence in China's sincerity. The TOKYO NICHU-NICHU on June 5, 1935, stated that it was inclined to believe that Mr. Hirota's expressions of confidence in China's sincerity had caused China to believe that Japan could be trifled with, and that Japan must be constantly on guard to avoid playing into China's hands. The KOKUMIN on June 7, 1935, attacked the Foreign Office for believing in the sincerity of Chiang Kai-shek and for its lukewarm attitude toward the North China issue. It asked for complete cooperation between the Foreign Office and the Army.

On June 6, 1935, two of the newspapers counseled moderation. The OSAKA ASAHI stated that relations between Japan and China have been improving; agreed with Mr. Ariyoshi,

Japanese

- 26 -

Japanese Ambassador to China, that the dispute in North China must not be allowed to cause a disturbance in the whole Sino-Japanese situation; and opined that in the light of the spirit which inspired the raising of the Legation to an Embassy, the North China affair was local and trivial. The MIYAKO on the same day stated that Nanking's reply to the demands of the Kwantung Army were not satisfactory, but it should be regarded as an interim reply. The newspaper advised against hasty action based on this reply and suggested waiting for the conference of Chinese leaders at Hankow.

Likewise the TOKYO ASAHI on June 9, 1935, adopted a note slightly against the military. After stating that the Japanese Army's demands had been exaggerated in the press, it proceeded to state:

"We deplore the misunderstanding which the Japanese action aroused in China and elsewhere. It was the fault of the military which, unused to diplomatic dealings, failed to pay close attention to the manner in which the demands were served."

After a settlement of the North China issue had been reached, two of the newspapers emphasized the responsibility which Japan had thereby incurred in North China. The KOKUMIN on June 11, 1935, stated that

"As Japan's endeavors are responsible for the change that is taking place in North China, Japan must assume responsibility for developments."

The TOKYO ASAHI on June 12, 1935, stated that, China having complied with the Japanese demands, it devolved upon Japan

to

- 27 -

to assist in a settlement of North China politics which would conduce to permanent peace. Japan must see that an adequate new administration is established, but must avoid movements for including the Peiping-Tientsin area in the demilitarized zone, the newspaper stated.

Respectfully yours,



Edwin L. Neville
Chargé d'Affaires ad interim.

✓
Enclosures:

- 1/ Copy of Memorandum of June 5, 1935, from the Military Attaché.
- 2/ Copy of Memorandum of June 11, 1935, from the Military Attaché.

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ERD:g

Copy to Legation, Peiping.

Enclosure No. 1 to despatch
No. 1406 of July 23, 1935, from the
Embassy at Tokyo.

June 5, 1935.

Substance of Statements by War Office Liaison
Officer as an Individual - not "officially",
to the Military Attaché.

Colonel Takashi Sakai, Chief of Staff of the Japanese Garrison at Tientsin, interviewed General Ho Ying-ching, Chairman of the Peking branch of the National Military Council on June 4th regarding the demands made of the Japanese Army for the solution of the difficulties in North China. General Ho's attitude, determined by telegram from General Chiang Kai-shek which was shown to Colonel Sakai, was vague and unsatisfactory like the telegram. The demands made by the Army are believed to be as follows:

- (1) Replacement of General Yu Hsueh-chung by a suitable pro-Japanese governor.
- (2) Withdrawal of General Yu's and Nationalist Government troop and the 3d Gendarmerie Unit from North China.
- (3) Withdrawal of branches of the Kuomintang and various secret societies engaged in anti-Japanese activities.
- (4) Suppression of all anti-Japanese activities in North China.
- (5) The conversion of Tientsin into a special area under the direct control of the Nanking Government and outside the jurisdiction of the Provincial Governor.

Comparatively small concessions have already been made by Chinese authorities in Nanking and in North China but acquiescence in the Japanese demand for the general withdrawal of troops must await the result of the Hankow conference to be held about June 10th and attended by General Chiang Kai-shek, Chiang Hsia Liang and other prominent government officials. A definite answer to the Japanese demands based on the result of this conference is not expected until about June 13th or 14th. The purpose of the Japanese demands is to remove entirely from North China offices and organizations which are anti-Japanese and substitute for them pro-Japanese agencies with power and authority to act. Heretofore pro-Japanese authorities in North China have lacked the military backing necessary to make effective their desires. It is probable that advantage will be taken of the present opportunity to insist on the Nanking Government stopping anti-Japanese activities in other parts of China as part of the solution of the Shanghai and Manchuria incidents. There will be probably no insistence on recognition of Manchoukuo at this time. Among anti-Japanese activities cited are the use in government schools of anti-Japanese text books, the refusal

of

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

- 2 -

of Chinese newspapers to publish advertisements of Japanese firms and the boycotting of Japanese made goods, which while officially prohibited by the Chinese Government actually continue without interference by that government.

It is recognized that compliance with the Japanese demands will be difficult for the Nationalist Government because of the complicated internal political situation and particularly the opposition of the Young Marshal to the withdrawal of his forces from North China and hence the elimination of his influence there. There is no desire to overthrow the Chiang Kai-shek regime because of the disorder which would result with no one with sufficient power to exercise any general control. Provided the withdrawal of troops and anti-Japanese agencies from North China is agreed to the Army will make certain concessions on its part. Promises by the Chinese Government and its officials are considered most unreliable as it is an old Chinese custom for a formal agreement to be completely ignored.

Enclosure No. 2 to despatch
No. 1406 of July 22, 1935, from the
Embassy at Tokyo.

June 11, 1935.
Substance of Statements made by the Assistant
Liaison Officer of the Minister of War to the
Military Attaché.

a. Japanese officers in China and the military authorities (War Office and General Staff) in Tokyo are satisfied with the reply received from General Ho Ying-chin, although they wished the reply to come direct from General Chiang Kai-shek.

b. Compliance with the Japanese Army demands will remove from North China the troops, anti-Japanese organizations and individuals considered objectionable. Pro-Japanese officials and acceptable Nationalist Government troops for the preservation of order will take their place.

c. The Army is still suspicious of Chinese sincerity in carrying out the promises made and is taking the following precautionary measures:

- (1) Two companies of infantry and one mountain gun of the Tientsin Garrison go to Peiping today.
- (2) About one regiment of the Jehol Garrison has been concentrated near Kupehkow, on the Great Wall northeast of Peiping.
- (3) One cavalry brigade and one infantry battalion have been concentrated near Shanhaikwan.
- (4) An air unit is in readiness at Chinchow.

Measures (2), (3) and (4) were taken on the initiative of the Kwantung Army. Orders from General Staff Headquarters, Tokyo, forbidding the movement of these units south of the Great Wall without Imperial Sanction have been sent to prevent premature action by local commanders. This seems to have been done to pacify the Premier who is said to be worried over the situation. The military authorities in Tokyo foresee no trouble.

The movement of Chinese troops out of Hopei Province has begun and, barring accidents to the railroads, should be completed by the end of June. No time limit has been set and the Army will be satisfied as long as troops are shifted as rapidly as possible under the circumstances.

Neither the creation of a buffer state in North China nor the extension of the demilitarized area to

include

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

- 2 -

include Tientsin and Peiping is contemplated now. At first the North China Garrison is believed to have wished some such political adjustment but the idea has been abandoned because of disapproval by the military authorities in Tokyo. The Army wishes a peaceful North China with no political change and is anxious that its aim be understood abroad.

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



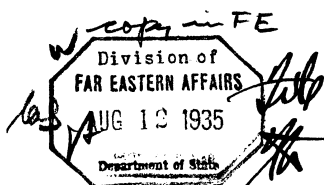
LEGATION OF THE
UNITED STATES OF AMERICA

No. 3698

Peiping, July 20, 1935.

Subject: Recent Political Appointments in
North China.

793.94
note
893.00



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RECEIVED
DEPARTMENT OF STATE

1935 AUG 10 AM 11 09

DIVISION OF
COMMUNICATIONS
AND RECORDS

For Distribution-Check		Yes	No
Grade			
For	X		
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Enc

The Honorable

The Secretary of State,

Washington, D. C.

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

Sir:

I have the honor to refer to my telegram No.
793.94/7116
315 of June 26, 2 p.m., with regard to the appoint-
ment of General Shang Chen as Chairman of the Hopei
Provincial Government, concurrently with his position
as Commander of the Peace Preservation Corps at
Tientsin and Tangku, and the appointment of Mr. Cheng
Keh as Mayor of Tientsin, and to report that on
July 11, 1935, General Shang assumed the office of
Chairman of Hopei.

As stated in the above mentioned telegram,

there

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- 2 -

there would appear to be no question of General Shang's loyalty to the National Government; and his appointment, it is believed, was largely due to his ability to deal satisfactorily with the Japanese notwithstanding the fact that he has had no close relations with them in the past so far as is known. He is reputed to be efficient and progressive and is believed to be held in high esteem by General Chiang Kai-shek. The Legation has heard from one source that he is considered by the Japanese to be one of the most able military men in China and that for that reason they are agreeable to his appointment in the hope that they may make use of him. Of his progressive ideas he has given evidence through attempting to introduce athletics to his troops, adopting western methods of care for the mounts of his cavalry division, and employing an ex-Russian cavalry man to teach his junior officers military horsemanship.

Mr. Wang Keh-min, a native of Hangchow, Chekiang, and a returned Japanese student, who since June 27, 1935, has been Acting Chairman of the Peiping Political Affairs Readjustment Committee, a former member of the pro-Japanese Anfu clique, was Finance Minister and concurrently Director General of the Salt Administration in 1917 and 1918. Since the establishment of the Peiping Political Affairs Readjustment Committee in 1933 he has been a member of that committee and its Chief Counselor.

Mr. Cheng Keh, who took office as Mayor of Tientsin on July 2, 1935, is a former revolutionary comrade of General Shang Chen. Like Mr. Wang Keh-min, he was a

member

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member of the Anfu clique. Graduated from the law department of the Tokyo Imperial University, he was in 1912 Legal Counselor to the President of the Republic, his efforts toward the establishment of which at one time landed him in jail. In 1922 he was with Feng Yu-hsiang in Honan, in 1923 was appointed Minister of Justice and in 1924, Minister of the Interior.

Other appointments are as follows:

Provincial Authorities:

Mr. Liu Sui-chang,	Secretary General of the Provincial Government, graduate of Meiji University and protégé of General Ho Ying-chin.
General Li P'ei-chi, (Shansi)	Member of Provincial Government and Commissioner of Civil Affairs. Formerly Commander of Division in Shansi Army; Chairman of Suiyuan; until recently a member of the Honan Provincial Government and Commissioner of Civil Affairs. Born in Shansi.
Li Ching-jung,	Member of Provincial Government and Commissioner of Finance. (Former Department Chief for Wu Pei-fu). Formerly member of Provincial Government, Hopei.
Lü Hsien, (Shansi)	Member of Provincial Government and Commissioner of Reconstruction. Formerly Commissioner of Finance, Industry and Commerce, Hopei. Until recently, Commissioner of Civil Affairs, Kiangsi. Born in Suiyuan. Connected with Mr. Kung Chang Hsi, the Minister of Finance. (Dr. H. H. Kung).
Ho Chi-hung,	Member of Provincial Government and Commissioner of Education. Formerly Professor of Law and Business College, Peiping University.
General Chang Yin-wu, (Shansi)	Member of Provincial Government. Formerly Divisional Commander of Shansi Army, Peiping Emergency Commander and Commissioner of Public Safety, Peiping, Mayor of Peiping. Connected with General Yen Hsi Shan.

Nan Kuei-hsin

- 4 -

Nan Kuei-hsin, (Shansi)	Member of Provincial Government. Formerly Mayor of Tientsin. Connected with General Yen Hsi Shan.
Liu Yi-nan,	Member of Provincial Government. Formerly Secretary General of 32nd Army (General Shang Chen's army).
Liang Tzu-ch'ing,	Member of Provincial Government. Formerly member of Peiping Kuomintang Pu. Later went to Japan for study. Returned recently.

Municipal Authorities:

Lt. General Liu Ssu-jung,	Commissioner of Public Safety, Tientsin. Graduate of Tokyo Military Academy and former Chief of Staff of Marshal Sun Chuan-fang.
Dr. Yang Pao-ling,	Commissioner of Public Works, Tientsin; Dr. Charles Tenney's student; Doctor of Engineering, Cornell University; formerly chief technician, Peiping Ministry of Agriculture and Commerce; engineer, Hai Ho Conservancy Commission, Tientsin.
Mr. Ch'en Ch'eh- sheng,	Acting Commissioner of Social Affairs, Tientsin.
Mr. Ch'en Tsu- t'ung,	Acting Commissioner of Finance, Tientsin.

It is believed that these appointments are acceptable to the Japanese military; that the National Government was careful to make only appointments which would be acceptable to the Japanese; and that they constitute a preparatory step toward the eventual establishment of a regime less closely connected with the National Government, which will be even more ready than these new appointees under existing conditions to fall in with plans of the Japanese military.

Confidential biographic data forms on General Shang Chen, Wang Keh-min and Cheng Keh are being forwarded separately.

Respectfully yours,



Nelson Trusler Johnson.

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

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CBL/rd

Original and 4 copies to the Department.
Copy to American Embassy, Tokyo.
Copy to American Legation, Nanking.

NO.

10,202

AMERICAN CONSULATE GENERAL, *copy in FE*

Shanghai, China, July 19, 1935

Division of
FAR EASTERN AFFAIRS
AUG 12 1935

Department of State

793 94

CONFIDENTIAL

SUBJECT: Present Policy of Chiang Kai-shek
Towards Japan.

For Distribution-Check		Yes	No
Grade	M		
For	Cunningham		
	In U.S.A.		

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

RECEIVED
DEPARTMENT OF STATE
AUG 10 AM 11 35

I have the honor to refer to my telegram No. 404 of July 17, 1 p.m., *7/19/35* and to supplement it by a copy of a report from the Intelligence Officer of the Marine Corps Expeditionary Forces, Shanghai, Captain J. M. McHugh, under date of July 17, 1935.

The enclosure to this report is the letter from which the information contained in the telegram was taken. The letter in its entirety is interesting and is transmitted herewith as strictly confidential. This is transmitted with the permission of Captain McHugh to whom the letter was written by Mr. Donald. This letter contains other points of interest and, since Mr. Donald is attached to the personnel staff of the Generalissimo, his statements should be accepted with very little reserve.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosure

793/94/7240

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SEP 7 - 1935

F/FG

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

-2-

✓
Enclosure:

1/- Intelligence report dated July 17, 1935.
(in quadruplicate only)

800
ESC:JLM

In quintuplicate

Copy to Legation, Peiping

4 Carbon Copies

Received

L. J. 71

COPY NO. 10

ConGenShanghai

INT/JMMoH-gwj

Headquarters, 4th Marines
Marine Corps Expeditionary Forces
Shanghai, China

17 July 1935

CONFIDENTIAL

From: The Intelligence Officer
To : The Commanding Officer

Subject: Present policy of Chiang Kai-shek towards
Japan.

Reference: (a) My memorandum of conversation with Mr.
T.V. Soong, dated 18 June, 1935.

Enclosure: (A) Copies of personal letters from Mr.
W.H. Donald, Adviser to Generalissimo
Chiang Kai-shek and Marshal Chang Hsueh-
liang.

1. There are submitted herewith copies of two
personal letters (Enclosure A) which I received on 16 July, 1935,
from Mr. W.H. Donald, Adviser to Chiang Kai-shek, which set forth
the first (and as far as I know only) expression of policy toward
the present Japanese aggression on the part of the Generalissimo
that has been obtained since the recent events commenced.

2. These letters were in reply to letters from me
in which I asked various questions concerning rumors and reports
that have been contained in recent Intelligence Summaries which
I have submitted. I took occasion to mention in these letters,
as indicated by notes which I have interpolated in the attached
letters from Mr. Donald, the gist of my conversation with Mr. T.V.
Soong on 18 June, 1935, (Reference a) and to make inquiry as to
Mr. Donald's reactions thereto.

J.M. McHugh
J.M. McHUGH.

1st Endorsement

From: The Commanding Officer
To : The Commander in Chief, ASIATIC FLEET
Subject: Present policy of Chiang Kai-shek.

1. Forwarded,

John C. Beaumont
JOHN C. BEAUMONT.

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

16T/JM1cH-gwj

Headquarters, 4th Marines
Marine Corps Expeditionary Forces
Shanghai, China

STRICTLY CONFIDENTIAL

(The following are copies of personal letters from Mr. W.H. Donald, Adviser to Chiang Kai-shek, to Captain M.M. McHugh, U.S.M.C. Both were received in Shanghai on 16 July, 1935.)

Chengtu, Szechuan,
11 July, 1935.

Dear Mac:

Your letter of July 6th came in yesterday, and your letter of June 19th also, which had been following me around. I have read both with great interest and will try and contribute my bit to the discussion.

I showed the one of June 19th to Madame. It is all right; she understands the drift of things down there. (N.B.- I correspond with both Donald and Madame Chiang Kai-shek regularly. In this instance, however, I had occasion to make inquiry about some rather startling statements which her brother, T.V. Soong had made to me on 18 June '35. I therefore addressed the letter to Donald only and told him not to show it to her if he thought it would hurt her feelings.- J.M.McH)

As you may imagine, the situation here at the time of the pressure in the North - ultimatum time - was very distressing. Madame takes the same line as T.V. She wanted to fight, even if at a loss, but the realities of the situation weighed with the Generalissimo, and so he presented them.

His arguments are: that to fight now is what Japan wants; to fight and lose would give Japan the notion that she had won a war and she would demand a signed settlement; to fight would let the Reds loose in this area to the complete control of Szechuan and perhaps the Northwest; to let the Japs steal without acknowledging it and without signing anything keeps Japan in the wrong; and if China will profit by the humiliation to reorganize and develop unity and patriotism it will be worthwhile, for in time they can get back what has been taken.

First, he argued, the Reds must be exterminated; second, the country must be reorganized; third, the army must be reorganized; fourth, determined efforts must be made to develop the whole of the west - Yunnan, Kweichow, Szechuan, Kansu and as well as Shensi, Hupeh and Hunan - but particularly Szechuan, Kansu and Kweichow, where there is plenty of mineral and agricultural wealth if developed on modern lines. Keep at this work and if the Japs try to enforce their control on the Yangtze region - resist. In a nut-shell that is the position of the Generalissimo.

Madame had days of great distress. "What would you do?" she asked.

"Fight, of course, even if we had to do it underground with daggers and bombs", I answered, and I added that we would make the lives of every Jap. in the country so unhappy that they would not be able to stand it.

"They'd take the whole country", was the reply from others.

"They couldn't hold it if you people would resist them wherever possible and by guerrilla tactics", I replied.

Well, we talked and talked, and argued for days, with great distress on all sides, for the hopelessness and humiliation was deeply felt. Yet pressure was put on the Generalissimo from all quarters to make him agree to anything the Japs put forward. Ho Ying-chin tried to come up here but the Generalissimo stopped him. The Japs, are trying to get him (the Generalissimo) down river to exert pressure on him. They will continue, to be sure, and also exert their efforts against the Young Marshal. The Y.M. came here; told the Generalissimo that to give in would be to give up; that he (the Y.M.) had his own views (and would hold them), but would do what he was ordered to do, and at any time be ready to step out if that would simplify and compromise with the Japs.

Madame says there is nothing in the Alfonsi paper (N.B.- this was the enclosure to my Memorandum of Conversation with T.V. Soong, dated 18 June '35- J.M.McH.)

Naturally T.V. is sore with the Generalissimo. He always was, so it is not a new departure. T.V. has his views and he is right to have them. Also he was brought up in a different and more modern school than the G., and he realizes that to lay down and take everything, no matter the reason, is not likely to secure respect.

There is a large pro-Japanese section trying to push the Generalissimo along to submit to the Japs and give them economic control. He evades them. The Japs. had nothing to do with the suspension of the training camp at Kuling. (N.B.- See Weekly Intelligence Summary for week ending 23 June, 1935, page 3). That was the G's own move. He is going to get this province on its feet and make it a base to extend development work elsewhere, and he is not going to put himself in a place where the Japs can squeeze him into what they want aided and abetted by a gang of self-seekers who would sell their country. That is all. The Japs have not been able to try and tell the Generalissimo anything. What he will ultimately do remains to be seen, but what I gave above is what he always says his plan is.

Your hunch about the Kuangsi-Kuangtung situation is not correct because the Reds were chased out of there a long time ago and they are now housed in the mountains in the west of the province. (N.B.- I had suggested that the Generalissimo might find it convenient to chase Reds for a long time along the southern borders of Kweichow in order to have an excuse to keep heavy troop concentration there and thus intimidate Kuangsi. J.M. McH.)

Kuangsi did not fight the Reds except so far as keeping them out of Kuangsi was concerned. When the Reds turned west into Yunnan the Kuangsi forces went home. The Hunan troops, however, went on after the Reds, and the Yunnan divisions which were operating in Kweichow under the Generalissimo went after the Reds, too, into their own province of Yunnan.

So far as Kuangtung and Kuangsi are concerned, the Generalissimo is not paying any attention to them. They are, however, seemingly at loggerheads of sorts. Kuangsi wants an excuse to take the seats of the mighty at Canton, and they tried for an arrangement with the Generalissimo. They are, however, working with the Japs., who have military advisers there and who will replace the British in the aviation service at the end of the year. The Japs are out to foster trouble, of course. They do not want any apparent peace or unity in China, their main argument being that China is such a blasted mess that they MUST take charge of it.

But I have told you what the plan of the Generalissimo is -- and IT IS FOR YOUR CONFIDENTIAL INFORMATION -. He is keeping away from any embroilment with the two Kuangs, devoting all of his time and energy to breaking the back of the Reds. When that is done he will try and reorganize what is left of the Szechuan soldiery, and at the same time will try and reorganize the province. I started him out on the development of natural resources - as I wrote you from Kweiyang & and that work is going ahead. The road from Chungking to Kweiyang has been completed as to road bed, and cars can be ferried over the streams. A new motor road is to be build from Chengtu to Sian, and the roads connecting Yunnan, Kweichow and Hunan are supposed to be finished by October.

All that I am interested in is the development by China of her natural resources, as I have all of my life been trying to accomplish. The politics do not interest me at all except where they frustrate progress. Unless China puts her own house in order and does something at once to raise the standard of living of the people, surely enough the Japs will come in and do it for them. It is all a tragic business, and because it is so tragic it is amazing to see prominent Chinese fussing over personal likes and dislikes and refusing to work in unison for the betterment of the country.

It is difficult for us who have come from fighting stock to judge what the Chinese should do. They are out of a different mold and have long had different ideas. We scrap without hesitation, but they walla-walla and won't fight if they can help it.-- I mean anyone who looks stronger than themselves. So it is useless to think of this question in terms of fighting or to measure the situation by our standards. It won't work. But if it will teach China a lesson which will cause her to develop herself, then non-fighting will be worthwhile. It isn't as though they could inflict any real damage on the Japs if they did resist. They could make a noise and in one or two minor ways could raise some dust, but in the meantime the Japanese airplanes and tanks and naval vessels would be sweeping up the Chinese cities and countryside like a cyclone and all the Chinese would be able to do would be to run like Hell to escape the holocaust. So their way of fighting

would not even scratch Japan. If they could wipe out an army corps; or if they could bomb Tokyo; or even sink or disable a cruiser, it might be something - but they couldn't.

Therefore it is folly to think of them trying to resist when we know what would be the inevitable. Why, even the citizens of China would not put their backs into it or contribute anything like a per capita amount to help the fighters arm themselves. Fighting a real force is not in them so it is better to forget about it. But our people would not differently the moment anyone stepped aggressively upon our territory or tried to impose their will upon us. We would fight one way or another without hesitation or without asking about it. The Chinese won't. The very way they submitted to the fait accompli of Manchuria is proof enough that it would be hopeless for them to start a fight. If they did it would be pie for the Japs. They would make it assume the dimensions for of a great war and would exact every cent in payment of an "indemnity" and territorial cession that they could wring from the "defeated foe". Why think of fighting when the world is not able to say what is just or unjust to the underdog?

Your PPS is all untrue - about the training camp and cessation of aviation, etc. (N.B. I had quoted the rumor that the Japanese had demanded the cessation of all military training at Kuling and the closing of the aviation school at Nanchang). They would like to do that, of course, and I wish they would. Then they would interfere with the market of American at least for planes.

I have given you the ideas of the Generalissimo up above. He is sticking to the Reds because they are in a difficult position, now, and he will headquarter here thereafter to try and get the west on its feet. That's private for you. They think I am going to live up here with them.!!!

I hope everything is going well with you and yours. Madame says before you go you had better climb on one of our planes one day and have a look-see up here. The Ford should be leaving with David piloting any day now, and bye and bye other planes will be down there.

With best regards,

Very sincerely,

s/ Don.

Chengtu,
July 12

Dear Mac:

Yesterday I sent you a letter. I have just heard that the situation in the south is not exactly what we supposed for a change has suddenly come over the spirit of the dream.

I hear that both the Kuangs are trying to cuddle up to Nanking, but separately. There is tension between them, of course, and it looks as though Japan has indicated that her mouth is so full of stuff to chew that they cannot expect anything from her for awhile. Also Japan has more respect for the defenses of Hongkong than she had, though why so sudden a change, I know not.

Anyway, whatever the cause, the two Kuangs show a spirit of co-operation just now! The Kuangsi man who came here recently (General Yeh Chi) fell off his horse the other day in Kuangsi and died, so I hear. A good job he did not fall off while here!

The Reds are getting cold feet and are trying to escape through the mountains before the cold weather catches them in the middle of nowhere.

I sent a couple of Headquarters plans to Harris, Associated Press, to show him the position a few days ago. Look at them and you will see what it was. Now the "Northern" Reds are in the mountains west by south of Sungpan, and are trying to force their way through northwards to Kansu. They want to get the Sungpan valley road, of course. The others might try to break out through the long trail to Kokinoor. They are realizing they cannot get down to the plains to establish themselves, and since they are already feeling the pinch for food, they realize they cannot stay where they are so they must try before the summer closes to get into Kansu and Sinkiang, no matter what road they take.

Captives state they are cutting down their crowd, I suppose to take only possible effectives. What they will do with the rest of the mob they have forced to go with them so far - turn them loose to talk, or kill them off to shut their mouths? They cannot take them. Of the crowd that escaped from Kiangsi - 100,000 if you will, it is estimated that only about 20,000 effectives remain. They have captured swarms of country people and forced them to join them, and so far they have made up their losses from the country they have passed through, though they never get a chance to drill or equip them properly.

Anyway, one gang is now trying to push out northwards west of Sungpan, but are held up by one battalion of Government troops in blockhouses at Moerkai, which is Southwest of Sungpan. There are large numbers due south of that place, on a branch of the Min river, quartering in the towns of Sungping-liang, Yakuchai, and Sungpingkou, but well into the mountains. If the crowd now attacking the blockhouses succeed, they will all scramble that way to try and get to the rear of Sungpan; but if they do not win out, then they may have to try and get out by the road into Kokinoor. That would entail travelling passes over 15,000 feet high. Captives state they are terrified of the high mountains.

Government troops have been sent to Jedongpa, right north of Moerkai, to intercept the Reds if possible. The Reds attacking Moerkai and trying to get through are the 89th Division; at the two towns southward those waiting to get on are the 294th Regiment, the 30th Army, the 4th Army and the 34th Army, or, perhaps it would be more correct to say, portions of these forces.

With best regards,

Sincerely,

s/ Don

DECLASSIFIED: E.O. 11652, 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

DOCUMENT FILE

NOTE

SEE 893.102 S/1364 FOR Despatch #3690

FROM China (Johnson) DATED July 15, 1935
TO NAME 1-1127 ...

REGARDING: Increased Assertion of Japanese Interest at Shanghai.

FRG.

793.94 / 7241
7241

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

DOCUMENT FILE

NOTE

SEE 893.00 P. R/ 89 FOR Despatch #

FROM Nanking (Atcheson) DATED July 12, 1935
TO NAME 1-1127 ...

REGARDING: Relations between China and Japan. Latest developments in, -.

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7242

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II FOREIGN RELATIONS

a. Relations with the United States.

Nothing to report.

b. Relations with other countries.

Japan.

As the month opened the National Government took precipitate action to meet the wishes of the Japanese military in Hopei and by June 10 it appeared that the Chinese had complied in fact or in principle with every stipulation which had been made by the Japanese with the result that the crisis in the north was generally believed to have passed. The removal, long delayed, of the headquarters of the Hopei Provincial Government had been effected; General Yu had been assigned to the Szechuan-Shensi-Kansu border, his troops with him; the Third Peiping Gendarmerie, members of whom were alleged by the Japanese to be the "Blue Shirts" responsible for the Tientsin murders, had been moved and its commander who is a nephew of General Chiang Kai-shek, had resigned; the Mayor of Tientsin had resigned and in his place was appointed General Wang Ke-min, senior councillor of the Peiping Political Affairs Readjustment Council, a member of the former Anfu clique; the Party offices in Peiping and Tientsin were being transferred to Paoingfu; the National Government issued a mandate for the cessation of anti-foreign acts or activities of any kind.

Although it was clear what the results of the demarche were thus far, the further objectives of the Japanese military remained so obscure that the Chinese Government at Nanking remained in a state of confusion and great depression. The extension of the demilitarized zone to include

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the Tientsin-Peiping area was generally feared to be one; the forced recognition by China of "Manchukuo" was considered a possible ultimate second and the opinion was held in some circles that a determination of the Japanese military to demonstrate their independence of the civil branches of the Japanese Government might lead to direct action by Japanese troops. Official sources in Nanking claimed to have reliable information that the demarche was undertaken by the military officers in North China, not alone without the knowledge or consent of the Japanese Foreign Office or Cabinet, but even without the consent of the General Staff in Tokyo. It was reported that the first demands presented had been formulated in Changchun, where the Japanese Minister of War was visiting, and that these were not considered sufficient in scope by the Japanese military in North China.

On June 11 fresh demands were presented to General Ho Ying-chin by Japanese military officials embodied in a memorandum which recapitulated the previous stipulations and which they asked him to confirm in writing. He sought instructions from the National Government and after a meeting of the Central Political Council on June 12 was directed not to give the Japanese any written document and to "prepare for eventualities", the official attitude in Nanking being that the Chinese in good faith had done everything possible to accommodate the Japanese and were unwilling and unable to do more. The fresh demands, it was understood here, included requirements that the Japanese "supervise" the steps taken in compliance with previous demands, that Japanese approval must be obtained to all municipal and provincial appointments in the north, and that no

National

-5-

National Government troops be stationed north of the Yellow River. In addition it was demanded, or "suggested", that General Chiang come to Nanking to discuss the situation. It is understood that the first suggestion in this respect was that he should come here to meet with Japanese military officials and that this requirement was modified to provide for discussion with the new Japanese Ambassador, possibly indicating that the Japanese military somewhat belatedly desired to involve the Japanese Foreign Office in the demarche and to obtain its official approval upon their acts already accomplished.

General Ho arrived in Nanking on the morning of June 15 and it was reported that General Chiang might come to the capital but he did not do so. On June 15 Mr. Ariyoshi, the appointed Japanese Ambassador, called on Mr. Wang Ching-wei, President of the Executive Yuan and Acting Minister for Foreign Affairs, and handed him an eight-point memorandum concerning Sino-Japanese issues. On June 14, when the uncertainty arising from the crisis appeared at its height, Mr. Ariyoshi presented his credentials and the day passed, not in important Sino-Japanese discussions designed to relieve the situation, but in the official festivity customary on such occasions, as if no crisis existed.

On June 15 a new crisis arose in the north out of Japanese displeasure with the detention by Chinese authorities on June 4 of four Japanese employees of the Special Service Department of the Kuangtung Army who had been traveling in the interior in a motor truck which lacked a license plate. Demands were presented by the Japanese military officers on that day and were understood in Nanking to

include

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include requirements that the troops of General Sung Chyuan, Chairman of the Chahar Provincial Government, be removed southward, that certain Chinese officials connected with the detention of the Japanese Army employees be punished, and that a formal apology be given. Without any demand therefor and in the hope of forestalling further demands or direct action by Japanese troops, the National Government summarily dismissed General Sung from his office of provincial chairman, and the demands presented on June 18 were subsequently, it is reliably reported, agreed to in writing with the result that this particular incident was considered closed.

The numerous forced resignations coupled with the departure of General Ho Ying-chin from Peiping left north China without any important responsible officials. After numerous temporary appointments and shifts the following appointments which are apparently acceptable to the Japanese and are expected to have some permanence were made by the National Government:

Wang Ko-min, Acting Chairman of the Political Affairs Council, by Mandate dated June 18.

Chin Teh-shun, Chairman of Chahar Provincial Government, by Mandate dated June 18.

Sheng Chen, Chairman of the Hopei Provincial Government, by Mandate dated June 23.

Cheng Keh, Mayor of Tientsin, by Mandate dated June 23.

Following closely upon the lessening of the tension in Chahar and Hopei resulting from the removal of the officials in that area considered by the Japanese military to be antagonistic to Japan and the prohibition of anti-Japanese activities, Japanese intentions of obtaining political and economic domination in North China were

described

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described in press reports. A Reuter's report from Changchun stated that "by virtue of the present settlement of the Chahar incident the demilitarized zone was extended seventy miles westward toward Kalgan". The same report went on to state that "Major General Doihara has assured the South Manchurian Railway Company that the North China situation now warrants economic cooperation between China and Japan". In another Reuter's report from Tokyo which reviewed a special despatch from Changchun published by the Osaka Mainichi the following interesting paragraph appeared:

"It is believed, the message adds, that with the restoration of peace the Chinese authorities in North China will seek Japanese capital and technical assistance in connection with coal mines in Shensi, oil fields in Shensi, iron ore in Chahar, the textile industry in Tientsin, salt pans in the Gulf of Pechili, and cotton and wheat crops in Hopei, Shantung and Honan."

Foreign Ambassadors

On June 14 Mr. Akira Ariyoshi, Japanese Minister and appointed first Japanese Ambassador to China, presented his credentials as Ambassador to the Chairman of the National Government, and on the following day Sir Alexander Cadogan, British Minister and appointed first British Ambassador to China, presented his credentials.

At the time that Mr. Ariyoshi was presenting his credentials and he and Chairman Lin Sen were exchanging courtesies and expressing the respect and good wishes of their respective Governments for the others, the tension in the capital over the North China situation was at its height.

The Foreign

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The Foreign Office announced during the month that the German Minister, Mr. O. P. Trautmann, would present his credentials as first German Ambassador on September 14 and that Minister Johnson would present his letter of credence as Ambassador of the United States to China on September 17, both presentations being postponed to the early fall because of the absence from the capital of Chairman Lin Sen who left in June to spend the summer at Kuling.

c. Relations of a general international character.

Nothing to report.

d. Foreign Military and Naval Forces.

There were no unusual concentrations of ships of any foreign Power in Nanjing during the month under review. As is customary, one or two American, British and Japanese war vessels were in port during the entire month.

e. Occupation of foreign property.

Nothing to report.

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.Tientsin/85 FOR Despatch #-

FROM Tientsin (Berger) DATED July 12, 1935.
//111// NAME 1-1187 ***

REGARDING: North China situation: Sino-Japanese relations
during the month of June, 1935.

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II. FOREIGN RELATIONS.

A. Relations with the United States.

Nothing to report.

B. Relations with other countries.

1. Japan.

a. Activities in Hopei. The

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pressure of the Japanese upon the Chinese in North China, which became very intense in May, continued in June. The yielding of the Chinese to this pressure was evidenced by the replacement of all the higher officials and many of the subordinates of the Hopei provincial government and the municipal government of Tientsin and by the transfer out of Hopei of the Chinese military units and other official organizations which the Japanese army considered antagonistic to their interests here.

Among the officials who were dismissed or transferred at the request or "suggestion" of the Japanese were the Mayor of Tientsin, Chang T'ing-no, who was dismissed on June 4, and the Chairman of the Hopei provincial government, General Yu Hsueh-chung, who was relieved of his post and appointed Bandit Suppression Commander for the borders of Szechuan, Shensi and Kansu on June 6. Wang K'e-min (王克敏) was first appointed Mayor of Tientsin on June 4 in place of Chang T'ing-no but before he assumed this post he was appointed Acting Chairman of the Peiping Political Readjustment Council on June 18. When

Yu

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Yu Hsueh-chung was transferred from his position as Chairman of Hopei on June 6, Chang Hou-wan (張厚琬), Commissioner of Civil Affairs of the Hopei provincial government, was appointed Acting Chairman.

General Shang Chen (商震), Commander of the 32nd Army, was appointed Defense Commissioner for Tientsin on June 4, and concurrently Acting Mayor of Tientsin on June 6. He assumed these posts on June 9 but was appointed Chairman of the Hopei provincial government on June 25, on which date Ch'eng K'e (程克) was appointed Mayor of Tientsin.

Major General Liu Yu-shu (劉玉書) assumed office as Commissioner of Public Safety at Tientsin on June 10, Lieutenant General Li Tsun-hsiang, the former Commissioner and a henchman of General Yu Hsueh-chung, having resigned and left Tientsin early in June.

By resolution of the Executive Yuan of the Central government, dated June 4, the Tientsin Municipality was placed under direct control of that Yuan instead of under the Hopei provincial government as heretofore.

In further compliance with what is understood to have been the "suggestions" of the Japanese military, the 2nd and 25th Nanking divisions, the 3rd regiment of the Central Gendarmerie at Peiping, and the 51st Army (General Yu Hsueh-chung's command) were transferred out of Hopei province; and the provincial

- 4 -

provincial headquarters of the Kuomintang were removed from Peiping to Paoiting. While not announced publicly, it is understood that, in addition to the transfer of the headquarters of the Kuomintang, the Nanking government ordered the practical suspension of the activities of that organization in Hopei province, especially in Tientsin and Peiping.

It is understood that the "suggestions" made to the Chinese by the Japanese, in connection with the settlement of affairs in this area for the time being, were conveyed orally to General Ho Ying-ch'in by Colonel Takashi Sakai, Chief of Staff of the Japanese North China Garrison, and were as follows:

1. Dissolution of the Peiping Branch Military Council;
2. Abolition of the Peiping Political Readjustment Council;
3. Withdrawal of the 2nd and 25th Central divisions and their organs from Hopei province;
4. Withdrawal of the 51st Army under General Yu Hsueh-chung from Hopei province;
5. Removal of the Kuomintang provincial headquarters and other Kuomintang offices from Hopei province;
6. Dissolution of the "Blue Shirt" organizations in North China.

The Japanese military were apparently unable to obtain a written acceptance of their "suggestions" and, while the Chinese have materially complied with these "suggestions", it is unlikely that the Japanese demands have been exhausted.

Those Chinese with whom the Consulate General is in contact and who are in a position to know something

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something of the potentialities of the situation state that no further action by the Japanese army is expected until about September when there will probably be a "spontaneous and popular" movement by the Chinese of Peiping, Tientsin and Hopei province either to create a new state or to join with "Manchukuo".

General Ho Ying-ch'in, the Chairman of the Peiping Branch Military Council, left Peiping for Nanking on June 13. It is said that he left Peiping to avoid being forced to sign a written acceptance of the Japanese "suggestions" outlined above. In any case it seems certain that General Ho has no desire to return to Peiping and that he will not return for some time.

Tientsin was somewhat disturbed on June 28 to hear that rail traffic between this city and Peiping was suspended due to a mutiny of Chinese soldiers at Fengtai. The mutineers were quickly dispersed, however, and traffic resumed during the afternoon. The object of the mutineers was apparently the seizure of the city of Peiping.

One Chinese version of the incident is that about twenty Japanese subjects, some Japanese and some Koreans, led by Pai Chien-wu (白堅武), formerly a confidential secretary of General Fu P'ei-fu, went from the Japanese concession at Tientsin to Fengtai in the evening of June 27. At
Fengtai

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Fengtai they were joined by about two hundred Chinese soldiers from Wan Fu-lin's forces stationed in the vicinity of T'ungshien. They then approached the commander of an armored train which was on a siding in Fengtai station and proposed that he join them in an attack on Peiping; he at first refused and threatened to place them under arrest. The Japanese in turn threatened that if arrested they would involve him with the Japanese authorities. The commander then requested them to leave, but they replied that unless he placed himself, his train and the men under his command at their disposal they would send one of their number to report to the Japanese authorities that they were being forcibly detained. The commander, faced with these difficult alternatives, finally capitulated and took Pai and his motley crew of Japanese, Koreans and Chinese renegades with his train toward Peiping to a point just outside the south gate of the city. Meanwhile the Peiping city authorities had posted guards about the gate and also torn up a section of the track so that the train could not proceed through the wall into the city. The train appeared before the city wall and exchanged shots with the city guards some two or three times during the early morning of the 28th but was finally abandoned somewhere near Fengtai. The train crew and the other Chinese conspirators fled in the direction of Demilitarized

Zone

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Zone border near T'unghsien, while Pai and the Japanese are reported to have returned to the Japanese concession at Tientsin. The Chinese state further that only a few unimportant Chinese were involved in this escapade and that the Japanese subjects who took part in it were brought to Tientsin by the Japanese military some weeks ago to stir up trouble in Tientsin. After the capitulation of the Chinese, however, these gangsters were left to fend for themselves and so came to engage in this adventure. According to the local newspapers they have been deported by the Japanese authorities.

b. Activities in Chahar. The immediate excuse for Japanese displeasure with the Chinese in Chahar was the detention and questioning by the Chinese authorities at Changpei of a party of Japanese officers for a short time on June 5, in consequence of which the Japanese made demands of the Chinese. After negotiations lasting more than three weeks it was reported on June 28 that the Chinese had agreed to the following terms:

1. An expression of regret for the incident;
2. Dismissal and punishment of those responsible for the incident;
3. Removal of the 132nd division from Changpei and certain units of this division from Kuyuan;
4. The Chahar border touching Jehol to be policed by Peace Preservation Corps units and not by regular troops;
5. The Kuomintang to cease its activities in Chahar and all its special organs in Chahar to be abolished;
6. Extension of facilities for travel by Japanese in Chahar;
7. Cessation of Chinese emigration into eastern Chahar.

In

- 8 -

In addition to these seven items it is understood that the Japanese also demanded and obtained from the Chinese the right to build an aerodrome at Kalgan. The Japanese for some time have come and gone in Chahar as they pleased, traveling in military trucks all through the northern portion of Chahar toward the border of Outer Mongolia, but the Chinese authorities have not previously admitted an obligation on their part to facilitate such travel.

While the Chinese and Japanese were negotiating in Peiping and Kalgan for a settlement of the situation in Chahar General Sung Che-yuan, the Chairman of the Chahar provincial government, was suddenly dismissed by Nanking on June 19 and General Ch'in Te-ch'un, the Commissioner of Civil Affairs in the Chahar government, was appointed to replace him. It is reported that General Sung's dismissal came as a surprise to the Japanese, who had not requested his summary removal.

Lieutenant General Y. Umezaki, commanding Japanese troops in North China, made a statement to the press at Tientsin on June 28 in which he expressed the satisfaction of the Japanese military with the steps taken and the promises made by the Chinese to accommodate the Japanese in Hopei and Chahar. He intimated, however, that the Japanese would watch carefully to see that the Chinese conducted themselves properly and carried out their
promises

- 9 -

promises in a satisfactory manner. The removal of Yu Hsueh-chung and the 51st Army from Hopei and the dismissal of Sun Che-yuan from his position as Chairman of Chahar eliminated two of the most likely sources of friction between the Chinese and the Japanese in North China, but it is unlikely that the Japanese will be satisfied with the situation as it was at the end of June and it is impossible to predict the Chinese reactions to further encroachments by the Japanese in this area.

TELEGRAM RECEIVED

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

FS

1-1886

FROM GRAY & SPECIAL GRAY
Nanking via N. R.

Dated August 14, 1935

Rec'd 11:00 a. m.

Secretary of State,
Washington.

236, August 14, 2 p. m.

My August 7, 9 a. m.

Division of
FAR EASTERN AFFAIRS
AUG 14 1935
Department of State

One. Although as mentioned in previous telegrams demands have been expected, responsible Chinese officials here have consistently denied that any demands have been presented either by Japanese military or civil officials in connection with the murder of Colonel Liu Tso Chou. Newspaper reports that the incident *has been settled* (except for the detention of Tao Shang Min) are believed to be correct in the sense that the Japanese are understood to have *cleared* ~~consented~~ considering the matter as a Sino-Japanese issue of importance.

Two. I am reliably advised by an informed Chinese source that the developments surrounding the incident are as follows: Liu was given his post in the peace preservation corps at the instance of the Japanese military. He could have been aptly described as a "racketeer"; he cooperated with Japanese ronin, criminal Koreans

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AUG 17 1935

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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

FS 2-No. 236, August 14, 2 p. m. from Nanking

Koreans and other undesirable elements in the demilitarized zone in large scale smuggling, traffic in narcotics and sundries, and even in kidnappings. Tao, the former administrator of the Luang Tung-Shanhaikwan area, said to be a pro-Japanese official, was connected with other criminals engaged in the same pursuits ^{its} but found himself losing profits because of the competitive activities of Liu and the latter's associates and Tao openly threatened to take revenge upon Liu. The Japanese military caused Tao's removal from office and provided Liu a body guard but Tao's assassin's, nevertheless, succeeded in killing Liu. The Japanese at first contended that the assassination was the work of Kuomintang or other anti-Japanese agents but placed Tao in detention in Peiping and came to realize that Liu's murder was merely an expression of a "gangsters'" feud. There has been no (repeat no) formal settlement; the Japanese can still make an issue of the matter, now or later, if it should suit their purposes.

Three. I am reliably informed that the Foreign Office approved for publication Reuter's despatch from Nanking dated August 10 reporting the incident to have been settled and that the Japanese military in the North

denied

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

FS 3-No. 236, August 14, 2 p. m. from Nanking.

denied the veracity of the report presumably because they desired such announcement to be made first by themselves. I am also reliably informed that the Executive Yuan at Kung's instance yesterday instructed the Foreign Office to protest formally to the Japanese Government against the detention of Tao Shang Min in the Japanese Embassy in Peiping. My informant states that this move on Kung's part was an attempt to demonstrate to Wang's opponents and other anti-Japanese elements in China that the Chinese Government while under Kung's direction was assuming a stronger attitude toward China's enemies. (See paragraph 3 my 225, August 14, 2 p. m.)

Four. To Tokyo by mail.

RR:WWC

ATCHESON

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

DOCUMENT FILE

NOTE

SEE 893.00/13175 FOR Tel. #232-11am.
FROM Nanking (Atcheson) DATED Aug. 13, 1935.
/111/ NAME 1-1127 ...

REGARDING: Relations between China and Japan: Detention of
Tao Shang Min by Japanese Embassy in Peiping:
Criticism of Wang Ching Wei, in connection with
this affair.

fpg

793.94/7245
7245

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

FS

GRAY & SPECIAL GRAY

Nanking via N. R.

Dated August 13, 1935

Rec'd 6:46 a. m. 14th

Secretary of State,
Washington.

232, August 13, 11 a. m. /13172

My 230, August 10, 9 a. m.

One. The situation surrounding Wang Ching Wei's resignation remains obscure. I am informed by a responsible Chinese official that it was precipitated by an outburst of criticism of Wang and his policies during a meeting of the Central Political Council on August 7th. The day before Wang had telegraphically requested the Minister of Industries, who desired to resign because of a dislike of serving under Kung, to remain in office and support him. The criticism it is hinted, is of the detention of Tao Shang Min by the Japanese Embassy in Peiping, which Wang considered a great loss of face for himself, and coupled with his illness, impelled him to quit his posts in the government. Wang has not resigned from the Standing Committee of the Central Executive Committee or
from

Note
793.94

FE

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/13172-

FS 2-No. 232, August 13, 11 a. m. from Nanking
from the Central Political Council.

Two. A Rengo despatch from Tokyo, dated August 10th and published in the Shanghai foreign press, blames the United States and Europe for Wang's resignation, quoting a War Office spokesman as saying that it was caused by the intrigues of the "European and American clan" in connection with the settlement of the North Chinese controversy and by anti-Japanese elements in the Chinese Administration.

Three. The party headquarters and the government have sent emissaries to Wang to persuade him to continue in office, and official spokesmen of the government claim that he will withdraw his resignation. There is, however, a strong opinion in some Chinese official circles here that reason for the determination to resign cannot be shaken except by a reorganization of the government along lines desired by him and by a vindication of himself through the adoption by the September plenary session of the Central Executive Committee of his wishes in this respect. One opinion is that he will continue nominally in office until the session. Another opinion

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

MED - 3 - #232, August 13, 11 a.m. from Nanking

opinion is that he may return to Nanking and for a time resume active charge of the Executive Yuan, leaving the Foreign Office to the present acting minister pending the outcome of the session. Still another is that he will hold up his resignation in the hope that it will force the issue with Chiang Kai Shek and with his own political opponents to the end that Chiang will take an open and definitive stand in respect to Sino-Japanese issues and the government will be reorganized accordingly. There is also a fairly widespread opinion that Wang must eventually return to the Executive Yuan because there is no one to replace him in case, which necessarily seems likely, the government continues to pursue a conciliatory policy toward Japan. An about face in this respect would make T. V. Soong a possible successor to Wang as President of the Executive Yuan but that possibility is discounted because, it is stated in some Chinese official quarters, Chiang Kai Shek has no intention of attempting to oppose Japan by arms before at least three years.

Four. The Ministers of War, Railways and Industries have tendered their resignations. The Ministers of War and Railways have not been in active charge

MED - 4- #232, August 13, 11 a.m. from Nanking
charge of their ministries for many months. According
to a responsible official the Minister of War
submitted his resignation prior to the resignation of
Wang Ching Wei. I understand that this resignation
is a renewal of a resignation tendered by Ho Ying Chin
at least a month ago. Huang Fu is again being men-
tioned for possible appointment as Minister for
Foreign Affairs, possibly because of the resignation of
Ho with whom he has been quarreling. One section
of Chinese opinion states that Ho's resignation was
foreordained by his flight from Peiping, which lost
him prestige, and by the transfer from Hopai of the
Generalissimo's troops under his immediate command
which left him without personal military power and thus
rendered a return to the north futile.

Five. No one in the government seems to know
from day to day what developments will occur on the
morrow. It is my opinion that the powers of the
party and Government agents, now more at loose ends
than before, are finding difficulty in cooperating and
have advanced no plans or reached any decisions for
definite action in connection with these changes. It
is difficult to foresee how Chiang Kai Shek can absent
from Nanking much longer for the course of events would
soon now to depend more and more upon him.

Six. To Tokyo by Mail.

ATCHESON

CSB

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

TELEGRAM RECEIVED *of Paraphrase*
COPIES SENT TO
O.N.I. AND M.I.D. *FE*

FS

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

Peiping

Dated August 19, 1935

Rec'd 9:20 a. m.

Secretary of State,
Washington.

421, August 19, 4 p. m. (Section one).

793.94
My 407, August 8, 4 p. m. / 7235
Tao Shang Min was
delivered to the Peiping branch Political Affairs
Readjustment Committee August 17, 3 p. m. by two
Japanese gendarmes. According to confidential in-
formation of reputable official of that committee
a note was delivered by the Japanese military with
Tao in which it was stated that Tao had been detained
by the Japanese as a measure of assisting the Chin-
ese police (in solving Liu's assassination) and was
being turned over to the Chinese authorities for
action by the Chinese police. (This appears to be
a face saving device of the Japanese military and it
is understood that Colonel Sakoi, Chief of Staff of
the Japanese Tientsin garrison who was allegedly
responsible for the detention, is now out of favor
with the Tokyo military and may be transferred.

Above

793.94/7246

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AUG 22

F/G

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

FS 2-No. 421, August 19, 4 p. m. from Peiping

Above mentioned informant states that no action will be taken by the Chinese police unless Japanese insist and that Wang Keh Min has requested Tao not to leave Peiping in order to avoid future embarrassment from the Japanese. Liu's assassination has not yet been solved; but local Chinese authorities apparently believe that it was committed by his subordinates notwithstanding the fact alleged by good authority that Tao and Liu belonged to opposing factions trading in narcotics. It would seem that the Japanese are not (repeat not) going to make use of this incident hereafter and that some of them regret that it was made an issue.

Two. The Legation anticipates that incidents involving Japanese, Koreans and pro-Japanese-Chinese will increase in number. (End of Section one).

CSB:RR

JOHNSON

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

TELEGRAM RECEIVED

MJD

GRAY

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

1-1830

FROM

Peiping via N. R.

Dated August 19, 1935.

Rec'd. 11:40 a. m.

Secretary of State,
Washington.

421, August 19, 4 p. m. (Section two).

There have occurred during the past few days in the Hopie demilitarized area the following incidents: (one) alleged murder of two Koreans August 5th; (two) the firing by Chinese police on August 13th at two junks just south of Hsiengkou flying Japanese flags and carrying Japanese officials reputedly studying the possibilities of the Luan River being made an important outlet for Jehol to the sea; (three) murder August 13 of a Japanese at Feugju 40 miles west of Launhsien; and (four) holding up on August 15 by bandits of a Peiping Mukden train near Chinwangtao resulting in four dead two of them allegedly Koreans. It is thought that the bandits acted because of knowledge that Korean smugglers of silver were on the train with considerable money in their possession. In so far as is known the Japanese have not yet protested these incidents.

-2- No. 421, August 19, 1935, from Peiping

incidents.

Three. The reported protests of the national government to Japan against (one) Tao's detention and (two) unauthorized flights of Japanese air planes over North China are not (repeat not) supported as yet by other evidence which would support a view that they indicate a strengthening of China's Japanese policy. It seems more probable at present that either they were made by Kung to improve his position (Nanking's 236 August 14, 2 p. m.) or by one Chinese political faction to embarrass another.

Four. The situation in North China has not materially altered from that described in my 407 August 8, 4 p. m., except that there are now fewer important leaders visiting in North China. (A ban has been put on press reports of arrival here today of the wife of T. V. Soong.) Attention is now directed chiefly toward the factions of high officials at Kuling. Although information is unavailable, it is believed that important discussions are taking place with regard to (one) the status of Wang Ching Wei and his clique, T. V. Soong and his clique, and other factions of the national

DECLASSIFIED: E.O. 11652, 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- No. 421, August 19, 1935, from Peiping

national government; (two) ways to improve relations of Nanking and Southwest; (three) acceptance or rejection of a policy of cooperation between China and Japan, cooperation meaning the giving in to any Japanese demand presented; and (four) the position of Chiang Kai Shek with regard to China's Japanese policy. By mail to Nanking and Tokyo. (End message.)

JOHNSON

CSB

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

CONFIDENTIAL

CONFIDENTIAL

PARAPHRASE

Section one of a telegram (No. 421) dated August 19, 1935, from the American Minister at Peiping, reads substantially as follows:

One. At 3 p.m. on August 17, two Japanese gendarmes delivered Tao Shang Ming to the Peiping Branch of the Political Affairs Readjustment Committee. At the same time, according to confidential information received from a reliable official of the above-mentioned committee, the Japanese military delivered a note stating that the detention of Tao by the Japanese was for the purpose of assisting the Chinese police (in solving the assassination of Liu) and that he was being handed over to the Chinese authorities for action by the Chinese police. (The above would appear to be a device on the part of the Japanese military for saving their face and the Chief of Staff of the Japanese garrison at Tientsin, Colonel Sakoi, who is alleged to have been responsible for the holding of Tao, is now understood to be out of favor with the military at Tokyo and may be transferred from his present post.) The informant referred to above stated that unless the Japanese are insistent, the Chinese police will take no action in the matter. He also stated that in order that future embarrassment from the Japanese may be avoided Tao had been requested by Wang Keh Min not to leave Peiping. Local Chinese authorities appear to believe that the assassination of

Liu

- 2 -

Liu, which is as yet unsolved, was committed by his subordinates, in spite of the allegation by good authority that Liu and Tao were members of opposing factions involved in the narcotics trade. It would appear that some of the Japanese regret that this incident was made an issue and that no further use will be made of it.

Two. It is anticipated by the Legation that there will be an increase in the number of incidents in which Koreans, pro-Japanese-Chinese, and Japanese are involved.

FE:EW/VDM FE
8-20-35

27. M. H



LEGATION OF THE
UNITED STATES OF AMERICA

September 21 1935 *FE*

No. 3711

Peiping, July 26, 1935.

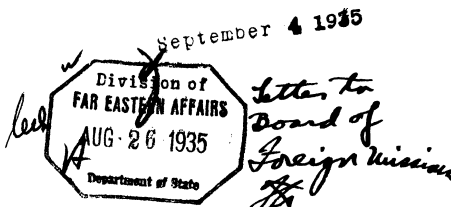
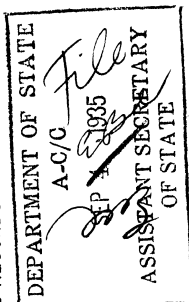
Subject: Threatening Letter from a Japanese.

793.94

RECEIVED
DEPARTMENT OF STATE

1935 AUG 24 AM 11 22

DIVISION OF
COMMUNICATIONS
AND RECORDS



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The Honorable

The Secretary of State,
Washington, D. C.

Sir:

- I have the honor to forward, as of possible
- 1/ interest, a copy in translation of a letter addressed to me under date July 4, written in Chinese presumably by a Japanese, threatening drastic measures against Americans unless the latter cease anti-Japanese propaganda; a copy in translation of an undated
 - 2/ letter of the same tenor addressed by the same person to the Methodist Mission at Peiping; a copy
 - 3/ of my note of July 10 to the Japanese Embassy with which I enclosed copies in translation of the two
 - 4/ above-mentioned letters; and a copy of the reply of

July

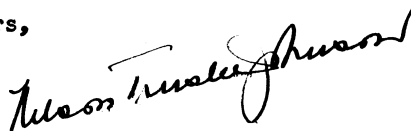
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SEP 6 - 1935

793.94/7247

- 2 -

July 10 of the Japanese Embassy in which it was stated that the Japanese Consular Police, after investigation, had been unable to find the writer of the letters in question and that it was thought that the writer was some irresponsible person who, under a false name, had attempted to estrange Sino-Japanese relations.

Respectfully yours,



Nelson Trusler Johnson.

✓
Enclosures:

- 1/ Copy of translation of letter dated July 4, 1935, to the Minister, signed Satsumi Tadao.
- 2/ Copy of translation of undated letter to the Methodist Mission, signed Satsumi Tadao.
- 3/ Copy of Legation's letter to Japanese Embassy, July 10, 1935.
- 4/ Copy of letter from Japanese Embassy to the Legation, July 10, 1935.

000

LES/rd

Original and 1 copy to the Department.

1
3711

Translation of a letter addressed by Sa Mei
Chung Hsiung (Sataubi Makotoe ?) to the Honorable
Nelson T. Johnson, American Minister, Peiping.

(Trans. GHT)

(Dated: July 4, 1935.)

(Checked: PWM)

(Recd.: July 8, 1935.)

WARNING.

Sir:

I have at this time come to North China under secret orders and on an unusually important mission. I have conducted an investigation at Peiping over a long period of time. I have found that in Peiping and Tientsin American missions engaging in propaganda for ulterior purposes, secret organizations of private individuals unfavorable to the Empire, officers of business houses, and male and female Americans residing at Peiping and Tientsin are all in collusion with old and young Chinese and are ~~actively~~ engaged in anti-Japanese propaganda.

Our Great Empire is now enforcing its Continental Policy thoroughly and is exercising the rights to which the Head of the League of Eastern Asia is entitled. However, your country at Peiping and Tientsin has actually instigated China to oppose Japan. This really does great harm to the Empire. The diplomatic mission of the Great Empire at Peiping, considering that it is not worthwhile to favor with a notice, wishes that American residents will promptly ~~action~~ of their own accord, in order that

them

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

-2-

they may not suffer from an untoward incident. It is therefore inconvenient for it (the diplomatic mission) to give you a notice.

Although my visit to Peiping has not attracted the attention of the public, in consideration of the interests of the Great Empire I am especially taking measures in my private capacity to issue a preliminary warning. It is hoped that upon receipt of this warning you will promptly cause American missionaries and residents engaged in propaganda work at Peiping to discontinue the instigation of the anti-Japanese movement of China and will effectively prohibit activities for the propagation of religion, in order to strengthen friendly relations between our two countries. If this warning is not complied with, at the time the Great Empire takes drastic measures at Peiping and Tientsin the volunteer residents of our Great Empire at Peiping and Tientsin are the vanguards who are especially prepared to take drastic measures against American nationals. It is hoped that you will pay particular attention to this. This warning.

Warned by

Sa Mei Chung Hsiung
(~~Generalissimo~~),
Envoy of the Great Empire
of Japan.

CHT-PWM:T

(A true copy: *CHS*)

Translator's Note--The envelope shows the mailing address as East Chickama Station. The postal mark shows the date of mailing as July 8, 1935.

2
3711

Translation of a letter addressed by Sa Mei
Chung Haiung (Satsubi-Hakotoe ?) to the Office
of the Methodist Mission, Hsiao Shan Hut'ung,
South of Tungsan P'ailou, Peiping.

(Trans. CHT)

(Dated: undated.)

(Checked: PFM)

WARNING.

Sirs:

Hereafter your Mission will not be permitted to
take in Chinese members at Peiping and Tientsin nor
will it be permitted to engage in propaganda for the
anti-Japanese movement. Should there be any propaganda
unfavorable to our Great Empire or any secret anti-
Japanese organizations, drastic measures will certainly
be taken. At that time you should not say that we
have not given you advance notice. This special warning.

Warned by

Sa Mei Chung Haiung
(Satsubi-Hakotoe ?),
Every subject of the
Great Empire of Japan.)

To the
Office of the Methodist Mission,
Hsiao Shan Hut'ung,
South of Tungsan P'ailou,
Peiping.

Translator's note--The envelope shows the signature
as Sa Mei Chung Haiung and the mailing address
as East Station, Peiping. The postmark shows
the date of mailing as July 8, 1938.

CHT-PFM:T

(A true copy: *CHT*)

(C O P Y)

3
3711

Peiping, July 10, 1935.

Sir and dear Colleague:

1/ I have the honor to forward a copy in translation of a letter dated July 4, written in Chinese and signed apparently by a Japanese, in which is contained a threat of "drastic measures" against American residents of this area alleged to be engaged in propaganda against Japan. I also enclose a copy
2/ in translation of an undated letter addressed by the same person to the Methodist Mission in which a similar threat is made.

I am informing you of this matter as I am confident that the Japanese authorities will desire to apprehend this person, if his whereabouts can be discovered, and to deal with him appropriately.

I

Kaname Wakasugi, Esquire,
Counsellor of Embassy,
Japanese Embassy,
Peiping.

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

- 2 -

I avail myself of this opportunity to extend
to you, Sir and dear Colleague, the renewed assurance
of my high consideration.

(Signed) Nelson Trusler Johnson.

Enclosure:
Two translations,
as stated.

LFS-SC

(Copied by RD)

(C O P Y)

JAPANESE EMBASSY,
PEPING

43711

July 19th, 1935.

Monsieur le Ministre,

I have the honour to acknowledge the receipt of
Your Excellency's letter dated July 10th, on the
subject of the threatening letters addressed to
Your Excellency and the Methodist Mission in Peiping
by a certain Satsumi Tadao.

In reply, I beg to state that I have caused the
Japanese Consular Police to conduct thorough enquiries
about the alleged person. The result of their inves-
tigation is that no Japanese of any identification with
the person could be found among the Japanese residents
here as well as among the Japanese travellers who are
staying in the inns and hotels in Peiping at present.

Further, the alleged man's original correspondence,
which is written in Chinese, has most carefully been
examined by the experts of this Embassy and the Police,
and judging from its style and calligraphy and from the
fact that no such strange name as Satsumi (薩美)
has ever been heard as a Japanese name, we are led to
believe . . .

His Excellency

Mr. Nelson Trusler Johnson,

Minister for the United States of America,

P e p i n g .

- 2 -

believe that the person calls himself Satsumi Tadao is not a Japanese.

In the opinion of the Police, it is assumed that this is a conduct of some irresponsible person, who, under a false name, has attempted to estrange the good relations of the Japanese and Americans.

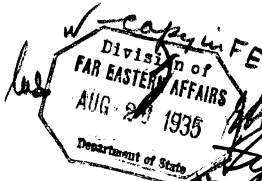
I am returning to you herewith the original Chinese letter, which your Legation was good enough to lend us.

I avail myself of this opportunity to renew to Your Excellency, Monsieur le Ministre, the assurance of my highest consideration.

(Signed) K. Wakasugi
Counsellor of Embassy

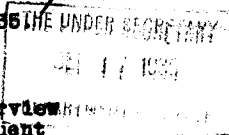
(Copied by RD)

No. 10,220



AMERICAN CONSULAR SERVICE

American Consulate General,
 Shanghai, China, July 29, 1935



Subject: Sino-Japanese Relations: Interview
 with Takano Murobushi: Subsequent
 Apology of SHANGHAI MAINICHI.

RECEIVED
 DEPARTMENT OF STATE
 1/ SEP 14 1935

THE HONORABLE

SEP 14 1935
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THE SECRETARY OF STATE
 WASHINGTON.

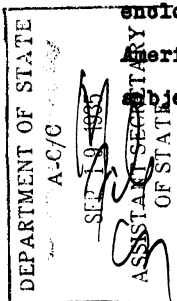
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COPIES SENT TO
 O.N.I. AND M.I.D.

I have the honor to enclose a copy of a self-
 explanatory despatch No. 8777 of this date, with
 enclosures, from this Consulate General to the
 American Legation at Peiping, in regard to the
 subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
 Edwin S. Cunningham,
 American Consul General.



Enclosure:

1/- Copy of Shanghai Consulate
 General despatch No. 8777
 with enclosures.

800
 MED MB

In Quintuplicate.

SEP 21 1935
 L. E. D.

793.94/7248

DECLASSIFIED: E.O. 11652, 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. 10720 -
8777

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 29, 1935.

Subject: Sino-Japanese Relations: Interview
with Takano Murobushi: Subsequent
Apology of SHANGHAI MAINICHI.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

I have the honor to report that a sensation was caused in local Japanese circles by the publication in the SHANGHAI MAINICHI (Japanese daily) of July 26, 1935, of an interview with Mr. Takano Murobushi, who was forthright in his criticism of Japanese policy. He stated that it was quite wrong for Japan to apply pressure on China over trifling matters such as the New Life Weekly case, that anti-Japanese feeling in China was not surprising to him in view of what Japan did in Manchuria and Shanghai, that a final adjustment of friendly relations would not be possible unless Japan should recall her military forces from China and reduce the Kwantung Army to one tenth of its present size, and that dealings with the Chinese Government should be through representatives of the Foreign Office only.

Considerable

-2-

Considerable prominence has been given this interview in two of the English language dailies published in China. According to an article in THE CHINA PRESS (American registered, Chinese owned) of Sunday, July 28, 1935, the SHANGHAI MAINICHI stated editorially on the day following the publication of the interview in question that the views of Mr. Murobushi are an insult to the Japanese army and navy, that they are detrimental to the constructive program being carried out by the Japanese, and that since they may have an unfavorable effect on international relations it offers an apology for having carelessly published the remarks in question.

- 1/ Clippings from THE NORTH CHINA DAILY NEWS (British) of
- 2/ July 27 and THE CHINA PRESS of the twenty-eighth are enclosed.

- 3/ A brief editorial in this morning's NORTH CHINA DAILY NEWS states that there is nothing startling in this failure to maintain unity of opinion, that it would be a mistake to attach dramatic significance to such happenings, and that there can be little doubt of the essential solidarity of the Japanese nation on fundamental issues. A longer article appeared in the
- 4/ editorial section of the CHINA PRESS on Sunday under the heading "Provocative Views", in which it was stated that the reaction of local Japanese to the published interview had been so unfavorable that it has been necessary to provide Mr. Murobushi with a police escort when he sailed for Japan; and that the views expressed

by

-3-

by him are not new but are significant only because of their Japanese source.

According to the press Mr. Takano Murobushi is a special writer for the YOMIURI (Tokyo daily) and other Japanese publications. He was described in the SHANGHAI MAINICHI of July twenty-sixth as "a noted Japanese authority on social affairs." It appears that he left Tokyo on the eighth of July, visited many points in North and Central China, and spent several days in Shanghai before sailing for Kobe on Saturday the twenty-eighth. Mr. Itaro Ishii, Japanese Consul General at Shanghai, states that Mr. Murobushi is fairly well known in Japan as a writer of rather radical views. His outspoken criticism of the Japanese Government in general and the military in particular injected a new note in the hushed and restrained atmosphere that has obtained locally since the Japanese military has demonstrated its ability to arouse the local Japanese community and its readiness to insist on the presentations of demands upon the slightest excuse.

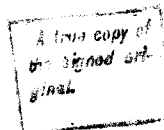
Respectfully yours,

✓
Edwin S. Cunningham,
American Consul General.

Enclosures:

- 1/- Clipping from THE NORTH CHINA DAILY NEWS of July 27, 1935.
- 2/- Clipping from THE CHINA PRESS of July 28, 1935.
- 3/- Editorial from THE NORTH CHINA DAILY NEWS of July 29, 1935.
- 4/- Editorial from THE CHINA PRESS of July 28, 1935.

800
MBU MB *ll*
In triplicate to Department
by despatch No. *11,220* of even date.
Copy to Embassy, Tokyo.



Enclosure No. 1 to despatch No. 8227 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 29,
1935, on the subject: "Sino-Japanese Relations: Interview
with Takano Murobushi: Subsequent Apology of SHANGHAI
MAINICHI."

SOURCE: THE NORTH CHINA DAILY NEWS
(British), July 27, 1935.

JAPAN'S CHINA POLICY VIEWED BY A JAPANESE

Suggests All Service Off-
icers be Withdrawn

AND MOST OF ARMY

The Only Way to Achieve
Friendly Relations

SPECIAL TO THE "N.C.D.N."

—Stating as his conviction that it would be necessary, if friendly Sino-Japanese relations are to be achieved, to recall to Japan all Japanese military and naval officers now present in China, and to reduce the Kwantung Army to one-tenth of its present strength, Mr. Takano Murobushi, a noted Japanese critic of social affairs, soundly criticized the present Japanese policy in China in an interview given to a representative of the "Shanghai Mainichi," a local Japanese daily, as published yesterday. Mr. Murobushi left Tokyo on July 8 and has been travelling through China for slightly over a fortnight. His tour took him through North China, where he met the majority of military, naval, and civilian Japanese leaders. Arriving in Shanghai on July 23, he left yesterday for Japan in the ss. Naga-saki Maru.

Interviewed at the Towa Yoko, a local Japanese hotel much frequented by the resident military and naval officers, Mr. Murobushi outlined his opinions as a result of his tour.

Trifling Matters

In connection with the recent "New Life Weekly" case, in which the publisher of the Chinese magazine was sentenced to fourteen months' imprisonment for producing an article which the Japanese alleged to be insulting to the Emperor of Japan, Mr. Murobushi remarked that such articles as these appeared not only in China, but in most other countries from time to time. It had been taken notice of in China purely because China is, in a military sense, weak. It was an absolutely wrong policy to apply pressure on a government over trifling matters, he said.

Concerning the anti-Japanese movement in China, the critic stated that he was not surprised by it. Considering the Manchurian and the Shanghai disputes were started entirely by the Japanese, it was not to be wondered at that an anti-Japanese movement should follow, and, furthermore, it would appear almost impossible to stop any such movement after such actions.

Manchoukuo was said to be a peaceful and independent state. If such were the case, Mr. Murobushi asked, why was it necessary for the Japanese to maintain such big forces there? For anti-bandit drives and for other purposes? Surely, if Manchoukuo were independent, these matters should be dealt with by the independent state itself.

Dual Policy Criticized

With regard to diplomatic matters and recent history in this regard, Mr. Murobushi roundly criticized the dual policy. If the military, he

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

Manchoukuo was said to be a peaceful and independent state. In such were the case, Mr. Murobushi asked, why was it necessary for the Japanese to maintain such big forces there? For anti-bandit drives and for other purposes? Surely, if Manchoukuo were independent, these matters should be dealt with by the independent state itself.

Dual Policy Criticized

With regard to diplomatic matters and recent history in this regard, Mr. Murobushi roundly criticized the dual policy. If the military, he said, wished to continue their present policy, they should come out into the open, and not continue to be secretive about their aims. Moreover, direct negotiations with, and demands made of the Nanking Government, or the Central Kuomintang, should not be made of the Nanking Government, or the Central Kuomintang, should not be made by other than the representatives of the Japanese Foreign Office. For others to negotiate or demand directly was a fundamental mistake in Japan's present China policy.

It was at this point that Mr. Murobushi stated it as his opinion that a final adjustment of friendly Sino-Japanese relations would not be possible unless all Japanese military and naval officers in China are recalled to Japan, and the Kwantung Army reduced to the level of its present strength. He said further that, though the Army denied the Manchuria and Shanghai troubles were war, and gave as their excuse that it would be necessary for the Japanese Diet to give its sanction in the event of war, were not the troubles war in actual fact?

"Blue Shirts" Report Doubted

The question of the so-called "Blue-Shirt Group," supposedly a Chinese secret society, on fascist and anti-Japanese lines, was practically dismissed by the critic, who stated that he had been reliably told no such group existed. The newspaper representative interviewing him stated that the report of its existence was certainly issued. "Then," came the retort, "the Japanese military have probably issued this report!"

Mr. Murobushi's remarks have caused a furore in Japanese circles, it was learned yesterday, not only the military and naval authorities, but the civilian population being, for the most part, incensed by his outspokenness. He sailed for Japan yesterday, in the ss. Nagasaki Maru, and it is believed he has been provided with a police escort for his journey, as it is feared attempts may be made on his life by fanatical patriots.

(UNCLASSIFIED) DATE 04-14-2004
 BY 60321 CND/ST

[illegible]

Enclosure No. 2 to despatch 8.8222 of Edwin S. Cunningham,
American Consul General at Shen Hai, China, dated July 29,
1935, on the subject: "Sino-Japanese Relations: Interview
with Takano Murobushi: Subsequent Apology of SHANGHAI
MAINICHI."

SOURCE: THE CHINA PRESS
(American registered,
Chinese owned), July
29, 1935.

Japan Policy Critic Causes Local Upset

(Continued from Page 9, Col. 1.)

Murobushi Remarks Stir Up Sensation In Nipponese Circles Here; Mainichi Strikes Back

Views Declared To Be Insulting To Military

The publication Friday by the Shanghai Mainichi, local Japanese daily, of the remarks of Mr. Takano Murobushi, Japanese journalist in which Japan's policy in China is severely taken to task, has caused a veritable sensation in local Japanese circles, according to yesterday's issue of the Shanghai Mainichi.

In an editorial in yesterday's morning issue, the Mainichi states that the critic's remarks may give birth to a series unfavorable consequences and may have a bad effect upon the international situation.

As a result, the Mainichi offers an apology for having carelessly published the remarks, stating that they injure the prestige of the Imperial Army and Navy.

Views Declared Insulting

The editorial states that Mr. Murobushi's views constitute an insult to the Japanese military and naval authorities "and must be recognized as the activities of a reactionary traitor, who meets halfway the requirements of the Chinese and hurts the interests of the Japanese."

"Complete ignorance of the geographical and historical relations of Japan, Manchuria, and China has been revealed by the Japanese critic when he criticized the policy of Japanese military circles in connection with the Mukden and Shanghai incidents," the paper continues. "To say that these incidents were regarded by the Japanese military as real wars and aggressions is an intolerable insult to the dignity of the Japanese Imperial force... Mr. Murobushi has issued treacherous remarks which are detrimental to the cause of peace and prosperity in the Orient and the great construction in Asia, as is being carried out by the Japanese government and people," the editorial concludes.

Mr. Murobushi is special writer for the Yomiuri, Tokyo daily, and other Japanese publications.

Mr. Murobushi's remarks as published in the Mainichi constitute a criticism of Japan's policy in China, especially in the light of the recent North China events. Genuine Sino-Japanese friendship, he critic remarked, could be achieved only after Japan recalled all her military and naval officers stationed in China and furthermore, reduced the strength of the Kwantung Army to one-tenth its present size.

In view of the fact that Japan was entirely responsible for the hostilities at Mukden and at Shanghai, the critic continued, it is no wonder that anti-Japanese feelings have been aroused in China and that they continue to

with China through the military and through the Gaimusho was also attacked by the critic. Only the Foreign Office should make any demands or negotiations with China, he said. For the military to negotiate is a fundamental mistake in Japan's present policy toward China. The military, he observed, should discontinue their present policy of semi-secrecy and come out into the open with their aims and objects.

Turning to "Manchukuo," the critic paraphrased the repeated contentions by the Japanese that it is an independent state. If that were true in fact, why is it necessary for the Japanese to maintain such a large force there, Mr. Murobushi remarked. True, it is said that these forces are used for anti-bandit drives, but if "Manchukuo" were really independent, she would deal with these matters herself, he stated in answering his own question.

The alleged existence of a secret fascist organization in China was pointedly questioned by Mr. Murobushi, who said that he was convinced that such a society did not exist. When told that a report to the contrary has often been issued, he replied: "Then the Japanese military must have issued it."

The interview was given at the Towa Yoko Hotel, which is a popular rendezvous of local Japanese military officers. The foregoing extract is taken from the Shanghai Mainichi of July 26.

Mr. Murobushi left Tokyo on July 8. He made a hurried but extensive tour of North and Central China and arrived here a few days ago. He sailed for Kobe Saturday and it is said that a police guard accompanied him for protection against any attempts made by patriotic Japanese citizens.

DECLASSIFIED: E.O. 11652, 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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In view of the fact that Japan was entirely responsible for the hostilities at Mukden and at Shanghai, the critic continued, it is no wonder that anti-Japanese feelings have been aroused in China and that they continue to exist. Furthermore, in view of recent developments, it is quite logical that such sentiments should continue and under the circumstances it will be difficult, if not impossible, for them to subside, Mr. Murobushi observed.⁴

"Turning to the recent 'New Late Weekly' case in which the Japanese strongly objected to an article allegedly derogatory to ^{Emperor} Japanese Emperor, the critic was outspoken in his condemnation of the Japanese method in dealing with it. Similar articles about the Japanese Emperor have appeared from time to time in China and in various nations throughout the world and Japan took no action, the critic declared. Why, he asked, was it necessary to take such pressing action in this isolated case? Mr. Murobushi suggested that the action was taken because China is weak in a military sense, a policy which is absolutely wrong. Such affairs, he commented in winding up his remarks on the incident, are mere trifles and to make big issues of them is a mistake.

Japan's dual policy in dealing
(Continued on Page 14, Col. 3.)

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

Enclosure No. 3 to despatch No. 8227 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 29,
1935, on the subject: "Sino-Japanese Relations: Interview
with Takano Murobushi: Subsequent Apology of SHANGHAI
MAINICHI."

SOURCE: THE NORTH CHINA DAILY NEWS
(British), July 29, 1935.

Editorial.

MUROBUSHI'S INTERVIEW

The "Shanghai Mainichi" has promptly expressed its disapproval of the sentiments to which it gave prominence in the interview with Mr. Takano Murobushi. Mr. Murobushi is now on his way back to Japan, but the newspaper which gave temporary hospitality to his opinions has decided emphatically to disown them, with appropriate apologies. That is not surprising for the views thus suddenly imparted to the Japanese community here were certainly not in accord with the doctrine usually given for their guidance and adopted by them for defining their general attitude to Chinese politics. There is, of course, nothing specially startling in this evidence of a discordant note in an otherwise unanimous national outlook. No-one imagines that Japan, any more than other countries, can maintain unbroken unity on all topics affecting national policy. The other day rumblings in the War Office at Tokyo indicated that divergence of views could affect the relations of high military officers. Mr. K. Takahashi has just felt impelled to pass unpalatable strictures on certain financial proposals. Yet it would be a mistake to attach dramatic significance to these casual portents. They merely should be looked upon as the normal operation of healthy national enthusiasm in addressing itself to the solution of problems with which Japan, like other countries, is confronted in these days of severe economic and political upheaval. Of the essential solidarity of the Japanese nation on fundamental issues there still can be little doubt.

Enclosure No. 4 to despatch No. 8227 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated July 29,
1938, on the subject: "Sino-Japanese Relations: Interview
with Takano Murobashi: Subsequent Apology of SHANGHAI
MAENICHI."

SOURCE: THE CHINA PRESS (American incorporated, Chinese owned), July 28, 1935.

Editorial.

PROVOCATIVE VIEWS

DEE prominence has been given by a local British contemporary to an interview, published on July 26, in the "Shanghai Maimchin" which its representative has obtained from Mr. Takano Murobushi, described as a notable Japanese critic of social affairs. The reaction of the Japanese military and the local Japanese residents to his views, as reported in The China Press today is so unfavorable that when he sailed for Japan on the S. S. Nagasaki Maru, he is said to have been provided with a police escort for his journey. As was feared, attempts may be made on his life by fanatical patriots.

The views entertained by Mr. Murabushi are by no means new. They are significant only because expressed by a notable Japanese.

On the alleged anti-American boycott Mr. Murphy said that the Americans are highly discriminating. Though the movement is no longer so militant as the result of rigid government control, he still has opinion that "considering the Manchurian and Shanghai disputes were started entirely by the Japanese, was not to be wondered at that they have organized a movement against Japan, and that it may be necessary to take some steps to prevent such movements." With such views it is not surprising that Mr. Murphy should have been so much influenced by the Japanese propaganda.

"Nor even in the so-called 'New York' case does Mr. Murof blame President Frank for having said he had no interest."

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

Department of State letter, August 10, 1972

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

of China, purely to please China, is a military move, weak, and that "it was an absolutely wrong policy to apply pressure on a government over a flimsy mat-

The most important phase of the interview is, of course, Mr. Kurokoshi's outlook on the improvement of Sino-Japanese relations—an improvement which the Japanese are only too willing to see realized at an opportune moment. Although he fails to propose a positive formula for an early rapprochement, he is candid enough to warn that "a final settlement of friendly Sino-Japanese relations would not be possible unless all Japanese military and naval officers in China are recalled to Japan and the Kwantung army reduced to one-tenth of its present strength."

Whether or not his advice will find a ready ear at home is beyond the realm of conjecture. It should be, in any event, provocative of intelligent reflection.

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The following is a list of the names of the persons who have been appointed to the various positions in the various departments of the Government of the United States, for the year ending June 30, 1898.

SECRET

DATA 50-1222

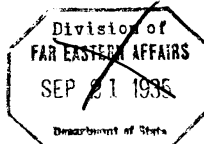
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 10,721



AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 31, 1935.

Subject: Sino-Japanese Relations: Inter-
view with Takana Murobushi
Suspension of SHANGHAI MAINICHI.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Sir:

I have the honor to enclose a copy of a self-explanatory despatch No. 8780 of this date, with enclosure, from this Consulate General to the American Legation at Peiping in regard to the subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

✓
Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 8784
with enclosure.

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

No. 8788

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, July 31, 1935.

Subject: Sino-Japanese Relations: Inter-
view with Takana Murobushi:
Suspension of SHANGHAI MAINICHI.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

I have the honor to refer to my despatch No. 8777 of July 29, 1935, regarding the publication in the SHANGHAI MAINICHI (Japanese daily) of July 26, 1935, of an interview with Mr. Takana Murobushi, in which the policy of Japan toward China was criticized vigorously, and to report that the journal in question has been ordered by Mr. Itaro Ishii, Japanese Consul General at Shanghai, to suspend publication for three days, from July 31 to August 2 inclusive. There is 1/ enclosed a clipping from THE CHINA PRESS (American registered, Chinese owned) of today's date on this subject.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

Enclosure:

DECLASSIFIED: E.O. 11652, 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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Enclosure:

1/- Clipping from THE CHINA PRESS
of July 31, 1935.

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In Quintuplicate to Department
by despatch No. 10,221 of even date.

Copy to Embassy, Tokyo.

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Enclosure No. 1 to despatch No. 8780 of Edwin S. Cunningham, American Consul General at Shanghai, China, dated July 31, 1935, on the subject: "Sino-Japanese Relations: Interview with Takano Murobushi: Suspension of SHANGHAI MAINICHI."

SOURCE: THE CHINA PRESS (American registered, Chinese owned) July 31, 1935.

Nippon Daily Suspended By Consul Ishii

Shanghai Mainichi Disciplined For Publishing
Murobushi Interview

Sino-Japanese Relations,
Army Prestige Said Hurt

For the publication last Friday of an interview with Mr. Takano Murobushi, Japanese, critic and newspaperman, in which the journalist vigorously assailed Japan's policy toward China, Mr. Itaro Ishii, Japanese consul-general, has ordered a three-day suspension of the publication of the Shanghai Mainichi, effective with this morning's issue, as a disciplinary measure on the grounds that the Mainichi's action in airing the critic's views is not conducive to friendly Sino-Japanese relations.

Mr. Ishii's action came as a surprise to the newspaper and to the local Japanese community in view of the repeated apologies made by the Mainichi in regard to the article. On Saturday, the day after the publication of the interview, the Mainichi printed an editorial stating that they by no means shared the views of Mr. Murobushi, branded him a reactionary traitor, and in addition, in view of the fact that the publication of the interview might injure the prestige of the Imperial Army and Navy, made a profuse apology.

Paper Apologizes

Following Saturday's apology, the Mainichi published another denunciation of Mr. Murobushi's views coupled with an apology, stating that the interview was misquoted, that the interview was published carelessly and that the paper had no motive in publishing it other than the desire to print news. Yesterday the Mainichi announced that the article had appeared in the Japanese Consulate General and had been ordered to suspend publication for three days. On August 3 the paper will resume with a summary of the news of the three preceding days published as a pamphlet.

This is the second time that the Shanghai Mainichi has been banned. In 1929 when the Great Zeppelin was in Japan on its round-the-world flight, the Mainichi criticized the enthusiasm of the Japanese populace in welcoming the ship, offering that the trip might have a military basis. At that time the Mainichi was ordered to suspend publication for a week.

The Mainichi's offices are located at 1 Thorne Road and the paper is edited by Mr. Sakugi Fukumachi. While it is the largest Japanese newspaper in the city, Japanese residents in the next three days will read their news in the Shanghai Nichi Nichi and Shanghai Nippo Sha.

Murobushi, Noted Writer
Mr. Murobushi, who writes for

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Department of State letter, August 10, 1972
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Murobushi Noted Writer

Mr. Murobushi, who writes for the Tokyo Yomiuri Shimbun, a large influential daily, said in his interview that Japan was to blame for the Mukden and Shanghai incidents, that Japan had caused the Anti-Japanese movement in China by her activity here, that Sino-Japanese friendship could be achieved only if Japan withdrew her army and naval officers in China and reduced the size of the Kwantung Army by 90 per cent, that "Manchukuo" was not an independent state, that the Japanese authorities had without reason applied extreme pressure in the "New Life Weekly" incident, that Japan's "dual policy" in dealing with China was a mistake, and that the Japanese Army had circulated the report that there existed in China a secret fascist organization when such an organization does not exist in fact.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 7, 1935.

~~MEM:~~
~~SFF:~~

Shanghai's despatch No. 10223 of July 31, 1935, discusses the increased assertion of Japanese interest at Shanghai and points out as a recent example a motorcycle accident which occurred in the International Settlement on July 8, 1935.

It appears that a motorcycle and side car belonging to the Japanese Naval Landing Force struck and injured slightly a Chinese girl. The usual crowd gathered, prevented the departure of the motorcycle and slightly injured the driver of the machine. Although the incident occurred in the Settlement, the Japanese protested to the Mayor of Greater Shanghai demanding the conviction of the leaders of the crowd, et cetera. The leaders were convicted and as a matter of courtesy the International Settlement allowed to be posted a proclamation which the Mayor had issued to the effect that the "Administrative Yuan" ordered all Chinese to be well disposed toward foreigners and to do or say nothing to disparage the foreigners or to engender ill feelings.

The despatch then points out various incidents which have occurred which show

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

an increasing assertion of Japanese interest at Shanghai. In this connection it will be recalled that the Legation submitted a similar despatch under date July 15, 1935.

The following statements of Mr. Cunningham may be of interest:

"The Japanese civil and military authorities are taking such an increased and special interest in every possible incident in this city that I am forced to conclude that they have a very definite policy in regard to the administration. They consider that they have a special interest in the city of Shanghai and contiguous country from Shanghai to Woosung on the Whangpoo River."

"The Japanese, both civil and military, consider that they have a special interest equal, at least, to British interests. Whenever a demand is made it is usually acceded to by the International Settlement."

"The military (Japanese) are ruthless; they are without any consideration for the rights of others, either

Chinese

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 3 -

Chinese or foreign; However,
on general policy I do not agree with
those who assert that the (Japanese)
military is out of hand."

EW
EW:EJL

NO. 10223

AMERICAN CONSULATE GENERAL,
Shanghai, China, July 31, 1935.

CONFIDENTIAL

SUBJECT: Motorcycle Accident, Property of the Imperial
Japanese Navy: Point Road, July 8, 1935:
Japanese Demanding Special Rights.

THE HONORABLE

THE SECRETARY OF STATE,

RECEIVED
DEPARTMENT OF STATE
SEP 1 1935

1935 AUG 24

WASHINGTON

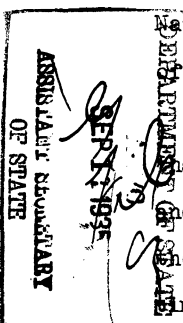
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O.N.I. AND M.I.D.

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I have the honor to report an incident which happened in the International Settlement on Point Road on July 8, 1935, when a motorcycle with side-car attached, the property of the Japanese Naval Landing Force, slightly injured a Chinese girl, and, as a result of the antagonism of the crowd which quickly assembled, the driver of the motorcycle was injured and the machine damaged. The driver and passenger, a sub-lieutenant, were members of the Japanese Naval Landing Force, and the motorcycle was the property of the same force.

This case in itself is of minor importance except that it has been emphasized by the Japanese authorities and a protest filed with the Chinese. It also illustrates the attitude of the Japanese of this section at the present time. This report is transmitted to the Department and the Legation as an instance small in itself but very definitely emphasizing that the Japanese have a policy which

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FILED

SEP 14 1935

F/FG.

-2-

is being carried out in Shanghai in all three of the municipalities.

The accident occurred about 5:30 p.m. on Point Road in the International Settlement. There are many factories located in that district and the streets at that time were crowded. A Chinese woman, who is employed at a local factory, was returning home carrying one of her infant children, leading a second, and followed by two other daughters. The street at that point was under repair, and only half of the street was being used for traffic. The motorcycle, which was going in the same direction as the woman and her four children, struck one of the children, a girl of five, as it passed the group and slightly injured it. The motorcycle stopped and a crowd quickly assembled. When the driver attempted to start the motorcycle again he was intercepted by Chinese, as would be natural, claiming that he must be detained until the police arrived. As the street was under repair there was an abundance of material at hand to serve as missiles. There does not seem to have been any great number used, but sufficient were used to injure the head of the Japanese driver and cause several bruises on his back. The head injury was the most serious, and it was necessary to have six stitches taken. Two of the crowd were identified and arrested by the Shanghai Municipal Police, and on the eleventh, three days later, they were convicted and sentenced to three months imprisonment. The crowd was not unruly after the arrival of the police, and they did not show any intention of further action.

As

-3-

As a result of this accident, and it cannot be determined as intentional on the part of the Japanese, and the assault by an unorganized mob, the Japanese authorities protested to the Mayor of Greater Shanghai, although the accident had occurred in the International Settlement, and made certain demands. The conviction of the leaders was one of the demands and was effected three days later. Guarantees as to the future must necessarily be nominal, and, so far as is known, no definite guarantees have been given. A proclamation has been issued by the Mayor, a translation of which is enclosed. There is also enclosed a copy of a letter bearing date of July 15, 1935, from the Chief of the Bureau of Public Safety of Greater Shanghai to the Police Department of the Shanghai Municipal Council. This letter was written after the conviction of the mob leaders, but this fact was probably not known to the writer. It is believed that the letter was written as a result of the demands made by some of the subordinates of the Japanese Landing Party, although it is possible, but not likely, that it was the result of Mayor Wu Te-chen's proclamation dated July 13, 1935. This latter notification was posted generally throughout the municipality of Greater Shanghai, and the Mayor of Greater Shanghai forwarded one hundred copies of the notification to the Chairman of the Shanghai Municipal Council and the same number to the French Consul General with a request that they be posted within the respective Settlements. A copy of the memorandum of conversation dated July 26, 1935, between the

Secretary-

-4-

4/ Secretary-General of the Shanghai Municipal Council and myself is enclosed as of possible interest. The Chairman of the Municipal Council posted the circulars on July 27, 1935, in all the districts of the International Settlement as a special act of courtesy. That it was regarded by all concerned, including the press, as a special act of courtesy was indicated by an editorial appearing in the NORTH CHINA DAILY NEWS (British Daily) of July 29, 1935, headed, "An Act of Courtesy", a copy of which is enclosed.

The Japanese civil and military authorities are taking such an increased and special interest in every possible incident in this city that I am forced to conclude that they have a very definite policy in regard to the administration. They consider that they have a special interest in the city of Shanghai and contiguous country from Shanghai to Woosung on the Whangpoo River.

The Japanese Consul General has, during the last three years, shown an increasing and definite interest in the administration of this area. The Mayor of Greater Shanghai has stated that without the Japanese being satisfied, it would be impossible to reach an agreement with the Shanghai Municipal Council in regard to the extra-
892.1025/1362
Settlement Roads (See despatch No. 8724 dated June 29, 1935, to the Legation, Copy to Department). In the International Settlement the Japanese made demands at the ratepayers' meeting in regard to the interpretation of the franchise agreement of the International Settlement and secured the appointment of special representatives to study the Telephone Company (See despatch No. 10,167⁵/1362
dated

-5-

dated June 29, 1935, to the Department). The time is not far distant when the Japanese residents will secure an increased number of representatives on the Shanghai Municipal Council, and it then will no longer be a predominantly British administered Settlement but rather a Japanese administered Settlement. The Japanese, both civil and military, consider that they have a special interest equal, at least, to British interests. Whenever a demand is made it is usually acceded to by the International Settlement.

The emphasizing of the special interest of the Japanese in the International Settlement will come about in a legal and orderly manner, but the military are liable to be ruthless as was indicated by the demand of the Commander of the Japanese Landing Force that all permits for the passage of Chinese troops through that part of the Settlement east of Soochow Creek should be approved by him in an emergency and without reference to the Shanghai Municipal Council. Many other instances have occurred: The remark is reported to have been made, and is given credence, that the Japanese would be glad to develop the new Civic Center and increase the number of residents in that vicinity if the Chinese would give them permission. In other words, it was but another indication that the Japanese would appreciate the privilege of residing in the vicinity of the Chinese administration building. Another rumor which is given credence is that the Japanese have stated that any improvements made by the Municipality of Greater Shanghai must be done in accordance with the

Japanese

-6-

Japanese ideas of development of wharves and transportation facilities.

The readiness with which Mayor Wu Te-chen and his subordinates respond to the demands of the Japanese, and their earnestness to anticipate the requests of the Japanese has been so noticeable during recent months that it is evident that the Chinese fully realise the seriousness of the Japanese intentions to assert at some early date their special interest in Shanghai and its vicinity. At one time there were people who believed that Japan intended to have a Japanese concession either in Chapei or territory adjacent thereto. It would now appear that Japan has the definite intention of exercising her special interest North of Soochow Creek in the International Settlement and extend it to Woosung, particularly on the east side of this district bordering the Whangpoo River.

The Mayor and the Municipality of Greater Shanghai have been recently exceedingly interested in the suppression of communism, as may be seen by despatch No. 10,215, dated July 24, 1935, to the Department in regard to the raid that was made in the International Settlement on communistic centers at the instance of the Mayor of Greater Shanghai. Many consider that the Japanese would take advantage of an incident of any kind, as they did on the night of February 28, 1932, to assert their special interest. It is not necessary that the incident should be directed against the Japanese in order for them to take advantage of it. It is not necessary that the incident should

-7-

should be well-founded as it might be only a communistic demonstration of little importance which would cause them to extend their special interests. It is believed that all of this is fully realised by the Mayor, and he is consequently exceedingly anxious to maintain law and order within his area and also be especially interested in the International Settlement and the French Concession.

It is sometimes stated that the Japanese Naval Landing Force acts without the knowledge of the civilian authorities: This is undoubtedly true on minor issues. The military are ruthless; they are without any consideration for the rights of others, either Chinese or foreign; they have no knowledge of Chinese or any other language and quickly assert this if their conduct is brought to attention by an injured person. However, on general policy I do not agree with those who assert that the military is out of hand. I consider that the civilian and military authorities, as far as their policy concerning China goes, are as sympathetic as is a great surgeon who is about to perform an operation with the assistance of his anaesthetist.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosures:

- 1/- Copy of translation of notification No. 253 issued by the Shanghai City Government.
- 2/- Copy of letter dated July 15, 1935, addressed to the Police Department of the Shanghai Municipal Council.
- 3/- Memorandum of Conversation dated July 26, 1935
- 4/- Editorial from the NORTH CHINA DAILY NEWS of July 29, 1935.

800
ESC:JLM

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D.J.N.
In

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

-8-

In quintuplicate to Department
Copy to Legation, Peiping
Copy to Legation, Nanking
Copy to Embassy, Tokyo

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

Enclosure No. 1 to despatch No. 10229 of Edwin S. Cunningham, American Consul General at Shanghai, China, dated July 31, 1935, on the subject: "Motorcycle Accident, Property of the Imperial Japanese Navy: Point Road, July 8, 1935: Japanese Demanding Special Rights."

Copy

(Translation)

Notification No. 253 issued by the Shanghai City Government.

We have received the following order, No. 3378, from the Administrative Yuan:

"Despatch No. 3044, dated 12th June this year, from the Department of Civil Affairs of the National Government, states as follows:

'On 10th June this Department received the following order from the National Government: The present policy of this Government in connexion with our national existence is, as regards internal affairs, to improve our administration and to advance the principles of civilization so that we may thereby gain national strength. In our relations with foreign countries, we much uphold the international code of honour and maintain international peace. In this respect the maintenance of friendly relations with foreign neighbours is a matter of primary importance. The Government has on several occasions emphasized this point. All our people must be well-disposed towards the peoples of other countries, and must not do or say anything to disparage them or likely to engender ill feelings. Especially our people must not form themselves into organization to carry out such purposes which can only interfere with international amity. This order of the Government is hereby reproduced so that it may be strictly observed. Any person who disobeys this order will surely be severely dealt with.'

'This order is proclaimed by the Government. The Administrative Yuan is hereby supplied with a copy.'

"The Shanghai City Government is hereby instructed to take note, and to publish the order so that it may be observed by all people within its jurisdiction."

The order is hereby published. All citizens in this city must strictly obey.

Dated: 13th July, the 24th year of the Republic.

Wu Teh-ch'en, Mayor.

Copied by: JLM *my*
Compared with: MB *sl*

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

Enclosure No. 2 to despatch No. 10223 of Edwin S. Cunningham, American Consul General at Shanghai, China, dated July 31, 1935, on the subject: "Motorcycle Accident; Property of the Imperial Japanese Navy: Point Road, July 8, 1935: Japanese Demanding Special Rights."

Copy

Urgent

July 15, 1935.

To
Police Department,
Shanghai Municipal Council.

Gentlemen,

According to Instructional Order No. 14791 received from the City Government of Shanghai, a formal protest against an incident which occurred on Point Road sometime after 5:30 p.m. on the 8th inst. and in which Shimizu, driver of motor cycle, property of the Imperial Japanese Navy, whilst en route transporting Lieutenant Fukuda from the Imperial Japanese Naval Store to the Naval Officers' Quarters, was alleged to have been assaulted and to have sustained injuries which required one month's medical treatment, a headlight of the motor cycle was alleged to have been damaged, and a naval badge - an anchor etc. and a key attached to the vehicle, a licence and some screws from the handle head were alleged to have been seized by a Chinese crowd, following a street accident in that Driver Shimizu and a Chinese girl aged about 5 years were involved, and the latter sustained injuries, has been received from the Japanese Consul-General. The protest stating that one or two persons suspected have been arraigned before the Court and alleging that the Imperial Japanese Navy has been insulted, demands that (1) a formal apology be tendered by the Mayor and in turn the Japanese Consul-General will apologize to the Imperial Japanese Naval Authorities in Shanghai, (2) guarantee be provided that no recurrence of such incident and the Chinese public be warned through the newspapers and/or by means of distribution of hand bills thereto, (3) severe punishment be meted out to offenders, and (4) early return of the naval badge etc. seized, be effected.

In consequence of the foregoing, I have been directed to take the necessary action in conjunction with the Shanghai Municipal Council and the French Police without delay. Apart from orders being issued to my subordinates to take precautionary measures against recurrence of any incident of the above nature in future, it is requested that steps be taken to recover all the articles lost during the incident and return them to the members of the Imperial Japanese Navy, since the incident took place within your jurisdiction.

Awaiting the pleasure of a reply.

(signed): Tsai Chin Chun
Chief of the Bureau.

Copied by: JLM *my*
Compared with: MB *BP*

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

Enclosure No. 3 to despatch No. 10223 of Edwin S. Cunningham, American Consul General at Shanghai, China, dated July 31, 1935, on the subject: "Motorcycle Accident; Property of the Imperial Japanese Navy: Point Road, July 8, 1935: Japanese Demanding Special Rights."

CONFIDENTIAL

Memorandum of Conversation.

July 26, 1935.

Consul General Cunningham
Mr. Stirling Fessenden, Secretary
General of the Shanghai Municipal
Council.

Subject: Incident Occurring on Point Road
July 8, 1935.

Mr. Fessenden stated that he desired to secure my advice in regard to the matter of publishing within the Settlement a proclamation recently issued by Mayor Wu Te-chen. He recalled an incident that occurred on Point Road on July 8, 1935, in which a driver of a motorcycle, the property of the Imperial Japanese Navy, while en route transporting Lieutenant Fukuda from the Imperial Japanese Naval Store to the Naval Officers' Quarters, was alleged to have been assaulted and to have sustained injuries which required one month's medical treatment. A headlight of the motorcycle was alleged to have been damaged, and a naval badge - an anchor, a key attached to the vehicle, a license and some screws from the handle head were alleged to have been seized by a Chinese crowd, following a street accident in which Driver Shimizu and a Chinese girl aged about five years were involved. The latter sustained injuries.

Mr. Fessenden stated that the Japanese had protested to the Mayor of Greater Shanghai in regard to the incident, although the incident occurred within the International Settlement, and as a result the Mayor issued an order that a proclamation should be posted in the various parts of Shanghai, and that on the twenty-second the Secretary-General of the Municipality of Greater Shanghai transmitted to the officials of the International Settlement one hundred copies of this proclamation and requested that they be posted within the Settlement. Yesterday the Japanese Consul General addressed a letter to the Chairman of the Municipal Council and urged that these proclamations be posted within the Settlement. Mr. Fessenden stated that he regarded this letter from the Japanese Consul General as a demand that these proclamations be published. Mr. Fessenden stated that the police authorities had inquired of the French Concession if a similar number were forwarded to the French Municipality and confirmed that they had been and that the French Municipality was preparing to issue the proclamation this afternoon, posting them throughout the French Concession. He desired my advice as to what should be done in the International Settlement. He stated that his call was informal and my advice would be regarded as informal also. Mr. Fessenden then handed me a copy in translation of Notification No. 253 issued by the Shanghai

Government

-2-

Government which he had described as a proclamation issued by Mayor Wu Te-chen. I inquired whether it would be possible for him to contact the French Consul General with the view to withholding such proclamation in the French Concession, but he replied that it was too late to do so. I inquired whether the Japanese Consul General had also addressed a letter to the French Consul General, and he replied that he was under the impression that he had.

I suggested to Mr. Fessenden that no harm could be done if this proclamation was issued by the Acting Chairman of the International Settlement with a suitable preamble and statement that the proclamation was published in the International Settlement at the request of the Mayor of Greater Shanghai. It would appear to be a gesture that the Mayor would appreciate. Mr. Fessenden stated that he felt the Japanese demand for this issuance of such proclamation indicated their constant attitude that they had a superior right in the International Settlement and other Municipalities, and he was satisfied that the proclamation was issued at the insistence of the Japanese Consul General and the letter to the Chairman of the International Settlement was practically a demand for the posting of the Mayor's proclamation. There is much justification in what he said and it was not necessary for me to take issue with him in regard to this as there are too many things to indicate this to be true. Mr. Fessenden stated that if the Acting Chairman should issue the proclamation, as our conversation indicated that he might do, that he would furnish me a copy thereof.

JIM

ESC

Copied by MB *ll*
Compared with JIM *mm*

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

Enclosure No. 4 to despatch No. 10223 of Edwin S. Cunningham, American Consul General at Shanghai, China, dated July 31, 1935, on the subject: "Motorcycle Accident; Property of the Imperial Japanese Navy: Point Road, July 8, 1935: Japanese Demanding Special Rights."

SOURCE: THE NORTH CHINA DAILY NEWS
(British Daily) of July 29,
1935.

Editorial

AN ACT OF COURTESY
The Councils of the International Settlement and the French Concession have shown out of courtesy to General Wu Te-chen, the Mayor of the City Government of Shanghai, took an unusual step last week-end in giving facilities for the publication in their respective papers of the Mayor's notice which drew special attention to the National Government's Mandate prohibiting all foreign demonstrations. The Chinese authorities in Shanghai are evidently impressed by the importance of bringing this Mandate to Chinese attention. Their action may be regarded as precautionary, for generally speaking, the situation since a welcome improvement in this particular respect. Those who recall the ebullitions which a few years ago were so common as to be taken almost as a matter of course, will readily agree that Sino-foreign relations here are on a more satisfactory basis. Much credit on that account is due to the personal influence of the Mayor himself. He has displayed more than ornamental qualities of social intercourse though they have been important assets to his administration. He has a real grasp of the situation and a considerable diplomatic skill in handling it. The other day rumour—not for the first time—hinted that he was about to be promoted to a more important post. It is pleasant to know that the authorities have taken prompt action to deny the accuracy of the rumour. It may even be surmised that they consider his present post to be of such significance that promotion to another may well be deferred without any appearance of ignoring his deserts.

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

TELEGRAM RECEIVED

MED

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

MOSCOW

FROM

Dated August 26, 1935

Received 12:15 p.m.

Secretary of State,

Washington, D. C.

389, August 26, 4 p.m.

Doctor Yen, Chinese Ambassador, stated to me

yesterday that his latest information from Nanking
indicated that the Chinese Government felt com-
pelled to accept the Japanese demand for "full
economic cooperation".

BULLITT

McL:RR

AUG 27 1935

Division of
FOR EASTERN AFFAIRS

AUG 26 1935

Department of State

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

PREPARING OFFICE
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OR

Charge to

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TELEGRAM SENT

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TO BE TRANSMITTED
✓ CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Department of State

Washington,
August 26, 1935.
This cable was sent in August 26, 1935.
It should be carefully paraphrased before
communicated to anyone.

AMLEGATION,

PEIPING (China).

262

Under date August/26 the American Ambassador at Moscow
telegraphed that on the previous day the Chinese Ambassador/
had stated to him that QUOTE his latest information from/
Nanking indicated that the Chinese Government felt compelled/
to accept the Japanese demand for SUBQUOTE full economic/
cooperation END SUBQUOTE. UNQUOTE.

Repeat to Tokyo (as) Department's No. 129, August 27, 5 pm.

Hall
(Rum)

793.94/7251

AUG 27 1935

793.94/7251

FE:MMH:EJL

FE

EE RM

SAT AUG 27 Recd

Enciphered by _____

Sent by operator _____ M., _____, 19____

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

DOCUMENT FILE

NOTE

SEE 893.00/13195 FOR Desp.#3706

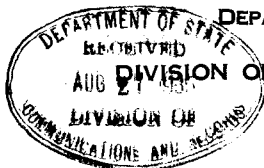
FROM China (Johnson) DATED July 23, 1935
TOP// NAME 1-1197 ...

REGARDING: Intentions of Mr. Hu Han-Min, and Nanking's
attitude toward Japan: Despatch #726 Diplomatic,
from Nanking to Legation, dated July 16, 1935,
commenting on this subject.

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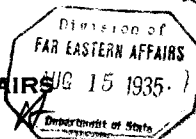
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

MEMORANDUM



DCR file

CONFIDENTIAL

July 1, 1935.

*Copies sent to
Isaya, Peiping
& Hankow
To Mr. [unclear]
August 26-1935*

SINO-JAPANESE INCIDENT IN NORTH CHINA

MAY-JUNE, 1935.

1. Historical Setting.

The negotiations between Japanese military officers and Chinese officials in Hopei Province in May-June, 1935, fit naturally and logically into the continental expansion of Japan. Whether or not one agrees with the Chinese view that this expansion is being conducted in accordance with a program of well-defined steps, or regards it merely as the unpremeditated result of the juxtaposition of pent-up force and a comparatively non-resistant area, the incident referred to takes its place with such previous phenomena as Japan's absorption of the Kwantung leasehold in 1905, of Korea in 1910, the extension of the leases in South Manchuria in 1915, Japan's Manchuria adventure of 1931-1933, and the creation of the demilitarized zone in Hopei by the Tangku truce of May 31, 1933. An important result of the negotiations in Peiping in May-June has been to remove from Hopei and Chahar Provinces Chinese officials, troops and organizations resistant to the extension of Japan's

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AUG 27 1935

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Japan's influence.

3. Tactics Employed by the Japanese.

Japan's advances on the Asiatic mainland generally begin with skirmishes, in which the Japanese military authorities endeavor to seize and establish outposts of political and military advantage; it is the duty of the main force, comprised of the high military and civilian authorities in Tokyo, to consolidate such gains as have been made through the acquiescence of the Chinese, or to explain away unsuccessful efforts. The Chinese authorities in Nanking have long professed to feel little anxiety over the activities of Japanese diplomats, but they live in dread of what they have described as "the unpredictable activities" of the Japanese military officers in the field.

The events of May and June, 1935, in the Peiping-Tientsin area illustrated the tactics described above. There is attached to this memorandum a chronology of events, including reports and conversations, connected with the Sino-Japanese incident in North China as recorded in the Department's files.

On May 1, the political set-up in North China appeared to favor a Japanese advance. On the Chinese side, the principal leaders were General Ho Ying-chin, Minister of War and chairman of the Peiping branch of the Military Affairs

-3-

Affairs Committee, General Hwang Fu, chairman of the Peiping Political Affairs Readjustment Committee (absent at Nanking throughout this period), and General Yu Hsueh-chung, chairman of the provincial government of Hopei. General Yu owed personal loyalty to the "Young Marshal", Chang Hsueh-liang, and neither he nor his troops are especially popular with General Chiang Kai-shek or General Ho Ying-chin. In addition to General Ho, Nanking had another means of maintaining oversight of affairs in North China through the branches of the Kuomintang, and General Chiang Kai-shek had his special agency, in the gendarmerie in Peiping. The difficulty of the task imposed on the Chinese leaders in North China, that of dealing with the Japanese, was considerably increased by the lack of unity between them and by the knowledge that the Chinese Government could not afford [them] any effective assistance, although they knew they would be the victims of public condemnation and possibly of official censure if the situation became any worse while nominally in their control. It is not surprising that General Hwang Fu has for many months been absent from his post.

The arrangement on the Japanese side was as advantageous as the Chinese organization was unhappy. Ever since China was forced to accept the terms of the Tangku

truce

-4-

truce of May 31, 1933, North China has been the hunting ground of the Japanese military authorities, with the Kwantung Army and the commander of the Japanese Army forces in North China cooperating, apparently under very slight supervision from Tokyo. It is clear that in these circumstances Japanese Army officers could intrigue at will, knowing that if any of their attempts to further Japanese influence should fail, the Japanese Government could disavow their acts as being "unofficial", while any success could be taken over and legalized.

The chronology of events attached to this memorandum shows that the May-June incident arose, according to the Japanese contention, from the incursion into the demilitarized zone of an irregular Chinese armed force and from the assassination by Chinese of two Chinese pro-Japanese editors in Tientsin; Japanese response was given by Japanese military officers on the spot, in the shape of "demands". The official character and even the presentation of some of these demands were denied by the Japanese Foreign Office. Although the Japanese have connected General Chiang Kai-shek with these occurrences, it does not appear that the Chinese Government authorized, or even anticipated, the alleged Chinese violation of the demilitarized zone or the assassination of the editors and it is interesting to note

-5-

note that the unauthorized actions of Chinese brought disaster to China, while the unauthorized actions of the Japanese brought great advantage to Japan.

3. Summary of Events.

Early in May, 1935, two pro-Japanese Chinese editors were assassinated in Tientsin by Chinese persons (1) and about the same time a band of Chinese irregulars entered the demilitarized zone from Jehol (2). On May 20 protests were made to the Chinese authorities in Peiping by the Japanese Military Attaché against both of these occurrences and the Military Attaché threatened that unless the irregular force was suppressed by the Chinese themselves the Kwantung army would bring in troops to do this (3). In spite of assurances given by General Ho Ying-chin, chairman of the Peiping branch of the Military Affairs Committee, Japanese troops entered the demilitarized zone and cooperated with the Chinese police forces in suppressing the rebels (4, 5, 6). On May 29 the Japanese Military Attaché and the Chief of Staff of the Japanese army in North China called on General Ho Ying-chin and warned him that if Peiping and Tientsin continued to be bases of anti-Japanese activities, the Japanese army would

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Footnote: Numbers in brackets refer to items in the attached chronology.

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be confronted with the necessity of again advancing beyond the Great Wall and of including Tientsin and Peiping in the demilitarized zone; at the request of General Ho the Japanese complaints and "demands" were embodied in a memorandum (8). It soon developed that the Japanese military authorities were insisting that certain concrete steps be taken by the Chinese, including the removal of the provincial government from Tientsin to Paotingfu, the dismissal of the chairman of the Hopei Provincial Government, the termination of anti-Japanese activities, the withdrawal of Government troops from the Tientsin-Peiping area, et cetera (9, 10, 11). In compliance with the Japanese demands the Provincial Government of Hopei was removed from Tientsin to Paotingfu on June 2 and the Executive Yuan of the Chinese Government on June 5 ordered the removal from their posts of the commander of the Peiping gendarmerie and the mayor of Tientsin and directed that the Kuomintang and other organizations objected to by the Japanese be removed from Tientsin (12, 13). On June 6 the Government issued a mandate removing the chairman of the Hopei Provincial Government from his post (15). Public statements of Japanese military officers showed that one objective of the Japanese in taking these steps was to destroy the authority of General Chiang Kai-shek, or to compel

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compel him to submit to a plan of Japanese-Chinese "cooperation" (16, 17).

On June 9 the Japanese Military Attaché and the Chief of Staff of the Japanese army in North China again called on General Ho Ying-chin with new "suggestions", including (a) the dissolution of all Kuomintang branch offices in Hopei Province; (b) the withdrawal from Hopei of the 51st army under the deposed provincial chairman; (c) the withdrawal from Hopei of two army divisions stationed there by the Central Government; and (d) prohibition of all anti-Japanese agitation throughout China (18, 27, 33). Measures taken by the Chinese authorities to placate the Japanese military authorities included the following: the troops of the deposed provincial chairman, General Yu Hsueh-chung, and also the troops of the National Government and the gendarmerie regiment to which the Japanese had objected were withdrawn, leaving the Peiping-Tientsin area practically demilitarized (19). On June 10 the Chinese Government issued a mandate directing the Chinese people to be friendly to friendly countries, prohibiting words or actions provocative of ill feeling, and prohibiting all organizations which constituted an obstacle to international good relations (22). On June 10, also, General Ho Ying-chin replied orally to the Japanese military

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military authorities that action had been taken on all of their demands (27).

On June 11 the Japanese Military Attaché at Peiping handed to General Ho Ying-chin a draft memorandum, with the request that General Ho have the draft copied, sealed, and delivered to the Japanese. This memorandum required China to agree to the following terms: (a) no employment or reinstatement of officials and no revival of organizations unfavorable to Sino-Japanese relations should be permitted; (b) in the appointment of officials in the Hopei Provincial and Municipal Governments the wishes of the Japanese should be followed; and (c) the Japanese were to supervise and inspect the execution of these terms. General Ho refused to copy, seal and deliver this memorandum (27). The Central Political Council at Nanking on the morning of June 13 passed a resolution directing General Ho to inform the Japanese military authorities in writing (1) that the Chinese had accepted and were complying with all Japanese demands presented prior to June 11, and (2) that if the Japanese army had any further demands they should be presented to the Chinese Government at Nanking through the usual diplomatic channels (28).

On June 13 Japanese press reports appeared stating that

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that the Japanese military authorities were taking a serious view of an "insult" to Japan, arising from the detention at Kalgan, Chahar Province, by the Chinese authorities of four Japanese military officers, which incident had occurred earlier in the same month. Reports received from Chinese sources on June 15 were to the effect that additional trouble was brewing in Chahar Province, and that a clash had already occurred between Japanese troops and Chinese troops in that province (41). At the same time it was learned that the Japanese military authorities had presented to the Chinese authorities in North China four demands for the settlement of the earlier incident, including the punishment of the official responsible for the detention of the four Japanese, the withdrawal of a Chinese army division, et cetera. Remarks made by the Japanese Assistant Military Attaché at Peiping about June 18 indicated that the Japanese intended to bring about the demilitarization of that portion of Chahar Province contiguous to Jehol (51). On June 23 negotiations began at Peiping between the Chinese and Japanese authorities for the final settlement of the Chahar incidents (63). This settlement was arrived at before June 26 and included the removal of prominent Chinese military and provincial officials and of the 132d division from Chahar Province;

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Province; the suppression of anti-Japanese activities; an official apology; the permanent removal of Chinese troops from the area adjacent to the Jehol border; the disbanding of anti-Japanese organizations, including the Kuomintang; and the protection of all Japanese travelers in Inner Mongolia (67, 68).

4. Discussions between the American and other Governments; Considerations of Policy involved in the incident.

During the events summarized above the Department was given information regarding them by the Japanese Government and by the Chinese Government and was informed by the British Government concerning conversations between the British and the Japanese Governments. The Department received, also, inquiries from certain other governments regarding these events and regarding the attitude toward them of the American Government. What follows is a summary of these exchanges of views; the summary does not take into account investigations pursued by American diplomatic officials in the ordinary performance of their duty to keep abreast of current affairs.

The Japanese Government evinced a desire to lessen apprehension which might be felt by western powers in regard to the "Sino-Japanese incidents" in North China in

May

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May and June. For example, the American Embassy in Tokyo telegraphed on June 8 that the foreign military attachés had formed the opinion, based on statements of Japanese Army officers, that the Japanese military authorities in North China did not intend to overthrow the Chinese Government there, but were attacking Chiang Kai-shek as a means of intimidating him, to frighten him into compliance with the desires of the Japanese authorities (17). On June 11 the Embassy telegraphed that an officer of the Ministry of War, apparently acting under instructions, had informed the American Military Attaché, inter alia, as follows: That the Japanese Army officers in China and the military authorities in Tokyo were satisfied with the reply to the suggestions made by them as received from General Ho Ying-chin; that the result of Chinese compliance with the Japanese "demands" would be (a) to remove from North China anti-Japanese organizations and troops, and objectionable individuals, and (b) their replacement by pro-Japanese officials and acceptable Chinese Government troops; that while Japanese armed forces were being stationed along the Great Wall to guard against Chinese insincerity, nevertheless special precautions had been taken to forestall premature action by Japanese local commanders; that the military authorities in Tokyo

desired

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desired only a peaceful North China, with no change in the political administration; and consequently, that the military authorities in Tokyo had overruled a proposal made by the North China Japanese garrison to establish a buffer state and to extend the demilitarized zone to Peiping and Tientsin (23). This statement, while it allayed certain apprehensions, also confirmed beliefs which had been entertained by foreign observers that the Japanese military authorities in North China were taking the initiative and actually had in mind such radical steps as the creation of a buffer state, presumably independent of the Chinese Government, or at least depriving the Chinese Government of its military control over the Peiping-Tientsin area. On June 15 the Japanese Ambassador called on the Secretary of State and said that he had received a cable from the Japanese Minister for Foreign Affairs in which the Foreign Minister said that he wished the Ambassador to know and to make known that there was nothing in all of the many rumors, reports and despatches coming out of China except an effort of the Japanese to have carried out two or three more or less minor things the Japanese had asked the Chinese to do (39). These communications from the Japanese Government to American officials appeared to be prompted by the spontaneous desire of the Japanese Government

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Government to remove any unfavorable opinion which the American Government might form in regard to the Japanese military activities in North China.

The Chinese Government showed some reticence in making known to the interested powers the difficulties in which it was involved with the Japanese. On June 10 the American Legation at Peiping telegraphed, inter alia, that it had reason to believe that the Chinese Government was afraid to instruct its diplomatic representatives abroad to explain the situation in North China to foreign countries, lest such action incur the wrath of the Japanese military authorities. The Legation said that the Japanese military authorities had demanded that all questions relating to China should be settled in accordance with the wishes of the Government at Tokyo and should not be the subject of discussion in other countries (20).

Whether the Legation's belief was correct or not, there was no move on the part of the Chinese Government to lay these matters before the American Government until the afternoon of June 12, when the Chinese Minister informed the Department by telephone that he was under instruction from the Chinese Foreign Office to communicate to the Department the substance of a telegram from Nanking which he was in process of decoding and which ended with
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the statement that General Ho Ying-chin had refused to comply with a Japanese request that General Ho return a sealed copy of the Japanese demands (25).

On June 13 the Chinese Minister left with the Department a translation of this telegram, which was dated June 12, and stated, inter alia, (1) that on May 29, Colonel Sakai, representing the Japanese troops in Tientsin, and Colonel Takahashi, Japanese Assistant Military Attaché, orally made the following statements to General Ho Ying-chin: (a) that Peiping and Tientsin would be included in the demilitarized zone if they were continued in use as bases of operation against Japan and Manchuria and (b) that if there were a recurrence of incidents similar to the assassination on May 3 of the Chinese editors, the Japanese Army would take drastic action. The telegram reported that General Ho, acting on his own initiative, after this conversation ordered the dissolution of several organizations to which the Japanese objected, and that the Chinese Government, also on its own initiative, had replaced the chairman of the Hopei provincial government and the mayor of Tientsin. Continuing, the telegram stated that Japanese officers had made additional demands orally on General Ho on June 9, setting June 12, 12 noon, as the time limit for

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a reply. The additional demands included (a) the dissolution of all Kuomintang branch offices in Hopei province; (b) the withdrawal from Hopei of the 51st Army under General Yu Hsueh-chung; (c) the withdrawal from Hopei of the two army divisions stationed there by the Central Government, and (d) prohibition of all anti-Japanese agitation throughout China. On June 10 General Ho replied orally that action had been taken on all of these demands. Moreover, the Central Party headquarters at Nanking had ordered the closing of the branches of the Kuomintang in Hopei and the Central Government had reissued its decree concerning good neighborly relations. In Chinese and foreign circles it was supposed that the "incident" had been closed and on June 11 the Japanese Premier reported to the Cabinet that the "North China incident" had been settled. Notwithstanding all this, the Japanese Military Attaché, Colonel Takahashi, on June 11 handed to General Ho a draft memorandum, with the request that General Ho have the draft copied, sealed, and delivered to the Japanese. This memorandum required China to agree to the following terms: (a) no employment or reinstatement of officials and no revival of organizations unfavorable to Sino-Japanese relations should be permitted; (b) in the appointment of officials in the Hopei provincial and municipal

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municipal governments the wishes of the Japanese should be followed; and (c) the Japanese were to supervise and inspect the execution of these terms. The Nanking telegram to Dr. Sze said further that General Ho had refused to copy, seal and deliver this memorandum. (27). After leaving the telegram, summarized above, at the Division of Far Eastern Affairs, the Chinese Minister called on the Under Secretary and held a short conversation.

On June 18 the Chinese Minister again called on the Under Secretary and referring to press items inquired whether there had been any developments in connection with the Far East of which the Under Secretary could tell him. He gave no additional information and he made no request for action (49).

On June 13, the day the Chinese Minister, under instructions from Nanking, gave the Department a résumé of recent events, a responsible Chinese official called on the American Minister in Peiping and presented the card of General Ho Ying-chin, who had just left Peiping for Nanking to report to the Government on his negotiations with the Japanese and to seek instructions. It may safely be inferred that the call by this official was made under instructions from General Ho. The informant said that the Japanese did not seem to know exactly what they wanted;

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wanted; that they had made certain oral demands, involving the dismissal of the provincial chairman, the removal of all Kuomintang agents from Hopei Province, the withdrawal of all Government troops from Hopei, and the removal of the gendarmerie and the abolition of anti-Japanese organizations, all of which steps had been taken by the Chinese or were in process of being carried out, but that it was impossible to foresee when the Japanese might return with some new request. The informant then described the draft memorandum which the Japanese military authorities had asked General Ho to sign on June 11 (38). The only important addition by the informant to what was already known about this document was that he said it required that the Chinese Government should undertake to appoint officials in the Peiping-Tientsin area "who would be both pro-Japanese and pro-'Manchukuo'". Although the manner in which this information was imparted to the American Minister may be regarded as "informal", nevertheless, the incident may properly be taken as an attempt on the part of the Chinese authorities to make the American authorities cognizant of the Japanese steps of aggression against China.

On June 14 there occurred another serious attempt on the part of the Chinese authorities to bring the
troubled

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troubled situation home to the American Government. Dr. Hsu Mo, Political Vice Minister for Foreign Affairs, invited Mr. Atcheson, who was in charge of the Nanking office of the American Legation, to call and gave him a summary of what had recently transpired between Japanese military authorities in North China and General Ho Ying-chin, substantially as these events had already been reported to the Department by its own agents and by the telegram which the Chinese Minister left at the Department on June 13.

[N&C: In appraising the significance of this interview, it is necessary to take note of the fact that Dr. Hsu Mo is the nearest approach there is in the Chinese Foreign Office to a permanent official. He was educated in American institutions in China and studied in Washington. He was an important officer in the Foreign Office under Minister for Foreign Affairs C. T. Wang, during the period of agitation against the "unequal treaties"; he likewise served under Minister for Foreign Affairs Lo Wen-kan, when the policy of the Chinese Government was one of resistance to Japanese pressure. During the last six months, when the policy of the Government has been to conciliate Japan, he has appeared to have no connection whatever with the execution of this policy and, in fact, he and what may be thought of as his following in the Foreign Office,

have

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have even been kept in partial ignorance of the informal discussions and negotiations, these having been controlled by Dr. Hsu Mo's colleague, Mr. Tang Yu-jen, Administrative Vice Minister for Foreign Affairs. Vice Minister Tang was educated in Japan and is spoken of as being "pro-Japanese", while he himself insists that he is as patriotic as any Chinese, but sees the necessity and advantage of adopting toward Japan a realistic policy.] Dr. Hsu Mo on June 14 gave Mr. Acheson an oral account of the presentation of the various Japanese demands and said that the Chinese Government had directed General Ho to decline to sign or seal the memorandum presented on June 11. The Vice Minister stated that the Chinese Government would be pleased to learn the attitude of the American Government in regard to the developments in North China which he had just described (33).

On June 15, the day following the interview at Nanking, the Chinese Ambassador at Moscow told the American Ambassador that he had received a telegram from the Chinese Acting Minister for Foreign Affairs expressing the view that there was no real difference of opinion between the Japanese Minister for Foreign Affairs and the Japanese military authorities and that the Japanese military authorities were in full control of Japan's policy. The Chinese
Ambassador

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Ambassador said that he had word from General Chiang Kai-shek expressing the opinion that it would be disastrous to attempt to oppose the Japanese by force (40).

On June 16 a Chinese official informed the American Legation in Peiping that the Japanese military authorities had presented four demands for the settlement of the "Chahar incident" (45). On June 20 Dr. Hsu Mo, Political Vice Minister for Foreign Affairs, in an informal conversation with Mr. Atcheson, commented extensively on the Sino-Japanese discussions, the noteworthy points being that Dr. Hsu Mo said that China was not asking assistance from any nation, but he thought that if two major powers interested in China should cooperate to alleviate the situation, conditions would be improved; he pointed out, also, that Japan is violating both the Kellogg Pact and the Nine Power Treaty and has done so constantly since 1931 (57).

Enough has been cited from the records to show that in determining the nature of their response to the Japanese demands in North China in May-June, the Chinese authorities fully realized the importance as a factor in the situation of the attitude of the American Government toward the Japanese démarche and that they were anxious to take account of that attitude in charting the Chinese course

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course of action. The Chinese authorities took pains, therefore, to keep the American Government informed of events. In a situation so closely affected by international agreements, it would have been surprising if the Chinese Government had not endeavored to ascertain the view of the American Government toward these events. It is noteworthy that the Chinese Government did not, however, base any appeal for assistance on the Nine Power Treaty, presumably because this would have prejudiced the policy of the Chinese Government to conciliate the Japanese Government.

(3) Of approaches made to the State Department by European nations, that made by Great Britain was naturally of the most importance, because Great Britain was the only foreign power, so far as reported to the Department, which took any step resembling ~~intervention~~ in the discussions between China and Japan in May and June. On June 15 the British Ambassador called on the Under Secretary and stated, inter alia, that the Chinese Minister in London had called upon the British Minister for Foreign Affairs and had informed him that the Chinese Government, after accepting a number of demands made by the Japanese military in North China, had refused formally to agree to exclude from Hopei Province any person or organization whose

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whose conduct might prejudice Sino-Japanese relations. The Ambassador said that the British Foreign Office regarded the situation as very serious and as clearly invoking the article of the Nine Power Treaty stipulating consultation between the signatories to that Treaty and that he had been asked to inquire whether the American Government had received a similar communication from the Chinese and, if so, what the American Government thought of it and of recent events in China. The Ambassador said that the British Foreign Office on June 14 had instructed the British Ambassador in Tokyo to inquire of the Japanese Government whether it had, as reported, demanded that China should not appoint officials in North China without Japanese consent and to point out that, if such a demand had been made, it constituted a violation of the Nine Power Treaty, in which the signatories undertook to respect the administrative integrity of China. The British Ambassador asked the Under Secretary whether the American Government was inclined to send similar instructions to the American Ambassador at Tokyo. In reply to a question, the Ambassador said that all of the Nine Power Treaty signatories were being acquainted with the instructions which had been given to the British Ambassador at Tokyo, but that the United States was the only signatory which was
being

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being asked to send similar instructions to its representative in Tokyo (38). It will be noted that the call of the British Ambassador at the Department took place on the same day as the call of the Japanese Ambassador and that on the same day, also, the British Ambassador in Tokyo called on the American Ambassador there and told him about the instructions which had been sent him, along the lines of the statement by the British Ambassador to the Department (42). A very significant feature of the remarks made by the British Ambassador in Tokyo was the revelation that the Japanese Government had told him as early as June 3 that the Japanese did not intend to demand that the Peiping and Tientsin area be included in the demilitarized zone and that a few days later, on June 8, the Japanese Government had again reassured him that without the approval of the Japanese Government no ultimatum had been or could be issued to China; the reason why the Japanese Government took steps to reassure the British Government in regard to these events eleven or twelve days in advance of assurances given to the American Government does not appear, but may be conjectured. The British Ambassador likewise conveyed the interesting information that information had been received by the British Ambassador in Nanking from the Chinese Minister
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for Foreign Affairs on June 14, to the effect that the Japanese diplomatic representative in that city had that day informed the Chinese Vice Minister for Foreign Affairs that the latest demands made by the Japanese military in North China were not official and had not been authorized by the Japanese Government (42). (Note: When the Japanese have accused China of being an "unorganized state", the Chinese have retorted with a "tu quoque", and the statement just referred to would appear to justify the Chinese belief in the divided counsels in Tokyo.)

On June 18 the British Ambassador in Tokyo informed the American Ambassador that he had called on the Japanese Minister for Foreign Affairs on that day and had indicated a desire to learn from the Minister for Foreign Affairs what the situation was in North China. In reply the Minister for Foreign Affairs confirmed the statement made by the Chief of the East Asia Department to the Counselor of the British Embassy on June 15 and made the following categorical assertions: (a) that it was not true that any demand had been made on the Chinese Government that the approval of the Japanese military must be gained before any officials should be appointed in North China; (b) that unless Imperial sanction were given in advance Japanese troops could not move south

of

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of the Great Wall; and (c) that the Japanese Government did not envisage any alteration of its policy in China. The Foreign Minister said that he understood that the Japanese military had asked the Chinese Chairman of the Provincial Government of Chahar to withdraw his troops from the "Manchukuo" border, in consequence of a threat that had been made against "Manchukuo" territory. The subject of the Nine Power Treaty was not touched upon in the conversation between the British Ambassador and the Minister for Foreign Affairs (52).

On June 15 the French Ambassador telephoned to the Under Secretary and said that he had received an inquiry from Paris whether the Chinese Government had approached the United States with a view to invoking the Nine Power Treaty, and, if so, what reply the Department had made. On June 18 the Italian Ambassador called on the Under Secretary and read a telegram which he had received from the Italian Government containing the substance of a recent communication from the Chinese Ambassador in Rome, which seemed similar to the communication presented to the Department by the Chinese Minister on June 13. The Ambassador said that he had been instructed to ask for the views of the American Government in regard to the whole Far Eastern situation (49 a). On June 21 the Belgian

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gian Ambassador telephoned to the Department that the Belgian Foreign Office had inquired whether the American Government had received an aide memoire from the British Government in regard to the situation in North China.

What precedes has summarized the Japanese-Chinese incident in North China in May and June and the reactions thereto on the part of the interested European nations.

It now remains to discuss the action taken by the Department and the consideration which the Department gave to possible action.

As soon as reports from the Orient early in June indicated that the activities of the Japanese military leaders in North China might result in the replacing of Chinese authority in that area to a great extent by Japanese authority, the Department gave attention to the problem whether obligations imposed by the Kellogg Pact and the Nine Power Treaty or the duty of protecting American interests in China might require that the American Government take some positive steps. On June 12 the Division of Far Eastern Affairs prepared a memorandum discussing this problem, the conclusion reached being that, at that time, no action was called for. It should be noted that on June 12 no officer of the Department of State had been approached by either the Japanese or the Chinese Governments

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Governments in connection with the events in North China.

On June 13 the Department received from the Chinese Minister a translation of the résumé of recent events received by him from the Chinese Foreign Office under date of June 12 (26). Neither this telegram nor the Chinese Minister on his own initiative asked for any action by the American Government or even an expression of opinion. The Chinese Minister in his conversation with the Under Secretary gave evidence of intending to inquire what the reaction of the American Government to the information laid before it was, but, if he had this intention, he abandoned it on being informed by the Under Secretary of the contents of a telegram received from the Nanking office of the American Legation which stated that the Chinese Government on the morning of June 13 had passed a resolution directing General Ho Ying-chin to inform the Japanese military authorities in writing (1) that the Chinese had accepted and were complying with all Japanese demands presented prior to June 12, and (2) that if the Japanese Army had any further demands they should be presented to the Chinese Government at Nanking through the usual diplomatic channels. The Chinese Minister was doubtless influenced by the fact that the message he had received from Nanking and the message received by the Department

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left in doubt the question whether General Ho Ying-chin was to return a written reply to the Japanese, as demanded by them (28). On June 14 there was received from Nanking the report of the request of the Chinese Vice Minister for Foreign Affairs for an indication of the attitude of the Department toward events in North China (33). The nature of the reply, if any, which should be made to this request was still under consideration by the Department on June 15 when the British Ambassador called, communicated the intelligence that the British Foreign Office took the view that the Nine Power Treaty had been involved and that it was instructing the British Ambassador in Tokyo to lodge an inquiry with the Japanese Foreign Office and that the British Foreign Office inquired what the American Government thought of recent events in China and whether the American Government was inclined to instruct the American Ambassador in Tokyo to take action similar to that which the British Ambassador had been instructed to take. In response to this inquiry the Under Secretary informed the British Ambassador regarding the communications received by the Department from the Chinese Minister and from the Vice Minister for Foreign Affairs at Nanking and told him that the whole situation was unsettled and that the Department was waiting for it to

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to become a little clarified before considering the advisability of action visa-à-vis the Japanese. However, the Under Secretary assured the Ambassador that the Department would be glad to give the inquiry of the British Foreign Office immediate consideration and that he hoped to furnish the Ambassador with a prompt reply (38).

The nature of the Department's response to the reassurance conveyed by the Japanese Ambassador on June 15 was decided in tone and, on being transmitted by the Ambassador to Tokyo, must have caused the Japanese Government to be aware at once of the serious view taken by the American Government of the events in North China. The tenor of the observations made by the Secretary of State to the Japanese Ambassador was that the Secretary was gratified to have the benefit of direct information from the Japanese Foreign Office in regard to those events and that, with such a mass of all sorts of rumors, reports and despatches coming out of North China, it was exceedingly important that the Japanese Foreign Office had taken these steps to keep the situation clarified; that the press of the United States and other countries naturally was filled with more or less alarming reports and comment that was undesirable from every standpoint. The Secretary added that lack of

clarification

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clarification by the Japanese Government might lead to representations from the parties having treaty rights and obligations, and it would therefore be helpful if the Japanese Foreign Office continued to take action toward clarifying the situation to the end that no misunderstanding and that no undesirable impressions would arise (39).

When the Department consulted the American Ambassador in Tokyo and the American Minister in Peiping concerning the possible advisability of further representations to the Japanese Government, Mr. Grew replied that he thought that the statement made by the Secretary to the Japanese Ambassador on June 15 amply covered the situation while Mr. Johnson replied that any additional statement to the Japanese Government would stiffen the attitude of the Japanese authorities in North China and would react unfavorably for China and all concerned. (48 and 52).

Acting upon the Department's wish to keep in close touch with the British Foreign Office in relation to the situation in North China, the Under Secretary on June 17 asked the British Ambassador to call, informed him of this wish, and gave him information received from Tokyo; the Under Secretary remarked that as the British Ambassador in Tokyo had not, in fact, made his representations to the Foreign Office along the lines of his instructions, no

immediate

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immediate answer was required to the question which the British Ambassador had propounded on June 15. The British Ambassador concurred with the Under Secretary in thinking that the British and American Ambassadors in Tokyo were in absolute agreement in regard to the present situation. The Under Secretary also read to the British Ambassador paragraph three of the Department's telegram to the American Ambassador in Tokyo reporting the conversation between the Secretary of State and the Japanese Ambassador on June 15.

It will thus be seen that both in Tokyo and in Washington the Department followed a policy of frank interchange of views with the British Government. If there was reticence, it was on the part of the British Government which delayed until June 15 informing the Department of the assurances given to the British Ambassador in Tokyo on June 3 and June 8 by the Japanese Foreign Office concerning Japanese activity in North China. (See the account of the conversation between the British and American Ambassadors in Tokyo on June 15 (42)). Actually, the statement made by the Secretary of State to the Japanese Ambassador on June 15 appears to have been made earlier than any important British representations were made to the Japanese Government, since the British Ambassador in

Tokyo

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Tokyo did not call immediately on the Japanese Minister for Foreign Affairs, as he was instructed to do by the British Foreign Office on June 15, but instead sent the Counselor of the Embassy to interview the Chief of the East Asia Department of the Japanese Foreign Office (43), and deferred his own call on the Minister for Foreign Affairs until June 18 (52).

The response of the Department to approaches from the Chinese Government has been as follows: When the Chinese Minister called at the Department with a copy of his telegram from Nanking on June 13 the conversation was preliminary and it was mutually agreed that the situation was too unclear to permit of any definite conclusion. On June 18 the Chinese Minister called again and referring to press items asked the Under Secretary whether there had been any developments in connection with the Far East of which the Under Secretary could tell him. In reply, the Chinese Minister was told about the call of the British Ambassador who, the Under Secretary said, had merely brought to the attention of the Department the substance of the information which the Chinese Ambassador at London had left at the British Foreign Office, information very similar to that which the Chinese Minister had left with the Department. The

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Under Secretary also told the Chinese Minister that the British Foreign Office had, following the visit of the Chinese Ambassador, instructed its representative in Tokyo to make certain inquiries of the Japanese Foreign Office and that the British Ambassador in Washington had called merely to acquaint the Department with these facts. The Under Secretary said that the Department understood that the Japanese Minister for Foreign Affairs maintained that no demand had been made, as reported, that only such Chinese officials should be appointed in North China as might be approved of by the Japanese military. The Under Secretary said that the Department was not contemplating taking any action at the moment, that the reports from the Far East were complicated and that it was not clear what attitude the Chinese Government would take. The information thus given to the Chinese Minister was, presumably, reported by him to his Government and may have been in the mind of the Chinese Vice Minister for Foreign Affairs when in the course of informal remarks to the American diplomatic officer resident in Nanking he said that China was not asking assistance from any nation, but he thought that if two major powers interested in China should cooperate to alleviate the situation, conditions would be improved. The Vice Minister said that although the

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the Chinese Government had shown extreme tolerance in attempting to solve difficulties with the Japanese military, it was impossible to foretell what steps undisciplined Japanese officers might take next and he emphasized that Japan had in effect seized Chinese territory and was controlling it in spite of the fact that there had been no formal occupation of Hopei. The Vice Minister referred to a resolution introduced in the Senate that an investigation be made whether the recent Japanese activities in North China constituted a violation of the Kellogg Pact and the Nine Power Treaty and he pointed out that Japan was violating both those agreements and had done so constantly since 1931. The Department did not leave without acknowledgment the remarks made by the Chinese Vice Minister for Foreign Affairs to the American diplomatic officer in Nanking on June 14 (33), but on June 20 directed the Nanking office of the American Legation to convey an expression of appreciation of the information regarding affairs in North China supplied by the Chinese Foreign Office.

The Department directed that the Foreign Office be reminded that the Department had given certain information to the Chinese Minister on June 18.

It recently has appeared that the Chinese Minister
for

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for Foreign Affairs has felt that the Department has exhibited a "cold attitude" toward China during the course of events in North China in May and June. In response to an intimation to this effect, received informally from the Chinese Minister in July, the Department gave the Chinese Minister, likewise informally, an account of the Department's reactions to the events themselves and to the action taken by the British Government, and repudiated the imputation that the Department had been "cold" in its attitude toward China. (*See memo.*)

When approached by the Ambassadors of the interested powers the Department has given to them full information regarding events up to the time of the inquiry (39a, 49a, 57a).

During what has come to be thought of as the crisis in Sino-Japanese relations in May and June, the Department particularly kept in mind its duty of safeguarding its own interests and the interests of American citizens in the Far East and also its previous statements with regard to treaty rights, obligations and principles as embodied in a series of notes sent to the Chinese and the Japanese Governments and the League of Nations in the years 1932 to 1934. For convenience of reference a list of the more important of these statements is
given

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given below. The American Government's attitude and position remained unchanged. However, as a matter of tactics the Department felt that a public reaffirmation of its policy and of adherence to certain principles was not necessitated by what occurred and might arouse in the Japanese Government a spirit of assertiveness and bring about more drastic action than was actually taken or contemplated. The Department realized also that the May-June incident was probably only a step in Japan's program directed toward dominating China in whole or in part; that similar incidents might be expected to occur rather frequently during the coming months and years; that too frequent iterations of the American Government's position would weaken the force of its utterances or démarches; and that the nicest diplomatic judgment was called for in choosing a time to make reservation of American rights so as (a) to keep the legal record clear throughout the unfolding of relations between China and Japan and (b) at the same time not to aggravate the situation.

In the way of positive action, the observations of the Secretary of State to the Japanese Ambassador on June 15, appear to have been earlier in point of time and stronger in tone than any observations made to the Japanese Government by the British or any other Government.

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List of Important Declarations.

1. Identic notes, dated January 7, 1932, to the Chinese and Japanese Governments, announcing the intention of the United States not to recognize any agreement impairing American treaty rights, including those which relate to China's integrity or the Open Door policy and not to recognize any change brought about by means contrary to the Kellogg Pact.

2. A note, dated February 24, 1933, to the League of Nations, expressing general concurrence of the American Government in the findings of the Lytton Commission.

3. A note, dated March 13, 1933, to the League of Nations, expressing the willingness of the United States to cooperate with the so-called Sino-Japanese Advisory Committee of the League of Nations, which committee is still in existence.

4. A note, dated April 27, 1934, to the Japanese Government, affirming the principle that no nation may alter the terms of a treaty or abridge the rights of another nation without the consent of the latter.

Enclosure:
Chronology of Events.


FE:WFP:REK:MA:SS

ENCLOSURE

Chronology of Events

From the Department's files, the following may be established as the chronology of events:

(1) May 3. Two Chinese newspaper editors, well known as "pro-Japanese", and anti-Nanking and anti-Chiang Kai-shek, were assassinated. (Peiping, May 23, 2 p.m.)

(2) May 3. About this time an irregular band of armed Chinese, generally known as "volunteers", entered the demilitarized zone from Jehol. (Peiping, May 23, noon.)

(3) May 20. The Japanese Military Attaché at Peiping protested against both the assassinations and the violation of the demilitarized zone and stated that unless the Chinese themselves suppressed the rebels, the Kwantung Army would bring troops inside the Great Wall; mollifying assurances were given to the Military Attaché by the chairman of the Peiping branch of the Military Affairs Committee. (Peiping, May 23, noon.)

(4) May 21. The Ministry of War in Tokyo announced that Japanese troops would enter the demilitarized area and would be withdrawn when the rebels had been suppressed; troops of the Kwantung Army entered the demilitarized zone. (Peiping, May 23, noon.)

(5) May 23. The Japanese diplomatic representative in Nanking stated that there had been a "clash" between
Japanese

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Japanese troops from outside the Great Wall in the demilitarized zone with Chinese "volunteers". (Nanking, May 24, 10 p.m.)

(6) May 27. The Chinese administrative inspector in the demilitarized zone near Peiping said that the Chinese "volunteers" had been suppressed by the combined operations of Japanese troops and Chinese special police. (Peiping, May 28, 2 p.m.)

(7) May 29. The foreign press in Shanghai received word that, because of the assassination of the two Chinese editors in Tientsin, the Japanese Embassy at Nanking had demanded of the Chinese Government that General Ho Ying-chin, Minister of War and chairman of the Peiping branch of the Military Affairs Committee, be punished; that General Yu Hsueh-chung, chairman of the Hopei provincial government, and the mayor of Tientsin be dismissed, and that all Kuomintang offices in North China be closed. This report had not been confirmed. (Nanking, May 29, 9 a.m.)

(8) May 29. The Japanese Military Attaché in Peiping announced to the press that he and the Chief of Staff of the Japanese Army in North China had called that day on General Ho Ying-chin and given him a strong warning to the following effect: that if Peiping and Tientsin

were

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were continued in use as bases of anti-Japanese activities, the Japanese Army would be confronted with the necessity of again advancing beyond the Great Wall and of including Tientsin and Peiping in the demilitarized zone. At the request of General Ho the Japanese complaints and "demands" were embodied in a memorandum. (Peiping, May 30, 2 p.m.)

(9) May 30. Japanese military demonstrations occurred before the provincial government headquarters in Tientsin, accompanied by "advice" that the provincial government withdraw to Paotingfu without delay. (Nanking, May 31, 5 p.m.)

(10) May 31. Press reports in Tokyo, confirmed by the Japanese War Office, indicated that certain military demands had been made on the Chinese Government by the Japanese military authorities in North China; the reason for the demands was said to be that the Japanese had obtained evidence that violations of the Tangku truce and disturbances in Manchuria had been instigated by the Chinese Government; among the demands there was said to be one for the dismissal of General Yu Hsueh-chung, chairman of the Hopei provincial government, and other demands for the termination of anti-Japanese activities, such as the incitement of disturbances in "Manchukuo", and the withdrawal of Chinese Government troops from the Tientsin-Peiping

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Peiping area; the probability was indicated that Tientsin and Peiping might be included in the demilitarized zone. (Tokyo, May 31, 7 p.m.)

(11) June 1. The American Legation at Peiping reported that it had been confirmed from a reliable Chinese source that the Japanese made no actual demands on May 29 but informed the Chinese that they desired that the provincial government be removed immediately to Paoingfu; that all political organizations, including the Kuomintang, be abolished in North China; that the gendarmerie be removed from Tientsin and Peiping; and that the mayor of Tientsin and the chief of the Bureau of Public Safety be replaced by officials friendly to Japanese. (Peiping, June 1, 4 p.m.)

(12) June 2. In compliance with the demands of the Japanese military authorities, the provincial government of Hopei was removed from Tientsin to Paoingfu. (Peiping, June 2, 2 p.m.)

(13) June 5. The Executive Yuan of the Chinese Government removed from their posts the commander of the Peiping gendarmerie and the mayor of Tientsin and ordered that Kuomintang and other objectionable organizations be removed from Tientsin. (Nanking, June 5, 10 a.m.)

(14) June 6. The American Minister reported that
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the Legation had learned from a reliable Japanese source that the immediate purpose of the Japanese in pressing the Chinese authorities in North China to take certain action was to obtain substantial political control of Hopei Province, by bringing about the removal from the Peiping area (and possibly from the whole area north of the Yellow River) of troops and Kuomintang organs, et cetera; it was the hope of the Japanese that the loss of prestige inflicted on Chiang Kai-shek in this way, together with a rebellion in the southern provinces, would force Chiang out of politics. The informant said that the Japanese military authorities had chosen that time for pressing demands in North China because the policy of rapprochement of the Foreign Office was diverging too greatly from the China policy of the military party. (Shanghai, June 6, 12 noon.)

(15) June 6. The Chinese Government issued a mandate removing General Yu Hsueh-chung from post of chairman of the Hopei provincial government. Japanese soldiers continued to make demonstrations in Tientsin. (Peiping, June 7, 5 p.m.)

(16) June 8. General Isogai, Japanese Military Attaché, gave an interview to the Japanese press stating, inter alia: the current "incident" was brought about by intrigues

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intrigues for Chiang Kai-shek's dictatorship; the principal desire of the Japanese is to learn whether Chiang Kai-shek is sincere enough in his desire for peace in the Far East to abandon his policies and seek a solution of all Sino-Japanese problems, including that of "Manchukuo" (i.e., by China's recognition). Japan seeks a Chinese government capable of cooperating with Japan in maintaining the peace of the Far East; it does not seem that General Chiang is prepared to lead such a government. (Peiping, June 8, 5 p.m.)

(17) June 8. The American Embassy in Tokyo telegraphed that it was the opinion of foreign military attachés in Tokyo, based on statements of Japanese army officers, that the Japanese military authorities in North China did not intend to overthrow the Chinese Government, but were attacking Chiang Kai-shek as a means of intimidation, to frighten him into compliance with the desires of the Japanese authorities. (Tokyo, June 8, 10 a.m.)

(18) June 9. Colonel Isogai, Military Attaché, and Colonel Sakai, Chief of Staff of the Japanese Army in North China, called on General Ho Ying-chin with new "suggestions". (Peiping, June 9, 5 p.m.)

(19) June 10. The American Legation at Peiping
reported

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reported that Chinese compliance with the Japanese demands was continuing, consisting in the withdrawal from Peiping of the troops of the former provincial chairman, General Yu Hsueh-chung, of practically all of the troops of General Chiang Kai-shek and of the gendarmerie regiment to which the Japanese had objected, leaving the Peiping-Tientsin area practically demilitarized. (Peiping, June 10, 5 p.m.)

(20) June 10. The American Legation at Peiping telegraphed, inter alia, that it seemed clear that the object of recent Japanese measures was to compel General Chiang Kai-shek, as China's outstanding leader, to be more active in meeting Japanese approaches and to accept full responsibility for carrying out Japanese desires. The Legation stated that there was reason to believe that the Chinese Government was afraid to instruct its diplomatic representatives abroad to explain the situation in North China to foreign countries, lest such action incur the wrath of the Japanese military authorities; the latter demand that all questions relating to China shall be settled in accordance with the wishes of the Government at Tokyo and shall not be the subject of discussion in other countries. The Legation observed that the future in North China was very obscure, the Chinese, although

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although anxious to comply with Japanese demands, being uncertain just how far those demands extend and being unable to foresee when some allegedly unsatisfied demand may be used as a pretext for actual military occupation of the area. (Peiping, June 10, 6 p.m.)

(21) June 10. The Chinese Government issued a mandate directing the Chinese people to be friendly to friendly countries, and prohibiting words or actions provocative of ill feeling, as well as all organizations which constitute an obstacle to international good relations; presumably this mandate was designed to placate Japanese feeling. (Peiping, June 11, 9 p.m.)

(22) June 11. A responsible official in the Chinese Foreign Office stated confidentially to an officer of the American Legation that occupation of the Peiping-Tientsin area by Japanese troops did not seem probable, it being likely that the Japanese military authorities would prefer to see a Chinese administration in North China compliant to Japanese wishes, but financed by China. The informant stated that the Japanese Foreign Office had no prior knowledge of the Japanese military démarche and that the Chinese Foreign Office had learned that this scheme had been initiated against the instructions of the Japanese General Staff, although possibly with the tacit

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tacit consent of the Minister of War, who was under the domination of the Kwantung army during his visit to "Manchukuo". The informant added, with unusual frankness, that the bitter hostility of the Japanese military authorities to General Chiang Kai-shek arose from their knowledge that General Chiang is irreconcilably anti-Japanese and that progress in the unification of China brought about by Chiang's steadily increasing power and prestige was sufficient to cause the Japanese to regard him as their worst enemy. (Nanking, June 11, 11 a.m.)

(23) June 11. The American Embassy in Tokyo telegraphed that an officer of the Ministry of War, apparently acting under instructions, had informed the American Military Attaché, inter alia, as follows: although the Japanese Army officers in China and the military authorities in Tokyo would have preferred to receive a reply directly from General Chiang Kai-shek, in regard to their "suggestions", they were satisfied with the reply received from General Ho Ying-chin; the result of the Chinese compliance with the Japanese "demands" will be to remove from North China objectionable troops, anti-Japanese organizations, and individuals and their replacement by pro-Japanese officials and acceptable Chinese Government troops. While Japanese armed forces were being stationed along

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along the Great Wall to guard against Chinese insincerity, special precautions had been taken to forestall premature action by Japanese local commanders. The Japanese Army had set no time limit for the evacuation of troops from Hopei Province, but this would probably be completed by June 30. The military authorities in Tokyo desire only a peaceful North China, with no change in the political administration; consequently, they overruled the proposal of the North China Japanese garrison to establish a buffer state there and to extend the demilitarized zone to include Peiping and Tientsin. (Tokyo, June 11, 5 p.m.)

(24) June 12. The American Legation at Peiping reported that the carrying out by the Chinese of such Japanese demands as were known seemed to be progressing satisfactorily. (Peiping, June 12, 4 p.m.)

(25) June 12. The Chinese Minister in Washington telephoned to the Department and said that a long cablegram from the Chinese Government, then in process of being decoded, ended with the statement that General Ho Ying-chin had refused to comply with a Japanese request that General Ho return a sealed copy of the Japanese demands; the Minister said that his Government instructed him to inform the American Government confidentially in regard to this development. (FE memorandum of June 12, file

No. 793.94/7077.)

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No. 793.94/7077.)

(26) June 13. The Chinese Minister left with the Department a translation of a telegram received by him from Nanking dated June 12 stating, inter alia, (1) that on May 29 Colonel Sakai, representing the Japanese troops in Tientsin, and Colonel Takahashi, Japanese Assistant Military Attaché, orally made the following statements to General Ho Ying-ohin: (a) that Peiping and Tientsin would be included in the demilitarized zone if they continued to be used as bases of operation against Japan and Manchuria and (b) that if there were a recurrence of incidents similar to the assassination on May 3 of the Chinese editors, the Japanese Army would take drastic action. The telegram reported that General Ho, acting on his own initiative, after this conversation, ordered the dissolution of several organizations to which the Japanese objected and that the Chinese Government, on its own initiative, replaced the chairman of the Hopei provincial government and the mayor of Tientsin. Continuing, the telegram stated that Japanese officers had made additional demands orally on General Ho on June 9, setting June 12, 12 noon, as the time limit for a reply. The additional demands included (a) the dissolution of all Kuomintang branch offices in Hopei province; (b) the withdrawal

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withdrawal from Hopei of the 51st Army under General Yu Hsueh-chung; (c) the withdrawal from Hopei of the two army divisions stationed there by the Central Government, and (d) prohibition of all anti-Japanese agitation throughout China. On June 10 General Ho replied orally that action had been taken on all of these demands. Moreover, the Central Party headquarters at Nanking had ordered the closing of the branches of the Kuomintang in Hopei and the Central Government had reissued its decree concerning good neighborly relations. In Chinese and foreign circles it was supposed that the "incident" had been closed and on June 11 the Japanese Premier reported to the Cabinet that the "North China incident" had been settled. Notwithstanding all this, the Japanese Military Attaché, Colonel Takahashi, on June 11 handed to General Ho a draft memorandum, with the request that General Ho have the draft copied, sealed, and delivered to the Japanese. This memorandum required China to agree to the following terms: (a) no employment or reinstatement of officials and no revival of organizations unfavorable to Sino-Japanese relations should be permitted; (b) in the appointment of officials in the Hopei provincial and municipal governments the wishes of the Japanese should be followed; and (c) the Japanese were to supervise

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vise and inspect the execution of these terms. The Nanking telegram to Dr. Sze said that General Ho had refused to copy, seal and deliver this memorandum. (FE memorandum June 13, file No. 793.94/7092.)

(27) June 13. The office of the American Legation at Nanking telegraphed that it had ascertained from a reliable Chinese official source that the demands of the Japanese military authorities included the following:

(1) "that no Central Government troops be stationed north of the Yellow River in the future, (2) that General Ho Ying-chin give a written undertaking of compliance with Japanese suggestions, and (3) that General Chiang Kai-shek give evidence of a definite and sincere policy of cooperation between China and Japan by himself returning to Nanking to meet Japanese military officials. The telegram reported that all of the highest Chinese Government and Party organizations and persons were holding continuous consultations in reference to the North China situation. (Nanking, June 13, 10 a.m.)

(28) June 13. The Chinese Minister in Washington called on the Under Secretary, after having left with the Far Eastern Division the telegram summarized above, and said that he wished to place on record an inquiry which he intended to make. Before he formulated his inquiry,

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inquiry, the Under Secretary remarked that he had read the communication which Dr. Sze had received from his Government and Mr. Phillips observed that the Department had received possibly a more recent telegram on the subject. Mr. Phillips then read to Dr. Sze Nanking's telegram No. 152, June 13, 2 p.m. On hearing this, Dr. Sze said that this message, indicating that the Chinese Government had not fully decided upon its course, obviated the necessity for further inquiries of the Department at that time and he would, therefore, postpone his questions. (Memorandum of the Under Secretary of June 13, file No. 793.94/7078.)

(29) June 13. The Nanking office of the American Legation telegraphed that the Chinese Government felt that it could not accept the further Japanese demands made on June 9, as previously reported, in that they give a written undertaking of compliance with previous demands, that Chiang Kai-shek meet Japanese military officials in Nanking and that no Central Government troops be stationed north of the Yellow River, since the Government feared it would fall if it signed a formal undertaking. (Nanking, June 13, 11 a.m.) The same Office telegraphed later on June 13 that it had been reliably informed that the Chinese Government had decided it must
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direct General Ho not to sign any Japanese demands, because the Government felt that although the Chinese were faithfully complying with previous requirements, it seemed that the Japanese demands might be unending and the Chinese Government would have to stand firm at some point. (Nanking, June 13, 1 p.m.) The Nanking office later reported that it had been reliably informed that the Central Political Council (acting for the Chinese Government) on the morning of June 13 had passed a resolution directing General Ho Ying-chin to inform the Japanese military authorities in writing (1) that the Chinese had accepted and were complying with all Japanese demands presented prior to June 11, and (2) that if the Japanese Army had any further demands they should be presented to the Chinese Government at Nanking through the usual diplomatic channels. (Nanking, June 13, 2 p.m.) The same Office telegraphed that it had received a report that the Japanese military authorities in North China were insisting that China should cease from relying on the western powers to counteract Japanese activities and that Japan should be invited to participate in any foreign loan made to China. (Nanking, June 13, 3 p.m.)

(30) June 13. The Nanking office of the American Legation, in a final telegram on June 13, stated that

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"a high Chinese source" said that the sudden presentation to General Ho Ying-chin of new demands on June 11 was completely unexpected and indicated that the Kwantung Army ^{the} had acquiesced in/additions to the original demands desired by the Japanese military authorities in North China; the same informant said that the far reaching character of the Japanese demands was due to the proven fact that the Japanese had found upon the "rebel" leader, Sun Yung-chin, orders received from General Chiang Kai-shek personally governing anti-Japanese activities. (Nanking, June 13, 5 p.m.)

(31) June 13. The American Legation at Peiping telegraphed that, according to Japanese press reports, the Japanese military authorities in North China were taking a serious view of an "insult" to Japan, arising from the detention at Kalgan, Chahar Province, by the Chinese authorities of four Japanese military officers, which incident was variously reported as having occurred on June 5 and June 14. (Peiping, June 13, 12 noon.)

(32) June 13. A responsible Chinese official called on the American Minister at Peiping and presenting the card of General Ho Ying-chin said that General Ho had started for Nanking that morning to report on negotiations with the Japanese and seek instructions. The informant

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informant said that the difficulty was the Japanese did not seem to know what they wanted; that they had made certain oral demands, involving the dismissal of the provincial chairman, the removal of all Kuomintang agents from Hopei Province, the departure of all Government troops from Hopei, the removal of the gendarmerie and the abolition of anti-Japanese organizations, all of which steps had been taken by the Chinese or were in process of being carried out, but that it was impossible to foresee when the Japanese might return with some new request. The informant said that the Japanese military authorities came to see General Ho on June 11 and presented a draft of a document which they asked him to sign. (This document has already been described; the only important addition by the informant was that the Chinese Government should engage to appoint officials in the Peiping-Tientsin area "who would be both pro-Japanese and pro-'Manchukuo'".) The American Minister said that many current reports supported the opinion that the Japanese military authorities were working for the elimination of control of North China by the Chinese Government and for the creation of a régime in North China composed of pro-Japanese Chinese persons and factions. (Peiping, June 13, 3 p.m.)

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(33) June 14. The Political Vice Minister for Foreign Affairs at Nanking invited the senior American diplomatic officer there to call and then gave him a summary of what had recently transpired between the Japanese military authorities in North China and General Ho Ying-chin, substantially as these events had already been reported to the Department, namely, that oral demands had been presented to General Ho on May 29 and June 9 and that, on June 11, General Ho had been handed a "memorandum" with the request that he copy it, seal the copy, and return it. The Chinese Government had directed General Ho to decline to sign or seal this document. The Vice Minister stated that the Chinese Government would be pleased to learn the attitude of the American Government in respect to the developments in North China which he had just described. (Nanking, June 14, 11 a.m.)

(34) June 14. The Nanking office of the American Legation reported information received by it confidentially from a responsible Chinese official that General Ho Ying-chin reached Nanking on the afternoon of June 14; the informant said that no matter what turn events might take, China had already done everything possible to accommodate the Japanese and could do no more. (Nanking, June 14, 5 p.m.)

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(35) June 14. The American Legation at Peiping repeated a telegram from the American Consul General at Mukden dated June 13 reporting a Japanese news item from Peiping which said that, taking advantage of the North China affair, the provinces of Hopei, Shantung, Shansi and Chahar were forming a political bloc in opposition to the Nanking Government and the Kuomintang; that this new régime would follow a pro-Japanese policy; and that "high hopes were entertained by the populace in regard to the future developments of autonomy in these four provinces." (Peiping, June 14, 12 noon.)

(36) June 14. The American Legation at Peiping telegraphed that reports indicated a considerable number of Japanese troops at the Great Wall north of Peiping and some three hundred at Miyun, about thirty miles from Peiping, while there were four or five thousand Japanese troops at Shanhaikwan. The Legation reported the Japanese Military Attaché as stating that the "Chahar incident" was the only major incident remaining unsettled. (Peiping, June 14, 4 p.m.)

(37) June 14. The American Consulate General at Shanghai reported a United Press despatch dated Peiping, June 13, carrying an interview with the Japanese Military Attaché, Takahashi, in which the latter stated that "China

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is now friendless. Friendship with the Soviet Union brought Communist troubles to China, and the United States is not a friend, but an enemy, as is shown by the United States silver buying policy, which is most harmful to the interests of this country. American economic aggression in China is more serious than Japanese military policy." (Shanghai, June 14, 1 p.m.)

(38) June 15. The British Ambassador in Washington called upon the Under Secretary and stated, inter alia, that the Chinese Minister in London had called upon the British Minister for Foreign Affairs and had informed him that the Chinese Government, after accepting a number of demands made by the Japanese military, had refused formally to agree to exclude from Hopei Province any person or organization whose conduct might prejudice Sino-Japanese relations. The British Foreign Office regarded the situation as very serious and as clearly invoking the article of the Nine Power Treaty stipulating consultation between the signatories to that treaty; the British Ambassador had been asked to inquire whether the American Government had received a similar communication from the Chinese and, if so, what the American Government thought of it and of recent events in China. The Ambassador said that the British Foreign Office on June 14 had instructed the

British

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British Ambassador in Tokyo to inquire of the Japanese Government whether it had, as reported, demanded that China should not appoint officials in North China without Japanese consent and to point out that, if such a demand had been made, it constituted a violation of the Nine Power Treaty in which the signatories undertook to respect the administrative integrity of China. The British Ambassador asked the Under Secretary whether the American Government was inclined to send similar instructions to the American Ambassador in Tokyo. In reply to a question, the Ambassador said that all of the Nine Power Treaty signatories were being acquainted with the instructions which had been given to the British Ambassador at Tokyo, but that the United States was the only signatory which was being asked to send similar instructions to its representative in Tokyo. The Under Secretary replied that the Chinese Minister in Washington had, under instructions, kept the Department advised of the Chinese Government's attitude with respect to the Japanese demands; that the Chinese Vice Minister for Foreign Affairs had discussed the matter with the American diplomatic representative in Nanking on June 14 and had stated that he (the Vice Minister) would be glad to learn the attitude of the American Government in respect to the developments in

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in North China. The Under Secretary said that the Department had not as yet given any reply to the Vice Minister's inquiry and that the reports received by the Department indicated that the whole situation was uncertain and the Department was waiting for it to become a little clarified before considering the advisability of action vis-à-vis the Japanese. The Ambassador expressed the hope that if the Department intended to take any action in Tokyo, it would do so promptly. The Under Secretary assured the Ambassador that the Department would be glad to give his inquiry immediate consideration and that he hoped to furnish the Ambassador with a prompt reply. (Memorandum of the Under Secretary of June 15, file No. 793.94/7080.)

(39) June 15. The Japanese Ambassador called on the Secretary and said that he had that morning received a cable from the Japanese Minister for Foreign Affairs in which the Foreign Minister desired the Ambassador to know and to make known that there was nothing in all of the many rumors, reports and despatches coming out of China except an effort of the Japanese to have carried out two or three more or less minor things the Japanese had asked the Chinese to do. The Ambassador then amplified this statement. The Secretary immediately replied that he was gratified to have the benefit of this information

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direct from the Japanese Foreign Office and that, with such a mass of all sorts of rumors, reports and despatches coming out of North China, it was exceedingly important that the Japanese Foreign Office had taken these steps to keep the situation clarified; that the press of the United States and other countries naturally was filled with more or less alarming reports and comment that was undesirable from every standpoint. The Secretary added that lack of clarification by the Japanese Government might lead to representations from the parties having treaty rights and obligations, and it would therefore be helpful if the Japanese Foreign Office continued to take action toward clarifying the situation to the end that no misunderstanding and no undesirable impressions would arise. The Ambassador said that the Japanese Foreign Minister had indicated that he would furnish supplemental information along this line. (Memorandum of the Secretary of June 15, file No. 793.94/7074.)

(39a) June 15. The French Ambassador in Washington telephoned to the Under Secretary and said that he had received an inquiry from Paris whether the Chinese Government had approached the United States with a view to invoking the Nine Power Treaty and, if so, what reply the Department had made. The Under Secretary said that

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this report was erroneous; that, although the Chinese Minister, under instructions, had conveyed certain information to the Department, no mention had been made of the Nine Power Treaty nor had the Chinese Government made any request of us for action. (Memorandum of June 13, file No. 793.94/7079.)

(40) June 15. The American Ambassador in Moscow telegraphed that the Chinese Ambassador there had informed him that he had received on June 15 a telegram from the Chinese Acting Minister for Foreign Affairs asserting that it was erroneous to suppose that there was any real dispute between the Japanese Minister for Foreign Affairs and the Japanese military authorities; that the Japanese military authorities were in full control with the Minister for Foreign Affairs acquiescing. The Chinese Ambassador had informed him that General Chiang Kai-shek had telegraphed him that he thought that it would be disastrous to attempt to oppose the Japanese by force. (Moscow, June 15, 3 p.m.)

(41) June 15. The Nanking office of the American Legation telegraphed that well-informed Chinese officials expected that the Japanese would occupy Chahar Province and later incorporate it in "Manchukuo", and perhaps Suiyuan Province also, in furtherance of Japan's long-planned

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planned strategic advance in Inner Mongolia, directed against Soviet Russian hegemony in Outer Mongolia. These officials stated that a clash had already occurred between Japanese troops and Chinese troops in Chahar but neither the provincial chairman of Chahar nor the chairman of Suiyuan would do more than make a show of resistance. The informants anticipated possible Japanese activities in Fukien and Kwangtung Provinces. (Nanking, June 15, 9 a.m.)

(42) June 15. The American Ambassador in Tokyo telegraphed that the British Ambassador there had informed him that morning that he had received instructions from the British Government to inquire of the Japanese Government as to the accuracy of the report that the Chinese authorities had received a demand from the Japanese that no officials should be appointed in North China without Japanese consent. The British Ambassador was instructed, if the report was confirmed as accurate, to state to the Japanese Government that the signatories to the Nine Power Treaty having undertaken to respect the administrative integrity of China, such a demand would constitute a violation of that Treaty. The American Ambassador said that the British Ambassador had received information from the Japanese Minister for Foreign Affairs on June 3 that the Japanese did not intend to demand that the Peiping and Tientsin area be included

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included in the demilitarized zone and that the Vice Minister had informed him on June 8 that without the approval of the Japanese Government no ultimatum had been or could be issued; consequently, the British Ambassador intended to direct the Counselor of the Embassy to call on the Chief of the China Bureau at the Foreign Office and, without invoking the Nine Power Treaty, to remind him of these assurances and to inquire whether the report mentioned above was accurate. The British Ambassador said that he would himself see the Minister or Vice Minister on June 17, if the reply made to the Counselor were unsatisfactory. The British Ambassador felt that if satisfactory results could be obtained without invoking the Nine Power Treaty, it would be preferable not to invoke that Treaty, since such invocation would cause irritation in Japan. The American Ambassador concurred in this view. The British Ambassador said that the Chinese Minister for Foreign Affairs told the British Ambassador in Nanking on June 14 that the Japanese diplomatic representative had informed the Chinese Vice Minister for Foreign Affairs on that day that the latest demands made by the Japanese military authorities in North China were not official and had not been authorized by the Japanese Government. (Tokyo, June 15, 1 p.m.)

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(43) June 15. The American Ambassador in Tokyo telegraphed that the Chief of the East Asia Department of the Japanese Foreign Office had informed the Counselor of the British Embassy in Tokyo on June 15 that the Japanese Foreign Office was unaware that the Japanese military authorities had made any demand that no Chinese officials should be appointed in North China except with Japanese approval, but he admitted that the Japanese military authorities had pointed out in conversation with the Chinese authorities that recent troubles had been caused by the presence of anti-Japanese officials and had indicated that the appointing of officials friendly to Japan would be advisable. (Tokyo, June 15, 8 p.m.)

(44) June 16. The Nanking office of the American Legation telegraphed that Chinese officials had stated that disaffection in the southern provinces of Kwangtung, Kwangsi and Hunan was being instigated by General Doihara and other Japanese officials. (Nanking, June 16, 11 a.m.)

(45) June 16. The American Legation in Peiping telegraphed that the Legation had been confidentially informed by a Chinese official that the Japanese military had presented four demands for the settlement of the Chahar incident. These demands included the punishment of the official responsible for the incident, the withdrawal
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of a division (believed to be in eastern Chahar), et cetera. The Chinese informant stated that some action had been taken by the Chinese authorities along these lines. (Peiping, June 16, 7 p.m.)

(46) June 17. The Under Secretary asked the British Ambassador to call and informed the Ambassador that the Department desired to keep in close touch with him regarding developments in the Far East. The Under Secretary read aloud telegrams received from the American Ambassador in Tokyo and remarked that since the British Ambassador there had not, in fact, made his representations to the Foreign Office along the lines of his instructions, no immediate answer was required to the question which the British Ambassador had propounded on June 15, that is, whether the American Government intended to instruct its Ambassador in Tokyo to inquire of the Japanese Foreign Office regarding the situation in North China. The British Ambassador concurred with the Under Secretary in thinking that the British and American Ambassadors in Tokyo were in absolute agreement in regard to the present situation and that the British Ambassador in Tokyo was awaiting further instructions from London before calling upon the Japanese Foreign Minister. The Under Secretary read to the British Ambassador paragraph three of the
Department's

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Department's telegram to the American Ambassador in Tokyo reporting the conversation between the Secretary of State and the Japanese Ambassador on June 15 and repeated that he wanted to keep closely in touch with the British Ambassador on all aspects of the Sino-Japanese situation.
(memorandum of the Under Secretary of June 17, file No. 793.94/7082.)

(47) June 17. The Nanking office of the American Legation telegraphed that the officers of the Chinese Government were greatly depressed owing to the simultaneous occurrence of such misfortunes as (a) the reported disaffection in the three southern provinces, (b) the trouble with Japan in the Peiping area and (c) continuing difficulty in suppressing the Communist forces in the extreme west and that it seemed questionable whether the Chinese leaders would be able to formulate any definite course of action unless General Chiang Kai-shek came to Nanking or ordered a decisive move; it reported that the Chinese leaders not only felt that the utmost possible concession had been made to the Japanese, but that they were in a defeatist mood and that although foreign press despatches kept alive speculation whether Great Britain and the United States might intervene in the trouble with Japan, Chinese leaders entertained no real hope in respect to this.
(Nanking, June 17, 10 a.m.)

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(48) June 17. The Legation at Peiping telegraphed pointing out that the representative of General Ho Ying-chin who had called at the Legation on June 13 (Peiping's telegram of June 13, 3 p.m.) clearly established the fact that the Japanese authorities will hereafter insist that only such Chinese authorities as are acceptable to the Japanese military will be permitted to function in the Peiping area, information which does not agree with the statements made by the Japanese Ambassador to the Department. The American Minister expressed the opinion that the Japanese Kwantung army authorities had determined upon recent Japanese activities in North China neither in consultation with, nor with the approval of, the Japanese Foreign Office and that these activities were intended to emphasize the fact that the Foreign Office policy of friendship with China was disapproved of by the Army. He thought that the situation would only be aggravated by adverse comment from Great Britain or America. He said that the Kwantung army representatives in Tientsin had criticized China for appealing, as reported in the press, to England and America on the basis of the Nine Power Treaty and he thought that the Japanese army leaders would be infuriated and would be incited to further activities if they were to learn that the British and

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and American Governments had dared to comment adversely upon the activities of the Kwantung army. (Peiping, June 17, 8 p.m.)

(49) June 18. The Chinese Minister called on the Under Secretary and referring to press items inquired whether there had been any developments in connection with the Far East of which the Under Secretary could tell him. The Under Secretary told the Chinese Minister about the call of the British Ambassador, who, he said, had merely brought to the attention of the Department the substance of the information which the Chinese Ambassador in London had left at the British Foreign Office, information very similar to that which the Chinese Minister had left with the Department. The Under Secretary told the Chinese Minister that the British Foreign Office had, following the visit of the Chinese Ambassador, instructed its representative in Tokyo to make certain inquiries of the Japanese Foreign Office and that the British Ambassador in Washington had called merely to acquaint the Department with these facts. The Under Secretary said that the Department understood that the Japanese Minister for Foreign Affairs maintains that no demand has been made, as reported, that only such Chinese officials shall be appointed in North China as may be approved of by the Japanese military.

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tary. The Under Secretary said that the Department was not contemplating taking any action at the moment, that the reports from the Far East were conflicting and that it was not clear what attitude the Chinese Government would take. The only comment which the Chinese Minister made was to the effect that his colleague in London appeared to have gone beyond his instructions in referring to the British obligation under the Nine Power Treaty. (Memorandum of June 18, file No. 793.94/7086.) *

(49a) June 18. The Italian Ambassador called on the Under Secretary and read a telegram which he had received from the Italian Government containing the substance of a recent communication from the Chinese Ambassador in Rome, which seemed similar to the recent communication presented to the Department by the Chinese Minister. The Ambassador said that he had been instructed to ask for the views of the American Government in regard to the whole Far Eastern situation. The Under Secretary gave the Ambassador a brief résumé of the steps which had been taken, including the instruction which the British Foreign Office had sent to the British Ambassador in Tokyo. The Under Secretary said that it was still too early to know precisely what the Japanese had asked and were insisting upon and it was too soon, therefore, to form any definite plan

*Item 49 should follow, not precede, item 52.

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plan in regard to any action which the Department might or might not take.

(50) June 18. The Nanking office of the American Legation telegraphed that the Japanese diplomatic representative in Nanking had privately informed a foreign news correspondent that the Japanese did not desire any written agreement; that the Japanese are now waiting to see whether the Chinese authorities will carry out the "suggestions" of the Japanese military authorities; and that it now devolved upon China to demonstrate "sincerity" and to determine upon some new form of administration to be set up in the north. He said that, although General Ho Ying-chin was endeavoring to persuade the Chinese Government to meet Japanese wishes in full, General Chiang Kai-shek was pursuing a non-committal policy and that this policy would be personally fatal for Chiang if it were continued. The Japanese diplomatic representative said that reports of the alienation of Kwangtung Province were premature but that some such development might be expected in the future. (Nanking, June 18, 11 a.m.)

(51) June 18. Reverting to the "Chahar incident", the American Minister in Peiping telegraphed that the Kwantung army was becoming more menacing toward General Sung Che-yuan, provincial chairman of Chahar Province.

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He said that Japanese press reports from Hsinking, capital of "Manchukuo" asserted that on June 11 and June 12 soldiers of General Sung fired at "Manchukuo" officials "in Jehol Province", violating the truce agreement reached on February 2, 1935, between Chahar and the Japanese military authorities. Another press report from Hsinking stated that the Kwantung army wished the troops of General Sung to withdraw entirely from Chahar Province. The telegram stated that remarks made by the Peiping Japanese Assistant Military Attaché indicated that the Japanese intended to bring about the demilitarization of that portion of Chahar contiguous to Jehol. The telegram pointed out that if General Sung were pressed too hard he might put up a fight against the Japanese, because his former affiliations had placed him on unfriendly terms with leaders of neighboring provinces, and with Chiang Kai-shek, and there was no place to which his troops could withdraw. (Peiping, June 18, 3 p.m.)

(52) June 18. The American Ambassador in Tokyo telegraphed that the British Ambassador had called on the Japanese Minister for Foreign Affairs on June 18 and indicated a desire to learn from the latter what the situation was in North China. In reply the Japanese Minister for Foreign Affairs confirmed the statement made

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made by the Chief of the East Asia Department to the Counselor of the British Embassy on June 15 (Tokyo's June 15, 8 p.m., paragraph two) and made the following categorical assertions: (a) that it was not true that any demand had been made on the Chinese authorities that the approval of the Japanese military must be gained before any officials should be appointed in North China; (b) that unless Imperial sanction were given in advance Japanese troops could not move south of the Great Wall; and (c) that the Japanese Government did not envisage any alteration of its policy in China. The Minister denied a rumor that the dissolution of the Kuomintang in North China had been demanded by the Japanese military, but he said that agents of the Kuomintang had been responsible for the assassination of the pro-Japanese editors and that it would take time to eliminate the various anti-Japanese elements about which the Japanese had complained. The Minister for Foreign Affairs said that there was no connection between the Chahar situation and the general situation in North China; he understood that the Japanese military had requested that Sung withdraw his troops from the "Manchukuo" border, in consequence of a threat they had made against "Manchukuo" territory. The telegram stated that the British Ambassador did not in any way touch upon the

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Nine Power Treaty in his conversation with the Minister for Foreign Affairs and added that the American Ambassador was of the opinion that the statements made by the Secretary of State to the Japanese Ambassador on June 15 (Department's June 15, 4 p.m.) admirably and adequately covered the situation up to the present time and that there was no need for additional action at present. The telegram added that the American Ambassador concurred in the opinions expressed by the American Minister in Peiping in paragraph two of his telegram to the Department of June 17, 8 p.m. (Tokyo, June 18, 1 p.m.)

(53) June 19. The Peking office of the American Legation telegraphed that it had learned from an authoritative source that General Sung Che-yuan, provincial chairman of Chahar, had expressed a determination to defend his territory against the Japanese and was relieved from his office by the Chinese Government on that account. The same source said that the Chinese Government feared that the removal of General Sung might precipitate a declaration of independence by Kwangtung and Kwangsi Provinces, with the secret support of the Japanese, although ostensibly to set up an anti-Japanese government, but that the government felt unable to resist the demand that General Sung be removed. The telegram stated that
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the government had on June 18 appointed Wang Keh-min acting chairman of the Peiping Political Readjustment Committee. (NOTE: This man was a member of the former Anfu clique and is regarded as being pro-Japanese.)

(Nanking, June 18, 10 a.m.)

(54) June 19. The Legation at Peiping telegraphed that the Japanese Assistant Military Attaché, Takahashi, had stated on that day that the Chahar situation was not yet settled. Takahashi stated that General Sung's 132d division of troops, stationed near the Chahar-Jehol border and said to be to blame for recent incidents, had been ordered to move to a point south of Kalgan.

(Peiping, June 19, 5 p.m.)

(55) June 20. The Nanking office of the American Legation telegraphed that a competent American newspaper representative had received the distinct impression from conversations with Japanese officials in North China and at the Japanese Embassy in Nanking that the Japanese authorities were anxious in regard to world opinion concerning their recent activities and that the Japanese were attempting to minimize their recent demands and encroachments; they seemed to fear, moreover, that if the Chinese were pushed too far they would attempt military resistance. The telegram stated that the Japanese

diplomatic

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diplomatic representative in Nanking, in talking with this American correspondent, had tried hard to minimize the importance of the alleged "demands" and threats. (Nanking, June 20, 11 a.m.)

(56) June 20. In a second telegram on June 20 the Nanking office of the Legation said that the American correspondent had been informed by a responsible official of the Chinese Foreign Office that the Japanese had virtually seized North China, an independent movement threatened in the southwest, and the anti-communist campaign in Szechuan was progressing very slowly. The informant said that China was in the worst crisis in its history, that the Chinese Government was completely discouraged and had not even considered appealing to the League or to the western powers, China being really without a single friend for the time being, and it was too early to look for aid from Soviet Russia. The Foreign Office informant remarked that the Japanese were not pressing for a written agreement to their demands but the Japanese would dominate China, whether or not the Chinese Government put itself in writing. He expressed himself bitterly toward the powers and particularly Great Britain. (Nanking, June 20, 11 a.m.)

(57) June 20. The Nanking office of the American
Legation

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Legation telegraphed the substance of informal remarks made by the Political Vice Minister for Foreign Affairs. (As distinguished from those Chinese who believe that China's best interests require direct negotiations with Japan, Dr. Hsu Mo, Political Vice Minister, has always been one of those who has believed that China should rely upon its technical rights as established by the League Covenant, the Kellogg Pact, the Nine Power Treaty, et cetera.) The Vice Minister found something humorous in the proposal made in a resolution introduced in the Senate that an investigation be made whether the recent Japanese activities in North China constituted a violation of the Kellogg Pact and the Nine Power Treaty, pointing out that Japan is violating both those agreements and has done so constantly since 1931, an example being the forcible creation of the demilitarized zone in 1933. He said that China was not asking assistance from any nation, but he thought that if two major powers interested in China should cooperate to alleviate the situation, conditions would be improved. The Vice Minister said that although the Chinese Government had shown extreme toleration in attempting to solve difficulties with the Japanese military, it is impossible to foretell what step undisciplined Japanese officers may take next and that Japan had in effect seized

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seized Chinese territory and was controlling it, in spite of the fact that there had been no formal occupation of Hopei. (Nanking, June 21, 9 a.m.)

(58) June 20. The Department telegraphed the Nanking office of the American Legation directing that an oral reply be made to the remarks of the Political Vice Minister for Foreign Affairs on June 14 (Nanking, June 14, 11 a.m.), to the effect that the Department appreciated the information regarding affairs in North China as supplied by the Chinese Foreign Office and that it had given certain information to the Chinese Minister on June 18. The Department included in its telegram a résumé of recent discussions. (Department's June 20, 2 p.m., to Nanking.)

(58a) June 21. The Belgian Ambassador telephoned to the Department that the Belgian Foreign Office had inquired whether the American Government had received an aide-memoire from the British Government in regard to the situation in North China. The Belgian Ambassador was given information regarding the conversations between the American, British, Japanese and Chinese Governments. He was told that the Chinese Minister had not asked that the American Government invoke the Nine Power Treaty and that the Department had not instructed the American Embassy in

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in Tokyo to make any inquiry of the Japanese Foreign Office, because relevant information had been received by the Department from the British Ambassador in Washington and the Japanese Ambassador. He was told that the Secretary of State, in talking with the Japanese Ambassador, had emphasized that the Department was very glad to receive the assurances which the Japanese Foreign Minister had sent and was of the opinion that it was very important that the Japanese Government take steps to clarify the situation in North China. (FE memorandum of June 31, file No. 793.94/.)

(59) June 31. The Legation at Peiping advanced several possible reasons for the lull in the Sino-Japanese dispute in North China: apprehension in regard to publicity in foreign countries; failure of an anticipated rebellion in the south to synchronize with the Japanese "demands" in the north; a desire to settle affairs in Chahar, before expanding farther south of the Great Wall; a desire to allow the Government at Nanking to take some conciliatory step. The Legation felt that there was no reason to believe that the Japanese military had abandoned their objectives and that the Japanese expect to see, as a result of their recent démarche, a régime of officials in North China, appointed by the Chinese Government,

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ment, but amenable to Japanese military dictation.

(Peiping, June 21, 4 p.m.)

(60) June 21. The Legation at Peiping telegraphed that the well-known General Doihara had just arrived in Peiping and had stated that no more "incidents" would occur if the attitude and principles of the National Government had improved. A Japanese news report from Hsinking of June 20 stated that "Japanese troops garrisoned in Jehol Province are closely watching the attitude of General Sung's troops in order to take action in case they invade 'Manchukuo' territory." (Peiping, June 21, 5 p.m.)

(61) June 22. The Nanking office of the American Legation telegraphed that it had learned from a usually reliable source that the settlement of the Chahar question was delayed owing to a Japanese demand that the troops of General Sung (the deposed provincial chairman) be withdrawn from Chahar Province. (Nanking, June 22, 1 p.m.)

(62) June 23. The Legation at Peiping telegraphed that a Japanese newspaper at Tientsin had published on June 22 a Nanking press despatch dated June 21 containing an alleged statement by the Acting Minister for Foreign Affairs to Japanese newspaper men, briefly as follows:

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the Minister was hopeful that China's great compromise over the Manchurian and Hopei questions would bring harmony; that if war between China and Japan should break out, China could not hope to win the war, but could resist long enough to exhaust Japan and neither country would profit; that the uniting of China's raw materials and Japan's technique is the foundation of Far Eastern economy; that China will not abandon the quest of harmony and friendship; that the Hopei situation did not affect Sino-Japanese diplomatic relations; and that it was impossible that Chiang Kai-shek's alleged doubtful attitude toward Japan should have been the cause of the Hopei affair, because Chiang's attitude had been the same as the speaker's. The Minister for Foreign Affairs stated that all Japanese loans to the Ministry of Communications and a part of those to the Ministry of Railways had already been adjusted and that other old loans were in process of being adjusted. He said that the Chinese Government had decided at a conference in February, 1935, in reference to international air lines, that until the facilities for China's internal air lines were perfected, negotiations with regard to international lines should be given up. (Peiping, June 23, 2 p.m.)

(63) June 24. The Legation at Peiping telegraphed that

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that negotiations over the Chahar situation had begun the previous evening; that an American news representative, returning from Kalgan, stated that the Japanese had built an air field there and were behaving arrogantly toward Chinese officials, and that Wang Keh-min, the new acting chairman of the Peiping Political Affairs Readjustment Committee, had come to Peiping and had met General Doihara. (Peiping, June 24, 4 p.m.)

(64) June 24. The Embassy at Tokyo telegraphed that Japanese military activities in North China did not appear to be unpopular in Japan, but to be regarded as rather routine procedure, accompanying the expansion of an area of order and designed to protect Japanese interests of a legitimate character. The Japanese press had been giving rather lukewarm support to these activities and it might be inferred that the cost of the Army's demands and aggressiveness in Japan and abroad had caused a little weariness and some apprehension on the part of the Japanese people, but this was the extent of such opposition as might exist on the part of the Japanese public. The Embassy noted in certain quarters in Japan opposition to a China under the control of Chiang Kai-shek and to a united China. However, it seemed unlikely that the Japanese Army would push further at the present time its attempts

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attempts to disintegrate China and outside interposition at the moment would be likely to unite Japanese sentiment in favor of, rather than against, the Japanese Army's actions. (Tokyo, June 24, 2 p.m.)

(65) June 26. The Nanking office of the American Legation telegraphed that the Japanese diplomatic representative in Nanking had said in conversation with representatives of the American Legation that he regarded Sino-Japanese issues in Hopei Province as completely settled and there was no question of the exchange of any written documents between the Japanese and Chinese in that connection. He said that after the details of the Chahar question were worked out in North China they would be taken up in Nanking, the Chinese Government having already agreed in principle to the points suggested by the Japanese. (Nanking, June 26, 2 p.m.)

(66) June 26. The Legation at Peiping telegraphed that the Executive Yuan of the Chinese Government on June 25 had appointed General Shang Chen to be provincial chairman of Hopei and Cheng Kah to be mayor of Tientsin. The Legation had been informed that in making these appointments there had been no consultation with Japanese authorities and no approval granted by them. The Legation's Chinese informant stated emphatically that the
Chinese

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Chinese had not complied with the alleged Japanese requirement that Japanese approval must be obtained in making appointments of Chinese officials in the Peiping area. The Legation received the impression that diplomacy rather than military force would henceforth be used by the Japanese authorities in effecting arrangements in North China. (Peiping, June 26, 2 p.m.)

(67) June 26. The Embassy at Tokyo telegraphed that it was reliably informed of the successful conclusion of negotiations for a settlement of the Chahar incident and that the representatives of Japan and China had come to an oral agreement which would probably soon be signed. The draft agreement thus come to was reported as including the removal of prominent Chinese military and provincial officials and of the 132nd division from Chahar Province; the suppression of anti-Japanese activities; an official apology; the permanent removal of Chinese troops from the area adjacent to the Jehol border; disbanding of anti-Japanese organizations, including the Kuomintang; and the protection of all Japanese travelers in Inner Mongolia. The Embassy was informed that the reported attack by soldiers of General Sung on "Manchukuo" frontier guards near Tushikow would probably not interfere with the proposed agreement. (Tokyo, June 26, 5 p.m.)

(68)

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(68) June 27. The Legation at Peiping telegraphed that General Doihara had announced that the Chahar incident was settled fully and completely, shortly before noon of that day, when the new chairman of the provincial government called on him and expressed regret, stated that officials responsible for the incident had been dismissed, and promised to strive for amicable relations. The Japanese Military Attaché stated that the provincial chairman had given him a signed letter which was supposed to contain Chinese acceptance of the Japanese demands. The Legation said that the terms of settlement were probably the same as reported in the telegram of June 26, 5 p.m., from the Embassy in Tokyo (above), with perhaps two further items: (a) a promise that no more Chinese shall migrate to Chahar Province and (b) a time limit of two weeks for fulfilling the Japanese demands. (NOTE: Foreign press telegrams from China generally describe the effect of this agreement of extending the demilitarized zone up into the Province of Chahar as the most important feature of the settlement. (Peiping, June 27, 4 p.m.)

(69) June 28. The Legation at Peiping telegraphed that considerable firing had taken place at the central gate of the south wall of the "Chinese city", beginning with June 27, 10 p.m. By June 28, noon, the firing was reported

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reported as having ended. An armored train at Fengtai, ten miles south of Peiping, had been seized by "plain clothes men", of uncertain political affiliations. A half-hearted attempt was made to bring the armored train into Peiping, but the effort was easily repulsed. (Peiping, June 28, noon.)

(70) June 29. The Legation at Peiping stated that the indications were that the "plain clothes men", mentioned above, intended to organize an anti-Chiang Kai-shek government and anticipated assistance from within Peiping, which did not materialize. Three hundred more of these agitators were said to be within the wall of Peiping and the Legation said that it would appear that the instigators of this abortive coup had had connection with certain Japanese and had been misled into believing that they would receive support. The Legation added that the 41st division of the army of General Sung Che-yuan, deposed provincial chairman of Chahar, had arrived at Peiping from Chahar and would be stationed in that area because of the doubtful loyalty of the troops of General Wan Fu-lin. (Peiping, June 29, 2 p.m.)

(71) July 1. The Nanking office of the Legation said that a responsible Chinese official had stated that the trouble outside the gates of Peiping was believed in

Nanking

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

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Nanking circles to have grown out of a plot conceived by the son of General Wan Fu-lin and to have been encouraged by irresponsible Japanese adventurers in Tientsin.
(Nanking, July 1, 10 a.m.)

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

August 26 1935

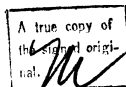
No. 829

STRICTLY CONFIDENTIAL.

To the American Chargé d'Affaires ad interim,
Tokyo.

There is enclosed for the strictly confidential information of the American Chargé d'Affaires ad interim at Tokyo a copy of a summary memorandum prepared on the basis of information available in the Department by Mr. Willys R. Peek, Counselor of Legation at Nanking, while on temporary duty in the Department of State, on the subject of the Sino-Japanese incident in North China, May-June, 1935.

Copies of the memorandum have been sent also to the American Minister at Peiping and to the Consul General at Nanking.



Enclosure:
Memorandum under date
July 1, 1935.

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8/23/35

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793.94/7253

No. 1740

August 26 1935

STRICTLY CONFIDENTIAL.

To the American Minister,
Peiping.

There is enclosed for the strictly confidential information of the American Minister at Peiping a copy of a summary memorandum prepared on the basis of information available in the Department by Mr. Willys R. Peck, Counselor of Legation at Nanking, while on temporary duty in the Department of State, on the subject of the Sino-Japanese incident in North China, May-June, 1935.

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Enclosure:
Memorandum under date
July 1, 1935.

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Department of State letter, August 10, 1972
By Milton D. O'Sullivan NMS, Date 12-18-75

No.

August 26 1955

STRICTLY CONFIDENTIAL.

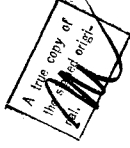
To the American Consul General,

Nanking, China.

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Enclosure:
Memorandum under date
July 1, 1935.



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

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DOCUMENT FILE

NOTE

SEE 893.00 P.R./95 FOR Despatch #3705

FROM China (Johnson) DATED July 26, 1935.
TO NAME 1-1127 ...

REGARDING: Reassumption by the Japanese Military of substantial direction
of Japanese policy in China; Aggression in Hopei Province;
Aggression in Chahar Province; The Fengtai Incident;
Japanese representations at Shanghai; Japanese activities
in the Southwest; Activities in Shantung Province.

793.94/7254

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II. Foreign Relations:

A. Relations with the United States:

Nothing to report.

B. Relations with other countries:

1. Japan:

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(pg 1-10)

The resumption by the Japanese military in the latter part of May of substantial direction of Japanese policy in China, which had seemed for a few months previous to be in the hands of the Japanese diplomatic representatives, had important results during June in both Hopei and Chahar Provinces, with lesser developments elsewhere in China.

a. Japanese aggression in Hopei Province:

The demands of the Japanese military, which were presented on separate occasions between May 29 and June 11 to General Ho Ying-ch'in, Chairman of the Peiping Branch Military Council, reported in the Legation's preceding monthly report, had concrete results in Hopei Province, as follows: (1) the removal of General Yu Hsueh-chung from the Chairmanship of the Hopei Provincial Administration and, after a brief interim during which Chang Hsu-wan acted as Chairman, the appointment to that position of General Shang Chen, Commander of the 33rd Army, composed chiefly of men from Shansi Province; (2) the appointment of men selected by General Shang Chen to positions in the provincial administration which had been held by followers of General Yu Hsueh-chung; (3) the transfer of General Yu and his troops from Hopei to Shansi Province,

thereby

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thereby eliminating the strongest opponent in North China to Japanese aggression; (4) the removal from Hopei of all troops of General Chiang Kai-shek; (5) the replacement of certain officials of the Tientsin Municipality by officials presumably more acceptable to the Japanese military; (6) the transfer from Peiping to Nanking of the Third Gendarmerie Regiment of the National Government; (7) the abolition of the Political Training Section of the Peiping Branch Military Council; (8) the closing of all branches of the Kuomintang; (9) the issuance of an order by the Peiping Branch Military Council for the abolition of all secret societies in Hopei (this order presumably meeting the Japanese demand for a curbing of the activities of the "Blue Shirt Society"); (10) the appointment of General Shang Chen as Commander of the Tientsin Garrison Headquarters, concurrently with his position as Provincial Chairman; (11) the changing of the Headquarters of the Tientsin Garrison into the Headquarters of the Peace Preservation Corps of Tientsin and Tangku; (12) the appointment of Mr. Wang Keh-min as Acting Chairman of the Peiping Political Affairs Readjustment Committee; (13) the conversion of Tientsin into a Special Municipality; and (14) the flight to Nanking on June 15 of General He Ying-ch'ing.

With regard to the alleged demands that (1) Chinese agreement to the Japanese demands be put in writing, (2) the Japanese be permitted to assign "inspectors" to observe the fulfillment of those demands, and (3) only officials be appointed in Hopei Province who would be

both

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both pro-Japanese and pro-"Manchukuo", it is believed that the first two were not carried out. As for the third, the new officials are regarded as being acceptable to the Japanese military, at least for the time being, and as having been appointed by the National Government because it was aware of their acceptability.

The effects of the changes outlined above were:

(1) the removal from Hopei of all organs of the National Government of importance, except the Peiping Political Affairs Readjustment Committee and the Peiping Branch Military Council (which have no real strength), and the consequent reduction of the National Government's control in Hopei to little more than a formality; (2) the reduction of the Chinese military forces in Hopei to a number (59,600) where they no longer offered any real threat to the Japanese; and (3) the appointment as Acting Chairman of the Peiping Political Affairs Readjustment Committee (Wang Keh-min) and as Mayor of Tientsin (Cheng Keh) of men closely connected with the pro-Japanese Anfu Clique, a fact which indicates that they will be more complaisant to Japanese direction than their predecessors. (The filling of positions in the Provincial Administration with Shanai men appears not to be significant with respect to Sino-Japanese relations as the transfer of the provincial capital from Tientsin to Paoting removed it from the principal sphere of Sino-Japanese relations. It is a question, however, open at present only to speculation, whether the presence of so many Shanai men in the administration may not make more easy an emer-

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gence of General Yen Hsi-shan, or of some other Northern military leader, to take over the nominal direction of affairs in North China at some future time, notwithstanding the coolness which allegedly still exists between General Yen and the new Provincial Chairman, General Shang Chen.)

At the close of June, it appeared that the Japanese military would make no new demands with regard to Hopei for the time being and would turn their attention to the question of the economic exploitation of North China by Japanese interests, meanwhile awaiting the outcome of separatist activities on the part of ambitious and dissatisfied Chinese leaders in North China who may or may not be played upon by Japanese intriguers. Concurrently, it was presumed, the Japanese military would endeavor to force General Chiang Kai-shek into some understanding.

However, there is reason to believe that the Japanese military planned to go much further in North China than they actually did and that their plans were altered shortly after initiation as the result of some development the character of which is not yet definitely known.

That the Japanese intended further action was indicated by the facts that (1) they had large numbers of troops in the vicinity of Shanhaikwan and of Keupintzen (allegedly two divisions at the former and 10,000 troops at the latter); (2) a number of so-called traitor Chinese in Manchuria came south of the Great Wall, presumably in anticipation of profiting through an expected turnover in the political situation in North China; and, (3) some-

... .. Chairman of Chahar

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five or six hundred Japanese and Chinese employees of government railways in "Manchukuo" were allegedly sent to Shanhaikwan, for the purpose of operating the Peiping-Shanhaikwan Railway shortly thereafter. Furthermore, the routine arrival of replacements for the Japanese troops stationed at Tientsin and at Peiping, as well as replacements for railway guards at various stations between Shanhaikwan and Tientsin, was opportune, the temporary doubling of these forces and the widespread doubt whether the old units would be withdrawn being of advantage to the Japanese.

There are several possible explanations for the abandonment by the Japanese military of further action. They may not have anticipated that their demands would be so quickly met by the Chinese and, as a result of the rapid compliance, decided that it would be preferable thereafter to gain their ends through peaceful means from a thoroughly cowed people. They may actually have been checked by orders from Tokyo, the authorities there allegedly having been displeased with this new military aggression by the Japanese military on the mainland. And there is some reason to believe that developments elsewhere in China did not occur as the military had anticipated; for example, it is understood that the Japanese military had mistakenly believed that rebellion by the Southwest against the National Government was imminent.

b. Japanese aggression in Chahar Province:

Employing as a pretext the detention on June 5 near Kalgan by Chahar authorities of four Japanese, the Japanese military presented demands to the Chairman of Chahar

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which in effect were similar to those presented with regard to Hopei Province and which were presumably intended to further the alleged Japanese plan to separate North China from the control of the Central Government in order to weaken General Chiang Kai-shek and the Kuomintang for the purpose of facilitating Japanese economic exploitation of China.

The demands were accepted on June 27. Although they are not yet known in detail, it is believed that they included: (1) the demilitarization of a part of Chahar Province, the Great Wall probably being set as the northern boundary to territory within which Chinese troops may be stationed; (2) the dismissal of certain officers nominally responsible for the incident; (3) an official apology; (4) the suppression of all anti-Japanese activities; (5) the disbandment of anti-Japanese organizations; (6) the abolition of the Kuomintang headquarters; and (7) the protection of Japanese travelers. There were also unconfirmed reports that the Japanese had demanded that there should be no further migration of Chinese settlers to Chahar, a demand presumably made to ingratiate themselves with the Mongols, and that the demands should be accepted within two weeks.

It was supposed at first that the resignation of the Chairman of Chahar, General Sung Che-yuan, had been demanded, but it was subsequently learned from Chinese and Japanese official sources that the National Government had acted with a nervous precipitousness in removing General Sung on June 19 from office and that the Japanese military had not demanded his removal. This

action

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action on the part of Nanking, however, caused General Sung to retire to Tientsin a more bitter enemy of General Chiang Kai-shek and the National Government than he had previously been. His place in the negotiations was taken by General Chin Teh-ch'un, Chahar Commissioner of Civil Affairs, who was appointed Chairman by the National Government on June 13. At the close of June, 30,000 of his troops were still in Chahar and 12,000 were in Peiping, having been despatched here as a result of the Fengtai incident.

c. The Fengtai Incident:

Although it is not known how important Japanese participation was in the Fengtai incident, it is included in the section of this report dealing with Japanese activities because it is known that there was Japanese participation and because it was made possible only as a result of the situation created by the presentation by the Japanese military of their demands with regard to Hopei.

Some rebels obtained control on June 27, through intimidation or bribery, of a Chinese armored train at Fengtai, a railway junction about ten miles south of Peiping, and approached Peiping, apparently with the intention of entering the city and aiding in the establishing of an independent regime. The attempt failed, in part because subversive activities within Peiping, which the rebels anticipated, did not materialize and in part because of the prompt measures taken by the local officials. The rebels were dispersed and many of them captured.

It is not yet definitely known who were primarily involved. It is generally accepted that the majority of

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the participants were followers of General Shih Yu-shan and perhaps of similar malcontents, such as General Liu Kuei-t'ang; that one of the chief figures was General Pai Chien-wu, former Chief-of-Staff of General Wu Pei-fu; that some Japanese and Koreans of no importance participated; and that the abstention of the higher Japanese military from assisting in the carrying out of the scheme was the primary cause of its failure. It is, however, believed by some reputable observers that these rebels received encouragement in the early stages of the plot from some of the higher Japanese military; that these officers dropped the scheme for some reason; and that the lesser persons involved decided to go through with it notwithstanding the loss of their support. (Another interpretation should also be mentioned, as it lies within the realm of possibility, namely, that the incident was secretly engineered and then officially put down by General Wan Fu-lin for the purpose of enhancing his own reputation and of so embarrassing the officials of Peiping and of the Hopei Provincial Government that they would resign, following which their posts would be filled by persons acceptable to General Wan.)

Perhaps the chief significance of the Fengtai incident was to show that not only are the Japanese military a menace to the integrity of North China but that jealous, disgruntled, and ambitious Chinese military leaders and politicians are an immediate menace as well. There was, in fact, at the close of June, almost no important military leader in the five northern provinces who was not

regarded

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regarded as a potential participant in a separatist movement.

d. Japanese representations at Shanghai:

Representations were made on June 10 by the Japanese Consul General at Shanghai to the Mayor of that city which, notwithstanding alarming rumors, were apparently made for the purpose of preventing possible future Sino-Japanese difficulties in Shanghai. It was understood that the representations concerned the advisability of care on the part of the Chinese press not to publish material which might offend Japanese and on the part of the local Kuomintang not to participate in any anti-Japanese activities.¹

e. Japanese activities in the Southwest:

Although proof of Japanese subversive activities in the Southwest was lacking, there were few observers who did not believe that Japanese efforts to expand their influence in Kwangtung and Kwangsi Provinces were continuing. The two Japanese whose visits to the Southwest received the most publicity were Mr. Matsumoto, Japanese Parliamentary Councillor for Foreign Affairs, and Colonel Kita, Chief of the China Section of the Tokyo General Staff.

f. Japanese activities in Shantung Province:

It was believed that the Japanese looked forward to the separation of Shantung Province from the National

Government

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1. Shanghai's despatches to Legation 8705 and 8713 of June 24 and 26.

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Government together with the rest of North China. Presumably pressure was being brought to bear on the Provincial Chairman, General Han Fu-chu, by the Japanese to induce an attitude satisfactory to the carrying out of Japanese plans, and General Han's position was rendered more difficult by the fact that his relations with the National Government appeared not to be clarified. Although Shantung Chinese continued to be highly apprehensive, actual facts with regard to the progress of Japanese ambitions in that province were difficult to obtain.

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

79394

DOCUMENT FILE

NOTE

SEE 894.00 P.R./92 FOR Despatch #1427

FROM Japan (Neville) DATED August 9, 1935.
TO NAME 1-1127

REGARDING: Sino-Japanese Relations.

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II. RELATIONS WITH OTHER COUNTRIES.

(a) China.

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During the early part of the month the incident that received the greatest amount of attention in the Japanese press was the "lèse majesté" affair that arose during the latter part of May over an article published in the Chinese weekly, HSIN SHENG (NEW LIFE), which contained remarks considered by the Japanese as disrespectful to their Emperor. The Japanese Ambassador to China submitted certain demands to the Chinese authorities, including a formal apology in the name of the National Government and the Kuomintang, punishment of the editor of the offending magazine and the writer of the article, and a guarantee that similar incidents would be prevented in the future. It is interesting to note that Mr. Hirota stated at a Cabinet meeting on July 5 that the "lèse majesté" case was purely a matter for diplomatic parley and that the Japanese Army was not concerned in the affair. However, a Rengo despatch from Shanghai dated July 3 reported that vigorous representations with regard to the HSIN SHENG article had been made by the Military and Naval Attachés of the Japanese Embassy in China. The affair was apparently settled to the satisfaction of the Japanese on July 8 upon the complete compliance of the Chinese authorities with the demands. Two other incidents reported in the

Japanese

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Japanese press were an attack on July 3 on a "Manchukuo" border patrol by Chinese troops formerly under the command of General Sung Che-yuang and the raiding of a Japanese motor-cycle supply store by Chinese "patriots" during the early part of the month. It would appear that both incidents were settled to the satisfaction of the Japanese.

There were reports to the effect that the Japanese Foreign Office was formulating a "new" policy toward China, which would include the following points: China must not only bring about a complete change in its anti-Japanese policy but also must cooperate in a positive manner with Japan; Chinese policy toward "Manchukuo" must undergo a fundamental change (presumably recognition of the new State*); and the Nanking Government must set North China aside as a region entirely different from the rest of China economically, socially, and culturally. As an example of the proposed Sino-Japanese cooperation, the ASAHI of July 14 reported that it had been learned from responsible Japanese Government quarters that Japanese military and economic participation in the Nanking Government's campaign against the communists would be granted, provided China was really desirous of such aid and was prepared to receive it with the "utmost sincerity".

General Tsiang Tso-ping, Chinese Ambassador to Japan, sailed for China on leave on July 5, giving rise to rumors, which were later denied by him, that he was going to resign from his post in Japan. Interviewed prior to his departure by the YOMIURI, General Tsiang Tso-ping was reported to have expressed his belief that Sino-Japanese relations

were

* Department's telegram No. 115 of July 29, 1935, and Embassy's telegram No. 161 of July 31, 1935.

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were gradually working back to normal and that recent events in North China were only a "passing shower". The Chinese Ambassador was also said to have made the remark that Japanese newspapers and magazines were to some extent responsible for exaggerating Sino-Japanese disputes by giving prominence to small matters.

Although most reports were to the effect that at the end of the month the Japanese Army was for the time being satisfied with the situation in North China, a Nippon Dempo despatch from Peiping dated July 27 reported that the Japanese military authorities in North China had abandoned their efforts to persuade Marshal Yen Hsi-shan, "model governor" of Shansi Province, to organize a government consolidating the Provinces of Hopei, Chahar, Suiyan, Shantung, and Shansi outside the influence of the Nanking Government. The news despatch further stated that the Japanese military had now decided to place a civilian at the head of the proposed North China bloc.

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