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Foreign Relations of the United States



JAPAN
1931-1941

I





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PREFACE

The documents published in these volumes were selected with a view to presenting a comprehensive record of the diplomatic relations between the United States and Japan in regard to matters related to the causes of conflict between the two countries from the beginning of the Japanese occupation of Manchuria on September 18, 1931, to the Japanese surprise attack on Pearl Harbor on December 7, 1941, and the declaration of war by the United States on December 8, 1941.

The amount of background material here printed has been limited by the necessity of keeping the publication within a reasonable compass. It was obviously impossible to include an absolutely complete selection of even the more important of the pertinent reports coming to the Department from American diplomatic representatives and other observers during the ten years covered. Therefore only reports of special significance have been selected.

While the American Government consulted with other interested powers and at times took parallel action in dealing with crises arising in the Far East during this period, it was not its practice to take joint action. It has therefore been thought advisable to limit the selection to those documents relating directly to American-Japanese relations without entering into the ramifications of discussions with third powers.

The correspondence with the Japanese Government with respect to losses by American nationals due to bombings and other acts of the Japanese armed forces in China is so voluminous that documents in record of representations in many individual cases have been omitted. This printed record therefore includes only the record of representations of a general character and a number of notes on particular incidents which were thought to be typical.

It is contemplated that additional documents relative to some of the developments treated in the present publication and to other phases of the policy of the United States toward the Far East during the years 1931-1941 will be published in the regular annual volumes of *Foreign Relations of the United States*.

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1931 Sept. 19 (599)	<i>From the Minister in China (tel.)</i> Report that at 10 p. m. on September 18 Japanese soldiers began firing on Mukden and that at 1 a. m., September 19, the city was apparently surrounded.	1
Sept. 21 (155)	<i>From the Chargé in Japan (tel.)</i> Information that Antung, Newchwang, and Changchun have been occupied. Statement by the Chinese Chargé in Japan that the Foreign Office had informed him that orders had been issued to stop military operations but that Japan was determined to protect its civilians in Manchuria.	1 ✓
Sept. 21 (614)	<i>From the Minister in China (tel.)</i> Information that all South Manchuria has been occupied. Japanese statement claiming that the action was precipitated by a clash between Japanese guards and Chinese soldiers attempting to destroy the South Manchuria Railway tracks. Opinion that the action was the result of careful planning.	2
Sept. 22 (157)	<i>From the Chargé in Japan (tel.)</i> Probability that the Japanese Army seized upon the railway incident and occupied whole area as a military measure to force liquidation of outstanding issues. Opinion that the Foreign Office was genuinely surprised by action of the Army.	4
Sept. 22 (625)	<i>From the Minister in China (tel.)</i> Conclusion that the occupation of South Manchuria is an aggressive act by Japan, apparently long planned, and that the signatories of the Kellogg Treaty should pronounce themselves in this regard.	4 ✓
Sept. 22	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador during which the Ambassador was given a memorandum of a verbal statement (text printed) expressing the concern of the U. S. Government in regard to the events in Manchuria, and in which the Ambassador expressed his surprise and inability to understand the causes of what had happened.	5 ✓
Sept. 24 (166)	<i>To the Chargé in Japan (tel.)</i> Review of the Department's actions in the Manchurian situation, especially with respect to the Department's cooperation with the League of Nations.	8
Sept. 24 (167)	<i>To the Chargé in Japan (tel.)</i> Instructions to deliver to the Foreign Minister a note (text printed) expressing the U. S. Government's hope that both powers will cease military operations and refrain from any action liable to prejudice the amicable settlement of their differences. Information that an identic note will be delivered to the Chinese.	9 ✓

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Sept. 30	<p><i>Resolution Adopted by the Council of the League of Nations</i> Affirming and requesting the speedy execution of: (1) Japan's commitment that it has no territorial designs in Manchuria and will withdraw troops as rapidly as possible; and (2) China's commitment that it will assume responsibility for safety of lives and property of Japanese nationals.</p>	13
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Oct. 9 (73)	<p><i>To the Consul at Geneva (tel.)</i> Instructions to present to the Secretary General of the League of Nations a memorandum dated October 5 (text printed), indicating approval of the course taken by the League and stating that the U. S. Government, acting independently, will endeavor to reinforce League action.</p>	17
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Oct. 11 (194)	<i>To the Chargé in Japan (tel.)</i> Instructions to deliver to the Foreign Minister a statement to the effect that the Secretary considers the explanation of the Chinchow bombing quite inadequate and regards the matter as of very serious importance (text printed).	20 ✓
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Oct. 12	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador presented the Foreign Minister's reply to the Secretary's message of October 10 in regard to the Chinchow bombing, and in which the Secretary stated his decision to authorize Gilbert, the U. S. Consul at Geneva, to sit with the Council of the League in certain discussions in order to show that the United States stood with the other nations of the world vis-à-vis Japan.	22 ✓
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Oct. 14	<i>Memorandum by the Under Secretary of State</i> Conversation with the Japanese Ambassador who indicated that his Government would be opposed to a neutral commission should the League propose it, and brought up the Shantung negotiations as a possible method of procedure.	24
Oct. 16	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Secretary said that he was sorry that the Japanese Government had opposed the participation of the United States in the League discussions of the Kellogg Pact since such opposition gave the appearance of a personal issue between Japan and the United States.	26
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Nov. 21	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador stated that his Government would withdraw its forces from Tsitsihar as soon as possible and that it intended to adhere to the policy outlined in the Embassy's memorandum handed to the Secretary on November 9, and in which the Ambassador reported that Japan was now willing to consent to a neutral commission.	46

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1933 Jan. 5	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in regard to the outbreak at Shanhaikwan: The Ambassador's statement that Japan has no territorial ambitions south of the Great Wall, but that no Cabinet which advocated compromise in the "Manchukuo" question could survive in Japan—that must be regarded as a closed incident. The Secretary's response that he saw no other course than for Japan to get out of the League and the Kellogg Pact.	107 ✓
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Jan. 18 (5)	<i>To the Ambassador in Japan (tel.)</i> Statement by President-elect Roosevelt, January 17, 1933 (text printed), to the effect that American foreign policy must uphold the sanctity of international treaties.	109 ✓
Feb. 20 (43)	<i>From the Ambassador in Japan (tel.)</i> Decision of the Cabinet that Japan will secede from the League if the Assembly adopts the report and recommendations of the Committee of Nineteen. Intimation from the Foreign Office that the Japanese advance into Jehol is expected to commence at any moment.	109 ✓

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Feb. 23	<i>Memorandum by the Secretary of State</i> Japanese Ambassador's statement that "Manchukuo" is determined to suppress the irregulars in Jehol and that Japan is bound by treaty to support "Manchukuo."	112
Feb. 24	<i>Resolution Adopted by the Assembly of the League of Nations</i> Decision of the Assembly to appoint an Advisory Committee to follow and make reports on the Sino-Japanese situation and to invite the Governments of the United States and the Union of Soviet Socialist Republics to cooperate in its work.	113
Feb. 24 (125)	<i>From the Minister in Switzerland (tel.)</i> Letter from the Secretary-General of the League (text printed) transmitting the report of the Committee of Nineteen and requesting an expression of U. S. views.	114
Feb. 25 (128)	<i>From the Minister in Switzerland (tel.)</i> Letter from the Secretary-General of the League (text printed) conveying an invitation to the U. S. Government to cooperate in the work of the Advisory Committee.	114
Feb. 25 (78)	<i>To the Minister in Switzerland (tel.)</i> Letter for the Secretary-General of the League (text printed) stating that the U. S. Government is in general accord with the conclusions of the League Assembly and that, insofar as is appropriate under treaties to which it is a party, the U. S. Government expresses its general endorsement of the principles of settlement recommended by the League.	115
Feb. 27	<i>Memorandum by the Secretary of State</i> General discussion with the Japanese Ambassador of U. S.-Japanese relations; the Ambassador's expression of confidence in his people and belief that sooner or later the moderate elements will not disappoint America.	116
Mar. 11 (86)	<i>To the Minister in Switzerland (tel.)</i> Letter for the Secretary-General of the League (text printed) expressing the desire of the U. S. Government to cooperate with the Advisory Committee, while reserving its independence of judgment; and informing him that the American Minister in Switzerland is being instructed to participate in the deliberations of the Committee, without the right to vote, if such participation is desired. Authorization to act in accordance with provisions of letter.	117
Mar. 13 (87)	<i>To the Minister in Switzerland (tel.)</i> Information that the Secretary-General's letter of invitation and the Department's reply of March 11, 1933, will be released to the press March 14, 1933, with an explanatory statement (text printed).	118
May 3 (89)	<i>From the Ambassador in Japan (tel.)</i> Foreign Office correction of a statement made by the Privy Councilor of "Manchukuo" to the effect that "Manchukuo" would apply the open-door principle only to those countries which recognized "Manchukuo's" independence; assurances that the principle of the open door will be maintained.	119

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June 12	<i>From the Secretary-General of the League of Nations</i> Information that the Advisory Committee has drawn up a circular relating to the measures involved in the nonrecognition of "Manchukuo"; hope that the U. S. Government will declare its agreement to the recommendations.	120
Sept. 20 (2319)	<i>To the Chargé in Switzerland</i> Letter for the Secretary-General of the League from the Secretary of State (text printed) stating that the U. S. Government believes it will be possible for it to proceed in substantial accordance with the recommendations of the Advisory Committee, except with respect to accessions to open conventions and procedure in control of narcotic drugs.	121
Oct. 3 (149)	<i>From the Ambassador in Japan (tel.)</i> Conversation with the new Foreign Minister in regard to ways and means for improving Japanese-American relations; the Ambassador's advice to the Foreign Minister against sending a Japanese good-will mission to the United States and his indication that a change in the Japanese press would be more helpful.	123
Oct. 6 (89)	<i>To the Ambassador in Japan (tel.)</i> Approval of the Ambassador's reply in regard to the good-will mission; suggestion that the Foreign Minister might be informed that he could accomplish more by effecting the removal of discriminations against U. S. trade in "Manchukuo".	125
Oct. 14 (97)	<i>To the Ambassador in Japan (tel.)</i> Examples of discrimination to be used in discussing the policies of "Manchukuo" with the Japanese Foreign Minister.	126
Oct. 23 (385)	<i>To the Ambassador in Japan</i> Information that the Department has authorized the Minister in Switzerland to make an oral rather than a written presentation of the U. S. Government's views in regard to the recommendations of the Advisory Committee.	126
1934 Undated [Rec'd Feb. 21]	<i>Informal and Personal Message From the Japanese Minister for Foreign Affairs</i> Statement of Japan's desire for peaceful and friendly relations with the United States.	127
Undated [Rec'd Mar. 3]	<i>Informal and Personal Message to the Japanese Minister for Foreign Affairs</i> Expression of gratification in regard to the Foreign Minister's statement.	128
Mar. 21	<i>To the Ambassador in Japan (cir. tel.)</i> Information that no negotiations are being conducted between the Japanese and U. S. Governments at present. (Footnote: Telegraphed on the same day to Peiping with instructions to repeat to Shanghai and Nanking; and to London with instructions to repeat to Paris, Geneva, Berlin, and Rome.)	129

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July 7	<p><i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i></p> <p>Attitude of the United States regarding the report that the Manchurian authorities have established the Manchuria Petroleum Company and plan to establish a petroleum sales monopoly; hope that the Japanese Government will use its influence to discourage the adoption by the Manchurian authorities of measures which tend to violate the open-door principle and the provisions of treaties which the Manchurian authorities have agreed to respect.</p>	130
Aug. 2	<p><i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i></p> <p>Statement that the oil policies of "Manchukuo" are in no way the concern of the Japanese Government; report of such information on the matter as the Japanese Government has received; and suggestion that the U. S. interests concerned deal directly with the authorities of "Manchukuo."</p>	132
Aug. 31	<p><i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i></p> <p>Inability of the U. S. Government to believe that the Japanese memorandum of August 2, 1934, expresses that Government's position and intention with regard to projects in Manchuria which contravene not only treaties but assurances which Japan has given to the United States and the world.</p>	133
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Nov. 14 (1052)	<p><i>From the Ambassador in Japan</i></p> <p>Report of later developments in the matter of the oil sales monopoly in Manchuria; memorandum from the Japanese Ministry for Foreign Affairs, November 5, 1934, which the U. S. Embassy considers to be entirely unsatisfactory; and copy of the "Manchukuo" oil monopoly law (texts printed).</p>	135
Nov. 30	<p><i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i></p> <p>Reiteration of the U. S. position in regard to the proposed petroleum monopoly in Manchuria and statement that the U. S. Government cannot accept Japan's implied disclaimer of responsibility in relation to the industrial policy in Manchuria of which this project is a manifestation.</p>	143
Dec. 1	<p><i>Memorandum by the American Ambassador in Japan</i></p> <p>Account of a conversation with the Foreign Minister at the time of the presentation of the Embassy's <i>aide-memoire</i> of November 30, 1934; report that it was impossible to get anywhere because of the obviously specious character of the Foreign Minister's arguments.</p>	144

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1935 Apr. 10 (29) American Affairs III)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Reply to the U. S. <i>aide-mémoire</i> of November 30, 1934, to the effect that Japan sees no reason for altering its former statements and is unable to agree with any proposal that it should bear responsibility for the actions of the "Manchukuo" government or with any contention which has for a premise a denial of the independence of "Manchukuo."	146
Apr. 15 (383)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Statement that the U. S. Government is unable to accept as valid the contentions advanced in the Japanese <i>aide-mémoire</i> of April 10, 1935, and that upon the Japanese Government must rest the ultimate responsibility for injury to U. S. interests resulting from the creation and operation of the petroleum monopoly in Manchuria.	148
Apr. 16	<i>Memorandum by the American Ambassador in Japan</i> Conversation with the Foreign Minister, in the course of which the Foreign Minister made the statement that until "Manchukuo" is recognized no dispute whatever can be entertained with regard to that country, following which the Ambassador stated that the U. S. Government based its whole case on treaty obligations and past assurances, and then took his departure, leaving note No. 383.	149
Apr. 16	<i>Oral Statements by the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Observations concerning some of the ill effects which will result from the creation of the oil monopoly in Manchuria, and conclusion that if, as the Japanese insist, the principle of national defense is involved, it would seem that Japan cannot dissociate itself from the project, and that on the other hand, if it is purely a commercial question, it would appear to be fitting for Japan to associate itself with other nations in maintaining the principle of equality of opportunity in Manchuria.	150
1937 Oct. 30 (158)	<i>From the Consul at Mukden</i> Report of an interview with the Director of the Foreign Office of the State Council concerning the discriminatory features of the exchange control law enacted October 8, 1937; informal memorandum (text printed).	151
Dec. 1 (828)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Emphatic objections to any attempt by authorities in Manchuria to exercise jurisdiction over Americans in Manchuria and reservation of U. S. treaty rights, in view of reported signing of a treaty ending Japanese extraterritorial rights in Manchuria and the issuing of a manifesto in regard to extraterritorial rights of foreigners other than Japanese. Explanation that the Japanese Government is being addressed in this matter in view of the relationship between the Japanese Government and the authorities in Manchuria.	154

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1939 Apr. 6	<i>Press Release Issued by the Department of State</i> Explanation that, although trade figures show an increase in U. S. exports to Manchuria in 1937 and 1938, the increase was obviously connected with Japan's preparation for military operations and does not indicate that U. S. enterprise has benefited by the changes which have occurred in Manchuria since 1931; reiteration that U. S. enterprise is being discriminated against.	155

MILITARY ACTION BY JAPAN AT SHANGHAI, 1932

1932 Jan. 27 (25)	<i>To the Ambassador in Japan (tel.)</i> Narrative of recent events in Shanghai leading up to the Japanese Consul General's presentation of certain demands to the Chinese mayor; instruction to express the hope of the U. S. Government that Japan contemplates no action in contravention of the rights and interests of other nations.	161
Jan. 27 (26)	<i>To the Ambassador in Japan (tel.)</i> Instructions to make oral representations to the Foreign Minister in regard to reports that the Japanese contemplate military action near the International Settlement at Shanghai which would endanger radio station at Chenju in which the Radio Corporation of America has a large interest.	163
Jan. 28 (26)	<i>From the Ambassador in Japan (tel.)</i> Foreign Minister's solemn assurance that there is no intention of interfering with the rights or interests of other nations in Shanghai; further discussion in regard to the Shanghai situation.	163
Jan. 29 (28)	<i>To the Ambassador in Japan (tel.)</i> Instructions to confer with the British Ambassador and to present a note to the Foreign Minister (text printed) protesting against the Japanese attack on Shanghai, January 28, 1932, after the Chinese mayor had made a satisfactory answer to the Japanese demands.	165
Jan. 30	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in regard to the seriousness of the situation created by the Japanese attack of January 28, 1932. Statement issued by the Japanese Consul General at Shanghai on January 29, 1932 (text printed).	166
Jan. 31 (30)	<i>To the Ambassador in Japan (tel.)</i> Information that the flagship <i>Houston</i> and available destroyers have been ordered to Shanghai to ensure safety of American lives and property.	168

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Jan. 31 (31)	<i>To the Ambassador in Japan (tel.)</i> Instructions, in view of continued military actions, to represent urgently to the Foreign Minister that the Settlement should not be used by Japanese forces as a base for operations except in defense of the Settlement.	171
Feb. 1 (33)	<i>From the Ambassador in Japan (tel.)</i> Foreign Minister's statement that the defense of the Settlement might require counterattacking.	172
Feb. 1	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Secretary stated that the firing on Nanking by Japanese vessels should be stopped at once if any good effects were to ensue from U. S. good offices.	173
Feb. 1 (34)	<i>To the Ambassador in Japan (tel.)</i> Note for the Foreign Minister (text printed) presenting the five-point proposal of the powers for cessation of the conflict. Information that the same proposal is being submitted to the Chinese Government. Instructions to confer with the British Ambassador.	174
Feb. 2 (34)	<i>From the Ambassador in Japan (tel.)</i> Foreign Minister's willingness to recommend favorable consideration of the first four points of the five-point proposal but not the fifth point which includes accepting neutral observers in negotiating a settlement of the outstanding controversies between the two nations.	175
Feb. 2	<i>Memorandum by the Under Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador asked whether the U. S. Government laid stress on the fifth point and was informed that it did.	176
Feb. 3	<i>Memorandum by the Secretary of State</i> Discussion with the Japanese Ambassador during which the Secretary insisted that the Ambassador inform his Government that the U. S. and British Governments are determined to defend the Settlement and that the Japanese must cease to use it as a base of attack against the Chinese.	177
Feb. 3 (37)	<i>To the Ambassador in Japan (tel.)</i> Instructions to protest strongly against the stationing of Japanese forces in the sectors of other powers.	179
Feb. 4 (39)	<i>From the Ambassador in Japan (tel.)</i> Meeting of the Foreign Minister with the British, French, and U. S. Ambassadors in order to reply to the five-point proposal of the powers; intention of the Japanese to send land troops to Shanghai in spite of the report that the Chinese have accepted all five points. Statement by the Vice Minister for Foreign Affairs that the marines have been withdrawn from the sectors of other powers.	180
Feb. 6 (44)	<i>From the Ambassador in Japan (tel.)</i> Note from the Foreign Minister (text printed) replying to the five-point proposal.	182

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Undated [Rec'd Feb. 7]	<i>From the Japanese Embassy</i> Statement of the Japanese Government, February 7, 1932, in regard to the Shanghai incident.	186
Feb. 8	<i>Memorandum by the Under Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador conveyed the information that the first Japanese land forces had landed and proceeded to Chapei.	188
Feb. 8	<i>Memorandum by the Secretary of State</i> Statement to the Japanese Ambassador that if negotiations were going on at Shanghai they must be considered as a Japanese proposal, since Japan had rejected the five-point proposal.	189
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Feb. 10 (50)	<i>To the Ambassador in Japan (tel.)</i> Information that military actions indicate that the Japanese have no plan for peace negotiations at Shanghai; instructions sent to the Consul General at Shanghai (text printed).	191
Feb. 12 (54)	<i>To the Ambassador in Japan (tel.)</i> Conviction that the Japanese military authorities have at no time considered any cessation of hostilities on any fair basis; instructions to make no more conciliatory efforts.	192
Feb. 14 (48)	<i>From the Consul General at Shanghai (tel.)</i> Note to the Japanese Consul General, February 13, 1932 (text printed), protesting against Japanese plans to land troops at a wharf in the Settlement.	192
Feb. 15 (67)	<i>From the Ambassador in Japan (tel.)</i> Exposition of the Japanese position at Shanghai by the Foreign Minister at a meeting with the British, French, German, Italian, and U. S. Ambassadors.	193
Feb. 15	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Secretary said that he proposed to protest publicly against the landing of Japanese troops in the Settlement and to notify the Japanese Government that they will be held financially responsible for all damages suffered from use of the Settlement as a base for military operations.	194

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Feb. 19	<i>From the Minister in China (tel.)</i> Information that the British, French, Italian, and U. S. Ministers called on the Japanese Minister to point out Japan's responsibility for the danger to foreign life and property caused by the use of the Settlement as a base for attack.	197
Feb. 21 (92)	<i>From the Consul General at Shanghai (tel.)</i> Note from the Japanese Consul General at Shanghai, February 19, 1932 (text printed), replying to the American Consul General's protest transmitted to the Department in his telegram No. 48, February 14, 1932.	198
Feb. 23	<i>Memorandum by the Under Secretary of State</i> Conversation with the Japanese Ambassador concerning the repercussions apt to result from the actions of the Japanese military authorities at Shanghai.	198
Feb. 24 (62)	<i>To the Ambassador in Japan (tel.)</i> Instructions to make representations, jointly with the British, French, and Italian Ambassadors if possible, requesting: (1) That the Japanese warships be moved farther down the river so as not to endanger the Settlement, and (2) that any further Japanese reinforcements be landed elsewhere than in the Settlement. Instructions to leave a written memorandum.	200
Feb. 27	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador said that his Government would do everything possible to avoid danger to the Settlement.	201
Undated	<i>Communication Made by the President of the Council of the League of Nations at the Meeting of February 29, 1932</i> Setting forth proposals for the restoration of peaceful conditions in the Shanghai area.	203
Feb. 29 (46)	<i>From the Minister in Switzerland (tel.)</i> Letter from the Secretary-General of the League, and the U. S. Minister's reply to the effect that the United States is happy to associate itself in the League's effort toward peace (texts printed).	204
Mar. 1 (84)	<i>From the Ambassador in Japan (tel.)</i> Report that the instructions in Department's telegram No. 62, February 24, 1932, have been carried out. Foreign Minister's reply (text printed) stating that the message has been transmitted to the Army and Navy who will give it as favorable consideration as possible.	205
Mar. 3	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador who presented an announcement of the cessation of hostilities and a set of basic conditions for cessation of hostilities (texts printed) and expressed his Government's desire that the United States participate in round-table conferences mentioned in the basic conditions; Secretary's comments on the Japanese attacks of March 2 and 3, 1932, after Japan's acceptance, on March 1, 1932, of the League's proposal for cessation of hostilities and the various steps, including a conference.	205

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1932 Mar. 3 (71)	<i>To the Consul General at Shanghai (tel.)</i> Instructions not to participate in the round-table conferences now in prospect until given further instructions; opinion that the situation is obscured by the Japanese offensive of March 2 and 3.	208
Mar. 5 (77)	<i>To the Consul General at Shanghai (tel.)</i> For the Minister: Resolution passed by the Plenary Assembly of the League (text printed) to effectuate the Council proposals of February 29, 1932. Conditions under which the U. S. Government is willing to have the Consul General and military and naval authorities participate in the proposed conference.	209
Mar. 11	<i>Resolution Adopted by the Assembly of the League of Nations</i> Declaration that members should not recognize any results attained by means contrary to the Covenant of the League or the Pact of Paris; decision to set up a Committee of Nineteen to follow the Shanghai situation.	210
Mar. 12 (46)	<i>To the Minister in Switzerland (tel.)</i> Letter for the Secretary-General of the League (text printed) expressing the U. S. Government's gratification at the League action of March 11, 1932.	213
Mar. 12 (97)	<i>To the Consul General at Shanghai (tel.)</i> For the Consul General and the Minister: Secretary's statement to the press (text printed) approving the action of the League.	213
Mar. 15	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador concerning the progress of the conference in Shanghai.	214
Apr. 21	<i>Memorandum by the Under Secretary of State</i> Conversation with the Japanese Ambassador who indicated that Japan was troubled by the feeling that through the League she was being dictated to by the small nations and that she might withdraw from the Assembly as a protest.	215
May 5	<i>Agreement Concerning the Definitive Cessation of Hostilities at Shanghai</i> Terms negotiated with the assistance of friendly powers in accordance with the Assembly resolution of March 4, 1932.	217

FURTHER JAPANESE POLITICAL AND ECONOMIC PENETRATION INTO CHINA
1934-1936

1934 Apr. 20 (751)	<i>From the Ambassador in Japan</i> Translation of an unofficial statement made on April 17, 1934, by Mr. Amau of the Japanese Foreign Office (text printed), defining the Japanese policy toward the rendering of assistance to China by other powers. Explanation that the statement was made to foreign correspondents and appeared to have been based upon an instruction issued to the Japanese Minister in China.	223
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FURTHER JAPANESE POLITICAL AND ECONOMIC PENETRATION INTO CHINA,
1934-1936—Continued

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1934 Apr. 24	<i>Memorandum by the Under Secretary of State</i> Conversation with the Japanese Ambassador in regard to the Amau statements; the Secretary's request for an official translation of the statement and his assertion that the United States considered Amau's declarations as exceedingly important.	225
Apr. 25 (75)	<i>From the Ambassador in Japan (tel.)</i> Foreign Minister's explanation that Amau had given out the statement without the Foreign Minister's knowledge or approval; his assurance that Japan has no intention of seeking special privileges in China nor of encroaching upon the territorial and administrative integrity of China.	227
Apr. 25	<i>From the Japanese Ambassador</i> Translation of a statement made by Mr. Amau, April 20, 1934, to foreign correspondents and translation of the Foreign Minister's instructions to the Japanese Minister in China (texts printed).	228
Apr. 26	<i>From the Chief of the Division of Far Eastern Affairs to the Under Secretary of State</i> Opinion that the translation of the instructions to the Japanese Minister to China furnished by the Japanese Ambassador gives the Department a basic document which may be regarded as an official "indicator" of the Japanese policy vis-à-vis China.	230
Apr. 28 (59)	<i>To the Ambassador in Japan (tel.)</i> <i>Aide-mémoire</i> for the Foreign Minister (text printed), with respect to the recent indications of the Japanese attitude with regard to the rights and interests of Japan and other countries in China; reaffirmation of U. S. position with regard to the questions and rights involved.	231
Apr. 29 (83)	<i>From the Ambassador in Japan (tel.)</i> Report that the <i>aide-mémoire</i> has been delivered and that the Foreign Minister's only comment was that the whole affair had caused a great misunderstanding.	232
Undated [Rec'd May 16]	<i>From the Japanese Ambassador</i> Proposal that the United States and Japan issue a joint declaration of policy.	232
May 19	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador stated that his Government agreed with the fundamental phases of the Secretary's <i>aide-mémoire</i> but that it did feel that it had a special interest in preserving peace and order in China.	233
June 18 (539)	<i>To the Ambassador in Japan</i> An account of conversations with the Japanese Ambassador on May 16 and May 29, 1934, during which the Secretary rejected the Ambassador's secret and confidential proposal of May 16 for a joint declaration of policy.	237
1935 June 15	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador stated that, despite the many rumors and reports coming out of China, nothing was taking place except an effort on the part of Japanese officials and representatives to have China do two or three things requested of them.	239

FURTHER JAPANESE POLITICAL AND ECONOMIC PENETRATION INTO CHINA,
1934-1936—Continued

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1935 Dec. 5	<i>Statement by the Secretary of State</i> Reply to inquiries of press correspondents in regard to the "autonomy movement" in North China, Chinese and Japanese activities in relation thereto, and the U. S. Government's attitude.	240
1936 Feb. 1 (16)	<i>To the Ambassador in Japan (tel.)</i> Information that, in reply to press inquiries, the Secretary has stated that there are no new developments in relations between the United States and the countries of the Far East and that no conferences on political matters have been held or been suggested.	241
June 12	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador to England concerning commercial relations, in which the Secretary defined and described the reciprocal trade-agreements program.	241
Oct. 3 (203)	<i>From the Chargé in Japan (tel.)</i> Assurances by the Vice Minister for Foreign Affairs that the questions under discussion with China are not unconditional demands but are Japan's wishes, and that Japan does not intend to use force to obtain China's agreement.	245
Oct. 4 (128)	<i>To the Chargé in Japan (tel.)</i> Instructions to make an oral statement to the Vice Minister for Foreign Affairs (substance printed) expressing appreciation for the Vice Minister's assurances.	246

ABANDONMENT BY JAPAN OF COOPERATION WITH OTHER POWERS IN EFFORTS
FOR LIMITATION OF NAVAL ARMAMENTS

DENUNCIATION BY JAPAN OF THE WASHINGTON NAVAL TREATY OF 1922

	(Note: Information that preliminary and exploratory naval conversations among representatives of United States, Great Britain, and Japan were held in London in 1934 in preparation for the London Naval Conference of 1935, and that Mr. Norman H. Davis represented the United States at these conversations.)	
1933 Sept. 15 (520)	<i>From the Ambassador in Japan</i> Information that the announcement of the U. S. naval construction program has completely upset the calculations of the Japanese naval leaders who have built up an intense antipathy for the arms limitation treaties and a universal demand for ratio revision in Japan's favor. Interview given by the Naval Minister to United Press correspondent (text printed).	249
1934 Sept. 18 (204)	<i>From the Ambassador in Japan (tel.)</i> Information from the Foreign Minister that Japan has decided to give notice before December 31, 1934, to terminate the Washington Naval Treaty.	253
Oct. 24 (6)	<i>From the Chairman of the American Delegation (tel.)</i> Report on meeting with the Japanese delegates during which the Japanese presented their proposals (substance printed) for a common upper limit of global tonnage and the reduction or abolition of offensive arms in favor of essentially defensive arms.	254

ABANDONMENT BY JAPAN OF COOPERATION WITH OTHER POWERS IN EFFORTS
FOR LIMITATION OF NAVAL ARMAMENTS—Continued

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1934		
Oct. 25 (6)	<i>To the Chairman of the American Delegation (tel.)</i> Indications that the Japanese are preparing the ground for a walk-out and are endeavoring to make it appear that they are driven to it by the indifference of other countries to Japan's needs in the field of self-defense.	256
Oct. 31 (186)	<i>To the Ambassador in Japan (tel.)</i> Summary of developments in London since October 25: MacDonald's rejection of the Japanese idea of a common upper limit; Matsudaira's statement that his Government will denounce the Washington Naval Treaty before the end of the year.	257
Nov. 13 (17)	<i>To the Chairman of the American Delegation (tel.)</i> Conviction that there is practically no chance of bridging the definite disagreement between the Japanese delegation on the one hand and British and American delegations on the other; belief that Japan's thesis is based on a desire to obtain overwhelming supremacy in the Orient.	259
Nov. 22 (191)	<i>To the Ambassador in Japan (tel.)</i> Summary of developments at London since October 31: British "middle course" proposals to Japan.	260
Nov. 22 (34)	<i>To the Chairman of the American Delegation (tel.)</i> Opinion that further British exploration of the "middle course" would not be of value unless for the purpose of filling in time until such moment as the Japanese, through denunciation of the Washington Treaty, assume responsibility for breaking off the conversations.	262
Nov. 23 (52)	<i>From the Chairman of the American Delegation (tel.)</i> Discussion with MacDonald and Simon, the British Foreign Secretary, in regard to the relative merits of further negotiation with the Japanese; outline of recent Anglo-Japanese conversations.	263
Nov. 26 (37)	<i>To the Chairman of the American Delegation (tel.)</i> Acceptance of the British point of view that the conversations should not be broken off right away; willingness to continue them until the Japanese denounce the Washington Treaty.	266
Nov. 30 (55)	<i>From the Chairman of the American Delegation (tel.)</i> Information from Matsudaira that his Government has not come to a final conclusion on the British "middle course" proposals but is prepared to continue explorations along those lines.	267
Dec. 1 (58)	<i>From the Chairman of the American Delegation (tel.)</i> Impression that Simon is less hopeful than heretofore of reaching an agreement with the Japanese.	267
Dec. 5 (66)	<i>From the Chairman of the American Delegation (tel.)</i> Statement made to Matsudaira that the United States will construe Japan's notice of denunciation, on or before December 31, as tantamount to a termination of the negotiations and will expect adjournment to take place immediately thereafter.	268

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1934 Dec. 6	<i>Speech Delivered by Mr. Norman H. Davis</i> Statement of the difference between the American idea of equality of security and the Japanese idea of equality of armaments. (Footnote: Information that this speech was delivered at a luncheon given for the American delegation by the Association of American Correspondents in London.)	269
Dec. 15 (55)	<i>To the Chairman of the American Delegation (tel.)</i> Willingness to accede to the British idea of bringing the conversations to an end through a tripartite meeting December 19 or 20, 1934, subject, however, to an advance agreement, regarding a satisfactory communiqué. Belief that this will be near enough to the Japanese denunciation to render the connection between the two events clear in the mind of the public.	271
Dec. 19	<i>Appendix to Memorandum of Meeting of the American, British, and Japanese Delegations</i> Communiqué issued at the end of the tripartite meeting.	272
Dec. 19 (280)	<i>From the Ambassador in Japan (tel.)</i> Information that the Privy Council has approved the Government's decision to abrogate the Washington Naval Treaty; impression that the Foreign Minister desires to delay the formal notice until after the London conversations have ended.	273
Dec. 29 (250)	<i>From the Japanese Ambassador</i> Notice of the Japanese Government's intention to terminate the Washington Naval Treaty, which will accordingly cease to be in force after December 31, 1936.	274
Dec. 29	<i>From the Japanese Ambassador</i> Assurances that Japan does not intend to proceed to naval aggrandisement; expression of willingness to work toward a new agreement to replace the Washington Treaty.	274
Dec. 29	<i>To the Japanese Ambassador</i> Acknowledgment of the notice of termination and statement that certified copies are being sent to the other powers.	275
Dec. 29 (218)	<i>To the Ambassador in Japan (tel.)</i> Statement by the Secretary of State issued to the press (text printed) relative to the Japanese Government's notice of termination.	275

WITHDRAWAL OF JAPAN FROM THE LONDON NAVAL CONFERENCE OF 1935

1935 Oct. 3 (284)	<i>To the Ambassador in Great Britain (tel.)</i> Information concerning the Japanese Ambassador's inquiry in regard to U. S. attitude toward the conference being proposed by the British and toward qualitative limitation. Instructions to convey to the British Government the Secretary's reply to the Japanese Ambassador (text printed) stating U. S. concurrence as to the desirability of such a conference and the U. S. view that both quantitative and qualitative limitation should be continued.	277
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1935 Oct. 24 (1776)	<i>From the Ambassador in Great Britain</i> British note (text printed) inviting the United States to be represented at a naval conference to be held at London December 2, 1935. (Footnote: Information that the opening date was postponed to December 7, 1935.)	278
Nov. 2 (1539)	<i>From the Chargé in Japan</i> Information that Japan's position with respect to the abolition of the ratio principle and the establishment of a common upper limit of global tonnage remains unchanged. Review of events leading up to Japan's final acceptance of the invitation to participate in the conference.	279
Nov. 30 (373)	<i>To the Ambassador in Great Britain (tel.)</i> Opening speech to be made by the American delegation (text printed) embodying President Roosevelt's letter of guidance of October 5, 1934, to Norman Davis which contained a proposal for a proportional reduction of 20 percent in present navy levels. (Footnote: Information that the speech was delivered on December 9, 1935.)	281
Dec. 7 (4)	<i>From the Chairman of the American Delegation (tel.)</i> Opening speech of the Japanese delegation (text printed) outlining the Japanese thesis of a common upper limit for naval armaments and the reduction of offensive forces.	284
Dec. 17	<i>Memorandum of a Conversation Between the American and the Japanese Delegations</i> Tentative suggestion made by an American delegate that a temporary agreement might be reached by using the present structure with modifications as to qualitative limitation and with perhaps, in a preamble, a statement that an adequate navy is the sovereign right of every nation; expression of interest by the Japanese delegate.	285
Dec. 17 (22)	<i>From the Chairman of the American Delegation (tel.)</i> Conversation with the British delegation concerning future procedure; methods by which the Japanese might be brought to a discussion of qualitative limitation apart from quantitative limitation.	289
1936 Jan. 12 (9)	<i>From the Ambassador in Japan (tel.)</i> For the Chairman of the American delegation: Report of the final instructions issued to the Japanese delegation, including instructions to make clear that Japan will not discuss qualitative apart from quantitative reduction nor enter into temporary agreements which would continue the present inequalities.	290
Jan. 14 (46)	<i>From the Chairman of the American Delegation (tel.)</i> Information that the Japanese have urged the British to agree to an adjournment of the Conference until later this year, but that the British refused and have indicated that they will propose that the other powers remain to discuss a naval agreement to which Japan might adhere later if she wished.	291

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Jan. 15 (49)	<i>From the Chairman of the American Delegation (tel.)</i> Final statement to be made by the American delegation (text printed).	294
Jan. 15	<i>Press Communiqué, London Naval Conference</i> Statement by the chairman of the First Committee that, since the Japanese proposals have received no support, the committee should proceed to other work at the next meeting. (Footnote: Information that the communiqué was issued at the close of the tenth meeting of the First Committee.)	296
Jan. 15	<i>From the Chairman of the Japanese Delegation to the Chairman of the Conference</i> Notice of Japan's withdrawal from the Conference.	297

REFUSAL BY JAPAN TO AGREE TO LIMITATION OF GUN CALIBER FOR BATTLESHIPS

1936 July 25 (A14-7 (3)/ EM-)	<i>From the Acting Secretary of the Navy</i> Inquiry whether Japan has signified its intention to agree to the provision of the London Naval Treaty of 1936 which would limit the caliber of guns on capital ships to 14 inches.	298
Dec. 3 (434)	<i>To the Ambassador in Great Britain (tel.)</i> Request for a report on the status of the British inquiry into Japan's willingness to accept the 14-inch gun limitation.	298
1937 Mar. 30 (178)	<i>From the Ambassador in Great Britain (tel.)</i> Information that the British Ambassador in Tokyo has received a formal Japanese refusal to accept the 14-inch gun limitation.	299
June 4 (75)	<i>To the Ambassador in Japan (tel.)</i> Information that the U. S. Government faces a decision as to the caliber of guns to be mounted on two new battleships; request that the Japanese Government be asked if it would be willing to limit itself to 14-inch guns.	300
June 18 (161)	<i>From the Ambassador in Japan (tel.)</i> Japanese <i>aide-mémoire</i> (text printed) setting forth Japan's unwillingness to accept any limitation of gun caliber.	301
July 10	<i>Press Release Issued by the Department of State</i> Announcement that, since there is not a universal acceptance of the 14-inch gun limitation, guns of 16 inches will be mounted on the two U. S. battleships under construction.	302

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1938 Feb. 3 (36)	<i>To the Ambassador in Japan (tel.)</i> Decision of the British, French, and U. S. Governments to present identic notes to the Japanese Government, in view of reports that the Japanese are building ships exceeding the limits of the London Naval Treaty of 1936. Transmission of the text of the note.	303
Feb. 5 (875)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Announcement of U. S. intention to exercise its right of escalation under the London Naval Treaty of 1936 unless Japan can furnish satisfactory assurances that it will not, prior to January 1, 1943, construct or acquire any vessel exceeding the limits in question without previously informing the U. S. Government of its intentions.	303
Feb. 12 (18 American I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Refusal to give the desired assurances or information concerning Japan's naval program.	304
Mar. 31	<i>To the British Ambassador</i> Notification that, in view of Japan's action, the United States finds it necessary to exercise its right of escalation as provided in the London Naval Treaty of 1936. (Footnote: Similar notes sent on the same date to the French Ambassador and the Canadian Minister.)	306

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1936 June 13 (75)	<i>To the Ambassador in Japan (tel.)</i> Instructions to suggest to the Foreign Minister that, in view of similar courtesies extended by the U. S. Government, it would be beneficial if an invitation were extended to the U. S. <i>Alden</i> to visit unopened ports in the Pacific mandated islands.	307
July 8 (150)	<i>From the Ambassador in Japan (tel.)</i> Foreign Minister's reply that he would see what could be done in regard to the invitation to the <i>Alden</i> .	308
July 28 (163)	<i>From the Ambassador in Japan (tel.)</i> Statement by the Vice Foreign Minister that the Ambassador's suggestion in regard to the <i>Alden</i> has been referred to the Ministry of Overseas Affairs; indications that the Foreign Office can do nothing further.	309
Aug. 7 (102)	<i>To the Ambassador in Japan (tel.)</i> Assumption that Japan will not act favorably in the matter of the <i>Alden</i> ; information that the Department is replying adversely to a request from the Japanese Embassy that the <i>Shintoku Maru</i> be permitted to enter a Hawaiian harbor which is not a port of entry.	309

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July 8 (207)	<i>From the Ambassador in China (tel.)</i> Statements from Japanese and Chinese sources concerning the clashes on July 7 and 8.	314
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July 10 (215)	<i>From the Ambassador in China (tel.)</i> Report of the American Naval and Military Attachés that the Japanese and Chinese forces have withdrawn from the scene of the clashes of July 7 and 8.	315
July 12 (190)	<i>From the Ambassador in Japan (tel.)</i> Information that the Cabinet has decided to send reinforcements to China if the Chinese fail to keep the agreement drawn up July 11, 1937, which provides for the withdrawal of Chinese and Japanese forces from the Yungting River.	315
July 12	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in regard to the incident of July 7, 1937; the Ambassador's opinion that Chiang Kai-shek is behind the entire movement and assertion that he still has some hope that the matter might be composed.	316
July 12	<i>From the Japanese Embassy</i> Explanation of the incident of July 7, 1937, and of the Japanese actions since then; statement that Japan has not abandoned hope that aggravation of the situation may be prevented through peaceful negotiations.	318
July 12	<i>Press Release Issued by the Department of State</i> Statement that the Japanese Ambassador and the Counselor of the Chinese Embassy have called at the Department and have both been given an expression of the view that conflict between Japan and China would be a great blow to world peace and progress.	319
July 13 (192)	<i>From the Ambassador in Japan (tel.)</i> An analysis of the attitude of the Japanese toward China; statement that there is well-coordinated and extensive preparation for such further use of force as may seem to be required in North China.	319
July 13	<i>Memorandum by the Secretary of State</i> Interview with the Japanese Ambassador during which the Secretary stressed the interest of the U. S. Government in the maintenance of peace in the Orient and the Ambassador expressed his belief that war could be avoided.	320
July 14 (200)	<i>From the Ambassador in Japan (tel.)</i> Opinion expressed by the War Office and the Foreign Office that the incident can be settled if the Chinese faithfully execute the agreement of July 11, 1937.	322

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July 15 (202)	<i>From the Ambassador in Japan (tel.)</i> Announcement that the Cabinet has decided to dispatch to North China reinforcements of an undisclosed number of troops.	324
July 16 (205)	<i>From the Ambassador in Japan (tel.)</i> Account of the North China situation by a representative of the Foreign Office; opinion of an officer in the War office that there is a "50-50" chance of a peaceful settlement; ample indications that Japan is prepared to use the force necessary to compel execution of the agreement of July 11, 1937.	324
July 16	<i>Statement by the Secretary of State</i> U. S. Government's position in regard to international problems.	325
July 16	<i>Memorandum by the Chief of the Division of Far Eastern Affairs</i> Conversation between the Secretary of State and the Japanese Chargé who expressed the opinion that there is not much hope of a speedy settlement.	326
July 16	<i>From the Japanese Embassy</i> Explanation of the purpose for which the additional troops were dispatched to China.	328
July 19	<i>Memorandum by the Chief of the Division of Far Eastern Affairs</i> Conversation with the Japanese Chargé; the Chargé's account of his Embassy's latest information and expression of his Government's apprehension in regard to the growing anti-Japanese sentiment in Hankow.	328
July 20 (214)	<i>From the Ambassador in Japan (tel.)</i> Statement issued at the end of an emergency Cabinet meeting (text printed) expressing the Japanese Government's decision to take self-defensive steps to enforce the agreement of July 11, 1937.	330
July 21	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Secretary expressed the U. S. Government's interest in and concern with the situation in the Far East and stated his intention of conveying these same expressions to the Chinese Ambassador and to the U. S. Ambassadors in China and Japan in order that there may be no misunderstanding of the position taken.	330
July 22	<i>Memorandum by the Ambassador in Japan</i> Foreign Minister's claim that the main difficulty in the situation is that the Nanking Government will not recognize the agreement of July 11, 1937 (text printed) and is actively obstructing a settlement.	333
July 27	<i>Memorandum by the Chief of the Division of Far Eastern Affairs</i> Conversation with the Counselor of the Japanese Embassy concerning a report which the Department had received to the effect that the Japanese intend to launch a general attack on the Chinese in and around Peiping.	334

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1937 July 27	<i>Address Delivered by the Japanese Prime Minister Before the Japanese Diet</i> Explanation that troops were sent to North China solely to preserve the peace of East Asia; emphasis upon national defense and economic development; mention of a possible program based on the conception of Japan and "Manchukuo" as a single unit.	336
July 28 (230)	<i>From the Ambassador in Japan (tel.)</i> Foreign Minister's explanation in reply to the Ambassador's oral representations, that the Japanese plan to attack in the Peiping area only if the Chinese fail to keep the agreement of July 11, 1937; and assurances in regard to the protection of American and other foreign nationals.	337
Aug. 6	<i>Memorandum by the Ambassador in Japan</i> Report of action taken to prevent the publication of a Foreign Office press release in regard to the reported plan of American aviators to offer their services to the Chinese Army.	338
Aug. 10	<i>Memorandum by the Ambassador in Japan</i> Offer to the Foreign Minister of good offices in arranging for negotiations to adjust Sino-Japanese relations; the Foreign Minister's reply that an opening for such negotiations had already been made at Shanghai.	339
Aug. 11 (403)	<i>From the Ambassador in China (tel.)</i> Information that the British, French, German, Italian, and U. S. Ambassadors have addressed notes to the Japanese Ambassador and the Chinese Foreign Minister expressing the hope that a plan will be carried out to exclude Shanghai from the scope of possible hostilities.	341
Aug. 13	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador: the Ambassador's statement that the situation at Shanghai is serious; Secretary's emphasis on the equal responsibility of both Japan and China for the losses which would occur in a military engagement at Shanghai.	342
Aug. 13	<i>From the Japanese Embassy</i> Concurrence of the Japanese Government with the principles contained in the statement issued by the Secretary of State on July 16, 1937.	343
Aug. 13	<i>From the Counselor of the Japanese Embassy in China to the Counselor of the American Embassy in China</i> Reply of the Japanese Ambassador (text printed) to the note from the British, French, German, Italian, and U. S. Ambassadors; assurances that the Japanese forces have no intention of making any unprovoked attack on the Chinese forces at Shanghai; request that the interested powers attempt to bring about the withdrawal of the Chinese troops at the earliest possible moment.	343
Aug. 13	<i>Memorandum by the Ambassador in Japan</i> Request of the Vice Minister for Foreign Affairs for local mediation at Shanghai.	344

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Aug. 13 (467)	<i>From the Consul General at Shanghai (tel.)</i> The Japanese Consul General's request that the consular representatives at Shanghai explore the situation further with the Mayor. Willingness of British and French colleagues to confer on the subject.	345
Aug. 13 (473)	<i>From the Consul General at Shanghai (tel.)</i> Plan suggested by the consular representatives at Shanghai for a settlement based on the <i>status quo ante</i> ; willingness of both the Mayor and the Japanese Consul General to submit these proposals to their respective Governments.	346
Aug. 14 (216)	<i>To the Consul General at Shanghai (tel.)</i> Approval of action reported in telegrams No. 467 and No. 473 of August 13.	347
Aug. 16 (272)	<i>From the Ambassador in Japan (tel.)</i> Informal note presented to the Foreign Minister (text printed) expressing the U. S. Government's hope that the Japanese Government will give favorable consideration to the plan formulated by the consular representatives at Shanghai.	347
Aug. 17 (150)	<i>To the Ambassador in Japan (tel.)</i> Approval of note transmitted in telegram No. 272, August 16.	349
Aug. 17	<i>Press Release Issued by the Department of State</i> The Secretary's announcement at his press conference that Congress is being asked for an appropriation for emergency relief and evacuation expenses necessitated by the situation in the Far East and that, at the request of the commander of the U. S. Asiatic Fleet, 1,200 marines are being sent from San Diego to Shanghai; explanation of the U. S. foreign policy upon which these actions are based.	349
Aug. 21 (289)	<i>From the Ambassador in Japan (tel.)</i> Note from the Foreign Minister enclosing a note addressed to the British Chargé (texts printed) stating that hostilities will cease when the Chinese troops are evacuated from the Shanghai area and that Japan is not in a position to withdraw her forces from their purely defensive position; Foreign Minister's hope that the enclosed note will answer the Ambassador's note in regard to the plan formulated by the consular representatives at Shanghai.	353
Aug. 23	<i>Press Release Issued by the Department of State</i> The Secretary's statement concerning the situation at Shanghai, indicating clearly that the principles of policy set forth in the Secretary's statement of July 16, 1937, apply to the Pacific area.	355
Aug. 23 (780)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Request for an express and specific formal assurance by the Japanese Government that the operations of the Japanese armed forces will not be directed against or into the city of Tsingtao where American nationals are at present concentrated on the advice of their Government.	357

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Aug. 31 (103, Asiatic I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Information, in reply to the Ambassador's request for assurances, that practically all Japanese residents have been evacuated from Tsingtao and that the attitude of the Mayor of Tsingtao is extremely unsatisfactory in regard to protecting Japanese property and the remaining Japanese nationals.	358
Sept. 1	<i>Memorandum by the Ambassador in Japan</i> Conditions presented by the Foreign Minister to the Chinese Ambassador: (1) good relations with Manchuria (<i>de facto</i> recognition of "Manchukuo"), (2) withdrawal of Chinese troops from North China, and (3) cessation of anti-Japanese activities. The Foreign Minister's statement that if these conditions were accepted, he could stop the war at once.	359
Undated	<i>From the Ambassador in Japan</i> Report of a radio speech made on September 1 by the Vice Minister for Foreign Affairs asserting Japan's peaceful intentions and lack of territorial designs in North China.	361
Sept. 2 (187)	<i>To the Ambassador in Japan (tel.)</i> Background material for understanding and interpreting the American position. Secretary's agreement with the Ambassador's view that U. S. objectives should include (1) avoidance of involvement and (2) protection of U. S. citizens; belief, however, that solidifying relations with either combatant should not be a definite objective.	361
Sept. 5	<i>Address Delivered by the Japanese Minister for Foreign Affairs Before the Japanese Diet</i> Review of the developments in the China affair; conclusion that since China has ignored Japan's peaceful motives and has mobilized her armies, Japan must now take a resolute attitude and compel China to mend her ways.	364
Sept. 5 (343)	<i>From the Ambassador in Japan (tel.)</i> Prime Minister's speech before the Diet (text printed) leading up to the statement that at present the sole measure for Japan to adopt is to administer a thoroughgoing blow to the Chinese Army so that it may lose completely its will to fight.	367
Sept. 5 (347)	<i>From the Ambassador in Japan (tel.)</i> Report on the addresses of the Ministers of War and Navy.	368
Undated [Rec'd Sept. 6]	<i>From the Navy Department</i> Letter from the commander in chief of the U. S. Asiatic Fleet to the commander of the Japanese Third Battle Fleet at Shanghai (text printed) setting forth the U. S. position regarding recent articles in the local press given out by "spokesmen" of Japanese authorities, in which warnings were given concerning the navigation of the Yangtze and Whangpoo Rivers by foreign vessels; and stating that the British, French, and Italian naval commanders are in agreement with the U. S. views.	369

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1937 Sept. 10	<i>Press Release Issued by the Department of State</i> Information that the Japanese authorities have a blockade of Chinese shipping along the entire China coast; and that China has announced her intention of taking appropriate action against Japanese vessels and has requested that vessels of third powers avoid proximity to them.	371
Sept. 22 (400)	<i>To the Consul General at Shanghai (tel.)</i> Advice that the U. S. policy is that no affirmative assent need be given to measures taken by the Japanese in their enforcement of their blockade; outline of the procedure which the Department would suggest be followed; and information that the Navy Department has been consulted and will direct the commander in chief to be guided by the procedure set forth herein.	371
Sept. 24 (2)	<i>To the Minister in Switzerland (tel.)</i> Authorization to sit with the suggested subcommittee of the League of Nations Assembly Advisory Committee on China; instructions, in the conversations at Geneva, to refer to the principles set forth in the Secretary's statements of July 16 and August 28, 1937; and to take the position that the developments in the Far East concern all nations and not just those of a particular or special group.	373
Sept. 28 (7)	<i>To the Minister in Switzerland (tel.)</i> Exposition of U. S. position in connection with the Minister's possible contributions toward enabling his associates at Geneva to reach decisions which will be effective in regard to objectives which are common to the United States and to the League members.	375
Sept. 29 (432)	<i>From the Ambassador in Japan (tel.)</i> Memorandum by the Military Attaché (text printed) reporting information gathered from well-informed Japanese officers in regard to the Army's position relative to certain issues of concern to the United States.	377
Oct. 4	<i>Memorandum by the Ambassador in Japan</i> Information that, in reply to the Ambassador's oral representations, the Vice Minister for Foreign Affairs said that the landing of Japanese forces in the International Settlement had been for self-defense.	378
Oct. 4	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Representations against the use of the International Settlement at Shanghai as a base for military operations; opinion that the present Japanese operations cannot be construed as a means of defense of the Settlement.	378
Oct. 5	<i>Address Delivered by President Roosevelt at Chicago</i> Expression of the belief that the peace-loving nations of the world must make a concerted effort against those forces which are creating a state of international anarchy and instability.	379

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Oct. 6	<i>First Report Adopted by the League of Nations Assembly</i> The subcommittee's review of the Sino-Japanese situation since the incident of July 7, 1937, conclusion that the military operations carried on by Japan against China are out of all proportion to the incident that occasioned the conflict and that Japan's actions are in contravention of her obligations under the Nine-Power Treaty and the Pact of Paris.	384
Oct. 6	<i>Second Report Adopted by the League of Nations Assembly</i> Subcommittee's recommendation that the Assembly invite the members of the League who are parties to the Nine-Power Treaty to initiate consultation in regard to the application of the stipulations of the treaty; that the states thus engaged make proposals to the Assembly; and that the Assembly express its moral support for China and recommend that the members of the League consider how far they can extend aid to China.	394
Oct. 6	<i>Press Release Issued by the Department of State</i> Statement that the U. S. Government's conclusions with respect to Japan's actions in China are in general accord with those of the Assembly of the League of Nations.	396
Oct. 7	<i>Memorandum by the Chief of the Division of Far Eastern Affairs</i> Conversation between the Japanese Ambassador and the Secretary of State during which the Ambassador asked whether, in the light of the Department's action of October 6, 1937, the Department has in mind any further course and the Secretary replied that no particular step is being considered at present.	397
Oct. 9 (463)	<i>From the Ambassador in Japan (tel.)</i> Statement released by the Foreign Office (text printed) attributing the actions of the League and the United States to lack of understanding and setting forth Japan's claims that China started the hostilities, that Japan has no territorial designs whatever, that she has contravened no treaties, and that the Chinese Government is a menace to the peace of the world.	399
Oct. 12	<i>Extract From Radio Address Delivered by President Roosevelt</i> Intention of the U. S. Government to participate in the conference of the parties to the Nine-Power Treaty; intention to cooperate with the other signatories to the treaty, including China and Japan.	400
Oct. 15	<i>Memorandum by the Ambassador in Japan</i> Information that the Foreign Minister has said that, since no invitation to the Nine-Power Conference has as yet been received, the Japanese Government has not reached a decision but that according to present tendencies such an invitation would be declined.	402
Oct. 19 (130, Asia I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Statement, in reply to the Embassy's <i>aide-mémoire</i> of October 4, 1937, that no exception can properly be taken to the landing of Japanese troops at the Settlement for the defense of the Settlement and the protection of Japanese residents against the menace of Chinese forces.	403

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1937		
Oct. 28	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Information that the U. S. Government continues to hold the views set forth in the Embassy's <i>aide-mémoire</i> of October 4, 1937.	404
Nov. 3	<i>Address Delivered by Norman H. Davis at the Nine-Power Conference at Brussels</i> Statement of the background and purpose of the Conference.	404
Nov. 13	<i>Statement Made by Norman H. Davis at Brussels</i> General observations, reiterating the principles which guide the Conference; difficulties caused by Japan's refusal to attend.	408
Nov. 15	<i>Declaration Adopted by the Nine-Power Conference at Brussels</i> Statement of the position of the states represented at the Conference, concluding with the assertion that they must consider what is to be their common attitude when one party to a treaty maintains, against the views of all the others, that its action does not come within the scope of that treaty and sets aside provisions of the treaty which the others hold to be operative in the circumstances.	410
Nov. 16	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister concerning reports which he had received that the draft resolution of the Nine-Power Conference provides for united action against Japan and that the United States not only took the initiative in convoking the Conference but is also taking the lead at Brussels.	413
Nov. 18	<i>Memorandum by the Ambassador in Japan</i> Report of having pointed out to the Foreign Minister that the Conference used the term "common attitude," not "united action," and that there was not an atom of truth in any allegation that the United States took the initiative in convoking the Conference.	415
Nov. 18	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Apprehension expressed by the Secretary of State lest the present situation in the Far East injure the mutual good relations which the Secretary and the Foreign Minister have striven to promote.	416
Nov. 22	<i>Press Release Issued by the Department of State</i> Announcement of Foreign Service changes made necessary as a result of the removal of the Chinese National Government to Chungking and the Ministry of Foreign Affairs to Hankow.	417
Nov. 24	<i>Report Adopted by the Nine-Power Conference at Brussels</i> Record of the actions of the Conference including its recommendation that hostilities be suspended and resort be had to peaceful processes and its decision to suspend sittings to allow the participating powers to exchange views and further explore peaceful means of settlement.	417

JAPAN'S UNDECLARED WAR IN CHINA AND FURTHER JAPANESE PENETRATION
BY ARMED FORCE OR THREAT OF FORCE—Continued

Date and number	Subject	Page
1937 Nov. 30	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Representations against intended Japanese troop movements into and through certain sectors of the Settlement; statement that, since Chinese forces have been excluded from the areas concerned, it would be appropriate if the Japanese forces were directed to abstain from entering the areas at this time.	422
Dec. 4	<i>To the Chairman of the Committee on Foreign Affairs, House of Representatives</i> Report on H. Res. 364 "requesting certain information from the President of the United States."	423
Dec. 15 (160, Ameri- can I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Statement that the Japanese Government has no intention of impairing the administration of the Municipal Council of the International Settlement at Shanghai but intends to cooperate with the International Settlement authorities.	426
Dec. 18	<i>To Senator William H. Smathers</i> Brief statement of U. S. policy in China, in reply to Senator Smathers' letter favoring the withdrawal of U. S. ships and citizens from the conflict area.	426
1938 Jan. 8	<i>To Vice President Garner</i> Information concerning U. S. citizens, U. S. armed forces, and U. S. capital in China, as requested by S. Res. 210.	429
Jan. 10	<i>Memorandum by the Ambassador in Japan</i> Japanese peace terms conveyed to Chiang Kai-shek through the German Ambassador, on the German Ambassador's initiative: (1) abandonment by China of all anti-Japan and anti-"Manchukuo" activities and cooperation with Japan in combating communism, (2) the establishment of certain demilitarized zones, (3) settlement of Sino-Japanese economic relations, and (4) indemnification for the results of the hostilities.	434
Jan. 12 (10)	<i>To the Ambassador in Japan (tel.)</i> Proposed representations which it is suggested might, in the Ambassador's discretion, be made to the Foreign Minister while the Imperial Conference is sitting.	435
Jan. 14 (28)	<i>From the Ambassador in Japan (tel.)</i> Opinion that, since the Imperial Conference met only briefly to give the Emperor's sanction to decisions already adopted by the Government, the proposed representations would entail reaction the reverse of that desired.	436
Jan. 16	<i>Statement by the Japanese Government</i> Announcement that the Japanese Government will cease to deal with the Chinese Nationalist Government, and that they look forward to the establishment of a new Chinese regime which can be counted upon to cooperate with Japan; reiteration of respect for the territorial integrity and sovereignty of China and for the rights and interests of other powers.	437
Jan. 17	<i>Memorandum by the Ambassador in Japan</i> Foreign Minister's explanation of the background of the Government's announcement of January 16, 1938.	438

JAPAN'S UNDECLARED WAR IN CHINA AND FURTHER JAPANESE PENETRATION
BY ARMED FORCE OR THREAT OF FORCE—Continued

Date and number	Subject	Page
1938		
Jan. 22	<i>Address Delivered by the Japanese Prime Minister Before the Japanese Diet</i> Review of Japan's national policy and of her successes in China; statement that the end of the conflict is still far distant and that many sacrifices will be necessary.	438
Jan. 22	<i>Address Delivered by the Japanese Minister for Foreign Affairs Before the Japanese Diet</i> Detailed account of the China affair and of Japan's relations with the Soviet Union, the United States, Great Britain, Germany, Italy, and Spain.	440
Feb. 1 (177)	<i>From the Consul General at Shanghai (tel.)</i> From Tokyo: Statement made in the Diet by the Foreign Minister, January 25, 1938 (text printed), explaining the present Sino-Japanese relations as an incident and not a war, on the grounds that the Japanese are simply combatting the anti-Japanese movement as represented by the Chiang regime; efforts to impress upon third countries that supplying arms to China will only prolong the struggle.	446
Feb. 4	<i>Press Release Issued by the Department of State</i> Decision of the U. S. Government to reduce its armed forces in North China by the withdrawal of the Fifteenth Infantry from Tientsin; and review of the background for the presence of U. S. forces in China.	448
Feb. 8	<i>To the Chairman of the Senate Committee on Foreign Relations</i> Negative answers to the three questions set forth in the proposed S. Res. 229 concerning possible commitments to other countries in regard to the use of U. S. forces.	449
Feb. 17	<i>Press Release Issued by the Department of State</i> Telegram from the U. S. Consul General at Shanghai, February 16, 1938 (text printed), reporting that the Sixth Regiment of Marines will sail from Shanghai February 17, 1938.	450
Mar. 3	<i>Press Release Issued by the Department of State</i> Report from the Consul General at Tientsin (text printed) that the Fifteenth Infantry, U. S. Army, has left Tientsin; and description of the friendly demonstrations by all nationalities which marked their departure.	451
Mar. 4	<i>Statement by the Japanese Minister for Foreign Affairs to the Budget Committee of the Lower House of the Japanese Diet</i> Assertion that it is Japan's idea, as the central support of peace in the Far East, to work for the security and progress of East Asia just as the United States is working for peace on the American continent as the central figure there; opinion that if both parties understand their respective positions, there can be no cause for conflict.	451
Mar. 10	<i>Statement by the Japanese Military Commander in Central China</i> Declaration that Japanese forces may have to remain in China for 5 years, 10 years, or 100 years, depending on the circumstances; assurances that neutral rights will be respected, but that injustices in the name of foreign rights cannot be recognized.	452

JAPAN'S UNDECLARED WAR IN CHINA AND FURTHER JAPANESE PENETRATION
BY ARMED FORCE OR THREAT OF FORCE—Continued

Date and number	Subject	Page
1938 Mar. 17	<i>Address Delivered by the Secretary of State</i> Detailed discussion of some of the fundamental conditions and problems presented by American international relations and foreign policy.	452
Apr. 14	<i>To the British Embassy</i> Inclination of the United States to await a time when developments in the Sino-Japanese conflict are such as to render more opportune an offer of good offices by a third country or countries.	463
May 16 (2936)	<i>From the Ambassador in Japan</i> Remarks made to foreign press correspondents by the Foreign Minister and by the Prime Minister in interviews on May 9, 1938, their principal point being that the hostilities in China must go on to a finish and that the Japanese Government would have no dealings with the Chiang Kai-shek regime, even if that leader were to sue for peace.	464
July 7	<i>Statement by the Japanese Prime Minister</i> Appeal for national unity on the first anniversary of the beginning of the China incident; intimation that the foreign powers who are aiding the Chiang regime may try to threaten Japan's national safety.	467
Aug. 2	<i>Press Release Issued by the Department of State</i> Announcement that the U. S. Ambassador in China and his staff have departed from Hankow for Chungking, where the Chinese Foreign Office has been removed; but that the U. S. Consul General and his staff will remain at Hankow.	470
Aug. 16	<i>Radio Address by the Secretary of State</i> Review of the foreign policy and objectives of the United States.	471
Sept. 21	<i>Memorandum by the Secretary of State</i> Extract from an account of a conversation with the Hungarian Minister during which the Secretary stated that since August 1937 he had proceeded on the theory that Japan is seeking by any and every means to secure domination over that half of the world.	475
Oct. 12 (657)	<i>From the Ambassador in Japan (tel.)</i> Communication from the Foreign Office (text printed) giving informal notification that the Japanese forces intend to launch military operations in Kwangtung Province for the sole purpose of cutting the supply lines of the Chiang forces; assurances in regard to the rights of third powers.	476
Oct. 13	<i>Memorandum by the Chief of the Division of Far Eastern Affairs</i> Conversation with the Counselor of the Japanese Embassy in reference to the landing of Japanese troops in South China; the Counselor's assurances in regard to Japanese intentions.	477
Nov. 3	<i>Statement by the Japanese Government</i> Announcement of the capture of Canton and the three Wuhan cities; expression of determination not to lay down arms until the Chiang regime is crushed; explanation of the new order in East Asia which Japan seeks to establish.	477

JAPAN'S UNDECLARED WAR IN CHINA AND FURTHER JAPANESE PENETRATION
BY ARMED FORCE OR THREAT OF FORCE—Continued

Date and number	Subject	Page
1938 Nov. 3	<i>Radio Speech by the Japanese Prime Minister</i> Enunciation of the views of the Government to meet the new situation created by the capture of the Wuhan cities; and an appeal to the nation to make a fresh determination to attain the objects of the crusade in China.	478
Nov. 4	<i>Statement by the Secretary of State</i> Response to requests by the press for comments on the statement issued by the Japanese Government; reiteration that the position of the U. S. Government is governed by: (1) the principles of international law, (2) the provisions of treaties to which the United States is a party, and (3) by the principles of fair play.	481
Dec. 22	<i>Statement by the Japanese Prime Minister</i> Announcement of Japan's basic policy for adjusting the relations between Japan and China.	482

BOMBINGS OF CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING
THE LIFE AND WELFARE OF AMERICAN CITIZENS IN CHINA

1937

1937 Aug. 22	<i>From the Commander in Chief of the United States Asiatic Fleet, et al., to the Commander of the Japanese Third Battle Fleet at Shanghai</i> Information that as a result of the practice of a Japanese destroyer of anchoring at night near the U.S.S. <i>Augusta</i> a shell fell on the <i>Augusta's</i> deck on the night of August 20 killing one man and wounding 18 others. Request that the Japanese men-of-war be kept below Hongkew Creek at all times in order to reduce danger to neutral vessels.	487
Aug. 23 (299)	<i>From the Ambassador in Japan (tel.)</i> Information that a list of places of residence of U. S. missionaries has been delivered to the Foreign Office. Foreign Office oral reply (text printed) stating that, desiring as Japan does to avoid harm to Americans, the Japanese Navy has issued orders to that effect and the Navy suggests that American properties be conspicuously marked and Americans be advised to evacuate such properties as may become occupied by Chinese forces.	488
Aug. 23 (302)	<i>From the Ambassador in Japan (tel.)</i> Report that oral representations have been made to the Foreign Office in support of the recommendation of five Ambassadors in China that Japanese bombers be instructed to avoid operations in a specified area of Nanking. Foreign Office reply (text printed) expressing Japan's desire to protect the Embassies of foreign powers but stating that there are Chinese military works in the same area and that should China use these for hostile acts, Japan would have to take necessary steps to cope with the situation.	489

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Date and number	Subject	Page
1937 Aug. 27 (781)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Reservation by the U. S. Government of all rights in respect to damages sustained by American nationals as a result of the activities of Japanese forces in the military operations now in progress in China.	490
Aug. 30 (180)	<i>To the Ambassador in Japan (tel.)</i> Telegram from the U. S. Embassy in China (text printed) stating that the British, German, Italian, French, and U. S. Embassies in China suggest that the several Ambassadors in Tokyo represent to the Japanese Government that the Hankow-Canton-Hong Kong railway is being used to evacuate foreign nationals and that it is hoped that the Japanese will not bombard or machine gun the trains or otherwise interrupt their use for evacuation. Department's approval of the suggested action.	490
Aug. 30 (183)	<i>To the Ambassador in Japan (tel.)</i> Telegram from the U. S. Embassy in China (substance printed) asking whether, since U. S. citizens will have to use the railways and motor roads of China in leaving for places of safety, the several Governments could not properly represent to the Japanese Government that it refrain from attacks on defenseless cities, hospitals, trains, motor cars, etc. Instructions to invite the attention of the Foreign Office to the situation and to suggest to the interested Ambassadors the advisability of their taking similar action.	491
Aug. 31 (333)	<i>From the Ambassador in Japan (tel.)</i> Note to the Foreign Minister in regard to the Hankow-Canton-Hong Kong railway (text printed). Information that the British and French Ambassadors are addressing similar notes to the Foreign Minister but that the German and Italian Ambassadors envisage only an oral approach.	491
Aug. 31 (102, Asia I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Statement that, since the Japanese operations in China are confined to measures of defense against illegal and provocative attacks on the part of China, the Japanese Government is not liable for damages sustained by nationals of third countries as a result of fighting in that area.	492
Sept. 1	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister for the purpose of appealing to him to take steps to obviate the risks to which Americans in China are constantly subjected. The Foreign Minister's reply that the Japanese forces intended to attack only military objectives but that sometimes bombs went astray and accidents happened; his promise to bring the Ambassador's representations to the attention of the War and Navy Ministries.	492
Sept. 1	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Request for the discontinuance of such bombing operations over Nanking as might result in destruction of nonmilitary property and in the wounding and death of civilians; and representations with a view to persuading Japan to refrain from attacks upon defenseless cities, hospitals, trains, etc.	494

BOMBINGS OF CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING
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Date and number	Subject	Page
1937 Sept. 3 (108, Asia I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Statement that the Japanese Government is taking all possible measures to protect the lives and property of foreigners but that, since the Chinese are using the Hankow-Canton-Hong Kong railway for military purposes, the Japanese Government cannot guarantee to refrain from interrupting its operations.	495
Sept. 6 (788)	<i>From the Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Recommendations made by the commanders in chief of the American, British, and French naval forces at Shanghai to the Japanese naval commander at Shanghai and the Chinese military commander in Pootung following the artillery duel of September 3, 1937, during which shells fell into the International Settlement. Hope that these recommendations may be acted upon favorably.	495
Sept. 10 (112, Asia I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Opinion of the Japanese naval commander at Shanghai that the measures recommended would not effect the safety of the Settlement; counterproposals advanced by the Japanese Government.	496
Sept. 14 (205)	<i>To the Ambassador in Japan (tel.)</i> Instructions to inform the Foreign Office that the U. S. Government cannot accept the position of the Japanese Government that it is not liable for damages sustained by nationals of third countries as a result of the fighting in China, and that the U. S. Government will look to the Japanese Government for compensation. (Footnote: Information that the note was delivered on September 15, 1937.)	497
Sept. 15	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Statement that Nanking is an appropriate object for Japanese bombing operations but that such operations are limited to military organs and establishments and that the Japanese Government regrets that noncombatants sometimes become victims; assurance that nothing is further from the thoughts of the Japanese forces than to make attacks upon defenseless cities, hospitals, trains, and motor cars not used by the Chinese for military purposes.	497
Sept. 17 (796)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Emphatic objections of the U. S. Government to attacks upon American nationals and humanitarian establishments, in view of the attack of September 12, 1937, by Japanese planes upon an American missionary hospital at Waichow, Kwangtung Province.	498

BOMBINGS OF CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING
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Date and number	Subject	Page
1937 Sept. 19 (728)	<i>From the Consul General at Shanghai (tel.)</i> Notice issued by the commander in chief of the Japanese Third Fleet (text printed) that after noon of September 21, 1937, the Japanese naval air force may have to resort to such offensive measures as bombing against Chinese forces and military establishments in and around Nanking, and advising foreigners and foreign warships to move into areas of greater safety.	499
Sept. 20	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in which the Ambassador made emphatic representations against the announced plans to bomb Nanking, while expressing appreciation with regard to Japanese arrangements to avoid bombing the Hankow-Canton railway and further appreciation with regard to the Japanese note expressing regret for the bombing of the American missionary hospital at Waichow and offering to consider indemnification. Opinion that the civil government in Tokyo has very little influence with the military and naval forces where their general objectives are concerned.	500
Sept. 20	<i>Memorandum by the Chief of the Division of Far Eastern Affairs</i> Conversation with the Japanese Ambassador in which the Acting Secretary expressed the U.S. Government's deep concern in regard to the announced plans to bomb Nanking and pointed out that only 48 hours' notice had been given and that no areas of greater safety had been specified.	502
Sept. 21 (0021)	<i>From the Commander in Chief of the United States Asiatic Fleet to the Commander of the Yangtze Patrol (tel.)</i> Letter sent to the commander in chief of the Japanese Third Battle Fleet (text printed) notifying him that the two U.S. gunboats must remain at Nanking as long as the U.S. Embassy and U.S. nationals are there, and requesting that the Japanese naval air force be instructed not to drop bombs in the vicinity of these vessels.	503
Sept. 22 (780)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Statement that, with regard to the announced plan to bomb Nanking, the U.S. Government objects both to such jeopardizing of its nationals and to the suggestion that its officials and nationals should withdraw from the areas where they are lawfully engaged in legitimate activities; reservation of all rights in respect to damages which might result; and expression of the hope that further bombings in the Nanking area will be avoided.	504
Sept. 25	<i>Memorandum by the Chief of the Division of Far Eastern Affairs</i> Conversation with the Counselor of the Japanese Embassy in which the Counselor, in referring to the intended bombing of Nanking, gave assurances that the Japanese military authorities had no intention of bombing other than military objectives, and was informed that in spite of a number of such assurances all reports indicated that large numbers of noncombatants were being killed.	505
Sept. 27	<i>Resolution Adopted by the League of Nations Advisory Committee</i> Solemn condemnation of the aerial bombardment of open towns in China by Japanese aircraft.	506

BOMBINGS OF CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING
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Date and number	Subject	Page
1937 Sept. 28	<p><i>Press Release Issued by the Department of State</i></p> <p>Statement with reference to the League resolution of September 27, 1937, that the U.S. Government holds the view that any general bombing of a large populace engaged in peaceful pursuits is unwarranted and contrary to principles of law and of humanity.</p>	506
Sept. 29 (431)	<p><i>From the Ambassador in Japan (tel.)</i></p> <p>Foreign Office note, September 29 (text printed), stating that the bombing of military objectives in the Nanking area is a necessary measure; expressing desire for the safety of nationals of third countries and hope for U.S. cooperation with the measures taken by the Imperial Japanese Government; and conveying the information that the Japanese Government's view with regard to damages to nationals of third countries remains unchanged.</p>	507
Sept. 30 (435)	<p><i>From the Ambassador in Japan (tel.)</i></p> <p>Memorandum from the Foreign Office (text printed) requesting that a list be supplied indicating the locations of U.S. charitable institutions in China. Suggestion that the Department instruct Nanking whether it desires that such information be supplied.</p>	508
Oct. 1	<p><i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Substance of a telegram from the U. S. Minister in China (text printed), reporting the bombing of Nanking and naming nonmilitary establishments which apparently have been the targets of Japanese bombers.</p>	508
Oct. 5 (250)	<p><i>To the Ambassador in Japan (tel.)</i></p> <p>Instructions to say to the Foreign Office that the U.S. Government perceives no need for the supplying of a list of the locations of U.S. properties in China, with the possible exception of those near Chinese military establishments, but that the U.S. Government's reservation of rights will in no way be affected by the fact of its having given or not having given such information.</p>	509
Oct. 5 (251)	<p><i>To the Ambassador in Japan (tel.)</i></p> <p>Information that much unfavorable press comment has been caused by the use of the expression "cooperation with measures taken by the Imperial Japanese Government" in the Foreign Office note transmitted in the Embassy's telegram No. 431, September 29, 1937. Instructions to make clear to the Foreign Minister that what the U. S. Government seeks and expects is not "cooperation" between the two countries in any phase of military operations but that Americans shall not be endangered by any military operations.</p>	510
Oct. 7	<p><i>Memorandum by the Counselor of the American Embassy in Japan</i></p> <p>Record of a conversation in which the Department's telegrams No. 250 and No. 251 of October 5, 1937, were read to the Director of the American Bureau of the Japanese Ministry for Foreign Affairs.</p>	511

**BOMBINGS OF CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING
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Date and number	Subject	Page
1937 Oct. 24 (0024)	<i>From the Commander in Chief of the United States Asiatic Fleet to the Chief of Naval Operations (tel.)</i> Letter to the commander in chief of the Japanese Third Battle Fleet (text printed), listing instances when bombs and shells have fallen on the sector of the International Settlement at Shanghai guarded by U.S. Marines; calling attention to the bomb dropped in the sector on October 22, 1937, in spite of repeated representations by the Marine commander and repeated Japanese assurances; and requesting that urgent steps be taken to prevent recurrences.	512
Oct. 27	<i>Press Release Issued by the Department of State</i> Information that on October 24, 1937, a party of 10 persons including 5 Americans, while horseback riding in the British sector of the International Settlement, were machine gunned by an airplane stated to be Japanese; that in reply to oral representations made by the U.S. Ambassador in Japan a note dated October 26 has been received from the Japanese Foreign Office (text printed) expressing regret and offering to make necessary compensation in respect of any injury incurred by U.S. nationals.	513
Oct. 29 (0029)	<i>From the Commander in Chief of the United States Asiatic Fleet to the Chief of Naval Operations (tel.)</i> Communication from the commander in chief of the Japanese Third Battle Fleet (text printed) expressing regret concerning the incident of October 22, 1937, and giving assurances that the Japanese naval forces have been instructed to exercise greater care in the future.	513
Nov. 2	<i>Press Release Issued by the Department of State</i> Tabulation of latest available figures on the number of U. S. nationals who have been evacuated from Shanghai and the number remaining.	514
Nov. 2 (0002)	<i>From the Commander in Chief of the United States Asiatic Fleet to the Chief of Naval Operations (tel.)</i> Report on a conference with the Japanese Military Attaché at which the senior British, French, Italian, and Netherlands naval officers were also present and at which the Japanese were emphatically informed of the gravity of the situation. Belief, however, that incidents will continue as long as the Settlement is flanked by both Japanese and Chinese forces.	515
Nov. 12 (0012)	<i>From the Commander in Chief of the United States Asiatic Fleet to the Chief of Naval Operations (tel.)</i> Letter to the commander in chief of the Japanese Third Battle Fleet (text printed) requesting that he use his influence to prevent the indiscriminate bombing of Soochow announced for November 13, 1937, or at least to provide time for arranging a mutual agreement upon a safe area to which refugees can be taken.	516

SINKING OF THE U. S. S. "PANAY," DECEMBER 12, 1937

1937 Undated	<i>Summary of Events at Nanking Between November 21 and December 10, 1937</i> Description of the developing situation, including the continuous Japanese air raids on Nanking and the steady progress of the Japanese forces in their march on the capital.	517
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BOMBINGS OF CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING
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Date and number	Subject	Page
1937 Dec. 12 (340)	<i>To the Ambassador in Japan (tel.)</i> Information that the U.S.S. <i>Panay</i> and three Standard Oil steamers are reported to have been bombed and sunk at a point 27 miles above Nanking; instructions to inform the Foreign Minister and to ask for information and request that the Japanese Government immediately take appropriate action.	519
Dec. 13 (619)	<i>From the Ambassador in Japan (tel.)</i> Information that the Ambassador on his own initiative has called on the Foreign Minister leaving with him an <i>aide-mémoire</i> and portions of telegrams received from the Embassies at Nanking and Hankow giving the facts with regard to the <i>Panay</i> and American refugees on the Standard Oil ships.	520
Dec. 13	<i>Press Release Issued by the Department of State</i> Information that the Secretary is getting all the facts concerning the sinking of the <i>Panay</i> and that when they are assembled, representations will be made to Tokyo; statement of the facts received so far.	521
Dec. 13 (622)	<i>From the Ambassador in Japan (tel.)</i> Visit from the Foreign Minister to bring the information of the bombing of three Standard Oil vessels and the sinking of the <i>Panay</i> and to express the profound apology of the Japanese Government; the Foreign Minister's statement that the commander in chief of the Japanese Third Battle Fleet has accepted full responsibility for the accident.	521
Dec. 13	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador expressed the full apologies and regrets of his Government and in which the Secretary read a memorandum from President Roosevelt (text printed) setting forth his expectations of a full expression of regret and a proffer of full compensation and guarantees against similar attacks in the future.	522
Dec. 13 (342)	<i>To the Ambassador in Japan (tel.)</i> Note for the Foreign Minister (text printed) setting forth the expectations of the U.S. Government. Instructions to inform the British Ambassador before presenting the note but not to await action by him.	523
Dec. 14 (630)	<i>From the Ambassador in Japan (tel.)</i> Note from the Foreign Office (text printed) stating that, while the sinking of the <i>Panay</i> and Standard Oil vessels was due to a mistake, the Japanese Government regrets the incident and presents its sincere apologies; that the Government will make indemnifications and will deal appropriately with those responsible for the incident; and that orders have been issued to prevent similar incidents.	524
Dec. 14 (631)	<i>From the Ambassador in Japan (tel.)</i> Report that a note has been delivered to the Foreign Minister in accordance with the Department's instructions; that it has been pointed out to the Foreign Minister that while the Japanese note delivered earlier in the day is responsive to some of the points set forth by the U.S. Government, it does not meet all of them.	526

BOMBINGS OF CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING
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1937		
Dec. 15 (638)	<i>From the Ambassador in Japan (tel.)</i> Report that the senior aide to the Navy Minister called on the U.S. Naval Attaché and conveyed the information that the Navy has taken steps to avoid the future occurrence of incidents similar to the sinking of the <i>Panay</i> and that the commanding officer of the naval air force at Shanghai has been transferred to a post in home waters.	526
Dec. 16 (350)	<i>To the Ambassador in Japan (tel.)</i> Instructions to make a statement to the Foreign Minister pointing out the seriousness of the reports now reaching the U.S. Government which give definite indications of deliberateness of intent on the part of the Japanese forces which attacked the <i>Panay</i> and the U.S. merchant ships, and also pointing out that these reports give added importance to the question of the Japanese undertaking to deal appropriately with those responsible and to the question of the character of the steps to be taken to ensure the future safety of Americans in China.	527
Dec. 16 (645)	<i>From the Ambassador in Japan (tel.)</i> Request for instructions in regard to the many cash donations being made for the benefit of Americans in the <i>Panay</i> disaster in view of the realization that their acceptance might prejudice the principle of indemnification.	528
Dec. 17 (647)	<i>From the Ambassador in Japan (tel.)</i> Report that the instructions embodied in the Department's No. 350, December 16, 1937, have been carried out.	528
Dec. 17	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in regard to the <i>Panay</i> incident, in which the Secretary again referred to the question of whether the Army and Navy officials involved were going to be dealt with properly.	529
Dec. 18 (361)	<i>To the Ambassador in Japan (tel.)</i> Suggestion that Prince Tokugawa or some other outstanding Japanese personage might be asked to constitute himself an authorized recipient for <i>Panay</i> sympathy donations, public announcement to be made of such arrangement with an accompanying announcement that the funds will be devoted to something testifying to good will between the two countries but will not be conveyed to the U. S. Government or U.S. nationals.	530
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Jan. 19	<i>Memorandum by the Counselor of Embassy in Japan</i> Conversation with the Director of the American Bureau of the Japanese Foreign Office in which the Counselor brought to the Director's attention the contents of telegram No. 27, January 18, 1938, and stated that, since previous instructions from Tokyo had been ineffective, it was expected that the Japanese Government would take drastic action; statement by the Director that the Cabinet has under consideration a plan for ensuring that the forces in China comply with orders from Tokyo.	568
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Feb. 12 (17, American I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Explanations in regard to the events against which the Ambassador protested in his note No. 866, January 17, 1938, and statement of the specific steps taken to prevent the recurrence of such events.	580
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Feb. 15 (6, Asia I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Request that the property of U.S. nationals in specified sections of China be marked as indicated, that the location of such property be communicated to the Japanese authorities, and that certain other protective measures be adopted by U.S. nationals.	583
Feb. 16	<i>Memorandum by the Counselor of Embassy in Japan</i> Conversation with the Director of the American Bureau in which the Counselor informed him that the occupation and looting of the University of Shanghai could not be reconciled with the repeated official assurances that U.S. property would be respected.	585
Feb. 17 (7, Asia I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Assertion that the Japanese Government cannot assume responsibility for damage done to property of nationals of third countries where Chinese have used areas adjoining such property for military purposes. Request that the Chinese be urged to move objects of a military nature from the vicinity of property owned by U.S. nationals.	585

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Apr. 2 (41, Amer- ican I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Statement that Japanese officials on the spot are investigating the cases referred to in the Ambassador's note No. 872, February 4, 1938, and that the Japanese Government is prepared to pay appropriate indemnification where, as a result of such investigations, evidence of injury by Japanese forces is obtained.	589
May 16 (925)	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Request that the Japanese Government cause an investigation to be made of the reported bombing of the American mission at Hsuehowfu, May 10 and 11, 1938, and that the Embassy be informed of the results as soon as possible.	590
May 30 (942)	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Reference to the damage to American mission property at Nantungchow on August 17, 1937, and the occasions on which it has been brought to the attention of the Foreign Office; hope that assurances will be given that the matter will be settled promptly.	590
May 30 (943)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Reports from the American Consul at Shanghai (texts printed) of two instances when Japanese naval forces disregarded the rights and immunities of U.S. vessels; expectation that instructions will be issued to prevent further interference with U.S. vessels.	591
May 31 (946)	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Information that a message has been received from Haichow (text printed) reporting the bombing of American mission property there; request that the Japanese Government cause an investigation to be made and that the Embassy be informed of the results at the earliest possible moment.	593

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June 3	<i>Statement by the Acting Secretary of State</i> Reiteration of this nation's emphatic reprobation of the general bombing of extensive areas wherein reside large populations engaged in peaceful pursuits, in view of the recent aerial bombings in China and Spain which have resulted in the deaths of many hundreds of the civilian population.	595
June 9 (368)	<i>From the Ambassador in Japan (tel.)</i> Report of a conversation with the Vice Minister for Foreign Affairs during which the Ambassador brought up informally the question of the bombing of civilian populations in China and was told that the Foreign Minister was negotiating with the military authorities in connection with this problem.	596
June 10 (955)	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Report that Japanese troops have occupied U.S. mission property at Soochow in contradiction to the Japanese Government's repeated assurances; request that urgent measures be taken to cause the evacuation of the property; and reservation of right to claim compensation for all losses.	597
June 11 (812)	<i>From the Consul General at Shanghai (tel.)</i> Letter for the Ambassador from the Japanese Minister at Large (text printed) requesting that on and after June 11, 1938, vessels of third powers not enter the area from Wuhu to Hukow on the Yangtze River so long as the commander in chief of the Japanese Fleet in China Sea finds it strategically inconvenient for them to enter and that those above Hukow sail up above Hankow as hostilities spread in that direction.	597
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June 11 (822)	<i>From the Consul General at Shanghai (tel.)</i> From Tokyo: Note presented to the Foreign Minister (text printed) stating that there are a number of Americans in Hankow and a number of U.S. and foreign vessels in the vicinity and that the U.S. Government expects that they will be protected in accordance with the Japanese Government's assurances. Information that the British Ambassador will take similar action and that the French Ambassador has asked for instructions.	599

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June 13 (0012)	<i>From the Commander in Chief of the United States Asiatic Fleet to the Commander of the Yangtze Patrol (tel.)</i> Explanation that it is not intended that U. S. ships shall remain within the area of active military engagements; instructions that, after full opportunity has been given for the evacuation of nationals, notice of the probable date of withdrawal of gunboats from a specific area should be given.	600
June 14	<i>From the Counselor of the American Embassy in Japan to the Director of the American Bureau of the Japanese Ministry for Foreign Affairs</i> Letter from the American Consul General at Shanghai to the Japanese Minister at Large in China (text printed) setting forth the attitude of the commander in chief of the U. S. Asiatic Fleet concerning the requests of the Minister at Large in regard to U.S. vessels on the Yangtze.	601
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June 20 (18 Go, Asia I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Measures recommended for the protection of U.S. nationals and property in a certain area of active military operations in China.	602
June 27 (972)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Reiteration of U.S. position that, although U.S. nationals have been and are being advised to take the recommended precautionary measures, the obligation to avoid injuring U.S. lives and property rests upon the Japanese authorities irrespective of whether the U.S. nationals do or do not take such measures.	603
June 28 (975)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Formal protest against the bombing on June 15, 1938, by Japanese airplanes of a U.S. mission at Pingtu; request that an investigation be made and that instructions be issued which will prevent the recurrence of such acts.	604
July 4	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in which the Ambassador made forceful and emphatic representations on many points at issue in Japanese-American relations.	605

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Aug. 26	<i>Press Release Issued by the Department of State</i> Note presented to the Japanese Foreign Office by the U.S. Ambassador in Japan, upon instruction of the Secretary of State (text printed) protesting against the attack on a commercial plane of the China National Aviation Corporation (in which the Pan American Airways has a large interest) endangering the life of the U.S. pilot and killing several noncombatant passengers.	619
Sept. 3 (81, Asia I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Request that certain measures be carried out and certain conditions be met to insure the safety of the rights and interests in Hankow of third countries, in view of the attack soon to be made on Hankow by Japanese forces.	620
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Oct. 13 (664)	<i>From the Ambassador in Japan (tel.)</i> Note from the Foreign Minister, October 12, 1938 (text printed) referring to the Foreign Minister's note of June 20, 1938, and urgently requesting that the suggested precautionary measures be taken since military operations are actually being undertaken in South China. Information that a similar note has been received by the British Embassy.	623
Oct. 14 (97, Asia I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Declaration that if the precautionary measures set forth in the Ministry's note of September 3, 1938, are not taken, the Japanese Government cannot assume responsibility for damages to rights and interests of third powers.	624
Oct. 16 (671)	<i>From the Ambassador in Japan (tel.)</i> Note to the Foreign Minister (text printed) restating the position of the U. S. Government in regard to the obligation of the Japanese authorities as set forth in the Embassy's note No. 972, June 27, 1938.	625

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1938 Oct. 27	<i>From the American Ambassador in Japan to the Japanese Vice Minister for Foreign Affairs</i> Information that a report has been received that the Japanese naval authorities at Shanghai have requested that third power vessels off Hankow be moved to other anchorage since it will be difficult to give assurance that Chinese troops close to these vessels will not be attacked. Statement that the U. S. Government takes the strongest possible exception to this position.	626
Oct. 31	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Vice Minister for Foreign Affairs in which the Ambassador made emphatic oral representations in regard to the Nyhus case and supported them by a vigorous note addressed to the Foreign Minister.	627
Oct. 31 (1105)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Emphatic protest against the bombing of U.S. mission property in Tungpeh in which an American national, Phoebe Nyhus, was killed; urgent request that an investigation be made, the responsibility fixed, and steps taken to ensure that similar incidents do not occur.	627
Nov. 7 (41 Go, Asia I)	<i>From the Japanese Minister for Foreign Affairs</i> Notice of the extension of hostilities west into the Provinces of Shensi, Hupeh, and Hunan; desiderata for the safeguarding of lives and property of nationals of third countries; and urgent request that the United States take prompt and appropriate measures in the premises.	628
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Dec. 22 (1157)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> List of U. S. notes to the Japanese Government in regard to the bombing of U. S. mission property which have not been answered; desire of the U. S. Government to be informed whether it may expect an expression of regret and indemnification for U. S. nationals killed and injured in the Tungpeh bombing and when it may expect replies to the U. S. notes.	630
Dec. 26	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in which the Foreign Minister anticipated note No. 1157, December 22, 1938, and expressed regret for the Nyhus incident, confirming his statement with a written note; and in which the Ambassador accepted the expression of regret but presented note No. 1157 with the request that replies to the notes mentioned be expedited.	631

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1938 Dec. 26 (117, Amer- ican I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Expression of regret for the Nyhus incident at Tungpeh; statement that since Tungpeh is outside the territory occupied by Japanese forces, it is impossible to carry out a complete investigation; expectation that the incident will be satisfactorily settled locally in the near future.	632
Dec. 28 (118, Amer- ican I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Reply to six of the U.S. notes in regard to bombing of U.S. property and nationals; addendum (text printed) setting forth the results of investigations of various other incidents.	633
Dec. 30 (119, Amer- ican I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Information as to the U.S. notes to which the Japanese notes of December 26, 1938, and December 28, 1938, were intended as replies.	640

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1939 Mar. 8	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Hope that steps will be taken to alleviate the restrictions placed upon American personal and business interests in Tientsin by the Japanese authorities and to prevent the imposition of further restrictions such as those contemplated to be made effective March 10, 1939.	642
Mar. 30	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in which the Ambassador presented a note in regard to the continued bombing of U.S. property in China and informally told him that these continued bombings were leading to a growing conviction in the United States that they are intentional and are part of a campaign to drive foreign interests out of China.	642
Mar. 30 (1230)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Formal and emphatic protest against the continued disregard by the Japanese military forces of U.S. lives and property in China, with special reference to specific cases.	643
May 11	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister during which the Ambassador made emphatic oral representations (text printed) against the recent indiscriminate bombings by Japanese forces in China, the representations being based primarily on humanitarian grounds and also on the ground of the risks to American lives and property.	646

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1939 May 19 (238)	<i>From the Chargé in Japan (tel.)</i> Communication from the Ministry for Foreign Affairs, May 17, 1939 (text printed), explaining the steps taken by the Army and Navy to protect the interests of third powers in China and stating that a solatium has been forwarded to the U. S. national wounded in one incident and that an attempt is being made to arrange a solatium for the Nyhus family.	649
May 22 (241)	<i>From the Chargé in Japan (tel.)</i> Note presented to the Foreign Office (text printed) calling attention to the recent recrudescence of Japanese bombing of U. S. mission property at Tangho and Tungpeh and pointing out that the locations of two of the properties were unmistakably known to the Japanese military in view of representations already made in regard to previous bombing of the same properties.	650
June 19	<i>Press Release Issued by the Department of State</i> The Secretary's statement of the U. S. Government's concern with the developments in Tientsin in their broader aspects and in connection with other events in other parts of China.	652
June 22 (290)	<i>From the Chargé in Japan (tel.)</i> Information that during a conversation with the Director of the American Bureau the Chargé stated that the Japanese would be making a mistake if they assumed that if U.S. nationals in Tientsin were not mistreated, the American public would not be aroused by reports of indignities inflicted on British nationals.	652
June 24 (173)	<i>To the Chargé in Japan (tel.)</i> Approval of action reported in telegram No. 290, June 22, 1939.	652
July 6 (183)	<i>To the Ambassador in Japan (tel.)</i> Conversation with the Counselor of the Japanese Embassy who called to bring the report of the Japanese investigations which concluded that nothing further could be done by the Japanese air force to effect their desire to avoid the bombing of U. S. and other foreign property and recommended an isolation distance of one kilometer between U. S. and Chinese properties.	653
July 7 (429)	<i>From the Ambassador in China (tel.)</i> Report that Chungking has had another air raid, that the business section appeared to be the main target, that a British gunboat narrowly escaped a direct hit, and that a bomb fell within 150 feet of the quarters of the Counselor of the American Embassy.	654
July 7 (186)	<i>To the Ambassador in Japan (tel.)</i> Instruction to express to the Foreign Minister the deep concern of the U. S. Government for the safety of the U. S. Ambassador and his staff at Chungking and for the safety of U. S. nationals and property. Request that the Consul General at Shanghai ask his Japanese colleague to take appropriate action vis-à-vis the Japanese military command. (Repeated to Peiping, Chungking, and Shanghai.)	654

BOMBINGS OF *CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING
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Date and number	Subject	Page
1939 July 8 (576)	<i>From the Consul General at Shanghai (tel.)</i> Report that action has been taken as requested in the Department's telegram No. 186, July 7, 1939, for Tokyo, and that the Japanese Consul General was also informed that five bombs struck within 200 yards of the U.S.S. <i>Tutuila</i> in the recent air raids on Chungking. (Repeated to Tokyo, Chungking, and Peiping.)	656
July 10 (320)	<i>From the Chargé in Japan (tel.)</i> Information that representations have been made to the Foreign Minister with regard to the recent bombings at Chungking; and that the Foreign Minister said that he could not promise that the bombing of Chungking would cease as air attack was an important and effective phase of the military operation, but that he had already communicated with the Japanese Navy Department in regard to the bombings. (Repeated to Shanghai for relay to Chungking and Peiping.)	655
July 10	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in regard to Japanese policy, during which the Secretary read and presented to the Ambassador a written statement in regard to the bombing of Chungking (text printed) protesting against a continuation of such indiscriminate bombing and stating that the President would like an immediate statement from the Japanese Government, without making the matter one of a formal exchange of notes.	656
July 10 (190)	<i>To the Chargé in Japan (tel.)</i> Information that a conversation has been held with the Japanese Ambassador in regard to the Chungking bombings and that the Ambassador has been informed that the President desires an immediate statement from the Japanese Government.	660
July 10	<i>Press Release Issued by the Department of State</i> Announcement that U.S. diplomatic and consular officials have made appropriate representations to the Japanese authorities against the indiscriminate bombings of Chungking.	660
July 13	<i>Memorandum by the Chief of the Division of Far Eastern Affairs</i> Statement by the Counselor of the Japanese Embassy that the Japanese Foreign Office had gotten in touch with the Japanese Navy Department in regard to the Chungking bombings even before representations were made by the U.S. Chargé in Japan on July 10, 1939.	660
July 13 (438)	<i>From the Ambassador in China (tel.)</i> Reference to the Japanese Foreign Minister's statement that the air attacks on Chungking are an important and effective phase of the military operations; statement that Chungking is unarmed in any sense that might be construed as offensive and that the raids are carried out indiscriminately with the deliberate intention of terrorizing the unarmed population.	661
July 15 (202)	<i>To the Chargé in Japan (tel.)</i> Instructions to read to the Japanese Foreign Minister the pertinent portions of Chungking's No. 438, July 13, 1939, which Chungking has been instructed to repeat to Tokyo.	662

BOMBINGS OF CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING
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Date and number	Subject	Page
1939 July 17 (90, Ameri- can I)	<i>From the Japanese Minister for Foreign Affairs to the American Chargé in Japan</i> Reply to the U.S. representations with regard to the bomb- ing of U.S. mission property at Tangho and Tungpeh; adden- dum (text printed) setting forth facts according to the investi- gations of Japanese forces who have recently occupied the two places.	662
July 18 (340)	<i>From the Chargé in Japan (tel.)</i> Information that the Director of the American Bureau has stated that the Chungking bombings are being investigated and that the Japanese Ambassador at Washington will shortly be instructed to make a statement in response to the Secre- tary's representations of July 10, 1939.	665
July 20	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador presented two statements concerning the Chung- king bombings, repeating the same line of suggestions and comment to the effect that Japanese officials are always warned to be cautious; in reply to which the Secretary indi- cated his disappointment and stated that the sole question related to whether the Japanese Government would use suffi- cient precautions to put an end to such dangerous bombings.	665
July 20	<i>From the Japanese Ambassador</i> The Japanese Government's statement in reply to the Secre- tary's representation on July 10, 1939; and the report on the bombing of Chungking by the commander in chief of the Japanese China Sea Fleet (text printed).	667
Nov. 20	<i>Press Release Issued by the Department of State</i> Information that difficulties of transit at the Japanese mili- tary barriers around the foreign concessions at Tientsin are increasing.	669
Dec. 5 (1426)	<i>From the American Ambassador in Japan to the Japanese Minis- ter for Foreign Affairs</i> Emphatic protest against a third bombing of the U.S. mission property at Tungpeh on August 1, 1939.	670
Dec. 8 (390)	<i>To the Ambassador in Japan (tel.)</i> Suggestion that, in view of the fact that all 59 of the Japa- nese replies recently received disclaim responsibility, the Ambassador informally approach the Foreign Office and, after mentioning publicity currently emanating from Japan con- cerning the "settlement" and "payment" of U.S. claims, state that additional publicity of this kind may impel the U.S. Government to publish figures and statements which would cover the situation as a whole.	671
Dec. 13 (1428)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Expression of appreciation for the recent large number of replies to U.S. representations; suggestion, however, that a more favorable impression might well be created by concrete evidence of an earnest desire on the part of Japan to afford to the claimants equitable amounts in compensation for damages sustained.	672

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Date and number	Subject	Page
1939 Dec. 26 (706)	<i>From the Ambassador in Japan (tel.)</i> Informal letter dated December 23, 1939, from the Director of the American Bureau (text printed) explaining that the Japanese notes are intended not merely to communicate the results of investigations but to show Japanese readiness to give renewed consideration if and when further representations are made on the basis of fresh investigations made by the United States.	673
1940		
1940 Jan. 31	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Information that the bombing of the Chinese portion of the Haiphong-Yunnan railway endangers U. S. nationals and commerce; statement that if the bombing continues, the United States will have no choice but to add this to the list of injuries, commercial and otherwise, suffered by it as a result of Japanese action in China.	674
Feb. 14 (119)	<i>From the Ambassador in Japan (tel.)</i> Statement made by the Foreign Minister in the Budget Committee of the Lower House in regard to the cases pending between the United States and Japan (text printed).	675
Mar. 1 (45, Amer- ican I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Addendum (text printed) based on the report from the Japanese authorities in the area concerning the bombing of the U.S. mission property at Tungpeh on August 1, 1939. Information that \$15,000 has been sent to the Nyhus family as an expression of sympathy.	676
Undated [Rec'd Mar. 6]	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> View that the question of assumption of responsibility by the Japanese Government does not arise in the bombing of the Hanoi-Yunnan Railway in view of the fact that the exclusion of the railway from any claims to neutrality in the event of war between China and any other country was established by the Chinese-French railway construction agreement of 1903.	677
Mar. 11	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Refusal to admit the relevancy, in the bombing of the Haiphong-Yunnan Railway, of the Japanese reference to the Chinese-French railway construction agreement of 1903 or to admit lack of Japanese responsibility for loss of U.S. life or damage to U.S. property. Full reservations of U.S. rights and rights of U.S. citizens in the matter.	678
Apr. 23	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Request that further instructions be sent to the Japanese armed forces at Tientsin with a view to eliminating the long-continued and unlawful interference by Japanese forces with the movement of U.S. nationals and merchandise. Detailed information of several instances of interference.	678

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Date and number	Subject	Page
1940 May 10 (95, Asia I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Explanation of various incidents of interference at Tientsin; and statement that the Japanese authorities there are doing all in their power to lessen all inconveniences to nationals of third powers. (Footnote: Information that the barriers were removed June 20, 1940, following the signing of an arrangement relating to local issues between Great Britain and Japan on June 19, 1940.)	680
May 10 (3130)	<i>From the Consul at Shanghai</i> Detailed summary of the developments in regard to negotiations between U.S. claimants and Japanese authorities for the local settlement of U.S. property losses resulting from the acts of the Japanese forces; statement that as a result of these negotiations, 21 cases have been settled by the payment of "solatia payments" to the U.S. claimants.	682
Undated	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Request that arrangements be made to provide for the free passage through the Tientsin barriers of all Americans, and their personal effects, en route to Peitaho or other resorts.	690
June 13	<i>Press Release Issued by the Department of State</i> Information that Chungking was intensively and indiscriminately bombed on June 12, 1940, and that U. S. mission property was damaged; statement that the United States condemns such practices wherever and whenever they occur.	690
June 14 [Asia I, 8/Go]	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Notice of plan to increase the severity of the attacks on Chungking; advice that the U. S. officials and citizens be evacuated to a safe place until after the bombardment; designation of a safe area; and statement that Japan cannot be responsible if U.S. nationals remain in areas other than those designated.	691
June 14	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister concerning the various representations which have been made in regard to the indiscriminate bombing of Chungking.	691
June 15	<i>Memorandum by the Ambassador in Japan</i> Interview with the Vice Minister for Foreign Affairs in which oral and written representations in regard to the Chungking situation were made, with the request that they be brought immediately to the attention of the Foreign Minister.	692
June 15 (1564)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Reiteration of the position of the U.S. Government with regard to warnings such as that given in the Foreign Minister's note of June 14, 1940; statement that the U. S. Government cannot accept the view that Chungking in general is a legitimate target for air attack, and that it will expect to hold the Japanese Government responsible for any injury or loss to U. S. nationals.	693

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Date and number	Subject	Page
1940 June 18 (121, Ameri- can I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Statement that the Japanese military forces will not hereafter relax their attack on Chungking and that the Japanese Government cannot accept responsibility for unavoidable damage which may occur.	694
Sept. 13 (1630)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Emphatic protest against the destruction of a U.S. mission church at Chungking on August 19, 1940; statement that since the location of the mission property has twice been notified to Japanese officials and since representations have previously been made in regard to eight separate occasions when the property was attacked, it is difficult to avoid the inference that at least some of the attacks have been deliberate.	695
Sept. 13	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Data in regard to Japanese bombing of U.S. property in China; explanation that the data was taken from the Embassy files for the information of the new Foreign Minister.	696
Sept. 22 (878)	<i>From the Ambassador in Japan (tel.)</i> Conversation on September 21, 1940, with the Foreign Minister who said that it was his firm determination to sweep away as many as possible of the past troubles between Japan and America, and was informed that many of the troubles are current and not past.	697
Oct. 16 (1000)	<i>From the Ambassador in Japan (tel.)</i> Message from the Vice Foreign Minister (text printed) stating that he has taken up with the Navy the matter of the damage to the U.S. Consulate at Kunming on October 13, 1940, and that the Navy will see to it that the incident will not be repeated.	698
Oct. 28 (1670)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Protest against the bombing of an American firm in Chungking and the endangering of the U.S. Embassy on October 25, 1940; information that 11 bombs fell in the area designated as a safety zone in the Foreign Minister's note, Asia I, 8/Go, June 14, 1940.	699
Oct. 28	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Hope, in view of the interest expressed by the Foreign Minister, that the menace to U.S. officials and to U.S. nationals and property in China will be obviated through effective orders to the responsible Japanese officials.	699
Nov. 8 (1678)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Further information which has come to light since representations were made concerning the attack on a plane of the China National Aviation Corporation on October 29, 1940, which resulted in the death of the U.S. pilot.	700

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Date and number	Subject	Page
1940 Nov. 11 (1125)	<i>From the Ambassador in Japan (tel.)</i> Suggestion that the Department may wish to consider delaying the proposed publicity regarding the bombings in China in view of the expressed intention of the Foreign Minister to obviate points of friction with the United States; opinion that this represents a belated recognition of the position in which Japan has placed herself vis-à-vis the United States through the conclusion of the tripartite alliance and other recent developments.	702
Nov. 14 (1684)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Further information in regard to the attack, October 29, 1940, on a plane of the China National Aviation Corporation in which the U.S. pilot was killed.	703
Nov. 23	<i>Press Release Issued by the Department of State</i> Statement that on November 21, 1940, an American Vice Consul engaged in official duties and his companion, another American national, were taken into custody by Japanese soldiers and threatened by rifles; information that appropriate representations have been and are being made.	703
Nov. 26 (1700)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Formal protest against the illegal action by Japanese soldiers in taking into custody an American Vice Consul and his companion who was also an American national.	704
Dec. 18 (193, American I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Explanation of the circumstances of the destruction of a plane of the China National Aviation Corporation and the killing of the U.S. pilot on October 29, 1940.	705
1941		
1941 Jan. 27	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Japanese Foreign Minister in which representations were made regarding the marine-gendarme incident of December 30, 1940, in Peiping, to which the Foreign Minister replied that the version of the incident received by the Foreign Office differed from the American version and that he thought it desirable to make a further effort to reach a settlement locally.	707
Jan. 27	<i>Oral Statement by the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Description of the action involved in the incident between U. S. marines and Japanese gendarmes in Peiping, December 30, 1940; statement that the U.S. Government takes a serious view of the Japanese actions in the matter; and conclusion that, if the attitude of the Japanese military authorities reflects the attitude of the Japanese Government, the U.S. Government will be forced to add this to the list of unsettled cases involving abuse of U.S. nationals, rights, and interests in China by Japanese agencies.	707

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Date and number	Subject	Page
1941 Feb. 4 (1738)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Representations in regard to the indiscriminate bombing of Kunming on January 29, 1941, which damaged the U.S. Consulate and endangered the lives of the Consul and his family.	710
Apr. 14 (1779)	<i>From the American Ambassador in Japan to the Japanese Acting Minister for Foreign Affairs</i> Representations concerning the indiscriminate Japanese bombing attack of April 8, 1941, which again endangered American lives and property at Kunming.	710
May 6 (1793)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Information that the U.S. Consulate at Kunming was again damaged during an air raid on that city April 29, 1941; emphasis upon the unfortunate effect of these indiscriminate attacks upon public opinion in America; and statement that the U.S. Government looks to the Japanese Government to take the necessary steps to prevent further endangering of U. S. lives and property.	711
May 7	<i>Oral Statement by the American Ambassador in Japan to the Japanese Vice Minister for Foreign Affairs</i> Reference to five separate notes to the Foreign Office with regard to damage to U.S. property by Japanese bombings of Kunming; statement that at the present juncture an American death or injury might have repercussions of a serious character and that the U.S. Government looks to the Japanese Government to take appropriate measures to prevent such an occurrence.	712
May 17 (1802)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Representations against the continued endangering of American lives and property in China, with especial reference to the damage to the U.S. Consulate and several American residences during the air raid on Kunming May 12, 1941.	713
June 10 (5645)	<i>From the Ambassador in Japan</i> Note handed to the Foreign Minister, together with a copy of the memorandum of the conversation, June 5, 1941 (texts printed), protesting the bombing of the properties of the Methodist Episcopal Mission at Chungking on June 1, 1941, and report that on June 6, 1941, the Foreign Minister stated that the War Minister had given him assurances that special care would be taken in the future.	713
June 16 (830)	<i>From the Ambassador in Japan (tel.)</i> Delivery of a note to the Foreign Minister (text printed) in protest against the recent bombings of Chungking, which, on June 15, 1941, resulted in heavy damage to the U. S. Embassy and the jeopardizing of the lives of the U. S. Ambassador and other nationals and the U.S.S. <i>Tutuila</i> .	715

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Date and number	Subject	Page
1941 June 19 (851)	<i>From the Ambassador in Japan (tel.)</i> Note from the Foreign Office June 18, 1941 (text printed), explaining that the dropping of bombs in the vicinity of the U. S. Embassy and the U.S.S. <i>Tutuila</i> on June 15, 1941, was the result of an accident, expressing extreme regret, and suggesting the transfer of the U.S.S. <i>Tutuila</i> to a zone of safety.	717
July 8	<i>Oral Statement by the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Reasons why the U.S. Government will not consider moving the <i>Tutuila</i> .	718
July 8 (1845)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Representations in regard to the damage to the U. S. Embassy during an air raid on Chungking June 29, 1941, which is considered the more reprehensible as it followed so closely on the assurances given by the Japanese Government June 18, 1941.	718
July 30 (443)	<i>To the Ambassador in Japan (tel.)</i> Report from attaché at Chungking (text printed) of an apparently deliberate bombing attack on the U. S. Embassy area and the U.S.S. <i>Tutuila</i> which resulted in material damage to the <i>Tutuila</i> . Account of a conversation with the Japanese Ambassador on the subject; and instructions to take the matter up urgently with the Foreign Minister.	719
July 31 (1134)	<i>From the Ambassador in Japan (tel.)</i> Report of a visit from the Acting Vice Minister for Foreign Affairs who called to express the deep regret of the Japanese Government in regard to the damage to the <i>Tutuila</i> .	720
July 31 (1138)	<i>From the Ambassador in Japan (tel.)</i> Conversation with the Foreign Minister who expressed his regrets and insisted that the bombing of the <i>Tutuila</i> was all an accident, in reply to which he was informed that it could not have been an accident and that the U.S. Government must reserve a further expression of its views.	720
July 31 (1141)	<i>From the Ambassador in Japan (tel.)</i> Report that the senior aide to the Navy Minister has called upon the U.S. Naval Attaché and expressed the Navy's regret and its willingness to make full reparations for the damage to the <i>Tutuila</i> .	722
Aug. 1 (451)	<i>To the Ambassador in Japan (tel.)</i> Information that the Japanese Ambassador has called and stated under instruction: (1) that the Japanese Government regrets the endangering of the <i>Tutuila</i> and the U.S. Embassy, (2) that it is certain that the bombing was accidental, (3) that the bombing of the city area of Chungking will be discontinued, and (4) that full indemnification will be made—adding that the Japanese Government requested that (3) be kept secret.	722
Aug. 5 (1173)	<i>From the Ambassador in Japan (tel.)</i> Japanese statement handed to the U. S. Naval Attaché (text printed), setting forth results of investigation of the <i>Tutuila</i> incident and concluding that the incident was an accident.	723

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Date and number	Subject	Page
1941 Aug. 12	<i>To the Japanese Embassy</i> Request, in view of the repeated bombings of the city area of Chungking in the past four days, for an explanation and a definitive indication of the Japanese Government's intentions regarding its pledge of July 31, 1941, to suspend such operations.	723
Aug. 14 (502)	<i>To the Ambassador in Japan (tel.)</i> Account of a conversation with the Japanese Ambassador who stated that the Japanese Government's promise had been to cease bombing the Chungking city area temporarily and not indefinitely.	724
Aug. 14 (1238)	<i>From the Ambassador in Japan (tel.)</i> Report of a conversation between the Counselor of the U.S. Embassy and the Director of the American Bureau in which the Director emphasized the importance of secrecy in regard to the Japanese promise to cease bombing Chungking.	725
Aug. 16 (509)	<i>To the Ambassador in Japan (tel.)</i> Statement that the Japanese promise has been kept in strict confidence and that the Foreign Office may be so informed should occasion arise; instructions to add that the complete disregard of the spirit of the promise is deprecated and deplored.	725
Oct. 11 (650)	<i>To the Ambassador in Japan (tel.)</i> Instructions to address a note to the Foreign Office stating that the Navy Department has advised the State Department that the damages to the U.S.S. <i>Tutuila</i> were in the sum of \$27,045.78.	726

REPRESENTATIONS TO THE JAPANESE GOVERNMENT WITH RESPECT TO THE
INTEGRITY OF THE CHINESE MARITIME CUSTOMS AND SALT REVENUE AD-
MINISTRATION

1937 Sept. 24	<i>Memorandum by the Counselor of Embassy in Japan</i> Conversation with the Director of the American Bureau of the Ministry for Foreign Affairs, in which the American Counselor stated the desire of the U.S. Government to associate itself with the British Government in urging the importance of preserving the integrity of the Chinese Maritime Customs and Salt Revenue Administration.	729
Nov. 28 (827)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Representations against the exclusion of American and other interested foreign governments from discussions at Shanghai between Japanese authorities and Customs employees with regard to proposed changes in the organization of the Chinese Maritime Customs and in the disposition of revenues.	730

REPRESENTATIONS TO THE JAPANESE GOVERNMENT WITH RESPECT TO THE
INTEGRITY OF THE CHINESE MARITIME CUSTOMS AND SALT REVENUE AD-
MINISTRATION—Continued

Date and number	Subject	Page
1937 Nov. 30	<p><i>Memorandum by the Chief of the Division of Far Eastern Affairs</i></p> <p>Conversation with the Counselor of the Japanese Embassy, in which the Counselor stated that his Government could not admit the right of American or other foreign representatives to participate in the making of arrangements concerning the customs at Shanghai, and the Chief of the Division of Far Eastern Affairs expressed the hope that the American Consul General at Shanghai would be given an opportunity to offer suggestions and comment regarding any arrangement under contemplation.</p>	731
Dec. 5	<p><i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Expression of gratification for the friendly and frank discussions regarding the Customs now proceeding at Shanghai between the American Consul General and his Japanese colleague; desire for assurances that no arrangement regarding the Customs Administration will be concluded without prior consultation with the American Consul General.</p>	732
Dec. 14	<p><i>Memorandum by the Counselor of Embassy in Japan</i></p> <p>Conversation with the Director of the American Bureau of the Ministry for Foreign Affairs, in which the Director expressed regret at the Counselor's information that the attitude of the Japanese Consul General at Shanghai was not one which inspired confidence in the intention of local Japanese authorities to work cooperatively with representatives of other foreign governments toward safeguarding the integrity of the Customs.</p>	732
Dec. 23 (850)	<p><i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Desire for assurances regarding the safeguarding of revenues of the Customs at Shanghai, continuance of control of the existing tariffs and procedure, and return of harbor craft to the Customs Administration.</p>	733
Dec. 28	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the Vice Minister for Foreign Affairs regarding the Chinese Customs, in which the Vice Minister reiterated previous general assurances that American interests would be given full consideration, and the Ambassador observed that the Customs represented one of the American interests envisaged in the <i>Panay</i> note of December 14, 1937, to which the Japanese Government had replied in a manner responsive to U.S. desires.</p>	734
Dec. 28 (853)	<p><i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Urgent suggestion that the Japanese Government not countenance any action by Japanese military or other authorities to disrupt the Chinese Customs or impair the authority of the present Customs Administration; hope that the assurances requested in note No. 850 of December 23, 1937, may be received.</p>	734
1938 Jan. 6 (2725)	<p><i>From the Ambassador in Japan</i></p> <p>Report of the Embassy's representations since September 24, 1937; belief that any chance of success lies in continuing to reiterate the interest of the U.S. Government in the preservation of the integrity of the Chinese Customs.</p>	735

REPRESENTATIONS TO THE JAPANESE GOVERNMENT WITH RESPECT TO THE
INTEGRITY OF THE CHINESE MARITIME CUSTOMS AND SALT REVENUE AD-
MINISTRATION—Continued

Date and number	Subject	Page
1938 Jan. 10	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in which the Ambassador made informal protest against the disregard of customs requirements for Japanese goods and vessels, and the Foreign Minister implied that the final result of discussions now proceeding would be entirely satisfactory to American interests.	736
Jan. 11 (6)	<i>To the Ambassador in Japan (tel.)</i> Instructions, in view of report from Tientsin that kerosene was imported from Japan duty free and placed on the market in December 1937, to emphasize to the Foreign Office the discriminatory character of such importations as well as their damaging effect upon Customs Administration, pointing out that such cases of discrimination are inconsistent with repeated assurances that the Japanese Government will respect U.S. rights and interests.	737
Jan. 17	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in which the Foreign Minister replied to the Ambassador's representations concerning the duty-free kerosene importation by stating that he would take up the matter with the proper authorities.	737
Jan. 17	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Insistence, in view of the taking over of the Consolidated Tax Office in the International Settlement at Shanghai by certain Chinese understood to be nominees of the Japanese military, that the Japanese Government neither take any action nor countenance action by any provisional Chinese regime which fails to take account of the obligation of the Chinese Government to the Export-Import Bank for wheat, flour, and cotton credits.	738
Jan. 31 (874)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Declaration that the action of the provisional regime in Peiping in revising customs rates in North China seriously threatens the integrity of the Customs, and that the U.S. Government holds the Japanese Government responsible for any adverse effects resulting to American rights and interests.	738
Feb. 7	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Request that instructions be issued to Japanese authorities at Shanghai to permit resumption of normal Customs control over Japanese vessels and cargo.	739
Feb. 17	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Statement that before examining any plan for settlement of the Chinese Customs problem, the U.S. Government expects to receive Japanese assurances that no action will be taken or countenanced which will disrupt the Customs or jeopardize the servicing of foreign loans and indemnity quotas from Customs revenue.	740

REPRESENTATIONS TO THE JAPANESE GOVERNMENT WITH RESPECT TO THE
INTEGRITY OF THE CHINESE MARITIME CUSTOMS AND SALT REVENUE AD-
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1938 Mar. 19	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i>	741
Mar. 22 (34, Com- mercial 1)	<p>Understanding that in certain Japanese-occupied parts of China the functioning of the Chinese Salt Administration has either been brought to a standstill or has been taken over by the <i>de facto</i> authorities for their own benefit; statement that the U.S. Government has a substantial interest in the Salt Administration in view of the U.S. loans amounting to over \$15,000,000 which are secured by the salt revenues; full reservation of U.S. rights and interests.</p> <p><i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i></p> <p>Inability of the Japanese Government to assume any responsibility with respect to the tariff revision made by the provisional Chinese government at Peiping; observation that the tariff rate is fair and gives no preferential treatment to any third country.</p>	742
May 17	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the Foreign Minister in which the Ambassador made oral representations against the reported exemption of the Japanese-occupied area of China from the obligation to furnish its share of the foreign exchange necessary to service foreign obligations secured on Customs revenues. Information that the Foreign Minister evidenced resentment over the representations.</p>	743
June 21	<p><i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i></p> <p>Statement that the U.S. Government would welcome assurances from the Japanese Government that it is prepared to accord full respect to U.S. interests in the China salt revenues.</p>	745
Aug. 31 (78, Asia I)	<p><i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i></p> <p>Explanation of the difficulties of the Salt Administration in China; advice, however, that the Japanese Government is informed that the new governments in North and Central China are studying the problem of payments on the loans secured by the salt tax.</p>	745
Oct. 25	<p><i>Press Release Issued by the Department of State</i></p> <p>Information that the Chinese Maritime Customs at Shanghai granted clearance and then suspended clearance for the <i>President Coolidge</i> until a shipment of bullion from the Chase National Bank in Shanghai, for which the Customs had duly issued export permits, had been removed; advice that the American Consul General made a strong protest.</p>	745
Nov. 24 (1126)	<p><i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Formal protest against the taking over of the Chinese Maritime Customs House at Canton by the Japanese authorities; opinion that this action constitutes an infringement of the international status of the Customs.</p>	746

REPRESENTATIONS TO THE JAPANESE GOVERNMENT WITH RESPECT TO THE
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MINISTRATION—Continued

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1938 Dec. 16 (114, Asia I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Contention that, as the Canton area is occupied by the Japanese Army, it is accordingly proper that the Customs be placed under its authority; refusal of the Japanese Government to accept the Ambassador's protest contained in note No. 1126 of November 24, 1938.	747
1939 Feb. 17	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in which the Ambassador stated the U.S. Government's inability to accept the Japanese contention that military occupation of the Canton area affords justification for taking over the Customs.	747
Sept. 1 (1366)	<i>From the American Chargé in Japan to the Japanese Minister for Foreign Affairs</i> Protest against seizure and continued occupation by Japanese authorities of the Customs at Swatow.	748
Sept. 6 (1370)	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Representations against notification by Shanghai Customs authorities that duties in gold unit notes or customs gold unit checks will not be accepted but must be paid in Hwa Hsing or standard dollars; observation that integrity of the Customs is seriously affected; protest against attempts of the Japanese-sponsored regime at Shanghai to dictate to the Customs authorities.	749
Oct. 26 (1405)	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Opinion that the reported intention of the new regime, proposed to be established at Nanking under Japanese sponsorship, to prevent the present Inspector General of Customs from exercising his functions unless he accepts appointment under the new regime would constitute a serious disruption of the Customs; request that the Japanese Government refrain from any action, direct or indirect, tending to destroy the administrative integrity of the Customs.	750
Dec. 28 (204, Asia I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Contention that, because the Swatow district is occupied by Japanese forces, it is natural that the Customs should be affected; refusal to accept the protest contained in U. S. note No. 1366 of September 1, 1939.	750
Dec. 28 (203, Asia I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Advice that the Japanese Government is not in receipt of such information concerning the Inspector General of Customs as is set forth in U.S. note No. 1405 of October 26, 1939, and cannot state its attitude toward hypothetical questions.	751
1940 Jan. 12 (5, Asia I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Contention that responsibility for a direct reply to U.S. note No. 1370 of September 6, 1939, does not rest with the Japanese Government; explanation, however, of precedents and practical arguments for the use of Hwa Hsing notes for Customs payments.	751

REPRESENTATIONS TO THE JAPANESE GOVERNMENT WITH RESPECT TO THE
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Date and number	Subject	Page
1940 Jan. 25 (12, Asia I)	<i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i> Information that the question of the Swatow Maritime Customs was satisfactorily settled at the end of 1939 between the Japanese military and the Commissioner of Customs.	753
Feb. 6 (1474)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Protest against the levying of taxes on imports and exports by the Japanese-sponsored Swatow Rehabilitation Commission and the continued refusal of Japanese authorities to allow the Chinese Maritime Customs to function at Swatow; request that instructions be issued to Japanese agencies in China to the end that further infringement of the rights and duties of the Customs be stopped.	753

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1937-1938

1937 Dec. 24 (0024)	<i>From the Commander in Chief of the United States Asiatic Fleet to the Chief of Naval Operations (tel.)</i> Letter from the commander in chief of the Japanese Fleet in China, December 21, 1937 (text printed), setting forth the conditions under which foreign vessels will be convoyed down the Yangtze and stating that the Japanese Navy desires that foreign vessels refrain from navigating the Yangtze except when an understanding is reached with the Navy. Reply dated December 23, 1937, and signed by the U.S., French, Italian, and British naval commanders (text printed) reserving the right to move their men-of-war whenever necessary without notification.	757
Dec. 26 (0026)	<i>From the Commander in Chief of the United States Asiatic Fleet (tel.)</i> Letter to General Matsui, December 24, 1937 (text printed) concerning conditions in Shanghai due to restrictions imposed by the Japanese Army.	758
Dec. 28	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Reminder that, while claiming freedom for its ships on the Yangtze, the U.S. Government looks to the Japanese authorities to give prior warning in the event of any area on the Yangtze becoming a danger area through steps taken by the Japanese.	760
1938 Jan. 12 (63)	<i>From the Consul General at Shanghai (tel.)</i> Request from the Japanese naval authorities through the Japanese Consul General (text printed) that the vessels of foreign powers refrain from navigating the forced channel in the Yangtze without making prior arrangements with the Japanese Navy.	760

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Date and number	Subject	Page
1938 Jan. 15 (45)	<i>To the Consul General at Shanghai (tel.)</i> Instructions to inform the Japanese Consul General that, while as a matter of courtesy the Japanese and Chinese are being informed so far as practicable of the movements of U. S. vessels, the U.S. Government claims absolute freedom of movement of its ships on the Yangtze.	761
Apr. 4	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Request that the Japanese Government take steps to cause the removal of restrictions preventing U.S. missionaries and business men from returning to Nanking, in view of the fact that the area of hostilities has passed far beyond that city.	761
Apr. 12	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in regard to currency exchange control in North China; Foreign Minister's assurance that Japan will continue to support the principle of equal opportunity and the open door in China.	762
Apr. 12	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Statement that the U.S. Government would welcome assurances from the Japanese Government that it will not support or countenance financial or other measures in the areas occupied by Japan which discriminate against U. S. interests; full reservation of U.S. rights and interests in occupied areas of China.	763
May 17 (315)	<i>From the Ambassador in Japan (tel.)</i> Conversation with the Foreign Minister in which strong representations were made regarding the hardships caused by the refusal of Japanese authorities to grant passes to Americans to enter peaceful areas where Japanese civilians are freely permitted to go.	763
May 31 (945)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Expectation of the U.S. Government that the Japanese Government will take steps to cause the return to their owners of the premises of the University of Shanghai and other U. S. property occupied by Japanese forces and that it will issue instructions to effect the removal of the obstacles to the return of U.S. nationals to certain areas.	764
June 1 (746)	<i>From the Consul General at Shanghai (tel.)</i> From Tokyo, May 31, 1938: Conversation with the new Foreign Minister who stated that he would guarantee the protection of U.S. interests in China.	766
June 2 (762)	<i>From the Consul General at Shanghai (tel.)</i> Conversation with the Japanese Minister at Large in China in which the Consul General expressed the hope that the Japanese authorities in Shanghai would cooperate toward removing the obstacles in the way of U.S. business and missionary enterprises.	767

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Date and number	Subject	Page
1938 June 2	<p><i>Press Release Issued by the Department of State</i></p> <p>Information that the Japanese authorities have returned certain U.S. mission property in the Chapei district of Shanghai; that they have agreed to the return of U.S. missionaries to Nanking; and that, in regard to the University of Shanghai, the Japanese Government is sending a committee to the Japanese-controlled area in Central China to investigate the situation there.</p>	767
June 3	<p><i>Press Release Issued by the Department of State</i></p> <p>Expression of gratification in regard to the steps taken by the Japanese Government and confidence that it will take appropriate action with regard to the remaining questions.</p>	768
June 27	<p><i>Memorandum by the Counselor of Embassy in Japan</i></p> <p>Conversation with the Director of the American Bureau in regard to a statement issued on June 25, 1938, by the spokesman of the Japanese Embassy at Shanghai, affirming that foreign nationals in Japanese-occupied areas in China do not enjoy extraterritorial rights.</p>	769
June 30	<p><i>Memorandum by the Counselor of Embassy in Japan</i></p> <p>Conversation with a representative of the American Bureau of the Foreign Office who explained that a mistake had been made and that what the spokesman of the Japanese Embassy at Shanghai had said was that foreigners enjoying extraterritorial rights could not invoke them to refuse search by Japanese soldiers in Japanese-occupied areas.</p>	770
June 30 (399)	<p><i>From the First Secretary of Embassy in China (tel.)</i></p> <p>Telegrams from five different U.S. consular offices in China (texts printed) reporting on the commercial difficulties caused by Japanese interference.</p>	771
July 6 (66, American I)	<p><i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i></p> <p>Decision of the Imperial Government that the Japanese forces will withdraw from the University of Shanghai by July 5, 1938, but that the school cannot be allowed to open until such time as it will not hinder military operations; exposition of the difficulties involved in allowing foreigners to return to apparently peaceful areas.</p>	774
July 16	<p><i>Memorandum by the First Secretary of Embassy in Japan</i></p> <p>Conversation with the Director of the American Bureau in regard to a statement (text printed) which the Japanese Government desired published with the Japanese note of July 6, 1938.</p>	776
July 29 (1013)	<p><i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Opinion that the evacuation of the property of the University of Shanghai by Japanese troops without returning the property to its rightful owners does not lessen the responsibility of the Japanese Government for damages, etc., and that this action leads to the interpretation that the Japanese authorities hope the property will become useless to the owners, thereby making its purchase possible. Request that appropriate steps be taken to effect prompt return of the property to the full control of its owners.</p>	777

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Date and number	Subject	Page
1938 July 30	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the Foreign Minister in which the Ambassador made full representations regarding the University of Shanghai, and the Foreign Minister replied with an explanation of Japanese reasons for restricting the occupation of the University and a denial of any intention to purchase the property.</p>	778
July 30	<p><i>Statement by the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Representations regarding the failure of the Japanese authorities to return the University of Shanghai to its owners.</p>	779
Oct. 3	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the Prime Minister, at present also Foreign Minister, for the purpose of presenting the U. S. desiderata; the Prime Minister's assurances that any delay in meeting all U.S. desiderata would be only temporary and stated that the new "China Organ" was being formed to deal with such questions.</p>	781
Oct 3	<p><i>Oral Statement by the American Ambassador in Japan to the Japanese Prime Minister and Minister for Foreign Affairs</i></p> <p>Discussion of the restrictions and violations of U.S. rights in China; presentation of measures which the President of the United States requests that the Japanese Government take to implement the repeated assurances given to the U.S. Government.</p>	782
Oct. 6 (1076)	<p><i>From the American Ambassador in Japan to the Japanese Prime Minister and Minister for Foreign Affairs</i></p> <p>Statement of various instances in which Japanese authorities are subjecting U.S. citizens in China to discriminatory treatment and violating the rights and interests of the United States; apprehension lest in other occupied areas of China there develop a situation similar in its adverse effect upon competitive position of U.S. business to that which now exists in Manchuria. Request that Japan implement its assurances by taking certain measures.</p>	785
Oct. 26	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the new Vice Minister for Foreign Affairs in which the Vice Minister's attention was called to the several hundred U.S. notes regarding Japan's depredations against U.S. property already on file in the Foreign Office which would give the Vice Minister the necessary background for such representations as the Ambassador might be called upon to make in the future.</p>	790
Nov. 2 (373)	<p><i>To the Ambassador in Japan (tel.)</i></p> <p>Instructions to approach the Foreign Minister and take up in a vigorous manner the entire question of freedom of navigation on the lower Yangtze River and to press for a favorable reply setting an early date subsequent to which Japan will not impede free navigation.</p>	791

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1938 Nov. 7	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Initial interview with the Foreign Minister of a negative and unsatisfactory character in which the Ambassador inquired whether the Foreign Minister would renew the assurances of his predecessor and whether he would interpret a certain passage concerning Japanese policy contained in the Prime Minister's speech of November 3, 1938; the Foreign Minister's counsel of patience, especially with respect to pressing for a reply to the U.S. note of October 6, 1938.</p>	792
Nov. 7 (1111)	<p><i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Reiteration of the U.S. Government's request that the Japanese Government implement its repeated assurances with regard to U.S. navigation rights on the Yangtze by discontinuing the restrictions on U.S. trade thereon between Shanghai and Hankow.</p>	794
Nov. 14 (101, Asia I)	<p><i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i></p> <p>Reasons why the Japanese Government does not consider that the time has yet been reached when recognition of freedom of navigation on the Yangtze can be immediately given; hope that the Ambassador will appreciate the fact that there is no intention of wilfully hindering U. S. commerce.</p>	795
Nov. 18 (102, American I)	<p><i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i></p> <p>Views of the Japanese Government with regard to the instances of violations of U.S. rights in China set forth in the Ambassador's note No. 1076, October 6, 1938; and statement that Japan does not intend to object to the participation of third powers in the reconstruction of East Asia when such participation is undertaken with an understanding of the purport of Japan's intentions in East Asia.</p>	797
Nov. 19	<p><i>Memorandum by the Counselor of Embassy in Japan</i></p> <p>Informal interview with the Foreign Minister who stated his reasons for declining to repeat the assurances of his predecessors regarding the principle of the open door, which assurances he stated had not been intended to be unconditional since the time had passed when Japan could give an unqualified undertaking to respect the open door in China.</p>	801
Nov. 21	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the Foreign Minister in which the Ambassador spoke concerning the principles of policy and the broad objectives of the United States in the Far East; and in which the Foreign Minister denied the allegation that Americans would be expected to deal only through Japan's middlemen and stated that, while Japan intended to assure for herself certain raw materials, there would be a large field for U. S. trade which would be welcomed.</p>	806
Nov. 21	<p><i>Oral Statement by the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Representations with regard to the open door in China and outline of the obvious steps which the Japanese Government should take to prevent the steady deterioration of Japanese-American relations.</p>	808

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1938 Dec. 1	<p><i>Memorandum by the Assistant Chief of the Division of Far Eastern Affairs</i></p> <p>Conversation between the Assistant Secretary of State and a representative of the Japanese Financial Commission abroad who made inquiries as to the prospects of concluding a trade agreement between Japan and the United States; to which the Assistant Secretary replied that such an agreement was not politically feasible in view of Japanese policy in China and pointed out that the Japanese reply to the U. S. note of October 6, 1938, was unsatisfactory and not responsive to U.S. grievances.</p>	811
Dec. 8	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the Foreign Minister who, in presenting his oral comments in an unofficial paper, stated "off the record" that an improvement in the situation could hardly be expected until Chiang Kai-shek had been eliminated, and did not hesitate to talk, although in general terms, about what the United States would be permitted to do or not to do in China.</p>	813
Dec. 8	<p><i>Memorandum Handed by the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i></p> <p>Assurances that, while foreigners will not be allowed to establish businesses competitive with certain industries which might be granted monopolistic privileges as measures of protection, they may participate in those industries within the scope of the established plans; also that in the field of trade there will not be established, as a rule, any special discrimination against third countries either in customs duty or other systems of trade barrier.</p>	814
Dec. 19	<p><i>Statement by the Japanese Minister for Foreign Affairs</i></p> <p>Explanation of the necessity for a close cooperation between Japan, "Manchoukuo," and China, politically, as a measure of self-defense against communism, and economically, as a measure of self-preservation in the presence of a world-wide tendency to erect high customs barriers and to employ economic measures for political ends.</p>	816
Dec. 26	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the Foreign Minister in which the Ambassador explained that the U. S. Government and press found it difficult to appraise the recent assurances of the Japanese Government in view of the number of qualifying phrases with which they were circumscribed.</p>	818
Dec. 30 (1153)	<p><i>From the Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Statement that the Japanese note of November 18, 1938, appears to affirm that it is Japan's intention to make the observance of the principle of equality of opportunity in China conditional upon an understanding by other Governments of a "new order" in the Far East as fostered by Japanese authorities; reiteration of the U. S. position that such principles are not subject to nullification by a unilateral affirmation; reservation of all U. S. rights.</p>	820

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Date and number	Subject	Page
1939 Jan. 12	<p><i>Memorandum by the Secretary of State</i></p> <p>Conversation with the Japanese Ambassador who congratulated the Secretary on the accomplishments at Lima and was informed that the reaffirmation of the doctrine of equality of commercial opportunity was an outstanding feature of the broad basic program adopted at Lima and that the United States asserts and will continue to assert this principle; the Ambassador's intimation of a desire to enter into an understanding about protection of all U.S. rights and interests.</p>	827
Jan. 27	<p><i>Extract From an Address Delivered by the Under Secretary of State on "Some Aspects of Our Foreign Relations"</i></p> <p>Discussion of relations with countries in the Far East.</p>	828
Feb. 17	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the Foreign Minister in which he stated, in reply to the Ambassador's oral statement (text printed) inquiring as to Japanese intentions in connection with the occupation of Hainan Island, that Japan had no territorial ambitions in China and that the occupation would not go beyond military necessity.</p>	830
Mar. 11 (1207)	<p><i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Hope that the Japanese authorities will not countenance the new drastic trade restrictions imposed by the Japanese-sponsored regime in North China and that they will, on the contrary, remove existing restrictions.</p>	831
Apr. 13 (34, Com- mercial III)	<p><i>From the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i></p> <p>Statement that the Japanese Government believes that the new trade measures in North China have been enacted and enforced with impartiality and that Japan is determined to support them without stint.</p>	833
Apr. 18 (193)	<p><i>From the Counselor of Embassy in China (tel.)</i></p> <p>Information that the new North China Transportation Co. has been formed and will take over the work of the South Manchuria Railway in administration of railways, etc., in North China and Meng Chiang, thus consolidating all transportation facilities in those regions under one management, primarily Japanese.</p>	834
Apr. 20	<p><i>Memorandum by the Under Secretary of State</i></p> <p>Conversation with the Japanese Ambassador during which the Secretary read to the Ambassador a statement (text printed) relating certain facts concerning the interference with the legitimate movements of U.S. citizens in China on the part of Japanese military and other officials.</p>	834
Undated [Rec'd May 3]	<p><i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i></p> <p>Information that an adjustment of present conditions in the International Settlement at Shanghai is believed necessary in order to render possible active Japanese cooperation in its administration and to accomplish a revision of the administrative machinery.</p>	838

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1939 May 13	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister who stated, in reply to the Ambassador's oral representations regarding press report of possible Japanese occupation of the International Settlement at Shanghai (text printed), that Japan had no intention of occupying the Settlement.	841
May 17	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Exposition of views regarding matters contained in Japanese <i>aide-memoire</i> of May 3, 1939; opinion that Settlement authorities are prepared to continue their best efforts toward meeting any reasonable requests for further adjustments.	842
May 17	<i>Oral Statement by the Counselor of Embassy in Japan, Accompanying "Aide-memoire" of May 17, 1939</i> Advice that the Chinese courts in the Settlement do not try anti-Japanese terrorists and that in other criminal cases where Japanese have been complainants the decisions have been rendered without prejudice; information that the text of the American <i>aide-memoire</i> will be released to the press immediately.	844
May 17	<i>Press Release Issued by the Department of State</i> Reasons for the landing of a small U.S. naval detachment in the International Settlement at Amoy.	845
Undated	<i>Extract From the Report of the Embassy in Japan for May 1939</i> Report that on May 24, 1939, a Foreign Office spokesman stated that Chinese sovereignty still extended over foreign settlements in China and that, as it was Japan's aim in China to control Chinese sovereignty, this sovereignty might also be controlled in the settlements.	845
June 2 (149)	<i>To the Chargé in Japan (tel.)</i> Tentative outline for an approach to the Foreign Office (text printed) setting forth the U.S. position that neither the Chinese nor any other Government has any right unilaterally to interfere with the administration of the International Settlements.	846
June 9 (157)	<i>To the Chargé in Japan (tel.)</i> Authorization to make the approach outlined in the Department's telegram No. 149, June 2, 1939, with certain changes.	848
June 12 (1298)	<i>From the American Chargé in Japan to the Japanese Minister for Foreign Affairs</i> Information that the conditions brought about by the trade restrictions in North China cannot be reconciled with the objectives set forth in the Foreign Minister's note of April 13, 1939; hope, therefore, that the Japanese Government will not continue to stand behind these measures and will remove existing restrictions.	848

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1939 Aug. 17 (1357)	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Data relating to various claims of U.S. concerns against the Peiping-Suiyuan Railway; request that steps be taken to have payments resumed; reservation of rights of U.S. firms arising from the taking over of the Peiping-Suiyuan Railway by a Japanese agency or Japanese-controlled company; similar reservation with respect to any railways taken over by the North China Transportation Co.	849
Aug. 26	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Ambassador presented a paper in regard to the reports that the Japanese were instigating anti-American movements in China, and the Secretary replied by reading a list of instances of transgressions by Japanese in China to the detriment of U. S. interest, of which the Ambassador requested a copy and was told that one would be sent to him.	851
Aug. 26	<i>From the Japanese Ambassador</i> Information offered in proof of the falseness of the reports of anti-American movements in North China; hope that steps will be taken to eradicate from the mind of the U.S. public any suspicion which might have been left by the false reports.	853
Sept. 5	<i>To the Japanese Embassy</i> Statement on the subject of anti-foreign propaganda in China, furnished in response to the Japanese Ambassador's request during the conversation of August 26, 1939.	854
Oct. 18	<i>Press Release Issued by the Department of State</i> Information that the difficulties at Amoy have been settled and that the U.S. landing force is being withdrawn.	857
Nov. 14	<i>Memorandum by the Chief of the Division of Far Eastern Affairs</i> Conversation with the Counselor of the Japanese Embassy who was informed that the cases recently settled by the Japanese authorities were more or less surface matters and did not touch some of the more fundamental difficulties such as the economic restrictions on U.S. interests in Japanese-occupied China.	857

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1940 Mar. 20 (1498)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Information that Japanese naval authorities in South China refuse to permit U.S. oil companies to ship kerosene to the Nanhoei District; request that they be directed to withdraw these and other restrictions calculated to prevent U.S. oil companies from freely operating in the areas of China under Japanese occupation.	860
July 15	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Request that the new discriminatory regulations on imports into North China be removed; and full reservation of U.S. rights in regard thereto.	861

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1940 Aug. 9 (297)	<i>To the Ambassador in Japan (tel.)</i> Transcript of an oral statement handed to the Japanese Ambassador expressing the concern of the U.S. Government over the actions to which certain Japanese agencies appear to be resorting as a means of exerting pressure upon the authorities of the foreign-administered areas of Shanghai and upon the nationals of third powers (text printed); and an illustrative list of recent restrictions (text printed) which was also handed to the Japanese Ambassador.	862
Aug. 23	<i>Memorandum by the Under Secretary of State</i> Conversation with the Japanese Ambassador who called to present a memorandum replying to the memorandum handed to him during the conversation on August 9, 1940.	864
Aug. 23	<i>From the Japanese Embassy</i> Japanese explanation of the restrictions listed in the memorandum handed to the Japanese Ambassador on August 9, 1940.	866
Sept. 18 (1636)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> List of representations made by the U.S. Embassy at Peiping to the Japanese Embassy there in regard to interferences with U.S. trade in petroleum products; types of interferences involved; emphatic protest against such restrictions; and full reservation of U.S. rights in the matter.	872
Sept. 20	<i>Memorandum by the Under Secretary of State</i> Conversation with the Japanese Ambassador in which the Under Secretary presented an oral statement in reply to the Ambassador's memorandum of August 23, 1940, and, speaking of the Japanese ultimatum to the Government of French Indochina, informed the Ambassador that, in view of Japanese aggressions in the Far East, the Japanese Government would certainly have no ground for complaint because the United States rendered assistance in the form of supplies, munitions, et cetera, to China and to Indochina in the event that the latter was attacked.	877
Undated	<i>To the Japanese Embassy</i> Statement that the Japanese Embassy's memorandum of August 23, 1940, is unresponsive to the U. S. Government's complaints in regard to economic restrictions which adversely affect U.S. interests in Japanese-occupied China. Expression of regret for the tone and language used in some parts of the Japanese memorandum. (Footnote: Handed to the Japanese Ambassador on September 20, 1940.)	881
Oct. 11	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Hope that the situation set forth in the Ambassador's note No. 1653 of the same date will receive the Foreign Minister's personal attention and effective intercession.	883

ACTS OF JAPAN IN OCCUPIED CHINA INTERFERING WITH AMERICAN TREATY
RIGHTS AND EQUALITY OF COMMERCIAL OPPORTUNITY—Continued

Date and number	Subject	Page
1940		
Oct. 11 (1653)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Statement calling attention to the apparent intentions of the Japanese authorities to institute controls over the trade of Shanghai similar to the controls which have practically eliminated American trade from Manchuria and North China.	883
Oct. 15 (163, Asia I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Reply to U.S. aide-mémoire of July 15, 1940; explanation why the Japanese Government is convinced that the new regulatory measures are necessary for the protection of the welfare of North China.	884
Oct. 24 (1665)	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Protest against the new measures regulating the movement of vegetable fibers, animal hair, leather, and furs in North China; especial request for the exemption of the furs and skins now covered by purchase contracts.	889
Oct. 25	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Hope that the Foreign Minister will give his earnest and early consideration to the difficulty set forth in the Ambassador's note No. 1665 of October 24, 1940.	891
Nov. 10	<i>Oral Statement by the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Information from the Association of Fur Exporters and Importers that the Japanese firms in North China are readily receiving permits to export their furs whereas other firms are unable to secure permits.	891
Nov. 20 (5158)	<i>From the Ambassador in Japan</i> Oral statement to the Foreign Minister, November 15, 1940 (text printed), expressing regret that the Japanese Government should have deemed it proper, without the permission of the Chinese Government at Chungking, to undertake to alter the status of Chinese courts in the French Concession at Shanghai.	892
Undated [Rec'd Dec. 18]	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Conviction that steps taken regarding Chinese courts in the French Concession at Shanghai will contribute to the maintenance of order and security; inability, in view of Japanese non-recognition of the Chungking regime and determination not to deal with it, to agree with the argument set forth by the U.S. Government.	893
Dec. 17	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister who presented an oral statement in reply to certain U.S. notes of June 10 and September 15, 1940; the Ambassador's refutation of the Foreign Minister's charges.	895

ACTS OF JAPAN IN OCCUPIED CHINA INTERFERING WITH AMERICAN TREATY RIGHTS AND EQUALITY OF COMMERCIAL OPPORTUNITY—Continued

Date and number	Subject	Page
1940 Dec. 17	<p><i>Oral Statement by the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i></p> <p>General explanations and excuses in regard to cases complained of in the U.S. notes of June 10 and September 15, 1940; charge that the various points at issue might have been settled locally but for the State Department's insistence upon legal principles.</p>	895
Dec. 17	<p><i>Oral Statement by the Japanese Minister for Foreign Affairs to the American Ambassador in Japan</i></p> <p>Information that the authorities on the spot have been ordered to investigate the cases complained of in the Ambassador's note No. 1638, September 18, 1940, but that before these reports are received it is possible to state: (1) that the restrictions on shipments into unoccupied areas are necessary to prevent certain supplies from reaching Chiang Kai-shek, and (2) that all restrictions with regard to price fixing are applicable to Japanese and foreigners alike.</p>	899
1941		
1941 Jan. 7	<p><i>Oral Statement by the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i></p> <p>Information that the U.S. Government regrets that the Foreign Minister's oral statement of December 17, 1940, cannot be considered as responsive to the representations made by the U.S. Government.</p>	901
Feb. 6	<p><i>Memorandum by the Ambassador in Japan</i></p> <p>Conversation with the Director of the American Bureau who came in to report on his observations during his recent visit to China but offered little or nothing which could be regarded as either helpful or hopeful.</p>	901
Mar. 25	<p><i>Memorandum by the Second Secretary of Embassy in Japan</i></p> <p>Conversation with the Director of the American Bureau in which the Second Secretary gave the Director an oral statement with reference to interference with petroleum trade in the Canton area and was informed by the Director that he would investigate the difficulties and see what could be done although he felt that progress would be slow and better results would be obtained by not pressing the matter too urgently at the present time.</p>	904
Mar. 25	<p><i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i></p> <p>Oral representations concerning interference with petroleum trade in the Canton area.</p>	905
Aug. 4 (203)	<p><i>From the Counselor of Embassy in China (tel.)</i></p> <p>Memorandum left at the Japanese Embassy, August 1, 1941 (text printed), setting forth instances of arbitrary action by the Japanese authorities against Americans and American interests in many parts of China.</p>	905

ACTS OF JAPAN IN OCCUPIED CHINA INTERFERING WITH AMERICAN TREATY
RIGHTS AND EQUALITY OF COMMERCIAL OPPORTUNITY—Continued

Date and number	Subject	Page
1941 Aug. 6 (1871)	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Report that armed guards were posted on July 28, 1941, at five U.S. firms in Chefoo and that the Foreign and Chinese staff were detained; request that guards posted on U.S. property in Chefoo be removed and that steps be taken to prevent further instances of the detention of Americans or the unwarranted detention of non-American employees of American firms.	906
Aug. 7 (1873)	<i>From the American Embassy in Japan to the Japanese Ministry for Foreign Affairs</i> Report that Japanese armed forces occupied U.S. properties at Tsingtao on July 28, 1941, and were still in occupation on July 29; request that steps be taken to effect the withdrawal of any forces which may yet be in occupation of U. S. properties and to prevent the occurrence of similar incidents in the future.	907
Aug. 13	<i>Memorandum by the Secretary of State</i> Conversation with the Japanese Ambassador in which the Secretary handed the Ambassador a statement of instances of mistreatment of Americans and injury to American rights in places under Japanese jurisdiction, in reply to which the Ambassador said that he would be glad to take the matter up with his Government.	907
Undated	<i>To the Japanese Embassy</i> Statement of recent cases of interference with U.S. rights and interests in Japan and in Japanese-occupied areas of China. (Footnote: Handed to the Japanese Ambassador August 13, 1941.)	908
Aug. 15	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in which the Ambassador supported the representations made by Secretary of State on August 13, 1941, and brought to the Foreign Minister's attention the serious matter of the inability of a group of U.S. officials and citizens departing for the United States to obtain passage to Shanghai on Japanese vessels; the Foreign Minister's understanding that the <i>Coolidge</i> arrangements had broken down because of U.S. condition limiting passengers to officials, which the Ambassador denied, stating that that condition had been laid down by the Japanese Government.	911
Aug. 16	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Confirmation of his statement made the previous day that the condition limiting passengers exclusively to officials should the <i>Coolidge</i> call at Yokohama, had been laid down by the Japanese Government and that it was that condition which had wrecked the whole project.	913
Sept. 13	<i>Memorandum by the Ambassador in Japan</i> Conversation with the Foreign Minister in which the Ambassador presented a letter in regard to further instances of interferences with U.S. citizens and the Foreign Minister promised to give his best efforts to removing these grounds for complaint.	913

ACTS OF JAPAN IN OCCUPIED CHINA INTERFERING WITH AMERICAN TREATY
RIGHTS AND EQUALITY OF COMMERCIAL OPPORTUNITY—Continued

Date and number	Subject	Page
1941 Sept. 13	<i>From the American Ambassador in Japan to the Japanese Minister for Foreign Affairs</i> Memorandum (text printed) giving further instances of obstructions, interferences, and inconveniences imposed on U.S. citizens within the Japanese Empire and Japanese-controlled areas.	914
Sept. 16 (105, American I)	<i>From the Japanese Ministry for Foreign Affairs to the American Embassy in Japan</i> Reply to the Secretary's representations of August 13, 1941, concerning interferences with U.S. rights and interests; information that instructions have been issued to prevent the measures from being applied unreasonably or unnecessarily; addendum (text printed), reporting details of those cases which have been clarified.	917
Oct. 7 (1577)	<i>From the Ambassador in Japan (tel.)</i> Foreign Office note, October 3, 1941, explaining the necessity for posting guards on the property of certain U.S. firms at Chefoo and denying that there were any detentions of nationals of third powers.	921
Oct. 21 (1663)	<i>From the Ambassador in Japan (tel.)</i> Report of the receipt of a Foreign Office note dated October 10, 1941 (summary printed) which the Ambassador considers unsatisfactory in that it attempts to explain away a number of isolated cases without discussing the general principles underlying U. S. complaints.	921
Oct. 28 (1702)	<i>From the Ambassador in Japan (tel.)</i> Report of the receipt of a Foreign Office note dated October 22, 1941 (summary printed) in continuation of the note dated October 10, 1941. Observation that except in one instance the notes are similar in tone and that the general comments expressed in previous report apply to both.	923
Nov. 25 (1846)	<i>From the Ambassador in Japan (tel.)</i> Information that a personal letter was addressed to Foreign Minister on November 22, 1941, informing him that the language of the Foreign Office replies was in some respects unusual; that the abrupt denial of carefully prepared reports of U.S. officials would seem to imply that Japanese officials placed no credence in such reports; and concluding with a request for the removal of transportation interferences.	924

STATEMENTS BY THE SECRETARY OF STATE OF THE POLICY OF THE UNITED STATES
TO RELINQUISH BY AGREEMENT EXTRATERRITORIAL RIGHTS IN CHINA

1940 July 19	<i>Statement by the Acting Secretary of State</i> Comments to the effect that, although discussions in regard to U.S. extraterritorial rights in China have been halted by Sino-Japanese hostilities, the United States yet adheres to its announced policy of relinquishing such rights as rapidly as possible by orderly processes.	927
1941 May 26	<i>From the Appointed Chinese Minister for Foreign Affairs</i> Farewell message and affirmation that China's policies are in full harmony with the views of the Government of the United States.	927

STATEMENTS BY THE SECRETARY OF STATE OF THE POLICY OF THE UNITED STATES
TO RELINQUISH BY AGREEMENT EXTRATERRITORIAL RIGHTS IN CHINA—Con.

Date and number	Subject	Page
1941 May 31	<i>To the Appointed Chinese Minister for Foreign Affairs</i> Expression of gratitude for the Minister's letter of May 26, 1941; statement of the profound interest of the United States in the progress of China and of the U.S. Government's intention, when peace again prevails, to move rapidly toward the relinquishment of all U. S. special rights in China.	929

OCCUPATION OF MANCHURIA BY JAPAN AND
STATEMENT OF POLICY BY THE UNITED
STATES

OCCUPATION OF MANCHURIA BY JAPAN AND STATEMENT OF POLICY BY THE UNITED STATES

793.94/1794 : Telegram

The Minister in China (Johnson) to the Secretary of State

PEIPING, September 19, 1931—2:30 a. m.

[Received September 18—7:10 p. m.]

599. Donald,¹ adviser to Marshal Chang Hsueh-liang,² has just informed me of the receipt here by Chang Hsueh-liang of a telegram from Mukden to the effect that at 10 p. m., on evening of September 18th a squad of Japanese soldiers, having left Japanese barracks and gone southeast of Mukden City, were firing with rifles at the east camp, arsenal and city and with artillery at the rate of one shell a minute. Statement is that some 70 soldiers at east camp had been injured. No knowledge of amount of damage or number of casualties in city. Donald stated that Marshal Chang Hsueh-liang had ordered all Chinese soldiers within barracks, depoted all arms, and forbade retaliation, adding that Japanese soldiers had apparently run amuck, Japanese consular authorities being powerless. Firing reported to be still going on at 1 o'clock this morning, Japanese soldiers then at west gate apparently surrounding city.

Please inform War and Navy Department[s]. Nanking, commander in chief and Tokyo informed.

JOHNSON

793.94/1812 : Telegram

The Chargé in Japan (Neville) to the Secretary of State

TOKYO, September 21, 1931—10 a. m.

[Received September 21—3:33 a. m.]

155. Embassy's 150, September 19, noon.³ I have since learned by telegram from the Consul at Dairen that the Japanese have occupied Antung, Newchwang and Changchun. This was confirmed from Japanese sources and by the Chinese Chargé.

¹ W. H. Donald, an Australian.

² Vice commander in chief of the National Army, Navy, and Air Forces of China and commander in chief of the Northeastern Frontier Defense with headquarters at Mukden.

³ Not printed.

The Chinese Chargé told me that he had presented a note by instruction from Nanking asking the Japanese (1) to refrain from further military operations and (2) to withdraw their armed forces. He said that the Foreign Office had informed him that orders had already been issued to stop military operations; that in regard to (2) the Japanese Government was deliberating but they were determined to safeguard the lives and property of the civilian population, Japanese and foreign as well as Chinese. I understand that the Japanese authorities are operating all public services at the occupied areas.

Recent reports indicate consistent unrest in the Chientao region on the Korean border. I have been unable as yet to ascertain just what is taking place there.

Repeated to Peiping.

NEVILLE

793.94/1815 : Telegram

The Minister in China (Johnson) to the Secretary of State

PEIPING, September 21, 1931—noon.

[Received September 21—10 a. m.⁴]

614. Your 330, September 19, 3 p. m., received September 21, 9 a. m.⁵

1. In my 604, September 19, 4 p. m.,⁵ I suggested that it seemed to me wise that I be in Peiping for the present to watch the situation. It seems also wise to be here where I can consult with my British colleague about local matters. . . .

2. My telegrams sent on the 19th and 20th⁶ will have given Department all of the factual information which has come to my knowledge. No one appears to be able to give satisfactory reason for chain of incidents which began about 10 o'clock on the evening of September 18th and which by steady progress have resulted in putting all of Manchuria south of Changchun and east of the Peking-Mukden Railway line under Japanese military control. Legation has endeavored to keep Department informed of details of Nakamura case.⁷ It is my belief that it was this incident which precipitated the chain of events above referred to. Travellers and visitors in Manchuria have informed me that for some two or three weeks past Japanese soldiers have been carrying out daily and nightly maneuvers and sham fights in and around the railway settlements along the line of the South Manchuria Railway from Changchun to Liaoning, using blank car-

⁴ Telegram in five sections.

⁵ Not printed.

⁶ None printed, except telegram No. 599, Sept. 19, 1931, p. 1.

⁷ Captain Shintaro Nakamura, a Japanese military officer who was shot in Manchuria about June 27, 1931, by Chinese soldiers of the Fengtien Army. See League of Nations, *Report of the Commission of Enquiry* (Geneva, 1932), pp. 63 ff.

tridges. British Minister, who was in Changchun the other day, described to me such a sham fight which occurred in and about the railway station while he was having money changed and which created a tremendous disturbance.

Guests in hotels state that during such sham fighting Japanese soldiers would enter hotels, seek out vacant rooms, plant machine guns in windows and on roofs and immediately commence firing to the disturbance of everyone. It is my present belief that much of this was deliberately staged for the purpose of accustoming the populace to the maneuvering of Japanese soldiery day and night and to the sound of machine and other guns.

3. Japanese statement contained in my 603, September 19, 3 p. m., Tilson's telegrams September 19, 1 p. m., and September 19, 6 p. m.,⁸ is to the effect that this chain of incidents was not precipitated by Nakamura affair but was started because of clash between Japanese guards and armed Chinese soldiers attempting to break South Manchuria Railway tracks.

It seems to me absurd to believe that mere destruction of railway tracks would warrant occupation of Manchuria, and to imply that chain of events above mentioned was accidental or occurred on the spur of the moment leaves out of consideration the fact that whole series of incidents involving military occupation of places as far apart as Changchun, Newchwang, Antung, Kowpangtze and Hulutao implies a degree of staff work which could not [have been?] improvised. Furthermore it is our understanding here that Japanese military headquarters were transferred almost immediately from Port Arthur to Mukden.

4. There has been ample indication in the situation arising out of Nakamura affair of indignation on the part of the Japanese military over the whole situation in Manchuria and a desire to avenge Japan for indignities due to unsettled cases and in particular the alleged execution of a Japanese military officer upon active duty.

I understand that Japanese military believe this necessary to restoration of their popularity. Some ten days ago I was informed by Dr. J. C. Ferguson⁹ of his belief that Japan intended to occupy Manchuria within three months. There have been other statements of this kind although I have been unwilling to put too much faith or credence in them, but now that the event has transpired I cannot escape the feeling that it is the result of careful planning. I am without any information as to what Japan next proposes to do but I imagine that before Japan retires from points now in occupation she will demand and receive satisfactory settlement of all points at issue at least in regard to Manchuria.

⁸ None printed.

⁹ Adviser to the President of the Republic of China, 1917-28.

5. It will be interesting to see what bearing all this will have upon extraterritorial negotiations between Japan and China.

6. The situation today is that Japan is in possession of South Manchuria. Train service between Peiping and Mukden is open but I understand that entry into Manchuria along usual lines of communication is only accomplished with the permission of Japanese authorities.

Repeated to Tokyo.

JOHNSON

793.94/1822 : Telegram

The Chargé in Japan (Neville) to the Secretary of State

TOKYO, September 22, 1931—5 p.m.

[Received September 22—10 a.m.]

157. My 155, September 21, 10 a.m. I am informed that (1) four thousand troops from Chosen have been sent to Mukden and (2) one brigade has been sent from Changchun to Kirin at the request of the Japanese residents there. The Government states orally that there have been no disturbances in any of the occupied areas in the past two days. The Chientao region is not occupied by Japanese troops, I understand.

The occupation of so large an area seems out of proportion to the alleged cause. The military undoubtedly had detailed plans like every army for every contingency they could think of. It seems probable that the incident referred to was seized upon by the Army authorities and the whole area occupied as a military measure to force a general liquidation of outstanding issues.

I am inclined to think that the Foreign Office and perhaps other branches of the Government here have been genuinely surprised by the action of the Army at this time.

Repeated to Peiping.

NEVILLE

793.94/1838 : Telegram

The Minister in China (Johnson) to the Secretary of State

PEIPING, September 22, 1931—8 p.m.

[Received September 23—9:20 a.m.¹¹]

625. My 615, September 21, 2 p.m., referring to Nanking's appeal to us¹² under the Kellogg Pact,¹³ also my 614, September 21, noon.

¹¹ Telegram in two sections.

¹² Telegram not printed. For text of the note of September 21, 1931, from the Chinese Government to the United States Government, see *Conditions in Manchuria*, S. Doc. 55, 72d Cong., 1st sess. (Washington, Government Printing Office, 1932), p. 3.

¹³ Department of State Treaty Series No. 796.

I desire to place on record the following as my personal reaction to events described in my telegram above referred to and to the responsibilities of powers signatory to Kellogg Pact in relation thereto.

1. According to all information available to me here, I am driven to the conclusion that the forceful occupation of all strategic points in South Manchuria, including the taking over and operation of public utilities, banks, and in Mukden at least the functions of civil government, is an aggressive act by Japan apparently long planned and when decided upon most carefully and systematically put into effect. I find no evidence that these events were the result of accident nor were they the acts of minor and irresponsible officials.

2. By article 1 of the Kellogg Treaty the high contracting parties, among which is Japan, renounce war "as an instrument of national policy in their relations with one another." By article 2 they agree "that the settlement or solution of all disputes all [*or*] conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means."

3. It is my conviction that the steps taken by Japan in Manchuria must fall within any definition of war and certainly may not be considered as a pacific means of settling a dispute with China, a nation also adherent to the treaty.

4. The treaty providing for the renunciation of war as a national policy was a solemn undertaking on the part of the nations of the West and those nations now stand at the bar of the nations of the East to answer for their sincerity.

5. It seems to me necessary that the powers signatory to the Kellogg Treaty owe it to themselves and to the world to pronounce themselves in regard to this Japanese act of aggression which I consider to have been deliberately accomplished in utter and cynical disregard of obligations which Japan as a nation shares with the other signatories of that pact.

JOHNSON

793.94/1868

Memorandum by the Secretary of State

[WASHINGTON,] September 22, 1931.

I opened the conversation with the Japanese Ambassador by referring to our last talk on September 17th when we had both expressed our feeling that the relations of our two countries were in such a satisfactory condition. I said I had been profoundly surprised and concerned by what was taking place in Manchuria and that I had sent Dr. Hornbeck¹⁴ to see the Ambassador on Saturday and now as the

¹⁴ Stanley K. Hornbeck, Chief of the Division of Far Eastern Affairs.

matter had developed I wished to see him myself. He said yes, that he had seen Dr. Hornbeck and he had told him of how surprised he (the Ambassador) had been and how concerned he was and how impossible it was for him to understand the causes of what had taken place.

I explained that as he well knew, I had the utmost confidence in Baron Shidehara¹⁵ and his desire for peace and correct international relations. I told him that I had learned from Dr. Hornbeck's report of what Debuchi had said Sunday—that there was a sharp cleavage between Shidehara and some of the militaristic elements of his government. He said that that was so. I said that what I was now doing was seeking to strengthen Baron Shidehara's hand and not to weaken it. The Ambassador said he understood that perfectly. I then took the memorandum which had been prepared (a copy of which is annexed) and read it very slowly to the Ambassador, paraphrasing the language into more simple words wherever it seemed at all necessary in order that he should fully understand it. He repeated many of the sentences, showing that he did understand. When I had finished I said that this was not to be taken as a formal note or an official action on the part of my government, but as the memorandum of a verbal statement given to the Ambassador for the purpose of enabling him to understand and report to his government how I, with my background of friendship towards Japan, felt towards this situation. I said that the Ambassador was at liberty to send it to Shidehara or not, as he saw fit. He said he understood perfectly and that the memorandum did not represent an official note but that if the situation was not remedied he understood that it might be followed by official action on our part later. He said he would communicate its contents to his government that evening.

I then told him that there was one thing however that I would like to ask of him and that was that he postpone his departure for Japan until this situation was in better shape. I told him I felt confidence in him from our long relations together and that it would be easier to handle the situation if he was here. He expressed himself as very much touched by this and said that he was glad to be able to say that this morning he had, after having purchased his tickets and made all his plans, decided to postpone his departure and had told Madame Debuchi and his daughter to that effect, and had telegraphed out to the Japanese Consul in San Francisco to cancel the appointments he had made.

I spent quite a little time after reading the memorandum in pointing out what a serious impression it would make in this country if the situation of Manchuria is not restored to the *status quo*. He said he

¹⁵ Baron Kijuro Shidehara, Japanese Minister for Foreign Affairs.

fully understood that and he had been surprised at the moderation of our American press thus far and attributed that to the care which I had taken in the press conferences. He begged me that if the time should ever come when I did wish to act officially in this matter I would first inform him. I said I would try to do so.

H[ENRY] L. S[TIMSON]

[Enclosure]

MEMORANDUM

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

The League of Nations has given evidence of its concern.¹⁶ The Chinese Government has in various ways invoked action on the part of foreign governments, citing its reliance upon treaty obligations and inviting special reference to the Kellogg Pact.¹⁷

This situation is of concern, morally, legally and politically to a considerable number of nations. It is not exclusively a matter of concern to Japan and China. It brings into question at once the meaning of certain provisions of agreements, such as the Nine Powers Treaty of February 6, 1922,¹⁸ and the Kellogg-Briand Pact.

The American Government is confident that it has not been the intention of the Japanese Government to create or to be a party to the creation of a situation which brings the applicability of treaty provisions into consideration. The American Government does not wish to be hasty in formulating its conclusions or in taking a position.

¹⁶ See telegram, September 22, 1931, sent by the President of the Council to the Governments of Japan and China, League of Nations, *Official Journal*, December, 1931, p. 2454.

¹⁷ See note, September 21, 1931, from the Chinese Government to the League of Nations, *ibid.*, p. 2453, and the note, September 21, 1931, from the Chinese Government to the United States Government, *Conditions in Manchuria*, p. 3.

¹⁸ *Foreign Relations*, 1922, vol. I, p. 276.

However, the American Government feels that a very unfortunate situation exists, which no doubt is embarrassing to the Japanese Government. It would seem that the responsibility for determining the course of events with regard to the liquidating of this situation rests largely upon Japan, for the simple reason that Japanese armed forces have seized and are exercising *de facto* control in South Manchuria.

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

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

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

793.94/1876b : Telegram

The Secretary of State to the Chargé in Japan (Neville)

WASHINGTON, September 24, 1931—2 p. m.

166. 1. The Department has been giving the most careful consideration to the questions arising from the situation in Manchuria as described in your reports and those from Peiping and elsewhere.

Reports from other quarters, both official and unofficial, contain much more complete data than those emanating from Japan.

The Department has received from the Chinese Chargé d'Affaires, and is now giving consideration to, a note in which it is charged that "in this case of unprovoked and unwarranted attack and subsequent occupation of Chinese cities by Japanese troops" Japan has deliberately violated the Kellogg Pact. "The Chinese Government urgently appeals to the American Government to take such steps

as will insure the preservation of peace in the Far East and the upholding of the principle of the peaceful settlement of international disputes.”

The Department is giving the situation and the whole range of possibilities its most careful consideration. It has had three conversations with the Japanese Ambassador and three with the Chinese Chargé, in which the Department has urged cessation of hostilities and a withdrawal from the present situation of danger. It would welcome any comments and suggestions which you may care to make.

2. In response to a communication from the Council of the League of Nations received through the American Minister at Berne, the Department has assured the Council^{18a} that this Government is in wholehearted sympathy with the attitude of the League of Nations as expressed in paragraphs 1 and 2 of the Council's resolution adopted on September 22¹⁹ and that the Department will despatch to Japan and China notes along similar lines.²⁰

STIMSON

793.94/1868d: Telegram

The Secretary of State to the Chargé in Japan (Neville)

WASHINGTON, September 24, 1931—4 p. m.

167. Please deliver to the Minister for Foreign Affairs immediately as a note, the identical text of which will be communicated by the American Minister to China to the Chinese Minister for Foreign Affairs, the following:

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

STIMSON

^{18a} *Conditions in Manchuria*, pp. 4, 5.

¹⁹ See telegram, September 22, 1931, sent by the President of the Council to the Governments of Japan and China, League of Nations, *Official Journal*, December, 1931, p. 2454.

²⁰ See *infra*.

793.94/1876c: Telegram

The Secretary of State to the Minister in China (Johnson)

[Paraphrase]

WASHINGTON, September 24, 1931—6 p. m.

341. For your personal information, I want to give you, with regard to your various telegrams concerning the trouble in Manchuria, a picture of the policy of the Department.

The Department, as already reported, is completely sympathetic with the action of sending identic notes to Japan and China already taken by the League of Nations. However, the idea of sending a military commission to Manchuria to establish the facts disturbed us. At the time of the dispute between Bulgaria and Greece this was done by the League with success. Entirely different, however, are the conditions in the Manchurian situation. The issue in the Bulgarian-Greek dispute was a line dividing the two countries. In Manchuria, since the Japanese troops are in that section of China under treaty provisions, no such issue arises. Moreover, even as a fact-finding body, the Department has felt very strongly that a commission sent to Manchuria could have little success without the consent of both the Chinese and Japanese. That the Japanese nationalistic element would be immensely strengthened and that it would unite Japan behind the military element, is our principal fear concerning such an imposed commission. The civilian arm of the Government in Japan, we believe, is opposed to the adventure in Manchuria, and the Department feels it is important in every way to support this element. It was our suggestion to Geneva, therefore, that there was a greater possibility of obtaining the consent of Japan if the composition of the commission to be appointed were to be along the lines of our suggestion of two years ago to China and Russia. In other words, the commission should be one appointed by both parties involved in the dispute. The League has adopted this suggestion and, if Japan accepts, at present intends to establish a commission consisting of two members appointed by Japan, two by China, and three by the League Council. This commission we understand would be purely fact finding and have very narrow terms of reference. However, if it can be brought about between the Japanese and Chinese, we believe there is a much greater chance of reaching a solution—in view of Oriental psychology—by direct consultation. The Department feels at the same time that inevitably the dispute is of interest to the world, and that it would make a travesty of the various treaties of which Japan and China are both signatories to allow Japan to consolidate the occupation of the Manchurian cities. Since in this matter the League

has already taken action and since as members of the League both parties have agreed to submit to the action therein provided, this Government would be inclined to favor, in case direct conversations are unsuccessful between the two parties, action under article 11 and subsequent articles of the League Covenant signed by both Japan and China.

The treaties of 1922 and the Kellogg Pact still remain and might be invoked in case this action should be unsuccessful. The above is, in general, the line we intend to take. Any comments or further suggestions you wish to make would be welcomed.

Please repeat this telegram to Tokyo as No. 169.

STIMSON

793.94/1946

*The Japanese Embassy to the Department of State*²¹

STATEMENT ISSUED AFTER EXTRAORDINARY CABINET MEETING
SEPTEMBER 24, 1931

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

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

²¹ Left with the Under Secretary of State by the Japanese Ambassador on September 25, 1931.

duty of maintaining peace and order was left in the hands of the local Chinese organizations under the supervision of the Japanese troops.

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

(4) The Japanese Government at a special cabinet meeting September 19th took decision that all possible efforts should be made to prevent aggravation of the situation and instructions to that effect were given to the commander of the Manchurian garrison. It is true that a detachment was despatched from Changchun to Kirin September 21st, but it was not with a view to military occupation but only for the purpose of removing the menace to the South Manchuria Railway on flank. As soon as that object has been attained the bulk of our detachment will be withdrawn. It may be added that while a mixed brigade of four thousand men was sent from Korea to join the Manchurian garrison the total number of men in the garrison at present still remains within the limit set by the treaty and that fact cannot therefore be regarded as having in any way added to the seriousness of the international situation.

(5) It may be superfluous to repeat that the Japanese Government harbors no territorial designs in Manchuria. What we desire is that Japanese subjects shall be enabled to safely engage in various peaceful pursuits and be given an opportunity for participating in the development of that land by means of capital and labor. It is the proper duty of a government to protect the rights and interests legitimately enjoyed by the nation or individuals. The endeavors of the Japanese Government to guard the South Manchurian Railway against wanton attacks would be viewed in no other light. The Japanese Government, true to established policy, is prepared to cooperate with the Chinese Government in order to prevent the present incident from developing into a disastrous situation between the two countries and to work out such constructive plans as will once for all eradicate causes for future friction. The Japanese Government would be more than gratified if the present difficulty could be brought to a solution which will give a new turn to mutual relations of the two countries.

793.94/1905 : Telegram

The Chargé in Japan (Neville) to the Secretary of State

TOKYO, September 28, 1931—5 p. m.

[Received September 28, 9:15 a. m.]

163. My telegram No. 161, September 25, 7 p. m.²² I have just received the following note from the Minister for Foreign Affairs:

"I have the honor to acknowledge receipt of your note of September 25²³ in which you were so good as to convey to me the views of the American Government on the subject of the actual condition of affairs in Manchuria.

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

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

The Foreign Office told me that they had communicated it to the Japanese Minister at Washington. It has also been released to the press. Repeated to Peiping.

NEVILLE

*Resolution Adopted by the Council of the League of Nations on
September 30, 1931²⁴*

The Council,

1. Notes the replies of the Chinese and Japanese Governments to the urgent appeal addressed to them by its President and the steps that have already been taken in response to that appeal;
2. Recognises the importance of the Japanese Government's statement that it has no territorial designs in Manchuria;

²² Not printed.

²³ See telegram No. 167, Sept. 24, 1931, to the Chargé in Japan, p. 9.

²⁴ Reprinted from League of Nations, *Official Journal*, December, 1931, p. 2307.

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

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

5. Being convinced that both Governments are anxious to avoid taking any action which might disturb the peace and good understanding between the two nations, notes that the Chinese and Japanese representatives have given assurances that their respective Governments will take all necessary steps to prevent any extension of the scope of the incident or any aggravation of the situation;

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

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

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

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

793.94/2008 : Telegram

The Chargé in Japan (Neville) to the Secretary of State

TOKYO, October 8, 1931—5 p. m.
[Received October 8—7: 04 a. m.]

178. The General Staff has issued an information bulletin to foreign military attachés stating that the banditry and atrocities committed by the defeated Chinese troops in Manchuria make it impossible to with-

draw the Japanese Army to their original stations or even to the contiguous territory; that any further withdrawal would aggravate the present situation. A proclamation to this effect was made by the commander of the troops in Manchuria and is declared to be in complete accordance with the view of the General Staff.

I believe that the Japanese Government is becoming increasingly irritated and apprehensive of developments in China and may resort to further measures to protect the lives of Japanese there. I have just been informed orally by the Foreign Office that a note is being sent to Nanking complaining of the anti-Japanese activities in intramural China.²⁵

Repeated to Peiping.

NEVILLE

793.94/3511

*The Japanese Embassy to the Department of State*²⁶

Shigemitsu²⁷ has been instructed to forward to the Chinese Government the following memorandum dated October 9.

(1) The Japanese Government has already made it clear that the Manchurian affair is nothing but the outcome of a deep-rooted anti-Japanese feeling in China which has taken a specially provocative form in the recent challenge to Japanese troops compelling the latter to resort to measures of self-defence. The responsibility for the present situation naturally lies with the Chinese Government.

The Japanese Government has time and again requested the Chinese Government to take proper steps to check the anti-Japanese movement so systematically carried out in various places in China. Being desirous of maintaining cordial relations between the two countries, this Government has exercised the greatest patience and forbearance in the hope that this deplorable state of affairs may yet improve. Unfortunately, however, this anti-Japanese agitation seems now to be assuming alarming proportions. It is learned that the anti-Japanese societies at Shanghai and elsewhere have passed resolutions not only to enforce prohibition of trading in and transportation of Japanese goods but to order cancellation of existing contracts and otherwise to prohibit all business transactions and to cancel contracts of employment between

²⁵ See *infra*.

²⁶ This memorandum was sent to the Under Secretary of State by the Japanese Ambassador the evening of October 8, 1931.

²⁷ Mamoru Shigemitsu, Japanese Minister in China.

Chinese and Japanese in order thus to effect the so-called "severance of economic relations with Japan". For that purpose examination and detention of goods and persons, intimidation and violence, and various other means are being employed to give effect to such resolutions and severe penalties are meted out to any who may fail to comply with these orders, some societies even going so far as to threaten capital punishment. Moreover, cases of expropriation and detention of goods owned by Japanese people and of threats and violence against their lives and property have become so numerous and insistent throughout China that they have been forced to withdraw totally or partially from various localities.

(2) It is to be noted that the anti-Japanese movement in China is conducted as an instrument of national policy under the direction of the Nationalist Party which in view of the peculiar political organization of China is inseparable in function from the Government. That movement must therefore be clearly distinguished from the one which originates spontaneously amongst the people. It is therefore evident that the present anti-Japanese movement in China is not only in contravention of the letter and spirit of the treaties existing between the two countries but constitutes a form of hostile act without the use of arms contrary to all standards of justice and friendship. The Chinese Government will be assuming a very serious responsibility if it should fail to take prompt and effective measures to quell that agitation. Moreover, in meting out penal sentences to individual citizens anti-Japanese societies which are purely private organizations are clearly usurping the authority of the National Government.

(3) It will be remembered that at a recent meeting of the Council of the League of Nations at Geneva the Chinese representative as well as the Japanese gave assurance that their respective governments would endeavor to prevent aggravation of the situation.²⁸ The Chinese Government obviously against that pledge is actually aggravating the situation by making no honest or effective effort to restrain activities of anti-Japanese societies which are jeopardizing the lives and property as well as the liberty of trade of Japanese subjects in different parts of China.

(4) The Japanese Government desires to call once more the serious attention of the Chinese Government to these actions on the part of anti-Japanese societies and to declare at the same time that the Chinese Government will be held responsible for whatever may be the consequences of its failure to suppress the anti-Japanese movement and to afford adequate protection to the lives and property of Japanese subjects in China.

²⁸ League of Nations, *Official Journal*, December, 1931, pp. 2279, 2282.

793.94/2008 : Telegram

The Secretary of State to the Chargé in Japan (Neville)

[Paraphrase]

WASHINGTON, October 9, 1931—3 p. m.

191. It is my desire that you call immediately upon Baron Shidehara and question him (1) whether the Japanese Government has given its assent to the information bulletin of the Japanese General Staff which you summarized in your 178 and in which the statement is made that for various reasons the withdrawal of Japanese troops cannot take place; (2) whether it is true that bombs have been dropped on Chinchow by Japanese airplanes as is reported on what seems good authority.

STIMSON

793.94/2013 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

[Paraphrase]

WASHINGTON, October 9, 1931—6 p. m.

73. Consulate's 162, October 8[7], 5 p. m.²⁹ A memorandum in writing containing the following message from me dated as of October 5, 1931, may be handed by you to Sir Eric Drummond.³⁰ This he may feel free to communicate confidentially to the Council members.³¹

"I believe that our cooperation in the future handling of this difficult matter should proceed along the course which has been followed ever since the first outbreak of the trouble fortunately found the Assembly and Council of the League of Nations in session. The Council has deliberated long and earnestly on this matter and the Covenant of the League of Nations provides permanent and already tested machinery for handling such issues as between States members of the League. Both the Chinese and Japanese have presented and argued their cases before the Council and the world has been informed through published accounts with regard to the proceedings there.³² The Council has formulated conclusions and outlined a course of action to be followed by the disputants; and as the said disputants have made commitments to the Council, it is most desirable that the League in no way relax its vigilance and in no way fail to assert all the pressure and authority within its competence towards regulating the action of China and Japan in the premises.

On its part the American Government acting independently through its diplomatic representatives will endeavor to reinforce what the League does and will make clear that it has a keen interest in the matter and is not oblivious to the obligations which the disputants have

²⁹ Not printed.³⁰ Secretary-General of the League of Nations.³¹ Quotation not paraphrased.³² For minutes of the proceedings, see League of Nations, *Official Journal*, December, 1931, pp. 2265-2274; 2279-2285; 2289-2293; 2307-2309.

assumed to their fellow signatories in the Pact of Paris as well as in the Nine Power Pact should a time arise when it would seem advisable to bring forward those obligations. By this course we avoid any danger of embarrassing the League in the course to which it is now committed."

STIMSON

793.94/2079b : Telegram

The Secretary of State to the Chargé in Japan (Neville)

WASHINGTON, October 10, 1931—2 p. m.

192. Until recently we have been reassured by the commitments made by the governments both of China and Japan to the League of Nations which were embodied in the Resolution of the 30th of September.³³ Under that Resolution, Japan agreed to continue as rapidly as possible the withdrawal of its troops into the railway zone, while China with Japan's consent agreed to assume responsibility for the safety of lives and property of Japanese nationals outside of that zone. I am, however, much disturbed by later reports, especially of the last 48 hours, which indicate that these commitments are not being carried out by either government.

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

STIMSON

793.94/2033 : Telegram

The Chargé in Japan (Neville) to the Secretary of State

TOKYO, October 10, 1931—6 p. m.

[Received October 10—9:50 a. m.]

180. 1. The Minister for Foreign Affairs has just told me that the bulletin issued by the General Staff was not a Government pronouncement. He then said that two days ago the Chinese Minister had addressed a note to him suggesting that Chang, the Governor of Kirin, and Wang, the Governor of Hopei, should act as commissioners to restore peace and order in South Manchuria and take over the government of the places outside the railway zone occupied by the Japanese Army. This proposal he had not accepted for the reason that these two men were also generals in the Manchuria Army and Chang at least had

³³ *Ante*, p. 13.

had an active part in what fighting had taken place; consequently to turn the situation back to them would be merely to place matters where they had been before. He suggested to the Chinese Minister last night that, instead, independent commissioners be appointed on both sides to devise means for allaying the tension that existed; that they should lay down a general plan for settling outstanding troubles which would then be handled individually on their merits; the Japanese would prefer to deal with China as a whole and not with local units. I asked him if this note meant that direct negotiations were started; he said that he hoped so and would make every effort to settle matters.

2. In reply to my question about the bombing of Chinchow he said that the military authorities had reported as follows: Information had reached the commanding general that there was a large concentration of Chinese troops in that vicinity and Japanese Army planes had been sent to make a reconnaissance. They had been fired at by the Chinese troops and had replied by dropping bombs on the barracks. He minimized the affair stating that it was of no importance.

3. I made no comment on the information he gave me. I felt that inauguration of direct negotiations was an indication of improvement in the situation. I shall keep in touch with events and report further.

Repeated to Peiping.

NEVILLE

793.94/2048

Memorandum by the Secretary of State

[WASHINGTON,] October 10, 1931.

The Japanese Ambassador came in and I told him that I was very profoundly disturbed at the situation which had developed in Manchuria. I told him that in considering the original coup of September 18th in Manchuria, I had been reassured, not only by the Ambassador's explanation that this did not represent his government, but by the Resolution of September 30th of the League of Nations, which both China and Japan had consented to, under which the Japanese were to withdraw as soon as possible into the railway zone and the Chinese were to protect Japanese nationals. I read him the provisions. I said that now events have occurred which indicated that these commitments were likely to be repudiated. I referred to the bombing of Chinchow and I referred to the statement of the General Staff that they would not withdraw to the railway zone. I then read to the Ambassador the questions which I had telegraphed to Baron Shidehara through Neville,³⁴ and he asked me if I had received an answer.

³⁴ See telegram No. 191, Oct. 9, 1931, to the Chargé in Japan, p. 17.

I told him that I had but that answer did not reassure me,³⁵ and I then read the contents to him, emphasizing particularly the statement of Baron Shidehara that the affair of the bombing was a matter of no importance. The Ambassador did not attempt to defend that. He said at once that it was a matter of great importance. I said it was a matter of great importance in this country. I pointed out that Baron Shidehara's objection to Chang, the Governor of Kirin, and Wang, the Governor of Hopei, had given me the unfortunate impression that Baron Shidehara did not differ from the accounts that were appearing in the press to the effect the army made up his mind not to permit the resumption by the young Marshal Chang of the government which he had formerly exercised in Manchuria and I pointed out that this seemed to me to be a complete departure from the policy of the Resolution of September 30th. The Ambassador said he could make no answer to this, but he was quite sure that Baron Shidehara did not minimize the bombing incident or regard it as of no importance. I then read to him the article by Hugh Byas in the *Times*, reporting that the Cabinet had met yesterday and substantially indicated that they regarded it as of not sufficient importance to resign. I asked him to convey to Baron Shidehara my position as above stated and I resummarized it to the effect that I had been reassured by the commitments of the Resolution of September 30th, and I was now greatly disturbed by these events, including Baron Shidehara's answer to my questions, as well as the other news from Manchuria which indicated that those commitments were going to be violated. He said he would report that to Baron Shidehara and begged me not to do anything in the meanwhile. I said I could make no such commitment—that I must retain full liberty of action, as matters were changing too rapidly. I told him that the League was going to meet next week and that we should undoubtedly follow the policy which we had already initiated of cooperating with the League on this matter.

H[ENRY] L. S[TIMSON]

793.94/2033 : Telegram

The Secretary of State to the Chargé in Japan (Neville)

WASHINGTON, October 11, 1931—7 p. m.

194. Your 180, October 10, 6 p. m. You will thank the Minister for Foreign Affairs for his reply to my questions. You will say to him in respect to his answer to the second question.

"The Secretary of State cannot understand how the bombing of Chinchow can be minimized or how it can be said to be of no importance. The explanation given by the Japanese Military authori-

³⁵ See telegram No. 180, Oct. 10, 1931, from the Chargé in Japan, p. 18.

ties seems quite inadequate. Chinchow is more than 50 miles from the Japanese Railway Zone and is situated in territory where the Chinese have an entire right to maintain troops. The Secretary of State is at a loss to see what right Japanese military planes had to fly over the town, thereby provoking attack, and to drop bombs. Casualties among civilians have been asserted by the Chinese to have taken place. Bombing of an unfortified and unwarned town is one of the most extreme of military actions, deprecated even in time of war. The Japanese military authorities are quoted in usually reliable press sources as asserting that this attack on Chinchow was intended to prevent Marshal Chang from establishing his new capital at that place and resuming his authority in Manchuria.

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

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

You may leave a memorandum of this statement with the Minister for Foreign Affairs.

STIMSON

793.94/2057 : Telegram

The Chargé in Japan (Neville) to the Secretary of State

TOKYO, October 12, 1931—10 a. m.
[Received October 12—3:57 a. m.]

182. Department's 191 [192], October 10, 2 p. m. I saw the Minister for Foreign Affairs and read the message it contained. He asked me for a copy which I gave him. He told me that he had received a telegram from the President of the Council of the League which he read to me.³⁶ It was similar to the message I was instructed to deliver. He stated that he was replying to it Monday or Tuesday at the latest and would give me a copy; the reply will also be given to the Ambassador in Washington I understand.

The Minister then said that the British and French Ambassadors had called on him and delivered messages similar to mine and to that of the President of the Council of the League. He spoke very frankly to me and said that in his judgment the affair would drag on as long as the Chinese could avoid direct conversation; that as far as he could see it was the record of the Shantung negotiations over again; after the ratification of the Versailles Treaty the Japanese had notified the Chinese that they were prepared to open negotiations for the rendition of Tsingtau and the railway to China; the Chinese

³⁶ League of Nations, *Official Journal*, December, 1931, p. 2484.

refused to negotiate and the affair dragged on until the Washington Conference, when all points were settled with relatively little difficulty by direct conversations between the Japanese and Chinese representatives.³⁷ He said that the present matter could be speedily settled between them if direct negotiations could be inaugurated; that so long as the Chinese have any encouragement to believe that some pressure can be brought to compel the Japanese to yield in the present situation they will evade any negotiations. He said the Japanese obligation to withdraw within the railway zone was contingent upon the Chinese ability and willingness to safeguard the lives and property of Japanese subjects lawfully in the country; that the Chinese have made no effort to respect the lives and property of the Japanese; that in some cases it might be difficult for the Nanking Government to fulfill their obligations, but that the lower Yangtze Valley was in their power and the Japanese residents fared worse than in many other places. In such circumstances he said that the Japanese could not withdraw their forces, and until an indication is given that the Chinese intend to safeguard Japanese lives and property in fact as well as in name, he did not see what could be done; all these matters would settle themselves if the Chinese were made to realize that they have no chance of settlement except by direct negotiations; once that is made clear to them, the irresponsible agitation by students and professional politicians will die down because the Kuomintang will have no chance to make domestic political capital out of baiting the Japanese. He said that in the meantime Japan would exercise extreme forbearance and not provoke any trouble. I said that the Chinchow incident had aroused much comment. He had nothing [more?] of importance on this point he said than he had told me before.

I am pretty well satisfied that the statement I made in my 162³⁸ is still correct: direct conversation between the Chinese and Japanese is the only way out, because the Japanese for the present will not welcome interference by any third party.

Repeated to Peiping.

NEVILLE

793.94/2074

Memorandum by the Secretary of State

[WASHINGTON,] October 12, 1931.

The Japanese Ambassador said he came to bring me Baron Shidehara's reply to my message to him of Saturday, October 10th. (See *aide memoire* that date.³⁹) It was as follows:

³⁷ For papers relating to this subject, see *Foreign Relations*, 1921, vol. I, pp. 613 ff.; *ibid.*, 1922, vol. I, pp. 339 ff. and 934 ff.

³⁸ Not printed.

³⁹ See memorandum by the Secretary of State, October 10, p. 19.

First: Baron Shidehara was strongly of the opinion that the General Officer, commanding in Manchuria, was not in a position to take charge of diplomatic negotiations; and that such a question as the recognition of Marshal Chang's authority in Manchuria was a question for the Imperial Japanese Government.

Second: It was very far from Baron Shidehara's real thought to minimize the bombing at Chinchow; that all he wished to express was that the bombing was an isolated military action which did not reflect the real attitude of the Japanese Government.

Third: Baron Shidehara wished Ambassador Debuchi to assure me that the fixed policy of Japan towards China will not be influenced by a few incidents caused by Japanese military officers in Manchuria, which incidents might be merely the result of temporary states of mind on their part.

Fourth: Baron Shidehara has entirely approved Ambassador Debuchi's explanation of the Japanese memorandum to China (a copy of which was left by Debuchi at Mr. Castle's home the other evening ⁴⁰), which was to the effect that this memorandum was merely a precautionary measure and could not be construed as an ultimatum or as evidence of aggressive action on Japan's part.

After conveying these messages, the Ambassador made some personal observations. One was to the effect that the position of the Japanese Cabinet is very difficult; that Shidehara is responsible to the Cabinet and to Parliament and for that reason it was very difficult for Shidehara to say whether he approved or disapproved the action of the Japanese military in Manchuria or of the act of Japanese airplanes in bombing Chinchow.

I replied that I understood Mr. Shidehara's position. I said that my attitude towards him personally was not modified by the fact that he did not seem to be able to control his general officers, but that on his part he must remember that I faced the fact that these actions by the general officers may affect the safety of the world and must govern my action accordingly. As the Ambassador left I told him that the one important thing I wished him to convey to Baron Shidehara was that the situation in Manchuria was regarded here as most serious, both by our government and the American people, and there should be no mistake about that. I then told Debuchi that I was going to authorize Gilbert to sit with the Council of the League of Nations, if invited, in their discussion on any matters that related to treaties to which we were a party. I told him my reason was that both for the sake of the effect on the world at large and the relations of this country with Japan I wanted it to be clear that we stood not alone vis-à-vis Japan but with the other nations of the world.

H[ENRY] L. S[TIMSON]

⁴⁰ *Ante*, p. 15.

793.94/2175

*Memorandum by the Under Secretary of State (Castle) of a
Conversation With the Japanese Ambassador (Debuchi)*

[WASHINGTON,] October 14, 1931.

The Ambassador said that he wanted to tell me in a very confidential manner the bases on which Baron Shidehara would like to have direct negotiations with the Chinese. He said that Baron Shidehara had not expressed these various points directly in his talk in Tokyo with the Chinese Minister, but that he had undoubtedly indicated his policy. He said that although these five points would probably leak out in Geneva they were for the moment entirely confidential. Baron Shidehara would like to have direct negotiations with the Chinese based on the following points:

1. Mutual declaration of non-aggressive policy or action in Manchuria.
2. Mutual engagements to suppress hostile agitation.
3. Reaffirmation by Japan as to the territorial integrity of China, including Manchuria.
4. Japanese subjects in Manchuria to be sufficiently protected by the Chinese when carrying on their peaceful and legitimate proceedings.
5. Arrangements to be reached between Japan and China for the prevention of ruinous railway competition and for the carrying into effect of existing railway agreements.

Mr. Debuchi pointed out that these five points were all included in present treaties.

W[ILLIAM] R. C[ASTLE,] Jr.

793.94/2176

*Memorandum by the Under Secretary of State (Castle) of a
Conversation With the Japanese Ambassador (Debuchi)*

[WASHINGTON,] October 14, 1931.

The Ambassador asked me whether I knew what the proposal of the League would be in the Manchurian matter. I told him that I could not possibly have any more idea as to this than he had. He said that he was afraid that the League would insist or try to insist on a neutral commission; that this would be taken in Japan as an affront to the national honor and that it could not possibly be accepted by his Government.

He said that his Government, according to the morning paper, has at last become united and that he takes as very important the statement of the Minister of War that he has definitely ordered cessation of any advances in Manchuria. In answer to a question

from me he said that undoubtedly Baron Shidehara had also had to back down to a certain extent in accepting the Manchurian situation as it exists, but that the statement of the Minister of War showed that calmer counsel had prevailed. He said that certainly the civil element of the government, as well as the military would oppose any order from the League to submit to a neutral commission. He said that it was feared furthermore that the League might ask a definite promise from Japan immediately to withdraw its troops to within the railway zone or to do so within a specified number of days. He said that he felt that to sign a blank check of this kind might be impossible.

In considering these possibilities he said that his mind reverted more and more to the Shantung negotiations in Washington and that he felt something along these lines might create a way out of the situation. He referred to Article 3 of the Shantung treaty,⁴¹ which established a joint Chinese-Japanese Commission for the withdrawal of Japanese troops in Shantung and to Article 10 which stated that the Japanese troops would be out of Shantung, if possible, within three months and certainly within six months. He said that during the illness of Baron Shidehara he had himself sat in the negotiations which resulted in the treaty and that he had also been on the Chinese-Japanese Commission which brought about the evacuation of Shantung. He said that he believed a suggestion on the part of the League for similar negotiations in the present instance might be successful. I pointed out that in what he had said he had omitted one point. This was, that the Chinese were brought to accept direct negotiations on the understanding that neutral observers would be present. I said that a similar case might arise if the League should make the suggestion today and asked him whether Japan would be willing to carry on such negotiation in the presence of observers. He said that that was a point which he had been studying very carefully; that at the time of the Washington Conference Japanese public opinion had been so excited over all the other questions which were being discussed, that the Shantung question was more or less incidental and that, therefore, the question of observers had not made any particular impression in Japan; that at the present time the entire Japanese nation was thinking about the Manchurian affair and that to accept observers in direct negotiations might be a hard pill to swallow. I told him that I recognized this but that I nevertheless felt that whatever decision was arrived at, it would inevitably mean compromise and the giving up by both parties of something which they wanted. If in this case China wanted a neutral commission that it would be a far greater thing for China to give up

⁴¹ *Foreign Relations*, 1922, vol. I, p. 948.

the neutral commission and accept direct negotiation than it would be for Japan to add observers to direct negotiations. The Ambassador said that he fully realized this and that he believed there was real possibility that a solution could be worked out along these lines. He said, however, that the quality of the observers would be very important; that the League of Nations meant nothing to the Japanese and that they would not be interested in observers appointed by the League of Nations, whereas they felt that observers in Washington in 1922, representing Great Britain and America, really meant something. (The fact that Baron Shidehara brought up the Shantung negotiations with Mr. Neville more or less incidentally⁴² and that that has been followed here by a very much fuller explanation on the part of the Ambassador, would suggest to me that this is obviously the line on which Japan is thinking.)

W[ILLIAM] R. C[ASTLE], Jr.

793.94/2209

Memorandum by the Secretary of State

[WASHINGTON,] October 16, 1931.

The Japanese Ambassador had come to see Mr. Castle but as Mr. Castle was engaged and I was free, I saw Mr. Debuchi. He told me that the Council had voted to invite the United States to participate in the discussion of the Kellogg Pact and he did not know what had happened after that. I told him that I had talked with Mr. Gilbert on the telephone and I knew; that the invitation had been extended and that it had been accepted at 5:00 o'clock and Mr. Gilbert had sat in the Conference at 6:00 o'clock, and that the opening speeches had been interchanged.⁴³ He said that personally he was very glad. He said that the objections by his country had been made only on juridical grounds. I told him that in spite of that last fact, the fact that Japan had opposed the invitation to us⁴⁴ and that on the same day a spokesman of the Foreign Office at Tokyo had made the statement which he had made yesterday, would certainly lead the whole world to believe that Japan did not wish us to sit and that our two countries were arrayed against each other. I said I was very sorry over this for it undid everything that I had been working for since September and I thought it would also undo much that the Ambassador and I had been working for during the past two years. He said he knew that, it was true, and he felt very sorry. I then said that in accepting the invitation of the League

⁴² See telegram No. 182, Oct. 12, 1931, from the Chargé in Japan, p. 21.

⁴³ See League of Nations, *Official Journal*, December, 1931, pp. 2322, 2335-2337.

⁴⁴ See *ibid.*, pp. 2322-2335.

of Nations I had had very largely in mind avoiding this appearance of a personal issue between Japan and America which would otherwise appear in case the Kellogg Pact were invoked by us in America instead of its being done by the group of nations in Geneva. The Ambassador got the point at once and immediately said he had felt all along that that was my purpose. I reminded him that I had been working from the beginning to have Japan and China get an opportunity to settle this by direct negotiation. He said he knew that. I told him that neither the President nor I could understand this action of the Foreign Office spokesman yesterday and we did not see how Mr. Shidehara could have done it. He again said, as he had said yesterday, that he felt certain the spokesman had made a mistake. He told me that he had sent a very long telegram yesterday expressing his views strongly against what had been done in Tokyo. He told me that the press had had a flash that immediately after the receipt of the telegram the Cabinet at Tokyo had gone into session, but he said he had received no news of what they had done.

H[ENRY] L. S[TIMSON]

793.94/2245a : Telegram

The Secretary of State to the Chargé in Japan (Neville)

WASHINGTON, October 20, 1931—2 p. m.

200. Please deliver to the Minister for Foreign Affairs immediately, as a note, the text which follows. Inform him that an identical note is being communicated by the American Minister to China to the Chinese Acting Minister for Foreign Affairs.

Text:

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

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

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

The American Government takes this occasion again to express its earnest hope that Japan and China will refrain from any measures which might lead to war and that they will find it possible in the near future to agree upon a method for resolving by peaceful means, in accordance with their promises and in keeping with the confident expectations of public opinion throughout the world, the issues over which they are at present in controversy."

STIMSON

793.94/2317 : Telegram

The Chargé in Japan (Neville) to the Secretary of State

Tokyo, October 24, 1931—9 a. m.

[Received October 24—4:10 a. m.]

193. The Department's 200, October 20, 2 p. m. I have received the following note from the Minister for Foreign Affairs:

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

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

The accompanying statement is as follows:

"1. The Japanese Government realize as fully as any other signatories of the Pact of Paris of 1928, the responsibility incurred under the provisions of that solemn pact. They have made it clear on various occasions that the Japanese railway guards in taking military measures in Manchuria since the night of September 18 last have been actuated solely by the necessity of defending themselves, as well as of protecting the South Manchuria Railway and the lives and property of Japanese subjects, against wanton attacks by Chinese troops and armed bands. Nothing is farther from the thoughts of the Japanese Government than to have recourse to war for the solution of their outstanding differences in China.

2. It is their settled aim to compose those differences by all pacific means. In the note of the Japanese Minister for Foreign Affairs to the Chinese Minister at Tokyo, dated October 9,⁴⁵ the Japanese Gov-

⁴⁵ For text, see memorandum from the Japanese Embassy to the Department of State, p. 15.

ernment have already declared their readiness to enter into negotiations with the responsible representatives of China for an adjustment of the present difficulties. They still hold the same view. So far as they are concerned, they have no intention whatever of proceeding to any steps that might hamper any efforts intended to assure the pacific settlement of the conflict between Japan and China.

3. On the other hand they have repeatedly called the attention of the Chinese Government to the organized hostile agitation against Japan now in progress in various parts of China. The suspension of all commercial intercourse with Japanese at present in China is in no sense a spontaneous act of individual Chinese. It is enforced by anti-Japanese organizations that have taken the law into their own hands, and are heavily penalizing, even with the threat of capital punishment, any Chinese who may be found disobeying their arbitrary decrees. Acts of violence leveled against Japanese residents also continue unabated in many places under the jurisdiction of the Government of Nanking. It will be manifest to all fair observers of the actual situation that those activities of the anti-Japanese organizations are acquiesced in by the Chinese Government as a means to attain the national ends of China. The Japanese Government desire to point out that such acquiescence by the Chinese Government in the lawless proceedings of their own nationals cannot be regarded as being in harmony with the letter or the spirit of the stipulations contained in article 2 of the Pact of Paris."

Repeated to Peiping.

NEVILLE

*Resolution Voted Upon by the Council of the League of Nations on
October 24, 1931* ⁴⁶

The Council,

In pursuance of the resolution passed on September 30th;

Noting that in addition to the invocation by the Government of China, of Article 11 of the Covenant, Article 2 of the Pact of Paris has also been invoked by a number of the Governments;

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

⁴⁶ Reprinted from League of Nations, *Official Journal*, December, 1931, p. 2340.

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

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

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

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

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

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

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

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

793.94/2350 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 26, 1931—5 p. m.

[Received 5:12 p. m.]

259. The following is a brief summary of the chief elements of the action of the Council, as I see them, in regard to the Sino-Japanese conflict from its convening on October 13 to its adjournment on October 24.⁴⁷

1. The Council convened on October 13, one day in advance of the date originally set, at the request of China based on an aggravation of the situation in Manchuria as shown notably by the bombardment of Chinchow.

2. In spite of the strong opposition of Japan based ostensibly on juridical grounds, the Council in a private session on October 15 decided to invite the United States to appoint a representative to sit at the Council table to take part in the discussions relating to the application of the provisions of the Pact of Paris to the situation in Manchuria and to follow the proceedings of the Council in regard to the controversy as a whole. On October 16 this decision was confirmed in a public session and on the same date the invitation was issued, accepted, and acted upon.

3. As a result of the discussions on the Pact of Paris in which the representative of the United States took part, the Foreign Ministers of France, Great Britain and Italy sent identic notes by telegram on Saturday, October 17 at 10 p. m., through diplomatic channels to the Governments of Tokyo and Nanking invoking the Pact of Paris, in particular article 2 thereof. At the same time Germany and Spain agreed to follow with similar action.

4. From the very beginning of the Council's session convened on October 13, Briand,⁴⁸ taking as a point of departure the Council's resolution of September 30, carried on private negotiations with the disputants in an endeavor to reach a satisfactory compromise. With the assistance of a few members and Drummond and in consultation from time to time with all the members of the Council, except the disputants, in private session, Briand continued these negotiations from hour to hour and from day to day up until a few minutes before the last meeting of the Council on Saturday, October 24, 6 p. m. In the meanwhile the Council in its private meetings prepared a resolution frequently modified in accordance with the progress of negotiations

⁴⁷ For minutes of the proceedings, see League of Nations, *Official Journal*, December, 1931, pp. 2309-2362.

⁴⁸ Aristide Briand, President of and French representative on the Council for the second part of the 65th session, Oct. 13-24, 1931.

which, in case the negotiations failed, would be finally presented as representing the unanimous views of the Council members, with the exception of the disputants, in regard to what was considered just and right in the circumstances.

5. It soon became evident in the course of the negotiations that the Chinese position presented less difficulty than that of the Japanese, since the former was more conciliatory and seemed to be readily adaptable to the terms and spirit of the Council resolution of September 30. Briand's chief concern therefore was to obtain from the Japanese an exact statement of their demands, and subsequently to induce them to modify those demands to meet the minimum demands of China and so as to conform to the spirit of the Council's resolution of September 30. It was felt that this resolution which formed the basis of the Council's negotiations could not be abandoned, not only because this would have meant a loss of ground, but also because as a result Chinese public opinion would have probably forced China to go to war.

There was in existence at one period a draft interim resolution (the purport of which has been reported to you ⁴⁹) upon which for a short time negotiations with Japan were based. Certain features of this were framed with a view to meeting more nearly Japan's general demands. Upon Japan's refusal of this resolution, however, it seemed desirable to withdraw these concessions and to go back in spirit to the terms of the September 30th resolution in order that there should be no sign of the Council weakening in its position without tangible results being obtained thereby. There was moreover always a question as to whether China would have accepted this interim resolution.

The Japanese position was not made clear even to Briand until after long delay. Only after the negotiations were well under way were Briand and Drummond informed in strict confidence that the Japanese demanded as a preliminary to evacuation an agreement with China through direct negotiations on certain points (reported in a previous telegram ⁵⁰) which Japan stated were essential in order to guarantee the safety of Japanese lives and property. It was evident to Briand that the crucial point of these demands did not involve simply measures connected with "immediate security" as envisaged by the Council resolution of September 30th, but related to a general settlement of problems of a more permanent nature between China and Japan in Manchuria including particularly questions connected with the South Manchurian Railway. The acceptance of this demand would have signified an acquiescence in the occupation of Manchuria

⁴⁹ Telegram not printed.

⁵⁰ Not printed. See the memorandum by the Under Secretary of State of a conversation with the Japanese Ambassador, October 14, 1931, p. 24.

by Japanese troops for an indefinite period. Such a course would have been rejected not only by the Chinese but also by the Council as representing a complete abandonment of its resolution of September 30th. Briand was obliged therefore to bend his efforts towards obtaining from the Japanese the abandoning or at least a very substantial modification of their demands. Realizing that it would be easier for the Japanese to do this if they could negotiate with him in private without being embarrassed by commitments made in public from which it would be difficult to recede, Briand did not urge them to divulge the nature of their demands to the other members of the Council and also refrained from calling public meetings of the Council and even reduced the number of private meetings as far as he could without giving rise to discontent among the smaller states represented thereon. It was only after every effort to bring about a solution in private had been exhausted that he finally convened a public meeting on October 22 at 4 p. m. This action was taken as a last resort:

(1) In the hope that in the face of public opinion the Japanese would become more conciliatory, and,

(2) Because after these long and apparently fruitless negotiations the public and particularly the press was becoming impatient and suspicious.

6. In a series of four public meetings efforts were made to induce the Japanese representative to abandon or at least to define what he meant by the "fundamental principles" concerning which he insisted upon having an agreement with China prior to evacuation. All efforts in this direction having failed, the Council on October 24 voted unanimously with the exception of Japan in favor of the resolution quoted in the Consulate's 242, October 22, 6 p. m.⁵¹ Since in matters brought before the League under article 11 of the Covenant, complete unanimity is required for a resolution to go into effect, this resolution can only serve as a record of what the Council with the exception of Japan considers to be just and right in the premises. Technically, therefore, the situation is the same as that which existed at the close of the Council session of September 30. In reality however the situation has changed to this extent:

(a) The members of the Council other than Japan have expressed in definite terms their will that the evacuation be completed before the next meeting of the Council fixed for November 16;

(b) The public opinion of the world as represented at Geneva seems to be unanimously in support of the Council's position;

(c) The responsibility for the present situation is in the public mind definitely fixed on Japan.

GILBERT

⁵¹ Telegram not printed; resolution printed on p. 29.

793.94/2465a : Telegram

The Secretary of State to the Chargé in Japan (Neville)

WASHINGTON, November 3, 1931—6 p. m.

217. Please read to and deliver to the Minister for Foreign Affairs immediately, as a memorandum, the text which follows:

"My Government acknowledges the receipt of the Japanese Government's note of October 24, 1931, in reply to its note of October 21, 1931.⁵²

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

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

It is clear that the events of the last few weeks affect the rights and interests not only of Japan and China, but of the many nations which have relations with these two countries, and which are associated with both by ties of friendship and of reciprocal advantage as well as by the more formal ties of treaty relationship, and it is because of this that the United States, along with other nations similarly situated, has felt not only free but in duty bound to express its views.

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

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

With regard to the first point, my Government cannot escape the conclusion that effective withdrawal of the Japanese troops within the railway lines would destroy the idea, either on the part of China or of outside nations, that Japan intends to use military pressure to bring about a settlement of the broader issues. That it is not the Japanese Government's intention thus to exert pressure has already been clearly indicated in the statement issued by the Japanese Government in Tokyo on October 27 [26].⁵³ It is further the belief of my Government that

⁵² See telegram No. 193, Oct. 24, 1931, from the Chargé in Japan, and telegram No. 200, Oct. 20, 1931, to the Chargé in Japan, pp. 28 and 27.

⁵³ League of Nations, *Official Journal*, December, 1931, p. 2514.

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

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

As to the second point, the settlement of the broader issues involved in the treaty rights, my Government is in complete sympathy with the desire of the Japanese Government to obtain a solution which will be satisfactory to both parties and which, being so, would give promise of permanence. It cannot bring itself to feel, however, that the solution of these broader issues should be made a condition precedent to the solution of the present situation in Manchuria. My Government further takes occasion to state that if negotiation of these broader issues, subsequently undertaken, should not eventuate in a conclusion acceptable to both parties, there exist numerous methods or agencies of arbitral, conciliatory, or judicial settlement, which might be invoked by Japan and by China, including methods or agencies in the creation of which both countries have participated. Recourse to one or another of these might not only facilitate arrival at an equitable settlement but would result in the assurance to both the Japanese and the Chinese Governments that the settlement so arrived at would enlist the approval and support of public opinion throughout the world.

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

STIMSON

793.94/2465 : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, November 5, 1931—11 a. m.

219. Embassy's 204, November 4, 5 p. m. and last paragraph of our 218, November 4.⁵⁴

1. With reference to the points made by you, and for the information and further guidance of the Embassy, you will remember that while reserving my right of complete independence of action I have undertaken to reinforce as far as may be practicable the action taken by the League.

The probability that Japan will be unable to withdraw its forces from Manchuria by the date specified in the October 24 resolution of the Council is a fact concerning which I have no misapprehension. The terms of the resolution you will note have not received unqualified endorsement on my part; and as for a date, I have deliberately refrained from mentioning one. It is my opinion, however, that a sincere effort to offer a constructive contribution was made by the League, and I cannot forget the fact that the representatives of China and Japan in the resolution of September 30, which was adopted unanimously, made definite commitments for their respective Governments. There should not be as a requisite precedent to the withdrawal of Japanese armed forces the settlement of long outstanding issues; and the Japanese Government should not avail itself of the presence of those armed forces as an instrumentality for bringing pressure to bear upon China in the negotiations. We regard this as fundamental, and it is the point on which we associate ourselves with the action of the League.

As for public opinion in Japan, I realize the force of what you report. At the same time, however, I am of the impression that, while this public opinion is not entirely within the determination of the Japanese Government, in no small measure it is susceptible of being influenced and guided by the Government of Japan. It is my belief that there is not any government which is attempting to injure Japan. The various governments are trying to give due consideration and weight to a wide range of factors, very considerable in number, with regard to the situation which is of concern to the whole world.

Evidence exists that Japan has from the beginning attempted to prevent cooperative or concerted action by the United States Govern-

⁵⁴ Neither printed.

ment and the Governments which are League members. Japan has also attempted to create the impression that there is a difference in objective between the United States and the members of the League. My objective and that of the Council are identical. It is to prevent war and to seek to bring about a solution by peaceful means. We stand for the same principles. It is imperative that this should be understood. So far I have refrained from passing judgment, and throughout it is my desire to maintain an attitude of impartiality. Between Japan and China I have no desire to take sides. However, when, with regard to fundamental considerations in connection with which the interests and obligations of the United States are similarly involved, 12 other nations have indicated that they disagree with Japan, I do not intend to remain inactive and aloof, leaving to the others the whole burden of action. The implication of silence on the part of the United States would be that we were taking sides with Japan contra the views expressed by the others.

2. Strictly confidential, for your information. Through the French Ambassador here, I am bringing to the attention of M. Briand, President of the Council—simultaneously transmitting to him my views as expressed in the memorandum to the Japanese Government,⁵⁵ and in connection with the suggestion made in that memorandum that there are several agencies and methods for relieving tension and achieving a peaceful settlement which might be invoked—a suggestion that the impasse might be resolved by resorting to the method of direct negotiations on the part of the two Governments in the presence of neutral observers, as was done in connection with the Shantung question. This is in line with a thought which I understand already to have been in the minds of both the Chinese and Japanese Governments and of M. Briand. It is my hope that the Japanese Government sooner or later will make a definite proposal of this sort.

3. To summarize, while the view of this Government has been associated by me with that of the League in relation to a point which in my opinion is fundamental and against which Japan cannot hold out without forfeiting the good opinion of the whole world, my views have been expressed moderately and in terms which have been conciliatory. At the same time in order to avoid a deadlock I have suggested to the President of the Council a method which is possible and seems to me to be practicable.

STIMSON

⁵⁵ See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.

793.94/2498 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, November 6, 1931—3 p. m.

[Received November 6—8:35 a. m.]

209. My 206, November 5, 4 p. m.⁵⁶ In the presentation of the memorandum to Baron Shidehara I had a long and friendly interview in which the problems were very frankly discussed and the Japanese position fairly clearly set forth. He requested me to reply that the memorandum would receive the most earnest consideration from himself and his Government. He outlined the Japanese position which was:

That before the withdrawal of troops they wanted an agreement between the Chinese and Japanese, binding on both, affirming the following five general principles:

1. No aggression on the part of either country against the other.
2. Obligating each country to respect the integrity of the territory of the other.
3. Agreement on the part of the Chinese Government to prevent the enforcement of boycott by violence, and freedom on the part of Japanese and Chinese citizens to carry on their trade wherever they pleased and without intimidation. (He recognized the right of individuals to conduct a boycott by discontinuing purchases or trade relations when and where they pleased.)
4. Protection of lives and property of Japanese and Koreans resident in China. In this connection he said immediate or early withdrawal of troops until these points were agreed upon would result in general disorder and acts of violence against the Japanese and Koreans in Manchuria who would, he feared, be practically driven out.
5. Recognition and reaffirmation of treaty rights.

He expressly excluded from these problems to be settled before withdrawal any of the details and points, numbering several hundred, resulting from injuries, destruction of property, acts of violence or violations or evasions of treaty obligations.

I pointed out to him the emphasis laid by my Government upon the importance of not having these agreements reached under military pressure and that while the troops were in occupation military movements and engagements were of more or less daily occurrence, they could not deny that military pressure was being exerted. He was however firm in the position that if the fundamental principles were agreed upon withdrawal would promptly follow.

It is the opinion of Mr. Neville, our Military and Naval Attachés, and some close observers that there is grave danger of the militant

⁵⁶ Not printed; it reported that the memorandum set forth in Department's telegram No. 217, Nov. 3, 1931, had been delivered to the Japanese Minister for Foreign Affairs at 3 p.m., November 5, 1931.

element obtaining control of the Government and ousting the moderate element, and that there is much public excitement and opposition to the conciliatory policies of Baron Shidehara.

FORBES

793.94/2585

*The Japanese Embassy to the Department of State*⁵⁷

The Japanese Government welcome the views of the American Government so thoughtfully expressed in the memorandum of the American Embassy of November 5 on the subject of the Manchurian incident.⁵⁸

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

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

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

The state of things now prevailing in Manchuria is certainly abnormal. But it is only temporary. Similar conditions occurred in Tsinan in 1928-9, when the Japanese forces were in occupation of that district, in order to protect Japanese residents against ravages of the Chinese troops. In no case have such military measures been inspired

⁵⁷ This undated memorandum was left with the Secretary of State by the Japanese Ambassador on November 9, 1931.

⁵⁸ See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.

by any thought of bringing about any territorial or administrative dismemberment of China. It will be recalled that soon after the close of the Sino-Japanese war of 1894-5, a policy looking to the eventual "partition of China" appeared to be gaining ground in some quarters of the world. In the denunciation of such a policy, the United States, Japan and Great Britain were in complete accord, and their determination to respect the territorial and administrative integrity of China was affirmed in many of the diplomatic instruments signed by those Powers. The Japanese Government remain unchanged in their stand against the partition of China.

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

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

Such dangers would inevitably be involved in any premature withdrawal of the Japanese troops. In order to provide against those dangers, the Japanese Government have been brought to the conclusion that candid recognition, by an arrangement between Japan and China, of certain fundamental principles, the substance of which has already been communicated to the American Government, is of supreme importance. The principles which they have thus formulated are no more than those that are generally observed in practice in dealings of organized peoples with one another. In seeking agreement on terms

of such a nature, Japan can not justly be accused of any intention of exerting military pressure on China. The Japanese Government trust that an arrangement between Japan and China on those fundamental principles, affording as it will a measure of security for the lives and property of Japanese subjects, will pave the way for an early withdrawal of the troops to the Railway Zone.

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

793.94/2611a : Telegram

The Secretary of State to the Ambassador in Great Britain (Dawes)

WASHINGTON, November 10, 1931—8 p. m.

326. [Paraphrase.] With regard to our conversation this morning over the telephone, it is my desire that during the next few days you should be in Paris so that you may be available for conference with Monsieur Briand and possibly with the representatives of the other nations who are assembling on November 16 for the adjourned meeting of the League of Nations Council concerning the problem which has arisen out of the developments in, and in connection with, Manchuria. That you will find it necessary to attend the Council meetings is not anticipated. It is desired, however, that you be available for conference on matters which affect treaty rights and general interest of the United States, in view of the fact that the developments in Manchuria and the discussions which will take place in Paris will presumably involve matters pertinent thereto.

It is assumed that you know generally of the events in Manchuria and of the discussion which has occurred at Geneva and the action taken by the Council and by the American Government.

Your Government sees it as follows: The armed forces of Japan for practical purposes have in South Manchuria taken control of all important cities, the railway lines, the telephone, telegraph, radio systems, and some other public utilities, and have destroyed or seriously disrupted there the administrative machinery of the Chinese.

It is the contention of the Japanese Government that all measures taken have been necessary in order to protect the lives and property of Japanese subjects and to protect the South Manchuria Railway. [End paraphrase.]

The Council of the League was in session when this trouble began and China immediately appealed to it. Both China and Japan are represented on the Council. On September 30, the Council unanimously adopted a resolution in which it was affirmed that Japan had no territorial designs on Manchuria; that Japan would withdraw its troops as rapidly as possible into the Railway Zone, in proportion as the safety of the lives and property of Japanese nationals was effectively assured; and that the Chinese Government would assume responsibility for the safety of Japanese lives and property as the withdrawal continued. The Council then adjourned, to meet on October 14.

When the Council met again on October 14 [13], no progress had been made in the matter of withdrawal. The Japanese military had somewhat extended its activities. It appeared that the question of invoking the Kellogg Pact must be dealt with. We authorized Gilbert to accept an invitation of the Council to sit with the Council as an observer, to take part in the discussions in so far as they might relate to the Kellogg Pact, but to participate in no discussions which did not relate to the Pact. He of course had no vote. The first result was a request by several governments represented on the Council to signatories of the Kellogg Pact to call attention to that treaty. The governments thus acting immediately sent notes to Japan and to China invoking that treaty, and several other governments, including the American, soon did likewise.

The Council continued in session and Briand, Reading,⁵⁹ Grandi⁶⁰ and others endeavored to persuade Japan and China to agree to a new resolution intended to hasten the resolving of the military situation and a solution by peaceful means. It became apparent, however, that, among other matters, Japan was now insisting as a condition precedent to withdrawal that China expressly confirm certain old treaties and treaty obligations which had been in dispute over a number of years. When it finally appeared that Japan insisted absolutely on that point, the Council drew up a resolution, which was voted upon affirmatively by all the representatives except the Japanese on October 24.⁶¹ This resolution, in view of the fact that the vote was not unanimous, lacks legal force. Its essential features were as follows: The points made in the September 30 resolution were reiterated. Japan was called upon to withdraw its forces before the next meeting of the Council on November 16. China was called upon to make arrangements for taking over the territory evacuated and to associate with

⁵⁹ The Marquess of Reading (Rufus Daniel Isaacs), British representative on the Council for the second part of the 65th session, October 13-24, 1931.

⁶⁰ Dino Grandi, Italian representative on the Council for the second part of the 65th session, October 13-24, 1931.

⁶¹ *Ante*, p. 29.

her authorities designated for that purpose representatives of other powers to follow execution of these arrangements. It was recommended that China and Japan appoint representatives to meet and arrange details of evacuation and taking over. It was recommended that as soon as the evacuation was complete China and Japan should begin direct negotiations and, if necessary, set up a committee of conciliation. The Council was to adjourn until November 16.

At the last meeting, the Japanese made a counter-proposal, which was not accepted.⁶² Examination of this and of subsequent statements of the Japanese Government⁶³ indicate that the real issue is as follows: The Japanese insist that before releasing the military grip which they have gained, matters of long-standing dispute between them and the Chinese shall be settled. These matters appear to include questions of validity of treaties which China disputes and details of interpretation of treaties which China does not dispute. The Chinese have stated in a formal note to the League that they regard themselves as bound by the League Covenant to a scrupulous respect for all treaty obligations and they have offered to submit to arbitration or judicial settlement.⁶⁴ They have not denied that they dispute the validity of certain treaties. It appears that at one point the Japanese stated that they would give the Council a list of the treaties for which they demand respect; but we are not informed that they have submitted such a list.

[Paraphrase.] Japan has not appeared to us to be justified in insisting that all these matters should be settled as a prerequisite to withdrawal; in fact, it has seemed to us that to insist thus would amount to exerting military pressure in order to bring about a settlement. In addition, we have taken the position from the outset that, while acting independently, we should endeavor, insofar as might be proper, to reinforce the League's action. Therefore, we stated to Shidehara in a memorandum left with him by Forbes, November 5,⁶⁵ that the use of military force in order to influence negotiations would be deprecated by us, and that our attitude was the same as that expressed by the Council in its resolutions; that is, withdrawal of Japan's forces should not be conditioned upon the settling of long-standing questions. Since we did not wish to give an opinion one way or the other concerning the wisdom of the Council's strategy in setting a date for the evacuation, we did not mention the date specified in the resolution.

Although, technically speaking, war has been avoided so far, these efforts seem as yet to have produced no very effective results. Realizing from the beginning that conflict in regard to policy existed within

⁶² See League of Nations, *Official Journal*, December, 1931, pp. 2346, 2358.

⁶³ *Ibid.*, pp. 2514, 2516.

⁶⁴ *Ibid.*, p. 2513.

⁶⁵ See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.

Japan, our purpose has been to avoid any measure which might help in the gaining of uncontested control by the military element. China has also had her conflicts within, and it has been our hope that the Chinese would themselves view the situation and its requirements more realistically than they seem to have done so far.

We still feel that it should be possible for a method to be found for the peaceful settlement of this issue. Careful consideration should be given to the respecting by both China and Japan of the treaty rights between those two countries and those of other powers.

The disputants must be made to realize that we have no intention of taking sides as between them, nor do we intend to allow a line of cleavage to be created between us and the Council, since we feel that our objectives are the same: namely, to effect a peaceful settlement and prevent war. We can associate ourselves with the Council's efforts on behalf of peace although we cannot ally ourselves with it. The obvious fact that the whole world desires peace must be impressed on both the Japanese and Chinese.

In view of the above, it is my desire to send you to Paris and place you in close touch with the Council's leading members in order to add force to my efforts here along these lines. Leaving the lead to Briand, you should, in your discretion, contribute by your counsel to the search for a way of obtaining the agreement of China and Japan to some method of peaceful solution. I do not want us to push or lead in this matter; neither do I want the American Government to be placed in the position of initiating or instigating League action. I do desire that we confer with the principal Council members on this difficult problem of common concern and that our efforts shall be added to theirs.

My suggestion is that you feel your way cautiously. Notify me fully in regard to such possibilities as you may envisage, as well as in regard to actual developments.

I have in mind other possibilities which I shall indicate to you in a later telegram. [End paraphrase.]

STIMSON

793.94/2803

*Memorandum by the Secretary of State of a Conversation With the
Japanese Ambassador (Debuchi)*

[WASHINGTON,] November 19, 1931.

The Ambassador said that he had come in to tell me that the Japanese forces at the Nonni River had been ordered to stand still, but having been attacked by the Chinese they had attacked in return and had driven the Chinese northward, and later that he had had a message from Mukden stating that the Japanese had occupied Tsi-tsihar. The Ambassador said that it was a dark day for him. I told

him that I thought it was proper now to give him the whole picture in which this matter presented itself to my mind, and that it was as follows: That on September 18th the regular organized Chinese Government in Manchuria consisted of the government of the young Marshal Chang Hsueh-Liang; that this government had been recognized by the Central Chinese Government at Nanking and was the only regular government of Manchuria; that on that day and thereafter the Japanese army had attacked and destroyed the forces of Marshal Chang wherever they could find them and the only time they stopped attacking was when there were no Chinese forces to attack; that in this last instance, when a new force had cropped up in the extreme northern part of Manchuria, many hundreds of miles from the Japanese railway zone, the Japanese had attacked and taken Tsitsihar; and that I could not but regard this as a violation by the Japanese army of the provisions of the Kellogg Pact and of the Nine-Power Treaty.

I told the Ambassador that under these circumstances I must ask him to tell Baron Shidehara that I must reserve full liberty to publish all of the papers and documents which have passed between our two governments on this subject; that I did not intend to publish them at once necessarily, but that I must retain full liberty to do so. I told Debuchi that as he knew, for two months I had been preserving these papers in confidence in the hope of a settlement, so that it might not embarrass the Japanese Government or the chance of such a settlement. I told him that I had gone so far in this hope as to urge our press not to publish anything which would inflame American sentiment against Japan, but that now in the interests of the position of my own government I must reserve full liberty of action to make public the whole matter. He said he appreciated fully my position and they had no complaint to make of it. I told him further that there had been very unfortunate rumors coming from various sources in regard to my having assured Debuchi that the American Government would not support the League in its issue against Japan. I told Debuchi that I did not attribute these rumors to him, but that they were very false and very embarrassing, and I reminded him of how I had made it very clear that on the central point of the controversy between the League and Japan we fully sympathized with the League. I told him further that I had received word from Paris that yesterday Mr. Yoshizawa, in his speech before the League, had gone back to the most extreme contentions of Japan in regard to insisting upon ratification by China of these treaties before there was any evacuation by the Japanese troops; that Yoshizawa had even gone so far as to say that it would not be sufficient even to ratify the old treaties, but there must be a new treaty ratifying them. I pointed

out that this was a complete repudiation by Yoshizawa of Baron Shidehara's position taken in his last memorandum to me,⁶⁶ in answer to my memorandum of November 5th.⁶⁷ Debuchi said he was very much surprised at this and that he thought there must be some misunderstanding. He asked me where I got the information. I told him that it had come direct from Paris through General Dawes and I was sure there was no misunderstanding because Yoshizawa had been cross-examined very carefully by Mr. Briand about his meaning. Debuchi was very much troubled. In closing, however, he said that he wanted me to know that whatever happened in the future, he knew that from the beginning my position had been perfectly fair and even friendly towards his government and that that was appreciated by Baron Shidehara; that Baron Shidehara's views had reflected themselves of late in the Japanese press, so that no matter what happened the record between him, Debuchi and me was clear. I told him that that was so and I had no complaints or criticisms as to the way he had conducted business with me, and in all respects he had been fair and friendly and accurate with me.

H[ENRY] L. S[TIMSON]

793.94/2865

Memorandum by the Secretary of State

[WASHINGTON,] November 21, 1931.

The Japanese Ambassador asked for an interview to communicate some very important matters from his government. When he came he told me that he had communicated to Baron Shidehara the message which I had sent the other day, in which I had summed up the situation as it existed after the capture of Tsitsihar, and that he had notified Shidehara that I must now reserve full freedom to publish every step that had been taken. The Ambassador said that he was now instructed urgently by Baron Shidehara to notify me of the following things:

One. That the Japanese Government was doing its utmost to conform to all of the friendly suggestions which had been made throughout this Manchurian matter by the American Government.

Two. That it was firmly determined to withdraw from the Tsitsihar region as soon as possible, and the Ambassador told me he had received in confirmation of this a direct message himself from the Consul at Cheng Chia Tun that two battalions of infantry and one company of artillery already had passed through there on their return from Tsitsihar.

Three. That General Honjo had been strictly instructed not to interfere with the civil government of Tsitsihar, and that the Assistant Chief of Staff of the Japanese Army, who was a very important

⁶⁶ *Ante*, p. 39.

⁶⁷ See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.

personage, had been sent from Tokyo to hold General Honjo in check and had already arrived this morning at Mukden.

Four. That Baron Shidehara had instructed the Ambassador to say that the Japanese Government will strictly adhere to the outline of its Manchurian policy as stated in the memorandum which the Ambassador had handed to me on November 9th in answer to my memorandum of November 5th, and that I could rely upon its doing this no matter what news to the contrary I might receive from Paris. (This last remark related to the statement which Yoshizawa had made in Paris two days ago, about which I had reported to Debuchi for Shidehara on November 19th.)

The Ambassador then went on to report to me what he himself had learned from Paris, saying that he did this without the instruction of his government, but that he was in constant communication with Paris and that constant communications were passing between Paris and Tokyo. He asked me if I had heard of the proposals before the League which had come through Matsudaira.⁶⁸ I told him that General Dawes had informed me several days ago of a proposal which Matsudaira had suggested, which seemed to me entirely unsatisfactory. I said that this proposal in substance was that Japan and China, without even the presence of any neutral observers, should negotiate the various matters concerning evacuation and concerning the treaties or, in other words, matters in which Japan was on the defensive before the world, while at the same time he had proposed that a neutral commission should investigate the matters between China and Japan of alleged grievances against Japan where China was on the defensive. I said that, in other words Japan was unwilling to submit to neutral opinion even in the shape of observers in matters in which she was the defendant, while she was all ready to consent to a neutral investigation of matters in which China was the defendant, and that this, in my opinion, would not do at all or meet the proposition for which I had contended.

The Ambassador replied that I must have been entirely misinformed. He asked me if I had not heard of the proposals yesterday. I said that I had heard of them only through the press. The Ambassador said that Japan now had offered to the League to consent to a neutral commission to go to China, including Manchuria, to investigate all matters which were in controversy between China and Japan. I asked him whether by this he included all of the controversies which we had been discussing relating to the evacuation and to the treaties, and he said yes. He said that they only wished to have a high-class commission composed of men of standing in the world; that in September when the League proposed a commission of military attachés they had naturally objected, but now they were in favor of a neutral

⁶⁸ Tsueno Matsudaira, Japanese Ambassador to Great Britain.

commission provided it was of high class and they did not even insist that Japan and China should be represented on it. He said they at first proposed that, but the League had replied that that might prevent unanimity in its recommendations. He said that therefore they would be perfectly satisfied to have the Japanese and Chinese representatives go as adjuncts. I asked him point blank whether the Japanese Army authorities had been consulted. He replied that they had and had consented, and that steps were being taken to prepare public opinion to agree to the step. He said that Japan hoped to save its face by escaping the provisions of the League Resolution of October 24.

The Ambassador then went on to say that an armistice had been suggested, but that Japan had refused it because it would seem that that would admit a technical state of war. I told him I did not think that was a necessary inference. I said that both China and Japan could agree to a suspension of hostile acts by either government against the other or its nationals without, in my opinion, admitting a state of war. I told him that if he wished to communicate with Shidehara, he could tell Shidehara that I thought the Japanese proposal of a neutral investigation into all these matters was a long step forward by Japan in the direction of bringing itself into alignment with the methods and opinion of the Western world, and I reminded the Ambassador that two years ago, in the case of the controversy between China and Russia, he had told me how Oriental opinion was invariably opposed to neutral investigation and insisted upon direct negotiation. I told him in the second place that he might inform Shidehara I thought that unless a suspension of hostilities was agreed to, the proposal for an investigation would be greatly marred and would fail to enlist the sympathy of the public opinion of the world, which it otherwise would. He said he would report my views to Shidehara at once.

H[ENRY] L. S[TIMSON]

793.94/2945c : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, November 23, 1931—7 p. m.

240. It has been reported to me by Ambassador Debuchi that Japan proposed, at the meeting in Paris of the Council of the League of Nations, the appointment of a neutral commission to investigate all matters which were in controversy between Japan and China and to report to the League the results of this investigation.⁶⁹ The draft of a proposal now pending before the Council has since been received

⁶⁹ League of Nations, *Official Journal*, December, 1931, 2365.

from Paris. The draft is based evidently upon the proposal of Japan mentioned by Debuchi. As this resolution may not have been shown to Yoshizawa, I am sending for your confidential information a separate cable quoting the resolution.⁷⁰

There is a provision in the proposal now before the League calling upon Japan and China to give to the commanders of their respective forces the strictest orders to take all necessary measures to avoid any further aggravation of the situation and to refrain from any initiative which may lead to further fighting and loss of life.

I desire that you call upon Baron Shidehara and inform him of my very strong feeling that while, in my opinion, the Japanese proposal for such an impartial investigation is a long step forward in the pending negotiations, unless it contained at least some such provision for the cessation of hostilities during the proposed investigation it would be quite futile for accomplishing the intended beneficent purpose and for winning the support of world opinion. Further, please inform him that it is with great apprehension that I have read press reports that a military expedition against the forces of the Chinese Government near Chinchow is being planned by the Japanese military command and that it is my sincere hope no foundation for this report exists. In my opinion, if such an expedition were undertaken, it would render any useful work impossible on the part of the Commission which the Japanese Government so wisely proposed.

STIMSON

793.94/2888b : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, November 23, 1931—10 p. m.

241. My number 240, dated November 23, 7 p. m. In my message to Shidehara please add that my support of the Council proposal which contains the proposal of the Japanese for an impartial investigation is conditioned also upon the immediate withdrawal from Tsitsihar of the Japanese troops which, through Ambassador Debuchi, he assured me would take place. In that locality there are no Japanese nationals to be protected and throughout this country a most painful impression has already been created by the occupation of Tsitsihar and the heavy losses inflicted upon the Chinese defenders. In my opinion, failure to withdraw from Tsitsihar and any similar expedition to Chinchow would render quite futile any further efforts at conciliation between the two nations.

STIMSON

⁷⁰ Resolution adopted December 10, 1931, p. 59; telegram not printed.

793.94/2856 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

[Paraphrase]

Tokyo, November 24, 1931—10 p. m.

[Received November 24—11:45 a. m.]

234. With reference to the telegrams of the Department.⁷¹ At 6 o'clock this evening I conveyed the purport of your messages to Baron Shidehara. The attitude of the Foreign Minister was wholly conciliatory and cordial. He made the statement that the Premier, the Secretary of War, the Chief of Staff, and he are agreed that towards Chinchow there shall be no hostile operations, and orders have been issued to that effect. The clause in the draft prohibiting hostilities he agrees to, but is insistent that Japanese citizens must be protected by Japanese troops against marauding bandits which infest the country. In this respect the situation is extremely difficult as these men who are actually members of marauding bands claim to be soldiers one day and appear in citizens clothes the next. There will be no objection on the part of Japan, he states, if hostilities were defined as operations between national armies. The exact wording I have not undertaken to quote. The retention of troops at Tsitsihar he states has no political significance; and its purpose is purely for picking up the dead, collecting the frostbitten and wounded, and effecting evacuation. With the thermometer 30 degrees below zero, troops have operated over an extended area with great suffering. The necessity for collection and caring for the sufferers—a matter of days—is the reason for the delay; when pressed he could not give me the number of days but says he is also in complete agreement with the officers of the War Department in the policy of this evacuation; he claims that the fighting reported in progress today is not near Chinchow and is merely to drive off a force of bandits, not exceeding 2,000, threatening to cut the South Manchuria Railway.

FORBES

793.94/2928a : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, November 27, 1931—2 p. m.

245. It is my desire that you call upon the Minister for Foreign Affairs and after reading the following message to him, leave with him a copy of it.⁷²

⁷¹ See telegrams Nos. 240 and 241, Nov. 23, 1931, to the Ambassador in Japan, *supra*.

⁷² Quotation not paraphrased.

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

Your Excellency will remember that on November 24th in response to my representations through Ambassador Forbes you assured me, with the concurrence of the Minister of War and the Chief of Staff that there would be no movement of Japanese troops in the direction of Chinchow and informed me that orders to that effect had been given to the Japanese troops.⁷³ In reliance upon this assurance I have urged conciliatory steps upon the Chinese Government and an acceptance of the proposal of the Council of the League of Nations, which proposal was in part based upon a proposition of the Japanese Government. Inasmuch as according to Mr. Yoshizawa's statement to M. Briand there are only some twenty thousand Chinese troops in the Chinchow district and north of the Great Wall, and inasmuch as Chinchow is substantially 120 miles by rail from the South Manchuria Railway at Mukden, I am quite unable to see how there can be any serious danger to that railway or any serious danger of a clash between Chinese and Japanese troops unless the latter troops should fail to observe the orders which Your Excellency assured me had been given."

A press report has been brought to me as I dictate this cable that Japanese troops have advanced already as far as Kowpangtze. Will you please tell Shidehara, if this report is confirmed by the information available to you in Tokyo, that this information astonishes me and that I am totally unable to reconcile it with the assurances he gave me on November 24, and that I should like to be informed of the real facts of the situation as promptly as possible.

STIMSON

793.94/2941 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, November 28, 1931—8 p. m.
[Received November 28—10:30 a. m.]

239. I have delivered your message in 245. Baron Shidehara states that there has been no change in the plan or intention of his Government in regard to movement against Chinchow; the evacuation of Tsitsihar is progressing steadily and is a matter of days; that in the region of the Liang [*sic*] River there have been movements against bands of bandits, as indicated in last paragraph of my telegram⁷³ and they have been dispelled, and troops now withdrawing towards Mukden, but may have to operate again if at any time further bands of

⁷³ See telegram No. 234, Nov. 24, 1931, from the Ambassador in Japan, p. 50.

Chinese bandits advance. He informs me that troops had not advanced to Kowpangtze and statements to that effect are unwarranted.

Baron Shidehara informs me that he has been placed in a most embarrassing, and as he terms it, untenable position by statements appearing in the press purporting to be given out by you to the effect:

First, that he was giving out the fact of agreement between the Chief of Staff and the Minister of War which he requested should be confidential when he gave it to me.

Secondly, that movements of troops have been in contravention to his representations, which he denies.

And thirdly, that he has expressed a regret for the action of the Japanese troops in Manchuria.

The allegation that you have given out these statements which appear in an Associated Press despatch has resulted, so Baron Shidehara informs me, in his now being subjected to most acrimonious and bitter attacks from his Army. He has, through the French Ambassador, been conducting negotiations with Briand which has resulted in an accord being reached between the Chinese and Japanese in principle in regard to further movements in the vicinity of Chinchow, the Chinese agreeing to withdraw troops to a certain line and the Japanese also withdrawing, the administration of the region between being left in Chinese civil hands under the protection of Chinese police. The exact limits of this region is now under discussion and conversations are being held to determine that and perhaps other details. Baron Shidehara says that the object which he and you desire was in a fair way apparently of accomplishment but that he greatly fears these press reports from Washington may jeopardize the success of the whole agreement by encouraging the Chinese to propose or make unreasonable demands. May I express the hope that you can issue a statement to the press that you have assurances that there has been no misrepresentation to you and that the representations are being carried out. I am personally convinced that Baron Shidehara has been acting in entire good faith, and he wishes me to express his confident belief that you have only friendly feeling towards him and that both he and you are ardently desirous of accomplishing the same object, namely, the maintenance of peace. I am appending text of the message purporting to be given out by you in Washington which is causing so much excitement here and making Baron Shidehara's position difficult:

"This is not the first time America has had reason to watch with suspicion the actions of the Japanese Army since the incident of September 18th. From the very outset the Tokyo Government asserted that Japan has no aggressive designs and desires only to protect the rights and interests of Japan, and yet city after city has been attacked by the Japanese Army. Some of them are actually several hundred miles away from the South Manchurian Railway. Each time an attack has been made the Japanese Government has expressed regret

and stated that it would not be repeated. The American Government at first had simply an impression that a portion of the Army, which was not under the complete control of the Government, went too far in its action. The note received only three days ago was a definite promise by both civil and military authorities; therefore the American Government believed till today that everything would proceed peacefully; on November 23rd, when Stimson received news of the danger of Japan attacking Chinchow, he notified the Japanese Government that his patience had reached an end. He warned the Japanese Government that an attack on Chinchow would destroy entirely the peaceful negotiations now going on in Paris. Baron Shidehara replied that Japan has no intention of attacking in the direction of Chinchow and that he had so informed the Japanese military commanders in Manchuria."

The Foreign Office has given to the press a "vigorous written statement" in regard to this alleged statement; speaks of Stimson's precipitate action disclosing confidential exchanges and speaks of his flying into fulminations, losing his head in critical moments; states he is misinformed in manner and in matter. In regard to the Japanese Army running amuck, asks if he considered the meaning of his words before using them, and other bitter comments.

FORBES

793.94/2967a : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

WASHINGTON, November 28, 1931—noon.

247. For your information. At press conference on November 27, correspondents brought to attention of the Secretary press despatches to the effect that General Honjo's army had moved southward from Mukden and was encamped 35 miles north of Chinchow and that Japanese bombing planes were operating in that area. The Secretary said:

I will simply say I am at a loss to understand that, in view of very definite assurances that have been given to me on that subject. We have no confirmation of them and I am speaking therefore solely from the press despatches but not for quotation but for attribution. On the twenty-third of November, I asked our ambassador in Tokyo to tell Baron Shidehara, the Foreign Minister of Japan, that I had seen with great apprehension press reports giving the impression that the Army Commanders of Japan were planning military expeditions against the forces of China in the neighborhood of Chinchow and that I sincerely trusted that there was no basis for that report. The following day, November 24, I was assured by Baron Shidehara, the Foreign Minister of Japan, through Ambassador Forbes that he and the Secretary of War and the Chief of Staff were all of them agreed that there should be no hostile operations toward Chinchow and that

military orders to that effect had been issued. In view of that it is difficult for me to understand the press report about the advance of General Honjo's Army."

This is all that was said by the Secretary on that subject.
Repeat to Nanking and Paris.

STIMSON

793.94/2941 : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

WASHINGTON, November 28, 1931—2 p. m.

248. Your 239, November 28, 8 p. m. The statement quoted therein as having been given out by me is untrue in every particular. No such attitude by me towards the Japanese Government has ever been expressed either in public or private. On the contrary, as Ambassador Debuchi well knows I have used every endeavor for the past two months to restrain any expressions by the American press which might be embarrassing to a peaceful solution of the Manchurian controversy. I have already publicly denied the story as reported from Tokyo and have given you in my 247 of November 28, noon, the only words used in the press conference on the subject. They were made in answer to reports of a general movement on Chinchow by General Honjo's army and expressed my reasons for not crediting those reports. I am glad now to have Baron Shidehara's confirmation that they are not true.

STIMSON

793.94/3133a : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, December 8, 1931—11 a. m.

259. 1. It is reported from Paris by Dawes that instructions to make representations against any measures which would tend to aggravate further the situation in regard to Chinchow are being sent by members of the League Council to their respective diplomatic representatives in Tokyo.

The text of Briand's communication to Shidehara through Yoshizawa was given to Dawes by Briand. The following is the text of the communication :⁷⁵

"My colleagues and I are in any case convinced that the Japanese Government will respect fully the resolutions of September 30th

⁷⁵ Quotation not paraphrased.

particularly so as to prevent say [*any?*], aggravation of the situation. It would be deplorable if, at a moment when an agreement is well in sight which we believe will be acceptable to both parties, the situation should be embittered and even endangered by fresh outbursts of fighting. In this connection I would draw Your Excellency's attention to the proposal set out in my letter of November 29th⁷⁶ and Your Excellency's reply thereto in which it is stated that if a danger of contact between the Chinese and Japanese troops arose, the Japanese Government would be disposed to examine attentively the suggestions made to avoid such a contact."

It is my desire that at once you communicate with the British and French Ambassadors, and, if you find your colleagues are making representations of this nature, that you cooperate with them and talk along the same lines with Shidehara.

2. The following is for your guidance and information: Yesterday the Japanese Ambassador came to see me and told me that the Chinese after having promised to evacuate the neutral zone were making difficulties by refusing and that Baron Shidehara's position was made very difficult because of this. It was intimated by the Ambassador that to prevent the Japanese Army from advancing again would be very difficult. Thereupon, I talked very seriously to him, and said that if the Japanese forces after having been recalled should now advance on Chinchow, the matter would be made ten-fold more clear to the American public that the advance was with the intention of destroying the last fragment of Chinese authority in Manchuria and not for the purpose of protecting Japanese nationals. It would be extremely difficult, I pointed out to him, to ask China to withdraw her own army from her own territory, which evidently was what he wanted us to do. Also, I pointed out the complete absence of reports of any attacks in Chinchow on Japanese citizens, and said that under these circumstances a very painful situation would be created in American public opinion if the Japanese Army moved again on Chinchow. What we would do in such a contingency I said was even now being asked by the press. In detail I reviewed the long sequence of advances by the Japanese Army and pointed out how in each case the Japanese Foreign Office had made representations as to their purpose which had proved to be unfounded. I said a final advance would be conclusive for public opinion in the United States that the entire movement since September 18 has been for the purpose of attacking Marshal Chang's Chinese army wherever it could be found and not for protection of Japanese life and property. Further, I said, under such circumstances it would be difficult to contend that the provisions of the

⁷⁶ League of Nations, *Official Journal*, December, 1931, p. 2532.

Kellogg-Briand Pact had not been broken and very difficult to persuade any one that it did not amount to a violation of the Nine-Power Treaty as to the guarantee of the territorial and administrative integrity of China.

The reply of the Ambassador was that he had no intention of implying that General Honjo would advance immediately. Then I said that what I desired to hear was that Japan had accepted the resolution pending before the Council and that the Council had passed it. The importance of that resolution in its effect on our public opinion was emphasized by me, also the importance of an impartial investigation in Manchuria and of a cessation of hostilities. He thought we would hear good news on that in a very few days he said. My reply was that it might better be a matter of a very few hours and that it would be far easier to reconcile Chinese public opinion to self-control if the resolution were passed than it would be without the resolution.

The political difficulties surrounding Baron Shidehara were again referred to by the Ambassador. I told him that Baron Shidehara's difficulties, in my opinion, were nothing like as severe as the difficulties which the Chinese Government was having in explaining why from their own territory they should be asked to withdraw their military forces when these troops were merely where they had a right to be and were not engaged in attacking anybody.

Summing up, I requested the Ambassador to urge most seriously upon Baron Shidehara the serious effect on the opinion of the American public which any new advance by the Japanese Army would have, and the serious thought which was already being given to that problem by us. With this in view, I stressed also the particular importance that surrounded an immediate passage of the proposed resolution and a prompt and successful solution of the action pending before the Council of the League of Nations.

3. Debuchi presumably will have reported what I said to him.

It is my wish that by seeing Shidehara, you signalize the solidarity of view with regard to the question of Chinchow between the American Government and the other Governments, and secondly that on my behalf you emphasize the points which, as outlined above, I emphasized to Debuchi yesterday.

STIMSON

793.94/3135 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, December 9, 1931—9 p. m.

[Received December 9—12: 25 p. m.]

256. Department's 259, December 8, 11 a. m. I called first on the French Ambassador who saw the Minister for Foreign Affairs last night having a long session with him and giving him the text of Briand's message. I also saw the British Ambassador who had conferred with the French Ambassador and was sending his Counsellor to see Nagai.^{76a} They both agreed I had better see Shidehara immediately.

This evening I had a long talk with the Minister for Foreign Affairs who said he was doing his level best to bring about the settlement of the whole situation by peaceful means and without further use of force. He went into all the details at great length illustrating his points on the map. He said that Wellington Koo's original proposition was to the effect that the Chinese troops should be withdrawn to Shanhai-kwan.^{76b} He said that the region between that and Chinchow is bounded by mountains on one side and would be easily protected against bandits. He feels the Chinese police can handle it adequately. In any case the Japanese could withdraw their subjects and would be prepared to do so in that region if the situation required it.

East of the river which runs close by Chinchow he said the bandits are active and wholly beyond the power of the Chinese police to handle. The Japanese would be compelled to be ready to issue forth from the railway zone on protective and punitive expeditions, not occupying territory but retiring as they have done and are doing now after order had been restored. He repeated what he had said previously: That the number of these bandits and their equipment proves conclusively that they are being supplied and sent out to harass the Japanese and that he is convinced they are supported by the Young Marshal Chang. Moreover, the Chinese have not withdrawn their troops even to Chinchow but are occupying Kowpangtse and Tahushan; and, to make matters worse, Koo is now withdrawing his proposition and denying it was definite. The feeling in the Japanese Army and among many civilians is that the Chinese have duped the Japanese Government into a withdrawal, have not done their part, and he, the Minister for Foreign Affairs, is being very fiercely criticised and receiving quantities of telegrams daily very bitterly assailing him for permitting his Government to be deceived and for trusting the Chinese offer.

He spoke of the episode of the Associated Press article and said it was ended and closed but that the attacks, particularly those engi-

^{76a} Matsuzo Nagai, Japanese Vice Minister for Foreign Affairs, 1930-33.

^{76b} See telegram No. 262, Dec. 11, 1931, to the Ambassador in Japan, p. 62.

neered by the Seiyukai, were continuing and were very bitter, and they had even threatened to bring him into court for revealing military secrets.⁷⁷ He had prepared a memorandum of what he said to me in the interview⁷⁸ and I have indorsed it as follows: "This statement is in substantial accord with my recollection of the interview in question." I have told him that we wanted to support and assist him in every way in his efforts to bring about a peaceable solution of the problem.

In regard to Tsitsihar he said the policy had not been changed. The evacuation was only delayed due to the menacing position of General Ma with whom negotiations were in process and which he hoped would result in making possible an early withdrawal.

It seems probable that unless the Chinese adhere to Wellington Koo's proposition and withdraw their armies to the line he suggested, it is only a question of time before the Japanese will feel compelled to drive the Chinese armies back. Shidehara did not describe this as asking them to evacuate their own territory except insofar as to make good their own proposition.

FORBES

793.94/3186

Memorandum by the Secretary of State

[WASHINGTON,] December 10, 1931.

I sent for the Japanese Ambassador, and when he came I reminded him of his conference with me on November 28th when he had brought me the Wellington Koo proposal and the Japanese acceptance.^{78a} I told him that I had been looking into the misunderstandings that had arisen about that matter. Then I explained to him at length my investigations yesterday and the reports which I had received which had led me to believe (1) that Mr. Koo had not intended to make a firm proposal but merely to sound out Japan, (2) that his proposal, such as it was, had not been accepted literally or in terms by Baron Shidehara, although I believed that Shidehara had intended to give sufficient assurance to justify careful consideration of his acceptance by China, and (3) that there had been possibly a misunderstanding by the Council of Mr. Yoshizawa's definition of the neutral zone, on December 7th, extending to the Hsiaoling-Ho River, and that they very possibly did not realize that Japan made that limitation based upon

⁷⁷ See telegram No. 239, Nov. 28, 1931, from the Ambassador in Japan, p. 51; telegrams Nos. 247, 248, Nov. 28, 1931, to the Ambassador in Japan, pp. 53, 54.

^{78a} See telegram No. 234, Nov. 24, 1931, from the Ambassador in Japan, p. 50.

^{78b} Neither printed; but see telegram No. 262, Dec. 11, 1931, to the Ambassador in Japan, p. 62.

the Wellington Koo offer, but thought instead that Japan was herself inching up on the original situation. I told him that I had desired to make sure that no misunderstanding, which could be avoided, would arise which would lead to a renewal of hostilities, and that I had telephoned to General Dawes last night on the subject and had heard from him this morning; that he had taken it up with Mr. Sze,⁷⁹ Mr. Matsudaira, Mr. Briand and probably others and there seemed some reason to believe that there had been a misunderstanding and that possibly a fresh start could be made, but that I was not at all sure as the Council was very anxious to adjourn tonight. I made it clear, however, to Mr. Debuchi that although I was taking these steps to see whether there was any possible way of avoiding hostilities, it had not at all changed my viewpoint that in case General Honjo's army should now move forward again against the Chinese forces around Chinchow it would be an entirely unjustified act of aggression. I explained to him that I now had very full and accurate reports, not only from our own Military Attachés, Colonel McIlroy and Colonel Margetts, who were now at Chinchow, but I also had the benefit of the reports of the other foreign observers, and these reports all agreed that there was no aggressive movement under preparation near Chinchow by the Chinese. To illustrate the accuracy of my reports, I pointed out that the Japanese headquarters at Mukden had reported the Chinese 20th Brigade as being at Faku (northeast of Mukden), and I now had reports from our military observers that they had personally inspected the 20th Brigade and that it was in its usual quarters at Chinchow, they having verified the presence of all units. I asked the Ambassador to report all this to Baron Shidehara and he said he would.

*Resolution Adopted by the Council of the League of Nations on
December 10, 1931*⁸⁰

The Council,

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

(2) Considering that events have assumed an even more serious aspect since the Council meeting of October 24th;

⁷⁹ Sao-Ke Alfred Sze, Chinese representative on the Council for the 65th session.

⁸⁰ Reprinted from League of Nations, *Official Journal*, December, 1931, p. 2374.

Notes that the two parties undertake to adopt all measures necessary to avoid any further aggravation of the situation and to refrain from any initiative which may lead to further fighting and loss of life;

(3) Invites the two parties to continue to keep the Council informed as to the development of the situation;

(4) Invites the other Members of the Council to furnish the Council with any information received from their representatives on the spot;

(5) Without prejudice to the carrying out of the above-mentioned measures,

Desiring, in view of the special circumstances of the case, to contribute towards a final and fundamental solution by the two Governments of the questions at issue between them:

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

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

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

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

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

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

793.94/3170a : Telegram

The Secretary of State to the Minister in China (Johnson)

WASHINGTON, December 11, 1931—11 a. m.

455. On December 10 the Secretary of State issued a statement to the press as follows:

"The Government of the United States is gratified at the unanimous adoption by the Council of the League of Nations of the Resolution of December 10.⁸¹ This represents a definite step of progress in a long

⁸¹ *Supra.*

and difficult negotiation which M. Briand and his associates have conducted with great patience.

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

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

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

On the other hand the adoption of this Resolution in no way constitutes an endorsement of any action hitherto taken in Manchuria. This government, as one of the signatories of the Kellogg-Briand Pact and the Nine Power Treaty, cannot disguise its concern over the events which have there transpired. The future efficacy of the Resolution depends upon the good faith with which the pledge against renewed hostilities is carried out by both parties and the

spirit in which its provisions directed toward an ultimate solution are availed of. The American Government will continue to follow with solicitous interest all developments in this situation in the light of the obligations involved in the treaties to which this country is a party."

Repeat to Nanking and to Tokyo.

STIMSON

793.94/3178c : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, December 11, 1931—9 p. m.

262. Embassy's 256, December 9, 9 p. m. I wish that you be informed as follows regarding the question of the alleged promises of the Chinese to withdraw from Chinchow.

1. The American Minister at Nanking telegraphed Department on November 24 as follows:⁸²

"In view of alarming reports current as to imminent Japanese action at Chinchow Dr. Wellington Koo, Acting Minister for Foreign Affairs, has this evening told me and my British and French colleagues that his Government wished to sound our Governments out and if feasible make a formal proposition along following lines:

'In order to avoid any clash China is prepared as a temporary measure pending a general settlement of the Manchuria question, if Japan insists on withdrawal of troops in the Chinchow area to do so up to Shanhaikwan, provided Japan gives guarantees satisfactory to Great Britain, the United States and France, not to go into that zone leaving the Chinese civil administration intact including police.'

"In view of critical situation we undertook to commend this to our respective Governments and to ask for a speedy reply."

2. On December 8, the American Minister at Nanking cabled the following:

"Chinchow situation. The suggestion made tentatively by Koo regarding Chinchow transmitted to the Department in my telegram of November 24, midnight, was apparently communicated by the French Ambassador to the Japanese Government which seems to have received it as a firm offer on the part of the Chinese. In spite of the fact that Koo's intention was merely to sound out the American, British, and French Governments, and that he made his offer contingent upon Japan's giving guarantees to those Governments, the Japanese have chosen to take this stand and now insist stoutly that if the Chinese fail to evacuate Chinchow, they will be guilty of breach

⁸² Quoted telegram not paraphrased.

of faith as the Japanese have withdrawn their military forces east of Liao. It is the contention of the Chinese that no such offer was ever made on their part and therefore they are under no obligation to evacuate Chinchow, last stand in the Manchurian area of the Nationalist Government. It is my understanding that the Japanese maintain their withdrawal was due to the offer by the Chinese, and I have been told that the Chinese Government through Shigemitsu has been informed by the Japanese Government that the situation will become difficult unless the Chinese withdraw their troops."

3. I telegraphed the above to Dawes on December 8 and gave him the following instructions:

"It is my desire that you see Briand and bring to his attention the discrepancy between the tentative proposal which Dr. Koo put forward for consideration and the contention which the Japanese Government now makes that because of the promise the Chinese made to withdraw their armed forces from Chinchow, the Japanese withdrew their forces east of the Liao River, and that if the Chinese now fail to evacuate Chinchow they will be guilty of a breach of faith."

4. Dawes sent me a lengthy telegram on December 9,^{82a} quoting a statement with regard to the entire transaction. The statement had been made to him in Paris on good authority⁸³ whose identity I do not feel it advisable to disclose. It appears from this statement that, as is stated in paragraph 1 above, Dr. Koo submitted a tentative project to the British, French, and American Ministers at Nanking. This project contained the suggestion that, provided Japan gave satisfactory guarantees to Great Britain, the United States, and France, Chinese troops might be withdrawn from the Chinchow area; that this project tentatively proposed was communicated to Baron Shidehara by go-betweens; that the impression Baron Shidehara gained was that the proposal was a definite offer on the part of Koo; that the reply of Shidehara to the go-betweens was acceptance in principle but with the declaration that the Japanese Government could not give guarantees to the three powers but would be willing to give a guarantee to the Council of the League of Nations; and that subsequently in various quarters the matter has been discussed but without there having been achieved an acceptance either by the Japanese Government of the original proposal made by Dr. Koo or by the Chinese Government of the counter-proposal made by Baron Shidehara.

The charge, however, that by virtue of not having withdrawn their troops south of Chinchow the Chinese have acted in bad faith, would seem not to be justified.

^{82a} Not printed.

⁸³ Sir Eric Drummond.

It is evident at the same time that a serious misunderstanding has arisen and that the impression the people of Japan have acquired is that after offering to withdraw her troops, China now refuses to do so; on the other hand the Chinese people have gained the impression that Koo's tentative effort is being misrepresented by Japan and that she is using as a pretext for contemplated further military action against Chinchow the failure of China to act on an alleged promise.

One or more of the parties who undertook to act as go-betweens, according to my information from Paris, have fully explained to the Japanese the misunderstanding in relation to Dr. Koo's tentative project. According to my latest information the Council has decided that with regard to the neutral zone project it will not press negotiations further.

Such is the situation now, regardless of fiction or fact as to the antecedents, and all reports indicate that (*a*) at Chinchow the Chinese troops are standing quiet on the defensive, (*b*) their withdrawal either cannot or will not be ordered or effected by the Chinese Government, and (*c*) the Japanese troops are threatening an attack on Chinchow.

In my opinion, this being the situation, it is imperative that I reaffirm the view which has been expressed by me repeatedly that if the Japanese Army attacks Chinchow, it would be most unfortunate for all concerned and especially for Japan.

It is clear that there has been misunderstanding concerning Dr. Koo's project which he suggested tentatively two weeks ago. I find, however, no evidence of bad faith in any quarter. Whether the Chinese troops should or should not withdraw from Chinchow voluntarily is a question which involves considerations of expediency and practicality rather than of obligation. For the Chinese authorities to withdraw these troops without some definite and satisfactory agreement first having been concluded, it is easy to understand, would be difficult and perhaps politically impossible. They are, after all, on their own soil and we do not have any evidence that aggressive action against Japan is contemplated or could be taken by the Chinese. An attack on Chinchow by the Japanese Army under these circumstances would be regarded as unjustified by the world.

Now the resolution of the Council has been adopted, I feel that some agreement which will ensure against hostilities at or in relation to Chinchow could be negotiated by the Japanese and the Chinese.

You will please talk this matter over with Baron Shidehara and explain my views as indicated. Inform him that in regard to his absolute sincerity in the whole matter I have no doubt whatever, and that I am not unaware of and regret the use which is being made of the incident by his political opponents and detractors; that to prevent ill-advised action by the Japanese Army I am confident he is doing

his utmost; that it is my hope he will be successful; and that as either the fact or the appearance of lack of self-restraint would have a decidedly bad effect on world opinion, I am willing that he inform his colleagues that the Government of the United States urges upon Japan the utmost self-restraint with regard to any further military activity.

STIMSON

793.94/3285 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

[Paraphrase]

TOKYO, December 22, 1931—2 p. m.

[Received December 22—5:43 a. m.]

273. Saturday afternoon Inukai⁸⁴ called at the Embassy and I quoted the words of an observer who had told me that in Manchuria Japan was creating a situation which was fraught with the certainty of future war, for with the alienation of Manchurian sovereignty China would not rest a gun. I was assured by Inukai that never would Japan allow such a situation to arise and never would Chinese sovereignty be impaired. He reiterated that Japan merely desired the protection of Japanese persons and interests, and expressed the expectation that with the restoration of order and improvement in the means of transportation in Manchuria there would be greatly increased influx of Chinese inhabitants.

In the meantime, active preparations are continuing for further operations in Manchuria where a free hand seems to have been given to the military.

FORBES

793.94/3310d : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, December 22, 1931—9 p. m.

273. 1. My 240, November 23, 7 p. m.; 259, December 8, 11 a. m., paragraph 2; and 262, December 11, 9 p. m., last two paragraphs. Please reread these telegrams.

2. Reports from a variety of official sources and from news despatches indicate definite plans are being made by the Japanese authorities for the purpose of forcing the withdrawal of the Chinese south of the Wall, contemplating, if necessary to accomplish that objective, resort to hostilities against the regular forces of the Chinese in the vicinity of Chinchow.

I have been informed by the French Ambassador that the French Ambassador in Tokyo has been instructed by M. Briand to make repre-

⁸⁴ Ki Inukai, Prime Minister of Japan, December 13, 1931–May 15, 1932.

sentations to the Japanese Government concerning this situation and to urge upon the Japanese Government that with the greatest care it measure its obligations and responsibilities under the December 10 resolution of the Council, and to point out that the conciliatory efforts of the League Council would be compromised by military operations against Chinchow.

3. You will please call on the Foreign Minister, indicate my solicitous concern and, after reading to him on my behalf the following statement, leave a copy with him.⁸⁵

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

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

My position with regard to this matter has been made known to the Japanese Government both through the Japanese Ambassador in Washington⁸⁶ and through the American Ambassador in Tokyo. The position of the Council of the League with regard to the whole question of further hostilities in Manchuria, along with other matters, is definitely recorded in the resolution of the Council of December 10, which resolution was approved by all members of the Council, including the Chinese and the Japanese representatives. The position of the American Government has been indicated by its express approval of the substance and the letter of that resolution. This approval was definitely recorded in my public statement of December 10.⁸⁷ In that statement, after outlining and commenting upon the provisions of the resolution, including the provision for cessation of hostilities, I said: 'The future efficacy of the Resolution depends upon the good faith with which the pledge against renewed hostilities is carried out by both parties and the spirit in which its provisions directed toward an ultimate solution are availed of.'

I cannot emphasize too strongly the view therein expressed. I feel that news of a new attack by Japanese armed forces in Manchuria upon Chinese regular armed forces would have a most unfortunate effect on world opinion. I feel that it would be regarded as unwarranted and would be interpreted as indicative of indifference to obligations assumed in the resolution of the Council of December 10 and obligations of long standing in various treaties to which Japan and China, as well as the United States, are parties."

STIMSON

⁸⁵ Quotation not paraphrased.

⁸⁶ See memorandum by the Secretary of State of a conversation with the Japanese Ambassador on December 10, 1931, p. 58.

⁸⁷ See telegram No. 455, Dec. 11, 1931, to the Minister in China, p. 60.

793.94/3319 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, December 24, 1931—5 p. m.

[Received 10:55 p. m.]

278. Department's 273, December 23 [22], 6 [9] p. m. I saw Inukai in person at 12 o'clock today and read him your message. It was interpreted passage by passage as I read. I left a written copy in accordance with your instructions. I read through all the messages referred to before going. I advised Inukai that I had on several occasions made representations, some of them similar in purport, to Baron Shidehara and to Mr. Nagai. He replied that these military operations were wholly aimed at the bandits and that there was no intention of attacking regular Chinese troops; that it was his earnest hope that a clash could be avoided and that the Chinese Foreign Office could be persuaded by negotiation to withdraw behind the Great Wall. He said that newspaper reports were misleading and that the Japanese had indisputable evidence, some of it in documentary form—taken from prisoners or from dead bodies of bandits—that the bandits were acting upon orders from regular officers with headquarters in Chinchow. He stated that the difference between the regular soldier and the bandit was a line very difficult to draw because the regular soldier became a bandit as soon as he stopped getting pay. At this point I asked how these regulars could become other than bandits, the Japanese having taken away the sources of revenue; to which he replied that Chang Hsueh-liang had other sources of revenue. He first tried to say that the Japanese had not seized the funds; I told him I knew they had taken possession of the salt tax and balances in certain banks. Then he corrected his statement but said that the funds were being devoted to the ordinary uses of the Government. He pointed out the extremely difficult position in which the Japanese troops would find themselves if the marauding bands whom they were driving out of the country could get back and join the regular forces in Chinchow; that under the circumstances it would be very difficult for the Japanese Army to refrain from attacking and driving the Chinese out; that while these bands were operating in Manchuria there could be no possibility of beginning the orderly conduct of civil government. Once the Chinese regular troops were withdrawn behind the Great Wall, he said that work could be found for the bandits who could then be persuaded to discontinue their disorderly practices. He referred sympathetically to the chagrin and disappointment of young Chang Hsueh-liang whom he described as a hot-headed young man who, having been practically king of Manchuria, now found himself deprived of his power; he had

pointed this out to the Chinese Minister who recently left here for Nanking and requested him to take up with the Nanking Government the matter of trying to persuade Chang Hsueh-liang to abandon his efforts to harass the Japanese Armies and to withdraw his troops peaceably in the interests of an amicable settlement of the whole Manchurian situation; this he said the Chinese Minister had promised to do. He expressed great hope that the whole situation could be cleared up without further clashes between Japanese and Chinese soldiers, but expressed fear that if they found themselves face to face it would be extremely difficult to prevent fighting. At this point I reiterated the unfortunate effect upon world opinion that would ensue; to which he quite agreed that that would be the case.

I took occasion to discuss with the Minister the economic situation, and commented briefly on the interferences with neutral business—always to the advantage of Japanese-owned enterprises—which seemed to be the regular policy of the military officers in power. He asked if these were authentic cases. I told him there was no question about that and cited the diversion of railroad freight, the closing of power stations, and the transferring of business to Japanese-owned concerns, and also interference with bank payments. He assured me that this was merely temporary; that Japan had no design upon the integrity or sovereignty of Manchuria and was absolutely committed to the open-door policy as, he said, this vast territory was in need of foreign capital and the principles of the open-door policy would be strictly respected as soon as civil conditions were restored.

Repeated to Peiping.

FORBES

793.94/3335

Memorandum by the Secretary of State

[WASHINGTON, undated.]

The Japanese Ambassador called at Woodley⁸⁰ at six fifteen on Wednesday evening, December 23. I had sent for him and when he came I told him that the consensus of all the reports which were coming in, particularly from the War Office, were to the effect that a large movement was being made by the Japanese Army against Chinchow. I told him that this gave me very serious concern and anxiety. He said that he appreciated that. I told him that I was receiving reports from our attachés in Chinchow, most of the time from two of them and all of the time from at least one; that these reports went into very great detail; and that they coincided in the absolute assur-

⁸⁰ Mr. Stimson's home.

ance that there were no preparations whatever being made by the Chinese regular forces in that locality for any aggressive attack on the Japanese. To illustrate, I told him of the specific case of Colonel McIlroy, the attaché at Tokyo, who had come to Chinchow by way of Mukden. I told the Ambassador that from Mukden Colonel McIlroy had sent me a report of information, which he had evidently gotten from the Japanese Headquarters at Mukden, which caused him to feel that there was a great preparation being made by the Chinese which was really threatening the Japanese and that it would make necessary counter-defensive measures by the Japanese. I then pointed out that Colonel McIlroy went from there to Chinchow and two days later he sent me a report which expressly denied everything that he had learned from Japanese Headquarters. He pointed out that no preparations were being made by the Chinese whatever and said that he had identified every unit of the Chinese forces which had been there before as being there now.

I pointed out to the Ambassador that under these circumstances the conclusion in my mind had become clear that if the Japanese made an attack on Chinchow and upon these regular forces there, I should be obliged to look upon it as pure aggression on the part of Japan. I told him that I had been particularly careful not to criticise their counter-defensive preparations against bandits and had confined my representations to Tokyo to the preparations which were being made against the Chinese regular forces. The Ambassador said that the Japanese Army felt that the Chinese regular forces were being used as a base of supplies for the bandits to use against the Japanese. I told him that I was familiar with this argument, but that it could not be sound. The Japanese held the only railroad that led from Chinchow to Mukden and, therefore, the Chinese could not send any supplies in any amount to the bandits and that it would be impossible to supply them overland in any other way in the amount the Japanese were claiming. I told him also that I was familiar from what Baron Shidehara had said to Forbes of the evidence upon which Japan was making this claim of support to the bandits, namely, that they had found the bandits equipped with army rifles from China and ammunition and also clothing. I said there were so many ways in which the bandits could be equipped with these supplies without their coming from Chinchow that this in my mind would entirely dispose of such an argument. I said that in the first place the Japanese had attacked and scattered a great many soldiers of the former Chinese army, and that it was well known that these men had become bandits in great numbers, and that this would account for their having Chinese army weapons and ammunition, so that I could not regard that defense as serious.

We talked the whole matter over and he reiterated the fact that I had always been very friendly to Japan and that he appreciated it. I said that was so, but I said that this troubled me very greatly and that I hoped that as a last resort that they would not commit this act, which I thought would make a very serious impression on everybody. He told me, and he also reiterated it, that he did not really think that the attack would come about and he begged me to have patience. I said that I had had patience for four months and that I expected to still have it, but that I must tell his Government and himself exactly how the matter looked now because it seemed very serious.

H[ENRY] L. S[TIMSON]

793.94/3321 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, December 27, 1931—6 p. m.

[Received December 27—8:33 a. m.]

281. The French and British Ambassadors and I were requested to call at the Foreign Office in successive half hours this morning and were received by Nagai, the Vice Minister of Foreign Affairs, who apologized for the inability of the Prime Minister to receive us due to the necessity of his presence at the meeting of the Diet. He delivered a statement, which is being given out to the press today and cabled in full to Debuchi, and the following memorandum:

"The Foreign Minister of the Imperial Government has carefully read the memorandum from the Secretary of State of America which was submitted by the American Ambassador in Japan under date of December 24, 1931.⁹⁰

The Imperial Government deeply appreciates the friendly concern the American Government has always had with regard to the present incident and at the same time has paid careful attention to the argument expressed in the statement of the Secretary of State on December 10th.⁹¹

According to the memorandum of the Secretary of State, judging from reports made by military officers in Manchuria of America and three other countries there is no evidence of any preparations on the part of the Chinese for attack. The Chinchow military authorities are keeping great military forces in general at Tahushan west of the Peiping-Mukden line and that vicinity, and are not only steadily making military preparations by despatching advance forces to different places along the right bank of the Liao River but are using mounted bandits and other insubordinate elements and are systematically disturbing peace, as is clearly shown in the attached statement of the Imperial Government of December 27th.⁹²

⁹⁰ See telegram No. 273, Dec. 22, 1931, to the Ambassador in Japan, p. 65.

⁹¹ See telegram No. 455, Dec. 11, 1931, to the Minister in China, p. 60.

⁹² *Infra.*

On December 10th when the Council adopted a resolution, the Japanese delegate made a definite reservation that the Imperial Army will be obliged to start military operations against bandits and other insubordinate elements for the purpose of restoring peace and order.⁹³ In the fear that in starting the above military operations on a large scale a collision will occur with the above-mentioned Chinese, complete subjugation has been refrained from for a time. Towards the close of November a proposal regarding the question of withdrawal from the vicinity of Chinchow being advanced by the Chinese side, conversations between Japan and China were conducted for about one month, but on account of insincerity on China's part the above-mentioned withdrawal has not been realized up to the present.⁹⁴ Meanwhile the activities of groups of bandits instigated and employed by the Chinchow military authorities became so serious that there was finally created a situation that is feared might bring about a fundamental bankruptcy of general peace and order in South Manchuria. Thereupon the Imperial Army was recently obliged to move out simultaneously and begin the subjugation of bandit bands on a comparatively large scale. The fact that the Imperial Army did not take initiatory measures such as attack on the Chinese Army willingly in defiance of the resolutions adopted by the Council on September 30th and December 10th, is minutely mentioned in the statement of the Imperial Government above referred to.

The Imperial Government is determined to remain loyal to the League of Nations Covenant, the No War Treaty, other various treaties and the two resolutions adopted by the Council regarding the present incident. In spite of the fact that the Japanese people are greatly irritated over the systematic disturbance of peace by the Chinchow military authorities, the Japanese Army restricted the freedom of subjugation of bandits for a period of one month. In the meanwhile the Government has endeavored, by resorting to all possible diplomatic measures, to prevent beforehand a collision between the Japanese and Chinese Armies that is likely to occur when subjugation is carried out. The Imperial Government trusts that the American Government will surely understand that this sincerity and forbearance are in accord with the spirit of faithfulness to obligations based on the above-mentioned treaties and the resolutions adopted by the Council".

[Paraphrase]

In his statement Mr. Nagai charged the Chinese with bad faith because they failed to withdraw their troops after Wellington Koo's proposition. I pointed this out to Mr. Nagai and said you had, after a careful study of the negotiations, reached the conclusion, which I had conveyed to him, that there was no bad faith; and in view of that fact, I thought that if the charge of bad faith were left out, the Japanese statement would be strengthened and be made less subject to unfavorable criticism. It was as a friend of Japan that, I said, I told him this and in the hope that his country would not put itself in a false

⁹³ League of Nations, *Official Journal*, December, 1931, p. 2376.

⁹⁴ See telegram No. 262, Dec. 11, 1931, to the Ambassador in Japan, p. 62.

position by using a clause which already had been construed impartially as not being fair. This he advised me he would take up with Inukai and inform me later by telephone, which he did, telephoning to the effect that the charge referred both to the attitude of the young Marshal Chang and of Wellington Koo, and that to let these words stand was the decision they had reached.

In my mind he left no doubt that the solicitude of the Governments of the three powers had resulted in the generals in Manchuria being cautioned to avoid where possible attacks on regular Chinese troops. In addition to the fairly definite phrases both in statement and in the memorandum, he gave me emphatic verbal assurance that unless the regular Chinese troops were engaged in marauding, the Japanese had no intention of attacking them.

Japanese statements have reported the occurrence of a remarkable increase in the number of bandit raids. Attention is called to this fact.

The Legation at Peiping has been sent a copy of this telegram.

FORBES

793.94/3560

Statement by the Japanese Government, December 27, 1931

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

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

Reports have, indeed, been made by certain of the foreign military observers suggesting that they found no evidences of any preparations being made by the Chinese for an attack. But as a matter of fact the military authorities at Chinchow are maintaining large forces at various points, west of Takushan, on the Peiping-Mukden Railway and in the adjacent territory. Reconnaissances conducted by the Japanese Army have not only definitely confirmed the assurance that these forces are engaged in making preparations for war, but have also revealed the fact that their outposts are stationed along a line connecting Tienchuantai, Tai-an, Peichipao, and other points on the right bank of the River Liao, well advanced from Chinchow. It will readily be admitted that such a situation in itself constitutes a constant menace to the Japanese contingents dispersed along the South Manchuria Railway and elsewhere, but the danger is even greater than it seems at first sight, if the further fact is taken into consideration that the Peiping-Mukden Railway places the cities of Mukden, Yinkao and Hopei within a short journey of three or four hours from Takushan and Kuopantsu (which are bases of the Chinese forces).

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

278 during the first ten days of November, 341 during the second ten days, 438 during the final ten days of the month, and 472 during the first ten days of December, thus reaching the astounding total of 1,529 in forty days. It is the usual strategy of these bandit-troops, when attacked by our men, to fly westward, or to take refuge on the right bank of the River Liao; where our army, anxious to avoid any collision with the Chinese Regulars, has made it a point to refrain from further pursuit.

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

The Japanese Minister in China had several conferences accordingly with the Chinese Foreign Minister between 30th November and 3rd December. In the midst of these conversations, the latter withdrew the overture, and declined further negotiation. Marshal Chang Hsueh-liang, with whom our representative at Peiping carried on negotiations from the 4th December onwards, either directly or through the Marshal's subordinates, expressed on the 7th his willingness to call in his Chinchow forces as a spontaneous move of withdrawal; and he has since given repeated assurances as to the speedy execution of his promise. In point of fact, however, there is no sign of any such withdrawal. On the contrary, the defences of Chinchow have since been strengthened.

4. Accordingly, at the present moment, now almost a month subsequent to the initiation of these negotiations for the withdrawal of the Chinchow troops, there appears no prospect of obtaining any tangible result, owing entirely to the want of good faith on the Chinese side. At the same time, the increased activity above described, on the part of marauding bands, threatens to bring about a complete destruction of all peace and security throughout the whole extent of South Manchuria. In these circumstances, the Japanese forces have now begun a general movement with a view to a campaign against the bandits on a more extensive scale than hitherto. It is obvious, from what has been said above, that the Japanese army, if it is to achieve anything like adequate success, will have to advance to the points west of the River Liao where the bandits have their base. Certainly,

the Japanese forces, in deference to the Resolutions of the League Council adopted on 30th September and 10th December, are not in the field against the Regular Chinese forces; but in the present abnormal conditions prevailing in Manchuria, the necessities of the case compel them to continue their operations against lawless elements. This is a point on which the Representatives of Japan at the recent session of the Council of the League held on the 10th December made a definite declaration. So long as the Chinchow military authorities, while simulating an unaggressive attitude, continue to instigate and manipulate the movements of bandit organizations against the Japanese army as well as Japanese and other peaceable inhabitants, and so long as the officers and men of the Chinchow army mingle in large numbers with these bandits groups and so render it impossible to distinguish the latter from Regular troops, so long must the responsibility for the consequences of any action which may be entailed upon the Japanese Army in self-defence rest entirely with the Chinese.

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

793.94/3347 : Telegram

The Minister in China (Johnson) to the Secretary of State

PEIPING, December 29, 1931—10 a. m.

[Received 12:55 p. m.]

1148. Marshal Chang Hsueh-liang at 9:30 this evening ordered withdrawal of all Chinese forces from Manchuria, stating that he was motivated by a desire to deprive Japanese of any excuse for further aggression in North China. Evacuation of Chinchow has begun. This ends Chinese administration in Manchuria.

JOHNSON

793.94/3437a : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

WASHINGTON, January 7, 1932—noon.

7. Please deliver to the Foreign Office on behalf of your Government as soon as possible the following note:

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

State that an identical note is being sent to the Chinese government.

STIMSON

793.94/3530 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, January 16, 1932—2 p. m.

[Received January 16—6:03 a. m.]

11. Department's telegram No. 7, January 7, noon. I have just received the reply of the Japanese Government which reads as follows:

"I have the honor to acknowledge the receipt of Your Excellency's note dated the 8th January, which has had the most careful attention of this Government.

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

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

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

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

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

While it need not be repeated that Japan entertains in Manchuria no territorial aims or ambitions, yet, as Your Excellency knows, the welfare and safety of Manchuria and its accessibility for general trade are matters of the deepest interest and of quite extraordinary importance to the Japanese people. That the American Government are always alive to the exigencies of Far Eastern questions has already been made evident on more than one occasion. At the present juncture, when the very existence of our national polity is involved, it is agreeable to be assured that the American Government are devoting in a friendly spirit such sedulous care to the correct appreciation of the situation.

I shall be obliged if Your Excellency will transmit this communication to your Government, and I avail myself, *et cetera*."

FORBES

793.94/3529 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, January 16, 1932—4 p. m.

[Received January 16—6:45 a. m.]

13. The Foreign Minister, Yoshizawa, received me at 11 o'clock this morning and handed me a reply written in Japanese and English, which is being cabled today.⁹⁵ He advised me it would be given out to the newspapers here today. After I had read it he asked me if I had any comment to make. I told him that the semblance of war which was being fairly sedulously maintained here with constant newspaper references to "battle area", exhibition of captured trophies, and also the fact that throughout Manchuria they talked of it as "war" without qualification, seemed inconsistent with their assertion that it was not a hostile occupation. This he explained by saying the hostility was not toward the Chinese people or Government but against the lawless elements whose suppression was necessary for an orderly community.

Today's paper announces here that China is proposing to sever diplomatic relations with Japan. And I asked if there were any truth in this; to which he replied that they had no official information.

I told him the papers announced officially the Japanese were planning the establishment of an independent Manchurian government in February. I asked him if there were any truth in this; to which he said that while he was in Manchuria he was advised that the Chinese Governors of the Provinces of Kirin, Heilungkiang and Jehol were said to be in favor of the establishment of such a government, and he understood conversations were being held looking to such a development at the present time. I am sure he also meant to include Mukden Province. He said this was on Chinese initiative.

I asked if it were not unquestionably true that these men were placed in power by the Japanese military authorities and selected from men who would not be unfriendly towards Japan. His reply was vague, but he emphasized the fact that all Chinese former high civil officials but one had deserted their posts or resigned. He said these Chinese Governors now planning an independent Manchuria government were actuated by the desire of self-protection both of life and property. I asked if in that case the Japanese would be prepared to support the pretensions of such a government by force. His reply was vague, but he said that Marshal Chang Hsueh-liang

⁹⁵ *Supra.*

had spent 80 percent of his revenues in maintaining armed forces and the Japanese proposed to urge upon the new Chinese Manchurian government a substantial reduction of the proportion of money spent for military establishments.

I asked the same question I had asked of Inukai in regard to the plans for the employment of former Chinese soldiers; he assured us that this was their plan.

He laid great stress upon the open door so often when I commented on its not being open now, he said that was merely during the period of suppressing banditry. I told him it took us six years to suppress banditry in the Philippines, where we exercised sovereignty, and intimated that the door might be closed for quite a while. But he emphasized the desirability of attracting American capital and business cooperation to Manchuria.

FORBES

793.94/3565 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, January 19, 1932—5 p. m.

[Received January 19—7:42 a. m.]

17. Mr. Yoshizawa received all chiefs of missions officially this afternoon and briefly discussed the prevalent newspaper comment here about the formation of an independent Chinese Government in Manchuria, which he repeated as wholly due to the initiative of resident Chinese officials. I asked how an independent government in Manchuria would square with Japanese repeated declarations respecting Chinese sovereignty. He replied that he had not had time to study this so as to state definitely what the position of the Japanese Government would be but that although Manchuria would remain Chinese soil, the government would be independent as had been the case under Chang Tso-lin and his son before his association with the Nanking authorities. He was particularly cordial in tone. Mr. Yoshizawa took occasion to speak in the highest terms of the part played by Ambassador Dawes in helping to bring about the form and adoption of the resolution of the League of Nations.

Repeated to Peiping.

FORBES

793.94/4161a : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, February 12, 1932—2 p. m.

11. Reference Department's 9, February 12, noon.^{95a} There follows the text of a draft^{95b} concerning which I have just talked with Sir John Simon.^{95c} Please deliver a copy to Sir John before he leaves Geneva, explaining that this is merely a rough draft; that I shall be working further on it; that I shall welcome his comments and suggestions.

"To the nations who are either signatories or adherents of the so-called Nine Power Treaty 'regarding principles and policies to be followed in matters concerning China:

The (blank) Governments, signatories of the Nine-Power Treaty, pursuant to Article seventh thereof, desire to communicate to their fellow signatories and adherents to this Treaty their views as to certain matters which have recently occurred within the territory of the Republic of China.

I. This Treaty was concluded in 1922 in the city of Washington at a conference, participated in by many powers, at which the policy of these powers towards the Republic of China was fully discussed and the attitude which they should hereafter adopt towards the Republic of China was set forth in this treaty. The treaty represented the culmination of a policy towards China which had been developed between these powers for many years, known as the Open Door policy. In the first article of that Treaty the Contracting Powers, other than China, agreed:

1. To respect the sovereignty, the independence, and the territorial and administrative integrity of China.

2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself and [an] effective and stable government.'

The Treaty thus represents a carefully developed and matured international policy intended to afford to the people of China the fullest possible opportunity of developing, without molestation, their sovereignty and independence among the nations of the world, according to the modern and enlightened standards believed now to maintain among the peoples of this earth. It was known that China was in the process of developing the free institutions of a self-governing Republic after her recent revolution from an autocratic form of government; that she would require many years of both economic and political effort to that end, and that the process would necessarily be a very long one. The Treaty was thus a deliberate covenant of self-denial among the signatory powers of all acts of aggression which were calculated to interfere with that development. But it was believed, and a study of the Treaty reveals that faith, that only by such a process of development could the fullest interests, not only of China but of all nations having intercourse with her, best be served.

^{95a}Not printed.

^{95b}Draft of joint or concurrent statements by Great Britain and the United States, and perhaps other countries, on behalf of the principles and provisions of the Nine-Power Treaty.

^{95c}British Secretary of State for Foreign Affairs.

II. Six years later the general policy upon which the Nine-Power Treaty was based received a powerful reinforcement in the execution, by substantially all the nations of the world, of the Pact of Paris. These two treaties represent successive steps taken for the purpose of aligning the conscience and public opinion of the world in favor of a system of orderly development by the law of nations, including the settlement of all controversies by the methods of justice and peace instead of by arbitrary force. The program for the protection of China from outside aggression is an essential part of any such development. The signatories and the adherents of the Nine-Power Treaty rightly felt that the orderly and peaceful development of the four hundred millions of people inhabiting China was necessary to the peaceful welfare of the people of the entire world and that no program for the welfare of the world as a whole could afford to neglect the protection of the development of China.

III. Although they have withheld adverse judgment pending the investigation which is to be made by the commission appointed by the League of Nations under the resolution of December 9, the nations of the world have watched with apprehension the events in Manchuria which have taken place during recent months. This apprehension was based upon the tragic experience of the last two decades which have made manifest the fact that in case of war no nation is immune from the danger of becoming involved in the conflict, however remote in its inception. The recent spread of these disturbances in Manchuria to the area of Shanghai,^{95d} involving as it does the direct threat of danger to the interests of many nations, is further powerful evidence of this fact.

IV. The rapid development of events in Shanghai seems to the (blank) Governments to give full cause for the deepest apprehension of all nations who have been interested in the policy of the two treaties to which we have referred. It is unnecessary to attempt to analyze the origin of the controversy or to apportion the blame between the two nations which unhappily are involved. For it is clear beyond peradventure that a situation has now developed which can not under any circumstances be reconciled with the covenants and the obligations of these two treaties and which is wholly abhorrent to the enlightened purpose for which they were conceived. There is now assembled in the port of Shanghai a Japanese force including over forty vessels of war and reenforced by a large expeditionary force of land troops. The very size of such an expedition is not only disproportionate to its avowed objective of protecting life and property in the city of Shanghai but is in itself provocative of counter-violence. Military airplanes have been bombing areas densely populated by helpless civilians of a nation with whom their operators are not ostensibly at war. Many miles away from the city where the alleged violence against Japanese nationals occurred, the Japanese Government is now engaged in military operations on a large scale. It is inconceivable that if the leaders of these two nations had been fully and equally imbued with the purpose underlying these treaties and had been adequately mindful of the covenants therein such a situation could have been allowed to develop or that at some stage a solution of their controversies could not have been otherwise achieved.

^{95d} See pp. 161 ff.

V. The effect of this development of violence has been to threaten the very existence of the treaties themselves. This has been shown by the following occurrences which have greatly accentuated the concern of the (blank) Governments:

(1) In rejecting a recent proffer of good offices from the British, the American and the French Governments submitted at the request of Japan,^{95e} the Japanese Government has taken the position that it would not consent to the participation even as observers of any third nations in the discussions of questions arising between Japan and China in regard to that portion of China known as Manchuria.^{95f} This would seem to deny to any other power even a signatory of the Nine-Power Treaty the right to participate even as an observer in negotiations involving rights and obligations comprised within that Treaty.

(2) Again on February 8, 1932, the Foreign Office of the Japanese Government of Tokyo issued to the press of the world a suggested proposal that there should be created a system of "demilitarized zones" around the principal commercial cities of China, out of which the forces of the Government of China should be excluded. The representative of the Japanese Foreign Office in advancing this proposal frankly affirmed that it was contrary to the Nine-Power Treaty but asserted that ten years' trial had proved that treaty to be ineffective.

VI. The (blank) Governments do not concede that the Nine-Power Treaty is ineffective or inoperative or that it is to be discarded. They do not concede that such a situation as has arisen in Shanghai is inevitable, provided the covenants of the Nine-Power Treaty and the Pact of Paris are faithfully observed by those who have covenanted to observe them. They are unwilling to consent that the enlightened policy which has heretofore marked the efforts of the nations of the earth towards China and towards each other should be repudiated or abandoned without their most earnest reprobation. They do not intend to forego their legitimate prerogative, in view of their treaty rights and obligations, to participate together with the other powers concerned in any negotiations whereby those rights and obligations and the policies which they represent may be affected. They take this occasion to express these views in order that there may be no misunderstanding. They avail themselves of the opportunity afforded by the terms of Article seven of the Nine-Power Treaty to express frankly and without reserve their views upon these occurrences at Shanghai and 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 notify their fellow signatories and adherents to those treaties that they for themselves and each of them do not propose to recognize as valid any treaty, agreement, arrangement or situation which may be entered into or created in China by means of acts or policies which are in violation of the covenants of those treaties.

STIMSON

^{95e} See telegram No. 34, Feb. 1, 1932, to the Ambassador in Japan, p. 174.

^{95f} See telegrams No. 39, Feb. 4, 1932, and No. 44, Feb. 6, from the Ambassador in Japan, pp. 180, 182.

793.94/4291 : Telegram

*The Secretary of State to the Consul General at Shanghai
(Cunningham)*

WASHINGTON, February 24, 1932—2 p. m.

50. For the Minister. Reference your February 9, 9 a. m., from Nanking, paragraph 2, and Nanking's 14, January 24, 4 p. m., paragraph 5, and Shanghai's 72, February 18, 6 p. m., paragraph 5.⁹⁶

1. There is now being released to the press here the text of a letter from the Secretary of State to Senator Borah, Chairman of the Committee on Foreign Relations of the Senate.^{96a}

You should communicate to the Foreign Office and make available to the press, at once, the text, as follows:

"You have asked my opinion whether, as has been sometimes recently suggested, present conditions in China have in any way indicated that the so-called Nine Power Treaty has become inapplicable or ineffective or rightly in need of modification, and if so, what I considered should be the policy of this Government.

This Treaty, as you of course know, forms the legal basis upon which now rests the 'Open Door' policy towards China. That policy, enunciated by John Hay in 1899,⁹⁷ brought to an end the struggle among various powers for so-called spheres of interest in China which was threatening the dismemberment of that empire. To accomplish this Mr. Hay invoked two principles (1) equality of commercial opportunity among all nations in dealing with China, and (2) as necessary to that equality the preservation of China's territorial and administrative integrity. These principles were not new in the foreign policy of America. They had been the principles upon which it rested in its dealings with other nations for many years. In the case of China they were invoked to save a situation which not only threatened the future development and sovereignty of that great Asiatic people, but also threatened to create dangerous and constantly increasing rivalries between the other nations of the world. War had already taken place between Japan and China. At the close of that war three other nations intervened to prevent Japan from obtaining some of the results of that war claimed by her. Other nations sought and had obtained spheres of interest. Partly as a result of these actions a serious uprising had broken out in China which endangered the legations of all of the powers at Peking. While the attack on those legations was in progress, Mr. Hay made an announcement in respect to this policy as the principle upon which the powers should act in the settlement of the rebellion. He said

"The policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."⁹⁸

⁹⁶ None printed.

^{96a} Dated February 23, 1932.

⁹⁷ See *Foreign Relations*, 1899, pp. 128-143.

⁹⁸ See circular telegram, July 3, 1900, to the Chargé in Austria-Hungary, *Foreign Relations*, 1900, p. 299.

He was successful in obtaining the assent of the other powers to the policy thus announced.

In taking these steps Mr. Hay acted with the cordial support of the British Government. In responding to Mr. Hay's announcement, above set forth, Lord Salisbury, the British Prime Minister expressed himself 'most emphatically as concurring in the policy of the United States.'

For twenty years thereafter the Open Door policy rested upon the informal commitments thus made by the various powers. But in the winter of 1921 to 1922, at a conference participated in by all of the principal powers which had interests in the Pacific, the policy was crystallized into the so-called Nine Power Treaty, which gave definition and precision to the principles upon which the policy rested. In the first article of that Treaty, the contracting powers, other than China, agreed

1. To respect the sovereignty, the independence and the territorial and administrative integrity of China.

2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government.

3. To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.

4. To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states, and from countenancing action inimical to the security of such states.

This Treaty thus represents a carefully developed and matured international policy intended, on the one hand, to assure to all of the contracting parties their rights and interests in and with regard to China, and on the other hand, to assure to the people of China the fullest opportunity to develop without molestation their sovereignty and independence according to the modern and enlightened standards believed to maintain among the peoples of this earth. At the time this Treaty was signed, it was known that China was engaged in an attempt to develop the free institutions of a self-governing republic after her recent revolution from an autocratic form of government; that she would require many years of both economic and political effort to that end; and that her progress would necessarily be slow. The Treaty was thus a covenant of self-denial among the signatory powers in deliberate renunciation of any policy of aggression which might tend to interfere with that development. It was believed—and the whole history of the development of the 'Open Door' policy reveals that faith—that only by such a process, under the protection of such an agreement, could the fullest interests not only of China but of all nations which have intercourse with her best be served.

In its report to the President announcing this Treaty, the American Delegation, headed by the then Secretary of State, Mr. Charles E. Hughes, said ⁹⁹

⁹⁹ See *Foreign Relations*, 1922, vol. II, pp. 306, 345.

'It is believed that through this Treaty the 'Open Door' in China has at last been made a fact.'

During the course of the discussions which resulted in the Treaty,¹ the Chairman of the British delegation, Lord Balfour, had stated that

'The British Empire delegation understood that there was no representative of any power around the table who thought that the old practice of "spheres of interest" was either advocated by any government or would be tolerable to this conference. So far as the British Government was concerned, they had, in the most formal manner, publicly announced that they regarded this practice as utterly inappropriate to the existing situation.'

At the same time the representative of Japan, Baron Shidehara, announced the position of his government as follows:

'No one denies to China her sacred right to govern herself. No one stands in the way of China to work out her own great national destiny.'

The Treaty was originally executed by the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal. Subsequently it was also executed by Norway, Bolivia, Sweden, Denmark and Mexico. Germany has signed it but her Parliament has not yet ratified it.

It must be remembered also that this Treaty was one of several treaties and agreements entered into at the Washington Conference by the various powers concerned, all of which were interrelated and interdependent.² No one of these treaties can be disregarded without disturbing the general understanding and equilibrium which were intended to be accomplished and effected by the group of agreements arrived at in their entirety. The Washington Conference was essentially a disarmament conference, aimed to promote the possibility of peace in the world not only through the cessation of competition in naval armament but also by the solution of various other disturbing problems which threatened the peace of the world, particularly in the Far East. These problems were all interrelated. The willingness of the American government to surrender its then commanding lead

¹ For minutes of the Committee on Pacific and Far Eastern Questions, see *Conference on the Limitation of Armament, November 12, 1921–February 6, 1922* (Washington, 1922), pp. 862–1567.

² The following treaties were signed at the Washington Conference:

(1) Treaty between the United States, the British Empire, France, Italy, and Japan limiting naval armament, February 6, 1922, *Foreign Relations*, 1922, vol. 1, p. 247.

(2) Treaty between the United States, the British Empire, France, Italy, and Japan relating to the use of submarines and noxious gases in warfare, February 6, 1922, *ibid.*, p. 267.

(3) Treaty between the United States, the British Empire, France, and Japan relating to their insular possessions and insular dominions in the region of the Pacific Ocean, December 13, 1921, *ibid.*, p. 33; supplementary declaration, December 13, 1921, *ibid.*, p. 36; supplementary agreement, February 6, 1922, *ibid.*, p. 46.

(4) Treaty between the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands, and Portugal relating to principles and policies concerning China, February 6, 1922, *ibid.*, p. 276.

(5) Treaty between the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands, and Portugal relating to the Chinese customs tariff, February 6, 1922, *ibid.*, p. 282.

(6) Treaty between Japan and China for the settlement of outstanding questions relative to Shantung, February 4, 1922, *ibid.*, p. 948.

in battleship construction and to leave its positions at Guam and in the Philippines without further fortification, was predicated upon, among other things, the self-denying covenants contained in the Nine Power Treaty, which assured the nations of the world not only of equal opportunity for their Eastern trade but also against the military aggrandizement of any other power at the expense of China. One cannot discuss the possibility of modifying or abrogating those provisions of the Nine Power Treaty without considering at the same time the other promises upon which they were really dependent.

Six years later the policy of self-denial against aggression by a stronger against a weaker power, upon which the Nine Power Treaty had been based, received a powerful reinforcement by the execution by substantially all the nations of the world of the Pact of Paris, the so-called Kellogg-Briand Pact. These two treaties represent independent but harmonious steps taken for the purpose of aligning the conscience and public opinion of the world in favor of a system of orderly development by the law of nations including the settlement of all controversies by methods of justice and peace instead of by arbitrary force. The program for the protection of China from outside aggression is an essential part of any such development. The signatories and adherents of the Nine Power Treaty rightly felt that the orderly and peaceful development of the 400,000,000 of people inhabiting China was necessary to the peaceful welfare of the entire world and that no program for the welfare of the world as a whole could afford to neglect the welfare and protection of China.

The recent events which have taken place in China, especially the hostilities which having been begun in Manchuria have latterly been extended to Shanghai, far from indicating the advisability of any modification of the treaties we have been discussing, have tended to bring home the vital importance of the faithful observance of the covenants therein to all of the nations interested in the Far East. It is not necessary in that connection to inquire into the causes of the controversy or attempt to apportion the blame between the two nations which are unhappily involved; for regardless of cause or responsibility, it is clear beyond peradventure that a situation has developed which cannot, under any circumstances, be reconciled with the obligations of the covenants of these two treaties, and that if the treaties had been faithfully observed such a situation could not have arisen. The signatories of the Nine Power Treaty and of the Kellogg-Briand Pact who are not parties to that conflict are not likely to see any reason for modifying the terms of those treaties. To them the real value of the faithful performance of the treaties has been brought sharply home by the perils and losses to which their nationals have been subjected in Shanghai.

That is the view of this Government. We see no reason for abandoning the enlightened principles which are embodied in these treaties. We believe that this situation would have been avoided had these covenants been faithfully observed, and no evidence has come to us to indicate that a due compliance with them would have interfered with the adequate protection of the legitimate rights in China of the signatories of those treaties and their nationals.

On January 7th last, upon the instruction of the President, this Government formally notified Japan and China that it would not recognize any situation, treaty or agreement entered into by those governments in violation of the covenants of these treaties, which affected the rights of our Government or its citizens in China.³ If a similar decision should be reached and a similar position taken by the other governments of the world, a caveat will be placed upon such action which, we believe, will effectively bar the legality hereafter of any title or right sought to be obtained by pressure or treaty violation, and which, as has been shown by history in the past, will eventually lead to the restoration to China of rights and titles of which she may have been deprived.

In the past our Government, as one of the leading powers on the Pacific Ocean, has rested its policy upon an abiding faith in the future of the people of China and upon the ultimate success in dealing with them of the principles of fair play, patience, and mutual goodwill. We appreciate the immensity of the task which lies before her statesmen in the development of her country and its government. The delays in her progress, the instability of her attempts to secure a responsible government, were foreseen by Messrs. Hay and Hughes and their contemporaries and were the very obstacles which the policy of the Open Door was designed to meet. We concur with those statesmen, representing all the nations in the Washington Conference who decided that China was entitled to the time necessary to accomplish her development. We are prepared to make that our policy for the future.

Very sincerely yours,

(Signed) Henry L. Stimson

2. Repeat the whole of the above in clear at once to Tokyo.

STIMSON

793.94/4968

Memorandum by the Secretary of State^{3a}

[WASHINGTON,] April 4, 1932.

The Japanese Ambassador came to say that last Thursday he had received a communication from his Government which was very important but not so urgent as to require immediate delivery; that he therefore waited until I recovered and brought it to me today. The communication was to the effect that if the Assembly of the League of Nations, which he understands is going to meet before May first, should insist upon going into the question of Manchuria further than is already provided by the Council resolutions of September thirtieth and December tenth, Japan will be compelled to withdraw her delegates from the Assembly meeting. He explained that this did not mean that Japan was going to withdraw from the League of Nations; that

³ See telegram No. 7, Jan. 7, 1932, to the Ambassador in Japan, p. 76.

^{3a} For a previous conversation with the Japanese Ambassador regarding recognition of the new government in Manchuria, see second paragraph of memorandum by the Secretary of State, March 15, 1932, p. 214.

he recognized that that required two years, but that the present nineteen power commission which had been appointed by the Assembly contained some very radical members. He mentioned Madariaga of Spain and I think Motta of Switzerland, although I was not quite clear of the last, and Japan feared that under these influences steps would be taken to press action in Manchuria which would conflict with Japan's policy. He said that this notice had already been given by Japan to Great Britain, France, Italy, Germany, Czechoslovakia, Greece and Belgium.

He then went on to point out points in Japan's favor: first, that she had been very loyally cooperating with the League in respect to Chinese affairs and in particular had been lending technical assistants to China. He then brought up Japan's peculiar position in regard to Manchuria and her interests in Manchuria and said that this prevented her from permitting outside intrusion into those questions; particularly that Japan could not permit the application of Article XV of the League Covenant to questions in Manchuria.

Then followed a little discussion between us as to what he meant by the Japanese position. I said that I recognized that Japan had always claimed certain important economic interests in Manchuria under certain treaties with China. He corrected me by adding economic *and political* interests in Manchuria. I denied the latter and asked whether he meant the Japanese claimed to exercise political control over Manchuria. I read him Baron Shidehara's statement⁴ in his reply to our note of November fifth⁵ and called his attention to the demand which was being made by the agents of the new Manchurian state for moneys from the customs and post office, accompanied by Japanese officers, and asked the Ambassador if that could be reconciled with the promise of Baron Shidehara in the third paragraph of page thirty-seven of that note.⁶ He admitted it could not. I asked him if Japan's desire not to discuss matters in Manchuria was going to prevent her from fulfilling her obligations under Article VII of the Nine Power Treaty in which she promised to communicate frankly on those subjects, and he said that it would not prevent that, but he was able to give no justification for the difference between that and the attitude of Japan toward Article XV of the Covenant of the League. He finally was reduced to an admission that promises had been broken but said that chauvinist conditions were so acute in Japan that the Government could not take any other position. I pointed out to him the seriousness of the situation when treaty promises began to be broken; I reminded him that the Nine Power Treaty was one of a group of treaties mutually interdependent. He admitted that that

⁴ *Ante*, p. 39.

⁵ See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.

⁶ See fifth paragraph of note, p. 39.

was so, saying that he remembered that perfectly well because he was a delegate here in Washington at the time. I asked him what was left on which we could rest for the stability of the world when treaty obligations began to be broken; I reminded him of the many times I had spoken of Japan as a stabilizing influence in the world and asked him if he thought I could do so now. He said he remembered very well the encouraging words I had spoken at the time of the Emperor's birthday,^{6a} but he could only ask me to be patient with his people and try to think of some constructive view of the situation that they were in in Manchuria; that criticism only further inflamed the situation and played into the hands of the chauvinistic elements.

My purpose was to take a pretty stiff position with him so that he could not report to his government that I had shown any signs of yielding to the step that they were taking or the arguments they were putting up, and I think my object was fully complied with.

H[ENRY] L. S[TIMSON]

693.002 Manchuria/77

Memorandum by the Secretary of State

[WASHINGTON,] June 10, 1932.

I sent for the Japanese Ambassador today and read over to him the *aide memoire* in respect to the Chinese customs administration in Manchuria. I told him that I understood that Great Britain had a few days ago already made a similar representation. I pointed out that we had been following it with anxious interest because this service involved the rights and interests of the American Government in regard to certain bonds and obligations of the Chinese Government. The Ambassador said he knew this. I told him that this was not intended as a note but as a mere *aide memoire* of my conversation with him, and he asked me whether I was making a similar *démarche* through our Ambassador at Tokyo, and I said, no. He said that in that event he would at once send this communication to his Government.

H[ENRY] L. S[TIMSON]

[Enclosure]

AIDE-MÉMOIRE

The Department has received recent reports indicating that the present régime in Manchuria is contemplating taking over the Chinese Customs Administration in that area. The Chief Secretary of the present régime in Manchuria has issued a press statement to the effect

^{6a} April 29, 1931; Department of State, *Press Releases*, May 2, 1931 (weekly issue No. 83), p. 361.

that that régime expects within a few days to take over the Customs, after which collections will be included in the receipts of the new régime. The Department is also informed from other reliable sources that this is the intention of the authorities of the new régime and further that the new régime intends shortly to appoint an inspector general of Customs for Manchuria who will be a Japanese customs expert from Japan.

The American Government would view with great concern a violation of the integrity of the Chinese Maritime Customs by the disorganization of that service in Manchuria and it is believed that other governments would be similarly concerned. As is well known, the maintenance of the integrity of this Chinese administrative service involves the rights and interests of various foreign governments, including the American Government, in relation to certain fiscal obligations of the Chinese Government. Moreover, maintenance of the integrity of the Chinese Maritime Customs as a Chinese administrative service is of concern to the powers signatory to the Nine-Power Treaty in view of their commitments under that Treaty.

In view of the fact that, according to the information available to the Department, Japanese subjects, over whom the Japanese Government alone can exercise control, are the principal advisers to the authorities of the new régime in Manchuria, it has been felt necessary to bring this matter to the attention of the Japanese Ambassador.

793.94/5355 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, June 23, 1932—5 p. m.
[Received June 23—8:15 a. m.]

166. The Embassy is informed that the press has cabled to America the statement of General Araki⁷ before the Supreme Military Council on the 22nd to the effect that the resolutions of the League of Nations and statements made by Japan in regard to Manchuria before the establishment of Manchukuo can no longer be considered as binding on Japan. Araki has not made public any statement regarding the particular resolutions and statements to which he refers but the implications are that Japan will not withdraw its troops into the railway zone in compliance with the League resolutions and its own agreements and does not recognize the authority of the League of Nations Inquiry Commission to recommend solutions of the Manchurian problem.

Repeated to Peiping.

GREW

⁷ Japanese Minister for War.

693.002 Manchuria/183

Memorandum by the Under Secretary of State (Castle) of a Conversation With the Japanese Ambassador (Debuchi)

[WASHINGTON,] June 29, 1932.

The Ambassador called to say that Mr. Grew had called on Mr. Arita^a and had left with him a memorandum, very short, expressing the concern of this Government over the customs situation at Dairen. The Ambassador said that he was instructed by his Government to inform us that the Japanese Government felt very strongly the necessity of maintaining the integrity of the customs in Manchuria; that it would use its full influence with the Government of the State to have remitted to Shanghai the full amount of the customs necessary for the payments on the foreign loan. On the other hand, he said, the Government of Manchukuo felt that it should have the disposal of the surplus revenue over the amount due on the foreign loan since these revenues would be used for the benefit of the people of Manchukuo. I told the Ambassador that it seemed fairly obvious that the Manchukuo Government would do anything that the Japanese advisors told them to do. He said this was hardly the case, since, although he was willing to admit that the Manchukuo Government would not have come into existence without Japanese assistance and that it would certainly fall if Japanese troops were removed from Manchuria, that nevertheless this foster child was causing a good deal of trouble to the Japanese Government. He said that the Manchukuo authorities as well as their Japanese advisors often refused to accept the advice of Tokyo. I said this would only make it appear that they were more subservient to the Japanese military than they were to the Japanese Government. The Ambassador admitted that this might be the case. He referred to the fact that in 1927 the Administrator of the Customs, a British subject, had been removed because he would not obey orders from the new Nanking Government; that at that time Mr. Mase had become very friendly with the Nanking authorities and had got himself made Commissioner General. He said that at that time the Japanese had supported the dismissed British Commissioner General and that the British should have responded now by supporting Fukumoto, the Japanese Commissioner at Dairen. He said that he had not much sympathy with the position of Mr. Mase. I told him that I had to disagree with this; that Mr. Mase was obviously the captain and that if one of his lieutenants acted in an important matter directly contrary to his orders, I saw no alternative other than dismissal. The Ambassador had to admit this was true, but insisted that Mr. Mase was rather changing

^a Hachiro Arita, Director of the Asia Bureau of the Japanese Foreign Office.

his ideas and that it might be possible to come to some arrangement whereby Fukumoto would not be disgraced; that the Japanese Government felt strongly on the matter since Fukumoto was himself a Japanese. I admitted that he was a Japanese but pointed out that a Japanese taking a position as an employee of the Chinese Government would of necessity be under the orders of that Government, not of his own Government, exactly as would be the case with any other foreigner. The Ambassador obviously knew that he had very little ground to stand on, and could do no more than reiterate what he had said at first, that his Government was determined to do all in its power to maintain the integrity of the customs service.

WILLIAM R. CASTLE, JR.

693.002 Manchuria/124 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, June 29, 1932—8 p. m.

[Received June 29—12:45 p. m.]

177. Telegram from the Department, No. 136, June 28, 5 p. m.⁹ This afternoon I carried out your instructions. Arita was informed that the American Government had heard with concern a report that the Chinese Maritime Customs at Dairen had been taken over by the present régime in Manchuria and that I had been instructed to inquire whether this report was true. It is felt, I told him, that the already existing problems of a most difficult nature which my Government most earnestly desires to see solved would be materially complicated by such action and that, as well as a threat to the security for certain fiscal obligations of the Chinese Government, the reported step would appear to be a violation of the integrity of the Chinese Maritime Customs service in which admittedly the American Government is interested. Therefore I was instructed to express the earnest hope that any action which may interfere with the integrity of the Chinese Maritime Customs service or which may run counter to treaty obligations will not be tolerated by the Japanese Government.

It was asserted by Arita that the revenues of the Manchurian customs were needed by the Manchukuo régime just as they had been needed and taken by Chang Tso-lin, but that the Manchukuo authorities through the good offices of the Japanese and British representations in Peiping were negotiating with the Nanking Government for a compromise whereby sufficient funds would be remitted from Dairen to Nanking to cover foreign obligations, while the surplus from

⁹ Not printed.

Dairen as well as all other customs revenues in Manchuria would be taken by Manchukuo. An interruption in these negotiations has occurred because of the dismissal of Fukumoto for refusal to remit to Shanghai the Dairen revenues, whereupon out of sympathy the entire Japanese staff in Dairen resigned. It was stated by Arita that the Japanese Foreign Office did not have any information that the flag of Manchukuo had been hoisted on the customs building at Dairen. Rather, the work was being carried on *de facto* by Fukumoto and the Japanese staff and 800,000 taels had just been remitted to Shanghai. Arita said interference with the payment of the foreign obligations would not be countenanced by the Japanese Government. Meanwhile, with the initial condition that Fukumoto and his staff be restored to office, Arita asserted that the Japanese representative in Peiping, in connection with his British colleague, is using his good offices to mediate between Nanking and Manchukuo. He said that except for the customs in Dairen the Japanese Government has nothing to do with the customs in Manchuria.

A copy of this telegram has been sent to Peiping.

GREW

793.94 Commission/2923

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 16, 1932.

[Received August 6.]

DEAR MR. SECRETARY: If a brief resumé of the situation as we see it here would be helpful to you from time to time, I will send you such a statement by the fortnightly pouch when there is anything to report.

The important event during the past two weeks was, of course, the visit of the League of Nations Commission which has just ended. General McCoy,¹⁰ on arriving, volunteered on his own initiative to talk to me of the information and impressions of the Commission and when I asked if he saw the slightest embarrassment in so doing he replied in the negative on the ground that all the Commissioners, by mutual consent, had agreed to talk freely though in strict confidence to their respective Embassies. The results of our talks will be found in my despatch No. 60 of July 16.¹¹

In a nutshell the Commissioners are unanimous in finding that Japan's action in Manchuria is based on two false premises: (1) the argument of self-defense and (2) the argument of self-determination for Manchuria. Neither argument is considered sound. The

¹⁰ Major General Frank R. McCoy, of the United States, member of the Commission of Enquiry.

¹¹ Not printed.

Commissioners have proved to their satisfaction that the blowing up of the railway and every subsequent incident in Manchuria since September 18, 1931, were carefully planned and carried out by the Japanese themselves. They consider that the setting up of this puppet state, far from tending to pacify the Far East, will result in a festering sore which will inevitably lead to future wars with China and Russia and a case of irredentism much worse than that of Alsace-Lorraine. They realize that the Japanese may supply a more efficient government in Manchuria than did the Chinese but that this fact in no way weakens the element of irredentism. They consider that the action of Japan runs directly counter to the provisions of the Nine Power Treaty, the Kellogg Pact and the Covenant of the League of Nations and that discussions with the other signatories should have been held before action was taken. They still recommend such discussions and delay in extending recognition to the Manchukuo regime. They feel that the case against Japan was made perfectly clear in their conferences by the Japanese themselves, even if they had talked with no Chinese at all. All of the foregoing, with the exception of the last sentence, was made clear to Count Uchida¹² in their two interviews with him. Count Uchida, on his side, stated unequivocally that Japan had made up its mind to recognize Manchukuo and that he could not consider any counter arguments nor enter into any discussion of the matter.

I do not of course know whether the report of the Commission to the League will clearly embody the foregoing points nor what its tone will be, but there seems to be no doubt that the five Commissioners are unanimous in their findings.

As regards the Japanese now carrying on the Manchukuo regime, I understand that all of the Commissioners feel that these officials are in fact directly subservient to the Japanese Government and that any evidence to the contrary is "window dressing". Some members of the Commission's staff are however inclined to believe the contrary and feel that these officials are "feeling their oats" and decline to be dictated to by Tokyo.

Whether the findings and opinions of the Commission, as expressed to Count Uchida, will have any influence on the Japanese Government and will lead to any modification of its attitude, it is impossible to predict. Probably not. At present it looks as if recognition would be extended to Manchukuo in the not very distant future, but if the step is taken, the Japanese Government will be doing it with their eyes fully open to western opinion.

In my telegram No. 188 of July 7, 11 a. m.,¹³ I said that from the point of view of purely practical results, as distinguished from the

¹² Japanese Foreign Minister.

¹³ Not printed.

legal aspects of the matter, I believed that American representations against Japanese recognition of Manchukuo at the present time would be unwise. The press, which at present largely represents the point of view of the military, would under present circumstances be quite capable of magnifying such representations by the United States in a manner out of all proportion to their significance and an outburst might well occur which would afford the military a pretext for earlier action than the more conservative members of the Government may desire. That this risk exists is the opinion of every member of my staff. Naturally it is not for me to determine the wisdom of such representations from the legal point of view, or from the point of view of world public opinion and history which you brought out in our talk in New York in April. Apropos of this, a prominent peer recently said to a member of my staff, referring to the military: "I hope they will change their minds before they wreck the country".

The matter of the customs in Manchuria has, I believe, been fully covered in reports from here and from the various American Consuls in Manchuria. We have also covered the reaction in Japan to the President's disarmament proposal.^{13a}

Respectfully yours,

JOSEPH C. GREW

793.94Commission/338

The Minister in China (Johnson) to the Secretary of State

No. 1656

PEIPING, August 2, 1932.

[Received August 29.]

SIR: With reference to my telegram No. 883 of August 1, 9 [8] p. m.,¹⁴ I have the honor to enclose herewith in confidence a copy of a letter addressed to the Chairman of the Commission of Study of the League of Nations now investigating the causes of trouble between Japan and China by the Japanese Assessor,¹⁵ which encloses an epitomized record of the statements which Count Uchida made at the interviews with that Commission in Dairen and Tokyo. I was permitted to make copies of this document for my confidential information, and I have the honor to request that the Department treat the document as confidential.

As stated in my telegram, my information is that while this document does not accurately set forth all that Count Uchida said

^{13a} See White House press releases of June 22 and 23, 1932, Department of State, *Press Releases*, June 25, 1932 (vol. vi, No. 143), pp. 593, 595.

¹⁴ Not printed; it summarized the enclosure transmitted in this despatch.

¹⁵ Letter dated July 27, 1932, not printed.

to the Commission while it was in Tokyo, it is nevertheless believed to be a clear and accurate statement of the policy which Count Uchida as Minister of Foreign Affairs will follow in dealing with the Manchurian situation.

Respectfully yours,

NELSON TRUSLER JOHNSON

[Enclosure]

Epitomized Record of Statements Made by Count Uchida at Interviews With the League of Nations Commission in Dairen and Tokyo

1. Some time ago at Dairen I had occasion to state frankly to Your Excellencies my personal views based upon my experience in connection with Manchuria, acquired in varied capacities during the past quarter of a century. To-day as Minister for Foreign Affairs I can discover no ground whatsoever for modifying those views on any essential point.

2. All the international disputes which have occurred in recent years in the Far East may be chiefly attributed in the first place to the fact that China disunited and destitute of control does not, taken as a whole, constitute a duly organized state, and in the second place to the revolutionary foreign policy of the Nationalist Government, strongly influenced as it is by communist doctrine imported from abroad. And it is not Japan alone, but all the Powers which possess important interests in China, that must suffer from such state of affairs now existing in China.

3. Unfortunately extreme difficulties are encountered in any attempt to repair the injuries thus sustained by the various Powers, through any appeal to the Covenant of the League of Nations, the Nine Power Treaty, the Anti-War Pact, or any other existing treaty intended for the maintenance of international peace. In fact, it has been the practice among the principal Powers to rely upon their own resources whenever their rights and interests in China were actually, or were in danger of being, seriously impaired. The recent history of China is full of examples of such cases, in which reparation for, or the prevention of, damage to their interests was effectuated by foreign Powers upon their own account.

4. Japan, as a country more intimately connected with China both historically and geographically, than any other, and possessing by far the greatest interests in China, has had to suffer more than other countries from the anomalous situation in China as I described above. As far as Japan was concerned, she naturally hoped to see China experience a re-birth and come to realize her true role in maintaining the peace of the Far East. For more than twenty years, especially as a sequel to the Conference of Washington, we have exercised the

greatest patience and self-control, but conditions in China have failed to show any trace of improvement; on the contrary, they grew notably worse. It was at a moment when the feeling of our people was running high in face of the ever increasing Chinese provocations, that in Manchuria, Japan's first bulwark, where, staking the fortunes of our country, we fought two great wars with China and with Russia in order to repel their aggressions and, where our country's vital interests on the Continent of Asia are centered, the sudden incident of September 18th occurred. We had no other course than to take decisive measures of self-defence.

5. As a consequence of Japan's action, the power of General Chang Hsueh-liang in Manchuria was extinguished. Influential people of Manchuria, who had long chafed under the misrule of the Changs and were opposed to their policy of dragging Manchuria into the turmoil of Chinese civil war south of the Great Wall, seized the opportunity to set up an independent state.

Manchuria is a country quite apart from China Proper, geographically and in psychological characteristics. The population, though mostly of Chinese origin is composed largely of these Chinese who, driven out of their homes in China Proper by famine and flood, by tyranny and oppression, fled to Manchuria seeking to start a new life in that land where they could enjoy comparative security and abundance owing to Japan's vigilance and enterprise. Moreover, historically viewed, Manchuria has never constituted a purely integral part of China. Especially during recent decades has it been demonstrated on innumerable occasions that the authority of no government in China Proper extended to Manchuria.

The founding of Manchukuo was only an outcome of the subterranean revolutionary movement of many years' standing, which has opened to come to the surface as a sequel to Japan's actions of self-defence, and which proved successful owing to the peculiar characteristics which separate Manchuria from China Proper. The independence of Manchuria should, therefore, be regarded as essentially a phenomenon of the political disintegration in China.

6. There may be more than one plan for the solution of the Manchurian problem. The Japanese Government believe that the problem should be solved with the aim in view of ensuring the security and stability of Manchuria as well as the permanent peace of the Far East, and that at all events the mistake should not be made of rendering the situation uncertain and so perpetuating occasions for future disputes. It would be intolerable if, as the result of any temporizing measure of expediency or compromise, there should be resuscitated in Manchuria conditions analogous to those that prevailed there prior to the incident of 18th September last. In that sense I cannot agree to any plan which would contemplate the inauguration of the rule

of an anti-Japanese and disorganized China over Manchuria. Moreover, the authorities of Manchukuo, who have repeatedly declared their intention completely to separate themselves from the corrupt and foul politics of China Proper and to set up an honest and able government, would not consent to a plan which would utterly defeat their ideal and aspirations.

I believe that any plan which might be formulated, in which no account is taken of the existence of Manchukuo as an international state, will fail to bring order and stability to Manchuria and tranquility to the Far East.

7. The recognition of a new state or government is not a matter for the exercise of the choice or fancy of other states. It is a step imposed upon them by the necessities of international intercourse. It is rightly felt intolerable that a country should be compelled for any length of time to regard the government which actually controls its nearest neighbor as devoid of all substantial authority and title, and as incompetent to represent it abroad. As Manchukuo is the outcome of a local movement of self-determination on the part of the inhabitants, who have undoubtedly been much oppressed in the past, as above observed, there can be no question, in recognizing its existence, of any inconsistency with the Nine Power Treaty of Washington whose provisions Japan is most anxious to observe. The object of the Treaty was not to exempt that region from the usual and normal operation of the law of nations which legitimizes *de facto* governments, nor to perpetuate an integrity of discord. It would be directly contrary to its terms to hold that China must forever seethe in anarchy and that no part of the ancient Chinese territory can ever be allowed to erect itself as an island of peace and security, but must be forced down into the morass of discord and disorganization by eight civilized Powers. In short, the Nine Power Treaty does not forbid Chinese in any part of China to establish of their own free will an independent state, and it does not, therefore, constitute a violation of the Treaty to accord recognition to a new state so founded. There is no doubt that Manchukuo, if given fair and untrammelled opportunity by Japan and other Powers, will quickly develop into a strong and stable nation, and so given a much needed lead to the establishment of a strong and stable government in China.

894.00/4341

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, August 13, 1932.

[Received August 27.]

DEAR MR. SECRETARY: The outburst in Japan against your speech before the Council on Foreign Relations¹⁶ savors distinctly of a tempest in a teapot if not of a guilty conscience on the part of the Japanese, for we now understand that the speech was merely an academic discussion of a hypothetical case, while the Japanese took it as a specific charge of guilt. Unfortunately I was unable to take any steps to mitigate the effect here, because neither the text of the speech nor a resumé of its substance and intentions have reached me, and by the time the text arrives from Shanghai the incident will presumably be closed. However that may be, the Foreign Office has used the speech deliberately to pour fuel on the temporarily quiescent flames of public animosity against the United States. I say deliberately, because the violent Japanese press reaction was based not on the press despatches from the United States but on the Foreign Office's inflammatory interpretation of Debuchi's cabled account, and this interpretation was given to the Japanese press a day before it was released to the foreign correspondents.

This situation reminds me strongly of the efforts of the German Government, by calumniating foreign nations, to build up a public war psychology in 1914, the effort being repeated whenever some new venture, such as the indiscriminate submarine warfare, was about to be launched. Here in Japan the deliberate building up of public animosity against foreign nations in general and the United States in particular has doubtless a similar purpose—to strengthen the hand of the military in its Manchurian venture in the face of foreign, and especially American, opposition. I believe that on the part of the Japanese it is a sign of weakness, not of strength. The internal economic and financial situation in Japan is serious and may become desperate. The plight of the farmers is very bad, many industries are at low ebb, unemployment is steadily increasing. The yen is falling and prices have not yet risen proportionately. Money cannot be obtained from abroad; I was recently told, although I cannot vouch for the reliability of the information, that the Government had tried without success to obtain loans from England, France and Holland in turn. It will become increasingly difficult to obtain domestic loans. This situation is not critical, but it may become so when the ability of the National Bank of Japan to absorb domestic bonds comes to an end.

¹⁶ Delivered August 8, 1932. For text, see *Foreign Affairs*, Special Supplement (October, 1932), vol. XI, No. 1.

Meanwhile millions of yen are being squandered to support the Manchurian venture, of which the eventual economic advantage is highly problematical, and when the full purport of these expenses becomes known to the people, in their own serious deprivation, there is no telling what effect it will create. I believe that a steadily increasing anxiety exists among the Government and the thinking men of the country outside of the hot-headed military clique which refuses to face these facts. It seems to be primarily this military element—vocalized by such men as Shiratori¹⁷—who believe that the best way to obscure these facts is to work the public into a patriotic and nationalistic fervor by representing foreign nations, particularly the United States, as trying to thwart Japan's efforts for alleged self-preservation.

Such a national temper is always dangerous. The German military machine, supported by a carefully nurtured public war psychology, took the bit in its teeth and overrode all restraining influences in 1914. The Japanese military machine is not dissimilar. It has been built for war, feels prepared for war and would welcome war. It has never yet been beaten and possesses unlimited self confidence. I am not an alarmist but I believe that we should have our eyes open to all possible future contingencies. The facts of history would render it criminal to close them.

In this connection the enclosed memorandum prepared by the Embassy,¹⁸ which will be incorporated in a despatch, may be found significant.

Respectfully yours,

JOSEPH C. GREW

793.94Commission/325 : Telegram

The Minister in China (Johnson) to the Secretary of State

PEIPING, August 15, 1932—9 a. m.

[Received 9:35 a. m.]

953. Following is translation of a document in the French language handed in identic copies to be given Commissioner[s] of the League of Nations Commission by the Japanese Assessor. Document unsigned but represented to be Debuchi's account of what the Secretary said to him.

"I understand perfectly that Japan has special and vital relations with Manchuria and as a consequence I faithfully respect the rights and interests of Japan in that region; and I certainly have no ambition to make America a rival of Japan in Manchuria. However, as I firmly intend to be faithful to the spirit of both the Kellogg Pact and the Nine-Power Treaty, I find myself obliged to say things which sometimes may not be very agreeable to your country; I hope that you will understand this. Moreover, my last speech was simply in explana-

¹⁷ Toshio Shiratori, Director of the Bureau of Intelligence, Japanese Foreign Office.

¹⁸ Not printed.

tion of the happenings affecting the fundamental spirit and the application of the Kellogg Pact: I did not intend to make use of the occasion to attack Japan. Consequently I was particularly careful about using the word 'aggressor' which I am told has been so severely criticised in Tokyo. I especially preceded it with the indefinite article in order that I might express myself in the abstract."

JOHNSON

793.94 Commission/325 : Telegram

The Acting Secretary of State to the Minister in China (Johnson)

[Paraphrase]

WASHINGTON, August 17, 1932—6 p. m.

264. Legation's 953, August 15, 9 a. m. With reference to the document handed to the members of the League Commission by the Japanese Assessor, the statements attributed to the Secretary differ in varying degree from the Department's record of the statements made on August 10 to the Japanese Ambassador by the Secretary, with the consequence that the distorted version which was supplied to the Commission gives the impression that the attitude of the Secretary is more lenient toward Japanese operations in Manchuria and more strictly an expression of the Secretary's personal opinion than is actually the fact.

In summing up his views on the Manchurian situation, the Secretary of State mentioned to the Ambassador his sympathy with Japanese rights in Manchuria, with which he asserted he had no desire to intervene. Further, the Secretary said he knew that there was no desire on the part of the United States to intrude or become a political rival of Japan in Manchuria. Whatever his own views might be, he said he had no intention of saying anything in his speech of August 8 for the purpose of annoying Japan; that on the contrary his preparation of the speech had been very painstaking in order to make certain that nothing was said in the speech which might justly cause irritation. However, the Secretary very seriously pointed out to the Ambassador his real position: namely, that the speech of August 8 was a statement of his views and those which in his opinion were the views of the people of the United States toward the Kellogg-Briand Pact; that he and the people of this country felt that this pact was of the utmost importance to the United States and to the civilized world and that in the event it came to a question between permitting the destruction of that peace treaty on the one hand and annoying Japan on the other, he would unhesitatingly, even though it caused regrettable annoyance to Japan, take his stand for the preservation of the treaty. The Secretary also called the Ambassador's attention to the fact that in the press he had noticed that Japanese discussion had been aroused by an alleged statement which he had not made and he pointed out the fact that instead of the words "the aggressor" he had used the words "an aggressor."

With regard to the foregoing information please transmit it to General McCoy orally and confidentially, and state that the Department has no objection to his communicating it orally and confidentially to the other members of the League Commission if it is his opinion that they should receive this information.

CASTLE

S93.01Manchuria/429 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, September 3, 1932—noon.

[Received September 3—5:27 a. m.]

224. I cannot too strongly impress upon the Department, with reference to my letter of August 13 to the Secretary, that, regardless of foreign opposition of whatever nature, the Japanese Government firmly intends to see the Manchuria venture through. Unless prevented by superior physical force, it is determined to proceed. The conviction, furthermore, of the elements which now control the actions and policy of the Government is that their cause is just. Their determination is strengthened by this conviction. That the Japanese, as an intelligent people, can honestly credit the obviously false premise of self-determination for Manchuria is difficult to believe but there is evidence of a genuine conviction that their whole course of action in Manchuria is one of supreme and vital national interest, if not of self-defense, and that they are prepared and determined to meet, if necessary with arms, all opposition on that basis. Little or no weight is carried by conservative statesmen. I wrote you of military preparations; these are being steadily gone on with. The Japanese regard the United States as their greatest stumbling block, although they expect the report of the Lytton Commission to be unfavorable and the action of the League of Nations to be possibly unfavorable. At present talk of friction with Soviet Russia is comparatively quiescent.

Observation and information from many sources, especially during the past few weeks, have confirmed the foregoing opinions with increasing intensity. I have been unable to discover, although I have studied the local situation carefully from all angles, any approach by which we might hope that the present Japanese intransigence might be overcome or modified. For the present it appears inevitable that we shall have to continue to face openly the conflicting principles and policies between the United States and Japan, although internal economic pressure and moral pressure from outside may in time compel modifications in Japanese policy.

The Legation at Peiping has been sent a copy of this telegram.

GREW

893.01Manchuria/467 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, September 15, 1932—7 p. m.
[Received September 15—9:09 a. m.]

232. The signed protocol recognizing Manchukuo and containing substantially the points outlined in my 223, September 2, 5 p. m.,¹⁹ was released to the newspapers this morning for publication after 4 p. m., Tokyo time. As the press correspondents are cabling to American newspapers the full text of the Foreign Office translation of the protocol, I shall not telegraph the text, but will forward by mail the Embassy's translation upon its appearance in the Official Gazette.²⁰

Uchida did not call the representatives of foreign countries to the Foreign Office to receive the protocol and his explanation thereof, but instead issued a public statement for publication simultaneously with the protocol.²¹ This statement contains the familiar arguments of self-defensive measures taken by Japan and of self-determination by Manchukuo; outlines the internal and external policies of Manchukuo, including the eventual abolition of extraterritoriality by multilateral agreement; expresses satisfaction in the sincerity and development of Manchukuo; states that the protocol was concluded to secure tranquility in Manchuria and to guarantee security of the Japanese Empire and the peace of the Far East; describes the various points contained in the protocol; disclaims any territorial designs in Manchuria, which fact is reaffirmed by the conclusion of the protocol; states that Manchukuo has agreed to the principles of the open door and hopes that the peoples of the world will pursue economic activities in Manchuria on a basis of equal opportunity; and expresses the expectation that the powers will soon establish diplomatic relations with Manchukuo.

Repeated Peiping.

GREW

793.94Commission/398 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, October 3, 1932—5 p. m.
[Received October 3—7:10 a. m.]

249. 1. The report of the League of Nations Commission²² has been received in Japan with the expected repercussion. The Foreign Office spokesman declares that the report favors China and is unfair

¹⁹ Not printed.

²⁰ For text of the protocol, see League of Nations, *Official Journal*, Special Supplement No. 111, p. 79.

²¹ For text, see *ibid.*, p. 80.

²² League of Nations, *Appeal by the Chinese Government, Report of the Commission of Enquiry* (Geneva, October 1, 1932).

to Japan. Certain parts are declared to be sound, but the findings and recommendations in regard to Manchuria are held impossible for Japan to accept.

2. The War Office professes indignation at the unfairness of the report; particularly at denial of the Japanese plea of self-defense and at the statement that the existence of the new state is due to the connivance of the Japanese Army.

3. The press takes its cue from the Foreign Office. The Committee is criticised as biased and ignorant of facts; the report for ignoring the actual state of affairs; the proposals and recommendations as impractical and untenable by Japan. Press urges the Government to carry out its own solution of the Manchurian question. It declares the report will simply aggravate, instead of solving, the situation, and that the labors of the Commission have been useless. It states that if the report had been issued earlier the recommendations might have been of use, but at the present time with a new government established and formally recognized, no practical result can be obtained.

4. Other comments range from mild criticism to harsh abuse. The Minseito²³ has issued a statement condemning the report and advising the Government to ignore the recommendations.

Repeated to Peiping.

GREW

793.94 Commission/536: Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, November 21, 1932—7 p. m.

181. It is reported by Hugh Wilson²⁴ and Norman Davis²⁵ that on November 19 Matsuoka^{25a} called on them and made statements to the following effect:

(a) There is nothing which will divert Japan from carrying through its present policy in respect to Manchuria, for this policy is the only one which will put an end to the conditions existing in that area.

(b) He had informed the Soviet Government while he was in Moscow that the fear of Russia was one of the mainsprings of Japanese activity in Manchuria, an area where Japan must have security.

(c) The hostility of Japanese public opinion toward America is dangerous. Public opinion is convinced that several attempts have

²³ Japanese political party.

²⁴ American Minister in Switzerland, and alternate delegate at the General Disarmament Conference.

²⁵ American delegate at the General Disarmament Conference.

^{25a} Yosuke Matsuoka, head of Japan's delegation to the League of Nations.

been made by the United States to check Japanese development in Manchuria and to get control of the railway situation in that area. Rapidly diminishing is the large body of influential Japanese opinion which heretofore was friendly. In spite of the fact that thinking Japanese realize American public opinion has no thought of war, the Japanese Government may be forced to take sides with the already inflamed public opinion in the event of some incident.

(d) Any solution by the League which does not take into consideration the existence of "Manchukuo" and its recognition by Japan will have to be rejected by Japan. In case there is a concerted derogation of Japanese dignity, the only recourse for Japan will be to leave the League of Nations.

In rejoinder, it was suggested by Davis that it did not look hopeful for a constructive settlement if Japan's attitude was an irreconcilable one. Davis outlined the fact that America recognized Japan's interests and difficulties, and pointed out that the Secretary of State was animated by no feeling of hostility toward Japan but on the contrary by the conviction of what were the best interests of Japan as well as by American rights and duties under certain treaties and in the interest of world peace. Davis continued by stating that Japan had a wonderful opportunity, provided it would adopt a constructive attitude, to solve this problem in concert with, and with the moral support of, the nations of the world, and that this opportunity should be embraced by Japan. In his attitude Matsuoka remained dubious and he reiterated the danger which lay in the hostility towards America among the Japanese. He stated that the Japanese are a race which is patient for a long time, but a point is arrived at which, with suddenness and violence, the repressed irritation breaks bounds and releases itself.

STIMSON

793.94Commission/536 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson) ^{25b}

[Paraphrase]

WASHINGTON, November 21, 1932—6 p. m.

37. With regard to your 45, November 19, 8 p. m.²⁶

1. The Department is acquainted with the personality and methods of Matsuoka. In this conversation, the position which he took on behalf of his Government was to be expected. He will function as a clever advocate. That may be assumed. It is doubtful, however, whether in well-informed and thoughtful circles the strategy and tactics will carry conviction.

^{25b} Telegram sent to the American delegation at the General Disarmament Conference, Geneva.

²⁶ Not printed. For the substance of this telegram, see telegram No. 181, Nov. 21, 1932, to the Ambassador in Japan, *supra*.

It is our belief that a Japanese nation inflamed against the United States is a true portrait, but that the inflammation has been created and fostered artificially for the purpose (a) of securing popular support at home for the policy of the military and (b) of inducing timidity of attitude on the part of foreign governments by creating a fear psychology abroad.

As for the statements about the interest of America in the railroad situation in Manchuria, they are a revival of a Japanese and Russian bogey, and so far as this country's policy is concerned they have no basis in fact and wherever encountered should be designated as Japanese-Russian fiction which is fostered to deceive those who are open to deception.

2. Yesterday, a mimeographed "Summary of Observations on the Report of the Commission of Inquiry,"²⁷ copies of a statement by Viscount Ishii on Manchukuo, and a publication issued at Changchun entitled "A General Outline of Manchukuo" were distributed here by the Japanese Embassy. In the summary superficiality and a pro-Chinese bias are attributed to the work of the Commission. Japan's acts, it affirms, have been necessary acts of self-defense and have not violated any treaty, and it claims the independence movement in Manchuria was and is autonomous. The summary indicates a strategy of appeal to public opinion in order to induce the acceptance of a *fait accompli*. We believe its contents rather than strengthening Japan's case are such as to weaken it in informed and responsible quarters.

In the event that Japan does follow the course which Matsuoka indicated in his conversation with you and which is set forth in this "summary of observations," the issue is clearly drawn: In regard to this situation Japan declares herself sole judge of fact and law; Japan denies that the League has any right of jurisdiction; the intelligence and integrity of the Lytton Commission are assailed, and thereby Japan repudiates an agency which was her own suggestion and which was set up under a resolution upon which she voted in the affirmative;²⁸ consequently, the entire question of the rights, obligations, and interest of the League as such is brought up and the authority and prestige of the League directly challenged.

In the light of treaties and of principles of world welfare as involved in the peace movement, it is, of course, also a challenge to the whole world. But at this juncture most important is the issue

²⁷ For the text of the observations of the Japanese Government on the report of the Commission of Enquiry, see League of Nations, *Official Journal*, Special Supplement No. 111, p. 88.

²⁸ Resolution of December 10, 1931, p. 59.

between the League and a member state which declares its own views and interests paramount and conclusive and denies any right of authority to the League.

3. Davis' rejoinder to Matsuoka was thoughtful and skillful and I wish to congratulate him.

STIMSON

793.94/5709

Memorandum by the Secretary of State

[WASHINGTON,] January 5, 1933.

The Japanese Ambassador came in with the remark that he regretted that his presence seemed to coincide with a new outbreak of war. He said that he was without instructions from his Government but that from the information he received this affair at Shanhaikwan was a local incident, provoked by a minor outbreak of Chinese against the Japanese there, and that when the Japanese who had sought permission to bring troops in to stabilize the situation approached the Gate of the City they were shot at and a Lieutenant and several soldiers killed. He said that the news he got from Ambassador Muto,²⁹ who is also General, indicated that some troops of the Japanese had now been withdrawn and there was reason to be hoped that unless there was further provocation in Jehol by Chang Hsueh-liang the matter would be controlled. He said that in any event Japan had no territorial ambition south of the Great Wall. I reminded the Ambassador that a year ago he had told me Japan had no territorial ambitions in Manchuria. He became flustered and said that that was so but the situation had changed greatly. At any rate, he could now assure me that they had no such ambitions in North China. He said further that in Japan he thought that matters were progressing; that Saito ^{29a} was getting better control, and he regarded this incident at Shanhaikwan as a test incident as to whether the military elements still remained in control or whether the civil government had regained its position.

I reminded the Ambassador that just before he went away he told me that the Japanese Government was in the control of a group of younger officers, none of them of a higher rank than a Lieutenant-Colonel, and I said to him that he must recognize that as long as that situation lasted I could not regard Japan as a normal Government and must make my own conclusions as to information coming from her. He said he remembered that situation but he found that

²⁹ Nobuyoshi Muto, Japanese Ambassador in "Manchukuo."

^{29a} Admiral Viscount Makoto Saito, Japanese Prime Minister, May 29, 1932-July 3, 1934.

when he got back to Japan it had somewhat changed and that Saito was getting into better control and that, as he expressed it, this incident at Shanhaikwan he regarded as a test of whether that was so. But he said he must in all frankness tell me that no Japanese Cabinet which advocated a compromise of the Manchukuo question could survive in Japan; that must be regarded as a closed incident. I told the Ambassador that in that case I could see, on my part, no other course than for Japan to get out of the League of Nations and the Kellogg Pact. I went over the situation of the basic policy of this Government and the rest of the world and Europe, arising out of the Great War which had brought us to the conclusion that another war might destroy our civilization and which had made us determined to support the peace machinery which would render such a recurrence impossible. We recognized that Japan had a right to live her own way, provided she did not break treaties which she had made, and that if she was determined to lead a life differently from what we were determined to do I saw no other way but for her to withdraw from the associations and treaties which we proposed to abide by.

H[ENRY] L. S[TIMSON]

793.94/5746

Memorandum by the Secretary of State

[WASHINGTON,] January 12, 1933.

The Japanese Ambassador reminded me that he had informed me on his last visit that the trouble at Shanhaikwan would be localized. He said he now came to confirm it. There had been no further aggression there during the week. I asked him what about the press reports of large movements in Jehol. He said he thought that was very much exaggerated; that during the present bitter winter weather no such movements were probable, and he hoped therefore that the press reports were untrue. The Ambassador said further that the movements of insurgents in the neighborhood of Pogranichnaya on the Chinese Eastern Railway had been dealt with effectively and that now the Chinese Eastern Railway and all the other railways in Manchuria were in regular operation; that the Japanese estimates of the number of insurgents in Manchuria had been originally two hundred thousand and that now they were reduced to forty thousand. I told him that I was surprised at his figures because my information was that the number of insurgents in Manchuria against Japanese domination was thirty million.

The Ambassador then changed the subject to the coming meeting at Geneva on the 16th, and asked me whether I had any advice to give to his Government. I told him that unfortunately I could not take the

position of advising the Japanese Government on what it should do and that if I should, I feared they would not follow it. He said of course there was one thing that must be regarded as not susceptible of compromise—that was the recognition of Manchukuo; that was a matter of principle which could not be compromised. Then I said: "You take the position which is equivalent, I suppose, to requesting that the fifty other nations of the world should compromise their principles."

As he went out the door I said to the Ambassador in all seriousness I would advise him not to inform his Government that the American Government was likely to change the position which it had taken deliberately as a matter of principle in these matters. He said there was no danger of his doing so; that when he was in Japan many people came to him and said that they supposed that when the new American Administration came in on March 4th, that Administration's policy towards Manchuria would be changed; that he had always replied to them that that was not so—that the policy of the note of January 7th³⁰ and of our attitude towards the peace treaties was a policy which was in general favor throughout the United States and represented all parties.

793.94/5785b : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, January 18, 1933—1 p. m.

5. According to the American press President-elect Roosevelt on January 17 wrote out, in reply to a question, a statement reading as follows:

"Any statement relating to any particular foreign situation must, of course, come from the Secretary of State of the United States.

I am, however, wholly willing to make it clear that American foreign policies must uphold the sanctity of international treaties. That is the cornerstone on which all relations between nations must rest".

STIMSON

793.94Commission/812 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, February 20, 1933—5 p. m.

[Received February 20—7:07 a. m.]

43. The Foreign Office spokesman stated definitely this afternoon that the Cabinet this morning decided that Japan will secede from the League of Nations if that assembly adopts the report and recommendations of the Committee of Nineteen but that the time and manner of

³⁰ See telegram No. 7, Jan. 7, 1932, to the Ambassador in Japan, p. 76.

withdrawal have not yet been determined. This decision he states has been telegraphed to the Japanese delegation at Geneva for use in formulating the counter-statement to the report and recommendations.

The newspapers further report that it was decided that Japan will not give definite notice of withdrawal until after the return of Matsukata to Japan after the middle of March.

[Paraphrase.] The decision to withdraw cannot yet be said to be final, since it must obtain Imperial sanction after approval by the Privy Council, but the opposition to withdrawal seems to have been overcome. The step may be intended as a last-minute threat to the League in the hope of averting the adoption of the report and recommendations.³¹ The haste with which the Cabinet acted indicates such a possibility. [End paraphrase.]

The Foreign Office spokesman this morning also intimated that the Japanese advance into Jehol can now be expected to commence at any moment.

Repeated to Peiping.

GREW

894.00/467 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

Tokyo, February 23, 1933—1 p. m.

[Received February 23—7:42 a. m.]

45. Consideration should be given to the following factors in estimating the situation in the Far East:

Japan has prepared—by the Cabinet's decision to leave the League of Nations—to destroy her most important link with other countries, thereby indicating a fundamental defeat for the moderate elements in Japan and the complete supremacy of the military. In order to demonstrate her independence of and disregard for Western interference with what she conceives to be her own vital interests, Japan has forestalled or followed by a *fait accompli* every important step made by the League of Nations. Japan's attitude is entirely free of bluff. Rather than surrender to moral or other pressure from the West, the military themselves, and the public through military propaganda, are fully prepared to fight. At present their determination is not modified but only strengthened by the moral obloquy of the rest of the world. Further assassinations, if not internal revolution, would almost certainly follow any tendency on the part of the Government to compromise.

³¹ For the text of the report (including the recommendations) of the Special Committee of the Assembly (Committee of Nineteen), see League of Nations, *Official Journal*, Special Supplement No. 112, p. 56.

The following factors have their place in the national temper:

The determination of the military to brook no interference whatever and its desire to maintain prestige;

The saving of face which permits no step backward and which is of essential importance;

The belief, which has been carefully nurtured, that the "life line" of Japan is Manchuria;

The intense exasperation with the failure of the Chinese to fulfill their treaty obligations and with the former chaotic conditions of Manchuria;

The military's complete disregard of future financial difficulties arising out of the huge expenses which the Manchurian campaign entails;

The fundamental inability of the Japanese to comprehend, when opposed to their own Far East interest, the sanctity of contractual obligations.

It is believed that, with regard to the advance into Jehol, special measures have been taken to avoid going south of the Great Wall even though the campaign may be rendered considerably more costly and difficult by this decision. It would not be wise, however, to disregard the possibility that the taking of the Peiping-Tientsin line might eventuate from unforeseen developments or incidents. } The occupation of North China would very likely be Japan's reply to the application of active sanctions by the League of Nations. This constitutes the greatest future potential danger. It would, of course, bring foreign interests into direct conflict with Japan.

Military propaganda, it may be said, has caused a large section of the public and the army to regard as inevitable war between Russia and Japan or between the United States and Japan or with both countries. The naval and military machines are rapidly being strengthened and are in a high state of efficiency, possessing complete self-confidence and arrogance, while the bellicosity of the Navy is increasing. There is always the risk that, in the present temper of the Navy and the Army and the public, Japan might be led to radical steps, without counting the cost thereof, by any serious incident which tended to inflame public opinion. The conditions described in my telegram No. 224, September 3, noon, are still precisely the same in this respect.

The opinion of most of the diplomats and other foreigners in Tokyo and of the principal members of my staff is represented in the foregoing brief summary.

The Embassy is without information with regard to military developments in Jehol because strict press bans prevent the publication of any information about the present operations in Jehol.

The Legation at Peiping has been sent a copy of this telegram.

GREW

793.94/5925

Memorandum by the Secretary of State

[WASHINGTON,] February 23, 1933.

The Japanese Ambassador came to tell me on the instruction of his Government that the State of Manchukuo was determined to suppress the irregular forces in the Province of Jehol; that under the Treaty between Manchukuo and Japan, Japan was obliged to support Manchukuo and therefore the Japanese forces were co-operating in this movement in Jehol. He said, however, that his Government instructed him to say they did not intend that the Japanese forces should cross the Great Wall or enter into the Peiping-Tientsin district, unless some action by Chang Hsueh-liang made it necessary for them to do so. I reminded him that on his last visit, at the time when Japan had seized Shanhaikwan, he had told me he thought that that action would be localized and that he regarded the success of its localization as a test of whether the civil or the military powers of the Japanese Government were in control, and I asked him how his views as to that test were now affected by this movement of the Japanese forces into Jehol. He was a little embarrassed, but he said that the seizure by the Japanese forces of Shanhaikwan was an entry into North China south of the Wall, and that what he referred to when he spoke of the "test" was any further incursions into the Peiping-Tientsin area. He said that the military command of Japan recognized the various interests which were concentrated in the Peiping-Tientsin area and the consequent danger of an incursion into that area, and they did not want to go. I said, "Then you indicate by that remark that it is not a question of the civilian portion of the Japanese Government controlling the military, but of the military controlling themselves." He replied that this incursion into Jehol which was north of the Wall, they did not regard as an incursion into China proper; that Jehol had always belonged to Manchukuo; that the last Governor of the Province of Jehol had been appointed by Marshal Chang Tso-lin, the father, and not by the Chinese National Government; and that Jehol was therefore a part of Manchukuo and Manchukuo was resolved to exterminate the irregulars in that Province, and in this case the civilian authorities of Japan were acting in collaboration with the military, and it was not their intention to go into the Peiping area. He asked me to take this last fact as a confidence, lest otherwise the Chang Hsueh-liang forces might trade upon that fact. I reminded him that it had already been made public in the press and he said he remembered that, but nevertheless his Government had asked that it not be published by me. I told him I would not.

H[ENRY] L. S[TIMSON]

*Resolution Adopted by the Assembly of the League of Nations on
February 24, 1933*³²

Whereas, in virtue of Article 3, paragraph 3, of the Covenant, the Assembly may deal at its meetings with any matter affecting the peace of the world, and therefore cannot regard with indifference the development of the Sino-Japanese dispute;

And whereas, according to Part IV, Section III of the report adopted by the Assembly in virtue of Article 15, paragraph 4, the Members of the League "intend to abstain from taking any isolated action with regard to the situation in Manchuria and to continue to concert their action among themselves as well as with the interested States not Members of the League" and, "in order to facilitate as far as possible the establishment in the Far East of a situation in conformity with the recommendations of the present report, the Secretary-General is instructed to communicate a copy of this report to the States non-members of the League who are signatories of or have acceded to the Pact of Paris or the Nine-Power Treaty, informing them of the Assembly's hope that they will associate themselves with the views expressed in the report, and that they will, if necessary, concert their action and their attitude with the Members of the League":

The Assembly decides to appoint an Advisory Committee to follow the situation, to assist the Assembly in performing its duties under Article 3, paragraph 3, and, with the same objects, to aid the Members of the League in concerting their action and their attitude among themselves and with the non-member States.

The Committee will consist of the representatives of the Members of the Committee of Nineteen and the representatives of Canada and the Netherlands.

The Committee will invite the Governments of the United States of America and the Union of Soviet Socialist Republics to co-operate in its work.

It shall report and make proposals to the Assembly whenever it thinks fit. It shall also communicate its reports to the Governments of the States non-members of the League which are co-operating in its work.

The Assembly shall remain in session and its President, after consulting the Committee, may convene it whenever he thinks fit.

³² Reprinted from League of Nations, *Official Journal*, Special Supplement No. 112, p. 24.

793.94Commission/837 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, February 24, 1933—7 p. m.

[Received February 24—5:22 p. m.]

125. My 122, February 22, 7 p. m.³³ Drummond's letter to Secretary of State transmitting the report³⁴ and requesting an expression of the view of the American Government was handed me today. The letter reads as follows:

"By the last paragraph of the report which the Assembly of the League of Nations has adopted today I am instructed 'to communicate a copy of this report to the states nonmembers of the League who are signatories of or who have acceded to the Pact of Paris or the Nine Power Treaty, informing them of the Assembly's hope that they will associate themselves with the views expressed in the report and that they will if necessary concert their action and their attitude with the members of the League.'

Accordingly, I have the honor to transmit to you herewith a copy of the report as adopted by the Assembly. I should be grateful if you would communicate to me so soon as you find it possible to do so the reply of the Government of the United States to the hope expressed by the Assembly in the words which I have quoted.

I venture at the same time to draw your attention to the text of recommendation 3 which will be found in part 4 section 2 of the report. That recommendation lays down that if the two parties accept the recommendations of the Assembly it will be my duty to inform your Government thereof and to invite it to appoint, if it should wish to do so, a member of the negotiations committee which is to be set up. This question does not at present arise inasmuch as only one of the parties has today accepted the report. Should the recommendations of the Assembly be later accepted by both parties I shall not fail to address the above invitation to your Government without delay."

WILSON

793.94Advisory Committee/3 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, February 25, 1933—4 p. m.

[Received February 25—11:25 a. m.]

128. My 127, February 24, 9 p. m.³³ The following letter dated February 25th addressed to the Secretary of State by Drummond has just been received:

"I have the honor to inform you that the Assembly of the League of Nations adopted on the 24th February the resolution of which the

³³ Not printed.³⁴ For the text of the report of the Special Committee of the Assembly (Committee of Nineteen), see League of Nations, *Official Journal*, Special Supplement No. 112, p. 56.

text is enclosed herewith (see Gilbert's telegram No. 60, February 24, 7 p. m.).³⁵

The Advisory Committee set up under the terms of this resolution held a meeting today. In accordance with the instructions of the Assembly it requested me to convey to your Government an invitation to cooperate in its work.

I need not say that the committee attaches great importance to the cooperation of your Government and earnestly hopes that it will be able to accept this invitation."

WILSON

793.94Commission/837 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, February 25, 1933—6 p. m.

78. Your 125, February 24, 7 p. m. Communicate to Drummond as a letter from me under today's date the following:

"There has been communicated to me the text of your letter of February 24, 1933, transmitting to me a copy of the report of the Committee of Nineteen as adopted by the Assembly of the League of Nations on this day.

I note your request that I communicate to you as soon as possible the reply of the Government of the United States.

In response to that request I have the honor to state the views of the American Government as follows:

In the situation which has developed out of the controversy between China and Japan, the purpose of the United States has coincided in general with that of the League of Nations, the common objective being maintenance of peace and settlement of international disputes by pacific means. In pursuance of that objective, while the League of Nations has been exercising jurisdiction over a controversy between two of its members, the Government of the United States has endeavored to give support, reserving to itself independence of judgment with regard to method and scope, to the efforts of the League on behalf of peace.

The findings of fact arrived at by the League and the understanding of the facts derived by the American Government from reports made to it by its own representatives are in substantial accord. In the light of its findings of fact, the Assembly of the League has formulated a measured statement of conclusions. With those conclusions the American Government is in general accord. In their affirmations respectively of the principle of non-recognition and their attitude in regard thereto the League and the United States are on common ground. The League has recommended principles of settlement. In so far as appropriate under the treaties to which it is a party, the American Government expresses its general endorsement of the principles thus recommended.

The American Government earnestly hopes that the two nations now engaged in controversy, both of which have long been in friendly relationship with our own and other peoples, may find it possible,

³⁵ Telegram not printed; text of resolution printed, p. 113.

in the light of the now clear expression of world opinion, to conform their policies to the need and the desire of the family of nations that disputes between nations shall be settled by none but pacific means."

2. The text of Drummond's letter to me and my reply are being released to the press here for publication in the Sunday morning papers. I hope that Drummond also will release the texts.

STIMSON

793.94/5953

Memorandum by the Secretary of State

[WASHINGTON,] February 27, 1933.

The Japanese Ambassador called by appointment to complete the conversation that we were having last Thursday. But in opening he said he wanted to tell me that as a personal matter he thought the tone of my last note to the League of last Saturday concerning the action of the Assembly was temperate and conciliatory.⁸⁷ He said he appreciated that I had been trying not to pour oil upon the fire and he thought my attitude would be appreciated by his people, although he had not yet had time to hear of their reaction to my note.

We then passed on to a general talk for which he had come and, taking my cue from what he had said, I reminded him that I had never been unfriendly to Japan; that I had publicly stated, before these events in Manchuria, that I regarded the welfare of Japan and her position and influence in the Far East as important to the welfare of the United States, and that I had frequently, before these events had taken place, called her a stabilizing influence in that part of the world. The Ambassador said he remembered the expressions I had used on the occasion of the Emperor's birthday which were very gratifying. I then went on to remind him that when the Manchurian outbreak occurred in September, 1931, I had not attributed it to the Government of Japan or to the statesmen whom I used to know, Shidehara and Wakasuki, or to the people of Japan, but to the efforts of a small group of persons of militaristic ambitions and desires. The Ambassador said he knew this very well. I reminded him further that in what action I had thereafter taken in opposing Japanese actions in Manchuria I was not actuated by hostility to the Japanese Government or people but by a desire to preserve and maintain certain peace treaties which I regarded as vital and important not only to the world at large but also to Japan. I told him that I had made several speeches in which I had explained my views as to the importance of those treaties. I said I believed the Great War had demonstrated that we had developed both in

⁸⁷ See telegram No. 78, Feb. 25, 1933, to the Minister in Switzerland, *supra*.

Japan and in this country and in many parts of Europe and the rest of the world a complex industrial civilization which could not withstand modern war, and I explained to him in detail what I meant. I pointed out that we were developing into great congested populations of people who were not self-supporting but were dependent upon trade and commerce for their supplies and food; that I believed the Great War had shown that unless future wars could be checked and minimized this civilization would be destroyed. The Ambassador expressed his assent. I pointed out that these peace treaties, including the League of Nations Covenant, the Pact of Paris and the Nine-Power Treaty, were earnest attempts by the people of the world to carry out this view and to protect our civilization against its destruction by war, and that they were, each of them, an attempt to stabilize the world after the war and to protect the welfare of each nation. He said he recognized this. I told him that this had been the mainspring of my action.

The Ambassador said he recognized all of this and on his part, although he had been disappointed many times when he had given me assurances which were afterwards not carried out in Manchuria, he still wanted to say that he believed in his people and that sooner or later the moderate elements would not disappoint us. I told him I joined in his hope that this would be so. I then said that in regarding the situation it seemed to me that the whole of Manchuria itself was not as important to Japan as the confidence and good-will which were being jeopardized by these campaigns. He indicated that he thought this was so. The Ambassador said he was going to devote himself to a cultivation of friendly cultural relations between the two countries, abandoning talk about Manchuria. He expressed himself warmly in the hope that we shall be able to continue our personal relations even after I go out of office. I reciprocated these hopes and told him that I looked forward to the time when the campaign against Chinchow would no longer prevent me from coming to his Embassy, referring to an incident of last winter. The Ambassador laughed and said he hoped so too.

H[ENRY] L. S[TIMSON]

793.94Advisory Committee/3 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

[Paraphrase]

WASHINGTON, March 11, 1933—8 p. m.

86. Your telegram No. 128, February 25, 4 p. m.

1. Please transmit to Drummond, unless you perceive reason for further consideration, in which case report same at once, the follow-

ing letter addressed to him by the Secretary of State under date of March 11.³⁸

"I have the honor to acknowledge the receipt of your letter of February 25, 1933,³⁹ enclosing the text of a resolution adopted on February 24 by the Assembly of the League of Nations, providing for the appointment of an Advisory Committee. You inform me that the Advisory Committee set up under the terms of this resolution held a meeting on February 25 and requested, in accordance with the instructions of the Assembly, that you convey to the Government of the United States an invitation to cooperate in its work.

In reply, I am happy to inform you that the American Government is prepared to cooperate with the Advisory Committee in such manner as may be found appropriate and feasible. As it is necessary that the American Government exercise independence of judgment with regard to proposals which may be made and/or action which the Advisory Committee may recommend, it would seem that appointment by it of a representative to function as a member of the Committee would not be feasible. However, believing that participation by a representative of this Government in the deliberations of the Committee would be helpful, I am instructing the American Minister to Switzerland, Mr. Hugh R. Wilson, to be prepared so to participate, but without right to vote, if such participation is desired."

2. Authorization is given to you to act in accordance with the provisions of the letter quoted above. Of course, you will not commit your Government in regard to any matter without first obtaining from the Department express and definite authorization.

3. It is my request that the above be kept confidential until there has been time for me to prepare a statement to be released with the reply here and until I have so informed you.

HULL

793.94Commission/491a : Telegram

*The Acting Secretary of State to the Minister in Switzerland
(Wilson)*

WASHINGTON, March 13, 1933—6 p. m.

87. Department's 86, March 11, 8 p. m., and your 146, March 12, 4 p. m.⁴⁰ Department will release text of Drummond's letter of February 25 to Secretary and Secretary's letter of March 11 to Drummond for publication everywhere at 9 o'clock Eastern Standard Time, Tuesday, March 14.

At the same time Department is making public an explanatory statement which reads as follows:

³⁸ Quotation not paraphrased.

³⁹ See telegram No. 128, Feb. 25, 1933, from the Minister in Switzerland, p. 114.

⁴⁰ Latter not printed.

"The Advisory Committee created by the Assembly of the League of Nations for the purpose of following the situation in the Far East has extended to the Government of the United States an invitation to cooperate in the work of the Committee.

This Advisory Committee consists of the members of the Committee of Nineteen and representatives of Canada and The Netherlands.

The promotion of peace, in no matter what part of the world, is of concern to all nations. It has been and is the desire of the American people to participate in efforts directed toward that end. In this spirit we have in the past established the practice of cooperation and observation without direct participation. We therefore gladly accept this invitation of the Advisory Committee that we cooperate with it in the work assigned to it by the Assembly. As a practical measure toward facilitating effective cooperation, we suggest, in our reply to this invitation, that a representative of the United States be present, without right to vote, in the deliberations of the Committee. This procedure, if adopted, will not give to the representative of this Government a position of membership on the Committee. Presence of the United States in this manner in the meetings of the Committee will give an informative contact. It does not in any way impair the right of independence of judgment and freedom of action of the United States. The representative of the United States cannot take any action binding this country. We believe that the importance of the problem which is of common concern in this connection to the League, to the League Powers and to the United States, calls for promptness and accuracy in exchange of information and views; that the dictates of common sense call for consultation with free and frank discussion among the nations; and that the procedure thus suggested will contribute toward the serving of those ends—in the interest both of the United States and of all other countries concerned."

PHILLIPS

693.001Manchuria/15 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, May 3, 1933—noon.

[Received May 3—2:10 a. m.]

89. Last week the correspondent of the *New York Times* ⁴¹ cabled to his paper a statement made to him by Komai, Privy Councilor of Manchukuo, that Manchukuo would apply the principle of the open door only to those countries which recognized Manchukuo's independence. On the following day Byas cabled to his paper a statement by the spokesman of the Foreign Office to the effect that Komai possessed no influence or authority and that the Japanese Government would never countenance any violations of the open-door principles which she regards as basic in the Far East.

⁴¹ HUGH BYAS, correspondent at Tokyo.

In view of the adverse publicity which has occurred abroad, the Vice Minister for Foreign Affairs today authorized me to inform my Government officially that Komai spoke without authority and that the principle of the open door in Manchukuo would be strictly maintained.

GREW

The Truce Agreement Between the Chinese and Japanese Military Authorities, Signed at Tangku, May 31, 1933 ^{41a}

(i) The Chinese army will withdraw to the west and south of the line from Yen-Ching to Chang-Ping, Kao-Li-Yung, Sun-Yi, Tung-Chow, Hsiang-Ho, Pao-Ti, Lin-Ting-Kow, Ning-Ho and Lu-Tai, and undertakes not to advance beyond that line and to avoid any provocation of hostilities.

(ii) The Japanese army may use aeroplanes or other means to verify the carrying-out of the above article. The Chinese authorities will afford them protection and facilities for such purpose.

(iii) The Japanese army, after ascertaining the withdrawal of the Chinese army to the line stated in Article i, undertakes not to cross the said line and not to continue to attack the Chinese troops, and shall entirely withdraw voluntarily to the Great Wall.

(iv) In the region to the south of the Great Wall and to the north and east of the line as defined in Article i, the maintenance of peace and order shall be undertaken by the Chinese police authorities.

(v) The present Agreement shall come into effect upon its signature.

793.94Advisory Committee/46

The Secretary General of the League of Nations (Drummond) to the Secretary of State

GENEVA, June 12, 1933.

[Received June 26.]

SIR: I have the honour to enclose a copy of the circular ⁴² drawn up by the Advisory Committee appointed by the Assembly of the League of Nations to follow the situation in the Far East and to aid the Members of the League in concerting their action and their attitude among themselves and with the non-Member States. The Advisory Committee has decided to send this circular, which relates to the measures involved by the non-recognition of "Manchukuo", to the Members of the League and those non-Member States to which the

^{41a} Translation reprinted from League of Nations, *Official Journal*, Special Supplement No. 113, p. 9.

⁴² For text, see *ibid.*, p. 10.

Assembly's report on the settlement of the Sino-Japanese dispute ⁴³ has been communicated.

The Advisory Committee recalls that on February 25th, 1933, immediately after the Assembly's adoption of the report, the United States Government was good enough to inform me that "in their affirmations, respectively of the principle of non-recognition and their attitude in regard thereto, the League and the United States are on common ground."⁴⁴ Having also had the privilege of welcoming Mr. Hugh R. Wilson as the representative appointed by your Government to participate in its deliberations on the conditions stated in your telegram of March 11th,⁴⁵ the Committee has instructed me to express to you the hope that the United States Government, exercising the independence of judgment that it has reserved with regard to action which the Committee may recommend, will, for its own part, declare its agreement to the measures that this circular recommends to the Governments for the purpose of giving effect to the principle of non-recognition.

I have [etc.]

ERIC DRUMMOND

793.94Advisory Committee/46

The Secretary of State to the Chargé in Switzerland (Riggs)

No. 2319

WASHINGTON, September 20, 1933.

SIR: Referring to the Department's telegram No. 119, July 19, noon, to Minister Wilson at Geneva, and to Minister Wilson's telegrams from Geneva No. 203, July 22, 6 p. m., and No. 205, July 24, 11 a. m.,⁴⁶ there is enclosed a copy of a letter addressed by the Secretary-General of the League of Nations to the Secretary of State under date June 12⁴⁷ enclosing a copy of a circular relating to the measures involved by the non-recognition of "Manchukuo" drawn up by the Advisory Committee of the League of Nations; and there is also enclosed the original and a copy of the American Government's reply to the Secretary-General's communication.

Upon Minister Wilson's return, it is desired that you bring this matter to his attention. Unless he perceives substantial reason for proceeding otherwise, in which case he should at once explain to the Department by telegram, he should transmit to the Secretary-General of the League the original of the American Government's reply. In so doing he should inform the Secretary-General that this Government requests that the text of its reply be not made public or circularized

⁴³ For text, see *ibid.*, Special Supplement No. 112, p. 56.

⁴⁴ See telegram No. 78, Feb. 25, 1933, to the Minister in Switzerland, p. 115.

⁴⁵ See telegram No. 86, Mar. 11, 1933, to the Minister in Switzerland, p. 117.

⁴⁶ None printed.

⁴⁷ *Supra.*

among the states members of the League without first obtaining the assent of this Government to such action; but that this Government would have no objection to the Secretary-General's disclosing in confidence to the Advisory Committee the text of the American Government's reply.

Very truly yours,

CORDELL HULL

[Enclosure]

The Secretary of State to the Secretary General of the League of Nations (Avenol)

WASHINGTON, September 20, 1933.

SIR: I acknowledge the receipt of your predecessor's letter of June 12, 1933, enclosing a copy of the circular relating to the measures involved by the non-recognition of "Manchukuo", drawn up by the Advisory Committee appointed by the Assembly of the League of Nations to follow the situation in the Far East. This letter expresses, under instruction of the Committee, the hope that the American Government, exercising the independence of judgment that it has reserved with regard to action which the Committee may recommend, will declare its agreement to the measures which, for the purpose of giving effect to the principle of non-recognition, this circular recommends to the various Governments concerned.

In reply I am happy to inform you that the views of the American Government with regard to the principle of non-recognition remain unchanged and that the American Government concurs in general in the conclusions arrived at by the Advisory Committee.

With regard, however, to the Advisory Committee's suggestions on the subject of accessions to "Open Conventions", the American Government is of the opinion that the procedure suggested is not under existing circumstances essential and is open to objection from point of view both of practicability and of policy. The American Government therefore purposes, in so far as there are concerned "Open Conventions" for which this Government may receive applications for accession, merely to file such applications without acknowledgment or further action.

Also, on the subject of the procedure to be followed in reference to the control of the traffic in narcotic drugs, the American Government finds its views not altogether in accord with the recommendations of the Advisory Committee. It is noted that the Committee in making its recommendations has considered the Geneva Opium Convention of 1925.⁴⁸ The American Government is not a party to that Convention. The American Government does, however, apply a system of import and export certificates similar to the system prescribed under that

⁴⁸ League of Nations Treaty Series, vol. LXXXI, p. 317.

Convention. American law prohibits the exportation from the United States or its territories of "any narcotic drug to any other country" unless the importing country has become a party to the Hague Opium Convention of 1912 and its Final Protocol ⁴⁹ and has adopted the safeguards prescribed by that Convention. Hence, the Advisory Committee's recommendations in this connection cannot under existing laws be adopted by the United States. Furthermore, it is conceived that acceptance in any way of an import certificate issued by "Manchukuo" as the basis for exporting narcotics to Manchuria might readily be construed as an implication of recognition.

The basic international convention relating to the control of the traffic in narcotic drugs is the Hague Convention of 1912, to which the American Government and most of the Governments members of the League are parties. It would seem that the provisions of the Hague Convention were not considered by the Advisory Committee, and the American Government doubts whether the procedure suggested by the Advisory Committee would be in conformity with that Convention.

Except for these points, the American Government believes that it will be readily possible for it to proceed in substantial accordance with the recommendations formulated by the Advisory Committee.

Accept [etc.]

CORDELL HULL

711.94/845 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, October 3, 1933—2 p. m.

[Received October 3—7:41 a. m.]

149. 1. Yesterday I had a long informal talk with Hirota, the new Foreign Minister. In order to avoid the usual publicity in connection with my visits to the Foreign Office, the talk took place at the residence of the Minister, who stated that he would be glad to arrange our future talks in a similar manner.

2. Obviously, the Foreign Minister is seeking ways and means for the improvement of Japanese-American relations and has under consideration the desirability of sending to the United States a good-will mission for the purpose of sounding out American public opinion and of "explaining Japan to the American public". When he requested my views I said that in my opinion there was not any good reason for such a mission because the American public is not hostile to Japan in spite of certain differences in opinion, and that I thought individual

⁴⁹ *Foreign Relations*, 1912, pp. 193, 196.

contacts made by distinguished Japanese visitors such as Prince Tokugawa (who on his return from England expects to visit the United States) would accomplish more than any formal good-will mission. Later, I shall convey to Hirota the fact that organized foreign propaganda is viewed with distaste by the American public.

3. The irresponsible anti-American utterances of the Japanese press which are cabled frequently to the American press, I told Hirota, are among the principal factors militating against good relations. I said these utterances created the feeling in the minds of the American public that Japan is hostile to the United States and inevitably raised a feeling of mutual suspicion and distrust. I expressed the belief that his aims could best be accomplished by giving the desired background and orientation to the Japanese press. I was asked pointedly by Hirota whether in the Japanese press I had observed any anti-American comment since he took office. My reply to his question was in the negative.

4. It was asserted by Hirota that he particularly desired to convey to the press and public of America his own policy and his wish to develop closer relations between the United States and Japan. He was sorry he had been painted unjustly as a rabid nationalist by certain sections of the American press. I made the suggestion that he would find helpful a more personal contact with the American press correspondents in Tokyo and offered for that purpose to arrange an informal dinner on October 12 at the Embassy. My offer was accepted with obvious pleasure.

5. Reports in the press of a contemplated good-will mission to the United States are given out by the Foreign Office as a trial balloon. Among other reasons, such a mission, in my opinion should, at least at the present time, be discouraged because: (a) At present the American public is far more occupied with domestic problems than with any foreign questions; (b) in certain quarters in the United States a latent distrust of Japan exists which organized Japanese propaganda would enhance.

6. At present it appears that my relations with the new Foreign Minister are going to be more satisfactory than it was possible to develop with his predecessor Count Uchida, and that Hirota is groping for advice and is open to suggestions of a constructive nature. Therefore, suggestions or instructions by way of guidance from the Department would be helpful for my future talks with the Minister for Foreign Affairs.

GREW

711.94/845 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, October 6, 1933—5 p. m.

89. Embassy's 149, October 3, 2 p. m.

1. The report of satisfactory recent contacts and probabilities for the future between Hirota and yourself is of great gratification to me.

With regard to Hirota's contemplation of sending a good-will mission, I concur heartily in your view and approve the statements you made and the course you suggested. For the reasons which you give, along with others, that project should be discouraged. Already there has appeared in the American press reactions unfavorable to it. It is my intention to take the same line with Debuchi that has been taken with Hirota by you.

2. In connection with Hirota's desire to improve American-Japanese relations, you might find opportunity to turn his attention to the situation whereby the Department is confronted with increasing evidence of discrimination, actual or likely to develop, by the authorities of Manchukuo against American and other foreign commercial interests in Manchuria, and of acts by these authorities prejudicial to the treaty rights of the United States. The following might be indicated to Hirota. The American public, reading a press which is uncensored and which carries a large amount of foreign news, is impressed less by inspired expressions of attitude and intent and more by statements of fact. A response unfavorable to the aim of fostering friendly relations, which we as well as Hirota seek, will be brought forth in this country by any evidence of discrimination against American trade in Manchuria. If Hirota could use his influence with the Manchukuo authorities toward preventing discrimination or having discrimination removed where it exists, insofar as his efforts in that connection were successful to that extent conditions favorable to the natural development of good will would be fostered and the development of grounds of irritation checked. With regard to instances when discriminations or impairment of American rights do exist or develop, if it is not possible to effect their removal locally, there would probably be no alternative for the American Government other than to bring them officially to the notice of the Japanese Government. Consequently, if the Japanese authorities could discourage successfully the discriminatory and other objectionable practices in Manchukuo, it would contribute substantially to maintaining and promoting good will between the United States and Japan, and at this time efforts along that line would contribute more than any gesture of a good-will mission toward the end sought.

3. The following is for your information. With regard to the question of amending our Immigration Act,^{49a} recently the Department suggested to Debuchi that he suggest to Shigemitsu^{49b} informally that the present is not an opportune moment for public agitation in relation to this question.

HULL

711.94/852 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, October 14, 1933—4 p. m.

97. Embassy's 154, October 11, 10 a. m.^{49c} In the event Hirota should request you to specify instances and cases of discrimination, your answer should be that at the present time you are less concerned with specific cases of discrimination and more with acts and policies of Manchukuo which are in effect now or are contemplated and which derogate from conditions permitting of free and equitable competition. The project for an oil monopoly which is reported to be under consideration is an example of these policies and acts.

The Department does not understand how, without violating rights assured under existing treaties, it would be possible to confer privileges of preemption on organizations which in character are not purely native and thereby to exclude American participation in any line of production or commercial industry. Likewise, it is our opinion that, except in contravention of existing treaty rights, the proposed banking law which would require American banks operating in Manchuria to deposit currency or securities with Manchukuo could not be enforced.

As a specific example of discrimination you may cite levying at Manchurian ports of a lower duty on Japanese oil than on American oil.

HULL

793.94 Advisory Committee/59

The Secretary of State to the Ambassador in Japan (Grew)

No. 385

WASHINGTON, October 23, 1933.

SIR: Reference is made to the Department's instruction No. 367 of September 25, 1933,⁵⁰ in regard to the recommendations of the Advisory Committee of the League of Nations relating to certain measures involved in the non-recognition of "Manchukuo".

^{49a} Approved May 26, 1924; 43 Stat. 153.^{49b} Mamoru Shigemitsu, Japanese Vice Minister for Foreign Affairs, 1933-36.^{49c} Not printed.⁵⁰ Not printed; it transmitted copies of instruction No. 2319, Sept. 20, 1933, and its enclosures, to the Chargé in Switzerland, p. 121.

Upon the return of Minister Hugh R. Wilson to Geneva, he telegraphed to the Department under date October 13, 1933, 11 a. m.⁵¹ that he was not transmitting to the Secretary General of the League the Department's reply of September 20, 1933, to the Secretary General's letter of June 12, 1933, as it was almost certain that such a communication would "shortly become public knowledge". In view of the foregoing circumstance, Minister Wilson suggested that the Department authorize him to explain the American Government's position orally and confidentially to the Secretary General and to state that when the Manchuria Committee meets again he would explain this Government's position to the members of that committee. Under date October 13, 1933, 2 p. m. the Department approved Minister Wilson's suggestion.⁵¹

Very truly yours,

For the Secretary of State:
WILLIAM PHILLIPS
[Under Secretary of State]

711.94/908

*Informal and Personal Message From the Japanese Minister for Foreign Affairs (Hirota) to the Secretary of State*⁵²

TO THE HONORABLE

THE SECRETARY OF STATE.

It is a significant fact that ever since Japan and the United States opened their doors to each other exactly eighty years ago, the two countries have always maintained a relationship of friendliness and cordiality.

It is a matter for gratification to both our countries that they produce very few commodities which represent conflicting interests in their foreign trade, that each supplies what the other wants, that they are good customers of each other's products, and that they are strengthening their relation of interdependence year after year.

I firmly believe that viewed in the light of the broad aspect of the situation and studied from all possible angles, no question exists between our two countries that is fundamentally incapable of amicable solution. I do not doubt that all issues pending between the two nations will be settled in a satisfactory manner, when examined with a good understanding on the part of each of the other's position, discussed with an open mind and in all frankness, and approached with a spirit of coöperation and conciliation.

I can state with all emphasis at my command that the Japanese nation makes it its basic principle to collaborate in peace and harmony with all nations and has no intention whatever to provoke and make trouble with any other Power.

⁵¹ Telegram not printed.

⁵² Handed to the Secretary of State by the Japanese Ambassador, February 21, 1934.

It is the sincere desire of Japan that a most peaceful and friendly relation will be firmly established between her and her great neighbor across the Pacific, the United States. And to this end I have been exerting my best efforts since I took the post of Foreign Minister.

I am happy, therefore, to avail myself of the occasion of the arrival in your country of Mr. Saito, the new Ambassador, to lay before you, through him, Mr. Secretary, my thoughts as to the necessity of promoting our traditional friendship as above.

I hope and believe that the desire of the Japanese Government in this respect will be reciprocated by a full support and countenance on the part of your Government.

711.94/908

Informal and Personal Message From the Secretary of State to the Japanese Minister for Foreign Affairs (Hirota) ⁵³

TO HIS EXCELLENCY

THE MINISTER FOR FOREIGN AFFAIRS OF JAPAN.

Mr. Saito, the new Ambassador of Japan to the United States, has delivered to me the personal and informal message which you have been so good as to send me.

The cordial sentiments which you express in this message I highly appreciate and reciprocate.

I have not failed to note, with gratification, Your Excellency's effort to foster friendly relations with other powers. In all such effort I am sure that you realize that you may rely upon me for the fullest possible measure of cooperation.

You express the opinion that viewed in the light of the broad aspect of the situation and studied from all possible angles no question exists between our two countries that is fundamentally incapable of amicable solution. I fully concur with you in that opinion. Further, I believe that there are in fact no questions between our two countries which if they be viewed in proper perspective in both countries can with any warrant be regarded as not readily susceptible to adjustment by pacific processes. It is the fixed intention of the American Government to rely, in prosecution of its national policies, upon such processes. If unhappily there should arise in the future any controversy between our two countries, the American Government will be prepared, as I believe it always has been in the past, to examine the position of Japan in a spirit of amity and of desire for peaceful and just settlement, with the confident expectation that the Japanese

⁵³ Handed to the Japanese Ambassador by the Secretary of State, March 3, 1934, 12:30 p. m.

Government will be prepared to examine the position of the United States in the same spirit.

You refer to the gratifying fact that in the field of trade the interests of our two countries are not in conflict and commercial ties are being constantly strengthened. I perceive every reason to anticipate that the United States and Japan will continue to develop their reciprocal trade with benefit to both countries and, where there may be competition, with constant reciprocal good will.

You state emphatically that Japan has no intention whatever to provoke and make trouble with any other power. I receive this statement with special gratification and I am glad to take this opportunity to state categorically that the United States on its part has no desire to create any issues and no intention to initiate any conflict in its relations with other countries.

In the light of these facts I feel that I should also avail myself of this opportunity to express my earnest hope that it may be possible for all of the countries which have interests in the Far East to approach every question existing or which may arise between or among them in such spirit and manner that these questions may be regulated or resolved with injury to none and with definite and lasting advantage to all.

I shall of course be glad to receive through the Ambassador of Japan to the United States or the Ambassador of the United States to Japan any suggestions calculated to maintain and to increase that friendliness and cordiality which have constantly marked since the conclusion of our first treaty the relations between our two countries. You may count upon my earnest desire to favor any measure or steps which may be practicable toward this end and toward fostering at the same time relations of peace, good will and general benefit among all members of the Family of Nations.

CORDELL HULL

711.94/918a: Circular telegram

The Secretary of State to the Ambassador in Japan (Grew) ⁵⁴

WASHINGTON, March 21, 1934—5 p. m.

1. Texts of the exchange of informal letters between Minister for Foreign Affairs Hirota and the Secretary of State were released to the press today.

⁵⁴Telegraphed also on the same day to Peiping with instructions to repeat to Shanghai and Nanking; and to London with instructions to repeat to Paris, Geneva, Berlin, and Rome.

2. No negotiations of any sort have been in process or are being conducted between the two Governments.
3. You may so inform any inquirers.

HULL

711.94/919 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, March 22, 1934—8 p. m.

[Received March 22—7:07 a. m.]

56. Department's circular March 21, 5 p. m. Foreign Office spokesman this morning categorically denied newspaper reports from Washington and London to the effect that Ambassador Saito has been instructed to negotiate on the questions of exclusion of Japanese immigrants, recognition of Manchukuo and abandonment of naval and air bases in the Philippine Islands.

GREW

893.6363 Manchuria/29

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

INFORMAL MEMORANDUM

According to information which has reached the Government of the United States, the authorities in Manchuria have enacted a law establishing the Manchuria Petroleum Company, a semi-official organization of which the shares, which are nominative, are held by the regime in Manchuria and by various Japanese companies, one of which is the South Manchuria Railway, a semi-official Japanese Company. The Manchuria Petroleum Company, it is understood by the Government of the United States, is to be entrusted with the execution of the policy in regard to petroleum producing and refining.

The Government of the United States has also been informed that further legislation is now under consideration, which, if enacted, would establish an official monopoly of the selling of refined petroleum products in Manchuria, obtaining for the present a part of its supplies of refined petroleum products from the Manchuria Petroleum Company. It is understood that the plan contemplates the eventual expansion of the capacity of the refinery or refineries of the Manchuria Petroleum Company to a point where the entire needs of the proposed petroleum monopoly can be supplied by the Manchuria Petroleum Company.

If the foregoing information is accurate, and if this project were carried into effect, it would apparently close the door in Manchuria to the sales by American oil companies of their products and consequently would violate the principles of the Open Door, a principle which Japan is committed to uphold and which it has declared that it will uphold.

The Government of the United States furthermore desires to invite the attention of the Japanese Government to the fact that participation by the South Manchuria Railway, a semi-governmental Japanese organization, in the monopolistic project in question, and the reported erection of the refinery of the Manchuria Petroleum Company in the Japanese leased territory in Kwantung, presupposes the approbation and cooperation of the Japanese Government in the project. Such concurrence and cooperation of the Japanese Government would contravene the provisions of Article 3 of the Nine Power Treaty signed at Washington in 1922,⁵⁵ under which the Japanese Government agreed that it would not seek, nor support its nationals in seeking, any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in the territory to which that Treaty applies.

Furthermore, the Government of the United States desires to point out that the establishment of a petroleum selling monopoly in Manchuria would contravene the explicit provisions [of the Sino-American Treaty of?] 1844⁵⁶ and Article 14 of the Sino-French Treaty of 1858,⁵⁷ and would therefore constitute a violation of certain international obligations the fulfillment of which has been guaranteed by the authorities in Manchuria.

The Government of the United States therefore trusts that the Japanese Government will refuse its approval or support of this monopolistic project in Manchuria, and will endeavor to deter its nationals from participation therein, and that the Japanese Government will also use its influence to discourage the adoption by the Manchurian authorities of measures which tend to violate the principle of the Open Door and the provisions of various treaties which the authorities in Manchuria have agreed to respect.

TOKYO, July 7, 1934.

⁵⁵ For text of treaty, see *Foreign Relations*, 1922, vol. I, p. 276.

⁵⁶ Malloy, *Treaties*, 1776-1909, vol. I, p. 196.

⁵⁷ *British and Foreign State Papers*, vol. II, pp. 636, 641.

893.6363 Manchuria/38

*The Japanese Ministry for Foreign Affairs to the American Embassy
in Japan*

[Translation]

Tokyo, August 2, 1934.

1. In an informal memorandum dated July 7, 1934, the American Embassy expresses the desire to ascertain whether or not a report received by the Embassy concerning the establishment of the Manchurian Oil Company and a plan of the Manchukuo authorities for the establishment of an oil sales monopoly, has a basis in fact, and at the same time setting forth the views of the American Embassy in regard to these matters.

2. The plans of the Manchukuo Government as regards the establishment of a Manchurian Oil Company and the oil policies of the Manchukuo authorities, are in no way the concern of the Japanese Government. Consequently the Japanese Government regrets that it is unable to make any explanation thereanent. However, since the American Embassy has expressed the desire for information, there is herebelow quoted in outline for the information of the American Embassy a report recently received by the Japanese Government.

The Manchurian Oil Company was established in Manchukuo, as a juridical person, in accordance with a Special Law promulgated on February 21, 1934. This law does not confer any monopolistic rights whatsoever on this company, nor does it or the company's regulations make any restrictions based on nationality as regards ownership of shares of the Company.

In line with examples set by various governments in Europe, the Manchukuo Government seems to be at present contemplating the enactment of a law to control the oil industry, an essential industry. According to reports at hand, the intent of the above-mentioned law is to make the sale of oil a government monopoly. The manufacture of oil and the exportation and importation of oil will not be monopolized by the Government. Moreover, the new law does not contemplate granting monopolistic rights to the above-mentioned company as regards the manufacture, importation, exportation, etc. of oil.

The report further indicates that according to the plan of Manchukuo, it is not contemplated that all the oil to be sold by the Government shall be monopolized by the products of the Manchurian Oil Company.

3. It is a fact that the South Manchuria Railway has invested in the Manchurian Oil Company and that the latter company has established its factory in the Kwangtung Province. However it is not believed that these facts are liable to give rise to any question of contravention of existing treaties on the part of Japan.

4. The question of the interpretation of the Sino-American treaty of 1844 and of some special provisions of the Sino-French treaty of 1858 in which American participation is specified; the question of whether such provisions do or do not directly bind Manchukuo which has become independent from China; and the policies of Manchukuo as regards these matters, are questions that concern the American and Manchukuo Governments, and as such the Japanese Government must refrain from referring to herein.

5. In view of these circumstances, the Japanese Government regrets that it is unable to prevent Japanese capitalists from investing in this oil company which is a juridical person in Manchukuo, nor is it able to prevent the authorities of Manchukuo from establishing a measure of control over oil. However the Japanese Government believes that the Manchukuo Government intends to give all possible consideration to the interests of foreign merchants now in Manchukuo in connection with the purchase and sale of oil, and recommends that American interests concerned deal directly with the authorities of Manchukuo.

893.6363 Manchuria/50

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

INFORMAL MEMORANDUM

Having given to the contents of the informal memorandum in regard to petroleum projects in Manchuria which the Foreign Office was so good as to communicate under date of August 2, 1934, to the American Ambassador to Japan the careful consideration which the importance of its subject matter warrants, the American Government is constrained in all candor to offer with regard to the position taken in that memorandum the following observations:

The plans under discussion are, it appears, plans to monopolize the distribution of oil and in part at least the importation, processing and exportation of oil in Manchuria. The American Government cannot escape the conclusion that the effectuation of such plans would result in the setting up of a monopoly control of the oil industry in Manchuria. The development of a monopoly control in any field would be a matter prejudicial to the treaty rights of American nationals and would run counter to the principle of the open door.

These plans however are apparently being formulated with the concurrence and cooperation of Japanese nationals, the participation of such quasi-official organizations as the South Manchuria Railway and the assent or approval of the Japanese Government.

In approaching the Japanese Government on this subject the American Government has had in mind developments of the past three years in relations between Japan and Manchuria and has given thought to treaties to which Japan and the United States are parties and to various declarations in which the Japanese Government has given assurances that there will be maintained in Manchuria the principle of the open door. This Government has of course assumed and continues to assume that the Japanese Government wishes to implement its undertakings.

Entertaining as it does a high opinion of the sense of responsibility and the capacity of the Japanese Government, this Government cannot believe that the contents of the memorandum under reference express adequately and conclusively the Japanese Government's position and intention with regard to projects in Manchuria the carrying out of which would not only be contrary to provisions of treaties but would involve contravention of the unqualified assurances which have been given by the Japanese Government to the American Government, to other Governments and to the world.

TOKYO, August 31, 1934.

893.6363 Manchuria/71

*Memorandum by the Chief of the Division of Far Eastern Affairs
(Hornbeck)*

[WASHINGTON,] November 6, 1934.

During the course of my call on the Japanese Ambassador today, the Ambassador made some references to his trip in "Manchukuo" and brought in a reference to the proposed "Manchukuo" petroleum monopoly. He said that he had very little knowledge of the facts but that the American newspapermen had been pressing him on the subject and he had told them that the "Manchukuo" government had given its word that it would respect the principle of the open door and that he was confident that it would do so. If other governments felt that it was about to act not in accord with that principle, they should inform it of their views and he was sure that it would wish to do whatever was right in the matter. He said that he had just received from Tokyo a summary of the Japanese Government's latest memorandum to the ambassadors of the interested powers at Tokyo and that he supposed that we had been informed of the contents of that memorandum. I said that we had received a summary; that we understood that the other missions concerned in Tokyo had received a text similar or identical to that which the American Ambassador had received; and that it seemed to us that the solution of the question involved was not very much advanced thereby. I took

occasion to express in the form of a casual remark the view that one might expect that the Japanese Government would be as much interested as any other in the maintenance by the "Manchukuo" régime of an open door. The Ambassador said that the Japanese Government could do nothing more than "advise the 'Manchukuo' government." I said that the foreign governments assume that when the Japanese Government "advises" the "Manchukuo" authorities in terms which indicate that it desires that its views be followed, the views expressed by the Japanese Government prevail. To that the Ambassador did not reply. Instead, he said that he had suggested to the "Manchukuo" authorities that they should buy more of goods and services from countries other than Japan than they have been doing; that they had replied to him that they were making their purchases on the basis of bids and prices and that in almost every connection they could get what they wanted from Japanese sources at less prices than from other foreign sources. Nevertheless, they had given to French firms the contracts for the building of the Foreign Office at Hsinking; and they had placed an order for structural steel with German firms, the price having been low. And they had agreed with him in principle that they should throw more trade to other countries.

And the conversation then turned to other subjects.

S[TANLEY] K. H[ORNBECK]

893.6363 Manchuria/100

The Ambassador in Japan (Grew) to the Secretary of State

No. 1052

TOKYO, November 14, 1934.

[Received December 1.]

SIR: I have the honor to refer to my despatch No. 1036, dated November 1, 1934,⁵⁸ and to previous correspondence on the subject of the proposed oil sales monopoly in Manchuria, and to report the following later developments in the case.

REPRESENTATIONS

Under date of November 5, 1934, the Foreign Office replied to the representations made by this Embassy, acting under instructions from the Department, on August 31, 1934, in regard to the proposed oil monopoly in Manchuria. The reply of the Foreign Office was in the form of a memorandum, which was sent to this Embassy without a transmitting note, but which was sent to the British Embassy in Tokyo under cover of a transmitting note marked "Confidential". The two memoranda were identical, except that the references to the dates of representations and to the Embassies which made them,

⁵⁸ Not printed.

naturally differ in the two memoranda. A complete translation of the memorandum received by this Embassy is enclosed.

The Foreign Office memorandum sets forth that the Japanese Government is not concerned with the plans of the "Manchukuo" Government for the control of the petroleum industry; that the Japanese Government approves of the adoption by the "Manchukuo" government of the principle of the Open Door, but that the Japanese Government cannot be responsible to other countries for the industrial policy of "Manchukuo"; that "Manchukuo" claims the same right as is possessed by other countries to control industries important to its national existence but does not intend to impose unfair or discriminatory treatment upon the economic activities of foreigners within its territories; that the Manchuria Oil Company is not endowed with monopolistic privileges and that the Japanese Government cannot prohibit the investment of Japanese capital in the Company; and that the monopoly plan of the "Manchukuo" government does not contemplate the restriction of the purchase of the monopoly's supplies of oil to the products of the Manchuria Oil Company, and that the interests of foreign concerns will be considered as far as possible in the purchase and sale of oil.

A comparison of the reply of the Foreign Office with the representations made by the American Government, through the Embassy, on August 31, 1934, reveals the fact that almost no attempt has been made in the reply to refute the allegations contained in the representations. In the representations the American Government stated that "The development of a monopoly control in any field would be a matter prejudicial to the treaty rights of American nationals and would run counter to the principle of the open door" and "The American Government . . . has given thought to treaties to which Japan and the United States are parties and to various declarations in which the Japanese Government has given assurances that there will be maintained in Manchuria the principle of the open door". The Japanese memorandum entirely ignores the question of the treaty rights of American nationals in Manchuria. In the second paragraph, when the statement is made that "the plan of the Government of Manchukuo for the control of the oil industry . . . is not within the knowledge or concern of the Imperial (Japanese) Government", the Japanese Government practically renounces its various declarations to the effect that the principle of the open door would be maintained in Manchuria. Although not so stated, it is probable that the Japanese argument is based on the ground that the Japanese declarations in regard to the maintenance of the open door were intended to cover only the period of the Japanese military occupation of Manchuria, and ceased to be operative after "Manchukuo" became an "independent state" and

therefore possessed of the right to regulate its own internal affairs. This attitude would seem to be implied in the statement in paragraph 2 of the memorandum to the effect that "the plan of the Government of Manchukuo for the control of the oil industry is a project of that Government itself".

While it may be argued that the Japanese Government never specifically guaranteed the maintenance of the principles of the open door and equal opportunity in Manchuria after the government of "Manchukuo" was organized, the Japanese recognition and endorsement of the new regime was largely predicated upon the maintenance of those policies, as is evidenced by the speech of Count Uchida, then Minister for Foreign Affairs, before the Diet on August 25, 1932, and the Japanese Government's public statement of September 15, 1932, issued on the occasion of the recognition of "Manchukuo", which reads in part as follows:

"As regards the economic activities of foreigners, the Manchukuo Government made clear in their communication of March 10 above alluded to that they would observe the principle of the Open Door. What Japan desires in Manchuria is to do away with all anti-foreign policies there so that the region may become a safe place of abode for natives and foreigners alike, while, at the same time, guaranteeing her legitimate rights and interests there; and therefore, it is hardly necessary to repeat the assurance that Japan sincerely hopes that all the peoples of the world will pursue their economic activities in Manchuria on a footing of equal opportunity and will thereby contribute to the development and prosperity of that region".

The Protocol between Japan and "Manchukuo" of September 15, 1932, itself is predicated upon the observance by "Manchukuo" of international obligations applying to that territory, as is shown by the second paragraph of the preamble of the Protocol:

"Whereas Manchukuo has declared its intention of abiding by all international engagements entered into by China in so far as they are applicable to Manchukuo."

It is difficult to see how the Japanese Government can ignore these definite declarations, but that it has done so is not only shown by the excerpt quoted above from the Foreign Office memorandum of November 5, 1934, but also in another part of the memorandum, which states that

"... while the Imperial (Japanese) Government as a matter of course hopes to see a reconciliation of the views of the said two countries *it cannot be responsible to various countries for the industrial policy of the Government of Manchukuo*".

The statement in the American representations to the effect that the American Government has assumed and continues to assume that the Japanese Government wishes to implement its undertakings, was also completely ignored in the reply.

The statement in paragraph 4 of the Japanese memorandum to the effect that "According to the Manchuria Oil Company Law as outlined in the previous memorandum the said company is not endowed with any monopolistic privileges whatsoever" is an obvious subterfuge. The Manchuria Oil Company (which is four-fifths Japanese-owned) is apparently to be ranked as a semi-official "Manchukuo" concern, and as such is to be granted permission to manufacture petroleum products for the monopoly, the monopoly thus taking over the output of the concern and placing it in a privileged position, although not a monopolistic position. The Company, having an assured outlet for its entire product, can reasonably be expected to expand rapidly, and while its output at first will fill only about 50 per cent of the demand in Manchuria, there is little doubt that the proportion of the demand supplied by the Manchuria Oil Company will gradually increase, until eventually almost the entire demand for petroleum products in Manchuria will be filled by the Company and by the Shale Oil Refinery of the South Manchuria Railway at Fushun, which is also to be given similar privileges in regard to the monopoly. Thus it appears that, while it is quite true that under the law no monopolistic privileges are given to the Manchuria Oil Company and to the Shale Oil Refinery, the practical effect will be to give them eventually almost a monopoly of the supply of oil products to Manchuria. And, it should be observed, the Manchuria Oil Company is one-fifth "Manchukuo" owned and four-fifths Japanese owned, while the Shale Oil Refinery at Fushun is entirely Japanese owned.

The above facts also dispose of the contention in the memorandum that "it (the "Manchukuo" government) has no intention of imposing upon the economic activities of foreigners within its borders unfair, discriminatory treatment based on national origins".

The statement in paragraph 5 of the memorandum that "the purport of the plan of the Government of Manchukuo does not contemplate purchasing all of the oil to be sold by the Government from the products of the Manchuria Oil Company" is likewise an evasion of the obvious fact that, under the monopoly system to be established by "Manchukuo", a Japanese-controlled oil company is to be given a privileged position which is denied to concerns controlled by other nationals.

The Embassy therefore considers the Foreign Office memorandum to be entirely unsatisfactory.

THE MONOPOLY LAW

According to a Rengo news despatch dated Hsinking, November 13, the Petroleum Monopoly Law has been approved by the Cabinet and Privy Council of "Manchukuo" and was promulgated on that date. The Embassy understands that the substance of the Law has been telegraphed to the Department by the Consulate General at Muk-

den through the Legation at Peiping but encloses for the information of the Department a translation made in the Embassy of the Law as it appeared in the *Tokyo Asahi*, a usually well-informed newspaper. It will be observed that, in addition to the expected monopoly provisions, the Law includes some of the provisions of the Petroleum Industry Law of Japan, such as the licensing of the importation and refining of petroleum, the requirement that agents must store oil if desired by the government, and the requirement that all books and documents of individuals or firms handling petroleum products shall be open to inspection by the government.

Article 4 of the Law provides that oils which have been refined or imported under governmental permission shall be purchased by the "Manchukuo" government. This is obviously a clause inserted in the Law for the purpose of permitting the government to grant permission to the Manchuria Oil Company and the Fushun Shale Oil Refinery of the South Manchuria Railway to refine oils which will then be bought up by the monopoly, thereby assuring the two refineries of a steady market for their output.

The supplementary rules provide that the "Manchukuo" government will honor requests made by the present importers of or dealers in petroleum products to sell their equipment to the government, provided that such requests are made within one month after the date of enforcement of the Law. It appears probable that this clause means that if the foreign oil companies apply to the government to buy their installations and equipment within one month after the date of enforcement of the law, their applications will be favorably received, but that if they delay such applications until later, they will have little chance of selling their property except at a heavy loss. The clause therefore would appear to constitute an attempt to force the foreign oil companies to abandon their protests against the oil monopoly and to consent to the liquidation of their business in Manchuria, in order to save something from the ruin of their trade in Manchuria. The date of enforcement of the law has not yet been fixed but a rumor is current that the date will be February 1, 1935. The foreign oil companies therefore may be compelled to come to a decision in regard to the liquidation of their business in Manchuria by March 1, 1935.

There is also enclosed a copy of a statement issued by the "Manchukuo" government at the time of announcement of the monopoly law, as published in the *Japan Times and Mail* of November 14, 1934,^{58a} The statement contains nothing of interest except the assurance that "the Government intends to compensate any loss caused to the present petroleum importers and dealers by the enforcement of new regulations".

^{58a} Not printed.

ACTIONS OF THE FOREIGN OIL COMPANIES

As the Department was informed in Peiping's telegram No. 378, October 21, 6 p. m. to the Department, the foreign oil companies were requested to furnish the authorities at Hsinking by November 15, 1934, with statistics of their sales and imports during the past two years together with lists of agencies and also all plants and equipment to be turned over to the monopoly. By agreement the foreign oil companies operating in Manchuria sent the authorities at Hsinking a simple statement that they were unable to supply the information demanded, without explanation. This they believed to be the wisest course, as compliance might be construed as acceptance of the monopoly scheme and might thereby weaken any diplomatic action which might be taken.

Respectfully yours,

JOSEPH C. GREW

[Enclosure 1]

*The Japanese Ministry for Foreign Affairs to the American Embassy
in Japan*

MEMORANDUM

1. In view of the fact that the American Embassy has submitted once more, under date of August 31, 1934, an informal memorandum, concerning the plans of the authorities of Manchukuo in the enforcement of the oil monopoly, the Imperial Government wishes to supplement the Foreign Office memorandum of August 2, 1934, with respect to the following two or three points.

2. As set forth in the memorandum of August 2nd the plan of the Government of Manchukuo for the control of the oil industry is a project of that Government itself and is not within the knowledge or concern of the Imperial Government, and the Imperial Government is not in a position to give any explanation with respect to it.

3. It goes without saying, as often repeated in the past, that respect for the principle of the Open Door by Manchukuo coincides with the wishes of the Imperial Government. Accordingly, the Imperial Government appreciates the fact that the Government of Manchukuo in its proclamation upon foundation set forth its aim of respecting the principle of the Open Door and that it subsequently confirmed this in its communications abroad as well. However, in the event of a difference of views between the Government of Manchukuo and a third government regarding the question of the so-called Open Door principle announced unilaterally by the Government of Manchukuo and the application thereof, while the Imperial Government as a matter of course hopes to see a reconciliation of the views of the said

two countries it cannot be responsible to various countries for the industrial policy of the Government of Manchukuo. The Government of Manchukuo entertains the view that with respect to industries important from the standpoint of its existence it has the right to control these itself as is the case with other countries and at the same time it has no intention of imposing upon the economic activities of foreigners within its borders unfair, discriminatory treatment based on national origins. Moreover with respect to the bill to regulate the oil industry now under consideration there appears to be no change on this point.

4. According to the Manchuria Oil Company Law as outlined in the previous memorandum the said company is not endowed with any monopolistic privileges whatsoever. The Imperial Government can find no reason to prohibit the South Manchuria Railway and other Japanese capitalists from subscribing for the said Company's stock.

5. According to the information possessed by the Imperial Government the purport of the plan of the Government of Manchukuo does not contemplate purchasing all of the oil to be sold by the Government from the products of the Manchuria Oil Company and it is the policy of the said Government in the purchase and sale of oil to consider as far as possible the interests of foreign concerns. Conversations have actually begun with these foreign concerns and it is anticipated that some discussions satisfactory both to that Government and the interested Americans will take place.

[Tokyo,] November 5, 1934.

[Enclosure 2]

Manchukuo Oil Monopoly Law ⁵⁹

Article 1. Petroleum hereinafter referred to shall signify gasoline, kerosene, light and heavy oils, benzol, and any and all substitutes for fuel oil.

The scope of substitutes for fuel oil in the above paragraph shall be determined by Imperial decree.

Article 2. Petroleum shall be a government monopoly.

Article 3. No one shall engage in the refining, import and export of petroleum without government permission.

Article 4. The Government will purchase petroleum refined or imported under government permission.

Article 5. The sale of petroleum shall be undertaken by oil agents designated by the Government. However, in special cases the government is not to be prevented from selling petroleum directly to the

⁵⁹ Promulgated on November 13, 1934, according to press despatch from Hsinking.

consumer. Necessary matters relating to the sale of petroleum and to oil agents are to be decided by the Minister of Finance.

Article 6. The government may, whenever it deems it necessary, order oil agents to store a fixed amount of petroleum.

Article 7. No one shall undertake the refining or exporting of mineral oils other than petroleum without government permission.

Article 8. The Government may, whenever it deems it necessary, order those engaged in the handling of petroleum or oils mentioned in the preceding article to submit reports, to improve their equipment, or may enjoin them in other matters.

Article 9. The competent authorities, whenever they deem it necessary, may visit petroleum refineries, refineries of oils mentioned in Article 7, storage warehouses, dealer stands, and other places, and inspect petroleum, oils mentioned in Article 7, account books and various other objects, and make investigations of all matters.

Article 10. The competent authorities, whenever they consider that this law or ordinances issued in accordance with this law have been violated, may examine the persons concerned, conduct searches, and confiscate any articles constituting evidence.

Article 11. The government may, whenever any person who has received permission under Article 3 or Article 7 or any agent designated by the government violates this law or the ordinances issued in accordance with this law or measures taken in accordance with the latter, rescind permission or cancel designation, or order the cessation of operations within a fixed period.

(Articles 12 to 20 inclusive.) Penal regulations.

Article 16. A fine not to exceed five hundred yen shall be imposed upon anyone falling within the purview of one of the following paragraphs.

1. Those who violate Article 8 or falsify reports.

2. Those who obstruct the competent authorities in the performance of their duties stipulated in Articles 9 and 10.

SUPPLEMENTARY RULES

The Minister of Finance shall determine the date of enforcement of this law. Upon the promulgation of the Oil Monopoly Law the Government shall purchase, if application is made within one month after the law goes into effect, equipment actually used in business by those engaged in oil importing. The same applies to the equipment actually used in business of those engaged in the sale of oil who find it impossible to continue operations on account of the enforcement of the Oil Monopoly.

When purchases are made in accordance with the preceding article of the regulations the government will abide by the decision of the

Valuation Committee with respect to the scope of equipment and purchase price.

The composition and authority of the Valuation Committee shall be determined by Imperial decree. Matters necessary for the enforcement of this law shall be determined by the Minister of Finance. This law shall take effect simultaneously with the enforcing regulations.

893.6363 Manchuria/120

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

The American Government is impelled again to bring to the attention of the Japanese Government the subject of the proposed petroleum monopoly in Manchuria and in connection therewith to refer to the American Ambassador's memoranda to the Foreign Office under dates July 7 and August 31, 1934, and to the replies of the Japanese Government as conveyed to the American Ambassador by memoranda of the Foreign Office under dates August 2 and November 5, 1934.

With particular reference to the Foreign Office memorandum of November 5 the American Government finds unconvincing the statement as contained therein that the proposed control of the oil industry in Manchuria is not within the knowledge or concern of the Japanese Government. The American Government must of necessity assume that a project of such major importance to all concerned and one with regard to which Japanese interests including a quasi-official organization apparently are taking so active and so prominent a part can not escape either the knowledge or the concern of the Japanese Government. Likewise for obvious reasons the American Government can not accept the implied disclaimer of responsibility on the part of Japan in relation to the industrial policy in Manchuria of which this prohibition [*project?*] is a manifestation.

The American Government does not wish nor does it believe that the Japanese Government would wish to enter into controversy over the details of the project under discussion. The American Government feels however that it must call to the attention of the Japanese Government for that Government's most careful consideration certain facts and conclusions to which the American Government attaches great importance namely that there is proposed the setting up in Manchuria of a control of the petroleum industry which by whatsoever means attained and whatever called would in fact constitute a monopoly of the sale and distribution of oil in that area; that the creation of such a monopoly would impinge upon treaty rights which

rights the authorities in Manchuria have affirmed to the world they would respect and maintain, an affirmation which the Japanese Government accepted and adopted in the protocol into which it entered with those authorities; that an oil monopoly and in fact any monopoly would in addition constitute a violation of Article III of the Nine Power Treaty to which both Japan and the United States are co-signatories. The creation of such a monopoly would adversely affect legitimate American interests long established in that region. Perseverance in this project by its promoters and indifference by the Japanese Government to that development and its consequences would tend to place at naught the emphatic and unconditional assurances repeatedly made by the Japanese Government of its devotion to the maintenance in Manchuria of the principle of the open door.

In such premises the American Government assumes and expects that the Japanese Government will wish by definite action to give clear evidence of its intention to be guided by its treaty commitments and the assurances in other forms which it has on many occasions given to the American Government and to other Governments and to the world at large.

The American Government is confident that, with further consideration of this situation and its implications, the Japanese Government will realize that it has a definite responsibility in relation to this matter and will take steps which, in view of the relationship between itself and the authorities in Manchuria, are believed to be possible and appropriate toward dissuading the promoters of the monopoly project from perseverance in that project.

TOKYO, November 30, 1934.

893.6363 Manchuria/120

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] December 1, 1934.

In accordance with the Department's telegraphic instruction No. 198, November 28, 7 p. m.,⁶⁰ I called by appointment at 9:30 this morning on the Minister for Foreign Affairs at his official residence and handed to him the Department's *aide-mémoire* (dated by the Embassy November 30) concerning the proposed Petroleum Monopoly in Manchuria. I read over various portions of the *aide-mémoire* and discussed them. The Minister said that he would send our communication to Hsinking because our case was with the Government of Manchukuo and not with the Government of Japan. In connection with my observation that the setting up of the Manchuria Petroleum

⁶⁰ Not printed.

Company effectually closed the door to American oil interests, Mr. Hirota remarked that Americans were free to purchase stock in the Company. I replied that, on the contrary, the shares which are nominative are issued only with the approval of the directors and they have already been issued in the proportion of 40% to the South Manchuria Railway, a quasi official Japanese organization, 20% to the Government of Manchuria and 40% to four Japanese petroleum companies. The Minister appeared not to be aware of this fact.

Mr. Hirota then said that he thought that we and the British were taking too legalistic an attitude towards the matter and that if our oil companies would confer with the authorities of Manchukuo with a view to obtaining satisfaction in practice he thought that a solution of the controversy could readily be reached. I replied that we could hardly help taking a legalistic attitude because, in our opinion, the question of the sanctity of treaties was here involved and we felt that the whole fabric of international relationships depended upon the observance of such treaties in good faith. Mr. Hirota said that the question of the applicability of the old Chinese Treaties to Manchuria was a very difficult and complicated problem and he thought it better to lay stress on the practical rather than the legalistic aspects of the situation. Japan had come to a special arrangement with Manchukuo and the Minister clearly intimated, if he did not say so openly, that only by recognition could we expect to obtain similar privileges. I observed that the assurances of the authorities of "Manchukuo" with regard to the preservation of the principle of the Open Door, as well as many assurances on the part of Japan, some of which I quoted, had been made gratuitously and unconditionally, and that when these assurances were given nothing whatever had been said with regard to the recognition of "Manchukuo" by foreign Powers. It seemed to us that the principle of the Open Door was precisely the same principle as it had been when these assurances were given. The discussion continued for one-half hour, but the Minister's arguments were purely specious and it was obviously impossible to get anywhere. I, however, impressed the Minister more than once with the fact that the American Government and public regarded the issue as a very serious one. I also stated the emphatic denial of the American Government that the oil situation either in Manchuria or in Japan is in any way whatsoever linked with our efforts or our procedure at the London naval conversations.^{60a}

Although it is understood that I generally ask to see the Minister at his official residence instead of at the Gaimusho, in order to avoid not so much publicity but the often inaccurate and sensational publicity which attends my visits at the Foreign Office, I did not on this occasion request the Minister to withhold publicity concerning my

^{60a} See pp. 249 ff.

démarche. Mr. Amau, the Spokesman of the Foreign Office, subsequently informed the press that my action had not been revealed to the press because I had requested that it should not be so revealed. This was not a strictly accurate statement. The British Ambassador saw the Minister at his residence for precisely the same reason but Mr. Amau did not mention this fact to the press and he placed the responsibility for his silence entirely on me.

J. C. G.[REW]

893.6363 Manchuria/194

*The Japanese Ministry for Foreign Affairs to the American Embassy
in Japan*

[Translation]

No. 29

AIDE-MÉMOIRE

American Affairs III

In an *aide-mémoire* of November 30, 1934, on the subject of the petroleum system in Manchukuo, the American Government expressed its opinion respecting the views of the Imperial Government furnished under date of November 5, 1934. The American Government stated that it finds unconvincing the view of the Imperial Government regarding the lack of any relation between the new Manchukuo petroleum system and the Imperial Government, and that the American Government can not accept the Imperial Government's disclaimer of any responsibility for the industrial policy of Manchukuo. The American Government stated that this new control of petroleum, by whatever name described, would constitute a monopoly; that it would impinge upon treaty rights which Manchukuo has affirmed to the world would be respected, an affirmation which is cited in the protocol already entered into between the Empire and Manchukuo; and that the new system would constitute a violation of a treaty to which the Empire and the United States are cosignatories, would adversely affect interests already acquired by American citizens, and would contradict the assurances of the Imperial Government with regard to the principle of the open door. The American Government requested that the Imperial Government realize a definite responsibility in the matter and be guided by its treaty commitments and its assurances in other forms, and take steps possible and appropriate toward the abandonment of the new petroleum system.

After carefully studying the above-stated views and proposals of the American Government, the Imperial Government is unable to discover any reason for altering its former statement. In short, the American Government ignores the fact of the independence of Manchukuo (which has been recognized by the Imperial Government) and argues as if Manchukuo were still a part of China; and it must be

stated that to cite those clauses of the unilateral declarations of Manchukuo which are conjectured to be in one's own interest contradicts the aforementioned contention denying the existence of Manchukuo. The Imperial Government, although it has not declined the labor of all kinds of mediation for the sake of arriving at an amicable business settlement between the parties to the petroleum problem in Manchukuo, is not in a position to intervene or to be directly involved in Manchukuo's internal administrative questions such as the present matter. It is regretted that the American Government should on this occasion again invite controversy in connection with the fundamental question of the recognition of Manchukuo which has been made clear as the Imperial Government's fixed national policy.

In view of the previously mentioned contentions of the American Government, the Imperial Government desires to set forth the following points:

(1) As stated among other things in the *aide-mémoire* of the Imperial Government under date of August 2 and November 5, 1934, the Manchukuo Government's plan for the control of the petroleum industry is a plan of the Manchukuo Government which is not within the concerned cognizance of the Imperial Government; the Imperial Government is not responsible for the industrial policy of Manchukuo; according to the information in the possession of the Imperial Government the Manchuria Petroleum Company is not, from the point of view of the law of Manchukuo, empowered with exclusive monopolistic privileges; and on the subject of ownership of shares of the said company there are no distinctive regulations dependent on nationality. With regard to the phrase . . . [Translator's note: This is a coined phrase previously translated by the Embassy as "not within the knowledge or concern"]⁶¹ a misconstruction has apparently occurred, for it was used in the sense that this petroleum question is Manchukuo's own problem and is not a problem capable of disposition by the Imperial Government. As to citing the protocol concluded between the Empire and Manchukuo, it is to be pointed out that this is a matter having no relation whatever to the American Government.

(2) It is evident that according to international law, the provisions of the treaties between China and other countries can not be understood as being taken over uniformly and unconditionally without any sort of new arrangement consequent upon the independence from China of Manchukuo. It is accordingly believed that it was proper for Manchukuo when first established as a nation to have declared that in the treaties hitherto in force between China and other countries only "such things as ought, in the light of international law and international usage, to be taken over" should be taken over and respected.

⁶¹ Bracketed insertion appears on the file copy; it translates Japanese characters which have not been reproduced.

Furthermore, although it is a fact that in the communication in which Manchukuo proposed the inauguration of her diplomatic relations with foreign countries the open door policy was proclaimed, it is nevertheless evident that those foreign countries who completely disregard her proposal have not the right unilaterally to make use of those parts alone of her communication which happen to suit their convenience. Moreover, even leaving out of consideration the present state of affairs in Europe and America where the most extreme policies are being put into practise in the control of commerce and trade, the necessary control by an independent nation of industries such as the petroleum industry which have an important relation to the state's existence is the proper right of a nation; and it is inconceivable that Manchukuo was abandoning her proper national rights when in announcing her independence she made the above-mentioned comprehensive declaration. Accordingly it can not be allowed that in her present plan for the control of the petroleum industry there is in fact involved any contravention by Manchukuo of treaties or declarations.

(3) In short, the Imperial Government is unable to agree either with any proposal that it should bear responsibility for the actions of the Manchukuo Government or with any contention whatever which has for premise a denial of the independence of Manchukuo.

[Tokyo,] April 10, 1935.

893.6363 Manchuria/194

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 383

Tokyo, April 15, 1935.

EXCELLENCY: I have the honor to acknowledge receipt of the *aide-mémoire* No. 29, dated April 10, 1935, in regard to the petroleum monopoly in Manchuria.

The contents of the *aide-mémoire* having been duly communicated to my Government, I have now been instructed by the Secretary of State of the United States to inform Your Excellency that the American Government is unable to accept as valid the contentions advanced in the *aide-mémoire* to which reference is made. The American Government greatly regrets that the Japanese Government has not seen its way clear to use the influence which it possesses through its close and peculiar relations with the present regime in Manchuria to uphold in practise the principle of the Open Door and the fulfillment of the treaty obligations which both the Japanese Government and the authorities in Manchuria have on numerous occasions declared that they would maintain.

I am also instructed to state that the American Government is constrained to express its considered view that upon the Japanese Government must rest the ultimate responsibility for injury to American interests resulting from the creation and operation of the petroleum monopoly in Manchuria.

I avail myself [etc.]

JOSEPH C. GREW

893.6363 Manchuria/194

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] April 16, 1935.

1. I called on the Minister for Foreign Affairs, Mr. Hirota, at his official residence at 9:30 this morning and left with him, after reading it aloud, our note No. 383, of April 15, 1935, concerning the petroleum monopoly in Manchuria.

2. I then made to the Minister orally the statements appended to this memorandum ⁶² expressing each phrase and sentence slowly and clearly so that the Minister must have clearly grasped every point set forth.

3. At the end of my oral representations the Minister observed, as he has frequently done before, that he had always taken the position that this whole question was a practical one and should be approached in a practical rather than a theoretic and legalistic way and he implied that the matter could be solved to the satisfaction of the oil companies if they had been permitted to discuss the matter directly with the authorities of "Manchukuo" on a business basis. I said to the Minister that the oil companies had already been in touch with the Manchurian authorities without favorable results. The Minister replied that the trouble was that the representatives of the oil companies were in the habit of referring every step to their home governments and maintained that they were powerless to proceed without the approval of their home governments. I said to the Minister that so far as the American companies were concerned, he must be under a misapprehension because while the American Government naturally supported the interests of American companies doing business abroad, it nevertheless did not dictate their policy. The companies were entirely free to act as they thought best and they had approached this whole matter from a business point of view. Undoubtedly some business questions are dependent upon legalistic considerations and the oil companies in determining their attitude in Manchuria have no doubt been obliged to consider both aspects of the question, but they nevertheless regarded

⁶² *Infra.*

it primarily as a business proposition. The Minister said he felt sure that if the companies would continue to negotiate with the "Manchukuo" authorities, they would obtain favorable results.

4. The Minister then reread my note and asked what I meant by the assurances mentioned at the end of paragraph 2. I immediately read to the Minister the various assurances given in the reply of the Japanese Government to the identic note addressed by the United States to the Governments of China and Japan, September 24, 1931;⁶³ in the reply of the Japanese Government to the identic note addressed by the United States to the Governments of China and Japan, January 7, 1932;⁶⁴ in the statement of the Japanese Government of September 15, 1932⁶⁵ and in the protocol between Japan and "Manchukuo", September 15, 1932.⁶⁶ The Minister replied that these assurances were given on the understanding that "Manchukuo" would be recognized by the other nations. He observed that by concluding a treaty with "Manchukuo" effecting the sale of the North Manchuria Railway the Soviet Union had accorded *de facto* recognition, whereas the United States had not even recognized the existence of "Manchukuo". I inquired whether I was to understand from what he had said that the principle of the Open Door and treaty obligations in Manchuria are not to be held to apply to the United States? Mr. Hirota answered that until the existence of "Manchukuo" is recognized "no dispute whatever can be entertained with regard to that country."

5. After some further conversation which was merely supplemental to the points brought out above, I observed that the American Government based its whole case on treaty obligations and past assurances, and then took my leave.

J[OSEPH] C. GREW

893.6363 Manchuria/194

Oral Statements by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

[Tokyo, April 16, 1935.]

1. The creation of the oil monopoly in Manchuria, and the part played therein by Japanese nationals and interests, will have a deplorable effect upon public opinion in the United States, which regards the monopoly and Japanese participation therein as clear breaches of treaty obligations.

⁶³ See telegram No. 167, Sept. 24, 1931, to the Chargé in Japan, p. 9.

⁶⁴ See telegram No. 7, Jan. 7, 1932, to the Ambassador in Japan, p. 76.

⁶⁵ League of Nations, *Official Journal*, Special Supplement No. 111 (Geneva 1933), p. 80.

⁶⁶ *Ibid.*, p. 79.

2. The American companies selling oil in Manchuria have been engaged in good faith in the oil business for many years and have built up their business with the expenditure of much thought, energy and money. During all of this time they have maintained supplies sufficient to carry on the business uninterruptedly, and there is no record, so far as the Embassy is aware, of their having engaged in practices that were unfair to their clients or detrimental in any way to the best interests of Manchuria. The destruction, through the operation of the monopoly, of this business and the good will so carefully built up over a long period of years, and the throwing of this business in large part into Japanese hands, will appear to the American public to be a most inequitable proceeding.

3. The Japanese Government disclaims responsibility for measures taken by the authorities in Manchuria in establishing the monopoly on the ground that they are acts of a state recognized by Japan as sovereign and independent. Nevertheless the peculiar relations and undoubted influence of Japan with those authorities have been fully demonstrated in other recent issues. This inconsistency is certain to affect adversely American opinion of the good faith and sincerity of the Japanese contentions in the present issue.

4. The American oil interests are being deprived of a business which they have been lawfully conducting for many years, on the ground, among others, of national defense, for which the Japanese Government insists it has responsibility. If the principle of national defense is involved, therefore, it would seem that Japan cannot dissociate itself from the monopoly project. On the other hand, if the monopoly project is purely a commercial question, or is concerned solely with economic policy, it would appear to be eminently fitting for Japan to associate itself with other nations to assist in maintaining the principle of equality of commercial opportunity in Manchuria.

893.5151 Manchuria/21

*The Consul at Mukden (Langdon) to the Ambassador in China
(Johnson)*

No. 158

MUKDEN, October 30, 1937.

SIR: I have the honor to refer to my telegram of October 26, 1937, reporting on my interview with Mr. Ohashi, Director of the Foreign Office of the State Council, in regard to the discriminatory features embodied in the recent revision of the Exchange Control Law and ministerial orders issued under it, and to enclose, as of possible interest to the Embassy, a copy of the informal memorandum which I left with Mr. Ohashi following the interview.

As Mr. Ohashi was momentarily absent when I called at the Foreign Office, I discussed the purpose of my visit with Mr. Tsutsui, Mr. Ohashi's next in command, pending Mr. Ohashi's return. It was interesting to note that both gentlemen reacted alike to my errand. Their first reaction was one of defence tinged with slight irritation: that their pledges concerning the Open Door were unilateral and therefore not binding, especially as we failed ("did not have the courtesy") to acknowledge them, and that countries which have not recognized "Manchukuo" may not properly or consistently make claim to the same treatment as that granted to those countries which have recognized it. The second reaction was one of doubt as to the existence of discrimination. When I showed them the discriminatory passages in the text of the ministerial orders, they seemed taken aback. Mr. Ohashi professed ignorance of these passages, adding that so many laws and orders are being passed these days to meet Japan's requirements for relinquishing extraterritoriality by next December 1 that he is unable to study them all. Mr. Ohashi kindly promised, however, to take up the matter with the competent authorities.

Very respectfully yours,

WM. R. LANGDON

[Enclosure]

Memorandum by the Consul at Mukden (Langdon) of Informal Statement on October 25, 1937, to the Director of the Foreign Office in Manchuria (Ohashi) in Connection With Discriminatory Features Contained in Keizaibu Orders Nos. 23 and 25 of October 8, Issued Under Authority of Imperial Ordinance No. 293, October 8, Concerning Revision of Exchange Control Law

Mr. Langdon stated that on October 15 he reported to his Government the substance of the new legislation enacted October 8 to conserve the country's stock of money. In his report Mr. Langdon said that he pointed out how, by virtue of the Orders listed above, imports from the United States were now subject to government approval, restriction or prohibition, inasmuch as they could only be imported if paid for and as exchange with which to pay for them required government permission in each case. He also explained how investment in American securities, insurance and trust contracts, travel and the like was likewise made a matter of rigid government regulation. The features of the law to which Mr. Langdon called his Government's particular attention, however, were the provisions of Article 2 of Order No. 23 and Article 1 of Order No. 25, which specifically exclude Japanese currency, Japanese exchange and Japan from the scope of the new legislation. Commenting on these provisions, Mr. Langdon expressed to his Government the opinion that the freedom of exchange transactions with Japan from the severe control on such transactions with

the United States and other countries was most discriminatory and would deal to American trade relations with Manchuria a severe blow.

On October 19, Mr. Langdon stated, the American Government telegraphed Mr. Langdon to the effect that it considered the discriminatory features of the new legislation clearly inconsistent with the pledges given by the Manchurian authorities to maintain the Open Door, and that such discrimination has created a very unfavorable impression in the United States.

For Mr. Ohashi's ready reference Mr. Langdon cited some of the many declarations made by Hsinking promising to maintain the Open Door in Manchuria, namely:

The passage dealing with foreign policies in the Proclamation on the Establishment of the State, March 1, 1932;

The telegram of Foreign Minister Hsieh to the Secretary of State of the United States, March 12, 1932, in particular paragraph 7, reading as follows: "With regard to economic activities of peoples of foreign nations within the state of Manchuria, the principle of the Open Door shall be observed";

The statement of Foreign Minister Hsieh on the occasion of the signing of the Manchukuo-Japan Protocol of September 15, 1932;

The telegram of congratulation of November 12, 1932, by Foreign Minister Hsieh on the occasion of the election of President Roosevelt;

Statement given to United Press representatives in Tokyo by the Manchukuo Foreign Office (see Bureau of Information and Publicity, Department of Foreign Affairs, Bulletin No. 60, May 4, 1933);

Statement for foreign countries issued March 1, 1934, by Foreign Minister Hsieh on the Occasion of the enthronement of the Emperor, reaffirming the undertaking to maintain the Open Door announced March 1, 1932, on the occasion of the establishment of the State.

In addition to these government manifestoes, Mr. Langdon recalled two or three instances where the Consulate General was individually assured that discrimination against American Commercial interests need not be feared, among them the following: May 10, 1933, when Mr. Ohashi made it clear to Consul Chase that there was no ground for the allegation of discrimination against foreign insurance companies; June 22, 1937, when Mr. Tsutsui told Mr. Langdon, in connection with the insurance law being drafted, that Mr. Hoshino, Director of the General Affairs Board of the State Council, had authorized the Foreign Office to assure foreign consuls that the new law would make no discrimination between Japanese and other foreign firms.

Mr. Langdon expressed to Mr. Ohashi his deep regret that the statutes of Manchukuo now placed discriminatory restrictions on the commercial relations of his country with Manchuria and requested that Mr. Ohashi communicate to the proper authorities the unfavorable impression which such restrictions were making in the United States, which treats the trade of all countries, including Manchuria, alike.

793.943 Manchuria/45

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 828

Tokyo, December 1, 1937.

EXCELLENCY: Acting under the instructions of my Government I have the honor to refer to reports that on November 1[5?] a treaty was signed with Japan ending Japanese extraterritorial rights in Manchuria and that on this account there was issued a manifesto in regard to the extraterritorial rights of foreigners other than Japanese in Manchuria. It has also been brought to the attention of my Government that the branch at Harbin of the National City Bank of New York, an American concern, has received a letter from the Department of Economics at Hsinking stating that a recently promulgated "law concerning foreign juridical persons" "naturally" applies to all foreign firms and requesting that preparation be made to register and to appoint a representative in accordance with the law. The extraterritorial rights of nationals of the United States in Manchuria are granted by treaties between the United States and China and my Government considers that the law under reference which apparently contemplates the assertion by the authorities in Manchuria of jurisdiction over American juridical persons is inapplicable to American nationals and firms. My Government therefore is impelled to register emphatic objection to any attempt by the authorities of Manchuria to exercise jurisdiction over American nationals and to make full reservation in regard to the treaty rights of the United States and its citizens.

I am directed by my Government to address the Japanese Government on this matter in view of the relationship between the Japanese Government and the authorities in Manchuria.

I avail myself [etc.]

JOSEPH C. GREW

793.943 Manchuria/57

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

[Translation]

No. 24, Treaty II

Tokyo, March 1, 1938.

EXCELLENCY: I have the honor to state that I have duly received and noted Your Excellency's note of December 1, 1937, regarding the application to American commercial firms of the law concerning foreign juridical persons in Manchukuo with respect to the treatment of nationals of third countries on the occasion of the conclusion of the treaty between Japan and Manchukuo, signed on November 5, 1937,

concerning the extinction of extraterritorial rights in Manchukuo and the transfer of the administrative rights over the districts traversed by the South Manchuria Railway.

The policy of the Government of Manchukuo in this instance, which concerns the treatment of nationals of third countries and juridical persons of third countries, is a matter in which the Japanese Government is not concerned and the Japanese Government, accordingly, regrets that it is not in a position to make any explanation.

I avail myself [etc.]

KOKI HIROTA (SEAL)

*Press Release Issued by the Department of State on April 6, 1939*⁶⁷

The Department of Commerce gives the following figures for American exports to Manchuria through the port of Dairen for the past 10 years:

VALUE OF EXPORTS FROM UNITED STATES TO MANCHURIA
(Department of Commerce statistics)

	<i>U. S. dollars</i>		<i>U. S. dollars</i>
1929	11,841,000	1934	3,939,000
1930	6,405,000	1935	4,188,000
1931	2,176,000	1936	3,542,000
1932	1,186,000	1937	16,068,000
1933	2,691,000	1938	*17,000,000

Statistics based upon Chinese Maritime Customs reports and reports of the "Manchukuo" customs are given below for comparative purposes:

VALUE OF IMPORTS FROM UNITED STATES INTO MANCHURIA
(Chinese and "Manchukuo" customs statistics)

	<i>U. S. dollars</i>		<i>U. S. dollars</i>
1929	14,360,000	1934	11,500,000
1930	8,600,000	1935	7,460,000
1931	3,700,000	1936	6,880,000
1932	4,230,000	1937	16,680,000
1933	7,440,000	1938	*17,005,000

Neither of these tables includes for 1929, 1930, and 1931 the value of transshipments of American goods from China to Manchuria which in those years were valued, according to careful estimates, at approximately US\$4,000,000 in 1929, US\$3,000,000 in 1930 and US\$2,000,000 in 1931. Subsequent to 1931 the figures in the second table are based

⁶⁷ Reprinted from Department of State, *Press Releases*, April 8, 1939 (vol. xx, No. 497), p. 262.

*Department of Commerce figure. [Footnote in the original.]

upon "Manchukuo" customs statistics, which include shipments from China.

The following figures obtained from the Department of Commerce indicate the character of Manchuria's principal imports from the United States for the past 3 years:

(In U. S. dollars)

<i>Item</i>	<i>1936</i>	<i>1937</i>	<i>1938</i>
Crude petroleum	130, 000	974, 000	1, 372, 000
Refined petroleum	652, 000	2, 462, 000	2, 712, 000
Machinery and vehicles† . . .	789, 000	2, 663, 000	4, 047, 000
Manufactured iron and steel (Plates, bars, sheets, rails, etc.)	537, 000	7, 044, 000	5, 888, 000
Raw cotton	Nil	1, 227, 000	1, 556, 000

In 1937 Japan was engaged in building up large stocks of raw materials and materials of a military and heavy industry character. During the latter part of the year 1937 and throughout 1938, Japan was engaged in hostilities in China. The increased imports of Manchuria in 1937 and 1938 from non-Japanese sources were obviously connected with Japan's preparation for and execution of military operations, and the figures for those years warrant no inference that Japan's occupation of Manchuria has more widely opened the doors of commercial opportunity or benefited American enterprise in Manchuria.

Citation of trade figures in no way detracts from the correctness of the following statements made by this Government in its note of October 6, 1938, to Japan: ⁶⁸

"A large part of American enterprise which formerly operated in Manchuria has been forced to withdraw from that territory as a result of the preferences in force there. . . . equality of opportunity or the open door has virtually ceased to exist in Manchuria . . ."

Far more important than the figures of the import trade into Manchuria for 2 exceptional years are the following facts. By administrative measures of a discriminatory character, American business enterprises have been excluded from the field of distribution within Manchuria. Preferences in force, favoring Japanese enterprise, have compelled many American enterprises to withdraw from Manchuria and have discouraged other American enterprises from operating in Manchuria. The branch of a large American bank at Mukden was closed several years ago and one of the largest importers, an American firm, of American machinery in the Far East was impelled to close its offices in Manchuria. By legislation establishing exchange and trade

† Motor vehicles comprised approximately one-half of the imports under this general heading for the 3 years cited. [Footnote in the original.]

⁶⁸ *Post*, p. 785.

control, all foreign trade and enterprise in Manchuria except Japanese have been and are being discriminated against.

Trade figures show, in the case of Manchuria, an increase in the last 2 years in the volume of trade, but it is misleading to draw from this fact the conclusion that American enterprise in general has benefited or may in the future benefit from the changes which have occurred in Manchuria subsequent to 1931. Trade figures do not show what brought about the increase in 1937 and 1938 in our exports to Manchuria, nor how American enterprise in general has been treated and been affected, or what may be expected to be long swing effects as contrasted with short swing effects.

MILITARY ACTION BY JAPAN AT SHANGHAI, 1932

MILITARY ACTION BY JAPAN AT SHANGHAI, 1932

793.94/3719a : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, January 27, 1932—2 p. m.

25. During the week preceding January 20 there were, according to official reports, several clashes between Japanese and Chinese at Shanghai, in one of which a Japanese was killed, two Japanese were wounded, a Chinese policeman was killed and several Chinese were injured. Several thousand Japanese held a mass meeting on the afternoon of January 20 and subsequently paraded through the streets of the International Settlement, assaulting several Chinese citizens and smashing the windows of Chinese shops. On that occasion, the Japanese and Chinese elements of the International Settlement police worked harmoniously together. January 23 was selected as the date for another Japanese mass meeting, and on January 22 the Japanese Admiral published a statement to the effect that, unless the mayor of the Chinese municipality complied with the demands presented by the Japanese Consul General with reference to several anti-Japanese incidents, the Japanese Admiral would take "appropriate steps to protect the rights and interests of Japan."¹ Accordingly, on January 23, the Japanese Consul General and the Chairman and the Secretary General of the Municipal Council called on the Japanese Admiral, who, after protracted discussions, agreed to take no action in the International Settlement without prior consultation with the authorities of the Settlement. It is reported that, subsequent to this conversation, the Japanese Consul General had promised that the reply which the Chinese Mayor makes to the Japanese demands will be communicated to the Council 24 hours in advance of any Japanese action.

While this account may not be altogether complete or precise in all details, it is a sufficient indication that the action of Japanese subjects, both officials and private citizens, is contributing to the aggravation of what is already a serious situation at Shanghai, and that the consular and naval officers of the Japanese Government on the spot are

¹ See first report, February 6, 1932, of the Consular Committee appointed to report on events in Shanghai and the neighborhood, League of Nations, *Official Journal*, March, 1932, p. 374.

seriously considering the use of force near to or in the International Settlement as an instrument of Japanese policy.

Shanghai is China's most important port. In the International Settlement there are about 40,000 foreigners, of many nationalities, American as well as Japanese, over a million Chinese, a great mass of physical property, and a focus for commercial and other legitimate interests. A disturbance to the peace at the port of Shanghai is a serious concern to every nation. Direct or indirect interference with the commerce of the port of Shanghai would injure the trade of all the chief commercial countries, as well as the trade of China.

The Government of the United States cannot regard with indifference a situation in which apparently a foreign government has authorized the commander of its naval forces at Shanghai to use force, according to his own judgment, to support demands made by the local consular representatives of that government to obtain objectives which are peculiar to that government, without the agreement, request or approval of the local representatives of other governments which have interests and nationals at Shanghai and which, on the basis of treaties and other agreements, have common rights and interests with respect to conditions of trade and residence at Shanghai and are warranted in feeling solicitude with respect to any developments menacing the local situation at Shanghai. Especially is this true with respect to the International Settlement; however, concern with regard to the interests and rights in relation to the Settlement of necessity carries with it concern with regard to any action which may affect the life of the port of which the International Settlement is a part.

Unless the local authorities have failed or are manifestly unable to discharge the duties of protection, no nation has the right, under international procedure, to land armed forces on foreign soil for the protection of its nationals. The Municipal Council, in the first instance, is responsible for the administration of the International Settlement at Shanghai and disposes of a well disciplined, organized police force, with reliable personnel and under responsible control. Should the Council decide that its agencies are inadequate to meet their responsibilities, it should so advise the Consular Body, through the Senior Consul, and the Consular Body should then issue such call as appears necessary, not upon any single one, but upon all of the foreign forces available.

Please call at once upon the Minister for Foreign Affairs and discuss this subject orally, leaving no memorandum, giving him in substance the narrative of events and the outline of views as expressed above, adhering closely to the text of this telegram. You should then inform the Minister for Foreign Affairs that this Government hopes that it may assume that the Japanese Government does not contemplate action at Shanghai in contravention of the interests and rights of other

nations, China included, and that the Japanese Government does not contemplate any action which would jeopardize the property and lives of the nationals of the many countries concerned, including China, Japan and the United States. You should say, finally, that this Government, which desires to preserve the rights and interests of all concerned, urges that the Japanese Government exercise the maximum of self-restraint.

STIMSON

393.115 Radio Corp. of America/5½ : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, January 27, 1932—5 p. m.

26. Information has been received by the Department and by the American Consul General at Shanghai to the effect that the Japanese armed forces may contemplate activities near the International Settlement, including operations in those areas where are located radio receiving and sending stations, and that it is obvious that such activities might jeopardize communications service and endanger the stations themselves. At Chenju, seven miles from Shanghai, the Radio Corporation of America has a large interest in a radio sending station and receives a substantial revenue from its Shanghai circuit, which carries a substantial portion of the communications service with China.

You should make urgent oral representations to the Minister for Foreign Affairs, advising him of the facts as represented above and informing him that this Government views with deep concern the possibility of injury to important American interests and would consider any interference with channels of communication to and from Shanghai with deep regret. You are authorized to add that this Government earnestly hopes that there is no basis in fact for the reported intention of the Japanese armed forces.

Similar instructions are being sent to the American Consul General at Shanghai, who will immediately discuss this matter with the Japanese Consul General.

STIMSON

793.94/3679 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, January 28, 1932—9 p. m.
[Received January 28—11:30 a. m.]

26. [Paraphrase.] With reference to the telegrams from the Department numbers 25, January 27, 2 p. m., and 26, January 27, 5 p. m.

The Foreign Minister received me at 6:30 and I gave him orally with slight intentional paraphrasing the full text of both your messages. Most of it he insisted upon taking down in longhand. Then he read it over. That he had it clearly was evident and his reply was: [End of paraphrase.]

First, that he gave the solemn assurance of his Government that there was no intention whatever of interference with the rights or interests of any foreign power in Shanghai, and incidentally he stated that there was no intention whatever of Japanese forces operating in the vicinity of Chenju where the radio station is situated. In regard to procedure he informed me that the proper formalities had been observed with the local authorities to secure permission for landing Japanese forces. He described the plight of the Japanese merchants and residents in Shanghai as deplorable and stated that the anti-Japanese movement in Shanghai and throughout China had reached an "extremity."

He asked me to express to my Government his appreciation of the friendly sentiment expressed in your communication and to assure it that they would take especial care of non-interference with any American interests and rights.

He spoke of the anti-Japanese agitation throughout China and said it had been going on much longer than has the campaign in Manchuria and that there were anti-Japanese movements and incidents of which he had received, while in Geneva, lists running back through the whole of year and not confined at all to Manchuria, but also in China proper and along the Yangtze.

He said that at 4 o'clock this afternoon he received a communication from Shanghai advising him that the Chinese had accepted the four demands which the Japanese Consul had made by his, the Foreign Minister's, instructions.

He added that the Japanese people were so stirred up by the organized anti-Japanese movement in China that failure to take a firm stand in dealing with it would result in the immediate fall of any cabinet.

When he spoke of the Japanese demand for reparations for the Japanese killed in Shanghai, I asked him if the Japanese were proposing to pay reparations for the killing of Chinese policemen and damage done by the Japanese mob, to which he replied: That was their intention.

Asked in regard to the movement of troops to Harbin,^{1a} he said that was temporary but there had been an attack made and looting of Japanese hospitals, newspaper offices, and a number of residences,

^{1a} For other reports on Manchuria, see pp. 1 ff.

and that several Japanese had been killed and a number taken into custody by Chinese troops. Asked if it was expected to withdraw them shortly, he replied he hoped so.

FORBES

793.94/3679 : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, January 29, 1932—midnight

28. Telegrams, Department's No. 25, January 27, 2 p. m. and Embassy's No. 26, January 28, 9 p. m.

1. Confidentially for your information:

(1) I have been informed by the British Ambassador here, and it is my presumption that the British Ambassador at Tokyo has informed you, of the concurrent action of the British Government.

(2) A copy of British Government's subsequent instruction to British Ambassador at Tokyo, January 29, has now been communicated to me by the British Ambassador here. This instruction directed the Ambassador to protest strongly the action taken at Shanghai by Japanese forces and to request that those forces be restrained by the Japanese Government. The hope that the American Government will act in a similar sense is expressed by the British Foreign Minister.

2. You will please immediately confer with the British Ambassador and, after he has communicated his second message, communicate at the earliest possible moment the following to the Foreign Minister in close paraphrase but without leaving a copy:

On the basis of the best information in possession of the American Government at the present moment, it appears that recent Sino-Japanese negotiations at Shanghai resulted in there being sent by the Chinese Mayor of the Municipality of Greater Shanghai to the Japanese Consul General, on the afternoon of January 28, a reply to demands which the Japanese Consul General had presented, which reply the Japanese Consul General informed the Consular Body was satisfactory. Notwithstanding this and although assurance had been given by Japanese officials in several instances that Japan did not intend to take unnecessary military action, it seems that without there having been any change in the general situation, Japanese armed forces nine hours later, at midnight on January 28, attacked residential and business sections of the Chinese Municipality at Shanghai. This has greatly disturbed the peace of the whole port of Shanghai and interfered with the business of the port. It has jeopardized the safety of the International Settlement. The American Government is frankly at a loss to find justification or warrant for these activities. It feels constrained to protest against the use made in these circumstances of military force, and it is compelled to urge upon the Japanese

Government that it restrain its agencies from a course which, causing constant additional loss of life and property, makes more complicated a situation already delicate and occasions apprehension to the governments and people of every country which has interests in and which feels concern with regard to the area thus affected.

STIMSON

793.94/3970

Memorandum by the Secretary of State

[WASHINGTON,] January 30, 1932.

The Japanese Ambassador called on me at his own request upon his return from Cuba. He said that he was instructed by his Government to make representations to me in reply to our representations the other day in regard to avoiding military occupation of the International Settlement.² The Ambassador then repeated substantially the instructions which had come to me already through Tokyo.³ He said he presumed that I had received them from Tokyo and I said I had. I then told the Ambassador that the matter had progressed far beyond the time when this message in reply had been given; that I was informed by our representatives in Shanghai that the night before last, after the Mayor of Shanghai had made a favorable reply to the demand of the Japanese Consul General and after the Japanese Consul General had told the Board of Consuls that he deemed this reply favorable, and after a promise of ample warning had been made by the Japanese Commanders, the Japanese troops, without warning, in the middle of the night had forcibly seized Chapei and had fired on the civilian population not only with rifle and machine guns but with airplanes and bombs. I told the Ambassador that he must have seen from the press what a serious reaction this had made in this country. He said he had seen it and it was very, very serious. The Ambassador suggested that a change of the situation had occurred, after the Consul General's announcement as to the favorable reply of the Chinese, in the fact that the Municipal Council had declared a state of emergency. I told him I did not see how that could affect the situation in the least and he did not press the point. The Ambassador said that the Japanese landing body, consisting only of sailors as they had no marines in Shanghai, had proceeded to the neighborhood of the defense line which had been allocated to the Japanese and that these men had been fired on by snipers, and that this was the report he had received. I told the Ambassador I did not think it was necessary to get into a discussion as to who fired the first shot or who applied the match to the powder barrel. The gist of the

² See telegram No. 25, Jan. 27, 1932, to the Ambassador in Japan, p. 161.

³ See telegram No. 26, Jan. 28, 1932, from the Ambassador in Japan, p. 163.

situation was that, by bringing this strong naval force into the port of Shanghai at this time and threatening a landing, the Japanese had created an explosive situation which was bound to result in an explosion and I regretted to say that I could not look at it in any way except as due to the fault of the Japanese. The Japanese Ambassador shook his head and said that I must recognize that he agreed with me on the general principle. I went on to say that I was very much concerned about the present condition in the International Settlement; that it was one which was almost certain to result in a major disaster. I told the Ambassador that five minutes before he came in I had received a press flash to the effect that a mob consisting of Japanese, including Japanese military, were looting the houses in a portion of the International Settlement; that I could not vouch for the accuracy of the report but it was in the press. I pointed out how difficult it would be to protect life and property in the Settlement in a situation which was created now by the conflict between the two large forces of China and Japan in that immediate neighborhood. Finally, I told the Ambassador that in this situation representations would undoubtedly have to be made on the subject by my Government to his. I did not tell him that they had already been made.⁴

At the close of his talk with me, the Ambassador handed me the annexed statement issued by Mr. Murai, Consul General of Japan at Shanghai. I asked him whether it was the one issued by him to the Board of Consuls on January 28th, and he said no, it was issued the following day. I did not read it while the Ambassador was present.

H[ENRY] L. S[TIMSON]

[Annex]

STATEMENT ISSUED BY MR. MURAI, CONSUL GENERAL OF JAPAN AT
SHANGHAI, ON JANUARY 29, 1932

It is true that the Mayor of greater Shanghai conceded late on January 28th to all demands contained in my note of January 20th and we were anxiously watching for the development in view of various rumors and questionable ability of the local Chinese authorities to control the situation, particularly the undisciplined soldiers and dissatisfied elements. By four o'clock the Shanghai municipal council declared a state of emergency, meanwhile the excited refugees, most of whom were Chinese, poured into the settlement from all directions. The rumor of surreptitious entry of the "plainclothed corps" gained wide circulation. To make the situation from bad to worse, all the Chinese constables fled from the Chapei district where about

⁴ See telegram No. 28, Jan. 29, 1932, to the Ambassador in Japan, p. 165.

7000 Japanese reside. The excitement of the populace grew to fever-point. As an emergency measure of protecting the Japanese lives and property in Chapei, a Japanese landing force was despatched in accordance with a previous arrangement with authorities of the municipality and British, American and other forces and in conformity with former precedents of similar cases. (The territory in question is a strip of land in Chapei on the east side of the Shanghai-Woosung Railway which by the abovenamed agreement was assigned to the Japanese). No sooner had the Japanese landing force appeared on emergency duty near its headquarters than the Chinese soldiers in plain clothes attacked them with hand grenades in the neighborhood of the Shanghai-Woosung railway. This attack served as a signal for the Chinese regulars to open fire on the Japanese force, whereupon the latter was forced to return fire. At about the same time, these disguised outlaws commenced shooting at the Japanese at random in the area mentioned above. They have already claimed a number of Japanese lives in the same area. I made it a special point to ask Mr. Yui, Secretary General of the municipality of greater Shanghai, to withdraw the Chinese troops from the section in question when I received the Mayor's reply yesterday to which he gave his ready assent and assured me that it would be done. Had the Mayor been able to bring the military to coordinate speedily with him we might have averted the unfortunate incident. I am demanding again for an immediate withdrawal in view of what took place and is now taking place. If the Chinese authorities are unable to stop the assault and complete the withdrawal from that section, I see no other alternative but to enforce it by force. I should like to make it clear that this clash is to be distinguished from the question contained in my note of January 20th which was solved for the time being at any rate. I would also like to point out that the wild story about the Japanese attack on the Woosung Fort is groundless. This Chapei incident is entirely a matter of self-defense in emergency in an effort to protect Japanese life and property and indeed those of other nationals including Chinese themselves. I am hoping for a speedy cooperation of the Chinese side to avoid any further conflict or sacrifices and to that end to withdraw its troops.

793.94/3758g : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

WASHINGTON, January 31, 1932—1 p. m.

30. 1. Navy Department has ordered Admiral Taylor, Commander in Chief United States Asiatic Squadron, Manila, to proceed on flagship *Houston* with available destroyers to Shanghai.

2. Department wishes it to be understood that ship movements and American action involve and imply no threat to anyone but are measures of precaution for ensuring safety of American lives and legitimate interests and fulfilling our responsibilities in general at Shanghai and other exposed ports in the Yangtze and elsewhere in China.

STIMSON

793.94/3766 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, January 31, 1932—9 p. m.

[Received January 31—11:50 a. m.]

31. [Paraphrase.] In compliance with Department's telegram 28, January 29, midnight.

At 4:30, after conferring with the British Ambassador, Sir Francis Lindley, I called upon the Foreign Minister just after the departure of the British Ambassador; the French Ambassador followed me. During the interview, which lasted for an hour and a half, I gave the Foreign Minister your message with a duplicate paraphrase at a few points. Before the Embassy had decoded the telegram, the gist of the message had been telegraphed to the press here from Washington. A written protest, I understand, was left by Sir Francis against the use of the Settlement as a base for military operations after the Japanese had given assurance it would not be. Previous to the delivery of my message [end paraphrase], Mr. Yoshizawa⁵ made a long statement of facts to clarify the Japanese position substantially as follows:

He claims (1) that collaboration has been maintained in Shanghai with the Municipal Council and with the foreign military and naval authorities; (2) that the clash between the Chinese and Japanese forces bore no relation to the acceptance by the Chinese Mayor of the Japanese demands; and (3) that the Japanese marines took up positions in a sector allotted to them in accordance with joint defense arrangements.

Supporting the first, he stated that on the 25th the Municipal Council decided upon its own initiative to close the Chinese newspaper, the *Minkuo Pao* and also decided to close the headquarters of the anti-Japanese society. On the 26th the Municipal Council did close the paper, and the Japanese Consul General was given to understand that the Municipal Council of Shanghai would help the Japanese if they were going to close the headquarters of the anti-Japanese society. The Japanese informed the Municipal Council of the steps that they proposed to take to accomplish this purpose, and the details were discussed by the Japanese Navy and the Shanghai municipal police.

⁵ Kenkichi Yoshizawa, Japanese Minister for Foreign Affairs.

On the 27th the Japanese Consul General in person or through an intermediary explained the position of the Japanese to the American and British Consuls General and informed them of contemplated steps. On the same day the commanders of the foreign military and naval forces met and determined a plan of joint defense of the Settlement.

In support of number 2 he stated that the Chinese Mayor accepted the Japanese demands at 3:15 p. m. on the 28th, and the Japanese Consul General and naval [*sic*] decided to watch how the Chinese were planning to carry out the undertakings requested by the demands.

On that evening the situation became more serious he said and a large body of people assembled near the Mayor's office. Wild rumors circulated and the Chinese guard at Chapei fled. The Municipal Council at 4 o'clock that afternoon declared a state of siege (Yoshizawa's expression). In consequence, the Japanese commander distributed his forces to protect nationals at Chapei. At midnight, while they were proceeding on the North Szechuan Road, the Chinese troops suddenly opened fire and the Japanese marines, as he puts it, were then obliged to retaliate. Many Chinese in plain clothes participated.

In support of number 3 he says the marines took their positions in the sector allotted to them at the meeting of commissioners of the foreign forces in the interests of joint defense of the Settlement. As a result of the efforts of the American and British Consuls General, an armistice was agreed upon, to be operative from 8 o'clock in the evening of the 29th. Despite this arrangement Chinese troops using armored trains opened fire on the morning of the 30th. Shells fell in the area of the Settlement where there were many Japanese residents. He charges that the Chinese are bringing up as reenforcement the 19th and 3rd divisions of the guard under orders of General Chiang Kai-shek and that in the vicinity of Shanghai a concentration has been completed, that four companies of airplanes are being transported to Nanking destined to Soochow and it is reported that he is planning to bring up other reenforcements in case of necessity. The Chinese are said to be contemplating taking the offensive when these reenforcements are completed. This action is incompatible with their attitude at Geneva. If these reenforcements come up a situation of the gravest nature will be created and Mr. Yoshizawa says the Japanese Navy may be forced to cut the railroad and to consider sending land troops to Shanghai.

He expressed appreciation of the good offices of the American and British Consuls General toward stopping hostilities and he requests that the United States use its good offices to induce the Chinese troops not to bring up further reenforcements and to withdraw the troops now in Shanghai to a safe distance to avoid clashes. He made the

definite statement that it was not the desire of the Japanese to send any further reinforcements or to send land troops.

He then quoted a message from Debuchi quoting your comments to him charging the Japanese with wanton firing, dropping bombs, et cetera.⁶ He went on to say that, if the facts are as represented to you, your conclusions are absolutely logical and unanswerable, but there seems to be a notably wide divergence of facts as reported to you and him. He said he would like to see the reports upon which you base your deductions and expressed entire confidence in Mr. Cunningham.⁷ He said that unfounded rumors were sent out from Shanghai but admitted that in the heat of the clash some blunders may have been committed.

In regard to the wireless station at Chenju he had asked the Minister of the Navy who communicated with Shanghai and received a report that the Japanese had not interfered with it in any way nor operated in its vicinity.

At the end he laid especial stress upon his request that we use our good offices to induce the Chinese not to move up their troops.

FORBES

793.94/3758f : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, January 31, 1932—2 p. m.

31. The reports from Shanghai indicate the increasing seriousness of the situation and that, notwithstanding previous protests and assurances, the movement of Japanese armed forces through the Settlement continues as does also the use by the Japanese forces for purposes both of offense and defense of sections allotted to other nationalities, thus violating the status of the Settlement and jeopardizing the lives of its inhabitants. From this it appears that the assurances in this respect received by your British colleague and yourself are disregarded.

Please again represent urgently to the Minister for Foreign Affairs that your Government is of the opinion that the Settlement should not be used by the Japanese authorities in any way as a base for the activities of their armed forces except such forces as may be employed solely for the Settlement's protection. Should you not receive an entirely satisfactory reply to your representations you should seriously and strongly protest.

I understand that your British colleague has received similar instructions.

STIMSON

⁶ See memorandum by the Secretary of State, January 30, 1932, p. 166.

⁷ Mr. Edwin S. Cunningham, American Consul General at Shanghai.

793.94/3799 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, February 1, 1932—7 p. m.

[Received February 1—10:45 a. m.]

33. [Paraphrase.] Your 31, January 31, 2 p. m. At 3:15 this afternoon I called upon the Minister for Foreign Affairs and delivered your message almost verbatim. As usual the Foreign Minister noted it in longhand. [End paraphrase.]

The Foreign Minister stated that according to reports from the Japanese Consul General in Shanghai, the Chinese regular troops, which have been concentrating around the headquarters of the Japanese marines, commenced an offensive together with plain-clothes soldiers at about 11 p. m. on the 31st and that the Chinese shells fell in that part of the river where the Japanese flagship was anchored. The Japanese marines were obliged to act against this concentration. Reports, however, state that things are quieter today.

To the charge contained in your telegram that Japanese forces were utilizing sectors of other nations, he said he had no information that would lead him to believe it but would inquire and inform me.

He seemed greatly troubled at your statement that the Settlement must not be used as a base and asked if that meant that Japan could make no counterattacks and would have to sit still in their sector under fire which he said would result in the annihilation of the marines; if that was what you meant, he said it was inadmissible. He suggested that after the words "used exclusively for the protection of the Settlement" he would add "and the protection of their nationals." I tried to explain to him that my understanding of your message was that the Settlement should be used and occupied only for the protection of the Settlement and not to be used as a base for offensive operations into the Chinese city outside, but his reply was that the proper defense of the Settlement might require counter-attacking.

The British Ambassador advises me of the proposal of the Shanghai Defense Committees, which Mr. Yoshizawa also spoke of, attributing the suggestion to General Fleming,⁸ of the creation of a neutral zone and the withdrawal of the Japanese marines to within the position held on the 28th and the withdrawal of the Chinese Army also to a safe distance; the neutral zone to be protected by troops of neutral countries. He said that the Chinese Commandant had accepted this proposal but the Japanese Admiral had declined on the ground that it was tantamount to the withdrawal of the whole Japanese population. Sir Francis Lindley has strongly urged the acceptance of this

⁸ General George Fleming, of the British Army, commander of the Shanghai foreign area.

proposal and, at his suggestion, I also urged it strongly, stating that the failure to accept this peaceable solution of the situation would indicate in the eyes of the world that Japan is determined on war.

Naval Attaché has been informed of the despatch of three additional cruisers and seven destroyers. This makes a total of 12 cruisers, 2 airplane carriers, 1 seaplane tender, 32 destroyers, 2 river gunboats and 1 mine layer in the Shanghai area (including the Nanking area) or on the way there from Japan. Other ships are reported ready to sail but the Embassy has no confirmation.

The Military Attaché has been informed by the General Staff that Japanese troops have not yet entered Harbin; that Chinese Eastern Railway officials have agreed to transport Japanese forces anywhere on their line; and that no decision has yet been made to send Japanese Army to Shanghai.

Repeated to Peiping.

FORBES

793.94/3922

Memorandum by the Secretary of State

[WASHINGTON,] February 1, 1932.

This morning I sent for the Japanese Ambassador. I told him that I had received a cable from Tokyo describing the Foreign Minister's interview with Mr. Forbes and also with the British Ambassador and the French Ambassador yesterday.⁹ I read him the paragraph from Forbes' telegram describing the Foreign Minister's request that the United States use its good offices to induce the Chinese troops not to bring up further reinforcements. I told the Ambassador that I regarded this as an important request and was hard at work taking it under consideration and trying to carry it out and that while I was doing so I had just this morning received a telephone message from the Navy telling me that in the middle of the night at Nanking the Japanese war vessel had opened fire on the city. While I was talking with him, the following message was brought to me from the Navy: From the U. S. S. *Simpson* at Nanking, dated 11:30 p. m., February 1:

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

I told him that this conduct would gravely interfere with our efforts and good offices and that the firing should be stopped at once if any good effects were to ensue.

H[ENRY] L. S[TIMSON]

⁹ See telegram No. 31, Jan. 31, 1932, from the Ambassador in Japan, p. 169.

793.94/3902d : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

WASHINGTON, February 1, 1932—3 p. m.

34. You will please arrange to call on the Minister for Foreign Affairs at 6 o'clock evening, Tokyo time, February 2d, to deliver to him a note the text of which follows:

You will say to the Minister for Foreign Affairs by way of introduction that you have conveyed to the American Government his request made at your conference with him on January 31 to the effect "that he requested that the United States use its good offices to induce the Chinese troops not to bring up further reinforcements and to withdraw the troops now in Shanghai to a safe distance to avoid clashes."¹⁰ You will say that your Government has given earnest consideration to this request and in response suggests to the Japanese Government the following proposal for such cessation of hostilities. You will say that the same proposal is being submitted to the Chinese Government. You will then read him the following note and leave with him a copy of it.

"PROPOSAL OF THE POWERS FOR CESSATION OF CONFLICT

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

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

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

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

5. Upon acceptance of these conditions prompt advances to be made in negotiations to settle all outstanding controversies between the two nations in the spirit of the Pact of Paris¹¹ and the Resolution of the League of Nations of December 9 [10],¹² without prior demand or reservation and with the aid of neutral observers or participants."

The British Government is sending the British Ambassador similar instructions. The British Government is proposing to the French and the Italian Governments that they take similar action. In the event that those Governments decide favorably within time to make possible this presentation by their Ambassadors of like representations at the same time, you will be informed either through the Department or

¹⁰ See telegram No. 31, Jan. 31, 1932, from the Ambassador in Japan, p. 169.

¹¹ Department of State Treaty Series No. 796.

¹² *Ante*, p. 59.

through your British colleague. Confer with the British Ambassador and arrange that you and he make your calls at the same time.

STIMSON

793.94/3875 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, February 2, 1932—9 p. m.

[Received February 2—10:55 a. m.]

34. Department's 34, February 1, 3 p. m. The British Ambassador and I met the Foreign Minister at 6 o'clock. The French Ambassador's message did not arrive in time to be decoded for simultaneous presentation but he arrived with it before the interview was over. Mr. Yoshizawa's attitude and words were wholly conciliatory. He began by asking us to express his appreciation to our Governments for their prompt and effective consideration of his request for our good offices in the effort to secure the withdrawal of Chinese forces. After reading the two notes carefully, comparing them line by line, he began by saying he could see no reason for the inclusion of the fifth point with the others. He said it was wholly unrelated; the British Ambassador explained the relationship and we made it clear to him that it carried with it a concession by China, as the Chinese had always insisted on evacuation as a condition precedent to carrying on negotiations. The Foreign Minister said, however, that his predecessor and he had always stood definitely against the inclusion of neutral observers and that he knew his present Cabinet felt the same and would not assent to it. He said he was favorably disposed to all of the first four points and would take the matter up with the Minister of the Navy, indicating that he would recommend favorable consideration, and asked if the acceptance of these four points would be satisfactory to our Governments. I pointed out to him that China was also concerned and as these identic propositions were being simultaneously made to Nanking we could not answer how acceptable the acceptance of a portion would be; but we all agreed and recognized that these first four points if agreed upon immediately would end the tense situation in Shanghai, which is the matter of most immediate import now. We all agreed to advise our Governments in this sense. (By the time we had reached this point the French had arrived and all three agreed.) He promised to take the matter up immediately and let us know immediately—probably tomorrow morning.

He advised me that he had sent a full explanation of the shelling at Nanking to Mr. Debuchi. He would not say that additional land troops were being sent but stated they were considering it. The situation is tense here, and there is a good deal of nervousness among

the American residents; additional police have been put about the British and our Embassies to guard against possible demonstrations.

Today the Chief of the General Staff of the Navy has resigned and Prince Fushimi has been nominated in his place; this making parallel organization to the recent change in the military establishment.

I heard confidentially that Admiral Nomura had been selected, because of his cooperative character, to be sent to Shanghai where he will direct operations.

FORBES

793.94/4017

Memorandum by the Under Secretary of State (Castle) of a Conversation With the Japanese Ambassador (Debuchi)

[WASHINGTON,] February 2, 1932.

The Ambassador, who had evidently had no recent word from Japan, came to tell me what he thought about the joint note presented yesterday to Yoshizawa.¹³ He said that, inasmuch as the Japanese Government had asked for the good offices of the different nations in putting a stop to the fighting at Shanghai, he felt in the first place that it would not be possible for the Japanese Government to take offense, but it rather should be grateful for the very prompt response. He said that, in his personal opinion in studying the note, it seemed to him that the Japanese Government ought to be able promptly to answer favorably the first four points, that he felt the fifth point to be more difficult for them to accept. I said that I realized this, but that, nevertheless, we believed the fifth point to be of the highest importance because what we hoped might come out of this was a real settlement of the various questions at issue. The Ambassador said that he understood this, but that what he felt to be of immediate importance was the prompt acceptance of the four points which would put an end to fighting, that this would give time for the Japanese Government to consider the fifth point in a better atmosphere than was at present possible. He said that he could not feel that the Cabinet would, off hand, accept the fifth point. I told him that, of course, I could make no comment on this, but that if he was correct I hoped most earnestly that, in making an answer, the Japanese Government would find it possible frankly and fully to accept the four points and that they would not refuse to accept the fifth point, but would state instead that they would be happy to take it under consideration and to discuss the matter with the powers. Mr. Debuchi said that this was what he was cabling or had cabled his Government and that he had come to see me largely to find out whether we really laid stress on the fifth point as I told him we did.

¹³ See telegram No. 34, Feb. 1, 1932, to the Ambassador in Japan, p. 174.

The Ambassador then brought up the fact of the appointment of Admiral Nomura to Shanghai to have general charge of operations there as something very favorable to the whole affair. Admiral Nomura, he says, is a great friend of Admiral Pratt's,¹⁴ who would, he was sure, endorse the Admiral's competency and fair mindedness. He then said that he himself felt it would be a good idea to have all the Japanese troops go into the Settlement, where they would not be able to fight with the Chinese. I told him that it would seem to me wiser to have the Japanese sailors and Marines, if there were any, get back onto their ships rather than to crowd into the Settlement; that I felt if enormous numbers of Japanese troops went into the Settlement the result might be to bring fighting into the Settlement. He admitted that this might be the case, since, as he put it, "when Japanese troops got anywhere they always seem to feel they have got to do something." He pointed out also that wherever there were Japanese troops there was likely to be sniping on the part of the Chinese. I admitted this and said this was one excellent reason for the establishment of neutral zones across which there would be no sniping either from one side or the other.

The Ambassador brought up a report that certain Japanese land forces had already been despatched to Shanghai. He said that, although he could not deny this officially, he felt it was premature, that it would have been impossible for Japan to ask for good offices and then immediately despatch an expeditionary force. I told him I hoped he was correct. He said that undoubtedly the sending of a regiment from Manila would make the Japanese feel that, to protect their 25,000 nationals in Shanghai, they also should send land forces. I told him that the only reason we sent land forces was that they were the only ones immediately available and that obviously more assistance was needed in the Settlement. He said he understood this perfectly himself and was trying to make it clear to his Government.

In leaving the Ambassador said that he would, of course, pass on to us any information which came to him and that he in the meantime would again telegraph very urgently to his Government not to throw down point five of the joint note.

W. R. CASTLE, Jr.

793.94/4011

Memorandum by the Secretary of State

[WASHINGTON,] February 3, 1932.

This afternoon the Japanese Ambassador called at Woodley. He told me that he had received word that the Japanese were evacuating

¹⁴ Admiral William V. Pratt, Chief of Naval Operations, United States Navy, 1930-33.

our Sector and that arrangements were being made so that there would be a termination of the trouble we have been having with them. I questioned the Ambassador at considerable length on this; his information was rather vague. I told him our information was very serious as to the interference which their irregulars and some of their regular marines were making with our own marines and that our marines had been very patient and had not fired a shot, but that the danger was very serious if other troops were using our Sector as a base of attack on the Chinese.

The Ambassador told me that while the Japanese destroyers were passing the Woosung Fort they were fired at and they returned the fire and he did not know what had been the result. I told him that my information was that it was the Japanese who were firing over our Settlement from their ships and were making very serious trouble for us because they sometimes hit the Settlement itself.

The Ambassador told me that the Japanese were having some difficulty with our five points; the first four points did not offer serious difficulties, he said, but the fifth point brought in the Manchurian question and the Japanese nation was opposed to having a third party take part in negotiations over Manchuria. He asked me if we insisted upon that point. I said that the President himself was extremely firm on that point; that we considered that there was no use in temporizing in stopping individual controversies and conflicts if the cause of the controversy was not ended; that we had suggested a way of ending it, which was not only in conformity with our treaties and with the resolution of December ninth [*tenth*] of the League (to which the Ambassador had referred), but which was also in conformity with the procedure which had worked in the past, namely the neutral observers which had been so successful at Shantung. The Ambassador pressed me very hard on whether we would not be willing to separate the first four points from the fifth. He said the house was on fire and would it not be better to put out the fire first. I said I made no objection to his putting out the fire; in fact I was insisting on it, perhaps that would clear the air but our position was clear that the whole controversy must be settled or we would have no good result. He said, "Here we were contemplating sending two divisions of land troops to China and instead of that we sent and asked you to use good offices; does not that show we were conciliatory and do you really think you ought to dictate to us as to the fifth point." I said we had no idea of dictating but we put up a proposition which we thought should be considered altogether, but I said to him the present situation in Shanghai must be handled, whether or not you had requested good offices. I said even if you had made no such request and even if we had not suggested any five points at all, I should have been obliged to call you today on account of the serious

information which I have received, and I want you to make sure that you convey to your Government the following points: first, that we are determined to defend the International Settlement as it is the only way by which we can save the lives of our nationals, and the British are equally determined; second, we cannot successfully defend the International Settlement if you continue to use it as a base against the Chinese Army because that will provoke the Chinese Army to attack it with their numerous forces, therefore you must absolutely stop using it as a base; third, the evidence that I get today, coming not only from my own officials but from all of the civil and military officials in the Settlement, is that your troops and your irregulars and your "ronins" are violating the neutrality in the Settlement and are using it as a base of attack against the Chinese; that absolutely must stop or otherwise we will all be involved in a great catastrophe. I insisted that he take down these points and submit them to his Government.

H[ENRY] L. S[TIMSON]

793.94/3963b : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

WASHINGTON, February 3, 1932—5 p. m.

37. American Consul General, Shanghai, reports to the Department that the Consular Body has received from the Defense Committee at Shanghai a strong protest, dated February 2, against the stationing in their sectors of Japanese detachments who commit acts of unnecessary violence against the Chinese population, thereby causing ill-feeling between various nationals stationed in Shanghai and arousing a dangerous feeling of hostility among the Chinese against troops of other powers who are properly responsible for those sectors. The protest states that emphatic protests have already been made to the Japanese Commander without any result to date.

[Paraphrase.] You should immediately and emphatically protest again to the Japanese Government on the basis of the above information, which you should cite in this connection. You should inform the Japanese Government that the Government of the United States assumes that the Japanese armed forces are so thoroughly disciplined that their actions can be controlled and that, accordingly, the Government of the United States urges that the action of these Japanese forces be subjected to proper measures of control. You should state that this Government regards it as desirable that the Japanese armed forces should discontinue all of their activities in the International Settlement except for such activities as are directed or authorized by

the authorities of the Settlement, and that the Japanese armed forces should likewise discontinue any other activities of a sort which may cause unnecessary danger to life in the Settlement or jeopardize its peace and order.

The British Ambassador at Tokyo has been instructed by his Government to renew his protests, and similar action by the Italian and French Governments has been suggested by the British Government. [End paraphrase.]

STIMSON

793.94/3948 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, February 4, 1932—10 a. m.

[Received 1:09 p. m.]

39. The Foreign Minister met the British, French Ambassador[s] and myself at 6 o'clock this evening.

In regard to point number 1,¹⁵ he said that the Japanese forces will cease hostile acts if it is assured the Chinese forces will immediately and completely stop their menacing and disturbing activities. If on the contrary the Chinese, including both the regular and plain-clothes soldiers, persist in such activities, the Japanese Government must reserve full freedom of action for its military forces.

In regard to number 2, he said that, in view of the unreliability of the Chinese in the past and of the gravity of the present situation, the Japanese Government finds it impossible to renounce the mobilization or preparation for hostilities.

In regard to number 3, he said the Japanese Government has no objection to their consular officers and commander of their forces entering into negotiations for an agreement concerning the separation of the respective forces and the establishment, if necessary, of a neutral zone in the district of Chapei. (Note: This also, it was explained later, was meant to answer number 4.)

In regard to number 5, he said that, while it is to be presumed all outstanding controversies between Japanese and Chinese included the Manchurian question, the Japanese Government regards this matter as entirely separate from the Shanghai affair and that moreover it is covered by the resolution of December 10 last and that furthermore it is a settled policy of the Japanese Government not to accept the assistance of neutral observers or participants in the settlement of questions concerning Manchuria. For these reasons the conditions in paragraph number 5 of the powers' note are not acceptable to the Japanese Government.

¹⁵ See telegram No. 34, Feb. 1, 1932, to the Ambassador in Japan, p. 174.

The foregoing is substantially a translation of the note which he handed to me as a reply to that contained in Department's 34, February 1, 3 p. m. It was not accompanied by an English translation. The translation made in the Embassy checks with it.

Asked whether it was the intention of the Japanese Government to send land troops, Mr. Yoshizawa replied that to meet the extreme seriousness of the situation in Shanghai the Japanese Government was preparing to send land troops; he said the seriousness of the situation was due to a little more than 2,000 marines facing Chinese troops 10,000 in number and that in the neighborhood there were 20,000, and that even these are being reenforced. Moreover the marines are continually being menaced by plain-clothes soldiers numbering nearly 3,000; some of these manage to filter into the Settlement. He said the Japanese were in a precarious position. If all these land troops are sent it will number at least 12,000 in addition to the marines now there. These, the Foreign Minister said, were for the sole purpose of protecting their own nationals and property.

Commenting on the reply, it was pointed out to the Foreign Minister that it was most disappointing in tone; that he had not accepted one single point of the five. This seemed to surprise him a little. He seemed to think that his Government had accepted numbers 3 and 4. It was pointed out to him that their expressing no objection to their officers' entering into negotiations was not an acceptance. And he was asked if we could read into these words "an acceptance in principle" of these points; to this he replied that we could and that it was intended in that sense. He was then asked whether they also accepted in principle the policing of the region by neutrals; and he said that would have to be left to be discussed locally: he preferred not to commit himself. It was pointed out to him that in the points we sent that the neutral zone was to be created between the Japanese and Chinese troops at all points in the Shanghai area, whereas in his so-called "acceptance" he limited it to the neighborhood of Chapei; his answer to that was that that was the only point at issue, but intimated that were contacts established at other points that it could be made to apply there. He did not make it clear why it was not so worded. The French Ambassador put the direct question: That if it were true, as reported, that the Chinese had accepted all of the five points, whether the Japanese still would despatch troops. Mr. Yoshizawa said they would because the condition of the Japanese marines and the residents was deplorable and that they were getting constant telegrams demanding protection and help and felt that it was necessary that they should be sent: he said nothing would justify their not doing it. He reiterated that they were not being sent to make war on the Chinese Army, but purely for protective reasons. He said that if

the Chinese would not assume the offensive or indulge in any further activities of their troops and of their plain-clothes soldiers, then his Government might reconsider sending as many men as now planned. But he repeated the fact that they felt the Chinese representations and promises could not be relied upon.

The British Ambassador then told him that the tone of the reply was distinctly disappointing. And I supported this by saying that I believed my Government would be grievously disappointed at the failure of the Japanese Government to respond more cordially to the suggested solution. The French Ambassador on behalf of his Government supported these expressions.

The Foreign Minister then said in view of the seriousness of the situation what else could he do? At which I took him aside and told him that if he had accepted as we had been told the Chinese had done there would not be any serious situation. He repeated that he was unable to do that.

As a last word as we were leaving he requested us to inform our Governments that the Japanese Government was willing to consider any further suggestions which our Governments might desire to present. He practically asked for new suggestions, which seems the only hopeful note of the interview.

I took up the matter of your telegram 37 with Nagai,¹⁶ who advised me that the marines had been withdrawn this morning from all other sectors. He expressed great regret that any excesses or improprieties had been committed, stated he would look into the facts which he would ascertain immediately and see that appropriate action was taken.

I shall send later the gist of a conversation I had with one of my colleagues.

FORBES

793.94/3990 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, February 6, 1932—noon.
[Received February 6—3:22 a. m.]

44. Department's 41, February 5, 6 p. m.¹⁷ The following is Embassy's translation omitting heading, et cetera.

"I have the honor to acknowledge the receipt of your note number 208 on February 2, 1932, transmitting by instruction of your Government proposals in regard to the Shanghai affair, and to state in reply the views of the Japanese Government in regard to these proposals.

¹⁶ *Supra*. Matsuzo Nagai was Japanese Vice Minister for Foreign Affairs.

¹⁷ Not printed; it requested the Embassy at Tokyo to telegraph text of Japanese reply to the note transmitted in telegram No. 34, Feb. 1, 1932, to the Ambassador in Japan, p. 174.

1. It is that the Chinese troops cease immediately and completely their challenging and disturbing activities. If this can be assured, the Japanese troops will also cease warlike activities. If, on the contrary, the Chinese (irrespective of whether they be regular or plain-clothes troops) continue these challenging and disturbing activities, the Japanese forces reserve complete freedom of action.

2. In view of the unreliable actions of the Chinese troops and of the gravity of the situation, the Japanese Government is unable to cease mobilization and preparation for hostilities.

3. The Japanese Government has no objection to its consul and commander entering into negotiations for arranging for separation of Japanese and Chinese forces, and, in case of necessity, for the establishment of a neutral zone in the Chapei district.

4. Assuming that the Manchuria affair is included in "all outstanding controversies between the two nations," the Japanese Government is unable to accede to this proposal because not only is the Manchuria affair distinctly a separate affair, but also because this matter was covered by the resolution of the League Council at the meeting on December 10th. Furthermore, it is the Japanese Government's fixed policy to refuse to accept the assistance of observers of a third country or of participants, in the settlement of the Manchuria affair.

I avail myself, et cetera."

FORBES

793.94/4003 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, February 6, 1932—7 p. m.

[Received February 6—9:25 a. m.]

47. We are informed by the Foreign Office that a suggested solution of immediate Shanghai difficulties involving procedure in carrying out in part suggestions in my telegram number 34, February 2, 9 p. m., is under way. It has been agreed to here by the Japanese military, naval and Foreign Office authorities, instructions in regard to which are being cabled to their commanding officers in Shanghai.

The program contemplates immediate cessation of hostilities in the Shanghai area, creation of a neutral zone patrolled by neutrals, and probably continued occupancy by Japanese forces only of that portion of the region outside the Settlement predominantly inhabited by Japanese. This is a marked concession over anything the Japanese have hitherto been willing to discuss and opens up an encouraging way of solving the immediate difficulties.

For strategic reasons the Japanese are particularly desirous that this be worked out and the suggestions originate from Shanghai and not be the result of further representations in Tokyo from America and Europe.

Strongly recommend that you cable Cunningham directing him to cooperate in this movement.

Have consulted the British and French Ambassadors here and they concur in this recommendation and are cabling their representatives in Shanghai and also their home Governments advising that all appearance of outside pressure upon Japan be avoided at present.

I have telegraphed Cunningham as follows:

"Developments here indicate that a possible solution of immediate Shanghai difficulties may be now authorized by instructions to Japanese authorities in Shanghai, who will undertake negotiations. Suggest you communicate this information to American Army and Navy commanders. We are telegraphing Washington recommending you be instructed to cooperate in the movement."

I am informed that 3,000 Japanese land troops will arrive in Shanghai or its immediate vicinity tomorrow to cooperate with and relieve all or a portion of the Japanese marines now ashore and reported to be quite exhausted with their duties there. I am further informed that these are all the Japanese land forces which have left Japan. No further troops will be sent before tomorrow or Monday and perhaps will not be sent at all if the situation quiets down.

Repeated to Nanking.

FORBES

793.94/4014a : Telegram

*The Secretary of State to the Consul General at Shanghai
(Cunningham)*

[Paraphrase]

WASHINGTON, February 6, 1932—8 p. m.

3. I assume that you have already been advised that the Japanese Government is elaborating proposals for negotiations to be undertaken by Japanese representatives at Shanghai toward settlement of the situation at Shanghai.

Ambassador Forbes informs me that the proposals embrace the following points: (1) Immediate termination of hostilities in the Shanghai area; (2) institution of a neutral zone which will be policed by neutrals; and (3) apparently continued occupation by Japanese troops of the region outside the International Settlement in which Japanese nationals predominate. The Ambassador has been informed that on Sunday 3,000 Japanese troops will be landed at or near Shanghai, that no other Japanese military forces have as yet been dispatched from Japan, and that the Japanese Government will send no more land forces prior to Sunday or Monday, if then.

I assume that the Japanese authorities at Shanghai will approach you in connection with these proposals and you are authorized,

should you and the British and other authorities be so approached, to cooperate in an endeavor to find a solution on the basis of these proposals. For that purpose, I wish to give an accurate indication of our attitude in order that you may protect the American interests involved, without undertaking commitments or creating precedents which would be embarrassing in the future, in the course of your necessary participation in the negotiations.

1. The proposal must be considered entirely as a proposal coming from Japan. It is in no way an acceptance of the recent four-power proposal for a lasting settlement of the controversy.

2. Notwithstanding this fact, it is a matter of importance to us if the termination of the hostilities which at present are endangering the International Settlement be effected, provided that this truce does not prepare the way for greater complications for the future or infringe upon the principles which are now maintained to protect the Settlement.

3. Bearing this in mind, you should oppose allowing new troops to be landed in the Settlement unless they have been designated to take part only in the protection of the Settlement as such and are not intended for operations outside of the Settlement. If there is evidence that this principle is to be violated you should make an appropriate protest. You should attempt to obtain the most sweeping engagements possible from both the Chinese and the Japanese authorities that there shall not be at any time, either now or in the future, any interference with the commerce and trade of the Port of Shanghai. You should attempt to secure an undertaking from the Japanese authorities that none of their proposed new forces are intended to effect any permanent occupation outside of the International Settlement and that, as soon as the present emergency has passed, they will withdraw all of such forces in excess of the ordinary landing forces hitherto maintained. / You should avoid any pressure upon the Chinese which will give them any chance to say or believe that we have sided with Japan in forcing them to conclude a truce disadvantageous to them, or any pressure upon the Chinese to take any action which is not essential to the defense of our interests in the International Settlement. If these efforts result in the proposal of a neutral zone outside of the International Settlement, which zone is to be patrolled by neutral forces, the American authorities at Shanghai are authorized, if they deem it advisable, to consent to the creation of such a zone and to participate in its policing if the Chinese have consented to its establishment.

Keep me currently informed of the progress of the negotiations contemplated in this proposal and, in case difficulties arise, report them to me for such help as it may be possible to give you. The Japanese Government has requested strict secrecy for the time being in connection with this proposal. You should, however, inform Admiral Taylor, confidentially, concerning the above.

STIMSON

*The Japanese Embassy to the Department of State*¹⁵

STATEMENT OF THE JAPANESE GOVERNMENT FEBRUARY 7, 1932

It is the immutable policy of the Japanese Government to ensure by all means in their power the tranquillity in the Far East and to contribute to the peaceful progress of the world. Unfortunately in late years the internal discord and unsettled political conditions prevailing in China, coupled with rampant anti-foreign agitation, have given cause for serious concern to all the other powers, especially Japan, which, because of her geographical proximity and vast interests there which are involved, has been made to suffer in far greater degree than any other. While the Japanese Government, in their solicitude for neighborly amity and international good understanding, have exerted every effort to maintain a conciliatory attitude, China, taking advantage of our moderation, has resorted to frequent infringements of our rights and interests, to various acts of violence towards Japanese residents, and to intensifying the vicious anti-Japanese movement which is without parallel elsewhere as it is under the direct or indirect guidance of the Nationalist Party which is identified with the Nationalist Government itself.

2. It is under these circumstances that the Shanghai incident has broken out. It is similar to numerous outrages and insults that had previously been perpetrated at Tsingtao, Foochow, Canton, Amoy, and elsewhere in that they are all characterized by Chinese contempt for Japan and Japanese and by acts of physical violence. The Shanghai incident only happened to be a most flagrant case. On the 9th of January last, the vernacular journal *Minkuo Daily News* published an article insulting the honor of our Imperial house. Shortly afterwards, on the 18th, a party of Japanese priests and their companions of five persons in all were the subjects of an unprovoked attack by Chinese desperados. As a result, three of the victims were severely wounded and one was killed. The shock of these events was sufficient to explode the long pent up indignation felt by the Japanese residents in Shanghai who had suffered for many years past and had exercised the utmost restraint in the face of increasing Chinese atrocities and affronts.

3. Noting the extreme gravity of the situation, the Japanese Consul General, under instructions of his Government and in order to do all that was possible to prevent, by local solution, any aggravation of the case, presented to the Mayor of Shanghai on January 21 a set of four demands including one for the dissolution of anti-Japanese societies. At three o'clock on the afternoon of January 28, the Mayor's

¹⁵ Left with the Under Secretary of State on February 7, 1932.

reply, acceding to the above demands, was received. The Japanese authorities, hoping that the tension might then relax, decided to wait and watch the performance of their promise on the part of the Chinese. However, soldiers belonging to the 19th army then concentrated in the vicinity of Shanghai began, for reasons connected with internal politics, to display signs of recalcitrance towards the Nanking authorities and appeared to be making hostile preparations in spite of the Mayor's acceptance of our terms thus creating a new source of danger. In the meantime Chinese soldiers in civilian costume and various lawless elements had stolen into the international settlement creating a source of danger to the quarter in the vicinity of the municipal offices. Many alarming rumors were in circulation and residents were plunged into an agony of terror, the police of the Chapei District having taken flight. Thereupon, on the 28th at 4 o'clock the authorities of the settlement proclaimed a state of siege and armed forces of the Powers were ordered out to duty in accordance with plan that had been previously agreed upon. It was when Japanese marines were proceeding to their assigned sector in Chapei that the Chinese opened fire upon them precipitating a conflict between the Chinese and Japanese armed forces of which the present situation is the outcome.

4. As is clear from what has been said the incident of the Chinese assault upon Japanese priests and the incident of the armed Sino-Japanese conflict were entirely separate affairs. With regard to the armed collision as it was entirely contrary to every intention of ours and as the British and American Consuls General offered the tender of their good offices, the Japanese authorities sought to effect a cessation of hostilities and, in fact, succeeded on the 29th in arriving at an agreement for a truce. But, on the following day, the Chinese, in contravention of their pledge, opened fire once more. At a conference summoned on the 31st it was agreed that the opposing forces should cease from all hostile action during the progress of negotiations for the establishment of a neutral zone. However, the Chinese resuming their offensive are continuing concentration of their troops in the neighborhood of Shanghai. So far, the Japanese navy desiring, in view of the international character of Shanghai, not to aggravate the situation has refrained from taking any drastic action while the Chinese spreading news of Japanese defeats are manifesting even greater vehemence in their actions.

5. In the existing state of affairs in China uncontrolled and in view of historical precedents in such cases we can have no assurance as to the possible behavior of vast armies congregated in the Shanghai area, should unscrupulous politicians care to incite them. Our marines opposed to the Chinese forces outnumbering them by more than ten to one are being wearied to exhaustion while the predicament of the Japanese residents facing imminent danger as they do is beyond

description. In order to meet the absolute necessity of at once despatching adequate military reinforcements (as there are obvious limitations to naval units which can be landed) so as to put an end to the menace of the Chinese armies, to restore Shanghai to normal conditions, and to relieve the inhabitants of all nationalities from the strain of fear and disquiet, decision was taken to order the necessary military forces to Shanghai.

6. It should be stated that this despatch of military force carries no more significance than the despatch of marines in accordance with the practice on several previous occasions and that the Japanese Government are prompted by no other motive than that of discharging their international duty and of safeguarding the large number of Japanese nationals and Japanese property worth many hundreds of millions involved in the affair.

The expeditionary force has been therefore limited to the strength absolutely required for the above purposes and its action will be guided solely by a policy of protecting the common interests of all the powers. Unless the Chinese, by continuing hostilities or by obstructing our army in attaining the above ends, compels it to take necessary action, there is, of course, no intention whatever that it should enter upon an aggressive campaign. The Japanese Government have already declared that they cherish no political ambitions in the region of Shanghai nor any thought of encroaching there upon the rights and interests of any other powers. What they desire is to promote the safety and prosperity of that region by cooperation with the other powers and mutual assistance and so to contribute to the peace and well being of the Far East.

793.94/4152

Memorandum by the Under Secretary of State (Castle)

[WASHINGTON,] February 8, 1932.

The Japanese Ambassador called to say that he had news that the first Japanese land forces had landed at Woosung at six last night, consisting of 3,000 of a mixed brigade. They found the bridge across the Woosung Creek destroyed and did not attempt to cross it to take the Woosung forts. Instead they proceeded directly to Chapei. He said the distance was only about 15 miles and that there was a good road so they probably have already reached there. He said that they were part of the Twelfth Division coming from Kokura. The Ambassador said that the further troops which were to be sent, making apparently something like a division, were coming from Kanazawa, which is near Tsuruga.

The Ambassador asked me whether we had heard anything about what seemed to him a foolish story of the attempt to establish neutral

zones around certain Chinese cities. I told him that we had merely heard the story and that the Secretary had told the press that he did not think there could be anything in it, since Japan had so distinctly stated on December [November?] 9th that they stood with England and this country in defending the territorial and administrative integrity of China.¹⁹ Mr. Debuchi said that he believed the story must be completely false, but admitted that he was becoming very careful as to the statements he made. He said he hoped the situation was becoming quieter in Shanghai as he understood the Japanese Government had proposed the establishment of neutral zones. I said this was so and that, in addition, they had proposed the immediate cessation of hostilities. He said that, under these circumstances, he supposed nothing more would be done by the powers at the moment. I told him this was true as to Shanghai for the time being, on condition, of course, that the fighting stopped and that Japan did not send another division, for example, to take Nanking. He asked me whether there was any possible fear in the United States that Japan would do such a thing. I told him that Japanese actions had been so unpredictable and un-understandable all along that we naturally were afraid of everything. He said he could not see how any move on Nanking would be possible, but again reiterated that he would not be foolish enough to make any definite statements without instructions. I told him that so long as there were Japanese warships stationed at Nanking it could only look like a threat and that a threatening attitude was likely to cause trouble at any moment.

W. R. CASTLE, Jr.

793.94/4146

Memorandum by the Secretary of State

[WASHINGTON,] February 8, 1932.

I met the Japanese Ambassador at 3:30 this afternoon as I was coming into the building and as he was coming out from a conference with the Under Secretary. The Ambassador told me of the report he had made to the Under Secretary and referred to negotiations which he understood were going on at Shanghai.

I told him that I understood that some negotiations were going on there, but so far as we were concerned, they must be considered entirely as a proposal coming from the Japanese; that I did not wish to have any misunderstanding on the part of his Government as to that; that the four powers had made a balanced proposal which we considered fair for both sides; that the Japanese had rejected

¹⁹ See the memorandum handed to the Secretary of State by the Japanese Ambassador on November 9, 1931, p. 39.

one of the elements which was considered in favor of the Chinese. The Ambassador nodded his head and said, "You mean the fifth point". I said, "Yes. Our proposal having been thus rejected, we have not renewed it, and whatever proposals are now made can be understood as coming from the Japanese." He asked me whether we were going to make any further proposals. I told him I did not know.

H[ENRY] L. S[TIMSON]

793.94/4068 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, February 9, 1932—7 p. m.

[Received February 9—8:25 a. m.]

57. At the request of the Foreign Office, Mr. Yosuke Matsuoka called on me this morning for a long interview. He has been requested by the Prime Minister and the Foreign Minister to proceed immediately to Shanghai to act as liaison officer between Japanese conciliators and foreign powers. He has been for many years in Manchuria as an important official of the South Manchuria Railway and has a remarkable command of English. He seemed in most cooperative frame of mind.

While he said the Japanese were a unit in regard to the insistence of their treaty position in Manchuria, the public generally were much opposed to the Shanghai incident and to any fighting in any part of China and that they had a genuine desire to put an end to it. He said his Government wanted to stop all troubles with China. He also laid stress upon their determination to consider the Manchurian incident as dissociated from all other Chinese incidents but I told him they had the relationship of cause and effect and until the cause, namely, the bitterness aroused by the Manchurian incident had subsided, the troubles like this in Shanghai were likely to recur; and I urged an early settlement of the Manchurian problem, whether by one set of negotiations or two. I urged that he, as mediator, endeavor to give the Chinese every consideration, reparation for their losses, and some concessions, so they could feel they had some victory in the negotiations to report to their people, in the interests of fairness and of future friendly relations. . . .

I have given him a letter to Cunningham and written Cunningham the substance of this communication.

FORBES

793.94/4129c : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, February 10, 1932—8 p. m.

50. Our 45, February 6, 8 p. m.²⁰ The Japanese Government last week made the suggestion to the American Ambassador and several other Ambassadors at Tokyo that negotiations for the purpose of stopping hostilities and establishing a neutral zone should be held upon Japanese initiative at Shanghai. Although five days have elapsed since then, however, the fighting continues in the Chapei area, Japan bombards the fort and village of Woosung, sends army forces, and continues to jeopardize the safety of the International Settlement by the methods employed in its military operations.

On the basis of the best information in possession of the Department it appears Admiral Kelley has been informed by Admiral Nomura that if the Chinese will withdraw to a distance of 20 miles from Shanghai, he will withdraw the Japanese forces to Hongkew; and the spokesman of the Japanese Foreign Office has made the statement that until the Chinese are driven 20 miles from Shanghai the fighting will continue.

The Consul General at Shanghai has informed me that the Japanese have not approached him, that he sees no indication on their part of intention to proceed with this plan and along with the British Consul General he believes that for peace negotiations the Japanese have no plans.

Accordingly, Shanghai has been instructed as follows:

"The Department agrees with your belief that the Japanese do not have any plans for a peace parley. No longer have we any reason to think that by such a move anything is likely to be accomplished; that is, by relying on the suggestion made by the Japanese last Saturday which we think has either been cancelled without notice or was merely an attempt to gain time on their part. We believe the position that the Chinese should retire 20 miles, reported to have been taken by the Japanese Admiral in conversation with the British Admiral, is entirely inadmissible insofar as it involves any consideration, participation, or sanction on our part. According to such information as is available to the Department, we believe that the Japanese may be laying plans for a wide turning movement against the Chinese forces in the Chapei area. The possibility that the Japanese may drive the Chinese forces against the Settlement is visualized by the Department. American effort on the spot we feel should be confined to attempting by all appropriate means to protect the International Settlement.

London and Tokyo are being informed likewise."

²⁰ Not printed; it quoted telegram No. 3, Feb. 6, 1932, to the Consul General at Shanghai, p. 184.

It is for your information that the above is being sent. No communication is to be made to the Japanese authorities. The British Ambassador and, at your discretion, the French and Italian Ambassadors may be informed orally.

STIMSON

793.94/4141 : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, February 12, 1932—6 p. m.

54. Embassy's 61, February 11, 10:00 p. m.; and 64, February 12, 6:00 p. m.²¹ I am convinced by the information which has come to me from many sources that the Japanese military authorities at no time have considered any cessation of hostilities upon any fair basis since their initial repulse at Shanghai, but throughout, in the hope of restoring their prestige, have been determined to force a military decision. The statements and actions enumerated in your telegram No. 61 I cannot therefore credit as in fact indicating any possibility of a settlement except on terms so humiliating to the Chinese that in securing them we could not possibly participate. Consequently, I prefer that there not be any initiative, however indirect, looking towards such efforts taken by any of your staff in Tokyo. It is my opinion that such action is likely to lead to misinterpretation and humiliating rebuff. In this country the feeling is very strong that we have done everything towards conciliating Japan consistent with our dignity.

STIMSON

793.94/4181 : Telegram

The Consul General at Shanghai (Cunningham) to the Secretary of State

SHANGHAI, February 14, 1932—noon.

[Received February 14—3 a. m.]

48. Your telegram No. 22, February 13, 2 p. m.²² Following protest dated February 13 was made to Japanese Consul General on the basis of Department's February 11, 6 p. m.²²

"I have the honor to refer to a telephone communication from your Consulate General at 3:20 o'clock this afternoon informing me that Japanese troops were expected to land at the Nippon Yusen Kaisha Wayside wharf in the International Settlement tomorrow, February 14.

²¹ Neither printed.

²² Not printed.

In connection therewith, I have to state that on behalf of the American Government I protest against any use whatever by either of the disputants of any part of the International Settlement as a base or channel in connection with military operations."

British Consul General informs me that he is today making similar protest under the direction of his Minister against the use of the Settlement as a base for military operations unconnected with the defense of the Settlement. I am taking up question with my French colleague and will telegraph his attitude later.

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

CUNNINGHAM

793.94/4201 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, February 15, 1932—6 p. m.
[Received February 15—9:30 a. m.]

67. The Foreign Minister received five Ambassadors, German, Italian, French, American and British at 4 o'clock this afternoon.

He stated he was going to give a frank exposition of the Japanese position in Shanghai. The Ninth Division had already arrived and the landing would be completed by tomorrow, at which time they [would] have 15,000 land troops and 3,000 marines. The Chinese Nineteenth Army Corps of 31,000 men, the officers being wholly Cantonese, was stationed from the Chapei region all the way to Woosung and was continuing an offensive and defensive attitude and claiming that they had scored a victory over the Japanese marines which was being used as propaganda and causing great uneasiness among Japanese citizens in various Chinese cities throughout the south of China as far as Canton.

In reply to a question, he said emphatically that the Japanese had no intention of sending troops to any of these cities; that on the contrary they were determined not to.

He gave a brief résumé of the effect during several months of the presence of this Cantonese army near Shanghai and Nanking and said that their officers seemed now to have what he called a "desperate psychology" and had led the Chinese Army to believe they had won a victory, a claim which he explained was due to the defensive attitude and insufficient numbers of Japanese marines.

He said: "It is believed that the Japanese Army will demand the Chinese Army to withdraw and that this step was necessary because so long as they remained where they were they menaced the security of the Settlement and Japanese resident nationals." He said that if the demand was not accepted he presaged a clash and an attack by

the Japanese Army, but stated that the Chinese Army, if they would withdraw, or after they had been driven back a reasonable distance (which he defined as the range of the Chinese cannon), would not be followed up and at that time the Japanese may enter upon negotiations for the establishment of a zone.

He disclaimed absolutely any project on the part of the Japanese Government to move toward the establishment of neutral zones around any other cities.

FORBES

793.94/4265

Memorandum by the Secretary of State

[WASHINGTON,] February 15, 1932.

The Japanese Ambassador came in to see me. He said that he came not by instruction but on his own initiative to tell me what the Japanese were doing. He said that the first land forces were landed at Woosung on February 7 and the following day; that this was a mixed brigade from the Twelfth Division; that the second installment of their land troops was the Ninth Division which was landed on the 13th, 14th and 15th of February. He told me that no other land forces were to be landed. I pressed him categorically on this landing of forces and asked him if this applied to all of China and was he sure that no other land forces would be landed elsewhere than at Shanghai. He replied that he was.

The Ambassador then told me that there were a number of rumors that he wished to deny. He said that the Japanese were not seeking any exclusive concession at Shanghai; that they had no idea of it whatever; that they asked for nothing more than their rights in the International Settlement. He told me that his Government was not proposing to create any neutral zone or demilitarized zone at any other place in China than Shanghai and that the report to that effect recently published was only the statement of a very low official in the Foreign Office. I laughed at this and he then said that it was the same official that had previously made trouble. I then told him that I should not have given much attention to the statement by the spokesman of the Foreign Office if it had occurred by itself and in normal times but that here it fitted in too closely with other statements and other things that the Japanese were doing to be disregarded. I reminded the Ambassador how the Japanese Government had rejected the fifth point of the four Powers in their effort at good offices by stating that they would not permit any representative of a third power to participate in any negotiations as to Manchuria. I called his attention to the fact that we and the British and the French who made the

suggestions were signatories of the Nine-Power Pact²³ and that we considered that we had a right to participate in discussions about that pact concerning all of China, including Manchuria. He stated that that was true, and he said that the Japanese had no intention of disregarding or not faithfully abiding by the Nine-Power Pact; that Japan had scrupulously kept her treaties. I again told him that the difficulty was that the facts here were against it and that the events occurring at Shanghai were difficult to reconcile with the covenants of the Nine-Power Pact and therefore I felt that the statements of the spokesman of the Foreign Office at Tokyo to the effect that Japan wished to repeal the Nine-Power Pact must be given more weight than they would in normal times.

I then told him that I had heard of the landing of the troops which he spoke of and that they were being landed in the Settlement contrary to the previous promise of the Japanese Consul General after our protest; that I regarded this as a very serious matter because it would inevitably provoke, and justly provoke, the resentment and reprisals of the Chinese when they found that they were being attacked by Japanese using the International Settlement as a base; that I was proposing to protest again about that publicly and to notify the Japanese Government that we proposed to hold them financially responsible for all damages which we suffered from such use of the Settlement as a base for military operations. He at once became very much interested in this and wanted to know how I was going to make the protest. I told him I should make it to Tokyo but I would notify him.

I told the Ambassador that I had finally received a report on the Ringwalt case²⁴ and I gave him a summary of what had happened, from the note which Dr. Hornbeck had placed in my hands. I told him that it was absolutely necessary for the protection of our people in the Settlement that he should see that the authority of our Consuls and Vice Consuls was protected and that their persons were protected; that Mr. Ringwalt was performing one of his duties while he was made a victim of this assault and that although the Japanese Consul General had expressed his regret to Mr. Cunningham, I thought that we should have a formal apology from the Japanese Government. The Ambassador asked me how I wanted that done; whether it would do to have it made at Shanghai to our Minister by the Japanese Minister. I said that I would prefer it here but would take into consideration the other method if they were accustomed to it; that we made no request for an indemnity but we would

²³ *Foreign Relations*, 1922, vol. I, p. 276.

²⁴ Arthur R. Ringwalt, American Vice Consul at Shanghai, who was attacked by Japanese civilian guards on February 11, 1932, inside the Japanese-occupied Hongkew section of the International Settlement.

make a request for a more vigorous effort to punish the offenders. He said he would convey my representation to his Government.

H[ENRY] L. S[TIMSON]

793.94/4334

Memorandum by the Secretary of State

[WASHINGTON,] February 17, 1932.

The Japanese Ambassador came to see me at Woodley at 2:30 p. m. today. He told me he came to present his sincere regrets for the action of the Foreign Office at Tokyo in having given out to the press anything about the conversation which he, the Ambassador, had with me on Monday concerning a possible protest, which conversation he understood to be confidential. He told me that he was going to write to Yoshizawa and protest against it. I told the Ambassador he need not feel any concern personally because it had not given me any serious embarrassment. I reminded him that I had told him in that conversation that we had not made any protest but were considering it. He said he remembered that perfectly. I said we were talking over the matter and looking into the question of the responsibility of the Japanese Government for damages that might occur under those circumstances and I explained that it was my view that, under international law, the Japanese Government would be responsible. I told the Ambassador that the only effect of the leak would be to perhaps make it necessary for me to protest a little more promptly than I had expected to.

The Ambassador then said that, not under instructions but for my information, his Government had authorized the Japanese Commander at Shanghai to deliver an ultimatum to the Chinese forces to withdraw a distance of twenty kilometers from the International Settlement; that he thought this ultimatum might be delivered either today or tomorrow and that, when delivered, it would give a warning that if it was not complied with the Japanese would use force to compel compliance after twenty-four hours had expired from the delivery of the warning. The Ambassador said further that if the Chinese withdrew without fighting the Japanese officers would inspect the ground from which they withdrew in order to ascertain whether their withdrawal had been complete and for the required distance and, in that case, they were willing that neutral officers should accompany them as observers. He said that the situation had grown very acute and that he himself was very much distressed at the situation. He explained his appreciation for the efforts that had been made by us and others to obtain a cessation of hostilities. I said that we had ten days ago tendered our good offices with the suggestion as to what we thought proper but it had not been accepted and since that time

we have been able to do nothing. The Ambassador said he understood that our local representatives and those of other Governments had been asserting themselves in the direction of peace. I said I did not know that; that we could not ask the Chinese to withdraw unless the Japanese also withdrew for we could not take sides with one against the other. I said I was very sad over the situation for I considered it very serious if they made this ultimatum and followed it out with force.

H[ENRY] L. S[TIMSON]

793.94/4311 : Telegram

The Minister in China (Johnson) to the Secretary of State

SHANGHAI, February 19, 1932—1 p. m.

[Received February 19—11:05 a. m.]

My telegram February 19, 1 p. m.²⁵ I have just called upon Japanese Minister in company with my British, French and Italian colleagues. All using similar wording but speaking each for himself we pointed out that there had been damage to foreign life and property within the Settlement area from shells. We pointed out that on several occasions protests had been made against the use of Settlement by Japanese forces as a base for attack on the Chinese. We stated that in view of the fact that negotiations between Japanese and Chinese had failed we were in the presence of even more serious conflict than hitherto. We stated that Japan could not avoid large measure of responsibility for the jeopardy to foreign life and property at Shanghai due to the hostilities thus brought about.

We expressed the hope that it might still be time to bring about cessation of hostilities even at this eleventh hour.

Japanese Minister stated that it had not been intention of the Japanese to cause destruction or damage to foreign life and property, that it had been their intention to protect Japanese life and property and to protect the Settlement from outside attack. They had been disappointed in this hope. He said that of course nothing could disappoint Japanese Government more than to know that the result of their actions here had been to cause damage to foreign life and property. In reply to our question as to the possibility of yet bringing about a cessation of hostilities, the Japanese Minister informed us that matters now rested with the Chinese authorities. It was our understanding that hostilities will begin 7 a. m. tomorrow unless the Chinese have withdrawn from the first line.

JOHNSON

²⁵ Not printed.

793.94/4343 : Telegram

The Consul General at Shanghai (Cunningham) to the Secretary of State

SHANGHAI, February 21, 1932—11 a. m.

[Received February 21—5 a. m.]

92. My telegram No. 48, February 14, noon. Following reply dated February 19th from Japanese Consul General was received evening February 20th:

"As you are aware, the Japanese naval landing force in charge of the defense of the Japanese sectors was confronted with a huge Chinese army, and not only the lives and property of the Japanese residents but also the safety of the International Settlement itself faced an overwhelming menace. It was with a view to removing this imminent danger, and with no other ulterior motives, that the Japanese military reinforcements were despatched here. However, apart from any arguments that may or may not arise in connection with the disembarkation of the Japanese troops in the Settlement, the Japanese authorities, prompted by the desire to avoid any possible inconvenience to the International Settlement, landed as large a portion of the recent reinforcements outside the Settlement as circumstances permitted. Nor have they any intention to retain within the Settlement longer than necessary those troops which are now stationed there."

Repeated to the Legation, Nanking and Tokyo for information.

CUNNINGHAM

793.94/4457

Memorandum by the Under Secretary of State (Castle) of a Conversation With the Japanese Ambassador (Debuchi)

[WASHINGTON,] February 23, 1932.

The Ambassador said that he had a telegram from his Government asking him to inform the Department that reinforcements were being sent to Shanghai "for the protection of Japanese life and property." I told him that this was confirmation of what the papers had already said. He said that the Japanese were in very bad position in Shanghai and that it was necessary for them to get themselves out of this position, that they had supposed Chiang Kai-shek was more or less indifferent and that it had been a surprise to them to find his troops among the defenders. I said that it seemed to me quite natural that this should be the case, that possibly Chiang Kai-shek's indifference, as he called it, meant merely that he had to move very carefully as he hoped the dispute could be settled without

violence, that on the other hand after the Japanese had delivered an ultimatum which had been fully accepted and then, in spite of the acceptance, had proceeded to attack the Chinese,²⁸ Chiang Kai-shek might well have thought that there was no use any longer in temporizing. The Ambassador said that he did not see how the Japanese troops could get out at the present moment because the Chinese would kill Japanese residents remaining near Shanghai. I told him that I appreciated this, but that I, nevertheless, had no sympathy with it for the reason that when the Japanese had told the Chinese to retreat for 20 kilometers leaving that space as a neutral zone, the Chinese said they would do this on condition that the Japanese Army also moved away. I said this had given the Japanese an opportunity to get out and to clear up the situation which they had not taken and that now it was, of course, difficult to see how they could retreat. I told him, further, that the apparently indefensible actions of the Japanese in Shanghai seemed to me to be having the almost unbelievable effect of really uniting China, that China was being united against Japan and that the result of this would presumably last for a long time.

The Ambassador asked me what I thought the future would bring. I said, of course, that it depended largely on Japan's actions, that it seemed to me that this sending of new troops would probably have a very disastrous effect from Japan's point of view at the meeting of the Assembly of the League. The Ambassador said that he fully agreed to this. I said that I thought the League would declare that Japan was carrying on aggressive warfare and that they might then proceed to sanctions. He asked me whether in that case he was not right in thinking that, whether or not the Congress declared a boycott on Japan, it would not lead to a virtual boycott. I told him I thought he was undoubtedly right and I said also that the whole thing made me unhappy, liking Japan as I did, because it would mean a world united against Japan on account of the utterly unwarranted actions of its military and that the result would be to put Japan back for a generation in the progress which had been so encouraging and really inspiring. The Ambassador said that when I was in Tokyo I had used the phrase "that Japan was the stabilizing influence in the Far East," that he felt this to have been a happy phrase at the time and that we must look forward to the Japan of the future as still a stabilizing influence. I told him that I thoroughly believed that I was telling the truth at the time, that I hoped it might be so once

²⁸ See third report, dated February 20, 1932, of the Consular Committee appointed to report on events in Shanghai and the neighborhood, League of Nations, *Official Journal*, March, 1932, p. 381.

more in the future, but that at the present moment Japan was not only not the stabilizing influence, but was the most utterly disturbing influence. He said that the Shanghai incident was, he knew, an accident not in any way part of the plan of his Government, that the commanding officer of the Naval Forces had landed troops which had immediately got themselves into a bad position and had to be helped out. I said that, so far as I knew anything about it, I agreed with this, but that it seemed to me that one of the most tragic aspects of the whole miserable matter was that there was no strong government in Japan. I said that a government was hardly worth their name which could allow itself openly to be defied by the military, especially when this defiance was not apparently the action of the entire military, but merely of the younger officers. The Ambassador had nothing to say to this except that he could not refute a just observation.

As to the political situation, he said that, although the Seiyukai Party was full of die hards, he was nevertheless, glad that Seiyukai now had a real majority in the Diet. He was glad of this for the reason that while they did not have a majority they were trying to make all the trouble possible, that now, having a majority, they would feel the weight of responsibility and would probably be more reasonable. I told him that naturally I hoped this was the case, but that I thought reasonableness was not enough, that there ought to be also courage to oppose and punish those who were in the long run working against the best interests of Japan.

W. R. CASTLE, Jr.

793.94/4413a : Telegram

The Secretary of State to the Ambassador in Japan (Forbes)

[Paraphrase]

WASHINGTON, February 24, 1932—6 p. m.

62. 1. Sir John Simon ²⁷ has just informed me from Geneva that the British Ambassador at Tokyo has been instructed by him to make representations to the Japanese Foreign Office requesting the following: (1) That Japanese warships at Shanghai be moved from their present anchorage further down the river to a point where they will not draw the fire from the Chinese forces which will endanger the International Settlement and the vessels of other nations at anchor in the river; (2) in the event the sending of further reinforcements is being contemplated by the Japanese Government, arrangements will be made not to land its troops in the Settlement but at such points as

²⁷ British Secretary of State for Foreign Affairs.

will not draw fire from the Chinese to the danger of the Settlement or its residents or the vessels lying in the river which belong to other nations. I am further informed that the French and Italian Governments also have been requested by the British to make similar representations.

2. The Department authorizes and requests that in cooperation with the British Ambassador and the French and Italian Ambassadors you make representations of the same nature.

3. I should like to have these representations made in the form of a joint visit by you and at least the British Ambassador and if possible at the same time the French and Italian Ambassadors. It is my desire that you endeavor to persuade the other Ambassadors to leave with the Japanese Foreign Office written memoranda of their representations. A joint memorandum if you can agree on one would be so much the better. In the event this is impracticable, separate memoranda of similar import would have my approval. No matter what is decided upon, it is my desire that the representations which are made by you on behalf of the American Government be made a matter of record by leaving with the Japanese Foreign Office a written memorandum.

4. The reason I am requesting that your representations be left in a written memorandum is I believe that from now on it is most important that a written record of all important representations or protests be kept so that it may be available in connection with any issues which may arise hereafter where written evidence may be of importance or as a basis for any legal claims.

It is on the initiative of the British and other Governments that the foregoing proposals have been made. We do not wish to be placed in the position of having taken the initiative, although we are quite willing to cooperate.

STIMSON

793.94/4502

Memorandum by the Secretary of State

[WASHINGTON,] February 27, 1932.

The Japanese Ambassador came to my house at Woodley at 12:15. He told me, first, about troop movements. He had told Mr. Castle that one new division was being sent, but he now said that instead of sending the divisions one by one, they were sending two, the 11th and the 14th, so that they will have in all at Shanghai $3\frac{1}{2}$ divisions.

He told me that he was instructed by his Government to assure me that Japan had no intention to obtain any exclusive Japanese con-

cession at Shanghai; also that Japan appreciated the great step of civilization that had been made by the British, the Americans, the French, and the other nations in the creation of the International Settlement and desired to preserve that. He then spoke of the representations which had just been made by the foreign governments, and I explained to him that those had been made in order to remove the danger which was caused by the Japanese fleet lying immediately opposite the middle of the International Settlement, so that when it was fired at by the Chinese across the Settlement, the Settlement was likely to be injured, if shots fell short, and I pointed out that the same thing had happened when the Japanese were landing troops. He said that he appreciated that, and that he had word that the Japanese Government would do everything they could to avoid that danger. He did not, however, say specifically that they would remove the ship[s].

He said that all the Japanese were trying to do was to move the Chinese back 20 kilometers, and that they thought now that the Chinese morale was getting low and this could be done without much fighting. I told him that they might be mistaken in this as they had been before, and that the thing to do was to stop the blow rather than to trust that it would be a light blow. I told him that I believed that if the Japanese would stop their attack, the Chinese could be induced to withdraw a safe distance, which would be sufficient so as not to endanger the Settlement, and that in such case both faces could be saved. This point came up several times in the conversation, and I always repeated it, and he always said that he agreed with me that the thing to do was to stop the blow. But it was evident from his attitude that he knew that his Government was insisting upon going ahead to deliver the blow. I told him that I was not making any offer, but that if ever the Japanese Government wanted our good offices or assistance, they knew that they could have them. Our friendship for Japan remained. He said he knew that.

He then brought up the question of boycott and the movement started by President Lowell,²⁸ and he said that it was necessarily very dangerous and if persisted in might cause great irritation in Japan. I said that that movement had not been in any way encouraged by the Government; that I, myself, whenever people spoke to me about it, pointed out the danger of such a movement; but that he must recognize the fact that public opinion in this country had been greatly shocked by the action of the Japanese, and when people of the standing of Dr. Lowell, who was one of our foremost historians, and Mr. Baker²⁹ started such a movement, they had great influence and it meant that the country was greatly shocked.

²⁸ A. Lawrence Lowell, President of Harvard University, 1909-33.

²⁹ Newton D. Baker, Secretary of War, 1916-21.

*Communication Made by the President of the Council of the League of Nations at the Meeting of February 29, 1932, Setting Forth Certain Proposals for the Restoration of Peaceful Conditions in the Shanghai Area*³⁰

1. The imminence of hostilities on the largest scale in the Shanghai region between Chinese and Japanese forces, with the inevitable consequence of heavy loss of life and further embitterment of feeling, makes it at this critical moment the duty of all of us to lose no opportunity of seeking means by which this deplorable armed conflict between two Members of the League may be suspended and a way of peace may be found and followed. The news that we have received from the British representative that conversations actually took place yesterday at Shanghai with a view to making arrangements for a cessation of hostilities and that the proposed arrangements have been referred to the respective Governments is welcomed by us all, and the Council of the League is ready to make its contribution towards the consolidation of peaceful conditions in the way and at the time which is most useful.

2. The President has therefore called together his colleagues on the Council for the purpose of laying before them a proposal which might serve to this end. For its effective execution, this proposal will require, not only the acceptance of the Governments of China and Japan, but the co-operation on the spot of the other principal Powers who have special interests in the Shanghai Settlements, and whose representatives are therefore readily available to make the local contribution of their friendly aid, which is no less necessary than the positive and sincere agreement of the Chinese and Japanese authorities to the plan proposed.

3. This plan is as follows:

(1) A Conference to be immediately set up in Shanghai composed of representatives of the Governments of China and Japan, together with representatives of the other Powers above referred to, for the purpose of bringing about a final conclusion of fighting and the restoration of peaceful conditions in the Shanghai area.

(2) The Conference would be undertaken on the basis (a) that Japan has no political or territorial designs and no intention of establishing a Japanese settlement in Shanghai or of otherwise advancing the exclusive interests of the Japanese, and (b) that China enters the Conference on the basis that the safety and integrity of the International and French Settlements must be preserved under arrangements which will secure these areas and their residents from danger.

(3) The meeting of this Conference is, of course, subject to the making of local arrangements for a cessation of hostilities. The Council trusts that this will very speedily be brought about. It is proposed that the military, naval and civilian authorities of the other principal Powers represented in Shanghai will render all possible assistance in consolidating the arrangements.

³⁰ Reprinted from League of Nations, *Official Journal*, March, 1932, p. 917.

4. To this proposal, which is aimed at the immediate re-establishment of peace in the Shanghai area, without prejudice to, or qualification of, any position previously taken up by the League of Nations or any Power in relation to Sino-Japanese affairs, the President desires, in the name of himself and of his colleagues, to invite the adherence and co-operation both of China and Japan and of the other Powers referred to, whose local position enables them to make a special contribution to the common purpose of stopping armed conflict and restoring peace.

793.94/4493 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, February 29, 1932—10 p. m.

[Received February 29—8:10 p. m.]

46. Following letter received from Drummond³¹ dated February 29th:

"I have the honor to transmit to you a copy of a communication made by the President of the Council to his colleagues³² setting out certain proposals which the Chinese and Japanese representatives have promised to submit immediately and to recommend to their governments with a view to bringing about the restoration of peaceful conditions in the Shanghai area.

May I be allowed to call your special attention to the request made in paragraphs 2 and 3 of the communication for the collaboration of the United States Government in the steps which the Council proposed in order to effect the above-mentioned aims?"

The text of the communication enclosed with Drummond's letter is being telegraphed by Gilbert in his 92, February 29, 7 p. m.³³

My reply to Drummond, which I read to you over the telephone, is as follows:

"In reply to your letter of today's date in which you inform me of the proposal made by the Council (which the Chinese and Japanese representatives have promised to transmit immediately to their respective Governments) concerning a conference for the restoration of peace within the Shanghai area, and the negotiations now going on toward the immediate cessation of hostilities in that zone, I have to inform you that the Government of the United States is happy to associate itself with this effort for the reestablishment of peace.

My Government will instruct its representatives in Shanghai, in the event that this offer is acceptable to the Chinese and Japanese Governments, to cooperate with the representatives of the other powers."

Drummond gave immediate publicity to this exchange of letters.

WILSON

³¹ Sir Eric Drummond, Secretary General of the League of Nations.

³² *Supra*.

³³ Not printed.

793.94/4494 : Telegram

The Ambassador in Japan (Forbes) to the Secretary of State

TOKYO, March 1, 1932—1 p. m.
[Received March 1—1:38 a. m.]

84. On February 26 I delivered a memorandum to the Minister for Foreign Affairs in accordance with the Department's instructions³⁴ requesting that the Japanese move their men-of-war to a point which would not be likely to draw fire from the Chinese to the danger of the Settlement and I am now in receipt of a reply reading in translation as follows:

"The Minister for Foreign Affairs presents his compliments to the American Ambassador and has the honor to acknowledge the receipt of the Ambassador's memorandum dated February 26, 1932. In this memorandum the American Ambassador by direction of his Government expresses the desire that the landing of Japanese reenforcements at Shanghai be carried out at such points outside of the Settlement as will not draw fire from the Chinese troops to the danger of foreigners resident in the Settlement or the ships of other nationals and that the Japanese men-of-war at Shanghai be moved from their present position to a position down the river to prevent the danger of fire from the Chinese troops.

In reply the Minister for Foreign Affairs has the honor to state that although the Japanese Government has the right to land troops at the International Settlement and to anchor warships at the present position, it desires most earnestly to prevent as far as possible any danger to the Settlement or to foreigners and has transmitted the message of the American Government to the authorities of the Army and Navy, who will give as favorable consideration to this matter as possible."

FORBES

793.94/4580

Memorandum by the Secretary of State

[WASHINGTON,] March 3, 1932.

The Japanese Ambassador came in to give me an announcement of the cessation of hostilities, and he handed me the copy which is annexed. He then handed me a set of the basic conditions of the immediate cessation of hostilities, which is also annexed. He did not make it clear what these represented or who they came from. He said that the Japanese army occupied the line as follows: Kasing, Naziang, Chenju, and that the Woosung Forts were captured at 8:10 a. m. March 3rd. He then said that his Government was very anxious that we should participate in the round table conference mentioned in the basic provision above-mentioned to arrange the details of the truce; that as soon as these were arranged the Japanese army would

³⁴ See telegram No. 62, Feb. 24, 1932, to the Ambassador in Japan, p. 200.

withdraw. He also said something about a neutral zone around Shanghai.

I then took up the situation and I pointed out that on February 29 the League of Nations, on the request of Japan, had suggested a proposal for the immediate cessation of hostilities and the various steps, including a conference; that this was immediately accepted personally by the Japanese representative, Sato, on February 29, subject to the approval of his Government, and that the approval of the Government was given on March 1 (see No. 95 from Geneva ³⁵). The Japanese Ambassador agreed to each of these dates. I said that this having been done, I was greatly shocked and I thought a great many other people were shocked by the fact that after this proposal for immediate cessation of hostilities had been made and accepted, Japan had made the largest attack of the entire Shanghai operation on March 2 and 3, in which a great many Chinese and Japanese had lost their lives. I told the Ambassador that was not the way that we ceased hostilities in the Great War, when, so far as I knew, there was not a shot fired after 11 o'clock on November 11, the time that we agreed to cease. The Ambassador was much embarrassed.

He said first that the Chinese had not accepted the immediate cessation of hostilities at the time of Admiral Kelly's meeting. I replied that this was contrary to my understanding; that my understanding had been that the Chinese Government had accepted the proposal for cessation of hostilities even before the Japanese had accepted. He then said that it was very hard to stop troops when they were in combat. I referred to the situation in the Great War where it was stopped.

The Ambassador said that when he came in he hoped that I would be pleased by his announcement of the cessation now of hostilities and the firing of guns. I told him that I was glad that the guns had stopped firing, but I begged him to remember that so far as our nationals had been concerned, they had not been in any danger at all until the Japanese troops came to Shanghai on January 29 and got into a fight with the Chinese forces on Chinese territory. I said that I did not enter into the question of the safety of Japanese nationals; that was a matter which I did not profess to know, but I did know that our nationals had been perfectly safe until the Japanese had come here as aforesaid and got into a fight with the Chinese army. The Ambassador was very much agitated and said he hoped that we would join the round table conference because the success would be

³⁵ Dated March 3; not printed. It transmitted the Japanese acceptance, dated March 1, of the proposals made by the President of the Council on February 29, and a communication, dated March 2, from the President of the Council to Sato in response to the foregoing. For texts, see League of Nations, *Official Journal*, March, 1932, p. 928.

impossible without the presence of America. I pointed out that I could not allow my Government to be drawn into a position where we might be thought to be seeking extensions of foreign rights at the expense of China; that we did not claim any such extensions and we would not participate in negotiations which might result in getting them; but that I would consider the question of our participation and decide that later. I said that the situation had, however, entirely changed in my opinion since our original proposal.

H[ENRY] L. S[TIMSON]

[Annex 1]

Japanese Declaration of Cessation of Hostilities

The Imperial Japanese land forces since their arrival in Shanghai and its vicinity had, in conjunction with the Imperial Naval forces, made every effort to achieve the object of protecting Japanese residents by peaceful means. However, proposals based on such a desire were not, to their regret, acceded to by the nineteenth route army of China and at last hostilities were started.

Chinese forces have now retreated to positions beyond the distance originally requested by the Imperial forces, and signs are seen of peace, of the Shanghai settlements being recovered and safety of Japanese residents being reassured.

I have therefore decided to order the forces to halt for the time being at points actually held and to stop fighting, provided, that the Chinese forces will not resort to further hostile actions.

GENERAL YOSHINORI SHIRAKAWA

Chief of Imperial Japanese Land Forces

SHANGHAI, March 3, 1932.

[Annex 2]

Basic Conditions of the Immediate Cessation of Hostilities

1. Should China give assurances for the withdrawal of her troops to a certain distance from Shanghai (distance to be determined by the Japanese and Chinese authorities), Japan will agree to the cessation of hostilities for a certain period (to be agreed upon between Japanese and Chinese authorities), and pending subsequent arrangements the Japanese and Chinese forces shall hold their respective positions. Details relating to the cessation of hostilities shall be arranged by the Japanese and Chinese military authorities.

2. During the period of the cessation of hostilities, a round-table conference between Japan and China shall be held at Shanghai, in which representatives of the principal powers interested shall par-

ticipate, and the conference shall discuss, with a view to reaching an agreement upon, methods for the withdrawal of both the Chinese and Japanese forces on such terms as are set out in the following paragraph, together with measures for the restoration and maintenance of peace and order in and around Shanghai and for safeguarding the International Settlement and French Concession in Shanghai and foreign lives, property and interests therein.

3. The withdrawal of troops shall be commenced by the Chinese troops (including plain-clothes gunmen) to a specified distance, and upon ascertaining the withdrawal of the Chinese forces, the Japanese forces will withdraw to the Shanghai and Woosung areas. As soon as normal conditions prevail, the Japanese army shall be withdrawn from these areas.

4. Should either of the parties infringe any of the terms on the cessation of hostilities, the other party shall have freedom of action. Both parties shall have the same freedom of action upon the expiration of the period agreed upon under paragraph I.

793.95/4589b : Telegram

*The Secretary of State to the Consul General at Shanghai
(Cunningham)*

[Paraphrase]

WASHINGTON, March 3, 1932—5 p. m.

71. To the Minister: Department's 60 of February 29, 4 p. m.; 65 of March 1, 11 p. m.; and 66 of March 1, 12 p. m.³⁶ With regard to the round-table conferences which under the recent suggestion of the League of Nations are now in prospect. Until you receive further instructions, I do not wish to have either you or any civil or military representative of this Government participate in them. In my opinion, the situation has been obscured by the fact that the Japanese have carried through a major offensive after having initiated this movement for a conference and having accepted the proposals of the Council of the League. Consequently, until I am more clear as to what will be proposed there I do not wish to participate in the conference. I do not desire, as I have indicated in my previous instructions referred to above, to be drawn into proposals which will appear unfair to China or as an endorsement of Japan's position.

STIMSON

³⁶ None printed.

793.94/4589d : Telegram

*The Secretary of State to the Consul General at Shanghai
(Cunningham)*

WASHINGTON, March 5, 1932—9 p. m.

77. For the Minister: My 71, March 3, 5 p. m.

1. I am informed from Geneva that a meeting of the Plenary Assembly has passed unanimously (including both parties to the dispute) the following resolution:

"The Assembly recalling the suggestions made by the Council on the 29th February and without prejudice to the other measures therein envisaged;

1. Calls upon the Governments of China and Japan to take immediately the necessary measures to ensure that the orders which, as it has been informed, have been issued by the military commanders on both sides for the cessation of hostilities, shall be made effective;

2. Requests the other powers which have special interests in the Shanghai Settlements to inform the Assembly of the manner in which the invitation set out in the previous paragraph has been executed;

3. Recommends that negotiations be entered into by the Chinese and Japanese representatives with the assistance of the military, naval and civilian authorities of the powers mentioned above for the conclusion of arrangements which shall render definite the cessation of hostilities and regulate the withdrawal of the Japanese forces. The Assembly will be glad to be kept informed by the powers mentioned above of the development of these negotiations."

[Paraphrase.] I am informed further by Wilson that it is morally certain that action along the line already taken by this Government in the January 7th [Stk] note³⁷ will be taken by the Assembly. [End paraphrase.]

2. I understand that the proposed conference is to be based on the following principles: (a) China freely consents to such a conference; (b) the discussions of the conference are to be limited to the question of terminating hostilities, evacuating military forces and immediate reestablishment of peace in the Shanghai area. My understanding is that Japan has agreed to the provisions reported in the Department's No. 66 of March 1, 12 p. m. to Shanghai,³⁸ including the restriction that "Japan has no political or territorial designs and no intention of establishing a Japanese settlement in Shanghai or of otherwise advancing the exclusive interests of the Japanese"; and that the whole proposal is aimed at the immediate reestablishment of peace in the Shanghai area without prejudice to or qualification of any position previously taken by the League or any Power in relation to Sino-Japanese affairs and that the cooperation of the Powers is invoked

³⁷ See telegram No. 7, Jan. 7, 1932, to the Ambassador in Japan, p. 76.

³⁸ Not printed.

and is forthcoming for the common purpose of stopping armed conflict and restoring peace. [Paraphrase.] This means, in my opinion, that any proposals which may go outside the limits of those provisions are not to be given consideration. In my opinion, this applies also to any attempt to effect permanent changes in the International Settlement boundaries or to bring about at China's expense any other changes which other powers, motivated by self-interest, may be advancing individually or collectively.

3. Recapitulating, the American Government in approving this plan has taken the position, and in conferences at Geneva between Wilson and leaders of the Assembly reaffirmed it, that discussion at the proposed conference should be restricted to questions relating to the liquidation of the military situation at Shanghai and no question should be taken up which relates to changes of a permanent character. To be specific, any question relating to the subject of a pacific boycott should not be brought up without China's consent at any conference in which we participate. If the Japanese wish to take up any subjects of that nature, it is my view that they must raise them at a subsequent conference dealing with the entire controversy between Japan and China, including the Manchurian problem, and at a time when the settlement of such controversies can take place minus the pressure of Japanese military occupation.

4. Provided it is clear that the conference is to be conducted according to the principles and provisions outlined above, you and military and naval authorities of the United States are authorized by me to participate. [End paraphrase.]

STIMSON

*Resolution Adopted by the Assembly of the League of Nations on
March 11, 1932*³⁹

I

The Assembly,

Considering that the provisions of the Covenant are entirely applicable to the present dispute, more particularly as regards:

- (1) The principle of a scrupulous respect for treaties;
- (2) The undertaking entered into by Members of the League of Nations to respect and preserve as against external aggression the territorial integrity and existing political independence of all the Members of the League;
- (3) Their obligation to submit any dispute which may arise between them to procedures for peaceful settlement;

³⁹ Reprinted from League of Nations, *Official Journal*, Special Supplement No. 101 (Geneva, 1932), p. 87.

Adopting the principles laid down by the acting President of the Council, M. Briand, in his declaration of December 10th [9th], 1931;⁴⁰

Recalling the fact that twelve Members of the Council again invoked those principles in their appeal to the Japanese Government on February 16th, 1932,⁴¹ when they declared "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 Article 10 of the Covenant ought to be recognised as valid and effectual by Members of the League of Nations";

Considering that the principles governing international relations and the peaceful settlement of disputes between Members of the League above referred to are in full harmony with the Pact of Paris, which is one of the cornerstones of the peace organisation of the world and under Article 2 of which "the High Contracting Parties agree that the settlement or solution of all disputes or conflicts, of whatever nature and whatever origin they may be, which may arise among them shall never be sought except by pacific means";

Pending the steps which it may ultimately take for the settlement of the dispute which has been referred to it;

Proclaims the binding nature of the principles and provisions referred to above and declares that it is incumbent upon the Members of the League of Nations not to recognise any situation, treaty or agreement which may be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris.

II

The Assembly,

Affirming that it is contrary to the spirit of the Covenant that the settlement of the Sino-Japanese dispute should be sought under the stress of military pressure on the part of either Party;

Recalls the resolutions adopted by the Council on September 30th⁴² and on December 10th, 1931,⁴³ in agreement with the Parties;

Recalls also its own resolution of March 4th, 1932,⁴⁴ adopted in agreement with the Parties, with a view to the definitive cessation of hostilities and the withdrawal of the Japanese forces; notes that the Powers Members of the League of Nations having special interests in the Shanghai Settlements are prepared to give every assistance to this end, and requests those Powers, if necessary, to co-operate in maintaining order in the evacuated zone.

⁴⁰ League of Nations, *Official Journal*, December, 1931, p. 2375.

⁴¹ *Ibid.*, March, 1932, p. 383.

⁴² *Ante*, p. 13.

⁴³ *Ante*, p. 59.

⁴⁴ See telegram No. 77, Mar. 5, 1932, to the Consul General at Shanghai, p. 209.

III

The Assembly,

In view of the request formulated on January 29th by the Chinese Government⁴⁵ invoking the application to the dispute of the procedure provided for in Article 15 of the Covenant of the League of Nations;

In view of the request formulated on February 12th⁴⁶ by the Chinese Government that the dispute should be referred to the Assembly in conformity with Article 15, paragraph 9, of the Covenant and in view of the Council's decision of February 19th;⁴⁷

Considering that the whole of the dispute which forms the subject of the Chinese Government's request is referred to it and that it is under an obligation to apply the procedure of conciliation provided for in paragraph 3 of Article 15 of the Covenant and, if necessary, the procedure in regard to recommendations provided for in paragraph 4 of the same article;

Decides to set up a Committee of nineteen members—namely, the President of the Assembly, who will act as Chairman of the Committee, the Members of the Council other than the Parties to the dispute and six other Members to be elected by secret ballot.

This Committee, exercising its functions on behalf of and under the supervision of the Assembly, shall be instructed;

(1) To report as soon as possible on the cessation of hostilities and the conclusion of arrangements which shall render definitive the said cessation and shall regulate the withdrawal of the Japanese forces in conformity with the Assembly resolution of March 4th, 1932;

(2) To follow the execution of the resolutions adopted by the Council on September 30th and December 10th, 1931;

(3) To endeavour to prepare the settlement of the dispute in agreement with the Parties, in accordance with Article 15, paragraph 3, of the Covenant, and to submit a statement to the Assembly;

(4) To propose, if necessary, that the Assembly submit to the Permanent Court of International Justice a request for an advisory opinion;

(5) To prepare, if need be, the draft of the report provided for in Article 15, paragraph 4, of the Covenant;

(6) To propose any urgent measure which may appear necessary;

(7) To submit a first progress report to the Assembly as soon as possible and at latest on May 1st, 1932.

The Assembly requests the Council to communicate to the Committee, together with any observations it may have to make, any documentation that it may think fit to transmit to the Assembly.

The Assembly shall remain in session and its President may convene it as soon as he may deem this necessary.

⁴⁵ League of Nations, *Official Journal*, March, 1932, p. 335.

⁴⁶ *Ibid.*, p. 386.

⁴⁷ *Ibid.*, p. 371.

793.94/4704 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, March 12, 1932—2 p. m.

46. Your 73, March 11, 8 p. m.⁴⁸

1. You may communicate to Drummond the following:

"I acknowledge the receipt of your letter of March 11 enclosing for the information of the American Government the text of a resolution relative to the Sino-Japanese dispute which was adopted this afternoon by the Assembly of the League of Nations.

I am instructed by my Government to express to you its gratification at the action taken by the Assembly of the League of Nations. My Government is especially gratified that the nations of the world are united on a policy not to recognize the validity of results attained in violation of the treaties in question. This is a distinct contribution to international law and offers a constructive basis for peace.

You suggest that I note particularly part 2 of the resolution. In this, the Assembly recalls several resolutions and cites especially its own resolution of March 4, 1932 adopted in agreement with the parties with a view to the definitive cessation of hostilities and the withdrawal of the Japanese forces. My Government, as one of the powers which have special interests in the Shanghai Settlement, has already authorized its representatives at Shanghai to assist, in cooperation with the representatives of other powers similarly situated, toward the consummation of those objectives."

STIMSON

793.94/4779b : Telegram

*The Secretary of State to the Consul General at Shanghai
(Cunningham)*

WASHINGTON, March 12, 1932.

97. For the Consul General and the Minister. In comment on the action taken by the Assembly of the League of Nations on March 11, 1932, a statement was made to the press by the Secretary of State, text as follows:

"The nations of the League at Geneva have united in a common attitude and purpose towards the perilous disturbances in the Far East. The action of the Assembly expresses the purpose for peace which is found both in the Pact of Paris and the Covenant of the League of Nations. In this expression all the nations of the world can speak with the same voice. This action will go far toward developing into terms of international law the principles of order and justice which underlie those treaties and the Government of the United States has been glad to cooperate earnestly in this effort."

STIMSON

⁴⁸ Not printed.

Memorandum by the Secretary of State

[WASHINGTON,] March 15, 1932.

The Japanese Ambassador said he came to tell me that his Government was withdrawing the Twenty-fourth Mixed Brigade, which was half of the Twelfth Division, and the Eleventh Division; that the Twelfth Division was part of the first landing force sent by Japan, and the Eleventh Division was part of the later reinforcements. I then asked the Ambassador what he had heard about the meeting of the Conference in Shanghai, and he reported that he had heard that they met on the fourteenth, and gave me an account of the meeting and of the matters discussed, which corresponded substantially with the information I had heard already from Minister Johnson. The Ambassador said he understood that China was insisting on not discussing matters which were questions of policy apart from the evacuation, but that he was glad to hear that they had been willing to discuss the ratification of Mayor Wu's promise of January twenty-eighth. I told the Ambassador that I understood that this meeting was to be confined to the liquidation of the military situation and that I realized that, while it should not take up matters of policy not connected with the Shanghai incident, it was quite proper and necessary that it should take up questions of the violence which had been directly concerned with the military incident. He said he understood my position. The Ambassador said that he hoped that some way would be found to take care of the territory evacuated by the Japanese Army; that he had heard that at first the Chinese representatives had refused to promise that the Chinese Army would not immediately advance into that territory but that later they had agreed to stand still temporarily. I said I had heard the same thing. The Ambassador asked me whether I had any ideas as to what should be done for policing that zone eventually. I told him that I recognized that it was a problem produced by the situation and that some solution must be found for it, but I had none to suggest and was leaving the suggestions to the people who were on the ground and were familiar with it. I reminded him that I had always contended with him that it would be to the advantage of both Japan and China to have neutral observers present in these discussions and that this seemed to be borne out by the success of this first meeting. The Ambassador laughed and said he remembered it and that now that we had so many neutrals present it ought to be successful. I told him that, although I had no close knowledge of the situation, it seemed to me that one of the great difficulties of the evacuated zone was that China did not have an adequate police force to take care of it; that

even if the neutral powers should police it for awhile with military forces, that could only be temporary, and that the only suggestion which had come to me in my experience was the training of a Chinese constabulary under foreign instructors. I told the Ambassador of my experience in Nicaragua; that we had trained up a very efficient constabulary for the Nicaraguan Government, and that immediately after the election in Nicaragua next November we were going to withdraw our instructors and leave Nicaragua a very good force. Possibly something like that could be done in China, but I had not suggested it to the negotiators. The Ambassador said that was very interesting and that as I had had so much experience with that sort of a situation, both in Nicaragua and in the Philippines, he hoped I would make the suggestion some time.

The Ambassador then told me that he was instructed to say that his Government was going very slowly about the recognition of the new State of Manchuria and that it would be a long time before they decided. In reply, I took up a copy of the Nine-Power Treaty and asked the Ambassador to read Article 2, which he did. I told him that I was of the opinion that that Article forbade us from recognizing the new State of Manchuria and I suggested that he bring that Article to the attention of his Government as it appeared to be equally binding upon Japan.

H[ENRY] L. S[TIMSON]

793.94/5091

Memorandum by the Under Secretary of State (Castle) of a Conversation With the Japanese Ambassador (Debuchi)

[WASHINGTON,] April 21, 1932.

The Ambassador said that he had not very much to report, but that he wanted to speak of the action of the Assembly of the League in connection with the Shanghai affair.

He said the negotiations with the Chinese were going on well enough in Shanghai under the guidance of the four powers; that his Government had accepted the proposal of Sir Miles Lampson,⁴⁹ which he understood had been concurred in by Mr. Johnson, that Japanese withdrawal should take place as soon as conditions permitted, it was hoped within six months; instead of playing the game with the four neutrals the Chinese referred the matter to the Assembly of the League of Nations.⁵⁰ The Ambassador said that he felt that the great

⁴⁹ British Minister in China.

⁵⁰ See first progress report submitted by the special committee in accordance with the terms of the resolution adopted by the Assembly on March 11, 1932, League of Nations, *Official Journal*, Special Supplement No. 101, p. 96.

powers had more or less sympathy with Japan, an assertion which I promptly denied, and a far greater understanding of the situation in Shanghai, but that the little powers on the League had run away with the whole matter. He said that article 11 of the agreement worked out by the committee of nineteen, that Japan should withdraw its troops when notified by the neutral commission in Shanghai that the time was right for withdrawal would be entirely unsatisfactory to his Government. He said that, in the first place, this notification did not apparently have to be unanimous and that his Government would not wish to be bound by any majority rule in a matter of this kind. He said, furthermore, that the withdrawal of Japanese troops could not be at the request of any commission, since under the Japanese Constitution troop movements were solely dictated by the Emperor. I told him that this was merely quibbling, since it stood to reason that the commission could not order the withdrawal of troops, but that it equally stood to reason that, if the Japanese Government agreed that the troops might be withdrawn when notification was given by the commission that they could be safely withdrawn, it was perfectly simple for the military authorities to ask the Emperor to bring about the withdrawal. It was perfectly obvious that the principal trouble in Japan was the feeling that in Geneva Japan was being dictated to by the small nations—he particularly mentioned Switzerland and Sweden, which countries he said knew little about the Chinese situation. I told him that, of course, these nations were acting for themselves in that they did not wish a precedent to be created whereby a strong power could, with impunity, invade other countries and then withdraw only when and how it pleased. The Ambassador said that if the small powers were able to put across their ideas Japan would undoubtedly not withdraw from the League of Nations, but would withdraw its delegates from the meetings of the Assembly, this, of course, as a protest. He admitted, however, that there was strong feeling in Japan that it would be better to get out of the League altogether.

As to the general situation in Japan, the Ambassador seemed to feel that it was slightly but very slowly improving. He admitted that the military was still in the saddle and that the course of the military was unpredictable. He spoke of the Russian concentration north of the Manchurian border and said there was no doubt that this concentration was being planned. On the other hand, he did not seem to feel that this constituted any serious danger as he said the Soviet had not made any definite protest to Japan within the last two months. He admitted, however, that the concentration was probably due to irritation at the Japanese advance into northern Manchuria.

W. R. CASTLE, Jr.

793.94/5625

*Agreement Concerning the Definitive Cessation of Hostilities at
Shanghai, Concluded on May 5, 1932*

ARTICLE I

The Japanese and Chinese authorities having already ordered the cease fire, it is agreed that the cessation of hostilities is rendered definite as from May 5th, 1932. The forces of the two sides will so far as lies in their control cease around Shanghai all and every form of hostile act. In the event of doubts arising in regard to the cessation of hostilities, the situation in this respect will be ascertained by the representatives of the participating friendly Powers.

ARTICLE II

The Chinese troops will remain in their present positions pending later arrangements upon the re-establishment of normal conditions in the areas dealt with by this Agreement. The aforesaid positions are indicated in Annex I to this Agreement.

ARTICLE III

The Japanese troops will withdraw to the International Settlement and the extra-Settlement roads in the Hongkew district as before the incident of January 28th, 1932. It is, however, understood that, in view of the numbers of Japanese troops to be accommodated, some will have to be temporarily stationed in localities adjacent to the above mentioned areas. The aforesaid localities are indicated in Annex II to this Agreement.

ARTICLE IV

A Joint Commission, including members representing the participating friendly Powers, will be established to certify the mutual withdrawal. This Commission will also collaborate in arranging for the transfer from the evacuating Japanese forces to the incoming Chinese police, who will take over as soon as the Japanese forces withdraw. The constitution and procedure of this Commission will be as defined in Annex III to this Agreement.

ARTICLE V

The present Agreement shall come into force on the day of signature thereof.

The present Agreement is made in the Chinese and Japanese and English languages. In the event of there being any doubts as to the

meaning of any differences of meaning between the Chinese and Japanese and English texts, the English text shall be authoritative.

Done at Shanghai, this fifth day of May, nineteen hundred and thirty two.

QUO TAI-CHI

Vice-Minister for Foreign Affairs.

TAI-CHI

Lieutenant-General.

HWANG CHIANG

Lieutenant-General.

K. UYEDA

Lieutenant-General.

M. SHIGEMITSU

*Envoy Extraordinary and
Minister Plenipotentiary.*

S. SHIMADA

Rear-Admiral.

K. TASHIRO

Major-General.

In the presence of :

MILES W. LAMPSON

*His Britannic Majesty's Minister
in China.*

NELSON TRUSLER JOHNSON

American Minister in China.

WILDEN

Ministre de France en Chine.

GALEAZZO CIANO

*Chargé d'Affaires for Italy
in China.*

Representatives of the friendly Powers assisting in the negotiations in accordance with the Resolution of the Assembly of the League of Nations of March 4th, 1932.

ANNEX I

The following are the positions of the Chinese troops as provided in Article II of this Agreement.

Reference the attached Postal Map of the Shanghai District scale 1/150,000.⁵¹

⁵¹ Map not attached to original in files.

From a point on the Soochow Creek due south of Anting village north along the west bank of a creek immediately east of Anting village to Wang-hsien-ch'iao, thence north across a creek to a point four kilometres east of Shatow, and thence north-west up to and including Hu-pei-k'ou on the Yangtze River.

In the event of doubts arising in regard thereto, the positions in question will, upon the request of the Joint Commission, be ascertained by the representatives of the participating friendly Powers, members of the Joint Commission.

ANNEX II

The following are the localities as provided in Article III of this Agreement.

The aforesaid localities are outlined on the attached maps marked A., B., C. and D.⁵² They are referred to as areas 1, 2, 3 and 4.

Area 1 is shown on Map "A". It is agreed (i) that this area excludes Woosung Village; (ii) that the Japanese will not interfere with the operation of the Shanghai-Woosung Railway or its workshops.

Area 2 is shown on Map "B". It is agreed that the Chinese cemetery about one mile more or less to the Northeast of the International race track is excluded from the area to be used by the Japanese troops.

Area 3 is shown on Map "C". It is agreed that this area excludes the Chinese village Ts'ao Chia Chai and the Sanyu Cloth Factory.

Area 4 is shown on Map "D". It is agreed that the area to be used includes the Japanese cemetery and eastward approaches thereto.

In the event of doubts arising in regard thereto, the localities in question will, upon the request of the Joint Commission, be ascertained by the representatives of the participating friendly Powers, members of the Joint Commission.

The withdrawal of the Japanese troops to the localities indicated above will be commenced within one week of the coming into force of the Agreement and will be completed in four weeks from the commencement of the withdrawal.

The Joint Commission to be established under Article IV will make any necessary arrangements for the care and subsequent evacuation of any invalids or injured animals that cannot be withdrawn at the time of the evacuation. These may be detained at their positions together with the necessary medical personnel. The Chinese authorities will give protection to the above.

ANNEX III

The Joint Commission will be composed of 12 members, namely one civilian and one military representative of each of the following: the

⁵² Maps not attached to original in files.

Chinese and Japanese Governments, and the American, British, French and Italian Heads of Mission in China, being the representatives of the friendly Powers assisting in the negotiations in accordance with the Resolution of the Assembly of the League of Nations of March 4th. The members of the Joint Commission will employ such numbers of assistants as they may from time to time find necessary in accordance with the decisions of the Commission. All matters of procedure will be left to the discretion of the Commission, whose decisions will be taken by majority vote, the Chairman having a casting vote. The Chairman will be elected by the Commission from amongst the members representing the participating friendly Powers.

The Commission will in accordance with its decisions watch in such manner as it deems best the carrying out of Articles 1, 2 and 3 of this Agreement, and is authorised to call attention to any neglect in the carrying out of the provisions of any of the three Articles mentioned above.

**FURTHER JAPANESE POLITICAL AND ECONOMIC
PENETRATION INTO CHINA, 1934-1936**

FURTHER JAPANESE POLITICAL AND ECONOMIC
PENETRATION INTO CHINA, 1934-1936

793.94/6648

The Ambassador in Japan (Grew) to the Secretary of State

[Extract]

No. 751

Tokyo, April 20, 1934.

[Received May 5.]

SIR: I have the honor to refer to my telegram No. 71 of April 18, 5 p. m., and to the Department's telegram No. 51 of April 18, 6 p. m.,¹ regarding the statement issued by the Foreign Office defining Japanese policy toward the rendering of assistance to China by other countries, and to enclose herewith a copy of the English translation of the statement, issued by the Bureau of Information and Intelligence of the Foreign Office. It will be observed that this translation does not differ in any essential respect from the translation cabled to the New York *Herald Tribune* by its correspondent in Tokyo. The translation issued by the Foreign Office is labelled as "An English translation unofficially issued by the Foreign Office of the unofficial statement issued by the Foreign Office on April 17".

The story of the statement, as far as the Embassy can ascertain, is as follows: On the afternoon of Tuesday, April 17th, some newspaper correspondents questioned Mr. Amau, the Chief of the Bureau of Information and Intelligence of the Foreign Office, regarding the reported opposition of the Japanese Government to assistance from other countries to China. Mr. Amau went to his files and produced a document in Japanese which appeared to one of the correspondents (Mr. Babb, of the Associated Press) to be in the form of an instruction addressed to the Japanese Minister in China. Mr. Amau then made, orally, a rough translation of the document into English. He stated that his translation was unofficial, but that the document had received the approval of the Minister for Foreign Affairs. Later that evening, he issued to the Japanese press a statement in Japanese, labelled "unofficial", which was translated and cabled to various newspapers by correspondents in Tokyo. As reported in my telegram No. 71, the Tokyo correspondent of the New York *Herald Tribune* cabled a complete translation of the statement to his newspaper. On the morning of Wednesday, April 18th, in reply to questioning by

¹ Neither printed.

the correspondents, Mr. Amau elaborated somewhat on the subject and observed that the statement issued the night before "could be considered as official", and that a summary would be sent to Japanese diplomatic officers to be conveyed to the governments to which they are accredited "if necessary". He then promised the correspondents a translation into English of the statement, as translations of Japanese into English may easily differ considerably and thereby convey a wrong impression. On the morning of the 19th the translation was issued, but, as stated above, as "an English translation unofficially issued by the Foreign Office of the unofficial statement . . ."

Respectfully yours,

JOSEPH C. GREW

[Enclosure]

Unofficial Statement by the Japanese Foreign Office, April 17, 1934

The following is an English translation unofficially issued by the Japanese Foreign Office of the unofficial statement issued by the Foreign Office on April 17, 1934, known as the "Amau Statement":

Owing to the special position of Japan in her relations with China, her views and attitude respecting matters that concern China, may not agree in every point with those of foreign nations: but it must be realized that Japan is called upon to exert the utmost effort in carrying out her mission and in fulfilling her special responsibilities in East Asia.

Japan has been compelled to withdraw from the League of Nations because of their failure to agree in their opinions on the fundamental principles of preserving peace in East Asia. Although Japan's attitude toward China may at times differ from that of foreign countries, such difference cannot be evaded, owing to Japan's position and mission.

It goes without saying that Japan at all times is endeavoring to maintain and promote her friendly relations with foreign nations, but at the same time we consider it only natural that, to keep peace and order in East Asia, we must even act alone on our own responsibility and it is our duty to perform it. At the same time, there is no country but China which is in a position to share with Japan the responsibility for the maintenance of peace in East Asia. Accordingly, unification of China, preservation of her territorial integrity, as well as restoration of order in that country, are most ardently desired by Japan. History shows that these can be attained through no other means than the awakening and the voluntary efforts of China herself. We oppose therefore any attempt on the part of China to avail herself of the influence of any other country in order to resist

Japan: We also oppose any action taken by China, calculated to play one power against another. Any joint operations undertaken by foreign powers even in the name of technical or financial assistance at this particular moment after the Manchurian and Shanghai Incidents are bound to acquire political significance. Undertakings of such nature, if carried through to the end, must give rise to complications that might eventually necessitate discussion of problems like fixing spheres of influence or even international control or division of China, which would be the greatest possible misfortune for China and at the same time would have the most serious repercussion upon Japan and East Asia. Japan therefore must object to such undertakings as a matter of principle, although she will not find it necessary to interfere with any foreign country negotiating individually with China on questions of finance or trade, as long as such negotiations benefit China and are not detrimental to the maintenance of peace in East Asia.

However, supplying China with war planes, building aerodromes in China and detailing military instructors or military advisers to China or contracting a loan to provide funds for political uses, would obviously tend to alienate the friendly relations between Japan and China and other countries and to disturb peace and order in East Asia. Japan will oppose such projects.

The foregoing attitude of Japan should be clear from the policies she has pursued in the past. But, on account of the fact that positive movements for joint action in China by foreign powers under one pretext or another are reported to be on foot, it is deemed not inappropriate to reiterate her policy at this time.

793.94/6604

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] April 24, 1934.

I asked the Japanese Ambassador to call this afternoon at 4:15 which he did. I said that I felt the need of knowing precisely what Mr. Amau had said in his recent public declaration since, while the substance of the various translations were substantially alike, nevertheless there were slight differences in context, and that I felt sure that by this time the Embassy had received the text and would be in a position to let me have a correct translation. Thereupon the Ambassador took out a sheet of telegrams in Japanese from which he read extracts. One telegram which he read to me rather naively referred to the fact that the Foreign Office had understood that some of the American papers had not received the Amau interview favor-

ably, and the Foreign Office would like him to advise it which papers had held such views. It appeared that possibly a few days before the eighth of April the Foreign Office had sent certain instructions to the Japanese Minister in Nanking which outlined the position of Japan vis-à-vis China. Some days afterwards at a press conference in Tokyo Mr. Amau was asked a number of questions which he attempted to answer orally and in framing his answers he merely had in mind the communication which had already been forwarded to the Japanese Minister in Nanking. The Ambassador felt confident that there was no record made of Amau's press interview and he intimated that in certain particulars he may have gone too far in his language. The Ambassador referred to the use of the word "responsibilities" in reference to Japanese responsibilities in China, which he said was the wrong word because Japan does not assume independent responsibilities in China but only as shared with other powers. A few days after the Amau interview, on the 22nd to be exact, the Ambassador had received an explanatory communication from his government covering three points, which he at once gave to the Press; and thereupon he handed to me the clipping from the *Times* of April 24th² reporting the statement which he had given out under three heads.

I told the Ambassador that this did not help me very much; that what I wanted was the Amau statement, which I understood had the approval of the Foreign Office; and that I would be grateful to him if he would provide me with a copy of it. The Ambassador did not deny the fact that it represented the Foreign Office view but again expressed doubt whether the statement was in any precise form. Again he referred to it as Amau's attempt to answer a series of questions put to him by the correspondents. I reminded the Ambassador that he himself had given a number of interviews to the Press along the same lines, to which the Ambassador replied that he had been badly reported in these interviews and intimated that they did not represent fairly what he had intended to say in his "poor English".

Mr. Saito then shifted the conversation to China and to the historic attitude of the Chinese in trying to play off one foreign power against another. The present was another instance of China's attempt to use the League in order to make trouble with Japan; that instead of concentrating their efforts on bringing law and order into their own country, they proceeded on the theory that this was not necessary as long as they could keep foreigners, including the Japanese, fighting among themselves. He referred to the difficulties in Manchukuo, to the Chinese people who had many relatives south of the Wall and who had been unable to have direct communication with them because of the absence of direct mail service.

² Not reprinted.

I brought the Ambassador back to the subject in hand by reiterating again and as strongly as I could that the declarations made by Amau, which I understood had the Foreign Office approval, were regarded by us as exceedingly important and that we were studying them carefully. I said I would offer no comment today because of those very reasons.

W[ILLIAM] P[HILLIPS]

793.94/6606 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, April 25, 1934—1 p. m.

[Received April 25—9:55 a. m.]

75. This morning I had an interview with the Foreign Minister. Mr. Hirota referred, on his own initiative, to the subject of the Amau statement regarding the attitude of Japan toward foreign assistance to China, and said that he wished to clarify that statement to me in confidence. He told me that under questioning by newspaper men, Amau had given out the statement without his knowledge or approval, and that the world had received a wholly false impression of Japanese policy, that Japan had no intention whatever of seeking special privileges in China, of encroaching upon the territorial and administrative integrity of China, or of creating difficulties for the bona fide trade of other countries with China. Various foreign activities have tended to disturb peaceful conditions in China, and Japan is naturally very much interested in those peaceful conditions owing to her nearness to China. But that does not mean that there is any intention or desire on the part of Japan to claim a privileged position in derogation of the rights and responsibilities to which the signatories of the Nine-Power Treaty³ are entitled. The policy of Japan is complete observance and support of the provisions of the Nine-Power Treaty in every respect.

The insistence by the Chauvinists upon a more aggressive foreign policy, Mr. Hirota said, makes his position difficult. For his own part he is trying to follow the policy of the Emperor, with whom he is constantly in touch, and is seeking to achieve with all countries, and especially with the United States, relations of friendliness. He intends to do his best to bring to a successful conclusion the negotiations with Russia for the purchase of the Chinese Eastern Railway. If that controversy can be settled, there should be better relations between Russia and Japan, which would in turn tend to induce better relations between

³For text of treaty, see *Foreign Relations*, 1922, vol. 1, p. 276.

China and Japan. This whole constructive policy of the Emperor and the Government would obviously be impeded if Japan should now seek special privileges in China. Mr. Hirota said that he has managed thus far to satisfy both the Liberals and the Chauvinists, and that, since he has the Emperor's support, he will continue resolutely in his course even though that should mean his own death. He added also that the Minister of War supports him fully.

Mr. Hirota went on to say that attempts are constantly being made by certain foreign influences, through the press and by other means, to make trouble for Japan. It was his earnest hope that the United States Government should have a perfect understanding of his attitude toward Amau's statement, but he requested that his remarks to me be treated as confidential since his position was difficult. In conclusion, the Minister said that our Government may rest assured that Japan will take no action in China purposely provocative to other countries or contrary to the terms or spirit of the Nine-Power Treaty.

I do not question the sincerity of the Minister's remarks as reported above. Nevertheless I made the observation that the Government and people of the United States would be less impressed by statements of policy than by more concrete evidence.

I was told by the Minister that a similar explanation will be made to you by Saito. The Minister is to receive the British Ambassador at 3 o'clock.

Rumors are reported in the United Press that the Department will instruct me to ask for a clarification of the statement by Amau. Unless I receive supplementary instructions, however, I shall assume that the present telegram answers the Department's inquiry.

GREW

793.94/6729

*The Japanese Ambassador (Saito) to the Under Secretary of State
(Phillips)*

WASHINGTON, April 25, 1934.

DEAR MR. SECRETARY: In accordance with my promise yesterday, I am sending you a careful translation of the documents referred to in my conversation. I marked Mr. Hirota's instruction to the Japanese Minister in China as confidential since it was not written for the purpose of publication but simply as guidance for him in his negotiations. The phraseology would have to be more carefully selected, if it were to be made public.

With best wishes, I am [etc.]

HIROSI SAITO

[Enclosure 1]

TRANSLATION OF THE STATEMENT MADE BY MR. AMAU, CHIEF OF THE
INFORMATION BUREAU OF THE FOREIGN OFFICE, TO FOREIGN COR-
RESPONDENTS ON APRIL 20, 1934

1. Japan has no intention whatever of impairing China's independence or her interests but sincerely wishes that the integrity, unity and prosperity of China be secured. However, the integrity, unity and prosperity of China are things that can be brought about principally by China's own awakening and natural development.

2. Japan has no intention whatever to infringe upon any interest of a third party in China. The economic and commercial transactions of a third party with China can be of much benefit to that country and Japan welcomes promotion of such contact. Japan is not only desirous that China should not act in violation of the principle of the Open Door and equal opportunity but she will fully observe herself all the international agreements relating to China.

3. Japan, however, opposes any joint action on the part of foreign Powers that tends to militate against the maintenance of peace and order in Eastern Asia. As to the maintenance of peace and order in Eastern Asia, Japan wishes to share responsibility with China and other Powers in that region and she cannot tolerate the judgelike attitude of foreign Powers or the League of Nations in relation to the Chinese question which is often motivated by the self-interest of the Powers concerned.

[Enclosure 2]

TRANSLATION OF MR. HIROTA, MINISTER FOR FOREIGN AFFAIRS' INSTRU-
CTION TO THE JAPANESE MINISTER IN CHINA

1. In relation to the Chinese question Japan had to differ with other Powers in her views and standpoint and was obliged to withdraw from the League of Nations. Thereupon Japan has come to feel the necessity of exercising her best efforts to carry out her mission in Eastern Asia regardless of the attitude or opinion of other Powers.

Needless to say Japan will take the most conciliatory attitude toward all Powers and will earnestly seek friendship with them by coordinating interests. However, as to the maintenance of peace and order in Eastern Asia the recent developments of affairs have brought about a situation in which Japan will have to undertake it upon her own responsibility and even single-handedly. Japan is determined to fulfill this mission.

2. In order to fulfill that mission Japan desires to share with China the responsibility of maintaining peace in Eastern Asia. Japan

therefore most earnestly desires that the integrity, unification and order of China should be secured. And that this can only be attained through the awakening and endeavors on the part of China herself has been clearly demonstrated by history. From this point of view Japan will always endeavor to defeat all of China's maneuvers to utilize foreign Powers through her traditional policy of "using barbarians to control barbarians", as well as of anti-Japanese movements.

3. In view of the situation prevailing after the Manchurian and Shanghai affairs, if foreign Powers are to take a joint action vis-à-vis China, no matter what form it may take, financial, technical, or otherwise, it will surely come to bear a political significance and the result will be to introduce unfortunate impediments to the awakening and integrity of China, if not directly entailing the international control of China, her partition or the establishment of spheres of influence. Japan has to oppose such joint action in principle.

4. It goes without saying that all Powers are free to negotiate with China separately from the economic and commercial points of view, even if their actions should become of practical aid to China, so long as they do not militate against the maintenance of peace and order in Eastern Asia. If, however, these actions were of a nature to prejudice peace and order in the Far East, for instance, the supply of military aeroplanes, the establishment of aerodromes, the supply of military advisers or political loans, Japan will have to oppose them.

5. From the points of view above stated we think our guiding principle should be generally to defeat foreign activities in China at present, not only those of a joint nature but those conducted individually, in view of the fact that China is still trying to tie Japan's hands through using the influence of foreign Powers.

793.94/6729

*The Chief of the Division of Far Eastern Affairs (Hornbeck) to the
Under Secretary of State (Phillips)*

[WASHINGTON,] April 26, 1934.

Letter, Saito to Phillips, April 25, and Encl's

The first enclosure to Mr. Saito's letter is not the text of the statement made on April 17th by the spokesman of the Japanese Foreign Office, Mr. Amau; it is a statement made by that spokesman three days later on April 20th, that statement being one of several made by him subsequent to and in amplification or modification of his statement of April 17th.

There is not in this dossier, nor has Mr. Saito given us elsewhere, a text of the statement made by Mr. Amau on April 17.

The text of Mr. Amau's statement of April 17th as printed in the New York *Herald Tribune* of April 19th, which text purported to be a text telegraphed by the *Herald Tribune's* correspondent in Tokyo, Mr. Fleisher, differs considerably as to wording and order from the text now supplied, in this dossier, by Mr. Saito, of the instruction given by the Japanese Minister for Foreign Affairs (date not supplied) to the Japanese Minister to China. But, the contents of these two documents, as regards substance, resemble each other in all important respects.

It may be accepted that the statement made to the press by Mr. Amau on April 17th was, as Mr. Saito informed you, in your conversation with him of Wednesday, April 25th, based upon the text of Hirota's instruction of earlier date to the Japanese Minister to China. Amau therefore simply disclosed the China policy of the Japanese Government. It is believed that the copy now supplied by Saito of Hirota's instruction to the Japanese Minister to China gives us a basic document which may be regarded as an official "indicator", supplied by the Japanese Foreign Office, of Japan's policy vis-à-vis China.

S[TANLEY] K. H[ORNBECK]

793.94/6625a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, April 28, 1934—7 p. m.

59. (1) Please call as soon as possible upon the Minister for Foreign Affairs and, under instruction from your Government, deliver to him an *aide memoire*, as follows:

"Recent indications of attitude on the part of the Japanese Government with regard to the rights and interests of Japan and other countries in China and in connection with China have come from sources so authoritative as to preclude their being ignored. Due consideration being given to the circumstances under which these indications have appeared and to their substance, it seems necessary and desirable that the American Government, adhering to the tradition of frankness that has prevailed in relations between it and the Government of Japan, reaffirm the position of the United States with regard to questions of rights and interests involved.

The relations of the United States with China are governed, as are our relations with Japan and our relations with other countries, by the generally accepted principles of international law and the provisions of treaties to which the United States is a party. In international law, in simple justice, and by virtue of treaties, the United States has with regard to China certain rights and certain obligations. In addition, it is associated with China or with Japan or with both, together with certain other countries, in multilateral

treaties relating to rights and obligations in the Far East, and in one great multilateral treaty to which practically all the countries of the world are parties.

Entered into by agreement, for the purpose of regulating relations between and among nations, treaties can lawfully be modified or be terminated—but only by processes prescribed or recognized or agreed upon by the parties to them.

In the international associations and relationships of the United States, the American Government seeks to be duly considerate of the rights, the obligations and the legitimate interests of other countries, and it expects on the part of other governments due consideration of the rights, the obligations and the legitimate interests of the United States.

In the opinion of the American people and the American Government, no nation can, without the assent of the other nations concerned, rightfully endeavor to make conclusive its will in situations where there are involved the rights, the obligations and the legitimate interests of other sovereign states.

The American Government has dedicated the United States to the policy of the good neighbor. To the practical application of that policy it will continue, on its own part and in association with other governments, to devote its best efforts."

(2) Report delivery immediately by telegraph.

(3) Thereafter, we expect to make text public here at our convenience.

HULL

793.94/6626 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, April 29, 1934—7 p. m.

[Received April 29—9:30 a. m.]

83. Department's 59, April 28, 7 p. m., decoded at 5 p. m. I delivered *aide-mémoire* to the Minister for Foreign Affairs at 6:30 p. m. After reading it, his only comment was that the whole affair had caused "great misunderstanding". He said that he would reply to the *aide-mémoire* in due course.

GREW

711.94/970a

*The Japanese Ambassador (Saito) to the Secretary of State*⁴

These are entirely my private thoughts:

(1) There are too much suspicion and fear between the United States and Japan at present and some governmental action to dispel such feelings on both sides is very desirable.

(2) The impending naval disarmament problem can most happily be approached after some such measure is taken.

⁴Handed to the Secretary of State by the Japanese Ambassador on May 16, 1934.

(3) American suspicions as to Japan's motives are essentially these: That Japan has aggressive designs on the Asiatic Continent and that Japan may even be courting war with the United States—which are not true.

(4) Japanese suspicions as to American motives are essentially these: That the United States constantly tries to obstruct Japan from working out her national aim, which is nothing but the establishment of peace and order in the Far East; that the United States has been giving undue encouragements to China to take a defiant attitude against Japan—which are not true.

(5) Japan and the United States should repose full confidence in the sincerity of the peaceful motives of each other.

(6) Trade relations between the two countries are fortunately complementary, highly beneficial to both and should be promoted.

(7) Upon these premises, cannot a joint declaration be now made by the United States and Japanese Governments?—in some such sense:—

(a) Both Governments will cooperate with each other to promote trade to the mutual advantage of the two countries and to make secure the principle of equal opportunity of commerce in the Pacific Regions.

(b) Both Governments, having no aggressive designs whatever, reaffirm the pledges each to respect the territorial possessions and the rights and interests of the other, and restate their determination that the two countries should ever maintain a relationship of peace and amity.

(c) Both Governments mutually recognize that the United States in the eastern Pacific regions and Japan in the western Pacific regions are principal stabilizing factors and both Governments will exercise their best and constant efforts so far as lies within their proper and legitimate power to establish a reign of law and order in the regions geographically adjacent to their respective countries.

(8) If such a joint declaration can now be made, all war talk will immediately be silenced, the psychology of men will undergo a change and whatever question may arise between our two countries will become capable of an easy solution. China will begin to see that she can no longer rely upon her time-honored policy of setting one Power against another. Not only so, but peace of the Pacific Regions will thereby be lastingly established—a signal contribution to world peace.

The Japanese Ambassador called and promptly drew out an elaborate telegram which he said was from Foreign Minister Hirota

in Tokyo to him. He first remarked that Hirota desired to extend his appreciation of the friendly spirit in which I sent the statement to him on April 28, 1934,⁵ and which was delivered by United States Ambassador Grew. He added that Ambassador Grew had stated to Minister Hirota at the time that the United States Government did not expect any reply. The Japanese Ambassador then proceeded practically to read the telegram, although appearing more or less to be speaking orally. He retained the telegram which was in his language. At its conclusion, I inquired if it was virtually a restatement of the statement during the latter part of April of his Government to Sir John Simon in the London Foreign Office. He replied that it was. I then stated that I had kept perfectly quiet while Japanese officials all the way from Tokyo to Geneva on April 17th, and for many days following, were reported as giving out to the press the views and policies of the Japanese Government touching certain international phases relating to the Orient; that at the conclusion of these different statements I felt, in order not to be misunderstood here or anywhere, that I should in a respectful and friendly spirit offer a succinct but comprehensive restatement of rights, interests, and obligations as they related to my country primarily and as they related to all countries signatory to the Nine-Power Treaty, the Kellogg Pact, and international law as the same applied to the Orient.

I then inquired whether the Japanese Government differed with any of the fundamental phases of the statement I sent to the Japanese Foreign Minister on the 28th day of April, 1934? The Ambassador replied that it did not differ, that his Government did agree to the fundamentals of my note or statement, but that his Government did feel that it had a special interest in preserving peace and order in China. He then repeated the same formula that his government had been putting out for some weeks about the superior duty or function of his government to preserve peace and of its special interest in the peace situation in—to quote his words—“Eastern Asia”. I remarked that, as Hirota wrote me, I saw no reason whatever why our two countries should not, in the most friendly and satisfactory way to each, solve every question or condition that existed now or that might arise in the future. I then said that, in my opinion, his country could conduct its affairs in such a way that it would live by itself during the coming generations, or that it might conduct its affairs even more profitably and at the same time retain the perfect understanding and the friendship of all civilized nations in particular; that my hope and prayer was that all the civilized nations of the world, including Japan, should work together and in a

⁵ See telegram No. 59, Apr. 28, 1934, to the Ambassador in Japan, p. 231.

perfectly friendly and understanding way so as to promote to the fullest extent the welfare of their respective peoples and at the same time meet their duties to civilization and to the more backward populations of the world; and that my Government would always be ready and desirous of meeting his Government fully half-way in pursuing these latter objectives.

I then remarked that I would be entirely frank by saying that just now there was considerable inquiry everywhere as to just why his government singled out the clause or formula about Japan's claiming superior and special interests in the peace situation in "Eastern Asia" and her superior rights or duties in connection with the preservation of peace there; and that many were wondering whether this phrase or formula had ulterior or ultimate implications partaking of the nature of an overlordship of the Orient or a definite purpose to secure preferential trade rights as rapidly as possible in the Orient or "Eastern Asia"—to use the Japanese expression. The Ambassador commenced protesting that this was not the meaning contemplated or intended. I said it would be much simpler and easier if when the national of any other government engaged in some act in the Orient which Japan might reasonably feel would affect her unsatisfactorily, to bring up the individual circumstance to the proper government, instead of issuing a blanket formula which would cause nations everywhere to inquire or surmise whether it did not contemplate an overlordship of the Orient and an attempt at trade preferences as soon as possible. The Ambassador again said that this so-called formula about the superior interests of Japan in preserving peace, etc., did not contemplate the interference or domination or overlordship such as I had referred to.

I stated that to-day there was universal talk and plans about armaments on a steadily increasing scale and that Japan and Germany were the two countries considered chiefly responsible for that talk; that, of course, if the world understood the absence of any overlordship intentions or other unwarranted interference by his government, as the Ambassador stated them to me, his country would not be the occasion for armament discussion in so many parts of the world; and that this illustrated what I had said at the beginning of our conversation that nations should make it a special point to understand each other, and the statesmen of each country should be ready at all times to correct or explain any trouble-making rumors or irresponsible or inaccurate statements calculated to breed distrust and misunderstanding and lukewarmness between nations. I went on to say that it was never so important for the few existing civilized countries of the world to work whole-heartedly together; and that this action of course would, more fully than any other, promote the welfare of the people of each and also would best preserve civilization. I emphasized again

that it would be the height of folly for any of the civilized nations to pursue any line of utterances or professed policies that would engender a feeling of unfairness or treaty violation or other unsatisfactory reaction in the important nations who might have both rights and obligations in a given part of the world such as the Orient. I said that in this awful crisis through which the world was passing, debtors everywhere were not keeping faith with creditors in many instances; that sanctity of treaties, in Western Europe especially, was being ignored and violated; that this was peculiarly a time when our civilized countries should be especially vigilant to observe and to preserve both legal and moral obligations; and that my country especially felt that way, not only on its own account but for the sake of preserving the better and the higher standards of both individual and national conduct everywhere.

I remarked that my Government, apart from its general treaty obligations, was only interested in the equality of trade rights in the Orient as in every part of the world and also its obligations and rights under the law of nations; that what little trade we had in the Orient we naturally desired to conduct on this basis of equality, even though it might be less in the future than now. Then I remarked that if these treaties which imposed special obligations on my government in the Orient were not in existence that, while interested in peace in all parts of the world, my government would also be interested in equality of trade rights.

I inquired whether his government had any disposition to denounce and get rid of these treaties in whole or in part, and said that to ignore or violate them would be embarrassing to my government, and that this would relieve it of any possibilities of such embarrassment. I said that I was not remotely suggesting in the matter. He replied that his government was not disposed to denounce and abrogate these treaties. He said that they felt obliged to get out of the League of Nations on account of certain considerations which their membership created. I then inquired of him whether his government abandoned membership on account of difficulties arising from the fact that Japan was a member of the League or whether it was due to Japan being a signatory to the Versailles Treaty. I did not get a complete answer to this.

The Ambassador then stated that in any preliminary naval conversations that might soon take place, his government would be opposed to discussing any Far Eastern political or similar questions or conditions and that only the purely naval side should be taken up. He said that political and all other phases of the subject were discussed at the Washington Conference and his government was opposed to a repetition of this. I offered no comment.

C[ORDELL] H[ULL]

711.94/970b

The Acting Secretary of State to the Ambassador in Japan (Grew)

No. 539

WASHINGTON, June 18, 1934.

SIR: Reference is made to the Department's telegram No. 100 of June 15, 7 p. m.,⁶ by which you were informed that on May 16, 1934, the Japanese Ambassador handed the Secretary a secret and confidential memorandum⁷ in which it was proposed that the American and Japanese Governments issue a joint declaration of policy.

On May 16, Mr. Saito, who had sometime previously expressed a desire to discuss in the strictest confidence relations between the United States and Japan, called on the Secretary by appointment. He presented a memorandum, the opening sentence of which stated that the statements thereafter following "are entirely my (Mr. Saito's) private thoughts". In that memorandum the opinion was expressed that the relations between the United States and Japan are marked by an excess of mutual suspicion and fear: that it is suspected in the United States that Japan has aggressive designs on the Asiatic Continent, whereas it is suspected in Japan that the United States has constantly endeavored to obstruct Japan from working out its national aims and that the United States has encouraged China to take a defiant attitude against Japan. It was suggested that the United States and Japan repose full confidence in the sincerity of the peaceful motives of each other, and that a joint declaration be made by the American and Japanese Governments proclaiming their intention to support the principle of equality of commercial opportunities in the Pacific regions, reaffirming their pacific intention toward each other, and, recognizing that the "United States in the eastern Pacific regions and Japan in the western Pacific regions are principal stabilizing factors", declaring their intention to use their best efforts to "establish a reign of law and order in the regions geographically adjacent to their respective countries".

The Secretary agreed to confer further with Mr. Saito after he had had an opportunity to examine the memorandum. The Secretary took occasion, however, to dwell at considerable length upon the changes that had occurred in recent years in the relations between states. He observed that the United States is exerting every effort to abandon as rapidly as possible any practice, policy, or utterance that might be reasonably calculated to give just or reasonable grounds of complaint to any other people or country; and that the American Government and American people feel that human progress and civilization call for just such reforms.

On May 29, Mr. Saito called, upon the Secretary's invitation. The Secretary proceeded to consider seriatim the several points raised

⁶ Not printed.

⁷ *Ante*, p. 232.

in the memorandum which Mr. Saito had presented at the meeting on May 16. The Secretary ventured the opinion that American suspicions with regard to Japan's motives arise from observation in this country of Japan's courses of action, and that these suspicions are not peculiar to the United States: they coincide with those which also have developed elsewhere. The Secretary could not perceive, however, that any basis in fact existed for Japanese suspicion with regard to American motives. Referring to Mr. Saito's statement that the United States and Japan should repose full confidence in the sincerity of the peaceful motives of each other, he remarked that Japan and the United States can best convince each other that their motives are peaceful by making both their words and their courses of action those of peace.

Adverting to the suggestion that there be made by the American and Japanese Governments a joint declaration of policy, he pointed out to Mr. Saito that the conclusion between any two countries of a special agreement on political lines tends to create in fact or in appearance a special situation meaning or implying that the relations between the two are closer than are those between each of them and other countries; that he could not believe that the making of such a joint declaration as that proposed by Mr. Saito, if it were possible, would, when it had been made, have the effects which he proposed; that the American people have always been adversely disposed toward the theory and the practice of political alliances; and that for the regulation of relations between Japan and the United States, there are already in effect today a number of agreements.

Mr. Saito was reminded that Mr. Hirota and the Secretary had recently exchanged messages,⁸ in which each of them declared emphatically and unequivocally that his country has no aggressive designs. The Secretary expressed the belief that he could not express more unequivocally than he had done in his note to Mr. Hirota, the fact that the United States has no thought of aggression against Japan or against any other country.

The Ambassador expressed some disappointment. The Secretary stated to Mr. Saito that the American Government will continue to give, as it has given in the past, earnest thought to ways and means calculated to dispel suspicion by the Japanese people of American motives and action in the Far East; but that that full measure of mutual respect and confidence which it is the endeavor of the people and Government of the United States to make prevail in their relations with other peoples and Governments must, in our opinion, rest upon approximate similarity of objective and of method.

⁸ *Ante*, pp. 127, 128.

Subsequently, in connection with Mr. Saito's preparations to return on leave to Japan, he expressed a desire that he be afforded an opportunity to take leave of the President. Arrangements were accordingly made for Mr. Saito to be received on June 13th by the President. The President asked that the Secretary be present; and he was present. Mr. Saito did not, however, raise any question of policy.

Very truly yours,

WILLIAM PHILLIPS

794.94/7074

Memorandum by the Secretary of State

[WASHINGTON,] June 15, 1935.

After the departure of Mr. Okada⁹ 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 despatches 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 two things, but proceeded to say that there had been more or less depredations by roving groups of 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

⁹ Member of the Japanese Diet.

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[ORDELL] H[ULL]

793.94/7493

*Statement by the Secretary of State*¹⁰

In reply to inquiries by press correspondents in regard to the "autonomy movement" in North China, Chinese and Japanese activities in relation thereto, and the American Government's attitude, the Secretary of State said:

There is going on in and with regard to North China a political struggle which is unusual in character and which may have far-reaching effects. The persons mentioned in reports of it are many; the action is rapid and covers a large area; opinions with regard to it vary; what may come of it no one could safely undertake to say; but, whatever the origin, whoever the agents, be what they may the methods, the fact stands out that an effort is being made—and is being resisted—to bring about a substantial change in the political status and condition of several of China's northern provinces.

Unusual developments in any part of China are rightfully and necessarily of concern not alone to the Government and people of China but to all of the many powers which have interests in China. For, in relations with China and in China, the treaty rights and the treaty obligations of the "treaty powers" are in general identical. The United States is one of those powers.

In the area under reference the interests of the United States are similar to those of other powers. In that area there are located, and our rights and obligations appertain to, a considerable number of American nationals, some American property, and substantial American commercial and cultural activities. The American Government is therefore closely observing what is happening there.

Political disturbances and pressures give rise to uncertainty and misgiving and tend to produce economic and social dislocations. They

¹⁰ Issued as a press release December 5, 1935, for publication in the morning newspapers of December 6, 1935.

make difficult the enjoyment of treaty rights and the fulfillment of treaty obligations.

The views of the American Government with regard to such matters not alone in relation to China but in relation to the whole world are well known. As I have stated on many occasions, it seems to this Government most important in this period of world-wide political unrest and economic instability that governments and peoples keep faith in principles and pledges. In international relations there must be agreements and respect for agreements in order that there may be the confidence and stability and sense of security which are essential to orderly life and progress. This country has abiding faith in the fundamental principles of its traditional policy. This Government adheres to the provisions of the treaties to which it is a party and continues to bespeak respect by all nations for the provisions of treaties solemnly entered into for the purpose of facilitating and regulating, to reciprocal and common advantage, the contacts between and among the countries signatory.

711.94/1057a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, February 1, 1936—1 p. m.

16. For your information. Press reports indicate that Japanese press has widely carried stories affirming comprehensive political negotiations between Grew and Hirota and between Hull and Saito.

Interrogated by press correspondents this morning, the Secretary of State said there were no new developments in relations between the United States and countries of the Far East; and Departmental officers have informally explained to correspondents that there have been held numerous conferences with regard to particular questions of trade but no conferences on political matters have been held or been suggested.

HULL

711.94/1112

Memorandum by the Secretary of State

[WASHINGTON,] June 12, 1936.

Mr. Yoshida, Japanese Ambassador to England, came in and stated that he was very desirous of promoting better relations and better understanding between our two countries. He said that the one big fact which he wanted the American people to recognize was the immense and rapidly growing population of Japan and the absolute necessity for more territory for their existence in anything like a satis-

factory way. He referred to the fact that there was misunderstanding and misapprehension on the part of our people in this respect as it related to Japanese movements in and about China; that this also was probably true as to the British; that the Japanese armaments were not intended for war against any particular country, especially us, but that Japanese naval officials were always undertaking to create additional vacancies and additional room for promotion, etc., etc. I did not tell him that this by itself was not entirely appealing. He expressed an earnest desire for conference, collaboration and, without alliances, such relationships as would work out any questions arising in an amicable and fairly satisfactory way. He expressed his purpose to have a number of conversations with Ambassador Bingham, as well as with the British officials, on these subjects, with the view to the former conversations getting back to me.

In reply, I told Mr. Yoshida that I would speak frankly but in the friendliest possible spirit and say that the impression among many persons in this country was that Japan sought absolute economic domination, first of eastern Asia, and then, of other portions as she might see fit; that this would mean political as well as military domination in the end; that the upshot of the entire movement would be to exclude countries like the United States from trading with all of those portions of China thus brought under the domination or controlling influence so-called of Japan; that this presented a serious question to first-class countries with commercial interests in every part of the world, for the reason that, for instance, my country stood unqualifiedly for the principle of equality of commercial opportunity and industrial right alike in every part of the world; and that it would be strange and impracticable for my country to stand for this doctrine with the announcement always that it qualified same by applying it to only one-half of the world and one-half of the world's population. I remarked that I could say in all candor that this Government had never by the slightest word or intimation suggested to the people or officials of the 20 Latin American countries as to what amount of trade they should conduct with Germany, or Great Britain, or Japan, or any other country.

I continued with the statement that there was no reason, in my judgment, why countries like Japan, the United States and England, could not in the most amicable spirit, and with perfect justice and fairness to each, agree to assert and abide by the worldwide principle of equality in all commercial and industrial affairs, and each country solemnly agree that it would not resort to force in connection with the operation of this rule of equality, and why Governments like the three mentioned could not sit down together and in a spirit of fair dealing and fair play

confer and collaborate and not cease until they had found a way for amicable and reasonable adjustments or settlements. I said that this would wipe out and eliminate 90% of all the occasions for friction between the nations. I then repeated what I told him I had stated to Ambassador Saito, which was that neither Japan, the United States, England, nor any other country, would be able for a generation to supply the needed capital of many billions of dollars for the reasonable internal improvements and development of purchasing power in China and similar Asiatic localities; that their purchasing power was down to next to nothing at present; that there was ample room for long years to come for three or four countries like those just mentioned to supply all the capital they would have available, with the result that increased purchasing power would afford markets for most all of what all of the countries combined would have for sale in that part of the world, and that in any event any questions or problems arising in this connection could and should be solved in the same amicable and fair spirit to which I had already referred. I assured the Ambassador more than once of my high opinion and personal regard for his people, and especially his statesmen, and that I was anxious to see all parts of the world develop and go forward with every kind of progress to the fullest extent. He expressed his interest in the views I offered and indicated a disposition to collaborate.

I then carefully and rather fully defined and described the machinery, the policy and the scope, of our present reciprocal trade agreements program, which, I said, related to real international trade recovery to near normal and the restoration of conditions of peace. I added that for more than two years this Government had unselfishly, and at the sacrifice of bilateral trading, been making an earnest fight thus to induce other countries to lower their excessive barriers and permit some 20 billions of dollars of international trade by degrees to be restored. I stated that if and as such increased trade was realized, Japan would receive her substantial share without any effort or contribution on her part, as would other trading countries, and that this would be far more valuable than the limited amount of trade to be secured by purely bilateral bartering and bargaining, such as nations are practicing today, at the expense of triangular and multilateral trade; that we in this country had at the risk of our political situation been carrying forward this broad program; that on account of the strong and narrow opposition sentiment here, we could only proceed gradually; and that, therefore, it was exceedingly hurtful to the progress of our movement when, at a critical stage as at present, a country like Japan sent in abnormal quantities of highly competitive products to the extent of 20 or 40 or 50% of our domestic production; that this

would present a different question in other and ordinary circumstances, but that at this critical stage, as in the recent case of certain cotton textiles and other commodities sent in by Japanese businessmen in unusual quantities, such practice was seriously undermining and jeopardizing the success of our entire program. I stated that I did not desire to be misunderstood; that it was this outside interference at a time when it was extremely dangerous and harmful to the success of the movement on account of the large opposition sentiment in this country; that I felt a trading country like Japan, which would share to the extent of billions of dollars in the world trade which it was proposed to restore by our pending reciprocity program, could well afford to make a slight contribution to the movement by cautioning its nationals to refrain at the psychological moment from seriously embarrassing and handicapping us here by sending in abnormal quantities of competitive products compared with the amount of our domestic production.

I said I could make this plainer by suggesting that if the Argentine were carrying forward our reciprocity program under great difficulties, and just at the critical stage my country should export unusual quantities of beef, wheat, wool and corn in to the Argentine, which, like my own country, produces each of these commodities for export, unquestionably this would seriously endanger the success of such Argentine trade agreements program. I said that this illustration fitted exactly the present situation between Japan and this country.

The Ambassador stated that he would like for me to remember the difficulties of the businessmen and traders of Japan and the necessity for outside trade.

I assured him that I was keeping this phase specially in mind and then added that if our movement to restore some 20 billions of dollars of world trade should break down tomorrow, as a result of any material number of excessive Japanese imports and their effect on public opinion, Japan instead of getting between 1 and 2 billions of this increased trade then would be confined permanently in the future to such small increases of trade as she might be able to secure by desperate bilateral bargaining and bartering in a world trade situation steadily becoming less in quantity and value. I said that this stated exactly the two courses open and that I would greatly appreciate it if his Government could see more fully these broader phases.

Mr. Yoshida finally ceased to make any comment about the urgent needs of Japanese businessmen, but said that he now understood more fully the viewpoint I had expressed.

C[ORDELL] H[ULL]

793.94/8218 : Telegram

The Chargé in Japan (Dickover) to the Secretary of State

[Paraphrase]

Tokyo, October 3, 1936—7 p. m.

[Received October 3—1:10 p. m.]

203. In response to the request of the Vice Minister for Foreign Affairs, a member of the Embassy staff called on the Vice Minister on October 3. The Vice Minister remarked that he desired to say, in view of mischievous and misleading reports in the press abroad in regard to relations between China and Japan, that discussions between the Japanese and Chinese Governments to adjust relations and solve pending questions had not come to a substantial stage at the time the Chengtu incident¹¹ happened and that this incident and other incidents interfered with the progress of the discussions. The Vice Minister stated that, in connection with the settlement of these questions, it is Japan's wish that the Chinese Government take effective measures to uproot anti-Japanese movements and that the Japanese Government wishes to clear up at the same time other questions. The Vice Minister stressed the fact that these other questions are not unconditional demands but are Japanese wishes to be reached by discussion but he did not enumerate them. He added that there are no new points in the negotiations between the two countries. The Vice Minister, after referring to press reports, denied that the Japanese are asking for the rights of North China involving diplomatic, fiscal, administrative autonomy or for the right to station troops along the Yangtze River....

During the course of a conversation with the American Chargé d'Affaires later in the day on October 3, the Vice Minister for Foreign Affairs remarked that the Japanese Government does not intend to use force or other military operations to cause China to agree to Japanese wishes and that the discussions going on with China at present are in no sense like the twenty-one demands.¹² The Vice Minister stated that the only demand which Japan will insist upon is that anti-Japanese agitation and propaganda be suppressed on account of the danger of further incidents, and that, although other matters will be talked over, they will be merely desiderata designed to promote normal and more healthy relations and subject to negotiation....

Despite reports in regard to the alarming attitude of Japanese representatives in China it is the opinion of the Embassy that the Gov-

¹¹ Killing of Japanese nationals at Chengtu.

¹² See *Foreign Relations*, 1915, pp. 171-177 and 197-204.

ernment in Tokyo is limiting its efforts to objectives less extensive than those reported in newspapers abroad and is still in control of the situation.

DICKOVER

793.94/8218 : Telegram

The Secretary of State to the Chargé in Japan (Dickover)

[Paraphrase]

WASHINGTON, October 4, 1936—2 p. m.

128. (1) At the earliest opportunity Ballantine¹³ should call upon the Vice Minister for Foreign Affairs, and after alluding to previous conversations he should read to the Vice Minister, as under instruction, a close paraphrase of the following statement:

“This Government is gratified to have received, through the Vice Minister for Foreign Affairs, direct information from the Japanese Government relating to a situation which from the beginning has held the attentive interest of the United States. The sensational and alarming reports which have appeared in the press have been observed with natural concern by this Government. The initiative taken by the Japanese Government in communicating to this Government information tending to a better understanding of relations between Japan and China is, therefore, sincerely appreciated. It is also a source of special satisfaction to the American Government to have received from the Japanese Government an assurance of its desire that a solution of the issues between Japan and China shall be achieved by diplomacy. All developments in the situation will be followed by this Government with solicitude. It would be most helpful, therefore, if from time to time, and as circumstances may dictate, the Japanese Government would continue to acquaint this Government with information which would contribute to a better understanding of the situation.”

(2) The above statement should be regarded as oral, and a copy should not, therefore, be left with the Vice Minister.

HULL

¹³ Joseph W. Ballantine, First Secretary of Embassy in Japan.

ABANDONMENT BY JAPAN OF COOPERATION
WITH OTHER POWERS IN EFFORTS FOR
LIMITATION OF NAVAL ARMAMENTS

DENUNCIATION BY JAPAN OF THE WASHINGTON NAVAL TREATY OF 1922¹

[Article 23 of the London Naval Treaty of 1930 (Department of State Treaty Series No. 830) provided that the signatory powers should meet in conference in 1935 "to frame a new treaty to replace and carry out the purposes of the existing treaty."

In May 1934, the British Cabinet Council considered the question of preparing for the 1935 Conference and at the conclusion of its deliberations asked the American and the Japanese Governments to send representatives to London to carry on preliminary and exploratory conversations which should be bilateral rather than trilateral. The invited Governments accepted, the United States indicating that it would be glad to discuss both procedural and technical naval questions, and Japan declaring the readiness of that Government to deal only with questions of procedure as its preparations on the substance of the naval problem were not yet completed. The Japanese Government sent no delegation to London during the summer. The Anglo-American conversations lasted from June 18 to July 19, 1934.

The second stage of the conversations began shortly after the long-delayed arrival of the Japanese delegation on October 16 and continued until December 19, 1934. In accordance with the original British invitation in June, the procedure followed was that of separate Anglo-American, Anglo-Japanese, and American-Japanese discussions; except on the last day (December 19) no trilateral meetings took place. For text of letter of guidance which President Roosevelt addressed to Mr. Norman H. Davis, October 5, 1934, upon his departure for London to continue the conversations, see telegram No. 373, November 30, 1935, to the Ambassador in Great Britain, page 281.]

500.A15A5/7

The Ambassador in Japan (Grew) to the Secretary of State

No. 520

TOKYO, September 15, 1933.

[Received September 30.]

SIR: Japanese naval leaders find themselves at present in a serious quandary. They have, since the ratification of the London Treaty²

¹ For text of the treaty signed at Washington, February 6, 1922, see *Foreign Relations*, 1922, vol. I, p. 247.

² London Naval Treaty, signed at London, April 22, 1930, Department of State Treaty Series No. 830.

and especially in the past year or more, insisted that Japan must demand parity, or at least a great increase in relative tonnage, at the next Naval Conference in 1935. They have built up a feeling among the people of resentment and contempt for anything connected with the London Treaty. Premier Hamaguchi and Premier Inukai were assassinated, and other statesmen live in fear of their lives, in consequence of the bitter feeling stirred up against protagonists of the London Treaty. Admirals Takarabe, Yamanashi and Taniguchi have been retired in consequence, it is generally believed, of their support of this Treaty. According to the press, Admiral Taniguchi's recent retirement put an end to the high naval influence standing for the maintenance of the present treaty status. His retirement took place during the conduct of the "May 15th trials", which have taken on the character of the Soviet propaganda trials and have stirred up great patriotic ardor against the London Treaty.

The result of these efforts by military leaders has been the creation of an intense antipathy for the arms limitation treaties and a universal demand for revision of the present naval ratios in favor of Japan. This feeling was useful to the Navy leaders until lately, when American naval construction has definitely commenced. The Navy now has the unenviable task of deciding whether to abrogate the treaties next year and start a hopeless competition with far wealthier nations for naval supremacy, or else to accept a continuance of the present ratios and to face an outraged public. Until recently, as the Japanese Navy approached the American Navy in effective tonnage, many leaders had high hopes of achieving parity or near parity with America. A short time ago Vice Admiral Takahashi, Vice Chief of the Naval General Staff, frankly said to the Assistant Naval Attaché of this Embassy: "We are going to the Conference in 1935 with a demand for parity. If our demand is rejected, we shall return home."

This hope is now vanishing, as America begins to build toward the Treaty limits. By 1936 they realize that the situation will be comparable to that in 1927.

It is obvious from the flood of comment* which has followed announcement of the American building plans that the Japanese navy leaders are bitterly disappointed. They expected to have everything their own way at the conference in 1935 with their own navy built to the limit and the American navy hardly 75% effective. Their calculations have been completely upset by this new and unexpected development in the United States.

* Embassy's despatch No. 480 of July 26, 1933. [Footnote in the original; despatch under reference not printed.]

At present the Army and Navy are concentrating their efforts on obtaining funds for completion of their armament programs. The Navy program was discussed in brief in the Embassy's previous despatch on reaction to the American building program. The American program is being used as justification for increased demands, and the impression is given out that the second naval replenishment program has been launched only because of the need of keeping pace with America. The fact is, of course, that the second replenishment program was announced in almost the present form as early as January of this year, several months before the American program was conceived. Moreover, the Japanese press invariably remarks that the American program will bring American naval strength up to Treaty limits, whereas actually it is understood to fall short of the objective by about 175,000 tons. But anything is used these days as an excuse for increased armaments for the Japanese Army and Navy.

There is hereto appended a translation appearing in the *Japan Times* of an interesting statement by the Minister of War, General Araki, in regard to national defence and the necessity of preparation for the approaching crisis in 1935 and 1936.³ There is also appended hereto an account of an interview given by the Navy Minister to the Tokyo correspondent of the United Press, which may be of interest in connection with naval affairs.

Respectfully yours,

JOSEPH C. GREW

[Enclosure]

Interview Given by the Japanese Minister of Marine (Osumi) to the Correspondent of the United Press in Tokyo

[Undated]

1. Q. Is Japan satisfied with the existing naval agreements? Will she request a larger ratio when the agreements come on for revision in 1936?

A. In the treatment of armament limitation problem the security and the limitation of fighting power are invariably bound together. From this fact it would be apparent that the position of naval armament is always closely dependent on international surroundings. If that is the case, there is no reason why a nation should remain forever content with a treaty which it had once signed. Only out of regard for the welfare of humanity, we signed the London Naval Treaty, but we did not do it unconditionally. As regards the Washington Agreement, it was signed twelve years ago and in our opinion is no longer adequate to guarantee the security of this empire as the

³ *Japan Times*, September 14, 1933; not reprinted.

international situation has thoroughly altered in that period of time. Furthermore from the standpoint of true armament limitation it is doubtful if the present ruling is really most rational and economical. At any rate we are not satisfied with the present arrangement, and we will demand the change of ratios at the next conference.

2. Q. Have the existing naval agreements served a useful purpose from the viewpoint of Japan? Does the Japanese Navy favor making new agreements cover additional categories of ships including submarines?

A. From the standpoints of all nations participatory to it, I will not deny that the existing treaties have served some useful purpose. For example:

(a) They have to some extent effectually checked the competition in armament building, as far as the capital ships were concerned.

(b) They have ushered in a building holiday as regards the capital ships and to that extent lightened the burden on the tax-payers.

(c) Through the limitation of the types and guns they have precluded the chance of new ships becoming suddenly incapacitated as the result of a new invention in fighting machineries, and thus prolonged the life of fighting vessels consequently enabling the participants to economize expenditures.

I think these are the benefits common to all nations.

3. Q. Does the Minister apprehend a so-called "naval construction race" between Japan and the United States?

A. As far as the present situation is concerned, Japan and the United States are building only within treaty limits. Hence in my idea the term "naval race" is a sheer misnomer to describe the building position between these two countries.

4. Q. Why do Japanese naval publicists refer to the Mandate Islands in the South Seas as Japan's naval lifeline? Of what value are these islands from a viewpoint of defence?

A. The South Sea Islands are separated from the southernmost islands of Japan by a narrow strip of water. Parts of Japan are situated within the cruising radius of a heavy bombing plane from the South Sea Islands, which possess therefore a great strategical value for the defence of the empire. If they should fall in the hands of a hostile power in war time, it will constitute a direct menace to the safety of our defence. This is why we call it the life-line of our sea defence. Some preach the idea that Japan is going to utilize these islands for an attack on the Pacific coast of the United States and the Hawaiian Islands. But just a look at the map will convince the public of the fallacy of such a doctrine. Can these islands be used as a base of attack on Hawaii which are lying as much as 2,000 miles away beyond the ocean, and this with a navy of lesser strength?

The sheer impossibility of such idea will be apparent to anybody who knows something about naval warfare.

5. Q. Does the Minister believe the purchase of a 45 percent interest in the China Aviation Corporation by American interests is a matter of interest to the Japanese Navy? Does Japan consider American participation in Chinese aviation development as connected with China's defence plans?

A. I am in no position to answer the question 5 except that we have as yet no reliable information in this respect, and that between the civil and the military aviation there is no hard and fast line of distinction, and this circumstance gave rise to embarrassing complication at Geneva whenever the problem was brought up for discussion.

6. Q. What does the Minister consider to be the mission or objectives of the United States and Japanese navies in contrast? Should there be, or is there, any clash in these objectives?

A. Secretary of the Navy, Swanson recently stated that the United States means to hold a navy strong enough to defend the country and its oversea dominions, and to this end will build, maintain and operate the first-in-the-world navy following the provision of existing treaties. If such is the case it can by no means clash with the mission of the Japanese navy which consists in the maintenance of the peace in the Far East and the defence of the empire's position in the Far East. To the Japanese Navy the idea of crossing the Pacific Ocean in order to attack our neighbours is quite alien. Its mission is strictly defensive and legitimate.

7. Q. Does the Minister see any possibility of Japanese-American War?

A. I am positive in the belief that unless Japan's national existence is menaced to the extent that the use of force is the only way to defend it, the world will never find Japan involved in a war with other countries.

500.A4B/559 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, September 18, 1934—noon.

[Received September 18—2:47 a.m.]

204. I was informed by the Minister of Foreign Affairs yesterday that Japan had definitely decided to give notice before December 31, 1934, to terminate the Washington Naval Treaty. Although many elements in the Navy wished to abrogate immediately, the Minister said that he had insisted on delaying until after the London conversations in October, as he intended to discuss the subject with the other

signatories before abrogation so as not to give offense and also for the purpose of avoiding the unfavorable atmosphere before the next naval conference which, if abrogation should take place without a preliminary mutual understanding, might arise. The Minister stated that the abrogation discussions would be conducted separately with the various signatories and that the matter would be taken up with the American delegation at the preliminary conversations in London by Matsudaira, the Japanese Ambassador in Great Britain.

GREW

500.A15A5/211 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

LONDON, October 24, 1934—7 p.m.
[Received October 24—5:17 p.m.]

6. In the meeting with the Japanese delegation this morning Matsudaira read a brief general statement of the Japanese position following which Admiral Yamamoto read a more detailed statement. The substance of their position is contained in the following synopsis handed us at the end of the meeting.

“To possess the measure of armaments necessary for national safety is a right to which all nations are equally entitled. In considering the question of disarmament, therefore, due regard must be given to that right in order that the sense of national security of the various powers might not be impaired; and any agreement for the limitation and reduction of armaments must be based on the fundamental principle of ‘nonaggression and nonmenace.’

To that end we believe that the most appropriate method in the field of naval armament is for us, the leading naval powers, to fix a common upper limit which may in no case be exceeded, but within which limit each power would be left free to equip itself in the manner and to the extent which it deems necessary for its defensive needs. It is desirable that this common upper limit should be fixed in the agreement as low as possible and that offensive arms should be reduced to the minimum or abolished altogether in favor of essentially defensive arms so as to facilitate defense and to render attack difficult.”

[Paraphrase.] They had made the same declarations to the British yesterday, Matsudaira said.

We limited ourselves to putting questions for the purpose of clarifying the Japanese position particularly with regard to what they meant by “offensive arms” and by a “common upper limit.” It was explained by Admiral Yamamoto that the “upper limit” should be the same for each power and should be fixed as low as possible of course; that while Japan would not build up to this maximum necessarily, the treaty

would leave each country, during the treaty period, at liberty to build to any point within that limit which it considered necessary for its security. It was emphasized by Matsudaira that any treaty agreement not to build beyond a certain level within the maximum would constitute, in essence, a disguised continuance of the ratio system and would be interpreted as a perpetuation of naval inferiority by the Japanese people.

Concerning offensive weapons Admiral Yamamoto agreed that, under certain circumstances, all naval weapons partook of an offensive character, but that it was a question of determining which vessels, in comparison with others, were more peculiarly useful for offense; that the Japanese Navy regarded aircraft carriers, capital ships, and 8-inch-gun cruisers as peculiarly offensive naval weapons in the order given. Yamamoto added that, owing to their relative unseaworthiness and short range, submarines were regarded by the Japanese Navy as useful primarily for defense, and that the offensive character of submarines vis-à-vis merchant vessels would be ended if the existing agreement in the London Treaty against the use of submarines for attacking merchant vessels were made effective and universal.

At the request of Matsudaira, I summarized briefly our position as we had stated it to the British last summer in favor of continuing to adhere to the bases and principles on which our Navy had been reduced and limited, combined with a relative reduction in total treaty tonnages. Matsudaira pointed out that his delegation was under definite instructions to propose a new basis for continuing naval limitation, and that a continuance of the present system could not be accepted by them.

I then asked the Japanese to indicate exactly what if anything had occurred during the past 13 years to alter the relative equality in security admittedly established by the ratios set in 1922 for each power. Yamamoto explained that the Washington Treaty had established equality of defense in the waters close to Japan but not in the middle of the Pacific. Developments, since that time, in naval construction and technique, particularly in aviation, had overturned the equilibrium and had cast the balance greatly in favor of a potential attacking fleet, so that today the old figures could not possibly satisfy the feeling of security of the Japanese people. The inferior ratio had, in addition, the defect of causing "a certain country"⁵ to regard Japan with a certain amount of contempt which had produced, in turn, serious complications in the Orient and led to the Japanese people's insistent demand for a revision of the system in effect at present. Ambassador Matsudaira referred also to the troubled political situation in the Far East as well as throughout the rest of the world, stating that Euro-

⁵ China.

pean events had a disturbing psychological effect on Japan and increased the Japanese public's unwillingness that the present treaty principles should continue.

I stated to Matsudaira that they had employed general phrases about equality of rights, etc., which were capable of meaning quite different things to different nations, and that, before determining whether or not the Japanese proposals could be taken into consideration as furnishing a basis for discussion in the future, it would be necessary to determine exactly what they meant; that, in the event there should be no objection to discussing a different basis for continuing naval limitations and reductions, it would appear that the Japanese suggestions might involve such fundamental alterations in principle, policy, and theory as to necessitate a reopening and re-examination of all the questions which had gone into the formulation of the present naval treaties. I expressed doubt of the practicability and advisability of this, particularly at this time. It had been our hope that it would not be necessary to bring up political questions, in the preliminary conversations at least, which might be involved by some of their proposals. Matsudaira recognized that this was one difficulty which we faced, but indicated that the Japanese proposals did not envisage a change in the status of any of the present political agreements or of the nonfortification provisions in the Pacific area. It was then agreed that it would not be advisable to continue further today our discussions, inasmuch as each of us would desire time carefully to consider what had been said, including the further elucidation of the Japanese position which Matsudaira had announced he wanted to make.

The understanding was that the conversation would be treated as confidential and that nothing would be said to the press except that a general exchange of views had taken place and that no documents had been exchanged between us. [End paraphrase.]

DAVIS

500.A15A5/211 : Telegram

The Acting Secretary of State to the Chairman of the American Delegation (Davis)

[Paraphrase]

WASHINGTON, October 25, 1934—6 p. m.

6. With reference to your telegram No. 6 of October 24, 7 p. m., the Japanese statement and the recent public utterances of responsible exponents of Japanese unofficial and official views indicate an uncompromising and rigid Japanese attitude. That the Japanese are preparing the ground for a probable walkout is suggested by the rigidity and scope of the position which they take. An evident un-

willingness on their part to discuss anything except what suits their own national aspirations, regardless of world conditions, implies a throwing off of all restrictions and an abandoning of all effort looking toward real cooperation in the realm of international relations and peace machinery. No justification is offered by them except arguments of prestige and manifest destiny for their claim of paramount responsibilities and rights in the Far East, and their demand for a change in the agreements and ratios entered into toward the preservation of Far Eastern peace. No sufficient reason exists why all the nations of the world cannot proceed on the basis of security and peace laid down in the Washington treaties, to the principles and provisions of which treaties this Government still adheres. The plea on the part of the Japanese of need of self-defense is similar to the one which they made at the time of beginning their military occupation of Manchuria and their attack, in 1932, at Shanghai upon the Chinese. No reason exists why the other countries of the world should accept the Japanese view of Japan's requirements and rights or allow themselves to be represented as obstructing the Japanese people's legitimate aspirations. The publicity which the Japanese are according to their line of exposition suggests that, on the expectancy of walking out, they desire to create an impression with the public, to be developed further at the moment when they wish, that they are driven to that conclusive action by indifference to Japanese necessities in the field of self-defense on the part of other countries.

It will be necessary for us to combat whatever efforts they may make to shift the responsibility for a break, if and when it occurs, from themselves to the United States and/or Great Britain.

We believe that we should be guided, in contacts with the British conferees and with the press, by the above line of reasoning. However, it should not be made the basis of any official statement but might, in the course of discussions or conferences where comment is required, be borne in mind.

From the American point of view, the publicity here at present is satisfactory.

PHILLIPS

500.A15A5/211 : Telegram

The Acting Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, October 31, 1934—9 p. m.

186. The developments in London since October 25 are as follows:

On October 25 Davis and the Prime Minister ^{5a} exchanged views regarding the Japanese proposals. The idea of a common maximum

^{5a} J. Ramsay MacDonald.

limit will not be accepted by the British. It was their hope that when the Japanese perceived that the British and the Americans would not agree to fundamental changes, the Japanese would become more reasonable and would be content with a statement in the preamble to the treaty voicing equality of sovereign rights, the treaty itself fixing respective relative limits approximately according to the present ratios. Before coming to grips, the British wished to have further explanation from the Japanese. In order not to unsettle unity of British-American views regarding the Japanese position, Davis avoided raising technical questions.

The London press on October 26, under information from the Foreign Office, deprecated the views relative to the Anglo-Japanese alliance which were expressed in Tokyo by spokesman for the federation of British industries mission in the Far East; the press emphasized the close approximation of British-American naval policies.

At the American-Japanese meeting on the morning of October 29, Matsudaira stated that his Government would denounce the Washington Naval Treaty before the end of the year. Matsudaira also said that the same common upper limit proposed by Japan would apply to France and Italy. In regard to a possible meeting of the technical experts of the two delegations, Davis told the Japanese that we were willing to listen to their technical views only if it were understood that neither side would make any commitments in principle. Admiral Yamamoto saw little value in technical meeting unless we were prepared to state the technical details of our program. Davis replied that we had no technical details, as the American program was a percentage reduction within the existing system, although as to carrying it into effect in individual categories we were open-minded. The two delegations agreed that the matter be taken up at a subsequent meeting.

In the afternoon on October 29 the British and the American delegations met and the Prime Minister raised question of increased cruiser tonnage. Davis stated that technical discussions would lack reality in view of the fundamental changes proposed by the Japanese and their intention to denounce the Washington Naval Treaty. The Prime Minister said that the Japanese position was more serious for Britain than for the United States and that the British were determined to meet the situation with a fleet that would be adequate for defense in the Pacific as well as at home; they would do this either by building a fleet of sufficient size or by seeking a political agreement that would cover the Pacific for the requisite security there.

MacDonald reiterated that the British did not agree to the Japanese idea of a common upper limit, which would apply also to France,

Italy and probably to Germany and to Russia as well. The Prime Minister felt that for the present a patient attitude toward Japan should be continued, but that if a tripartite agreement became impossible he did not question British parity with America based on the British conceptions of their own risks. Davis stated that we had no desire to impose on the British a treaty incompatible with their national safety, but that we must consider joint adoption of a course by which a naval race with Japan would not be invited. The suggestion was made by the British that when the Americans next met with the Japanese they should urge the latter to contemplate the situation which would result from no treaty. The British had set before the Japanese a face-saving device, but they had adopted an unreceptive attitude toward it. When the Japanese situation should have definitely cleared up, the British agreed on the desirability of tripartite meetings; and they also agreed that for the time being British-American technical discussions would be inadvisable. It is Davis's belief that the British view policy of the Japanese with deep concern, and that in their own minds the British have reached no solution.

PHILLIPS

500.A15A5/254a : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Davis)*

[Extract—Paraphrase]

WASHINGTON, November 13, 1934—3 p. m.

17.

We are convinced by the conversations which have taken place over the past three weeks⁶ that practically no chance exists of bridging the definite disagreement between the Japanese delegation on the one hand and the British and ourselves on the other with regard to the fundamentals of future naval limitation. Every opportunity has been afforded the Japanese to explain and to justify Japan's demands; we have not forced the pace and we have not refused them a chance to "save face". We should continue to emphasize our thesis that maintaining the treaties as a basis for future naval limitation rests on the equality of self-defense, equality of security, and on a united purpose to avoid competition in armaments. The only construction we can place on the Japanese thesis is that it represents a desire to obtain overwhelming supremacy in the Orient opening the way

⁶ See Department's telegrams No. 186 (*supra*) and No. 191 (*infra*) to the Ambassador in Japan.

to preferential rights and privileges and destroying the delicate balance in Asia, both economic and political, which is represented by the other basic principles and policies that are embodied in the Washington and other treaties.

HULL

500.A15A5/284b : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, November 22, 1934—5 p. m.

191. Summary of developments at London since my telegram No. 186, October 31, 9 p. m., follows:

On October 31, at a meeting of the American and the Japanese delegations, the discussion centered mainly around (1) whether or not technical naval improvements had altered relative security as it was fixed by the naval treaties; and (2) whether or not the Japanese Government would continue to pursue policy of cooperation to adjust problems of international concern or whether it would revert to a course of independent action. Davis put forward the point that it was difficult for us to appreciate Japan's contention that national prestige was affected by a smaller navy; by analogy, he compared our Army with the Japanese Army.

On November 1, Sir John Simon^{6a} and Davis met to review the recent British-Japanese meeting. Sir John said that he had taken a more positive attitude vis-à-vis Matsudaira than he had heretofore in order that he might learn the true motives for Japan's demands for parity. He had indicated that if Japan would be content with a face-saving formula, it might be possible to find a way out; but that if the question were one of changing the present status of the naval treaties, the British would have to refuse. Davis was assured by Simon that the British would not essay the role of mediator; that it was the British policy to make no agreement with Japan or with any other power that would adversely affect Anglo-American relations.

On November 6, there was another meeting between Davis and Simon, at which time Simon said that he was going to ask the Japanese if they would be satisfied with a treaty which acknowledged in its preamble the inherent equality of sovereign rights but which would establish respective maximum programs worked out at the existing levels.

^{6a} British Secretary of State for Foreign Affairs.

On November 8, Davis was informed by Craigie⁷ that the formula referred to by Simon had been proposed to the Japanese.

On November 13, Simon told Davis that in addition to the face-saving device which the British had proposed, they had made inquiry of the Japanese with regard to a nonaggression pact about which Hirota^{7a} has thrown out suggestions from time to time. Sir John had told the Japanese that Japan could not expect Great Britain to enter into an Anglo-Japanese nonaggression pact without the United States, nor could the British enter into such a pact without knowing whether the policies of the participants in it were such as not to provoke aggression. Great Britain was interested in Chinese independence and in the open door, and the British wished to know whether Japan contemplated complete assurance with regard to these points in a proposed pact.

On November 14, the Department advised Davis that he should assume a receptive attitude only in any further discussion on a non-aggression pact and give evidence of no particular interest; that any proposal for a pact of this type should include at least the five powers, among them China, who were most concerned and also a definition of aggression and prescriptions of limitation upon the use of force by any power against another or in the territory of another.

On November 15, there was a further meeting between the British and the Americans. The former pointed out that in the face of Japan's impending denunciation of the Washington Naval Treaty, there were three courses that might be taken: (*a*) Discussion of a new treaty containing a face-saving device and embodying all the principles of the Washington Treaty; (*b*) recognition of the situation presented and inaction as to any commitments at present; (*c*) attempt to come to an agreement which would salvage as much as possible of the Washington and London naval treaties.

On November 17, the Department informed Davis that it was our feeling that the scope of the present conversations did not include the negotiation of a new agreement, based on new principles. It was suggested (our No. 22, November 15⁸) that, if the discussions should turn in the direction of termination of the conversations now taking place, the Department felt that while on the one hand it was important to preserve at least the form of a mere suspension of conversations, on the other it was equally important not to bind ourselves to resume them at a definite date irrespective of developments in the future.

⁷ Robert Leslie Craigie, Assistant Under Secretary of State, British Foreign Office.

^{7a} Koki Hirota, Japanese Minister for Foreign Affairs.

⁸ Not printed.

Davis reports that although reports are carried in the press that the Japanese have rejected the British "middle course" feelers, he has not yet been officially informed of their rejection.

HULL

500.A15A5/280a : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Davis)*

[Paraphrase]

WASHINGTON, November 22, 1934—8 p. m.

34. Referring to our today's teletype conversation. It is still our opinion that the course, potentially most advantageous, would be that the Japanese, in view of their intention to denounce the Washington Treaty, be given no encouragement to expect any concessions or to expect the conclusion of a new treaty in substitution for the Washington Treaty; and that the Japanese, as a result of the British and ourselves showing no further solicitude in that connection, be forced to make the denunciation solely on their own responsibility and at a moment, between now and the end of December, of their own choosing.

Insofar as concerns the situation in Japan and in the Far East in general, as distinguished from considerations of internal British politics, we believe that the tactics of exploring possibilities regarding substitutes, et cetera, has already been and would continue to be, if pursued, of less advantage than disadvantage. The same is also true of the situation in the United States.

The end of the first phase would properly be brought about by a clean break through denunciation by the Japanese. To proceed at once with what would be in fact new conversations looking toward a new objective would mean that we had conceded the fundamental Japanese demand in the present conversations, that is, that the existing ratios be given up. Moreover, an immediate beginning of new conversations or negotiations would establish a bad precedent and have a very bad psychological effect. It would mean that the Japanese had been granted a substantial gain and there would be no opportunity for the development which is envisaged by us as likely within a reasonably short time, that is, an approach by the Japanese on their own initiative requesting further naval limitations discussion, resulting in the creation of a setting for such discussions favorable to the viewpoint that naval limitation is desirable. Should our expectation of such a development be disappointed, as time goes on, there is nevertheless, before the termination of existing treaty obligations, a period of two years during which it will be possible to revise plans and estimates.

Therefore, it is not our belief that further British exploration of the "middle course" would be of any practical value unless it is envisaged that it is to be carried out solely for the purpose of filling in the time until such moment as the Japanese, through denunciation of the Washington Treaty, assume the responsibility of breaking off the first phase. Even under those conditions we consider the policy hazardous in that it encourages Japan to believe that the British and perhaps the Americans are unduly perturbed in the face of her apparent determination and her strength. In addition, it would continue to offer opportunity and possible material for suspicion and propaganda.

It is not possible for us to see how the present conversations could either be turned into or immediately followed by negotiations, without the British and American Governments, *ipso facto*, making concessions, both in principle and in fact, to the Japanese, resulting in the Japanese making definite gains both in appearance and in fact without having made any concessions.

HULL

500.A15A5/281 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

LONDON, November 23, 1934—9 p. m.
[Received November 23—7:34 p. m.]

52. My conversation this morning with the Prime Minister and Simon was satisfactory.

Simon gave an outline of the recent Anglo-Japanese conversations, in the course of which Matsudaira, in substance, had stated that: (1) Japan would be unable to accept a contractual limitation of her building program below the common upper limit, although she did not intend to build entirely up to that limit; (2) Japan would find difficulty in agreeing to qualitative limitation without quantitative limitation; (3) Japan would probably be prepared to "negotiate" a continuance of the nonfortification provision, although Matsudaira admitted that he had no definite decision of his Government on this point; and (4) Japan was prepared to agree not to denounce the Four-Power Treaty^a for the period of a new naval agreement.

Simon added that Matsudaira had very confidentially referred to Japan's isolated position with reference to denunciation of the Washington Treaty, and had inquired whether it was really necessary that

^a Signed at Washington, December 13, 1921, *Foreign Relations*, 1922, vol. I, p. 33.

Japan should denounce it single-handed, from which Simon inferred that he had been instructed to find out whether Britain would join in denunciation. Simon replied that Japan had voluntarily announced her arbitrary decision to denounce the treaty before the end of 1934 and that Great Britain could not consider joining in it.

I then summarized to the British the pertinent portions of my recent cables to you setting forth my understanding of the British position and my conviction that they would not enter into any agreement with Japan without the United States, in order that there should be no doubt as to whether I had correctly understood and reported their views. Both MacDonald and Simon declared that my summary and analysis of the British views was accurate in every respect. I presented in substance your views, particularly as set forth in your No. 34 of November 22, and emphasized the inadvisability of negotiating a substitute treaty with the hammer of denunciation of the Washington Treaty hanging over our heads, and that the best hope of an ultimate agreement lay not so much in the search for some formula to satisfy Japan as in Anglo-American cooperation.

The Prime Minister and Simon categorically and, I am convinced, sincerely agreed that it was vital to continue and strengthen Anglo-American cooperation, but without giving grounds for extremists in Japan or sympathizers in England to raise the cry of a common front hostile to Japan. They felt they must avoid the charge that the possibilities of an agreement had been destroyed, not so much through Japanese intransigence, as through lack of patience on the part of the United States and Great Britain. They said they were now satisfied there was no essential difference between the two Governments as to the fundamental issues and that it was simply a question of immediate method. In substance they favored stalling along "to give Japan enough rope". They did not feel it would be wise to break off negotiations immediately, for apart from the English political and public opinion they had to satisfy, there were the further questions, already posed to Japan, for instance, as to the nonfortifications provision, and as to Japan's policy toward China, and they would obviously have to await an answer. MacDonald said that he did not agree with my estimate as to the effect in Japan of sending them home empty handed, that there were some who felt that the Japanese militarists would like to tear up the treaty and not be bound in any respect whatever, and that it would be helpful to the moderate element as opposed to the military element for us to try to find some form of agreement. Simon suggested that this point might be discussed confidentially with Matsudaira. MacDonald continued that the Cabinet were completely preoccupied at the moment with the debate on the India report, which would reach its most critical stage next week, and which was of vital im-

portance to the national Government. In addition, preparations for the royal wedding were also taking a great deal of their time. Finally, they argued that even if the present conversations were to end now, the United States delegation must remain here to consider with them our respective naval policies and attitude in the future, with particular reference to any new conference arising under the Washington Treaty. MacDonald said definitely he hoped that if the Washington Treaty system were scrapped, and the two nations were faced with a dangerous situation in the Far East, we would be more generous to England in the matter of tonnage.

I stated that we had no wish to break off the negotiations hastily, but that instead of trying to reach an agreement now it would be advisable to impress the Japanese with the seriousness of the situation they were creating, and to point out to them that it was not merely a question of naval limitation, but that by denouncing the Washington Treaty they were placing in jeopardy the entire collective system which had been set up by the Washington Conference for the promotion of peace and stability in the Far East. MacDonald said that he had taken this position for some time, and Simon pointed to his statement in the House yesterday, particularly where he had said that Great Britain "would regard the breakdown of the system of naval limitation as a great disaster for everybody." I suggested that we might even consider bringing about a termination of the conversations with a statement of such a friendly and pacific nature that it would appeal to the moral sense of the entire world and at the same time could not possibly be taken amiss by the military party in Japan, while greatly assisting the moderate element.

[Paraphrase.] The British have not stressed so strongly at any time in the earlier conversations their seemingly most genuine reasons for pursuing the talks with the Japanese, but they were willing to give more weight and consideration to our arguments and were much less insistent upon endeavoring to arrive at an agreement with the Japanese now. They said in fact that we should be able to reach a complete meeting of minds on this matter within a few days.

They have not expressed so forcibly at any other meeting the regret which they would feel regarding a withdrawal on our part during the life of the conversations, beyond the limited holiday period at Christmas time which might be agreed upon. [End paraphrase.]

At the conclusion of our conversation, Simon mentioned the possibility of my making a statement to the press, expressing my appreciation and support of his remarks on the naval conversations in the House yesterday, and it was agreed that I should make an appreciative reference along these lines in the course of my press conference this evening.

500.A15A5/281 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Davis)*

[Paraphrase]

WASHINGTON, November 26, 1934—7. p. m.

37. With reference to your telegram of November 23, 9 p. m., No. 52. The conversation which you had with Simon and MacDonald definitely shows that the American and the British positions more nearly approach each other than for some time and I am encouraged correspondingly. The tone of press comment regarding Anglo-American cooperation is favorable also. As is shown by the attitude of Matsudaira, the Japanese are showing signs, at the thought of their isolated position, of being worried and nervous. The more they are uneasy, the sooner they may become willing to approach in the spirit of cooperation the problems involved. For the last three years, with conspicuous lack of success, the idea has been tried that the moderate Japanese element, now silent and in eclipse, would, through concessions made to Japan, be encouraged to oppose the Japanese military elements. According to our belief and information, furthermore, military psychology and military elements are stronger today in Japan than has been the case for a long time.

It is not possible to say that lack of patience has been shown by us. Every opportunity to present the Japanese case has been given them.

The British point of view that conversations should not be broken off right away has been accepted by us, even though public opinion has been somewhat confused as a result, and the fact that it is Japan which desires to do away with the treaties and the principles of limitation on which they are based has been obscured. Until the Japanese denounce the Washington Treaty we are prepared to continue the London conversations. The "life of the conversations" to which MacDonald has referred will thus have been terminated, and thereby the conversations will have been broken off by Japan's own act. Immediately after or at the time of Japanese denunciation, which should place clearly upon the Japanese the blame for a breakdown of the present negotiations, a statement of the type which you suggest in the sixth paragraph of your telegram No. 52 might well be made. You might find some occasion, at the same time or even earlier perhaps, publicly to emphasize the fundamental difference between equality of security and equality of armament, indicating that during these conversations our efforts have in a most friendly way been directed toward the maintenance of the standard of equality of security. Should you have any concrete suggestions regarding the way to block out such a statement so as best to convey the impressions you had in mind I should be glad to receive them. It would seem that a joint statement by the Ameri-

can and British delegations would be called for, if a tripartite statement cannot be agreed to.

In all events, it is our feeling that you should refrain from doing anything which would diminish the embarrassment of the Japanese, as the time of denunciation approaches, or which would associate the British and ourselves with the act of and responsibility for denunciation.

HULL

500.A15A5/293 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

[Paraphrase]

LONDON, November 30, 1934—9 p. m.

[Received November 30—4:45 p. m.]

55. This afternoon Matsudaira called to bring me abreast of his recent conversations with the British. The Japanese Government, he said, had not yet come to a final conclusion on the "middle course" proposals of the British, but had instructed him to inform the latter that Japan was prepared to continue to explore the possibilities of agreement along the lines of what the British had suggested. He had brought up in discussion the possibility of a long-term treaty which would embody the principle of equality that was a part of the British formula. The naval construction programs to be annexed to the treaty would be fixed, however, for a five-year period only, as Japan, while recognizing that her proposal for a common upper limit would not be found acceptable, and while she was not expecting to reach that limit for years to come, if ever, did not wish to commit herself indefinitely to principle of an inferior ratio.

Simon, who was absent from London yesterday, has asked that I see him tomorrow.

DAVIS

500.A15A5/295 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

[Paraphrase]

LONDON, December 1, 1934—9 p. m.

[Received 10:49 p. m.]

58. I was informed by Sir John Simon today of the last conversations which he had had with the Japanese delegation, which conversations substantially confirmed what had been told me by Matsudaira (reference is made to my telegram No. 55 of November 30), with the following additions to my conversation.

Yamamoto, replying to a question put by Simon as to whether the building programs of the Three Powers would be kept on parallel lines, stated that Japan felt that the American and British programs might be lowered by degrees and the Japanese program increased by degrees so that ultimately they might reach the same level in the course of years. Since he could not accept such a contention, Simon did not pursue the subject further.

With regard to the inquiry he had made concerning the integrity of China, Simon told me that he had received no satisfaction from the Japanese. Simon was informed by Matsudaira that of course there was no intention whatever on the part of Japan of interfering in China with British interests. The reply made by Simon was that he was not asking Matsudaira about British rights but that he would like to know, since Great Britain was a party to the Nine-Power Treaty^{9a} which gave her certain responsibilities and rights, what the Japanese policy was to be with regard to the integrity of China, entirely apart from the question of Manchukuo. No satisfactory nor clear-cut reply was received by Simon.

The impression made upon me by Simon was that he felt less hopeful concerning the possibility of agreement with Japan than heretofore and he stated specifically that it was going to be difficult and embarrassing for the Japanese to give satisfaction concerning China, to which considerable importance was attached by Great Britain. Our information, I told him, was that Japan was increasingly embarrassed as concerned denunciation and that we considered it essential that neither the British nor ourselves should do anything to relieve the Japanese of this embarrassment by reaching any agreement with them beforehand which would only serve as a cushion to break the fall of the Japanese. Agreement as to this was indicated by Simon.

Regarding another meeting between our two delegations, Simon stated that he would speak to MacDonald concerning this and would probably inform me on December 3 as to the Prime Minister's decision.

DAVIS

500.A15A5/310 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

[Paraphrase]

LONDON, December 5, 1934—7 p. m.

[Received 3:45 p. m.]

66. This morning I made a visit to Matsudaira and informed him that whenever Japan gives notification of denunciation, on or before

^{9a} Signed at Washington, February 6, 1922, *Foreign Relations*, 1922, vol. I, p. 276.

December 31, the United States will construe this as tantamount to a termination of the negotiations and will expect adjournment to take place immediately thereafter.

In replying, Matsudaira stated that it had been his assumption that as it was compulsory under the Washington Treaty to call a conference within a year after denunciation, the United States would continue the conversations as preparatory to this meeting. My reply was, would Japan wish, under the terms of the Washington Treaty, to request a conference. Matsudaira said he doubted this, because the inference would be that the Japanese had receded from the position taken by them. The other powers for like reasons might possibly feel the same way, I stated. The hope was expressed by Matsudaira that we might succeed in laying the basis of an understanding which would enable us to reconvene within the next few months and thus avoid embarrassment to the Governments interested in the matter. I informed Matsudaira, in conclusion, that while I had no desire to say anything which might influence in one way or the other the Japanese Government, I was of the opinion that I should let him know that until his Government wished to terminate the conversations they should not denounce the treaty. Matsudaira stated that he was glad to learn of this and that, although the Japanese Government could not delay denunciation beyond December 31, he did not believe that denunciation would be made in less than two weeks.

DAVIS

500.A15A5/321½

*Speech Delivered by Mr. Norman H. Davis at London on
December 6, 1934*¹⁰

There seems to be some confusion of thought with regard to the matters at issue in the naval conversations, arising primarily from lack of clear understanding of the fundamental difference between "equality of security" and "equality of armaments".

The difficulties in the present conversations cannot be understood without appreciating what took place at the Conference held in Washington in 1922, which was the first successful effort ever made to reduce and limit navies.

The object of that Conference was to put an end to a ruinous naval race that was impeding recovery from the World War, and to establish a sound basis for peace in the Pacific and the Far East.

It was at that time recognized and admitted by the representatives of Great Britain, Japan, and the United States,—the three naval powers most directly concerned,—that it was not possible to reach

¹⁰ At a luncheon given by the Association of American Correspondents in London to the members of the American delegation in the preliminary naval conversations.

agreement through an academic discussion of what each country considered its needs to be or what it required to satisfy national pride.

Experience having indicated that a satisfactory solution of the problems of political stability and of relative naval strength could not be expected through a continuance of the naval race, there were sought agreements with regard to political questions together with naval questions, on a basis of which not only could political stability be attained and the naval race be brought to an end but naval strength be reduced. The principle adopted was that of equality of security.

In order that each nation might be warranted in subscribing to qualifications of its sovereign right to maintain such a Navy as it saw fit and at the same time feel reasonably ensured against aggression, there was concluded a group of agreements, the purpose of which was to remove the causes and the incentive for aggression by establishing a collective system for cooperation among the nations concerned in promoting and maintaining conditions of peace in the Pacific and the Far East. These agreements established an equilibrium of political and economic rights and made possible naval limitation on the basis of essential equality of security. The Washington Conference was a success because the nations represented there approached in a broad and practical way the problems that confronted them. No nation attempted to impose its will on the others, but each was willing to contribute something substantial to the achievement of the ends desired. At that time the United States had actually under construction tonnage which would have given her naval primacy but which in the interests of international limitation of armaments and a generally agreed upon policy of cooperative effort was voluntarily relinquished.

The United States does not believe and does not contend that any Power should against its will enter into or renew a treaty the provisions of which it does not consider advantageous to itself or beneficial to the world in general. It would, however, greatly regret and regard as most unfortunate the destruction of this system of naval limitation which has proved generally beneficial and which has not jeopardized the security of any nation. We do not question, in fact we affirm the inherent right of any and every Power to equality of security. This, I am sure, we have made abundantly plain. The essence of the Washington treaty system was equality of security under conditions of cooperation. The provisions of the treaties negotiated and agreed upon in 1922 were worked out by leading statesmen of nine Powers assisted by a large number of political and technical experts, working over a period of several months. They were agreed upon and ratified by nine governments and were later adhered to by five others. The naval treaty was the work of five principal naval Powers, Japan, Great Britain, France, Italy and the United States. None of these could have

accepted and agreed to the provisions of that treaty had it felt that its national security was thereby menaced or impaired. Any basic alteration in this system must of necessity alter the security thus established.

The fundamental issue in the naval conversations now in progress is essentially as follows: Is the equilibrium that was established by the system worked out in the Washington treaties to be continued or is it to be upset. The American Government stands for continuance. The only alternative that has so far been suggested is that of a new naval agreement based on the principle of equality in naval armaments, a principle which if adopted and applied would not give equality of security.

The United States favors a progressive reduction in naval armaments in accordance with the principles established in both the Washington and London Treaties, and, under instructions from the President, I have proposed a substantial all-around reduction in naval armaments to be effected in such a way as not to alter the relative strengths or to jeopardize the security of the participating nations as established by these treaties. Failing agreement upon any reduction, I have made known that we would nevertheless be prepared to abide by the Washington Treaty and to renew the London Treaty with only such modifications in detail as circumstances require and as meet the whole-hearted support of the other parties thereto.

We believe that only by maintenance of the system of equality of security, with proportionate reductions downward of naval strength if possible, can there be maintained the substantial foundation for security and peace which has thus far been laid. We believe that the course taken in 1922 was in the right direction; that the supplementary agreements made in 1930 were an improvement; that the system thus established has been of advantage to all concerned; and that abandonment now of the principles involved would lead to conditions of insecurity, of international suspicion, and of costly competition, with no real advantage to any nation.

500.A15A5/833 : Telegram

*The Secretary of State to the Chairman of the American Delegation
(Davis)*

[Extract—Paraphrase]

WASHINGTON, December 15, 1934—6 p. m.

55. Reference is made to your telegram of December 15, 8 a. m., No. 74.¹¹ We are prepared, subject to an advance agreement regarding

¹¹ Not printed.

a satisfactory communiqué, to accede to the British idea of bringing the present conversations to an end through a tripartite meeting on December 19 or 20. That time will be close enough to the Japanese denunciation to render the connection between the two events clear in the mind of the public without the necessity of its being stressed openly. Our meeting the British on this basis should render it easier for them to meet us in our preoccupations concerning the communiqué's contents.

HULL

500.A15A5/375

Appendix to Memorandum of Meeting of the American, British, and Japanese Delegations

COMMUNIQUÉ

A meeting took place at the House of Commons this afternoon, under the Chairmanship of the Prime Minister, to discuss matters connected with the adjournment of the Preliminary Naval Conversations. The following were present at the meeting:—

United States:	Mr. Norman Davis, Admiral Standley, Mr. Ray Atherton, Mr. Dooman, Commander Schuirmann, Lt.-Commander Duncan, Mr. Field, Mr. Reber.
Japan:	Mr. Matsudaira, Vice-Admiral Yamamoto, Mr. S. Kato, Captain Iwashita, Mr. Mizota.
United Kingdom:	The Prime Minister, The Secretary of State for Foreign Affairs, The First Lord of the Admiralty, Admiral Sir Ernle Chatfield, Sir Warren Fisher, Vice-Admiral Little, Mr. Craigie.

At the end of the meeting the following communiqué was issued.

The naval conversations, which were started last June, and, after a recess, have been proceeding since October 23rd, are agreed by the representatives of all three Governments to have served a useful purpose. These conversations, which were initiated under the London

Naval Treaty of 1930, became broadened in scope in the light of proposals and suggestions subsequently made. Every aspect of the naval problem has been discussed between the parties frankly, fully and amicably. It was never the purpose of these preliminary conversations to reach any hard and fast conclusion: the sole purpose was to prepare the ground for future negotiation and agreement. The French and Italian Governments, who were also signatories of the present naval treaties and were associated with the discussions in the summer, have been kept informed of all developments.

Although the three Governments represented in these conversations are in favour of a continuation of naval limitation with such reduction as can be agreed upon by all the Powers concerned, the principle and methods for achieving this in the future remain to be determined. Now that the respective views have been made known and fully discussed, the conversations have reached a stage when it is felt that there should be an adjournment in order that the delegates may resume personal contact with their Governments and the resulting situation can be fully analysed and further considered. It has therefore been agreed to adjourn the conversations at this point.

The Governments concerned in the London conversations will keep in close touch with each other and with the other Governments which are parties to the London and Washington Naval Treaties. The adjournment will also give His Majesty's Government in the United Kingdom an opportunity for further consultation with the Governments of the Dominions. It is hoped that, in view of the preparatory work accomplished during the conversations which have already taken place, the situation will so develop as to justify a subsequent meeting as soon as the opportune moment arrives. In that event the Government of the United Kingdom which initiated the present conversations, will take the appropriate steps.

19 DECEMBER, 1934.

500.A4B/588 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, December 19, 1934—7 p. m.

[Received December 19—7:18 a. m.]

280. This morning the Privy Council in Plenary Session gave unanimous approval to the Government's decision to abrogate the Washington Naval Treaty and so advised the Emperor. The draft instructions to Saito,¹² I understand, will be submitted to the Cabinet

¹² Hiroshi Saito, Japanese Ambassador to the United States.

either December 21 or 22, but when the formal notice will be conveyed to the Department is not yet decided.

It is my impression that Hirota desires to delay, if possible, the formal notice of abrogation until after the adjournment of the present conversations in London in order to avoid the charge that they were disrupted by Japan's action.

GREW

500.A4B/603

The Japanese Ambassador (Saito) to the Secretary of State

No. 250

WASHINGTON, December 29, 1934.

SIR: I have the honor, under instructions from my Government, to communicate to you the following:—

In accordance with Article XXIII of the Treaty concerning the Limitation of Naval Armament, signed at Washington on the 6th February, 1922, the Government of Japan hereby give notice to the Government of the United States of America of their intention to terminate the said Treaty, which will accordingly cease to be in force after the 31st December, 1936.

Accept [etc.]

SAITO

500.A4B/604

The Japanese Ambassador (Saito) to the Secretary of State

NOTE VERBALE

WASHINGTON, December 29, 1934.

I have been telegraphically instructed by Mr. Hirota to say to you, on the occasion of handing you the written notice of the intention of the Japanese Government to terminate the Washington Naval Treaty of 1922, in the following sense with suitable amplifications:—

As has already been made known to the American Delegation in London, the basic policy of the Japanese Government in the present disarmament negotiations consists in the discontinuance of the ratio system and the total abolition or the utmost limitation of aggressive war vessels. From that point of view, the Japanese Government considers it inadmissible to have the Treaty continue in force.

The Japanese Government entertains the desire that the preliminary negotiations shall be conducted in the friendliest spirit possible and, to that end, wished that all Powers concerned would conjointly make the notification of treaty termination. The proposal has not been accepted by any of the Powers, and the Japanese Government has been constrained to act singly in giving notice in accordance with the provisions of Article 23 of the Treaty itself.

It is, however, a matter of course that the Japanese Government has no intention whatever to proceed to naval aggrandisement or to disturb international peace. It will continue in its sincere endeavors to strengthen the relationships of peace and amity among all Powers, by participating as heretofore in the friendly negotiations with the other Powers concerned in which it will strive for the conclusion with them of a new agreement, just, fair and adequate in conception and consonant with the spirit of disarmament, to replace the Washington Treaty.

500.A4B/603

The Secretary of State to the Japanese Ambassador (Saito)

WASHINGTON, December 29, 1934.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note of December 29, informing me that the Government of Japan gives notice to the Government of the United States of America of its intention to terminate the Treaty limiting naval armament signed at Washington on February 6, 1922, which will accordingly cease to be in force after the thirty-first of December, 1936.

In accordance with the pertinent provision of Article 23 of the Treaty, I am today transmitting to the other Powers a certified copy of this notification and am informing them of the date on which it has been received.¹⁴

Accept [etc.]

CORDELL HULL

500.A4B/603: Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, December 29, 1934—5 p. m.

218. The following was released to the Press this afternoon:

"Statement of the Secretary of State relative to the Japanese Government's notice of intention to terminate the Washington Naval Treaty:

The American Government has today received the Japanese Government's notice of intention to terminate the Washington Naval Treaty. We, of course, realize that any nation has the right not to renew a treaty; also that any movement toward disarmament to be successful must rest on agreements voluntarily entered into. This notification is none the less a source of genuine regret to us, believing as we do that the existing treaties have safeguarded the rights and promoted the collective interests of all of the signatories.

¹⁴ Notes to the British, French, and Italian Ambassadors, and the Canadian and South African Ministers, not printed.

The recent conversations at London which have been carried on in a spirit of friendship and goodwill have revolved around the question whether a movement of international cooperation and disarmament can rest on the principle of equality of armament rather than on the principle of equality of security. Each nation naturally desires,—and we stand unalterably for that view,—to be on a basis of absolute equality with other nations in the matter of national security. Experience teaches that conditions of peace or measures of disarmament cannot be promoted by the doctrine that all nations, regardless of their varying and different defensive needs, shall have equality of armaments. What has been achieved up to the present time toward insuring conditions of peace has been based on a community of objective, a community of conception of the general interest, and a community of effort. The treaties thus far concluded have involved no invasion of the sovereign rights of the participating governments and they have provided, with all proper respect for such sovereign rights, that the armaments of the participating nations be established by voluntary undertaking on a proportionate basis.

Notice of intention to terminate the Washington Naval Treaty does not mean that that Treaty ceases to be in effect as of the date of notification: the provisions of that Treaty remain in force until the end of 1936. There consequently remains a period of two years within which the interested nations may consider the situation that would be created by the abandonment of the naval treaties; and the American Government is ready to enter upon negotiations whenever it appears that there is prospect of arrival at a mutually satisfactory conclusion which would give further effect to the desire of the American Government and the American people—and, it is believed, that of the other Governments and peoples concerned—that the nations of the world shall not be burdened by avoidable or extravagant expenditures on armament.

The question presented, when the Washington Treaties were negotiated and which prompted each delegation to the signing and each country to the ratifying of those treaties, was that of promoting peace through disarmament and cooperative effort along certain defined lines. The objectives then and there envisaged are still fundamental among the objectives of the foreign policy of the United States. To this high purpose the people of this country, in a spirit of sincere friendship toward all other peoples, will continue unswervingly to devote their own efforts, and earnestly invoke like efforts on the part of others.”

HULL

WITHDRAWAL OF JAPAN FROM THE LONDON NAVAL CONFERENCE OF 1935 ¹⁵

500.A15A5/502 : Telegram

*The Secretary of State to the Ambassador in Great Britain
(Bingham)*

WASHINGTON, October 3, 1935—7 p. m.

284. Yesterday the Japanese Ambassador called and stated that his Government had received word from the British Government that they were discussing with us the pros and cons of a conference. The Ambassador asked to be informed with regard to (1) our attitude toward a conference and (2) our attitude toward qualitative limitation. I told the Ambassador that as far as our position was concerned we had made no change from the attitude we had taken generally in the bilateral conversations in London and there were no new developments since then with respect to a conference which the other interested Governments did not know. On further reflection, however, it appeared to me to be wise to give the Japanese Government perhaps a slightly more definite reply to their queries and I have this morning asked the Japanese Ambassador to come to the Department and have given him the following information with regard to his two questions:

"We have learned from our Embassy at London that it is the desire of the British to hold a naval conference before the end of the year. We are inclined to concur in the desirability of such a conference, particularly in view of the fact that both naval treaties provide for a conference before the end of this year. We recognize that it would be very difficult, if not impossible, to reach at the present time a comprehensive naval agreement along the lines heretofore followed. It is, however, very important for all naval powers concerned not to permit the naval treaties to terminate completely with the result that the whole naval situation would be thrown open again. It would therefore be the part of wisdom to seek agreements on those elements of the naval question for which a solution can now be found for the purpose of avoiding an unrestricted naval race. We should at least be able to tide the situation over for a brief period in the hope that by that time circumstances will be more favorable for a more comprehensive agreement.

¹⁵ See also Department of State Conference Series No. 24, *The London Naval Conference 1935, Report of the Delegates of the United States of America, Text of the London Naval Treaty of 1936 and Other Documents* (Washington, Government Printing Office, 1936).

"As to qualitative limitation, it is still our view that both quantitative and qualitative limitation should be continued. In view of the fact that the questions that have arisen between the naval powers relate more to quantitative limitation than to qualitative limitation, it should not prove particularly difficult to work out for a limited period a mutually satisfactory understanding for continuing existing types with such reductions or modifications as might be found desirable and mutually agreeable."

You may convey to the British Government my reply as given above to the Japanese Ambassador, as I told the Ambassador that I was today informing the British Government of my response to his inquiry.

HULL

500.A15A5/536

The Ambassador in Great Britain (Bingham) to the Secretary of State

No. 1776

LONDON, October 24, 1935.

[Received November 6.]

SIR: I have the honor to refer to my telegram No. 535, October 24, 4 p. m.¹⁶ and to forward herewith the text of the invitation to a naval conference referred to therein.

Respectfully yours,

For the Ambassador:

RAY ATHERTON

Counselor of Embassy

[Enclosure]

The British Secretary of State for Foreign Affairs (Hoare) to the American Ambassador (Bingham)

A 8984/22/45

[LONDON,] 24 October, 1935.

YOUR EXCELLENCY: His Majesty's Government in the United Kingdom have been giving careful consideration to the results of the preliminary bilateral conversations which have been proceeding between representatives of the signatory Powers of the Washington and London Naval Treaties¹⁷ to prepare the way for a Naval Conference. In view of the express provisions of Article XXIII of the Washington Naval Treaty and of the corresponding article in the London Naval Treaty, the effect of which is, in the circumstances which have occurred, that the signatory Powers must meet in conference during the present year, and in view of the fact that this country has so far taken the initiative in arranging for these bilateral discussions, His Majesty's Government are prepared to summon a Conference to meet

¹⁶ Not printed.

¹⁷ Department of State Treaty Series Nos. 671 and 830, respectively.

in London on the 2nd December next.¹⁸ The purpose of this Conference would be to secure agreement on as many aspects as possible of naval limitation with a view to the conclusion of an international treaty which would take the place of the two Naval Treaties expiring at the end of 1936. It is hoped that, once agreement is in sight between the representatives of the signatory Powers, an extension of the scope of the Conference may be possible so as to include representatives of the other naval Powers.

2. I should be grateful if Your Excellency would be so good as to inform me as soon as possible whether the United States Government are prepared to be represented at the proposed Conference.

3. I have the honour at the same time to suggest that it may prove convenient to all concerned and may serve to keep the size of each Delegation as small as possible if Your Excellency's Government and the Governments of France, Italy and Japan were to be represented by their Ambassadors in London. It would furthermore be very desirable that there should be present at the Conference from the outset naval representatives or advisers of sufficient rank to speak authoritatively on behalf of their respective Governments.

I have [etc.]

(For the Secretary of State)

R. L. CRAIGIE

500. A15A 5/549

The Chargé in Japan (Neville) to the Secretary of State

No. 1539

TOKYO, November 2, 1935.

[Received November 18.]

SIR: I have the honor to observe that with Japan's acceptance on October 29 of the British Government's invitation to participate in the formal naval disarmament conference required by the Treaties, and which is to be held on December 2, next, the attitude of the Japanese Government is one of quiet assurance and satisfaction that everything possible has been done to protect Japan's interests in the field of naval affairs. The Government can point to a course of action since the question became active in June, 1934, of consistency and of singleness of purpose surely impressive enough to satisfy the most ardent chauvinist in the navy. When Japan was first approached on the question of her naval policy she established the principle that the basis of all future discussion and the prime requisite for any agreement with the Powers was to be the abolition of the ratio principle and the establishment of a common upper limit of global tonnage; and now, on the eve of the Conference, and after some eighteen months of discussion during which British efforts were directed toward finding some formula for effecting a compromise between the fundamentally

¹⁸ The opening date of the Conference was later postponed to December 7, 1935.

divergent views held by the three major powers, the situation remains unchanged so far as Japanese policy is concerned.

In reviewing the most recent events leading up to the final acceptance by Japan of the invitation to participate in the Conference next month it is interesting to observe the recurring differences which cropped out between the views of the Navy Ministry and those of the Foreign Office, differences which, it will be recalled, occurred last year in the question of when Japan should give notice of abrogation of the Washington Treaty.¹⁹ Once more, while it was more a question of differences of method rather than of objective, it seems clear that the influence of Mr. Hirota was successful in restraining the more unyielding attitude apparently adopted by the naval authorities regarding the question of participation in the Conference. While it has been felt that Japan would participate, and in fact was anxious to have the Conference held in accordance with the terms of the Treaties, there remained the question of the terms upon which she would consent to negotiate.

On September 26, last, when Great Britain first approached the Japanese Government inquiring as to its willingness to participate, it was reported that the Government's attitude at that time was to the effect that "Japan sees no value in a conference not committed beforehand to negotiations of a naval limitation agreement based upon proposals offered by the Japanese delegates at the preliminary conversations of last year. The British plan for unilateral declaration of building plans up to 1942 is not acceptable to the Japanese Government. No other formula has been devised to solve the conflict between Japan's desire for a common upper limit and the United States' desire for the virtual retention of the existing ratios". The British note was believed to have represented Great Britain's last attempt to induce the Japanese Government to alter its stand prior to the issuance of the invitations and to have included a proposal that Japan withdraw from her position that the Powers concerned accept her demand for a common upper limit as a prerequisite to Japan's participation in the Conference. The attitude outlined above undoubtedly represented the attitude of the naval authorities and at the time there were hints in the press that the Foreign Office did not entirely share the views of the Navy Department.

On October 10 the Navy Department was reported in the press as stating categorically that "the Ministry must insist upon a previous understanding to abolish the ratio system and to substitute the common upper limit principle" before accepting an invitation to participate in the Conference. However, a few days after this the Foreign Office spokesman stated that while the Japanese Government continued to insist upon the "realization of the proposal broached at the preliminary conversations at London last year" nevertheless the Government was

¹⁹ See pp. 249 ff.

prepared to participate in a formal naval conference "if it is understood that it reserves the right to insist upon the proposals mentioned above. It is prepared to participate because the Conference is called for by the Treaties". It is at this point that what foreign observers have described a "shift of emphasis" first became apparent. That is to say that the hope might be entertained that Japan would accept an invitation to participate without insisting upon previous acceptance of certain conditions laid down by her. This was borne out in the reported reply sent on October 16 when the Japanese Government indicated that "Japan is ready to respond to a proposal for the convocation of a formal naval parley in the belief that Japan's equitable claim regarding the naval question will be fully understood and recognized by the Powers during the course of negotiations". This is obviously the formula devised by the Foreign Office authorities to effect a compromise with the Navy Department.

Prior to the official announcement from London that formal invitations for the Conference to be held on December 2 were issued, the Japanese press carried practically no editorial comment on naval affairs. But with the acceptance by Japan on October 29 of this formal invitation the press has indicated its approval of the Government's action although it is unanimous in doubting that any concrete results will be obtained. It seems to be generally agreed that Japan's point of view is about as equally irreconcilable with that of Great Britain as with that of the United States; there is, however, an occasional note of pique directed at the United States for insisting upon the maintenance of the ratio system and a slightly greater understanding of the needs of Great Britain for a larger navy.

While it would be as unwise as it is impossible to predict Japan's course of action at the forthcoming Conference, the Embassy is satisfied that there will be no appreciable alteration of her present stand and that no substantial concessions will be made in an effort either to reach a new agreement or to avoid the entrance upon a non-treaty status at the expiration of the Treaties at the end of 1936.

Respectfully yours,

EDWIN L. NEVILLE

500.A15A5/566a : Telegram

*The Secretary of State to the Ambassador in Great Britain
(Bingham)*

WASHINGTON, November 30, 1935—4 p. m.

373. Following is the text of the opening speech of the American Delegation to the Naval Conference: ²⁰

²⁰ Speech delivered by Mr. Norman H. Davis, chairman of the American delegation, at the first plenary session, December 9, 1935.

Mr. Chairman:

In searching for appropriate words in which to express most clearly the attitude and aspirations of the American Government and people in respect to naval disarmament, I find that I cannot improve upon the letter of guidance which the President addressed to me fourteen months ago when I sailed for London to participate in preliminary conversations between the Governments of the United Kingdom, Japan and the United States. That letter, written on October 5th, 1934, was as follows:

"In asking you to return to London to continue and expand the conversations begun last June preparatory to the Naval Conference in 1935, I am fully aware of the gravity of the problems before you and your British and Japanese colleagues. The object of next year's Conference is 'to frame a new Treaty to replace and carry out the purposes of the present Treaty.' The purposes themselves are 'to prevent the dangers and to reduce the burdens inherent in competitive armament' and 'to carry forward the work begun by the Washington Naval Conference and to facilitate progressive realization of general limitation and reduction of armament.'

"The Washington Naval Conference of 1922 brought to the world the first important voluntary agreement for limitation and reduction of armament. It stands out as a milestone in civilization.

"It was supplemented by the London Naval Treaty of 1930, which recognized the underlying thought that the good work begun should be progressive—in other words, that further limitation and reduction should be sought.

"Today the United States adheres to that goal. That must be our first consideration.

"The Washington and London Treaties were not mere mathematical formulae. The limitations fixed on the relative Naval Forces were based on the comparative defensive needs of the Powers concerned; they did not involve the sacrifice of any vital interests on the part of their participants; they left the relative security of the great Naval Powers unimpaired.

"The abandonment of these Treaties would throw the principle of relative security wholly out of balance; it would result in competitive Naval building, the consequence of which no one can foretell.

"I ask you, therefore, at the first opportunity to propose to the British and Japanese a substantial proportional reduction in the present Naval levels. I suggest a total tonnage reduction of twenty percent below existing Treaty tonnage. If it is not possible to agree on this percentage, please seek from the British and Japanese a lesser reduction—fifteen percent or ten percent or five percent. The United States must adhere to the high purpose of progressive reduction. It will be a heartening thing to the people of the world if you and your colleagues can attain this end.

"Only if all else fails should you seek to secure agreement providing for the maintenance and extension of existing Treaties over as long a period as possible.

"I am compelled to make one other point clear. I cannot approve, nor would I be willing to submit to the Senate of the United States any new Treaty calling for larger Navies. Governments impelled by common sense and the good of humanity ought to seek Treaties reducing armaments; they have no right to seek Treaties increasing armaments.

"Excessive armaments are in themselves conducive to those fears and suspicions which breed war. Competition in armament is a still greater menace. The world would rightly reproach Great Britain, Japan and the United States if we moved against the current of progressive thought. We three Nations, the principal Naval Powers, have nothing to fear from one another. We cannot escape our responsibilities, joint and several, for world peace and recovery.

"I am convinced that if the basic principle of continued naval limitation with progressive reduction can be adhered to this year and next, the technicalities of ship tonnage, of ship classes, of gun calibers and of other weapons, can be solved by friendly conference. I earnestly hope that France and Italy, which are full parties to the Washington Treaty, will see their way to participate fully in our efforts to achieve further naval limitation and reduction.

"The important matter to keep constantly before your eyes is the principle of reduction—the maintenance of one of the greatest achievements of friendly relations between nations.

"Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT."

The views set forth in this letter are still expressive of what the United States would like to see accomplished. Therein, there has been no change. But it would be unrealistic not to recognize that the situation existing at the time the letter was written has undergone considerable modification. The conversations last year were based on the London Naval Treaty, due to expire by automatic limitation at the end of 1936. Since then the Washington Treaty has been denounced and will expire at the close of next year; certain fundamental principles on which both treaties rest have been questioned; in the wake of the political instability in various parts of the world, there is a tendency to increase rather than to reduce naval armaments; and the divergences which have developed are such as to increase the difficulties which confront us in seeking to reach agreement for a comprehensive naval limitation.

The first step towards overcoming these difficulties is to face them frankly. The next step is to concentrate on those fundamental elements of mutual interest and accord which brought us together here and which unite us, despite the real differences that have developed.

Our nations are apparently at one in desiring the continuance of naval limitation and reduction by international treaty—a principle adopted for the first time in history in 1922 and successful for a dozen years beyond any means of measurement. At the time of the Washington Conference we were still in the shadow of the World War. War weary peoples who had experienced the consequences of strife and discord were longing for peace and recovery and praying for an era of stability and good will. The Washington Treaties and the later London Treaty were in harmony with this profound wish. Through them, mankind was freed from the threatening nightmare of a race in naval armaments. Why should we now abandon the invaluable mutual benefits conferred on the participating peoples by the Naval Treaties, when the world is just beginning to emerge from the economic depression which has held it in its grip for the past six years and when it is all the more necessary not further to disturb international relationships and retard or disrupt economic recovery through a naval race? No nation desires to enter such a race—no Government can afford the responsibility for inaugurating it. Our task during the coming weeks is to make it unnecessary.

One means of accomplishing this would be to agree upon a renewal of existing treaties with such modifications as circumstances may require. Failing this we should at any rate make every endeavor, through a frank and friendly exchange of views, to discover other paths to mutual understanding, which would at least prevent a naval race and avoid a disturbance of the equilibrium, and thus pave the way for a later more permanent and comprehensive treaty. Whatever our approach, our objective must be to insure that in the difficult and trying years ahead of us the essential balance between our fleets, which during the past years has proved such a guarantee of peace and stability, should be maintained by means of mutual agreement rather than by expensive and dangerous competition which can profit no one but must harm all.

On behalf of my Government I declare emphatically that the United States will not take the initiative in naval competition. We want no naval increase. We want limitation and reduction. Our present building program, which is essentially one of replacement, is consistent

with this desire. For ten years we ceased naval construction. Under our present plans the strengths allotted to us by the London Treaty as of the end of 1936 will not be attained until 1942. We have no wish to exceed those Treaty limits. I may say also that the United States, which is now definitely on the way to recovery from the severe depression through which it has been going, and from which no nation has escaped, is most anxious to devote its energies and material resources to the upbuilding of the country.

However great the difficulties that confront us in this Conference, we are here to help remove them. With good will and patience on the part of all we can find a mutually beneficial solution. I pledge the American Delegation's full cooperation toward this end.

HULL

500.A15A5/574 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

LONDON, December 7, 1935—8 p. m.

[Received December 7—3:30 p. m.]

4. Following is text of Japanese opening speech, exchanged for ours this afternoon:

"On this felicitous occasion of the opening of the Five Power Naval Conference, I wish to express our deep appreciation of the efforts since last year of the British Government, through whose good offices the Conference has now met in accordance with the stipulations contained in the two naval treaties of Washington and London.

It has ever been the consistent policy of the Japanese Government to maintain and promote international peace. This has been fully evidenced by the fact of our willing participation in the past disarmament conferences, and our sincere cooperation with other powers in those conferences.

Pursuing the same policy, we desire to achieve, in the present Conference, a just and fair agreement on disarmament which will secure for each country adequate national defence and reduce the burden which weighs upon the people, contributing, at the same time, towards the advancement of peace and good will among the nations of the world.

The object of this Conference, we understand, is to conclude a new comprehensive treaty of naval disarmament with a view to regulating the naval strengths of the powers concerned from the year 1937.

Such a new treaty, in the view of the Japanese Government, should be based upon the fundamental idea of setting up, among the great naval powers of the world, a common limit of naval armaments to be fixed as low as possible, which they shall not be allowed to exceed; simultaneously, offensive forces must be drastically reduced and ample defensive forces provided, so as to bring about a substantial measure of disarmament, thus securing a state of nonmenace and nonaggression among the powers.

The Japanese Government firmly believe that this is indeed the best way of reaching a just and fair agreement on disarmament, whereby

the burden of nations may be greatly lightened and a real contribution made towards the durable peace of the world.

The Japanese delegation wish to declare that on such principles as I have outlined, we are prepared to carry on frank exchanges of views with other members of the Conference in a spirit of peaceful collaboration, and to cooperate earnestly throughout with a view to achieving a new comprehensive agreement on disarmament which is at once most fair and rational."

DAVIS

500.A15A5/598

*Memorandum of Conversation Between the American and the
Japanese Delegations*

[LONDON,] December 17, 1935.

Present: Admiral Nagano	Mr. Davis
Mr. Nagai	Mr. Phillips
Admiral Iwashita	Admiral Standley
Mr. Terasaki	Mr. Dooman
Mr. Mizota	Captain Ingersoll
	Commander Schuirmann
	Mr. Field

In response to a request from Admiral Nagano in regard to the American proposal referred to by Mr. Davis at the opening session of the Conference, Mr. Davis stated that the American proposal might be summarized as a twenty percent all-around reduction in the various categories, such reduction to be applicable also to Italy and France insofar as the limitations imposed by the Washington Treaty upon those countries are concerned, with the proviso, however, that adjustments between categories shall be agreed upon after discussion.

At Mr. Davis' request, Admiral Standley went into the American proposal at great length. In regard to the question of the replacement of capital ships, Admiral Standley referred to the absence of any construction in this type during the past fifteen years and to the necessity of approaching with extreme caution any suggestions looking toward any change in the size of capital ships. He said that the first few vessels to be built under the replacement program would be of a maximum tonnage of 35,000, and that after the experience thus gained by this new construction the United States would be disposed to examine proposals in regard to reducing the size. Mr. Davis added that we were, however, prepared at this time to enter into a discussion in regard to fixing the maximum caliber of guns.

Admiral Standley referred to the statement made yesterday during the meeting of the heads of delegations by Mr. Davis, to the effect that prior to the Washington Conference there had existed a common upper limit, with the sky as the limit. Prior to that

Conference, Japan did not have parity but had built a navy conforming to its needs. Failing any agreement, Japan would have the right to build up to parity with the United States if it could, but Admiral Standley did not doubt but that if Japan were to strive to reach parity with the United States, the United States would also build with a view to maintaining its lead. Such a state of affairs, he pointed out, was obviously not desired by either country, and he wondered whether it would not be possible to form an agreement which, while recognizing Japan's sovereign rights to build as large a navy as it desired, would stabilize strengths at the present comparative levels until such time as a more favorable opportunity might be expected for the discussion of a new naval arrangement.

Mr. Davis remarked that we should not overlook the fact that naval limitation is not a question which lies entirely between the United States and Japan. The naval position of the United States is in a considerable measure dependent upon the naval positions of England and of other European powers, as the United States could not ignore the historical fact that it had unwillingly been drawn into two major European wars.

With respect to the question of security or non-menace and non-aggression, to which Admiral Nagano had made various references, Mr. Davis said that not only had the non-fortification provisions of the Washington Treaty removed the threat of aggression, but the Nine Power Treaty had also been concluded to remove the causes for aggression.²² This had established the foundation on which naval limitation rests. We consider that the Japanese were thus secured against attack from either the United States or Great Britain, and could not understand what there is that has happened to make Japan feel that she is menaced.

Admiral Standley here quoted excerpts of statements made by Kato and Shidehara at the Washington Conference (pages 106 and 380 [378?] of records of Washington Conference²³). Admiral Standley continued that at the London Conference we had made further concessions in the ratio to meet Japanese desires for additional security. As regards the present proposal for a twenty percent cut, it might be pointed out that a reduction in aircraft carrier and destroyer tonnage is contingent on reduction in submarines.

Admiral Nagano reiterated that opinion in his country no longer supported the Washington Treaty. He reminded us that our ideas of disarmament also had undergone modification; for instance, Mr. Hughes had at the Washington Conference opposed the abolition of

²² Treaty signed at Washington, February 6, 1922, *Foreign Relations* 1922, vol. I, p. 276.

²³ *Conference on the Limitation of Armament, Washington, November 12, 1921-February 6, 1922* (Washington, Government Printing Office, 1922).

submarines, whereas we had favored abolition at London. Admiral Nagano assured us that the common upper limit did not envisage giving Japan any opportunity for aggression; on the contrary Japan wanted to make aggression by any power impossible. With respect to the London Treaty, Admiral Nagano declared that former Secretary of Navy Adams had said in the Senate that the American Delegation had succeeded in persuading Japan to accept a proposition almost impossible to accept.²⁴ Both Mr. Davis and Admiral Standley said that if any such statement had been made inferring that Japan was not equally secured it was certainly in error.

Admiral Standley said it had been understood at Washington that every nation was given security in the area in which it had to operate. Japanese waters were made as secure as California waters. However, the United States possessed territories close to Japan with an area as large as Japan's. There are no fortifications there and no submarines. We also had a large territory in Alaska. If we gave Japan parity, she would have absolute superiority in Philippine and Alaskan waters. That would not be giving the United States equality of security. Some people in the United States have said Japan wants to take the Philippines. Japan has never shown any intention to do this any more than we have threatened her. The Government at Washington has done what it could to allay such a misapprehension at home, and we must not allow anything to happen which would bring about a recrudescence of this feeling. The Japanese claims give people who think she wants to take the Philippines or Alaska exactly the ammunition they are looking for.

Admiral Nagano stated that while under the ratio Japan could not possibly menace the United States, the American Navy concentrated in Oriental waters could threaten Japanese security. With respect to the Philippines, it might also be said that the United States had no possessions near Europe, while Europe had possessions near America, and if such geographical aspects were to be taken into account, the situation would become very complex. Japan nevertheless had numerous independent islands off her coast for which she has to find means of defense. She could, therefore, not accept a plan which would permit one power to approach the other, while the reverse was not true. From Japan's point of view the Philippines lay in line of very important waters and hence represented a constant threat. Japan did not want the Philippines but they constituted one reason why she found it difficult to recognize American naval superiority.

Mr. Davis said he did not think the Japanese proposals very fair. At the Washington Conference we had made the greatest sacrifice,

²⁴ See Department of State Conference Series No. 6, *Proceedings of the London Naval Conference of 1930 and Supplementary Documents* (Washington, Government Printing Office, 1931), p. 82.

since we had abandoned an actual program of construction which would have given us in two or three years a navy more powerful than Great Britain's and much more powerful in relation to Japan than under the Treaty. It was not the British who accepted parity, but the United States which granted parity. We did this in the interests of promoting peace, understanding and security. Parity with Japan would not give us equal security since it would deprive us of the power to defend Alaska and the Philippines.

Admiral Nagano did not deny that the Washington Treaty checked a naval race and promoted peace, and he hoped that the friendly situation created thereby by the United States and Japan would continue, but Japan did not want to be placed in the position where the continuance of peace and good will was dependent on another country. Japan was worried, not about the safety of distant possessions, but about the safety of Japan herself.

Admiral Standley said that it seemed apparent that we could not see eye to eye on the question of security and non-menace. The only solution, therefore, would be to continue the Washington agreements temporarily until sometime when we could sit down and go over the various problems without suspicion.

Mr. Davis added that we must find a *modus vivendi* which would avoid both the common upper limit and the ratio. There had been an improvement in Japanese-American relations in the past three years. Japan had nothing material which the United States wanted. The two countries were good mutual customers, and there was more reason for our two countries to cooperate than in the case of any other two nations. The present, Mr. Davis added, was no time to change the naval structure: Italy was making war in Abyssinia; Japanese armies were marching in China, and the American people did not know what this would lead to. Japan was in process of evolution and did not herself know what the outcome would be. The American people were watching to see what would take place. They had shown clearly they did not want trouble with Japan or anyone else. In any case, there was more justification for an increase in the American ratio than in that of Japan, for the United States had certainly done nothing to warrant suspicion. On the other hand, what Japan was doing was a little disturbing to the American people. Mr. Davis then paid tribute to the Japanese people and their great qualities and to their urge for progress which the United States admired but which it desired to see exercised in a peaceful manner.

Mr. Phillips said we did not want to do anything to harm the rapidly growing friendship between our peoples. Parity would certainly set us back and breed suspicion. It would arouse fear and there is nothing more detrimental to friendship.

Admiral Nagano said that Japan no less than the United States

wished to continue to improve friendly relations, but the fact was that Japan felt the pressure of the American Navy which was capable of menacing Japan's very existence. That situation must be altered if Japan is to feel contented in the Pacific.

Admiral Standley, after explaining that he was speaking purely personally and without having discussed it with his Delegation, suggested that the only way to come to a temporary agreement was to take the present structure, with certain modifications as to qualitative limitation, and perhaps to include in a preamble a statement that an adequate navy was the sovereign right of everybody. Such a treaty would include building programs over a period of years in place of the ratio system.

Mr. Nagai at first expressed the fear that any such compromise would again mean the ratio system in disguise. After further explanations by Admiral Standley, he expressed interest in the suggestion on the understanding that it would mean a provisional arrangement for a few years only. The Japanese Delegation indicated that they would think over Admiral Standley's suggestion and give us their views another time.

500.A15A5/589 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

[Paraphrase]

LONDON, December 17, 1935—10 p. m.

[Received December 17—7:45 p. m.]

22. We had a discussion with the British delegation at the Admiralty this morning, following our meeting with the Japanese, at which we discussed future procedure after exchanging information on our conferences with the Japanese.

Although the Japanese had evidently been sent to London under strict and limited instructions, it would be unwise to press for speed or to attempt to come to any conclusions before the Christmas adjournment was the opinion of both delegations. The Japanese might refuse to enter into qualitative discussions after the holidays, if an attempt were made at this time to end quantitative discussions. The best procedure would be to permit a general discussion of the British proposal for limitation of programs, followed by a discussion of the French proposal for a *pre avis*,²⁵ it was agreed. It is probable that these discussions would not be completed by December 20, and it would seem that the wisest course would be for the chairman to suggest, at an appropriate time in January, that inasmuch as the discussion of quantitative proposals appeared to have been exhausted for the time

²⁵ System of advance notification ; *The London Naval Conference, 1935*, p. 98.

being, we should now consider other matters such as qualitative limitation without implying that the quantitative question had been disposed of by the Conference.

Since any discussion of programs is bound to lead back again to the ratio question, the British did not appear to have much hope as to the acceptance of their proposal by the Japanese. Notwithstanding, if the Japanese had come to a realization of the material difficulty of trying to achieve equality in fact with Great Britain and the United States and were seeking a way out which would save their faces, a solution might be found along the lines of limitation of programs which without specific ratios would enable the Japanese voluntarily to declare a building program in harmony with the relative strengths formulated.

Some kind of quantitative limitation might serve to make it easier for the Japanese to accept qualitative limitation was also brought out by the discussion. The British suggested, in this connection, that it would be unwise to let the Japanese think that Great Britain and the United States would not take the initiative in building larger and newer types of ships in any case. It might make the Japanese more tractable if we could let the idea get around that we would consider building new types, if there is no qualitative limitation.

The British were informed by Admiral Standley that the Panama Canal would not be an obstacle to building larger capital ships, and Lord Monsell ^{25a} stated that he thought it would be desirable to dispel any illusions on this score which might have been shared with the British by the Japanese.

The opinion was expressed by me that at a later date it would be well for the British and ourselves to inform the Japanese definitely that any change in the relative strengths through the action of one country would certainly be most disturbing to the other countries and that the United States and Great Britain would most certainly match any building done by the Japanese in such a way as to maintain the treaty proportions in force at this time.

DAVIS

500.A15A5/611 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, January 12, 1936—7 p. m.

[Received January 12—10:10 a. m.]

9. The following is for transmission to London for Davis.

(1) After a six-hour conference between the Foreign Office and Navy officials last night the Cabinet approved this afternoon final instruc-

^{25a} First Lord of the British Admiralty and presiding officer of the Conference.

tions to Nagano.²⁶ In order to avoid blame for the complete rupture of the Conference, I understand, the Foreign Office was able to secure Japanese continuance therein, although Navy officials were prepared to break it up by withdrawal. Nagano's instructions are to make clear Japan's proposal to provide real reduction, it is reported, but that she will not discuss qualitative apart from quantitative reduction, nor will Japan enter into temporary agreements which would continue inequalities. The Japanese delegates may remain in effect as observers, however, and in the later phase of the Conference when the subject of submarine warfare and other subsidiary subjects are discussed may participate. There has been no definite confirmation of the foregoing report.

(2) While wishing to avoid forcing a formal vote on quantitative limitation which would oblige Japan to withdraw from the Conference and thus accept the onus for a complete break, it is my belief that the Foreign Office will nevertheless welcome a final and definite clarification of the parity issue so that some new program involving political agreements may be set in motion and this chapter closed. . . .

(3) Owing to the discrepancy in views between the Navy and the Foreign Office and the consequent lack of unanimity in the Government regarding methods and tactics, though not in point of general objective, the situation here is shrouded in the usual fog. It is obvious that the Japanese Navy in demanding parity had the American Navy principally in view but neglected to foresee the European complications which their attitude would create. A reconsideration of the parity issue is for them out of the question and, having burned their bridges, we may now expect to see the possibility of finding some alternative of a political nature being explored by the Foreign Office.

GREW

500.A15A5/615 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

[Paraphrase]

LONDON, January 14, 1936—1 a. m.
[Received January 13—10:45 p. m.]

46. Before dinner tonight, at a two-hour meeting with the British, the Japanese told them, in substance, that as regards the common upper limit they were desirous of having a further discussion and a decision. A postponement of the First Committee²⁷ meeting until Wednesday afternoon was requested by the Japanese, at which time they stated

²⁶ Admiral Nagano, chairman of the Japanese delegation.

²⁷ The First Committee consisted of the entire membership of the Conference in committee of the whole; *The London Naval Conference, 1935*, p. 66.

they would give a fuller explanation of their thesis and that Japan would withdraw from the Conference should this be rejected by the other powers.

Both Monsell and Eden²⁸ told me briefly that "the jig was up," when I saw them later at a meeting. We have arranged to have a further talk with them in the morning, in compliance with their request.

An immediate adjournment of the Conference until later this year was requested by the Japanese who urged the British to agree to this, Eden told me. The British would not agree, Eden definitely told the Japanese; instead, they would propose that the other powers participating in the Conference remain to discuss further a naval agreement to which Japan, if she so desired, might later adhere, Eden said.

I was approached later on by Nagai²⁹ who said he was desirous of telling me personally how deeply he regretted their inability to reach an agreement and that this would necessitate withdrawal from the Conference by the Japanese. Would it be helpful to them to carry the delegates on for another month or so or was there any hope of their reaching an ultimate agreement, I asked him. Their situation at home was such, Nagai said, that they could not come to any kind of agreement now and their only hope was that there would be a change in public opinion in Japan by bringing matters to a head now which might make it possible later on perhaps this year to have a resumption of negotiations. Nothing must be done to disturb Japanese-American relations, Nagai concluded, and that what Japan wanted above all else was to leave the Conference in a most friendly spirit.

DAVIS

500.A15A5/617 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

[Paraphrase]

LONDON, January 14, 1936—7 p. m.

[Received January 14—3:47 p. m.]

47. This morning a meeting was held at the Foreign Office between the British and the American delegates at which the British informed us of their conversation with the Japanese, the substance of which was transmitted to you in my telegram No. 46, today, 1 a. m. While they could not reach any naval agreement after the rejection of the common upper limit, the Japanese had also said they would like before-

²⁸ Anthony Eden, British Secretary of State for Foreign Affairs.

²⁹ Matsuzo Nagai, Japanese Ambassador to France and member of the delegation.

hand, with a view to perpetuating the terms of Part 4 of the London Naval Treaty,³⁰ to discuss rules of submarine warfare. After disposing of the common upper limit the British said they would be very glad to do so. Under the circumstances, the Japanese repeated, they would be unable to remain for any negotiations and they again suggested that the Conference take up first Part 4 of the London Naval Treaty. Everything possible had been done to meet the Japanese wishes, the British replied, but they were not willing to depart to that extent from the procedure.

The Japanese had questioned the legality of continuing the Conference once Japan withdraws, the British then told us, since the Washington Treaty envisages only a conference of the five powers and not a four-power meeting and since the Conference was called under this treaty. In disagreeing with this the British told the Japanese that they could see no reason why the other participating powers should not continue to negotiate a naval agreement since without some sort of new agreement there would be chaos and such an agreement could not become effective until after the expiration of the Washington and London Treaties. The British told the Japanese, furthermore, that the other powers would have in mind the possibility and hope that Japan might ultimately become a party to any agreement they might negotiate. The British definitely expressed the view that the obligation of article 23 of the Washington Treaty was fulfilled by the convocation of the present Conference.

They would have no objection to two or three Japanese observers, the British told the Japanese. (This morning, after some discussion, it was agreed that the Japanese should be allowed to have observers but they would have no right to sit with the expert committees for technical discussions. However, they could be kept informed of the results of these discussions.) We then asked the British for their views with reference to later invitations to Russia and Germany. They were keeping both of these nations informed of what is taking place, they replied, but that Italy and France wished to include Greece, Yugoslavia, and Turkey, in which case it would be necessary to invite also Spain, Holland, and Sweden, and perhaps the South American countries. If once you go beyond the major naval powers, the British said, they were of the opinion that it would be better to include all naval states and that this might be after all of considerable advantage from a practical and psychological viewpoint. Were an agreement to be entered into by all the other naval powers, with the exception of Japan, the effect would be so overwhelming that they believed Japan would desire to join within a short time. With the Japanese out of the Conference the British

³⁰ Department of State Treaty Series No. 830, p. 27.

recognize that many difficulties would arise; but, on the theory that Japan will ultimately want to come in, they believe we should proceed. As a counterpoise to Japan's freedom, an adequate escape clause should be provided in the meantime.

Except perhaps insofar as it might result from the operation of agreed building programs, the British who desire above all qualitative limitation now state that without Japan the last hope of achieving quantitative limitation has gone. This desire on the part of the British for qualitative limitation without quantitative is no doubt partly determined by their wish to bring into agreement France and Italy and their realization that it is now impossible to have a quantitative agreement between France and Italy and also by the fact that the way would be left open for later adherence by other powers by qualitative limitation.

DAVIS

500.A15A5/618 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

LONDON, January 15, 1936—2 p. m.
[Received January 15—11:27 a. m.³¹]

49. At this afternoon's meeting following the Japanese exposition, it is planned that all of the delegations will make final statements in reply.³²

As the Japanese are planning to release their statement immediately after the meeting, we shall do the same with ours. Text follows and you will be notified of the hour of release probably through flash.³³

"The United States has been most desirous of reaching a new agreement for a reduction and limitation of naval armaments to supersede the existing treaties that are to expire at the end of this year. We have, therefore, been willing to discuss any proposals and to explore every possibility of agreement. We have been willing to consider any evidence that might have been presented to the effect that the present relative strengths are not fair and equitable and do not provide for equal security.

We have accordingly listened with the most careful attention to all the explanations given by the Japanese delegation of their proposal for a common upper level with a view to determining whether any new facts or considerations might be developed which would justify the United States in modifying its belief that the principles

³¹ Telegram in three sections.

³² Tenth meeting of the First Committee, January 15, 1936, *The London Naval Conference, 1935*, p. 212.

³³ Notification was received by the Department at 1:10 p. m., to release the text of Mr. Davis' statement.

of the common upper limit would not be a practicable basis for the limitation and reduction of naval armament. While we greatly appreciate the clear exposition of the Japanese point of view presented by Admiral Nagano, the discussion has if anything served to strengthen our conviction that the principle of a common upper limit would not serve as a basis for negotiation and agreement.

The Japanese have proposed that this Conference establish a level for naval armaments which no contracting power might exceed. They expressed the hope that the agreed limit should be set so low as to require substantial reductions by Japan. This would require contracting powers having navies larger than the limit to scrap or sink many ships to reach this common upper limit and would permit contracting powers having the smaller navies to build up to the common level.

The Japanese recognize that there are differences in vulnerability, responsibility, and needs as between the powers. They state these are of 'great consequences to every power.' To provide for these differences they propose to make a small quantitative adjustment within the common upper limit. While Japan has objected to a continuance of the so-called ratio system, their proposal for a common upper limit is in fact not an abandonment but a continuance of the ratio system on the basis of parity without taking into account the varying needs of the countries concerned.

The principle of the common upper limit rests in fact on the assumption which it has not been possible to substantiate that equality of security—which we are all unanimously agreed must be the foundation of limitation and reduction—could be achieved by equality of naval armament. We believe it has been sufficiently shown in the course of our discussions that equality of naval armament not only is not the same as equality of security but that the two are incompatible and contradictory. Equal armaments do not insure equal security.

Equality of security as was recognized and established at the Washington Conference can mean only superiority of defense in each country's own waters. This defense depends only in part on actual naval strength. Other factors of equal if not greater importance in determining a nation's capacity for defense are strength of land and air forces and of fortifications, distances from other powers, length of communications, configuration of coast lines, importance and relative distance of outlying possessions, extent and complexity of responsibilities. These necessarily dictate unequal navies if equality of security is to be assured.

The Japanese delegation has stated that one of the objects of their proposal is 'to create a state of nonaggression and nonmenace'. We are convinced this state now exists among the signatories to the naval treaties.

Certain nations are so situated as to be endowed by nature with a superior power of defense. If, without regard to all the other factors I have cited, a nation so situated should possess naval armaments equal to those of powers not so favored, then that nation would have a very marked naval superiority far more than sufficient for its defensive needs. The sense of security which we feel was created by existing naval treaties would thereby disappear. It is possible to change some factors; it is not possible to change geography.

The existing relative strengths have in effect provided an equilibrium of defense and an equality of security as nearly as is humanly possible. It would be extremely difficult even in more normal times and under conditions of greater mutual confidence, to agree upon such a radical readjustment of these relative strengths as would be involved in acceptance of the common upper limit. In the face of the present world instability such a readjustment, quite aside from the question of principle, is impossible. Bearing in mind the situation in the Far East, in Europe and in Africa, the United States is unwilling to consent to any change which would lessen its relative security particularly in the absence of greater assurance than we now have that to do so would not promote peace and establish a regime of nonmenace and nonaggression. It is, however, in favor of and has proposed at this Conference an all-around proportional reduction in fleet strengths.

With reference to the question of reducing so-called offensive naval arms which has been alluded to, I am persuaded that it is not possible to make out any case whatever as to a distinction to be drawn between offensive and defensive naval vessels. Whether any particular type of naval armament is offensive or defensive depends entirely upon the use that is made of it. If the time ever comes when the conditions of the world are such as to permit of virtual elimination of the necessity of maintaining large navies the first step would naturally be to cease to construct the more expensive types of naval vessels. Certainly the situation in the world today is not such as to justify this.

For all the foregoing reasons the United States is unable to accept the principle of the 'common upper limit' as the basis for an agreement. While we would deeply regret the inability to arrive at an agreement acceptable to all the powers here represented our decision and purpose would be to foster the continuance of our friendly relations with all the naval powers."

DAVIS

500.A15A5 Documents/14

*Press Communiqué, London Naval Conference, January 15, 1936*³⁴

At the request of the Japanese Delegation the Committee, at the invitation of the Chairman, agreed to resume this afternoon the discussion of the Japanese proposal for a common upper limit of naval tonnage. After the Japanese Delegation had made a statement with a view to elucidating further the Japanese proposal, the Chairman asked each Delegation to express their full and definitive views on this proposal. The Chairman, in summing up the discussion, stated that most of the time of the Delegations had been devoted, both inside and outside of the Conference, to a very careful consideration of this Japanese proposal, but he noted that it had received no support. Furthermore, he observed that the Japanese proposal dealt in the main only

³⁴ Issued at the close of the tenth meeting of the First Committee.

with quantitative limitation, and quantitative limitation itself was only a limited part of the many problems before the Conference. In the circumstances he thought that the best plan would be to adjourn the meeting and to proceed at the next meeting with the other important work before the Committee.

500.A15A5Documents/10

The Chairman of the Japanese Delegation (Nagano) to the Chairman of the Conference (Monsell)

[LONDON,] January 15, 1936.

MY LORD, I have the honour hereby to notify Your Lordship that as it has become sufficiently clear at to-day's session of the First Committee that the basic principles embodied in our proposal for a comprehensive limitation and reduction of naval armaments cannot secure general support, our Delegation have now come to the conclusion that we can no longer usefully continue our participation in the deliberations of the present Conference.

We remain, nevertheless, firmly convinced that our proposal is one best calculated to attain an effective disarmament, and we regret to state that we cannot subscribe, for the reasons we have repeatedly set forth, to the plans of quantitative limitation submitted by the other Delegations.

I desire to assure you, on this occasion, that we most sincerely appreciate the cordial manner in which you have been good enough to conduct the Conference; at the same time, I should like to tender our deepest thanks on behalf of our Delegation, for the hearty co-operation of all the Delegations to this Conference.

I have [etc.]

OSAMI NAGANO

REFUSAL BY JAPAN TO AGREE TO LIMITATION OF
GUN CALIBER FOR BATTLESHIPS

500.A15A5/809

The Acting Secretary of the Navy (Standley) to the Secretary of State

A14-7(3)/EM-

London (360725)

WASHINGTON, 25 July, 1936.

SIR: Informal advices received from your Department have indicated that the Japanese government will not adhere to the Naval Treaty signed in London on March 25, 1936, by the representatives of the United States, the French Republic and the British Commonwealth of Nations.⁸⁵

In this connection it would be of great advantage to the Navy Department to know definitely whether the Japanese government has signified its intention in regard to entering into an agreement to conform to the provision of Part II, Article IV (2) of the Treaty, which would limit to 14 inches in caliber the guns of any capital ship to be constructed or acquired by any high contracting party.

It is requested that the information referred to in the preceding paragraph be furnished to the Navy Department as early as it may conveniently be obtained.

Respectfully,

W. H. STANDLEY

500.A15A5/841a : Telegram

The Acting Secretary of State to the Ambassador in Great Britain (Bingham)

[Paraphrase]

WASHINGTON, December 3, 1936—8 p. m.

434. (1) It has become most urgent for the Navy Department to have the matter clarified of Japan's position with regard to article 4, paragraph 2, of the London Naval Treaty of 1936, relating to the caliber of guns on capital ships, in view of the publicity in this country concerning the new capital ships and the short time which remains for the completion of the final plans for these ships.

(2) Last August the British Ambassador to Japan informed the British Foreign Office, you will recall, that only a direct approach on this subject might elicit a definite statement regarding the intentions of the Japanese Government and that after the return of

⁸⁵ Department of State Treaty Series No. 919.

Mr. Grew ³⁶ from leave of absence in November such an approach might appropriately be made. The matter should be taken up more promptly in their view, the Foreign Office replied. In response to this the British Ambassador, we understand, recommended that the subject be broached in London and not in Tokyo.

(3) Then on October 15, the British Foreign Office requested their Embassy at Washington to obtain an expression of our views in the premises. We were agreeable in principle to their putting the question to the Japanese Government, we replied, but it should be put in the name of the British Government alone, and the man on the spot would be in the best position to decide, in view of the internal domestic situation in Japan, since we were desirous of avoiding any action which might have an adverse effect on the development of major policies in that country.

(4) You reported in your despatch No. 2613 of October 27, 1936,³⁷ that Craigie stated he had discussed this matter with Yoshida,³⁸ who had indicated that the Japanese might be prepared to give an official assurance in writing, with a face-saving clause, that they would bind themselves to 14-inch guns. Craigie had a second conversation with Yoshida on November 11, and Grew now telegraphs that Clive³⁹ has been informed that Yoshida said it would be unwise for him to take the subject up himself with Tokyo, and he recommended that the question be taken up as a technical matter directly with his naval attaché by the Admiralty. However, whether the Admiralty actually did make the approach to the naval attaché, no information indicating such action has been received by Clive.

(5) We are desirous of ascertaining precisely where the question lies between the British and the Japanese, whether Craigie actually agreed with Yoshida that the Japanese Naval Attaché should be approached by the Admiralty and whether such a course was pursued, before considering taking any action ourselves. You are requested to investigate the matter and to telegraph your report.

MOORE

500.A15A5/871 : Telegram

The Ambassador in Great Britain (Bingham) to the Secretary of State

LONDON, March 30, 1937—1 p. m.
[Received March 30—8:50 a. m.]

178. Foreign Office has informed me that Foreign Secretary [*Minister*] has handed to British Ambassador in Tokyo formal Japa-

³⁶ American Ambassador to Japan.

³⁷ Not printed.

³⁸ Assistant Under Secretary of State, British Foreign Office, and Japanese Ambassador to Great Britain, respectively.

³⁹ British Ambassador to Japan.

nese reply refusing to accept 14-inch gun limitation since it would mean "qualitative without quantitative limitation".

An editorial entitled "Japan's responsibility" published in today's *Times* concludes as follows:

"The first step towards a new naval race will be the adoption of 16-inch guns as the largest that may be mounted instead of the 14-inch provided by the treaty; despite her withdrawal from the Conference, it was within the power of Japan to prevent that step by a mere undertaking before April 1 not to take it herself. Her definite refusal to give any such undertaking has just been reported from Tokyo. If the world now finds itself once more committed to the folly of unrestricted naval competition there can be no possible doubt where the responsibility lies."

BINGHAM

500.A15A5/883 a : Telegram

The Secretary of State to the Ambassador in Japan (Grew) ⁴⁰

[Paraphrase]

WASHINGTON, June 4, 1937—8 p. m.

75. The London Naval Treaty of 1936, as you are aware, made provision for a reduction from 16 inches to 14 inches in the future caliber of guns on battleships conditional upon acceptance of this provision of the treaty by April 1, 1937, by all the powers signatories to the Naval Treaty signed at Washington on February 6, 1922.⁴¹ The American Government has ratified the Naval Treaty of 1936, but because the condition of a general agreement to the 14-inch gun caliber limitation for battleships before April 1, 1937, was not effected, that limitation has not become effective.

This Government is now under the necessity of deciding the caliber of the guns to be mounted on the two new battleships for which appropriations have been made and the construction of which has begun. The Government has also to determine what shall be the caliber on additional battleships for the construction of which appropriation of the necessary funds may soon be asked of Congress by the President.

The Government of the United States, which is sincerely committed to the principle of reduction of armament has been and remains entirely willing to accept a gun caliber limitation of 14 inches, provided that the other principal naval powers will agree to adopt and to adhere to a like limitation.

The President must soon make a decision, and while he would deplore the necessity of having to increase the caliber of the guns to be mounted on our new capital ships to 16 inches, he may find that he

⁴⁰ Sent, *mutatis mutandis*, on the same date to the Ambassadors in Great Britain, France, and Italy.

⁴¹ *Foreign Relations*, 1922, vol. I, p. 247.

shall have to take this action if the other principal naval powers are unwilling to maintain a limitation of 14 inches.

The adoption of the 14-inch gun caliber as a maximum, subject to the adoption of that limitation by the other principal naval powers, was one of the important points of agreement reached by the powers who negotiated the Naval Treaty of 1936; this fact gives rise to a sincere hope on the part of the American Government that there may at least be the possibility of achieving this one aspect of limitation, thereby removing an element of suspicion and uncertainty detrimental to the best interest of all the powers who are concerned.

For the foregoing reasons you are requested to approach the Japanese Government with a view to ascertaining whether that Government would be willing to maintain this one aspect of naval limitation.

You may also state that the Government of the United States is presenting this inquiry and proposal simultaneously to all the powers signatories to the Washington Naval Treaty of 1922; you should add that the Government of the United States would appreciate receiving a reply before June 21, 1937.

HULL

500.A15A5/891 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, June 18, 1937—4 p. m.

[Received June 18—9:05 a. m.]

161. Department's 75, June 4, 8 p. m.; Embassy's 152, June 7, 3 p. m.⁴² Following is the official English translation of the Japanese text of the *aide-mémoire* marked "confidential", dated today, handed to me this afternoon by the Minister for Foreign Affairs.

"Aide-mémoire. The Japanese Government have taken note of the proposal of the Government of the United States regarding the limitation of the calibre of guns for capital ships which was contained in the *aide-mémoire* handed on June 7 this year to the Foreign Minister by the United States Ambassador in Tokyo.

The fundamental policy that guides Japan in providing for her armament is, as has been made clear on many previous occasions, based on a consistent regard for the principle of nonmenace and nonaggression. It follows, therefore, that so long as the other powers also adhere to the same principle and are content with maintaining the minimum force required for their strictly defensive needs, Japan entertains no intention at all of embarking, on her own initiative, upon the building up of a naval force which could be a menace to other countries.

While the limitation of the gun calibre for capital ships constitutes one important aspect of qualitative limitation, the Japanese Government, in elucidating at the last London Naval Conference their basic attitude concerning the means calculated to bring about just and fair

⁴² Latter not printed.

state of naval disarmament, made it clear that they could not subscribe to qualitative limitation alone, if not accompanied by a simultaneous restriction in quantity. The Japanese Government still hold the same conviction as regards the matter of qualitative limitation. Stated briefly, it is their belief that a mere limitation in quality alone will only induce a tendency to make up for the deficiency caused through such limitation, by resorting to quantitative augmentation, thus ultimately leading to a competition in naval armament in quantity. The Japanese Government, therefore, are not, at this juncture, in a position to adopt, apart from quantitative restrictions, a mere limitation of the gun calibre for capital ships, a matter which properly belongs to the most important phase of qualitative limitation and hope that the United States Government will understand the above-mentioned position of the Japanese Government.

It may be added for the information of the United States Government that this position of the Japanese Government as regards qualitative limitation was communicated towards the end of March to the British Government, when the Japanese Government responded to the British proposal of January this year regarding the limitation to fourteen inches of the maximum calibre of guns for capital ships.

June 18, 1937."

GREW

500.A15A5/903

Press Release Issued by the Department of State on July 10, 1937

On April 1, 1937, in view of the fact that all the Parties to the Treaty for the Limitation of Naval Armament of February 6, 1922, had not accepted 14 in. as the limit of the caliber of guns on capital ships, under the London Naval Treaty, 1936, 16 in. automatically became the limit of the caliber of guns to be mounted on capital ships.

However, this Government, not wishing to leave a stone unturned in its effort to maintain the limit of the caliber of guns on capital ships at the lower level, about June 1, on its own initiative sounded out the Governments Parties to the Washington Naval Treaty to ascertain whether they would be willing to maintain the limit of the caliber of guns on capital ships at 14 in. At the same time, this Government in line with its policy consistently followed of favoring the principle of a reduction of armaments, expressed its entire willingness faithfully to maintain the lower level.

The Governments thus approached have now replied. Unfortunately, it is established that there is not a universal acceptance by the Washington Naval Powers of the limit of gun caliber at 14 in.

With the greatest reluctance, therefore, this Government has been obliged to conclude that all other Governments have given no assurance of the maintenance of the 14 in. gun level. As a consequence, therefore, guns of a caliber of 16 in. will be mounted on the two new battleships for which appropriation has been made and on which construction has begun.

REJECTION BY JAPAN OF AMERICAN, BRITISH, AND FRENCH PROPOSALS FOR THE RECIPROCAL EXCHANGE OF NAVAL CONSTRUCTION INFORMATION

500.A15A5 Construction/91 a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, February 3, 1938—8 p. m.

36. As you know persistent reports have reached us that the Japanese are building, or contemplate building, ships exceeding the limits of the London Naval Treaty, 1936.⁴³ We have discussed the matter with the British, who called in the French, and it has been agreed that an identic note, *mutatis mutandis*, should be delivered to the Japanese Government by you and your British and French colleagues on Saturday at times to be agreed upon by you.

The following is the text of the note which you should address to the Japanese Government:

[Here follows the text of the body of the American note dated February 5, printed *infra*.]

HULL

500.A15A3 Construction/131

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 875

TOKYO, February 5, 1938.

EXCELLENCY: The Japanese Government will be aware that under the London Naval Treaty 1936 the American Government is precluded from constructing capital ships (i. e., vessels of more than 10,000 tons standard displacement or with a gun of more than eight inches) which exceed 35,000 tons or carry a gun of more than 16 inches, or which are of less than 17,500 tons or carry a gun of less than 10 inches. As regards cruisers (i. e., vessels of not more than 10,000 tons with a gun of not more than eight inches) the American Government is limited to a maximum of 8,000 tons with six inch guns.

The Japanese Government has unfortunately not seen its way to subscribe to the London Naval Treaty, nor has it hitherto felt able to give any assurances that Treaty limits would in practice be adhered to by it.

As the Japanese Government will be aware, the Naval Treaty gives

⁴³ Department of State Treaty Series No. 919.

the American Government a right of escalation in the event of building not in conformity with treaty limits by a Power not a party thereto. There have for some time been persistent and cumulative reports, which, in the absence of explicit assurances from the Japanese Government that they are ill-founded, must be deemed to be authentic, that Japan has undertaken or intends to undertake construction of capital ships and cruisers not in conformity with the above-mentioned limits. The American Government has therefore decided that it will be necessary for it to exercise its right of escalation unless the Japanese Government can furnish the aforesaid assurances and can satisfy the American Government that it will not, prior to January 1, 1943, lay down, complete, or acquire any vessel which does not conform to the limits in question, without previously informing the American Government of its intention to do so and of tonnage and calibre of the largest gun of the vessel or vessels concerned.

In view of the forthcoming publication of naval estimates and necessity for giving other Treaty Powers information as to intended American construction, the American Government will be glad to receive a reply not later than February 20 next. Should no reply be received by that date, or should the reply be lacking in the desired information and assurances, it will be compelled to assume that the Japanese Government either is constructing or acquiring or has authorized the construction or acquisition of vessels not in conformity with the limits referred to. The American Government would thereupon be obliged in consultation with the other Naval Powers with which it is in treaty relations to resume full liberty of action. If, however, the Japanese Government, though engaged in, or intending to engage in, construction not in conformity with treaty limits, were willing to indicate forthwith the tonnages and calibres of guns of the vessels which it was constructing, or was intending to construct, the American Government for its part would be ready to discuss with the Japanese Government the question of the tonnages and gun calibres to be adhered to in future if Japan were now prepared to agree to some limitation. It would, however, be necessary that such consultation should be completed by May 1.⁴⁴

I avail myself [etc.]

JOSEPH C. GREW

500.A15A5/131

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

No. 18, American I

TOKYO, February 12, 1938.

YOUR EXCELLENCY: I have the honour to acknowledge the receipt of Your Excellency's letter No. 875 dated 5th February, 1938, in which

⁴⁴ The date was advanced to April 1 by the Department's telegraphic instruction No. 49, Feb. 9, 1938; not printed.

you set forth your Government's desire regarding the communication of information on the matter of naval construction.

It may be recalled that at the last London Naval Conference the Japanese Government proposed, in the earnest desire to bring about a drastic reduction of naval armament, the total abolition of capital ships and aircraft-carriers, which are aggressive in their nature, and at the same time contended that qualitative limitation, if not accompanied by quantitative limitation, would not be calculated to achieve any fair and equitable measure of disarmament. Unfortunately the views of the Japanese Government were not shared by your Government and the other Governments concerned. This fundamental principle entertained by the Japanese Government was, as your Government will be aware, made clear again last year in their reply to the proposal of your Government regarding the limitation of gun calibres. The Japanese Government, always prompted by the spirit of non-menace and non-aggression, have no intention whatever of possessing an armament which would menace other countries. At this juncture, when, as a result of the non-acceptance by other countries of the reasonable desires of Japan in the matter of disarmament, there is as yet in existence no fair disarmament treaty to which Japan is a party, the Japanese Government are of opinion that the mere communication of information concerning the construction of vessels will, in the absence of quantitative limitation, not contribute to any fair and equitable measure of disarmament and regret that they are unable to comply with the desire of your Government on this point.

The Japanese Government fail to see any logical reasoning in an assumption on the part of your Government that this Government must be deemed to entertain a scheme of constructing vessels which are not in conformity with the limits provided in the London Naval Treaty of 1936, from the mere fact that they do not despatch a reply giving the desired information; and they are of opinion that it is not a matter which should concern this Government if your Government, on the basis of whatever reason or rumour, should exercise the right of escalation provided in any treaty to which Japan is not a party.

Your Government are good enough to intimate that, should the Japanese Government hereafter be prepared to agree to some limitation in respect of the tonnage of vessels and the calibre of guns, they would also be prepared to discuss the matter. The Japanese Government still holding the firm conviction that qualitative limitation, if not accompanied by quantitative limitation, would by no means contribute to the attainment of any fair and equitable measure of disarmament, cannot but consider that the discussion suggested by your Government would not conduce in any measure to the realisation of their desires concerning disarmament. It is to be added, however, that as the Japanese Government do not fall behind other Govern-

ments in their ardent desire for disarmament, they will be ready at any moment to enter into any discussions on the matter of disarmament which give primary importance to a fair quantitative limitation.

I avail myself [etc.]

KOKI HIROTA

500.A15A5 Construction/141

*The Secretary of State to the British Ambassador (Lindsay)*⁴⁵

WASHINGTON, March 31, 1938.

EXCELLENCY: With reference to Article 25 of the Naval Treaty signed in London on March 25, 1936, I have the honor to notify Your Excellency, in accordance with paragraph (2) of that Article, that the Government of the United States of America finds it necessary to exercise the right of escalation reserved in paragraph (1) and of effecting a departure from the limitations and restrictions of the Treaty.

The proposed departure relates to the upper limits of capital ships of sub-category (a) and to the calibre of guns which may be mounted on capital ships of sub-category (a).

The above action is motivated by the fact that upon the receipt of reports to the effect that Japan is constructing or has authorized the construction of capital ships of a tonnage and armament not in conformity with the limitations and restrictions of the Treaty, the Government of the United States addressed an inquiry to the Japanese Government and the Japanese Government did not choose to furnish information with regard to its present naval construction or its plans for future construction.

Since there is no separate diplomatic representation of Australia, New Zealand, or India at Washington, there are enclosed copies of this note which you are respectfully requested to transmit to these governments.

Accept [etc.]

CORDELL HULL

⁴⁵ Identical notes, except for the final paragraph, were sent on the same date to the French Ambassador and the Canadian Minister; the same text was telegraphed to the American Ambassadors in Italy and Japan to be communicated as a matter of courtesy to the Governments to which they were accredited.

REFUSAL BY JAPAN TO GRANT THE PRIVILEGE OF
NAVAL VISITS OF COURTESY TO UNITED STATES
SHIPS ON A RECIPROCAL BASIS INTO CERTAIN TER-
RITORIAL WATERS

811.3362i/9a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, June 13, 1936—2 p. m.

75. For several years now the Government of Japan has requested, each year, that the American Government extend facilities in its territorial waters off the Alaskan coasts to two Japanese Government ships and permit their entry into harbors in Alaska and in the Aleutian Islands that are not open, ordinarily, to foreign commerce. In the case of one of the vessels in question it was stated that its purpose in visiting these waters and harbors was the making of studies in connection with protection of fur-bearing seals; in the case of the second vessel, however, it was not suggested that the visits would be made on basis of any treaty or formal arrangement between the American Government and the Government of Japan. The Government of the United States has acceded, nevertheless, to the requests of the Government of Japan in this regard.

A strong undercurrent of suspicion and conjecture has existed for some time past over harbor developments or fortifications in possessions which both Japan and the United States have in the Pacific. No objection to the visits of Japanese Government vessels to the territorial waters and closed harbors of Alaska has been made by this Government, as it was believed that the opportunities which were open in this way for observation by Japanese vessels would serve to remove any suspicion which the Government of Japan might hold that any improvements have been made of such a nature as would violate either the letter or the spirit of the naval treaty signed on February 6, 1922.⁴⁶

In our view it is unfortunate that the Government of Japan so far has not adopted an attitude similarly liberal in the face of allegations that in the Japanese mandated islands of the Pacific improve-

⁴⁶ *Foreign Relations* 1922, vol. I, p. 247.

ments are being carried out which are irreconcilable with Japan's treaty obligations not to fortify those islands. We can understand that the Government of Japan should be reluctant to give any countenance to irresponsible allegations, but nevertheless that Government undoubtedly shares with the Government of the United States the view that persistent suspicion with regard to this matter is provocative of mutual distrust, and that such suspicion, therefore, should be dispelled.

The American destroyer *Alden* will be sent shortly to the Asiatic station according to the Navy Department plans. The Japanese Government will thus have presented to it an opportunity to extend to a vessel of this Government courtesies at the larger unopened ports of the Pacific mandated islands, as well as at the open ports. An invitation by the Government of Japan for the *Alden* to visit these ports would have, in our opinion, highly beneficial results from the point of view of relations between the two nations.

Please consider carefully and attentively our views as we have sketched them. If no objection is perceived, please present these views informally and orally to the Minister for Foreign Affairs, putting forward the suggestion outlined in the foregoing paragraph as on your own initiative.

Inform the Department currently by telegraph.

HULL

811.3362i/14 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, July 8, 1936—10 a. m.

[Received July 8—1:11 a. m.]

150. Today I made suggestion, as on my own initiative, to the Minister for Foreign Affairs with regard to an invitation to the *Alden* to visit open and unopened ports in the Pacific islands under Japanese mandate.

Marked interest was shown by the Minister in the situation as I described it, but he professed not to know anything at all about the subject. He told me that he would see what there was that could be done and that he would try to give me, before July 20, the results of his inquiries.

GREW

811.33621/16 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

Tokyo, July 28, 1936—1 p. m.

[Received July 28—7:27 a. m.]

163. At the request of the Vice Minister for Foreign Affairs, the Counselor of the Embassy called on the Vice Minister to discuss certain questions that had been broached by the Ambassador to the Minister for Foreign Affairs. One of these questions related to the possibility of the visit by the *Alden* to ports in the Japanese mandated islands. This call was the only opportunity that presented itself for discussion of the matter since the visit of the Ambassador on July 8.

The Vice Minister stated that the suggestion of the Ambassador had been referred to the Ministry of Overseas Affairs but that no reply had been received. He further stated that there would probably be consultation with other government departments. In response to a query by the Counselor, he expressed the fear that the Foreign Office had no way of expediting the reply.

The manner of the Vice Minister was friendly, but it indicated that the Foreign Office could do nothing further.

GREW

811.33621/16 : Telegram

The Acting Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, August 7, 1936—7 p. m.

102. Embassy's telegram No. 163, July 28, 1 p. m. With regard to the suggestion made relative to the *Alden*, the Department assumes that there is no prospect that the Japanese authorities will take favorable action. In reply to a communication from the Japanese Embassy here,⁴⁷ the Department is today returning an adverse answer⁴⁷ to that Embassy's request that the Japanese Government training ship *Shintoku Maru* be permitted to enter a Hawaiian harbor which is not listed as a port of entry.

PHILLIPS

⁴⁷ Not printed.



JAPAN'S UNDECLARED WAR IN CHINA AND
FURTHER J A P A N E S E PENETRATION BY
ARMED FORCE OR THREAT OF FORCE

JAPAN'S UNDECLARED WAR IN CHINA AND FURTHER JAPANESE PENETRATION BY ARMED FORCE OR THREAT OF FORCE

1937

793.94/8683 : Telegram

The Ambassador in China (Johnson) to the Secretary of State

PEIPING, July 8, 1937—11 a. m.

[Received July 8—4:05 a. m.]

206. 1. A clash took place shortly before midnight last evening at Marco Polo Bridge, which is 10 miles west of Peiping, between Japanese and 29th Army (Sung Cheh-yuan's) troops. Japanese troops have been maneuvering for some 2 weeks in that vicinity and, according to Chinese sources, attempted last evening to take Marco Polo Bridge as a part of the maneuvers. The Chinese troops which have been stationed at either end of the bridge for a long time resisted and subsequently retired into the nearby small, walled town of Wanpinghsien. It is not known what casualties may have occurred during the clash at the bridge.

2. It is understood that the chairman of the Foreign Affairs Committee of the Hopei-Chahar Political Council called at 1 a. m. at the Japanese Embassy here to effect a settlement.

3. However, according to Chinese guards of the barricaded gates of Wanpinghsien who were interviewed this morning at 8 o'clock by Salisbury,¹ the Japanese began firing on the city at about 3:30 a. m., with the result that some houses were destroyed, some tens of Chinese soldiers were killed or wounded, and ten or more civilians were killed. The guards claim the Chinese side did not respond to the Japanese firing. Desultory firing was still going on in the vicinity of Marco Polo Bridge as late as 8:30 a. m. today although country this side was peaceful, Chinese on farms going about their affairs as usual.

4. The Embassy will report later what progress may be made in negotiations for a settlement of the incident. Peiping is quiet. No unusual movement of troops by either side.

Repeated to Nanking, Shanghai, and Tokyo.

JOHNSON

¹ Laurence E. Salisbury, Second Secretary of Embassy in China.

793.94/8684 : Telegram

The Ambassador in China (Johnson) to the Secretary of State

PEIPING, July 8, 1937—3 p. m.

[Received July 8—6:16 a. m.]

207. Embassy's 206, July 8, 11 a. m.

1. Local Japanese Assistant Military Attaché stated to press representatives this morning that, in view of many rumors arising because of Sung Cheh-yuan's absence, the Japanese wish to do away with misunderstandings; that this morning's incident is regrettable; that Chinese troops opened fire on Japanese troops while the latter were maneuvering near Marco Polo Bridge; that the Japanese troops stopped maneuvering, concentrated, and awaited; that Chinese again opened fire at about 5 a. m.; that the Japanese, therefore, had to take self-defense measures; that the incident is undesirable for friendly relations between Japan and Hopei and Chahar; that proper measures must be considered; that Japan does not desire to enlarge this incident; but that that will depend on the Chinese attitude.

2. According to a statement issued by the office of the Japanese Military Attaché, a Japanese lieutenant was killed, a second lieutenant was injured, and several of lesser rank were killed or injured.

3. According to Chinese and Japanese sources, two Japanese officers and a few Chinese officers and officials went early this morning to the town of Wanpinghsien to negotiate on the spot. Apparently the second fighting broke out while they were at that town.

4. The Chinese press has published an account, apparently inspired by Chinese officials, according to which the Japanese military demanded permission to enter Wanpinghsien, following the first encounter, in order to search for those Chinese soldiers who the Japanese alleged were responsible for the clash; permission was refused; and subsequently the Japanese opened fire on the town.

Repeated to Nanking, Shanghai, and Tokyo.

JOHNSON

793.94/8682 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 8, 1937—5 p. m.

[Received July 8—6:29 a. m.]

185. We are informed by the Foreign Office that official Japanese reports from Peiping indicate that prospects are favorable for settlement of the brush which took place this morning near Peiping between Japanese and Chinese troops. It was stated at the Foreign Office that

"our military people seem to believe that the firing by Chinese troops which started the incident was not premeditated."

Repeated to Peiping.

GREW

793.94/8694 : Telegram

The Ambassador in China (Johnson) to the Secretary of State

PEIPING, July 10, 1937—4 p. m.
[Received July 10—10:20 a. m.]

215. Embassy's 200 [214], July 10, 1 p. m.²

1. The Naval Attaché and Assistant Military Attaché returned at noon from Wanpinghsien. They report that Japanese troops are no longer on the Peiping-Hankow Railway and that the only Japanese troops visible are some fifty which are stationed some distance on the road to Peiping east of the east gates of Wanpinghsien; that is, the town is between them and the river and Marco Polo Bridge. They are of the opinion that the other Japanese troops have returned to Fengtai. They report that Sung's men are all west of the river and that Wanpinghsien is garrisoned by Peace Preservation Corps.

2. Evidence is increasing that the casualties on both sides were considerable and that the Japanese casualties were much larger than officially admitted.

Repeated Nanking, Shanghai, and Tokyo.

JOHNSON

793.94/8713 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 12, 1937—7 p. m.
[Received July 12—10:35 a. m.]

190. Embassy's 189, July 12, noon.²

1. A Foreign Office official informed us this afternoon that the Cabinet had decided to despatch reinforcements to China and had requested the Imperial sanction to do so in the event the agreement is not observed by the Chinese.³

2. In a conversation with a member of the Embassy staff at a luncheon given today by the Vice Minister for Foreign Affairs, the latter confirmed the news that an agreement providing for the withdrawal of Chinese and Japanese troops from the Yungting River had been

² Not printed.

³ For substance of the agreement of July 11, see memorandum by the Ambassador in Japan, July 22, 1937, p. 333.

signed by the local negotiators last night. Horinouchi added that the higher officers of the 29th Chinese Army would probably do their best to carry out the agreement but he expressed doubt as to whether they would be able to control certain elements among their troops.

3. Kishi, the private secretary to the Minister for Foreign Affairs, stated to the same member of the Embassy staff that the clashes which occurred during the night of June [*July?*] 10 had resulted partly from the fact that both the Chinese and the Japanese soldiers had been ignorant of the exact terms of the oral agreements reached. He expressed the belief that now that the withdrawal agreement was in writing there would be less likelihood of future clashes.

Repeated to Peiping.

GREW

793.94/8761

Memorandum by the Secretary of State

[WASHINGTON,] July 12, 1937.

The Japanese Ambassador called by his own request. He said that he had two things to discuss or to report on—one was that Japan had two ships taking part in the search for Amelia Earhart⁴ and that their officials at Hawaii and other points had been instructed to keep closely posted on the search in the hope of being of some help. I thanked him very earnestly for this fine spirit of friendliness and cooperation on the part of his government.

The Ambassador then handed me a manuscript containing six paragraphs or points relative to the Japanese-Chinese military trouble which commenced on July 7th. A copy of the instrument of writing is attached hereto.⁵ The Ambassador read each numbered paragraph for the purpose of any comment I might wish to make. I inquired, when he read the first paragraph, how many troops there were in the Japanese detachment stationed at Fengtai on July 7th. He replied that he did not know but that he supposed it was a hundred or some such number. He said that he imagined this detachment, which was unexpectedly fired upon by Chinese troops, was on the other side of the river from the Chinese troops at the Marco Polo Bridge. When I suggested that Japanese troops had been understood to be camped at various points between the two railroads leading into Peking, he said he was not a student of the geography of this locality. He said that these Japanese troops were located in this Chinese area under the same authority that United States guards and those of three or four other countries are at present stationed in Peking and other Chinese cities. I expressed deep

⁴ American aviatrix lost in the Pacific Ocean on a round-the-world flight.

⁵ *Infra.*

regret at the incident during the reading of each paragraph. He said that Chiang Kai-shek^{5a} is behind the entire movement; that the idea, in the Ambassador's opinion, is to strengthen his prestige in northern China and especially with certain elements of Chinese who have charged him with being too lax and non-aggressive in his treatment of the Japanese situation. The Ambassador remarked that he still had some hope the matter might be composed, and then added that the Chinese must know that the Japanese could bring their fleet around to the Chinese coast and take complete control of the situation.

At the conclusion of the reading, I specially emphasized with approval the remarks of the Ambassador about the efforts of his government to work out a friendly settlement without war. I elaborated upon the futility of any other course and the awful consequences of war. I said that a great civilized first-class power like Japan not only could afford to exercise general self-restraint in such circumstances but that in the long run it was far better that this should characterize the attitude and policy of his government; that I have been looking forward with increasing encouragement to an early period when our two great nations in particular, while other important countries are hesitating to go forward and in fact are slipping backward fundamentally with respect to their economic and standard-of-living situations, would have the opportunity, as well as the great responsibility, for world leadership with a constructive program like the basic program proclaimed at Buenos Aires⁶ for the purpose of restoring and preserving stable conditions of business and of peace, which program I elaborated on; that no two great countries have rarely had such an opportunity in these respects as seems to be ahead for our two countries and that of course it means everything from this viewpoint, as well as others, that serious military operations should not be allowed to get under way; and again I expressed my strongest approval of the disposition and self-restraint which his government is manifesting, judging by the statements of the Ambassador. He said that he would be glad to keep me advised as to any further developments of consequence. I replied that of course this country is greatly interested and greatly concerned in conditions of peace in every part of the world, and that I would welcome anything further in the way of information from time to time, and would be glad to treat in very strictest confidence any confidential information he might care to give me on the subject. I

^{5a} Chinese Generalissimo; President of the Executive Yüan (premier), 1935-38.

⁶ See Department of State Conference Series 33, *Report of the Delegation of the United States of America to the Inter-American Conference for the Maintenance of Peace, Buenos Aires, Argentina, December 1-23, 1936* (Washington, Government Printing Office, 1937).

again emphasized the great injury to the victor as well as the vanquished in case of any important war in this day and time, of the great concern of this government for peace everywhere and of my earnest hope that our two countries would soon find themselves in a situation to accentuate a program such as we proclaimed in the main at Buenos Aires. The Ambassador indicated his interest and approval. I concluded by thanking him for his offer to furnish further information.

C[ORDELL] H[ULL]

793.94/8761

The Japanese Embassy to the Department of State

1. In the evening of July 7, 1937 a detachment of the Japanese troops stationed at Fengtai, near Peiping, was engaged in a night maneuver in the vicinity of Lukow Kiao. At 11:40 p. m. Chinese troops under the command of Feng Chih-an (29th Army) made an attack upon the Japanese soldiers for no cause at all.

Thereupon the detachment stopped the maneuver and asked the command at Fengtai to send out reinforcements.

2. At such maneuvers, the Japanese troops ordinarily carry a very small quantity of loaded shells for use in case of emergency. In point of fact the commanding officer of the said detachment had with him loaded shells enough to be distributed one shell for each soldier, besides one box of loaded shells for the machine guns. In view of these facts, it is absolutely impossible for the Japanese soldiers to have challenged the Chinese.

3. The right of maneuver of the Japanese troops stationed in North China is clearly stipulated in the Chino-Japanese Protocol of 1902 concerning the restoration of Tientsin to China.⁷ Moreover, the Japanese authorities had informed the Chinese in advance of the holding of the maneuver in question. It is entirely groundless to say that the recent maneuver of the Japanese troops is an unlawful act committed outside the region stipulated in the said Protocol as reported in the newspapers.

4. Since the night of July 7, the Japanese authorities have made an earnest endeavor to localize the incident and once succeeded in bringing the Chinese authorities to agree to a peaceful settlement. On the night of July 10, however, the 29th Army, in violation of the agreement, suddenly fired on the Japanese troops, causing considerable casualties. In addition, it is reported, China has been increasing the forces of the first line by ordering Suiyan troops to march south and by sending central forces and air corps to the front.

⁷ For terms of agreement for the restoration of Tientsin, see despatches from Mr. Conger to Mr. Hay, No. 1046, July 15, 1902, and No. 1051, July 19, 1902, *Foreign Relations*, 1902, pp. 198, 200.

Since the night of July 10, China not only has failed to manifest any sincerity toward a peaceful settlement but has flatly rejected the local negotiation at Peiping.

5. The presence of disorderly Chinese troops in the Peiping and Tientsin area not only disturbs peace and order in North China which is of vital importance to Japan but also endangers the lives and property of the Japanese nationals there.

In the circumstances, the Japanese Government has decided to take precautionary steps to meet all situations, including the dispatch of additional military forces to North China.

6. The Japanese Government, desirous as ever to preserve peace in East Asia, has not abandoned hope that through peaceful negotiations the aggravation of the situation may yet be prevented.

An amicable solution can yet be attained if China agrees to offer apologies for the recent lawless action and to give adequate guarantees against such outrages in future.

In any case the Japanese Government is prepared to give full consideration to the rights and interests of the Powers in China.

[WASHINGTON,] July 12, 1937.

[For further information regarding the outbreak of hostilities, see First Report Adopted by the League of Nations Assembly on October 6, 1937, printed on page 384.]

793.94/8741½

Press Release Issued by the Department of State on July 12, 1937

The Japanese Ambassador and the Counselor of the Chinese Embassy each called at the Department this morning, and communicated information in regard to events in North China. In the course of the conversations which ensued both were given expression of the view that an armed conflict between Japan and China would be a great blow to the cause of peace and world progress.

793.94/8745 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Substance]

TOkyo, July 13, 1937—5 p. m.

[Received July 13—1 p. m.]

192. An analysis of the attitude of the Japanese at the present time in regard to China is submitted by the American Ambassador in the form of a summary of the situation to the following effect:

There is a striking unanimity of opinion which is not a case of unwilling submission on the part of the Government to military initiative. The Japanese Cabinet, whose prestige is high, gives full support to steps which the Japanese Army has taken in North China recently and is entirely in command. No inclination has been shown by the press to question the stand taken by the Japanese Government on the incident at Marco Polo Bridge, and the general expressions of approval in the press seem to be spontaneous. The American Embassy has received no intimation that there prevails in the Foreign Office a difference of opinion.

Lieutenant General Kiyoshi Kazuki, a competent officer of high rank, was sent suddenly to take command of the garrison in North China. There is well-coordinated and extensive preparation for such further use of force as may seem to be required in North China. The Government has been careful to consult with and obtain the cooperation of the country's leaders—in the Diet, in banking and business, in the press, and in the political parties and is mustering its forces in order to put into effect such decision as may be arrived at.

The Ambassador remarks that never during the time in which he has been stationed at Tokyo has he noted signs of a determination so unanimous and strong on the part of the Japanese Government to oppose any movement which might have a tendency to lessen the strength of Japan's position in North China, even if such opposition should mean extensive hostilities.

The Ambassador feels that he does not yet have enough evidence to warrant the assumption that, in order to force a "show-down," either the Japanese Army or the Japanese Government engineered the incident deliberately. However, he expresses the belief that the statements in the foregoing paragraphs can be made without qualification. He is of the opinion that if some way of avoiding general hostilities without losing face could be found the Japanese Government might possibly still be pleased to find this way.

Repeated to Peiping.

GREW

793.94/8779

Memorandum by the Secretary of State

[WASHINGTON,] July 13, 1937.

The Japanese Ambassador called at my apartment in the Carlton Hotel at 8:00 o'clock, p. m. I had previously requested him to call at 4:00 o'clock, and he inquired from the Kenwood Golf and Country Club, some ten miles out of the city, if it would be equally convenient for him to come in tomorrow, Wednesday. An appointment

was made for 10:30 a. m., Wednesday, but at about 5:30 o'clock the Ambassador was reached again on the telephone at the Kenwood Club and the appointment changed to 8:00 p. m., this evening, July 13th.

When he came in I said that I was seeking all avenues of information about the crisis in the Sino-Japanese situation and that in view of his statement to me on yesterday that he would be glad to keep me informed as to any developments I did not desire to make my report on the day's developments to the President with the Ambassador and his government left off the list in this connection, and hence I had requested him to come in this evening at 8:00 o'clock. I said I could not believe that he and his government would desire to be left off of this round of conferences of today. He chimed in in agreeable language.

I proceeded then to say that to my country and government the peace situation means everything and that naturally we are tremendously concerned in every aspect of the peace situation; that whatever we say or do with respect to this Far Eastern crisis is prompted solely by considerations of peace, accompanied by the most impartial and friendly attitude towards all concerned; that amidst the confusion and fog in the Peking area it is not possible for us to discern just what is taking place and how; that, for example, we do not know whether, or at least the extent to which, conference and communication is taking place between the Japanese and the Chinese officials, or, if so, whether it is only between the Japanese and the local Chinese officials, or between the Japanese and the general Chinese Government officials; that it is not known whether the troops of both sides have moved away from the area of conflict and where clashes between troops seem to be taking place, to the end that quiet might reign until orderly procedure for conferences could be established. I then said that with respect to the general situation the question is whether anything could or should be consistently said or done from any agreeable source that might be helpful to all concerned; that my government, of course, is primarily and paramountly concerned in the preservation of peace, and, as stated, it would confine its interest and utterances to phases entirely within the range of its impartial, friendly attitude towards all alike; that in any event whatever it might now say, if anything, in an effort to be thus helpful, would stop entirely short of any question or phase of mediation.

I again elaborated on the awful dangers and consequences of war to every part of the world alike and the impossibility of exaggerating the deep interest of my government and country in peace in the Orient at this time. In thus commenting and elaborating, I

of course gave the Ambassador credit for good faith in his protestations that his government did not desire war and could be expected to come out of China in due course.

The Ambassador, when I finally called upon him to give me any news as to developments since yesterday, promptly said that he had nothing new to tell me. In great earnestness I said, "Do you really feel that war will be avoided?" He immediately replied that he believed it would be. He gave no reasons, however, and I assumed that he naturally would have made no other reply in any event.

C[ORDELL] H[ULL]

793.94/8760 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 14, 1937—6 p. m.

[Received July 14—10:35 a. m.]

200. My 193, July 13, 6 p. m.⁸

1. The Military Attaché was informed this morning at the War Office that no reinforcements have left Japan proper or Chosen for North China, but that a detachment from the Jehol garrison has reached the Peiping area, and that preparations are being made to send additional troops from Japan proper or Chosen, if necessary. The War Office emphasized that there is no intention of setting up any "independent country" in North China, and that the incident can be settled by faithful Chinese execution of agreement already accepted by the Chinese 29th Army.

2. It is the opinion of the Military Attaché that only a small force, probably an infantry regiment, has reinforced the North China garrison, and that one division of the Chosen Army and probably the Third, Sixteenth, Tenth, Fifth, and Sixth Divisions in Japan proper and [*are?*] in readiness to move on short notice.

3. This morning the Foreign Office communicated to us the text of the agreement said to have been signed jointly by the Mayor of Tientsin, by an officer of the 29th Army, and by the Chief of the Public Safety Bureau of Hopei. These terms are substantially similar to those communicated by the Japanese Embassy to the Embassy at Peiping, as reported in Peiping's telegram number 230, July 13, 8 p. m.⁹

4. A feeling of optimism was expressed by the Foreign Office, the prospects being thought favorable for the liquidation of the situation on the basis of the local agreement provisionally reached and later repudiated by the Chinese. It was stated that future developments would depend on (a) whether the Blue Shirts would incite the 29th Army to further anti-Japanese activities, and (b) the Nanking Gov-

⁸ Not printed.

⁹ Telegram not printed; but see memorandum by the Ambassador in Japan, July 22, 1937, p. 333.

ernment would send troops north of Paoting, Hopei Province, in contravention of the Ho-Umezu agreement of 1935.¹⁰ It was stated emphatically that Japan would not permit Nanking Government troops to proceed north of this point. The statements made at the Foreign Office check precisely with the statements made by the War Office to the Military Attaché.

Repeated to Peiping.

GREW

793.94/8774 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 15, 1937—9 p. m.

[Received July 15—12:15 p. m.]

201. My No. 200, July 14, 6 p. m.

1. The Foreign Office informed us this afternoon that negotiations at Peiping and at Tientsin are in progress between the Japanese military and local Chinese authorities but that it would still be premature to anticipate the character of the outcome of such negotiations. However, it was said that the release by the Chinese of several captured Japanese policemen and gendarmes had contributed something toward relieving the tenseness of the situation.

2. In response to a question with regard to the basis of the negotiations, the Foreign Office informant stated that the only basis of discussion is the agreement of settlement said to have been signed by representatives of the Chinese local authorities and delivered to the Japanese on July 11. He said further that if a settlement could be reached of the present disturbed situation it might be possible that the Japanese Government would propose negotiations looking toward a more permanent stabilization of conditions in North China on which occasion it was not unlikely that economic matters would be discussed. He emphasized that the negotiations now in progress are designed to find a settlement of the military situation only.

3. The Foreign Office informant further stated that Communist agitators are active in disseminating misinformation with regard to the concentration of both Chinese and Japanese troops, press accounts of large bodies of Chinese troops proceeding toward the north being greatly exaggerated, while the reports current abroad of large Japanese troop movements are without valid foundation. He added that thus far no troops of the Chinese Central Government have proceeded north of the line laid down in the Ho-Umezu agreement.

4. Again the information furnished us by the Foreign Office is identical with that furnished the Military Attaché by the War Office.

Repeated to Peiping.

GREW

¹⁰ Between the Chinese Minister of War and the Japanese General, Umezu.

793.94/8770 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, July 15, 1937—10 p. m.

[Received July 15—10:15 a. m.]

202. My 201, July 15, 9 p. m. It has just been announced that the Cabinet has decided to despatch to North China reinforcements of undisclosed number of troops.

Repeated to Peiping.

GREW

793.94/8789 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Substance]

Tokyo, July 16, 1937—6 p. m.

[Received July 16—11:05 a. m.]

205. On the afternoon of July 16 the Chief of the American Section of the Foreign Office (Yoshizawa) gave "personally and unofficially" to a member of the Embassy staff a lengthy account of the North China situation. A summary of this account follows:

Up to the present time the Hopei-Chahar authorities and the 29th Chinese Army have not disavowed the agreement signed by them on July 11 and given to the Japanese. To execute the terms of the July 11 agreement will take some time but the 29th Army has committed no overt act which would show conclusively that the agreement is not to be executed or is to be disowned.

The main cause for the Japanese Government's decision of July 15 to send reinforcements to the North China area from Japan and in this way assure the safety of the Japanese troops in the vicinity of Peiping was the unremitting development of arrangements of the Nanking Government to mobilize and concentrate its troops in North China.

Two essentially separate and distinct questions have grown out of the incident at Marco Polo Bridge. These two questions are: (a) Settlement of the incident springing from antagonisms between the Japanese troops and the 29th Army and (b) the question whether the terms of the Ho-Umezu agreement of 1935 will be complied with by the Nanking Government. With regard to the latter question, no solution other than strict observance of the Ho-Umezu agreement on the part of the Nanking Government could be satisfactory to the Japanese. Concerning the other question, besides the circumstances mentioned above in the first paragraph of the summary of Yoshi-zawa's remarks, the 29th Army is made up of diverse conflicting ele-

ments which can be divided roughly into two cliques. One clique favors coming to terms with Japan on the basis of the July 11 agreement and the other clique advocates resisting the Japanese. According to indications, the clique which favors coming to terms with Japan is in the ascendancy.

In case troops of the Nanking Government should cross the Ho-Umezu line, Yoshizawa is personally of the opinion that three developments are possible. These developments are: (a) the Japanese troops will proceed against the Nanking troops, the 29th Army continuing to observe strict neutrality, (b) the Japanese troops will proceed against the troops of the Nanking Government with the "friendly cooperation or possibly with the support" of the 29th Army, (c) the Japanese may find it necessary to deal with both the 29th Army and the Nanking troops. Yoshizawa was of the opinion that (a) would be the most probable of the three possible developments.

During the course of a conversation with the American Military Attaché on the afternoon of July 16, an officer in the War Office expressed the opinion that there is a "50-50" chance that a peaceful settlement of the whole affair will be reached. He also stressed the importance attached to faithful observance of the Ho-Umezu agreement although no serious view is being taken of minor violations which have occurred to date. The officer affirmed as did the Foreign Office on July 15 that the agreement of July 11 has no reference to economic or political questions.

The Military Attaché states in his report to the Ambassador that he believes from various indications that part (probably a brigade of two infantry regiments with some artillery, cavalry, and engineers attached) of the Sixth Division stationed in southern Kyushu sailed from Shimonoseki on the night of July 15; that a partial mobilization of some units, including the requisitioning of motor vehicles, is under way and that supplies of aviation gasoline are being accumulated. There are ample indications that Japan is preparing to use the force necessary to compel execution of the agreement of July 11 if that agreement is not carried out voluntarily.

Repeated to Peiping.

GREW

*Statement by the Secretary of State*¹¹

I have been receiving from many sources inquiries and suggestions arising out of disturbed situations in various parts of the world.

Unquestionably there are in a number of regions tensions and strains which on their face involve only countries that are near neighbors but

¹¹ Issued as a press release on July 16, 1937; reprinted from Department of State, *Press Releases*, July 17, 1937 (vol. xvii, No. 407), p. 41.

which in ultimate analysis are of inevitable concern to the whole world. Any situation in which armed hostilities are in progress or are threatened is a situation wherein rights and interests of all nations either are or may be seriously affected. There can be no serious hostilities anywhere in the world which will not one way or another affect interests or rights or obligations of this country. I therefore feel warranted in making—in fact, I feel it a duty to make—a statement of this Government's position in regard to international problems and situations with respect to which this country feels deep concern.

This country constantly and consistently advocates maintenance of peace. We advocate national and international self-restraint. We advocate abstinence by all nations from use of force in pursuit of policy and from interference in the internal affairs of other nations. We advocate adjustment of problems in international relations by processes of peaceful negotiation and agreement. We advocate faithful observance of international agreements. Upholding the principle of the sanctity of treaties, we believe in modification of provisions of treaties, when need therefor arises, by orderly processes carried out in a spirit of mutual helpfulness and accommodation. We believe in respect by all nations for the rights of others and performance by all nations of established obligations. We stand for revitalizing and strengthening of international law. We advocate steps toward promotion of economic security and stability the world over. We advocate lowering or removing of excessive barriers in international trade. We seek effective equality of commercial opportunity and we urge upon all nations application of the principle of equality of treatment. We believe in limitation and reduction of armament. Realizing the necessity for maintaining armed forces adequate for national security, we are prepared to reduce or to increase our own armed forces in proportion to reductions or increases made by other countries. We avoid entering into alliances or entangling commitments but we believe in cooperative effort by peaceful and practicable means in support of the principles hereinbefore stated.

793.94/9064

*Memorandum by the Chief of the Division of Far Eastern Affairs
(Hornbeck)*

[WASHINGTON,] July 16, 1937.

The Japanese Chargé d'Affaires, Mr. Suma, called on the Secretary this afternoon on Mr. Suma's own initiative. The Secretary suggested that Mr. Hornbeck be present, and, Mr. Suma having assented, Mr. Hornbeck was called in.

Mr. Suma read, making some comments while reading, a memorandum, a copy of which is here attached.¹²

The Secretary then asked a number of questions and stated that, with impartial friendliness toward both sides, we are greatly interested in there being maintained peace. He asked the question: "How do you feel about the situation, do you feel hopeful?" Mr. Suma said: "I do not feel that there is very much hope," and he elaborated somewhat on the subject of Chinese methods and practices of evasion.

The Secretary then asked whether Mr. Hornbeck would wish to ask any questions. Mr. Hornbeck said that he wanted to make sure that there would not be a misunderstanding; he referred to the Secretary's question whether Mr. Suma felt hopeful and Mr. Suma's reply that he did not, and said that he wondered whether Mr. Suma meant that he was not hopeful that major hostilities would be averted. —Mr. Suma said that that was not what he had meant but that he had meant that he was not hopeful that there would be a speedy settlement, he thought the situation would drag along because of Chinese evasions and failure to live up to promises. —Mr. Hornbeck then asked whether Mr. Suma could state who had signed the agreement of July 11 referred to in the memorandum which Mr. Suma had read. —Mr. Suma replied that it had been signed on the Chinese side by the commanding officer of the 29th Army and on the Japanese side by a local Japanese authority. —Mr. Hornbeck asked whether the 29th Army was a part of the Chinese National Army. —Mr. Suma replied that it was. —Mr. Hornbeck asked whether its commanding officer would take orders from the Nanking Government and carry them out. —Mr. Suma replied that the commanding officer would take orders from Nanking but that there were divided elements in the 29th Army. He said that a part of that Army had been a part of the army of General Feng Yu-hsiang. —Mr. Hornbeck then said that there are many conflicting accounts on the subject of dispatch of Japanese armed forces from Japan: could Mr. Suma give us the facts. —Mr. Suma said that he did not know of any armed forces having been sent from Japan but he thought some were being sent from Korea and Manchuria. —Mr. Hornbeck then said that he would like to ask what perhaps might be an indiscreet question: Could Mr. Suma make a statement for the Secretary's benefit regarding just what it is that Japan is trying to do in north China, what is the Japanese objective? —Mr. Suma then talked at considerable length but with great vagueness of agreements which had been made for economic cooperation between Chinese and Japanese, of Chinese failure to live up to agreements, of the necessity for protecting Japanese nationals, etc. (NOTE: What Mr. Suma said was so little enlightening

¹² *Infra.*

from point of view of specification and so completely enlightening from point of view of the general purport that Japan wished to establish Japanese influence more completely, that it is believed no useful purpose would be served in trying to set down the details.)

S[TANLEY] K. H[ORNBECK]

793.94/9064

The Japanese Embassy to the Department of State

1. That the Japanese side did not take any drastic measures against wanton firing of the Chinese army on several occasions even after the truce of July 11, 1937 and that the terms of the settlement itself were lenient and practicable show clearly the basic principles of the Japanese Government not to aggravate the situation and to come promptly to a peaceful settlement.

Moreover, the Japanese army took the initiative in proposing a mutual withdrawal from the Yuanping area and actually carried out the withdrawal immediately after an agreement was made on July 11. Nothing is farther from the intention of the Japanese army than to occupy Lukow-Kiao or to control the Peiping-Hankow Railway as is alleged by a spokesman of the Chinese Government.

2. The Japanese troops stationed in Tientsin, Peiping, Fengtai, etc. are without exception in very small detachments. If the Chinese 29th Army challenged the Japanese on all sides, these detachments would have been decidedly isolated in great danger. In such an event, the lives and property of 2,000 Japanese residents in Peiping and 8,000 in Tientsin would also be jeopardized. The dispatch of additional forces from Japan to the troubled area is solely to prevent such an eventuality. It would also serve to localize the incident and preserve the peace, because sizable reinforcements from Japan would discourage any attempt on the part of China to challenge the Japanese detachments, which, in turn, would prevent open hostilities between Japan and China.

[WASHINGTON,] July 16, 1937.

793.94/8883

*Memorandum by the Chief of the Division of Far Eastern Affairs
(Hornbeck) of a Conversation With the Japanese Chargé (Suma)*

[WASHINGTON,] July 19, 1937.

Mr. Suma called at his own request at 4:15 this afternoon. He said that he had come to give me his Embassy's latest information. He said that his Government was awaiting a reply by the Nanking Government to a memorandum which it had given the Nanking

Government the day before. He said that much would depend on the character of the Nanking Government's reply. He then went on to speak of the general unreasonableness of the Chinese. He said that they had sent 60,000 troops to a point a little south of Paotingfu. He said that this was "very near" to the forbidden zone. To my inquiry, "How near," he replied, "About 200 miles." (NOTE: This is probably incorrect: the distance is probably nearer to 100 miles.) I replied that 200 miles would scarcely seem "very near." Mr. Suma then inquired whether we had had any reports of anti-Japanese sentiment among the Chinese at Hankow. I replied that we had not. Mr. Suma said that there was growing anti-Japanese sentiment at Hankow and that his Government was apprehensive with regard to it. (NOTE: On thinking it over, this remark seems to me significant: if it should be the case that the Japanese military contemplate making a drive against the Nanking Government, an attack upon Hankow (in central China) would be a logical strategic stroke; and, preparation therefor by featuring anti-Japanese sentiment at that point would be a logical move in diplomatic tactics.) Mr. Suma said that his Government was very anxious to keep the peace, but that the Chinese were hard to reason with: they must cease their opposition to Japan. I remarked that it seemed to me that all occidental minds found it very difficult to understand how the Japanese could expect at the same moment to be bringing military pressure upon the Chinese and to have the Chinese not entertain an anti-Japanese feeling. Mr. Suma again spoke of growing anti-Japanese sentiment at Hankow.

I said that a few minutes before this conversation had begun I had been with the Secretary of State about another matter and had mentioned to the Secretary the fact that Mr. Suma was about to call on me. I said that the Secretary had asked that I speak again, as from him, of the importance which this Government attaches to maintenance of peace. I said that the Secretary had remarked that from point of view of Japan's own interest he thought that to let this matter go to the point of major hostilities would be very detrimental. I said that we were saying the same things impartially to both sides and that both the American Government and the American people feel that a war between China and Japan would be very harmful to the interests of the whole world. Mr. Suma said that Japan did not want war.

Mr. Suma said that he had noticed accounts in the newspapers of an approach by the British Government to this Government and he would like to know whether it was true that such an approach had been made. I said that it was true. Mr. Suma inquired what the British Government had said. I replied that the British Government had given us information and had asked our views. Mr. Suma asked whether we had replied. I said that we had done so and that the

exchanges between the two Governments had been in the nature of consultation. Mr. Suma asked whether this was "finished." I replied that consultation can never be said to be "finished" and that in reference to any situation it is a natural process while the situation endures.

Mr. Suma then reverted to the matter of the reply which his Government awaits from the Nanking Government. He again said that much would hinge on that reply, and he again spoke of anti-Japanese sentiment among the Chinese. I again spoke of this Government's desire and hope that peace will be kept.

793.94/8869 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 20, 1937—midnight.

[Received July 20—2:10 p. m.]

214. At the termination of an emergency meeting of the Cabinet tonight, its third meeting today, the following statement was issued:

"An agreement to settle the North China incident locally was concluded at 11 o'clock on the evening of July 11 but among the Chinese regiments were some who impeded enforcement of the agreement and lawlessly fired on the Japanese, disturbing peace and order.

Moreover, as there could be seen no sincerity at all on the part of the Chinese to enforce the terms of the agreement, the Imperial Government has decided in accordance with its already fixed policy to take self-defense steps adequate for surveillance of the Chinese in enforcement of the agreement."

Repeated to Peiping.

GREW

793.94/8952

Memorandum by the Secretary of State

[WASHINGTON,] July 21, 1937.

The Ambassador of Japan called this morning at my request. After brief preliminaries, I very seriously addressed the Ambassador and said that, of course, he must be fully aware that when two nations comprising 500 million people are engaged in a controversy in which danger of general hostilities appear imminent, this country cannot help but be greatly interested and concerned; that it is in the light of this situation and of the intense desire of this country for peace everywhere that I have been undertaking to confer with the ambassadors from both Japan and China from time to time regarding developments, present and prospective, in the danger zone; that I

have approached each government, in a spirit of genuine friendliness and impartiality in an earnest effort to contribute something to the cause of peace and to the avoidance of hostilities in the Far East; that, if the Ambassador did not mind, I would be glad to reemphasize the chief points I had referred to in our previous conversations on this general subject and situation; that these included a most earnest appeal to each government, from every possible standpoint, for peace, as well as an earnest expression of the opinion that a war would result in irreparable harm to all governments involved and would prove utterly disastrous, in the present chaotic state of world affairs, to all phases of human welfare and human progress. After elaborating the foregoing views as fully as possible, I then said that I had also brought to the Ambassador's attention the great objective and beneficent purposes of the program adopted at Buenos Aires, including the 8-point pillar of peace proposals in my address at Buenos Aires,¹³ and I emphasized the view that such general hostilities now would utterly shatter the future prospects of this broad basic program for improving international relationships and to restore international order and thereby avoiding the opposite trend at present towards international anarchy; that I have been seeking to emphasize to all governments and all nations alike the basic points of this broad Buenos Aires program, and to this end I gave out a statement on last Friday¹⁴ containing these various proposals based originally on the 8-point pillars of peace statement; that I am getting a few of these out each day to various governments for their comment and, I hope, their approval and active cooperation; that I was glad herewith to hand to the Ambassador for his government a copy of this statement of last Friday, in the hope that his government can see its way clear to join with us and other nations in proclaiming the soundness and need of this program, and I added that it would be most pleasing to us if the Government of Japan could and would step up by our side and join in carrying forward this great program, a revival of the principles of which is so much needed by the world today. From the outset of our conversation, the Ambassador from time to time in brief words indicated his approval of what I was saying.

I then said to the Ambassador that I might repeat what I had also said to him at the beginning—that this government is ready and will be most glad at any time to say or do anything, short of mediation which of course requires the agreement of both parties in advance, which might in any way whatever contribute towards com-

¹³ *Report of the Delegation of the United States of America to the Inter-American Conference for the Maintenance of Peace, Buenos Aires*, pp. 11, 82.

¹⁴ Statement of July 16, 1937, p. 325.

posing the present matters of controversy between Japan and China; that this was, of course, said to the Ambassador for his Government; and I added that I desired to repeat with emphasis the present, continued attitude of this government of thus being ready and desirous of saying or doing anything that the government or governments concerned might suggest which would be fair and impartial towards all concerned and at the same time calculated to be helpful in restoring thoroughly peaceful relations in the Far East.

I said to the Ambassador that there was another phase of the matter I would like to put before him. I explained that I was anxious that my point of view be completely understood and for this reason I would like to inform the American Ambassadors in Japan and in China of the conversations held here and would like to have those Ambassadors report what I said, just as the Ambassadors of those countries to whom I spoke here would report, to the Japanese and Chinese Governments.

At one stage I asked the Ambassador what the latest developments were. He replied that he knew very little in addition to what had been reported to me by the Japanese Counselor during the past three or four days, except a report about a clash near the Marco Polo Bridge in which the Japanese used artillery only and declined to use their infantry. He said their purpose was to localize the controversy and avoid general hostilities; that he still has hopes that this result may be accomplished; that they are not bringing down troops from Japan proper.

The Ambassador said little throughout the conversation, but sought to make himself agreeable. I emphasized to him that if we did not feel genuinely friendly and impartial towards his country and all concerned I would not be saying some of the things I was saying.

During the course of the conversation, I remarked that I desired to refer specially to an incident of the past two days in which two American women, near their embassy in Peking, were assaulted by Japanese guards. I said that I had remarked to the press, off the record, on yesterday that I had only received newspaper information about this attack upon the American women and I could not comment upon it with accuracy until official information came to me; that in the meantime I assumed and hoped that our Embassy in Peking would take the matter up with the Japanese Government and a settlement, or adjustment, or action satisfactory to all concerned would be brought about. The Ambassador expressed his favorable interest in such action and also his belief that such would be the case. Dr. Hornbeck, who was present, remarked to the Ambassador that similar incidents relating to our nationals or the nationals of other governments have occurred during the past five years and that it would be very helpful to the

reputation of the Japanese Government to see to it that their guards would deport and demean themselves in a way to avoid such occurrences. The Ambassador expressed his approval.

C[ORDELL] H[ULL]

793.94/9957

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] July 22, 1937.

1. In accordance with the Department's No. 122, July 21, 6 p. m.,¹⁵ I called on the Minister for Foreign Affairs at the Foreign Office this afternoon and repeated to him what Mr. Hull had said to Ambassador Saito concerning our interest in and concern with the situation in the Far East.

2. Mr. Hirota said that he fully understood Mr. Hull's message which he had not yet received from Mr. Saito, as well as his views. He said, however, that he would not reply for a few days because the situation in North China is steadily improving and he is more optimistic than heretofore as to a satisfactory settlement of the controversy. He states that practical evidence of his optimism is given by the fact that all troop movements from Japan to China have been stopped for the present.

3. The whole situation he says depends on the carrying out of the agreement drawn up on July 11 and signed on July 19 by General Chang representing General Sung. The main difficulty is that the Nanking Government will not recognize this agreement and is actively obstructing a settlement. Hirota does not ask that Nanking recognize the agreement but only that it shall withhold obstruction. He is at present working along those lines and says he already sees signs of a more favorable attitude on the part of Nanking.

4. The Minister said that General Sung desires the precise terms of the above-mentioned agreement to be kept confidential for the present. Mr. Hirota however read to me a rough translation from the Japanese text as follows:

a. Apology.

b. Punishment of the Chinese captain responsible for the outbreak of hostilities at the Marco Polo Bridge and the censuring of the Army commander.

c. Assurances for the future which comprise voluntary retirement of Chinese officials in North China who obstruct Sino-Japanese cooperation; expulsion of communist elements from that district; control of the Blue Shirts and other organizations hostile to Japan; control of education in the schools; cessation of anti-Japanese propaganda.

d. Withdrawal of the 37th Division from Peiping.

¹⁵ Not printed.

5. The Minister pointed out that no political demands are involved in this agreement and that headway is already being made toward carrying out its terms.

6. The Minister said that in view of the great sensitiveness of the Japanese press at the present moment he will answer any questions from newspaper men regarding the purpose of my call to the effect that I had come to inquire with regard to the present situation.

I reported this conversation to the Department in my No. 223, July 22, 7 p. m.¹⁶

A copy of my statement to the Minister is attached herewith.¹⁶

J[OSEPH] C. G[REW]

793.94/9309

Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the Counselor of the Japanese Embassy (Suma)

[Extract]

[WASHINGTON,] July 27, 1937.

3. Mr. Suma asked whether the Department had any important news. Mr. Hornbeck said that there was a matter about which we had received news this morning. We had received word that a Japanese officer in Peiping had communicated information, apparently to the senior commandant, to the effect that the Japanese intended to launch a general attack against Chinese forces both in and around Peiping. We were not prepared to vouch for the authenticity of this report, but it came with all the appearance of authenticity. Mr. Hornbeck said that he was instructed by the Secretary to say that we felt that such an attack, if made, would be attended with great hazards: fighting in Peiping might involve all sorts of accidents and jeopardy to the lives of the civilian and non-combatant population among whom there are a considerable number of foreigners among whom in turn there are over seven hundred American nationals; mere endangering of the lives of their nationals becomes a matter of concern to a number of governments; our concern is, of course, primarily for the lives of American nationals, but where people are thrown together what endangers all endangers each and vice versa; action endangering or destroying foreign lives in Peiping would produce an unfavorable reaction throughout the world; it would be hard to convince the world that such action was called for by considerations of "military necessity"; after all, the world could not help but see that these things are taking place on Chinese soil and in a region where the treaty

¹⁶ Not printed.

powers, including Japan, have special and common rights and obligations.

Mr. Hornbeck at this point said that he wanted to make it perfectly clear that we are not affirming that orders have been given for the action under reference. We are speaking in the light of what looks to us to be reliable information, but we are not making any charge. If such action is even in contemplation, it seems better for us to urge that it be not taken before it happens. Mr. Hornbeck then referred to the written statement which the Japanese Ambassador had left with us on July 12 and read the sentence in numbered paragraph six thereof which stands as follows:

"In any case the Japanese Government is prepared to give full consideration to the rights and interests of the Powers in China."

Mr. Hornbeck made the comment that among the interests of the powers in China, in fact perhaps first among their interests, at least in the case of the American Government, is that of the lives of nationals; our nationals are there, they have a right to be there, anything that endangers their lives is of great concern to us. Mr. Suma nodded assent.

Mr. Suma then asked whether we had "called our nationals in." Mr. Hornbeck said that we had not done so; we understood that there were standing arrangements on the part of all the Embassies, including the Japanese, for calling their nationals in and taking care of them when and as emergency situations developed. These arrangements, however, had always been based on the possibility of danger from Chinese sources or Chinese situations. We understood that the Japanese Embassy there was going to inform us if at any moment our nationals in the western hills needed to be called in. Mr. Hornbeck then said that we had information from a civilian source that the town of Tungchow had been wrecked by Japanese bombing but that two Americans at the American school there were safe. Mr. Suma seemed especially interested in this information.

Mr. Hornbeck said again (for the third time) that he wanted to be sure that there was no misunderstanding of what he had been saying, under instruction. We were not charging or even affirming that Japan intended to launch the attack under discussion, but we had been informed that information had come from a Japanese source that such an attack was intended. We wanted to ask that the Japanese Government give most serious consideration to all the implications and possibilities which might flow from such an action if taken. Mr. Suma said that he understood.

Mr. Suma said that he would doubtless be getting much news from his sources and that he would continue to keep us informed.

Mr. Hornbeck thanked Mr. Suma and expressed the hope that the situation would not become more critical. Mr. Suma expressed reciprocation of that hope.

The conversation there ended.

S[TANLEY] K. H[ORNBECK]

894.032/171

*Address Delivered by the Japanese Prime Minister (Prince Konoye)
Before the Japanese Diet on July 27, 1937*¹⁷

[Extract]

The Premier's administrative address in the Diet, as given by Domei, follows:

"At this 71st session of the Imperial Diet, I have the honor of stating the views of the Government.

"At a time when our nation is confronted by serious problems and difficulties, I have been most unexpectedly appointed Premier, and I am keenly aware of the heavy burden I have taken on my shoulders.

"I desire to elucidate, first of all, the principle which underlies the endeavors of the Government to fulfill its immense responsibilities. This principle is to make all our policies stem from a single source, namely, the spirit of the solemn and superb polity of our Empire. Expression of this spirit means that externally we should, in concert with other Powers, strive to establish true peace firmly in the world in accordance with international justice and to enhance more and more the prestige of our nation abroad and that internally we should define clearly the relationship between Sovereign and subjects and enable each of the people to find his proper place in accordance with social justice, bringing about thereby a steady and healthy advance of the national fortunes. Such, then, is the principle the Government expects to observe in formulating and carrying out its policies along various lines.

"It is a source of profound regret that, with the troublesome question with the Soviet Union brought to a peaceful settlement and relations with other Powers increasingly amicable, there has occurred the present incident in China and that the Government has been compelled to make an important decision. I am very grateful, however, that the Government has been accorded the united support of the nation at this critical moment. In sending troops to North China, of course, the Government has no other purpose, as was explained in its recent statement, than to preserve the peace of East Asia. I cannot but hope most fervently that reconsideration and self-discipline on the part of the Government and people of China will make speedily possible a fundamental adjustment of Sino-Japanese relations.

¹⁷ Reprinted from the *Japan Advertiser* (Tokyo) of July 28, 1937.

"In view of the current circumstances at home and abroad, it is of the most urgent necessity for us to perfect our national defense and develop the economic power of our country. Accordingly, as the basic means of carrying out our national policy, the Government feels imperative need to devise a comprehensive scheme aiming principally at expansion of the nation's productive power, establishment of equilibrium in international accounts and adjustment of the supply of and demand for commodities. Investigations are in progress with a view to formulating a concrete program based on the conception of Japan and Manchukuo as a single unit."

793.94/9037 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Extracts]

Tokyo, July 28, 1937—5 p. m.

[Received July 28—11:05 a. m.]

230. Department's 128, July 27, 1 p. m.¹⁸

1. The British Chargé d'Affaires and I saw the Minister for Foreign Affairs separately this morning. I carried out your instructions fully and with emphasis. In the course of my representations I made the following oral statement:

"Information issuing from various authoritative Japanese sources indicates that military operations may be imminently initiated by the Japanese military command in North China.

Since the initiation on July 7th of the current incident in North China, the Japanese Government has on various occasions and in various ways taken cognizance of the presence of American nationals, along with nationals of other foreign countries, in the affected area, and of the existence in that area of the rights and interests of the United States, along with rights and interests of other foreign countries, which are based on the Boxer Protocol¹⁹ and on other international instruments. There are cited in this relation a memorandum of the Japanese Ambassador which was delivered to the American Government on July 12th by the Japanese Ambassador at Washington, numbered paragraph 6 of which concludes: 'In any case the Japanese Government is prepared to give full consideration to the rights and interests of the Powers in China;' and to the statement issued yesterday by the Cabinet, in which there is contained the statement: 'It goes without saying that Japan will make every effort to give protection to the vested rights and interests in China of other foreign powers.'

It is earnestly hoped that the Japanese Government will give effect to the assurances which it has directly and indirectly conveyed to the American Government and that it will take effective measures toward

¹⁸ Not printed.

¹⁹ Signed September 7, 1901; *Foreign Relations*, 1901, Appendix (Affairs in China), p. 312.

dissuading the Japanese command in North China from proceeding with any plan for military operations which would be likely to endanger lives and property of American nationals."

5. The Minister for Foreign Affairs stated to me categorically that it is not true that the Japanese intend to launch a general attack against all Chinese forces both within and without the city of Peiping regardless of whether the withdrawal of the 37th Division is proceeding satisfactorily. He said that over 2 weeks' warning had been given to the Chinese troops to withdraw from Peiping on the basis of the agreement of July 11 and that since this warning had not been acted upon it had finally become necessary to set a time limit at noon today and that a Japanese attack would be carried out only if withdrawal of the 37th Division has not already taken place. He said he had no news today as to whether this withdrawal had been effected. The Minister appeared to ignore the sporadic Japanese attacks already reported from Peiping.

6. The Minister gave me explicit assurances that every effort would be made to protect the lives and property of American and other foreign nationals and the rights and interests of the United States and other powers in the affected area and he has confidence in General Katsuki who, the Minister says, has complete control of his troops. The Minister added however that the Japanese Consulate in Peiping had informed other foreign consuls that Japanese subjects in outlying districts had been advised to concentrate in the Legation quarter in Peiping. The Minister thought that similar steps would therefore have been taken by the other foreign consuls with respect to their own nationals.

Repeated to Peiping.

GREW

793.94/9957

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] August 6, 1937.

1. Last night the press bureau of the Foreign Office informally issued a statement concerning the reports that a considerable number of Americans are planning to offer their services as aviators to the Chinese Army. The statement could be read as implying that the American Government is responsible for not deterring these aviators and that this may reflect on the good relations between the United States and Japan. The statement also invoked our Neutrality Act.²⁰

²⁰ See act of August 31, 1935, and amendments of February 29, 1936, and May 1, 1937; 49 Stat. 1081, 1152, and 50 Stat. 121.

2. I therefore called this morning on the Minister for Foreign Affairs at the Foreign Office, telling him that I had come on my own initiative and not under instructions and that I was making no formal representations, but that since he himself had recently spoken to me of the present sensitiveness of the Japanese press and the importance of avoiding undesirable comment and speculation I desired to bring this statement to his attention. The statement had not been published in this morning's Japanese newspapers but I said I hoped it would not appear in the afternoon press. I told the Minister that, as he must well know, the American Government will do everything in its legal power to discourage or deter Americans from fighting in foreign armies. I also pointed out that the Neutrality Act is a domestic matter and that its interpretation by foreigners is difficult.

3. The Minister seemed much upset and immediately telephoned to the chief of the press bureau who informed him that the statement had thus far been given only to one correspondent, Byas of the *New York Times*. Mr. Hirota promised me that it would not be permitted to appear in the Japanese press and he thanked me for bringing the matter to his attention.

Sino-Japanese Relations.

4. In the course of our conversation Mr. Hirota said, "As I told you some time ago Japan does not want war with China. If the Chinese Central troops which have come up to Hopei Province will withdraw there will be no more fighting."

5. As on my own initiative and responsibility I took this opportunity to say to the Minister that I hoped he would not fail to let me know if he ever saw ways either now or in future by which I could be of help in this situation.

This conversation was reported to the Department in my No. 247, August 6, 4 p. m., and No. 248, August 6, 5 p. m.²¹

J[OSEPH] C. G[REW]

793.94/9957

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] August 10, 1937.

1. I called this afternoon on the Minister for Foreign Affairs at his official residence and began by referring to the statement which I had made to Mr. Hirota on my own initiative at our last interview to the effect that the American Government will do everything in its legal power to discourage or deter Americans from fighting in foreign armies, and I then told the Minister that my Government had authorized me to inform him that this statement was entirely accurate. I said that I appreciated the steps which the Minister had taken to pre-

²¹ Neither printed.

vent the appearance in the Japanese press of adverse comment concerning reports that American aviators were trying to enlist in the Chinese Army, and I also expressed appreciation of his statement in the Diet to the effect that the American Government was taking all appropriate measures. Mr. Hirota said that he had made his statement in the Diet as a direct result of my talk with him.

American Offer of Good Offices.

2. I then referred to the statement which I had made to the Minister in our last conversations as on my own initiative and responsibility, that I hoped he would let me know if he ever saw ways in which I could be helpful in the present situation. I said that my Government had now authorized me to present this as a definite offer of good offices and that I was doing so in an informal, confidential and exploratory way, first because it seemed to me important to avoid publicity, and second because we wished to avoid any semblance of interference and were only anxious to be as helpful as possible. I repeated and emphasized this aspect of my remarks so that there could be no doubt in the Minister's mind as to our precise attitude and intentions. I then said that it had occurred to us that either now or later it might be helpful for us to arrange some neutral ground for a meeting of Japanese and Chinese plenipotentiaries to conduct negotiations and perhaps to be helpful if difficulties in those negotiations should arise.

3. The Minister received this offer in an entirely friendly way but immediately said that an opening for such negotiations had already been made. It appears that in the conversation which had taken place in Shanghai yesterday between Ambassador Kawagoe and Mr. Kao, Chief of the Asiatic Bureau of the Chinese Foreign Office, Ambassador Kawagoe had presented a so-called "plan" for adjusting Sino-Japanese relations and that Mr. Kao had immediately left for Nanking to report this plan to General Chiang Kai-shek. Mr. Hirota said that he was not yet in possession of all the details of the conversation in Shanghai but that war might still be avoided if Chiang Kai-shek would respond with some "proposal" which would serve as a basis for negotiations. It was obvious from the Minister's remark that this would be a counter-proposal and not necessarily a reply to an ultimatum. Mr. Hirota however characterized the situation as critical and said that unless General Chiang Kai-shek should respond promptly and favorably it would be very difficult to avoid general warfare.

4. The Minister then said that the most effective action which could be taken by the American Government, if it desired to be helpful, would be to persuade General Chiang Kai-shek to make some kind of a proposal promptly.

5. I tried to get the Minister to reveal the general nature of the "plan" which Kawagoe had presented to Kao but Mr. Hirota seemed

reluctant to do so, merely stating that it involved conditions for doing away with all anti-Japanese activities in China and also for establishing "good relations" with Manchuria. I asked the Minister if this involved recognition by China of "Manchukuo", to which he merely replied, "that would be helpful".

6. Mr. Hirota asked that I regard as strictly confidential the fact that this opening for negotiations had been made because, he said, the press knows nothing about the nature of the Kawagoe-Kao conversation.

7. Mr. Hirota added that matters had been rendered worse by the recent assassination of a Japanese naval officer in Shanghai and that the Japanese Navy is very angry about it, but in order not to enflame the situation in Shanghai it is observing self-restraint.

8. This conversation was reported to the Department in my telegram No. 254, August 10, 7 p.m.²²

J[OSEPH] C. G[REW]

793.94/9306 : Telegram

The Ambassador in China (Johnson) to the Secretary of State

NANKING, August 11, 1937—midnight.

[Received August 12—5 a. m.]

403. 1. I joined with my German, British, Italian and French colleagues in addressing notes of today's date to the Chinese Minister for Foreign Affairs and the Japanese Ambassador. They were delivered about 9 o'clock this evening.

2. . . .

3. The first paragraph of the letter to the Japanese Ambassador was the same as above.²³ The second paragraph read as follows:

"In an oral communication the Chinese authorities have already announced to some of the Embassies most interested their desire to avoid all hostilities in the Shanghai region. Prompted by the considerations mentioned in the foregoing paragraph, the Ambassadors most interested were, at the moment there was delivered to some of them the oral communication of the Chinese authorities indicating their desire to avoid all hostilities in the Shanghai region, preparing to approach simultaneously both the Chinese and the Japanese Governments on this subject. The undersigned diplomatic representatives, in the hope

²² Not printed.

²³ First paragraph as follows: "In the midst of the general uneasiness occasioned by recent events in North China, we have been feeling increasing anxiety for the safety of our nationals and the welfare of the immense foreign commercial and shipping interests in Shanghai and its vicinity. You will agree that it would be deplorable if hostilities should unfortunately occur in that region precipitating inevitably a chain of events which would gravely endanger foreign life and property." Quoted in telegram No. 390, Aug. 8, 1937, 1 p.m., from the Ambassador in China (793.94/9243).

that the Japanese authorities will do all in their power to carry out effectively a plan to exclude the Shanghai area from the scope of any possible hostilities, now address this communication to Your Excellency. We should welcome any assurance to that effect which Your Excellency may feel able to give."

Sent to Tokyo.

JOHNSON

711.00 Statement, July 16, 1937/205

Memorandum by the Secretary of State

[WASHINGTON,] August 13, 1937.

The Ambassador of Japan handed me the comment of his Government on my statement of foreign policy²⁴ given out some weeks ago and sent to all the governments. The attached is a copy.²⁵

The Ambassador then said that, on account of the action of the Chinese, the military situation in Shanghai was serious and that he did not know what might occur as a result in the way of crises and injuries to persons. I replied that this country and this Government greatly deplored the prospects or possibilities of a major military clash in Shanghai, adding that we would be extremely sorry to see anything of that sort occur; that both Japan and China would be held equally responsible by the nations of the world if a major military engagement should be brought on in Shanghai, since this is a great metropolitan world city of vast world commerce and comprising many large groups of foreigners; that the losses and injuries would be tremendous; and that no nation could justify such wholly unauthorized destruction. I strongly emphasized the point of equal responsibility. I stated to the Ambassador that this Government had said everything possible to responsible officials and persons on each side, both locally and generally, that might be in the least calculated to induce or encourage the Japanese and Chinese to keep troops out of the Shanghai area and so avoid a major or serious military clash. I emphasized this view as to the responsibility of both countries. The Ambassador did not argue this point. I further deplored the seriousness of the situation in China generally.

The Ambassador said that he would be glad to have his Counselor call during the afternoon and give the Department any additional information as to conditions, especially in Shanghai.

C[ORDELL] H[ULL]

²⁴ Statement issued July 16, 1937, p. 325.

²⁵ Note of Japanese Embassy printed *infra*.

711.00 Statement, July 16, 1937/192

The Japanese Embassy to the Department of State

The Japanese Government wishes to express its concurrence with the principles contained in the statement made by Secretary of State Hull on the 16th instant [*ultimo*] concerning the maintenance of world peace. It is the belief of the Japanese Government that the objectives of those principles will only be attained, in their application to the Far Eastern situation, by a full recognition and practical consideration of the actual particular circumstances of that region.

[WASHINGTON,] August 13, 1937.

793.94/10566

The Counselor of the Japanese Embassy in China (Hidaka) to the Counselor of the American Embassy in China (Peck)

NANKING, August 13, 1937.

DEAR MR. PECK: I have been instructed by my Ambassador at Shanghai to convey to Their Excellencies the American, British, French, German and Italian Ambassadors the views as stated in the separate paper attached hereto as his reply to their Note of the 11th instant.²⁶

I shall be very much indebted to you if you will be so good as to transmit it to the interested Ambassadors at the earliest opportunity.

Yours faithfully,

SHINROKURO HIDAKA

[Enclosure]

The Japanese Ambassador in China (Kawagoe) to the American Ambassador in China (Johnson), et al.

It goes without saying that the safety of the lives and property of the foreigners as well as the Japanese in Shanghai falls under the solicitous care of the Japanese Government. It follows therefore that it is the most sincere desire on their part to avert any armed hostilities being engaged in Shanghai and the districts adjacent to it.

2. In order to successfully fulfil the desire expressed above, however, it is a matter of urgent necessity that, with an ultimate view to achieving the faithful observance of the stipulations of the Shanghai Truce Agreement of 1932²⁷ by the Chinese authorities, steps must be taken, as provisory measures, to withdraw the Chinese regular troops and the equally well equipped Peace Preservation Corps that are at present concentrated in the vicinity of the settlements and are threatening the

²⁶ For text of the collective note of August 11, see telegram No. 403, Aug. 11, 1937, midnight, from the Ambassador in China, p. 341.

²⁷ *Ante*, p. 217.

Japanese, at least outside the fighting distance, and also to demolish all their military constructions erected in the vicinity of the said area.

3. The Japanese Naval Landing Party are under the strict order to act with utmost self-control and perseverance. It can be definitely stated that they do not entertain the slightest intention of making any unprovoked attack on the Chinese troops or the Peace Preservation Corps. Also, the Japanese Government are fully prepared to withdraw their Naval Landing Party forces to their original positions provided that the conditions mentioned in the preceding paragraph are accepted by the Chinese authorities.

4. Under these circumstances, the Japanese Government earnestly request the interested Powers that, with the purpose of preserving Shanghai immune from the deplorable consequences of a warfare, they be good enough to exhaust all necessary means at their disposal in order to bring about the withdrawal of the Chinese troops and the Peace Preservation Corps at the earliest moment.

SHANGHAI, August 12th, 1937.

793.94/9957

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] August 13, 1937.

1. The Vice Minister for Foreign Affairs asked me to meet him at the Tokyo Club late this evening and gave me the text of the statement the sense of which Mr. Hidaka had been instructed to communicate today to the five ambassadors in Nanking in reply to their communication of August 11. In case any error should have occurred in communicating this message, the Vice Minister expressed the hope that I would cable the precise text to Washington. The text follows at the end of this memorandum.²³

2. The Vice Minister said that the situation in Shanghai is dangerous because Chinese troops have been sniping at the Japanese landing forces who have naturally returned the fire. The Japanese, he said, earnestly wish to avoid hostilities. He expressed the hope that the Ambassadors in Nanking would arrange through their consular representatives in Shanghai for the Chinese troops to withdraw "to an arranged point" whereupon the Japanese forces would likewise withdraw to their original position. I asked the Vice Minister if this was a request for mediation. He replied "Yes, local mediation".

3. I took the opportunity of this unsolicited interview to say to the Vice Minister that I desired to support earnestly and to urge the importance of the representations made by the five ambassadors

²³ For text as delivered at Nanking, see *supra*.

in Nanking to the Japanese Embassy to the effect that the Japanese would not use Shanghai as a base for hostilities and that they would not land further forces. The Vice Minister made no further comment except to thank me for having consistently had in mind the avoidance of undesirable publicity in the various steps which I have taken here.

4. The Vice Minister told me that he was communicating also to the other concerned ambassadors the instructions sent to Mr. Hidaka.

J[OSEPH] C. G[REW]

793.94/9334 : Telegram

The Consul General at Shanghai (Gauss) to the Secretary of State

SHANGHAI, August 13, 1937—3 p. m.

[Received August 13—10:35 a. m.]

467. The secretary of the Consular Body came to me this morning from the Japanese Consul General to say that the latter has again been instructed from Tokyo to do everything possible to avoid a conflict at Shanghai. Japanese Consul General desired to know whether I and my principal colleagues would be willing to explore the situation further with the Mayor. Japanese Consul General was quoted as saying he was prepared to recommend to his Government that Japanese forces here be substantially reduced and withdrawn if some similar recommendation can be made on Chinese side.

My British and French colleagues when consulted indicated their willingness to confer on the subject. They are meeting me shortly. I shall suggest that we then see the Japanese Consul General to confirm his position and to ascertain what he might be willing to recommend to Tokyo; and thereafter that we see the Mayor and inquire whether he would be willing to recommend some such action to his Government.

I am aware that Japanese may be taking their action from political motives in view of the large Chinese concentration here and their desire to confine the conflict to the north. At the same time, in view of the grave position here as it affects the safety of our nationals, I feel that we should not refuse to do whatever we can upon request to facilitate the desire of either side to initiate proposals or offers for reference to their respective Governments as a basis for any conversations they may then undertake between themselves or under the benevolent observance of higher authorities. Developments will be reported.

Sent to the Department. Repeated to Nanking and Peiping.

GAUSS

793.94/9338 : Telegram

The Consul General at Shanghai (Gauss) to the Secretary of State

SHANGHAI, August 13, 1937—9 p. m.

[Received August 13—9:55 a. m.]

473. My 467, August 13, 3 p. m. We saw Japanese Consul General. He did not state he had again been instructed to endeavor to avoid a conflict but said he would welcome any help that could be given to that end. No suggestions to offer. We asked whether he would be disposed to return to the *status quo ante*, which would necessitate withdrawal of his reinforcements as well as Chinese forces. He said he would be glad to put such a proposal to Tokyo. We then saw the Chinese Mayor and told him that while our efforts in the joint commission yesterday were without results we continued desirous of being of any assistance. We inquired whether he would be willing to put any proposals to Nanking for avoiding conflict. He said he was anxious to do so. We gradually approached a proposal for return to *status quo ante* and he appeared to be eager to work out what that would mean, but said he could make no commitment but would send anything to Nanking. An effort was then made to outline what it would mean, and he frequently brought up points to be covered. Finally the following was drafted in rough form: "General principles to be worked out between authorized Chinese and Japanese representatives. Chinese side. (1) Withdraw regular troops to former positions. (2) Peace Preservation Corps. General withdrawal about 2 miles from railway on all sides of Settlement, Chinese police only function in that evacuated area. Japanese side. (1) Withdrawal of their reinforcements leaving only normal garrison for protection of their nationals, to remain east of railway in northern area and to be withdrawn from cotton mills in western district. (2) Withdrawal of the additional naval vessels sent to Shanghai after incident on August 9th.["]

2. Mayor stated he would be glad to submit foregoing to Nanking Government if Japanese Consul General was willing to submit it to Tokyo. We then saw Japanese Consul General who seemed disposed to have the proposals and undertook to send them to Tokyo in the same manner as Mayor will send them to Nanking, without commitment. Mayor was so informed.

3. I have no hope that this gesture will be fruitful, but I felt under any circumstances that is [*it?*] seemed about all we could suggest.

4. Mayor said he had contacted commander of Chinese troops and had asked him to avoid a clash. But he stated that the clash was actually occurring at Two Character Bridge at that moment. This bridge is near Japanese barracks. Japanese Consul General also

mentioned this clash. We expressed to both sides the hope that they would be able to restrain their troops.

Repeated to Nanking and Tokyo.

GAUSS

793.94/9338 : Telegram

The Secretary of State to the Consul General at Shanghai (Gauss)

WASHINGTON, August 14, 1937—2 p. m.

216. Your 467, August 13, 3 p. m., and 473, August 13, 9 p. m. I heartily approve the action taken by you.

HULL

793.94/9432 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, August 16, 1937—6 p. m.

[Received August 16—3:18 p. m.]

272. Department's 146, August 13, midnight, and 149, August 14, 10 p. m.²⁹

1. This afternoon I called on the Minister for Foreign Affairs at his residence and handed to him an informal note the text of which is set forth in paragraph 8 of this telegram.

2. The situation today at Shanghai is such that, whatever the contributory causes, the Japanese Government is now confronted equally with neutral governments with the problem of protecting the lives of great numbers of their nationals at Shanghai. Even if neutral governments were prepared to assume by delegation responsibility for protection of Japanese nationals, it is not to be expected in the present state of affairs that the Japanese Government would be willing to delegate such responsibility. The Chinese bombings have of course rendered the situation infinitely more difficult and the probability of any Japanese [initiative] towards withdrawal seems hardly to be expected.

3. Nevertheless, realizing the profoundly grave aspects of the present situation, [I] availed myself of the authorization granted me in the last paragraph of Department's 149. My note was formulated in such language as would, in our opinion, hold out some perhaps slender prospect of a solution.

4. In my conversation with the Minister I spoke to him of your grave concern over the safety of American nationals in Shanghai and of your feeling that the only way of now avoiding more serious destruction and possible loss of life was for the withdrawal of one or both combatants. I also told him of what had been done in Shanghai.

²⁹ Neither printed.

I then read to him my informal note, pausing to render completely clear and to emphasize each separate point.

5. The Minister listened carefully and courteously and then said that he knew of the approach by the foreign consuls to the Japanese but he had not heard of their approach to the Chinese. He deeply regretted the loss of American life. He said that the Japanese Consulate General had been bombed today and that two persons therein had been seriously injured. He mentioned the Japanese decision to send reenforcements. I asked him whether these reenforcements could not be withheld until adequate time had been afforded for consideration and action on the proposals of the consuls and urged the great importance of such delay. The Minister said that these decisions now lay exclusively in the hands of Admiral Hasegawa.

6. The Minister referred to his previous comment concerning the Kawagoe-Kao conversations and to Kao's promise to return to Shanghai with Nanking's reply. Hirota added significantly that Kao had not returned.

7. The Minister said that Hidaka and other Japanese Embassy officials in Nanking had requested the consuls [*American Navy*] for transportation to some safe spot. He emphasized the fact that this does not constitute a breach of diplomatic relations and that Hidaka will probably eventually go to Shanghai to join Kawagoe.

Following is the text of my informal note:

8: "Tokyo, August 16, 1937. My Dear Minister: The initiation at Shanghai of hostilities between armed Japanese and Chinese forces has given rise on the part of my Government, which had looked forward with lively hope to a speedy adjustment of matters at issue between the Governments of Japan and of China, to a feeling of alarm over the safety of the lives and property of its nationals residing in Shanghai. I make no reference on this occasion to the broader issues over which controversy has arisen between the two powers with which the United States has long maintained ties of friendship: I now refer to the incalculable hazards to which combat operations at Shanghai between Japanese and Chinese forces are subjecting American nationals along with other nationals in no way involved in the creation of the military situation now existing in that area.

My colleague in Nanking has expressed to the Chinese Minister for Foreign Affairs the hope that some means may be found whereby the two Governments may get together and bring about a cessation of hostilities in the neighborhood of Shanghai, a hope which I earnestly share. My Government has urged upon the Chinese that their forces should be withdrawn. The important issue at the present moment is not a question of determining the initial responsibility for the outbreak, but there can be no doubt that if the Shanghai region continues to be made the theatre of battle, neither side can divest itself of responsibility.

There now appears to be but one hope of averting further destruction [*destructive*] and dangerous military operations at Shanghai, and

that lies in the withdrawal by one or both sides of its armed forces from Shanghai and from the environs of that city. The dangers imposed upon noncombatants of all nations and upon their property are so great that my Government feels warranted in entertaining the confident hope that the Japanese Government will contribute toward restoration of conditions of peace in and around Shanghai by giving speedy and favorable consideration to plans, of which Your Excellency is no doubt aware, calculated to bring about cessation of hostilities in the concerned area, that have been formulated by representatives at Shanghai of the interested powers.

I am, my dear Minister, with high respect, sincerely yours, Joseph C. Grew."

Repeated to Nanking.

GREW

793.94/9432 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, August 17, 1937—3 p. m.

150. Your 272, August 16, 6 p. m. I heartily approve your action and excellent note. If not already done, please inform your British and, in your discretion, French colleague.

HULL

Press Release Issued by the Department of State on August 17, 1937

The Secretary, at his press conference this afternoon, announced that Congress was being asked for an appropriation of \$500,000 for the emergency relief and evacuation expenses necessitated by the situation in the Far East.

The Secretary said that the Government of the United States had been repeatedly urging the Governments of Japan and China not to conduct military operations or establish military bases in the Shanghai area. Furthermore since some outbreaks had occurred, the Government of the United States and some other governments had very earnestly expressed the opinion to both of the Governments involved that both alike would be considered responsible by the nations of the world for any hurtful or destructive or serious military activities that take place in the Shanghai area. The Secretary explained that this was in some respects an unusual locality, a great city with a population of three million in and about it, built up more or less by the nationals of many countries of the world, as well as by China, and that for destructive or major or serious military activities to be instituted there or carried on would be calculated to result in unthinkable injuries and dangers both to persons and property, and that there could not be any justification for military activities there.

On August 16 Admiral Yarnell, in command of the U. S. Asiatic Fleet, requested that 1,200 marines located at San Diego be sent to Shanghai. The Secretary said that it would require perhaps ten days for the preliminary preparations and would be about five weeks before they could reach Shanghai. Of course, he continued, we were hopeful that by that time there would be no real need for these marines at Shanghai. They might be needed for relief and the replacement of those located there at present, because of the strain on them of keeping guard over an indefinite period of time. The question might, in the judgment of some, come up as to why we should have any guards over there, or why we should send additional forces over there at this time. The Secretary said that it would be recalled that for some time past China had not had, in parts of the country, that full measure of political stability that it once had, and that it was steadily approaching now. The result had been the Boxer attack on the Legations in 1900, and when, in 1912, another outbreak occurred, all the Governments having nationals over there sent additional guards. It was at that time that we had sent a regiment to Tientsin. In 1927 there had been an extreme nationalistic movement, and the United States chartered a ship and sent from San Diego to Shanghai a regiment of marines. In 1932 we had had some similar experiences over there, as had other governments and other nations. Several countries had substantial numbers of nationals in this area.

The question of what degree of protection, if any, this Government, as a policy, proposed to give its nationals abroad under given circumstances, the Secretary said, was one that was more or less misunderstood, and perhaps one about which some people might differ either in degree or *in toto*. He said that as far as this Government was concerned, the general and very definite principles governing normal and ordinary international relationships were embodied in a statement he had issued to the press on July 16 and he thought that more than fifty governments definitely and in writing had expressed their approval of those principles. We, of course, stood on them so far as our general relationships with other nations were concerned. In this connection we sought at all times to promote and safeguard our standing and our influence from every standpoint of human progress and human welfare, and to promote desirable relations—economic, educational, social, cultural, political—with all other nations.

Whenever American nationals in any part of the world might be denied equal protection of laws in countries where they were, or were being unfairly treated, the Secretary said that this Government came to their assistance by making earnest representations under international law as it is universally recognized, and in support of the reasonable and rightful claims of our nationals. This applied to every square

foot of the world's surface. But, he continued, we always undertook to carry forward this policy of cooperative international relations peacefully, and in a manner mutually acceptable and mutually advantageous. The question of force was entirely out of mind. In the case of Spain the United States had sent its vessels to any and every port, and where necessary had assembled its nationals who desired to escape from danger and had carried them to places of safety, or at least away from immediate danger zones.

In countries where mob violence, or violence of disordered and unorganized groups, constituting no part of any organized military force of any government, was likely to sweep across thickly populated localities, it had been the policy of the United States to send vessels to remove its nationals from danger zones. For the purpose of dealing with special conditions such as the Secretary had referred to, the United States had had guards at three points in China, just as several other governments had guards in the same places, to protect nationals against mob movements or from violence on the part of any disorganized group or groups of persons. The Secretary said he thought that was thoroughly understood. All the nations having nationals in that area were in harmony with each other so far as protecting international areas allotted to the nationals of foreign countries as a place of safety was concerned, especially at times of threatened violence. There was no occasion for any clash between organized military forces of any country; any differences that might arise among them would be referred back to the capitals of their respective governments. It was solely to protect nationals against the kind of disorders referred to that this and other countries had had guards stationed at these three points in China.

The Secretary said that we naturally found ourselves in between two extreme views. One was the view of extreme internationalism, which rested upon an idea of political commitments. We kept entirely away from that in our thoughts and views and policies, just as we sought, on the other hand, to keep entirely away from the extreme nationalists who would tell all Americans that they must stay here at home and that if they went abroad anywhere for any purpose—tourist, urgent business, or otherwise—and trouble overtook them and violence threatened, they must not expect any protection from their government. We could today order our guards to walk out of Shanghai and leave our 3,000 and more nationals who had not yet escaped to the mercy of a mob that was actually reported as threatening danger there today. That would mean that we would leave the British guards and the French guards and the guards of other nationals who were there, as were ours, on legitimate business in this great metropolitan city, to protect their nationals and ours

while we moved out lock, stock and barrel and hastened back to within the water's edge of this country. That viewpoint meant in the first place that we could very easily, by our own action, create the definite impression in the mind of every other government in the world that we would get out gradually, from this time forward, *in toto*, and then it would be found that Americans who were left behind there, as well as Americans in every part of the world, would probably be insulted with impunity by any and every nation.

The apprehension was arising, the Secretary said, that somebody might get hurt if our nationals did not get out immediately and stay out. Of course, something like that might occur, and in fact had occurred within the last forty-eight hours. We were a nation of 130,000,000 people, the Secretary continued. We had nationals in every part of the world, living their lives abroad and at the same time proud of their home country and their contacts with it. It was not our purpose in any sense, in our efforts to protect our nationals against mob and other similar kinds of violence, to overlook a single thing that would contribute to the fullest understanding with every other government, and among all the diplomatic and consular representatives of each government on the ground, as well as the various commandants of their guards. We in no sense contemplated any belligerent attitude toward anybody as regards the orderly functioning of the diplomatic and consular services of all the governments concerned, or so far as the organized troops or guards of any government are concerned. On the other hand, we frankly did not feel disposed, by leaning back too far the other way, to give other countries a chance to suppose or to suggest that we were cowardly. If we wanted to be insulted fifty times a week, we only needed to let the impression be gained that we did not protect our nationals and that in no circumstances would we be disposed to protect them.

The Secretary said he was trying to avoid both the extremes he had previously described. Our policies were intended to reduce to the very minimum the occurrence of undesirable experiences on the part of this Government in its foreign affairs, or of any experiences that would in the least be calculated to lead to misunderstanding or ill feeling as between us and other governments. Whether this middle course was the wisest and most practical was for the country to judge. We at least, the Secretary said, stood for these policies and for their application in the manner he had indicated, and for protection of our nationals under the circumstances and to the specific extent that he had described. It was for this reason this Government was, as a matter of precaution, ordering 1,200 marines to make preparations to sail for Shanghai. Of course, at any time if the threatened danger or real occasion for assistance there should disappear, they could be notified on the high seas by wireless to turn back.

The Secretary said that there could be no more perfect illustration of the need for foreign guards in China than the situation now existing. The most exhaustive plans for the maximum protection of our nationals against whatever disorders might arise were worked out by the various ambassadors, consular officers, military, naval and commercial attaches in cooperation with the commandants of the guards of each nation. When uprisings and mob violence were apparent or imminent, the Department of State sent out special instructions regarding every phase of the precautions to be taken or steps toward perfecting the protection of our nationals. The protection included warning our nationals in advance to leave the danger zones, and protection by the guards when they were proceeding to ports, such as Tientsin or Shanghai. From day to day, almost from hour to hour, these officials of ours, who had had the widest experience in the Far East and in dealing with conditions of this kind, were in conference with a view to meeting every emergency as it arose, and of course the Department could not give them instructions on such matters at this distance. They were the ones, the Secretary said, who knew exactly from what direction danger threatened, when our nationals should get out, when to order them out, and we left the question of immediate action to them while the emergency lasted.

793.94/9552 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, August 21, 1937—9 a. m.

[Received 9:30 a. m.³⁰]

289. Embassy's 272, August 16, 6 p. m., and 279, August 18, 6 p. m.³¹ The following informal note and enclosure were received this morning from the Minister for Foreign Affairs:

"August 20, 1937. My Dear Ambassador: With reference to Your Excellency's note of August 16³² I wish to inform you that on the 18th instant Mr. J. L. Dodds, British Chargé d'Affaires, called upon the Vice Minister, Mr. Horinouchi, and made a proposal to the effect that if both the Chinese and Japanese Governments will agree to withdraw their forces including men-of-war from the Shanghai area and will agree also to entrust to foreign authorities the protection of Japanese nationals in the International Settlement and on the extra-Settlement roads, the British Government will be prepared to undertake this responsibility provided other powers cooperate.

In reply Mr. Horinouchi handed a note on the 19th to Mr. Dodds, a copy of which I am enclosing herewith for Your Excellency's reference in the hope that this, being an exposition of our views regarding

³⁰ Telegram in two sections.

³¹ Latter not printed.

³² See par. 8 of telegram No. 272, Aug. 16, 1937, from the Ambassador in Japan, p. 348.

the situation, will be considered sufficient to serve as an answer to your note. For, under the circumstances now prevailing in and around Shanghai this is the only possible reply we can make at this juncture although we do not, of course, fail to appreciate the spirit which has actuated the Government of the United States to approach the Japanese Government with a view to keeping the International Settlement free from hostilities.

In addressing Your Excellency this note, I wish to add that the Japanese Government deeply appreciate the friendly attitude which the American Government have consistently maintained toward this country.

I am, my dear Ambassador, with cordial regards, sincerely yours,
K. Hirota."

Enclosure :

"1. The Japanese Government, earnestly desiring to protect the lives and property of foreigners as well as Japanese in and around Shanghai, have done everything possible to keep those areas from the disasters of hostilities. For instance, Ambassador Kawagoe, in reply [to] the letter dated August 11th, signed by the Ambassadors of Germany, the United States of America, France, Great Britain, and Italy, stated, as Your Excellency must be aware, to the following effect: (1) That the Japanese marines have been given a strict order to act with utmost patience and that Japan has not slightest intention of taking aggressive action, without provocation, against the Chinese troops or Peace Preservation Corps; (2) that if the Chinese Government withdraw their troops and the Peace Preservation Corps which, disregarding the agreement from [for] the cessation of hostilities concluded at Shanghai in 1932, have been massed near the International Settlement menacing the Japanese, and will abolish their military works in the neighborhood of the Settlement, we are prepared to restore our marines to their original positions. Furthermore, our Government were giving their favorable consideration to the concrete proposal made to our Consul General Okamoto by the British, American, and French Consuls General at Shanghai. Notwithstanding such peaceful attitude on the part of the Japanese Government, the Chinese have not only failed to cease their aggression on the Settlement but even went the length of launching attacks upon our Consulate General and warships, bombing them from the air on the 14th when our Government had just received a cable report concerning the said proposal from the above-mentioned Consuls General. This naturally compelled our forces to resort to self-defense.

2. We believe that the authorities of the powers on the spot are fully aware of the fact that the present Sino-Japanese hostilities in Shanghai have been caused by China, which, by violating the agreement of 1932, moved its regular troops into the district forbidden by the said agreement, and by increasing the number and armaments of the Peace Preservation Corps took the offensive to provoke the Japanese marines.

Therefore, we trust that Your Excellency will understand that the hostilities will cease as soon as the Chinese troops are evacuated to the districts outside the agreed area and the Peace Preservation Corps are withdrawn from the front lines; and that Japan is not in a position to consider the withdrawal of her forces whose continued presence in

the Settlement and the harbor in their present strength does not constitute a cause of further hostilities, since their sole purpose from the outset has been to protect our nationals and they have been maintaining a purely defensive position, having no intention of advancing into the Chinese-inhabited area.

However, Japan with her numerous nationals in the Settlement is as greatly solicitous as other powers of the safety of the lives and property of Japanese and foreigners in that Settlement and earnestly desires that hostilities will cease as soon as possible through the evacuation of the Chinese regulars and the Peace Preservation Corps which are similarly armed and are indulging in hostilities against the Japanese to the areas outside the districts of the agreement. For this reason the Japanese Government sincerely hope that the powers concerned, especially those that have been assisting in the negotiations concerning the agreement for the cessation of hostilities of 1932, will exert their influence upon China toward the realization of these aims."

Repeated to Nanking.

GREW

Press Release Issued by the Department of State on August 23, 1937 ²³

At his press conference on August 17, the Secretary of State announced that (1) legislative action to make available funds for purposes of emergency relief necessitated by the situation in the Far East had been asked and that (2) this Government had given orders for a regiment of marines to prepare to proceed to Shanghai. The Secretary then discussed at some length the principles of policy on which this Government was proceeding.

The situation in Shanghai is in many respects unique. Shanghai is a great cosmopolitan center, with a population of over three million, a port which has been developed by the nationals of many countries, at which there have prevailed mutually advantageous contacts of all types and varieties between and among the Chinese and people of almost all other countries of the world. At Shanghai there exists a multiplicity of rights and interests which are of inevitable concern to many countries, including the United States.

In the present situation, the American Government is engaged in facilitating in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Further, it is the policy of the American Government to afford its nationals appropriate protection, primarily against mobs or other uncontrolled elements. For that purpose it has for many years maintained small detachments of armed forces in China, and for that purpose it is sending the present small reinforcement. These armed

²³ Reprinted from Department of State, *Press Releases*, August 28, 1937 (vol. XVII, No. 413), p. 166.

forces there have no mission of aggression. It is their function to be of assistance toward maintenance of order and security. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation.

The issues and problems which are of concern to this Government in the present situation in the Pacific area go far beyond merely the immediate question of protection of the nationals and interests of the United States. The conditions which prevail in that area are intimately connected with and have a direct and fundamental relationship to the general principles of policy to which attention was called in the statement of July 16, which statement has evoked expressions of approval from more than 50 governments. This Government is firmly of the opinion that the principles summarized in that statement should effectively govern international relationships.

When there unfortunately arises in any part of the world the threat or the existence of serious hostilities, the matter is of concern to all nations. Without attempting to pass judgment regarding the merits of the controversy, we appeal to the parties to refrain from resort to war. We urge that they settle their differences in accordance with principles which, in the opinion not alone of our people but of most peoples of the world, should govern in international relationships. We consider applicable throughout the world, in the Pacific area as elsewhere, the principles set forth in the statement of July 16. That statement of principles is comprehensive and basic. It embraces the principles embodied in many treaties, including the Washington Conference treaties³⁴ and the Kellogg-Briand Pact of Paris.³⁵

From the beginning of the present controversy in the Far East, we have been urging upon both the Chinese and the Japanese Governments the importance of refraining from hostilities and of maintaining peace. We have been participating constantly in consultation with interested governments directed toward peaceful adjustment. This Government does not believe in political alliances or entanglements, nor does it believe in extreme isolation. It does believe in international cooperation for the purpose of seeking through pacific methods the achievement of those objectives set forth in the statement of July 16. In the light of our well-defined attitude and policies, and within the range thereof, this Government is giving most solicitous attention to every phase of the Far Eastern situation, toward safeguarding the lives and welfare of our people and making effective the policies—especially the policy of peace—in which this country believes and to which it is committed.

³⁴ See *Foreign Relations*, 1922, vol. I, pp. 1 ff.

³⁵ Department of State Treaty Series No. 796.

This Government is endeavoring to see kept alive, strengthened, and revitalized, in reference to the Pacific area and to all the world, these fundamental principles.

793.94/10022

*The American Ambassador in Japan, (Grew) to the Japanese
Minister for Foreign Affairs (Hirota)*

No. 780

TOKYO, August 23, 1937.

EXCELLENCY: Under instruction of my Government I have the honor to make to Your Excellency the following communication:

In the light of the situation existing in China in which the lives and interests of a considerable number of American nationals are in danger in consequence of the carrying on of military operations by armed forces of Japan and of China, and in the light of statements made by the Japanese Government on and since July 12, both in writing and through spoken words, indicating that Japan is solicitous with regard to the lives of the nationals and the interests of other countries, the Government of the United States requests, for the re-assurance of its people both at home and abroad, an express and specific formal assurance by the Japanese Government that the operations of the Japanese armed forces in China will not be directed against or into the city of Tsingtao where American nationals are at present concentrated.

As the Japanese Government is aware, the American Government has been encouraging and facilitating the withdrawal of American nationals from exposed areas in China to places of comparative security. Many nationals of the United States along with the nationals of other countries have sought refuge at Tsingtao. In addition there are in that city a large number of Americans who had proceeded there to spend the summer and who have been advised against endeavoring to return to their normal places of residence because of disturbed conditions. In order that these Americans as well as other nationals now at Tsingtao may be reasonably secure, the American Government feels warranted in suggesting that Tsingtao not be made a theatre or base of military operations. Furthermore it seems to the American Government reasonable and desirable, in the interest of all concerned, that the fact of an intended immunity of Tsingtao from military operations should be announced and be generally and publicly understood. The American Government is prepared to address also to the Chinese Government a similar request for such an assurance.

I may add that such an assurance would serve to confirm the oral assurance given on August 20 by Admiral Shimomura to the Amer-

ican Consul at Tsingtao that the Japanese forces would make no attack on or in Tsingtao unless the Chinese forces move against the Japanese there.

I avail myself [etc.]

JOSEPH C. GREW

793.94/10157

*The Japanese Minister for Foreign Affairs (Hirota) to the
American Ambassador in Japan (Grew)*

[Translation]

No. 103, Asiatic I

[Tokyo,] August 31, 1937.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note No. 780 of August 23 requesting a specific formal assurance by the Japanese Government that the operations of the Japanese armed forces will not be directed against or into the city of Tsingtao.

The Japanese Government have always been solicitous of preserving tranquility in the Tsingtao district. Unfortunately, despite the fact that every effort has been exerted by the Japanese Government in order to forestall the occurrence of any untoward incidents in that district, the measures taken in this connection by the authorities of Tsingtao have not come up to the expectations of the Japanese Government. Consequently, the situation there grew worse rapidly so that the Japanese Government were at last forced to decide upon a complete evacuation of Japanese from that city with a view to forestalling any untoward events involving Japanese which might lead to the disturbance of peace and order in the district. In view of the fact that Japan possesses vast rights and interests there and that Japanese residents have established their business through efforts of many years, the above-mentioned action taken by the Japanese Government entailed the greatest of sacrifices on their part. This fact alone should be sufficient to demonstrate the sincerity of the Japanese Government in their desire for the preservation of peace in the Tsingtao district.

Since, however, the Japanese Government have gone the length of ordering their nationals to evacuate the city at an immense sacrifice, they believe that the Chinese authorities should assume on their part full responsibility for the protection of the rights and interests as well as of the property of the Japanese which have been left in the district and also of the few Japanese who may have had to remain there under unavoidable circumstances. They believe also that inasmuch as Chinese military activities in and around Tsingtao have been rendered absolutely unnecessary by reason of the peaceful steps taken

by the Japanese Government, the district should be restored to normal conditions. The Japanese Government, desirous of obtaining a definite assurance of the Chinese authorities on this point, have been conducting negotiations with them. However, according to reports received up to date from their Consul-General at Tsingtao, the attitude of the mayor of the city seems to be extremely unsatisfactory. Moreover, there are occurring already at sundry places lootings of Japanese property, and even the Japanese Consul-General himself cannot be assured of his personal safety in the event he remains in the city. Under these circumstances, the Japanese Government are urging upon the Chinese authorities to refrain from taxing unduly the patience of the Japanese Government by ignoring their friendly action and their most reasonable wishes.

I avail myself [etc.]

KOKI HIROTA

793.94/10157

Memorandum by the Ambassador in Japan (Grew)

[Extract] ⁸⁶

[Tokyo,] September 1, 1937.

Called on the Minister for Foreign Affairs by appointment at his official residence at 5 o'clock.

Tsingtao

The Minister then handed me his written reply accompanied by an official translation ⁸⁷ to the note which I had written and delivered to the Foreign Office on August 23, appealing for the avoidance of Japanese military operations in Tsingtao where many Americans and other foreigners are gathered. He said that practically all the Japanese residents in Tsingtao had now been evacuated and that this step had been taken for the specific purpose of avoiding hostilities and injury to foreign lives and property, but that since the evacuation there had been much looting of Japanese property by the Chinese and the Japanese Consul General and such other Japanese as had had to remain behind were in serious danger. The attitude of the Mayor of Tsingtao was far from satisfactory. The Minister said that he therefore hoped that the Powers which were now appealing to him would also make representations in Nanking with a view to restraining Chinese aggression and protecting Japanese lives and property in that city. I said that I would bring the matter to the attention of my Government and Ambassador Johnson.

⁸⁶ For the first part of this memorandum, see p. 492.

⁸⁷ *Supra.*

Sino-Soviet Relations

The Minister then turned to Sino-Soviet relations and said that the Chinese Ambassador had yesterday explained to him the nature of the recently concluded Sino-Soviet Pact. Two attempts on my part to draw him out as to the nature of the pact were unsuccessful. The Minister said that it seemed to him unfortunate that the Soviet Union and China, which could have concluded this pact at any time during recent years, had chosen this particular moment and situation to do so. He said he felt that there was grave danger of the communists getting control in China, that Chiang Kai-shek was weak and that the virile young men of the nation were at the front where they were fighting most bravely. In the meantime some 20,000 communist troops were moving towards Outer Mongolia. He felt that the communist menace was very real and that the communists undoubtedly aim to take over eventual complete control of the Government and country.

Outlook for Peace

The Minister then said that he had explained Japan's precise aims to the Chinese Ambassador and Mr. Hirota said to me, "if Chiang Kai-shek will accept these conditions I can stop the war immediately". These conditions, he said, are three in number: (1) Good relations with Manchuria. I said does that mean China's recognition of "Manchukuo". Mr. Hirota replied that juridical recognition might be very difficult for China and that it was not necessary. What Japan desired was good factual relations and the avoidance of the constant friction and trouble which China was creating. I said, "Then do you mean *de facto* recognition?" The Minister smiled and said he thought that that was about it. He wanted China to recognize "Manchukuo's" existence. (2) The withdrawal of Chinese troops from North China. If the Chinese troops should withdraw from that area Mr. Hirota said that most of the Japanese troops would likewise withdraw. They simply wanted to ensure a zone of peace and quiet on the frontier of "Manchukuo". I said, "Does that mean Japanese control of North China?" The Minister said, "No, it does not," and he added that Japan visualized no political control but merely a state of peace and quiet. (3) The development of good relations between China and Japan. I asked him if by this he meant a cessation of anti-Japanese activities and propaganda. He replied that this was precisely what Japan wanted. "Chiang Kai-shek is weak" he said, "and he is in a very difficult position. If China possessed a single strong statesman today our troubles could be quickly solved. If Chiang Kai-shek will accept my conditions I can stop the war immediately."

J[OSEPH] C. G[REW]

894.00P.R./118

*The Ambassador in Japan (Grew) to the Secretary of State*³⁸

[Extract]

On September 1, Mr. Horinouchi, the Vice Minister for Foreign Affairs, made a radio broadcast to the United States in which he defended Japan's actions in China on the ground of China's anti-Japanese acts and asserted that Japan's intentions were peaceful; stated that the ultimate object of the present hostilities in North China and Shanghai was the realization of a state permitting genuine cooperation between the two countries; and declared that the Japanese expeditionary forces in China had not been sent there for aggressive purposes and that Japan had no territorial designs. Mr. Horinouchi's radio address was similar to speeches subsequently made in the Diet by the Minister for Foreign Affairs and the Prime Minister. Apparently, Mr. Horinouchi's speech received little attention in the United States.

793.94/9732 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Substance]

WASHINGTON, September 2, 1937—2 p. m.

187. Reference is made to the Ambassador's outline, in his telegram No. 321 of August 27, 4 p. m.,³⁹ of the views and estimate of the American Embassy in Japan. The Secretary expresses the hope that it may be useful for the Ambassador to have an outline of the general reaction at home to developments taking place and of the Department's present thoughts respecting methods and policy, as a means toward understanding and interpreting the American position.

The United States Government's course, as pursued during recent years in regard to the Far East, has been animated partly by the thought of the advantageousness of encouraging Japanese and Chinese effort at developing toward each other and toward the world attitudes of real cooperativeness. A situation has been produced by the hostilities that have been and are now going on between Japan and China which permits scant hope of any such attitude or practice being reciprocally developed by and between those two countries in the near future.

³⁸ Extract from report on conditions in Japan during the month of September 1937, transmitted to the Department by the Ambassador in Japan in his despatch No. 2624, Oct. 13, 1937.

³⁹ Not printed.

In view of the methods employed by the Japanese military forces, particularly of their entire lack of responsiveness in their acts to suggestions quietly and patiently made them by the United States and other Governments that reasonable consideration be given by them to the safety, rights, interests, susceptibilities, etc., of individuals and nations which are not parties to the Sino-Japanese conflict, it may be doubted that the elements actually controlling Japan's policies and action value appreciably the friendship of other nations or efforts made by the United States and other Governments to cultivate good will, confidence, and stability in general.

In the current crisis the United States Government has endeavored to follow an absolutely impartial course. It is realized in Washington that hostilities are not likely to be brought to an end by manifestations of disapprobation on moral or legal grounds. It is necessary, however, in shaping the American course, to keep in mind constantly not only that this objective may possibly be served, not only the possible effects upon Japan, or upon China, or upon both of them, of possible steps, but also the wishes and attitude of the American people, the principles in which the United States believes, the courses which other countries pursue, and various objectives, general and ultimate as well as immediate and particular.

The principles guiding the United States Government were made clear in the Secretary's statement of July 16, 50 states of the world having since affirmatively expressed themselves in general support of them. In the Secretary's subsequent statement of August 23, it is made clear that these principles are regarded as being applicable to the Pacific area. These principles are considered to be fundamental to a well-ordered existence in and of the society of nations. In their present courses of action it is apparent that neither Japan nor China is acting in accord with these principles, and Japan's course is directly in conflict with many of them.

The Secretary is gratified to hear of the Japanese feeling that the American course has indicated a desire for fairness and impartiality. The first solicitude of the United States, however, will have to be, not for the maintenance of unqualified good will by either or both of the combatants toward the United States, but for the welfare of the American people and for the general policies and broad interests of the United States, and laws, treaties, public opinion, and other controlling considerations which will guide it. The Secretary shares the Ambassador's view that fundamental American objectives should include (1) the avoidance of involvement and (2) the protection of lives, property, and rights of American citizens. The Secretary is doubtful regarding the Ambassador's suggestion that these two objectives might be pursued simultaneously with the third objective, and conse-

quently does not feel that solidifying relations with either combatant nation should be made a definite objective. The United States is opposed to the courses being pursued, particularly Japan's course. The Secretary denies any desire to injure China or Japan, favors being a good neighbor to both, but does not intend to permit the United States to be hampered in making its decisions by especial solicitude lest its actions displease one or the other, or both, of the combatants.

The Secretary does not wish the Japanese to entertain any impression of the United States Government's looking upon the Japanese course with less apprehension or disapproval than does the British Government or of condoning in any sense whatever the course which Japan is pursuing.

American public opinion has been outraged by the methods and strategy employed by the combatants, particularly by the Japanese military, and has become gradually more critical of Japan. Last week's events, particularly the circumstances of the Japanese shooting of the British Ambassador in China and the Japanese Prime Minister's statement that the representations of the powers are of little or no importance, have intensified this divergence in popular feeling and thought from the standard of impartiality. Tending to offset this somewhat has been, of course, the Chinese bombing of the liner *President Hoover*.

The Secretary, in addressing the authorities of either side, does not intend calling names or making threats. He heartily approves the Ambassador's tactful and dignified manner of conducting approaches to the Japanese Government. However, the Secretary wishes the Japanese to understand fully that the United States Government is looking with thorough disapproval upon the present manifestation of Japanese foreign policy and upon the methods employed by the Japanese military in pursuit of that policy. The Secretary considers it desirable for the Ambassador not to overlook any opportunity of impressing upon Japanese officials the importance attached by the United States Government to the principles laid down in the Secretary's statement of July 16 and to the significance of his statement of August 23, and for the Ambassador to suggest to Japanese officials that Japan, by the course it is pursuing, is destroying the good will of the world and is laying up for itself among the peoples of the world a liability of distrust, suspicion, popular antipathy, and potential ostracism, the liquidation of which would take many, many years of benevolent endeavor by Japan.

The Roosevelt Administration has not repudiated anything in the record of the efforts made on behalf of principles and of peace by the United States Government at the time of the Manchuria affair. In

the present crisis, the Secretary adds, the United States has endeavored to dissuade Japan and China from entering upon and from continuing hostilities; but mediation has not been offered. The Secretary is by no means certain that the United States wishes to assume the responsibilities and role of a mediator. He would not desire, at least for the present, to encourage either side to believe or to expect that, after currently rejecting many American suggestions to exercise restraint, they may rely upon the United States Government serving them as a friendly broker whenever it suits their convenience. The Secretary would want both sides to feel that, should they desire good will and any form of impartial assistance from the United States, now is the time for evidence by them of appreciation of American policies and methods through being considerate of American legitimate interests and essential solicitudes.

HULL

894.032/176

*Address Delivered by the Japanese Minister for Foreign Affairs
(Hirota) Before the Japanese Diet on September 5, 1937*⁴⁰

As I had occasion a short while ago at the 71st Session of the Diet to speak on Japan's foreign relations in general, I shall confine myself today to a review of the developments since then of the China Affair.

Ever since the beginning of the present affair, the Japanese Government, in pursuance of their policy of local settlement and non-aggravation, have exerted every effort to effect a speedy solution. The Nanking Government, whose prompt reconsideration was invited, failed to manifest a grain of sincerity, but concentrated their armies in North China to challenge Japan, while in the Yangtze Valley and elsewhere in South and Central China they embarked upon an anti-Japanese campaign of the most vicious kind, which not only prevented our nationals in that region from engaging in their peaceful pursuits, but also jeopardized their very existence. In these circumstances, the Japanese Government still desiring to avoid the disturbance of peace as far as possible, ordered the evacuation of all Japanese residents in Hankow and other points along the Yangtze River. Shortly after that, on August 9 at Shanghai, Sub-lieutenant Oyama and Seaman Saito of the Landing Party were murdered at the hands of the Chinese Peace Preservation Corps. Even then, Japan, adhering to a peaceful course, sought to settle the affair through the withdrawal of the Peace Preservation Corps and the removal of all military works that had been erected in violation of the 1932 Truce Agreement. China refused to comply with our demands under one pretext or another, and proceeded, instead, to increase her troops and multiply her military works

⁴⁰ Text in English as released by the Japanese Government.

in the prohibited zone, and finally launched an unwarranted attack upon the Japanese. Thereupon, as a matter of duty our Government despatched a small naval reinforcement to Shanghai as an emergency measure to insure the protection of our nationals in that city.

In view of these disquieting developments in Shanghai the Ambassadors at Nanking of the five Powers—Great Britain, America, France, Germany, and Italy—sent a joint request on August 11 both to Japan and China that the two countries do all in their power to carry out effectively a plan to exclude Shanghai from the scope of any possible hostilities so as to safeguard the lives and property of foreigners therein. Our Government replied through Ambassador Kawagoe to the effect that while Japan was most solicitously concerned over the safety of the lives and property of all foreigners as well as of the Japanese in Shanghai, China should, as the first prerequisite, withdraw outside striking distance her regular troops and the Peace Preservation Corps that were advancing on the Settlement and menacing the Japanese, and remove the military works in the vicinity of the International Settlement, and that Japan would be prepared to restore her forces to their original positions provided China agreed to take the above steps. The Ambassador was also instructed to request the Powers concerned to exert their influence toward inducing China to execute those urgent and appropriate measures, which, however, were flatly rejected by China. On August 13 the Consuls-General at Shanghai of Great Britain, America, and France submitted a certain concrete plan, proposing that Japan and China enter into direct negotiations for the purpose of averting the impending crisis. The text of the proposal was received in Tokyo at midnight, August 13. But in the afternoon of that very day, the Chinese armies, that had been pouring into the Shanghai area, took the offensive, and on the 14th their warplanes dropped bombs not only on the headquarters of our Landing Party, our warship and our Consulate-General, but also all over the International Settlement. No longer could we do anything but abandon all hopes for a peaceful settlement and fight for the protection of our 30,000 nationals in Shanghai. I regret to say that the earnest efforts of the Powers concerned were thus nullified by Chinese outrages.

Shanghai, having been converted into a theatre of hostilities, grave concern was naturally shown by the Powers who had vast amounts of capital invested and large numbers of their nationals residing in the city. Great Britain notified both Japan and China under the date of August 18, that if the governments of the two countries agreed to withdraw their forces mutually and to entrust to foreign authorities the protection of Japanese subjects residing in the International Settlement and on the Extra-Settlement roads, the British Govern-

ment were prepared to undertake the responsibility provided that other Powers would cooperate. Next day—on the 19th—we were informed by the French Government of their readiness to support the British proposal. The American Government also had previously expressed their hope for the suspension of hostilities in the Shanghai area. Japan, having as great interests in Shanghai as these Powers, is equally solicitous for the peace of the city. But as has been stated above, the actions taken by the Chinese in and around Shanghai are plainly in violation of the Truce Agreement of 1922, in that they illegitimately moved their regular troops into the zone prescribed by that Agreement, and increased both the number and armaments of the Peace Preservation Corps, and in that, relying upon their numerical superiority, they challenged the Landing Party and civilian population of our country. Therefore, in their reply to the British proposal our Government explained in detail Japan's successive efforts toward a peaceful solution as well as the truth regarding the lawless Chinese attacks, and stated that the hostilities at Shanghai could not be brought to an end save through the withdrawal of the Chinese regular troops from the prohibited zone, and of the Peace Preservation Corps from the front lines. At the same time, our sincere hope was expressed that Great Britain as one of the parties to the Truce Agreement would use her good offices to bring about the withdrawal of the Chinese troops outside the prescribed zone. Similar replies were sent to France and America.

As for North China, in wilful disregard of the various pledges and agreements, Chinese Central Armies were moved northward to indulge in a series of provocative actions, and large forces began to pour into the province of Chahar. Our Government, therefore, have had to take determined steps to meet the situation.

Thus hostilities have now spread from North to Central China, and Japan finds herself engaged in a major conflict with China on extended fields. I am deeply pained to say that some 50,000 Japanese residents in various parts of China have been forced to evacuate, leaving behind them their huge investments, their business interests acquired through years of arduous toil, and other rights and interests, while not a few of them have been made victims of hostilities. It is also to be regretted that nationals of third countries in China are being subjected to similar trials and tribulations. All this is due to no other cause than that the Nanking Government and also the local militarist regimes in China have for many years past deliberately undertaken to incite public opinion against Japan as a means of strengthening their own political powers, and in collusion with Communist elements they have still further impaired Sino-Japanese relations. Now our loyal and valiant soldiers, with the united support of the nation behind them, are en-

gaged in strenuous campaigns night and day amid indescribable hardships and privations. We cannot but be moved to hear of their heroic sacrifices as well as their brilliant achievements.

It is hardly necessary to say that the basic policy of the Japanese Government aims at the stabilization of East Asia through conciliation and cooperation between Japan, Manchoukuo, and China for their common prosperity and well-being. Since China, ignoring our true motive, has mobilized her vast armies against us, we can do no other than counter it by force of arms. The urgent need at this moment is that we take a resolute attitude and compel China to mend her ways. Japan has no other objective than to see a happy and tranquil North China, and all China freed from the danger of a recurrence of such calamitous hostilities as the present, and Sino-Japanese relations so adjusted as will enable us to put into practice our above-mentioned policy. Let us hope that the statesmen of China will be brought to take a broad view of East Asia; that they will speedily realize their mistakes; and that, turning over a new leaf, they will act in unison with the high aim and aspirations of Japan!

793.94/9914 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, September 5, 1937—noon.

[Received September 5—2: 59 a. m.⁴¹]

343. Department's 188, September 3, 1 p. m.⁴²

1. Prime Minister's address before the Diet opens with reference to Emperor's speech from the throne and continues as follows:

"Since the outbreak of the affair in North China on June [July?] 7th the fundamental policy of the Japanese Government toward China has been simply and purely to seek the reconsideration of the Chinese Government and the abandonment of its erroneous anti-Japanese policies with the view of making a basic readjustment in relations between Japan and China. This policy has never undergone a change; even today it remains the same. The Japanese Government has endeavored to save the situation by preventing aggravation of the incident and by limiting its scope. This has been repeatedly enunciated; I trust that it is fully understood by you gentlemen.

The Chinese however not only fail to understand the true motives of the Japanese Government but have increasingly aroused a spirit of contempt and have offered resistance toward Japan, taking advantage of the patience of our government. Thus, by the outburst of uncontrolled National sentiment the situation has fast been aggravated spreading in scope to Central and South China. And now our gov-

⁴¹ Telegram in two sections.

⁴² Not printed; it requested information.

ernment which has been patient to the utmost has acknowledged the impossibility of settling the incident passively and locally and has been forced to deal a firm and decisive blow against the Chinese Government in an active and comprehensive manner.

In point of fact, for one country to adopt as its national policy the antagonizing of and the showing of contempt for some particular country and to make these the underlying principle of national education by implanting such ideas in the minds of the young is unprecedented in the history of the world. Thus, when we consider the outcome of such policies on the part of Chinese we feel grave concern not only for the future of Sino-Japanese relations but for the peace of the Orient and consequently for the peace of the entire world. The Japanese Government, therefore, has repeatedly requested the Chinese Government to reconsider and to change its attitude, but all in vain. This failure of the Chinese Government has finally caused the present affair.

We firmly believe that it is in accordance with the right of [self-defense] as well as with the cause of righteousness and humanity that our country has determined to give a decisive blow to such a country, so that it may reflect upon the errors of its ways. For the peoples of East Asia, there can be no happiness without a just peace in this part of the world. The Chinese people themselves by no means form the objective of our actions, which objective is directed against the Chinese Government and its army who are carrying out such erroneous, anti-foreign policies. If, therefore, the Chinese Government truly and fully re-examines its attitude and in real sincerity makes endeavors for the establishment of peace and for the development of culture in the Orient in collaboration with our country, our Empire intends to press no further.

At the present moment, however, the sole measure for the Japanese Empire to adopt is to administer a thoroughgoing blow to the Chinese Army so that it may lose completely its will to fight. And if, at the same time, China fails to realize its mistakes and persists in its stubborn resistance, our Empire is fully prepared for protracted hostilities. Until we accomplish our great mission of establishing peace in the Orient, we must face many serious difficulties, and, in order to overcome them, we must proceed steadily with our task, adhering to the spirit of perseverance and fortitude in one united body."

2. The address closes with reference to loyalty of armed forces and warning against intoxication our [over] victories, and with request for approval of budgetary and legislative measures.

GREW

793.94/9916: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, September 5, 1937—5 p. m.
[Received September 5—6:18 a. m.]

347. Department's 188, September 3, 1 p. m.⁴³ The addresses of both the Ministers of War and of the Navy consisted almost entirely

⁴³ Not printed; it requested information.

of narrative of naval and military operations. The former concluded his address as follows:

"The situation in all its phases has become aggravated, and no relaxation of caution with regard to future developments is warranted. However, the Army is determined to overcome whatever difficulties may arise hereafter, to punish the lawless Chinese Army, and to attain our objectives as quickly as possible. Even though the Chinese may plan to draw out the hostilities for an extended period of time, it is our intention to deal with the Chinese thoroughly and completely, eliminate Chinese hostility toward Japan, and to destroy their fighting spirit. We are firmly resolved not to let up until our purpose has been achieved."

The Navy Minister's address contained a brief declaration that there would be no interference with the peaceful commerce of third countries with China.

GREW

793.94112/33

The Navy Department to the Department of State

COPY OF TELEGRAM RECEIVED SEPTEMBER 6, 1937, 7:20 P. M.

0006. Following letter sent to Admiral Hasegawa ^{43a} this date.

"My Dear Admiral Hasegawa: Twice recently, articles have appeared in the local press which apparently have been given out by a 'spokesman' of the Japanese military, naval or diplomatic authorities.

The first of [these?] appeared on September second and according to press reports reads as follows:

'Foreign ships told not to cross path of Japanese naval craft.

'Foreign vessels navigating in the Yangtze estuary were warned by a Japanese naval spokesman yesterday against proceeding across the path of Japanese naval craft operating in formation in that zone (*sic*).

"The warning, the spokesman said, was "informal". According to the Japanese naval authorities, foreign vessels approaching Japanese warships are not only subject to the danger of being bombarded by Chinese airplanes, but might also cause a collision because of the necessity of the Nipponese ships to maintain a certain set course dictated by military requirements.

"The French dispatch ship *Savorgnan de Brazza*, the spokesman charged, had crossed the path of Japanese warcraft operating off Pootung on Tuesday. Such practice, the Japanese official contended, was "dangerous".'

The second one appeared on September fourth and read in part as follows:

^{43a} Commander of the Japanese Third Battle Fleet at Shanghai.

'Japanese issue warning.

'Foreign warships may be endangered by shelling.

'Presence of foreign warships near Pootung point proved a great handicap to Japanese boats shelling Pootung yesterday, a spokesman for the Japanese Embassy stated yesterday.

'He added that if Chinese big guns in Pootung continue firing on Japanese civilians in Hongkew and the Japanese Consulate building, the Nipponese naval authorities may change their attitude regarding the firing of their guns near the foreign warships.

'Asked to amplify this statement, he indicated that in the future the foreign war vessels may be endangered when Japanese ships commence firing on Pootung.'

With reference to the first article may I point out that vessels, naval and merchant, of other nations have equal right to navigate the Yangtze and Whangpoo rivers with those of Japan. In the movements of such vessels, they follow the international rules for the prevention of collision at sea and the decisions of admiralty law courts. These rules and decisions do not give formations of vessels any special rights over a single vessel.

In the navigation of these rivers, naval and merchant vessels of the United States will follow the international rules for the prevention of collision at sea.

The second article issued by a 'spokesman of the Japanese Embassy' infers that foreign warships may be endangered to a greater extent than heretofore by future shelling by Japanese ships.

Knowing you desire to reduce the dangers to neutral citizens and vessels during the present conflict, I cannot believe that such a statement was issued with your knowledge or consent.

The neutral men of war are in the Whangpoo River to protect their nationals as far as possible from existing and future dangers. Most of them are concentrated at the one and only area available and it is an area which need not be endangered by the gun fire of either of the opposing forces. There will be a U. S. naval vessel anchored off the Bund until all danger to United States nationals in Shanghai has passed. In this connection, I may state that the United States Government has announced that it will hold the contending government[s] responsible for whatever loss of life or property they may inflict.

May I suggest that the method of issuing information pertaining to naval matters to the press by means of an 'official spokesman' be discontinued, and that in all cases in which the neutral naval powers are interested, representation be made by letter or conference. I am sure it will lend [*lead?*] to more clarity and better understanding.

I have consulted the British, French, and Italian naval commanders regarding the views expressed in this letter, and they have informed me that they are in agreement.

I have the honor to be, very respectfully, H. E. Yarnell, Admiral U. S. Navy, Commander in Chief U. S. Asiatic Fleet." 2323

Press Release Issued by the Department of State on September 10, 1937 ⁴⁴

ANNOUNCEMENT

The conflict in the Far East has resulted in the creation of a danger zone along the coast of China which makes it dangerous for American merchant vessels to operate in the adjacent waters.

The Japanese authorities have announced a blockade of the entire coast from Chinwangtao to Pakhoi against the entrance or egress of Chinese shipping.

The Chinese authorities have announced their intention, in view of the blockade, to take appropriate action against all Japanese naval vessels along the Chinese coast and have requested that naval and merchant vessels of third powers avoid proximity to Japanese naval vessels and military transports and have their respective national colors painted on their top decks in a conspicuous manner.

The Chinese authorities have also announced the following:

(a) The mouth of Min Kiang River in Fukien Province has been closed to navigation, and all shipping through that place has been suspended as of September 4.

(b) Beginning September 9 no foreign merchant vessels will be permitted to navigate at night in waters between Bocca Tigris forts and Canton.

The Department has been informed that the Hydrographic Office of the Navy Department is including the above announcement in the *Hydrographic Radio Bulletin* to be issued today and in the *Daily Memorandum* for the information of mariners, issued by the Hydrographic Office, under the heading "Caution Regarding Dangers to Merchant Ships in Far Eastern Waters."

793.94112/84a : Telegram

*The Secretary of State to the Consul General at Shanghai
(Cunningham)*

WASHINGTON, September 22, 1937—5 p. m.

400. Reference Commander-in-Chief's 0021-2342 September 21, to the Navy Department. For your and the Commander-in-Chief's confidential information.

⁴⁴ Reprinted from Department of State, *Press Releases*, September 11, 1937 (vol. xvii, No. 415), p. 223.

1. The general policy of this Government is in conformity with the principle and procedure set forth in the Department's telegram No. 325, September 5, 3 p. m.^{44a} The principle is that we need give no affirmative assent to measures which may be taken by the Japanese naval authorities in their enforcement of their blockade.

2. The procedure which the Department would suggest is: (a) that the Commander-in-Chief of the Asiatic Fleet ask from the various shipping offices in the Far East information regarding the time and place of expected movements of American vessels into and out of the blockaded zone with a view to informing the appropriate Japanese and Chinese authorities thereof as a matter of courtesy when, in the judgment of the Commander-in-Chief such notification is desirable; (b) in view of the principle set forth in paragraph one above, the Department considers it undesirable that general directions be issued to American shipping to furnish advance notice to the Commander-in-Chief of their expected movements into and out of the blockaded zone; (c) that if and as masters of American merchant vessels inquire of the Commander-in-Chief regarding procedure to be followed in relation to the situation arising when American vessels are stopped by Japanese naval vessels, the Commander-in-Chief inform the masters that they should acquiesce to the extent of showing to the Japanese naval authorities evidence of nationality but permit further investigation only under express protest and that they should report all cases of stopping with a full recital of circumstances to the Commander-in-Chief or to the nearest American consular authorities or both, and that the Commander-in-Chief or the consular authorities to whom such reports have been made should refer the matter to their respective Departments for appropriate action; (d) with reference to the Commander-in-Chief's inquiry regarding cargoes, in view of the fact that the Japanese Government has announced that the blockade is directed against Chinese shipping only and in view of the terms of the President's statement of September 14 regarding the carrying of arms, ammunition and implements of war by American vessels,^{44b} the Department does not desire to issue any further statement of policy regarding cargoes, and any individual case should be reported to the Department for action.

3. In the light of the principle set forth in paragraph one the Department considers it preferable that no public statement of our position be made.

4. The Navy Department has been consulted and will direct the Commander-in-Chief to be guided by the foregoing.

5. Please inform the Commander-in-Chief.

HULL

^{44a} Not printed.

^{44b} See press release issued by the Department of State on September 14, 1937, vol. II, p. 201.

793.94/10215: Telegram

The Secretary of State to the Minister in Switzerland (Harrison)

[Substance]

WASHINGTON, September 24, 1937—6 p. m.

2. Reference is made to the Minister's telegram No. 6 of September 23, 10 a. m.,⁴⁵ in which was reported a suggestion for the setting up of a subcommittee of the League of Nations Assembly Advisory Committee on China.

The Secretary authorizes the Minister, in case he is invited to sit with the suggested subcommittee, to accept on condition that it be thoroughly understood his presence on such a subcommittee would be within the same conditions and terms under which the Minister is attending Advisory Committee meetings.

The Secretary remarks that the impression has been gained from some press reports from Geneva and the Minister's telegrams concerning the subject that it may be the intention of some of the principal governments interested in setting up the subcommittee to place upon it representatives of states "most concerned" with the area of the Pacific Ocean and that the subcommittee, although not limited strictly to the signatories of the Washington conference treaties, for example, the Nine-Power Treaty on general policies and principles, might be made up largely of representatives of those states party to this latter pact. The Secretary questions whether the restricting of consideration of the existing situation in the Far East in the first instance to a group so limited would not be taking away from the broad effect and universal character of the attention merited by the presently occurring Far Eastern developments which concern, quite obviously, not only the nations interested in the Pacific area but also all other nations as well. The Secretary recalls his statement of July 16, already brought to the League's attention by the Minister, giving the United States Government's position respecting international situations and problems of concern to the United States. That statement, the Secretary feels justified in saying, accords with the position of most of the foreign governments as stated in communications from many of them to the Secretary in response to the issuance of his statement. In a public statement on August 23, reported that day by Radio Bulletin No. 196, the Secretary stated the firm opinion of his Government that international relationships should be effectively governed by the principles which he summarized in his statement of July 16. He stated also that these principles were considered to be applicable throughout the world, including the Pacific area; that his statement of July 16 was comprehensive and basic, and that the principles which were embodied in many treaties, such as the Kellogg-

⁴⁵ Not printed.

Briand Pact of 1928 and the Washington Conference treaties, were embraced therein.

An emphatic position has been taken by the United States Government regarding indiscriminate bombing from the air of Nanking and other non-military and unprotected Chinese places.⁴⁶ Assistance has, furthermore, been offered in an effort to find some way to bring to an end the present hostilities and to find some peaceful means to compose the situation in the Far East.

The Secretary is of opinion that the nations could express themselves and take a position upon certain principles in regard to any particular development or situation which may arise—for example, the developments at present occurring in the Far East. There might be mentioned among these principles respect by all nations for the rights of others; performance by all nations of established obligations; upholding the principle of the sanctity of treaties; adjustment by peaceful negotiation and agreement of problems in international relations; and abstinence by all nations from using force in pursuit of policy and from interfering in the internal affairs of other nations. If peace is to be maintained, international relationships should be governed upon such broad basic principles.

The developments now taking place in China are and should be the concern of every nation which hopes to base its foreign relations upon the principles set forth in the Secretary's statement of July 16. The Secretary is not able to see why a position could not be taken by any or all nations regarding the Sino-Japanese conflict from the viewpoint of their own interest in preserving peace and settling disputes by peaceful methods.

The Minister is informed of the foregoing for his guidance, and the Secretary does not wish either to give the impression or to suggest that the United States Government is attempting to take any initiative respecting the shaping of action the League of Nations may take. The Minister is instructed, in his conversations at Geneva with any representatives of governments with whom he feels it useful to discuss the subject, to refer to the principles as set forth in the Secretary's statements of July 16 and August 23 and to take the position that the developments in the Far East are of a nature seemingly to concern all nations instead of those nations comprising a particular or special group. The Minister is advised to foster with discretion the idea that the entire question should be treated from the viewpoint of general world interest and concern and on the broadest possible basis.

The Minister is instructed to inform the Department fully and currently of developments at Geneva, including his conversations.

HULL

⁴⁶ See pp. 487 ff.

793.94/10284 : Telegram

The Secretary of State to the Minister in Switzerland (Harrison)

[Substance]

WASHINGTON, September 28, 1937—10 p. m.

7. Reference is made to previous instructions. In the Secretary's telegram No. 2 of September 24, 6 p. m., the subject under immediate consideration was a step at that time in contemplation by the League of Nations (i. e., to set up a subcommittee of the Assembly Advisory Committee), along with the question whether consideration should be given the Sino-Japanese situation as a matter peculiarly of the Far East or of general world interest and concern. The American view was indicated by the Secretary to the Minister, who was asked to foster with discretion the view that entire question should be treated from the viewpoint of general world interest and concern and on the broadest possible basis.

The Secretary has telegraphed the Minister more than once his opinion that the League of Nations should decide its own course, that the United States is prepared to consider such concrete proposals as the League may present, and that the American Government does not wish to suggest either the limits or the direction of action to be considered and decided upon by the League.

It is desirable, however, inasmuch as the United States Government associates itself with the League's deliberations through authorizing the Minister to sit with the Assembly Advisory Committee and the subcommittee, that the Minister know of and understand the American Government's thought in connection with his possible contributions toward enabling his associates at Geneva to reach decisions which may have some beneficial practical effect regarding objectives which are common to the United States and to the League's members.

When Japan embarked last July upon military activities in China, the United States Government, which took full account of evidence presented at that time and during the past indicative of Japanese political objectives, on July 16 made public a statement of basic principles which it felt should underlie normal and peaceful international relationships.

The United States Government reiterated more specifically on August 23 in a statement, with especial reference to the armed conflict between Japan and China, certain of the principles comprised in the statement of July 16, and the view was emphasized that these principles applied as well to the Pacific area as elsewhere. Attention was called, *inter alia*, expressly to the Kellogg-Briand Pact and the Nine-Power Treaty. Exception was thus definitely taken to the course followed by Japan.

Moreover, several definite steps have been taken in support of the American position: (1) Direct appeals to Japan and China to desist or refrain from hostilities; (2) repeated statements to both sides regarding the availability to them of good offices should they make any suggestions for resort to conciliation processes; (3) repeated protests to the Japanese Government against aerial bombing of noncombatants and publication in one instance of an American note to the Japanese Government in objection to and condemnation of such bombing and in another instance issuance of a statement today on that subject.

The United States has been approached on several occasions by certain other Governments with suggestions for "joint action," and it has regularly been indicated that, while the American Government believes in and wishes to practice cooperation, it is not prepared to take part in joint action, though it will consider the possible taking of parallel action. Whenever possible action which has been thought of also by other governments has been regarded as being intrinsically meritorious, action has been taken, several times prior to and sometimes without parallel action by any other government. In general, it is felt that spontaneous separate action on parallel lines, should two or more governments feel moved thereto anywhere, indicates more strongly serious feeling regarding matters under consideration and is more likely effectively to serve to attain the objectives sought than would inspired joint action.

Japan's military operations have increased in intensity and in extent with the unfolding situation. Charges of Japan's violation of treaty provisions and international law have been amplified by the Chinese Government, and a willingness to resort to conciliation processes has been affirmed by the Chinese. The Japanese have announced, however, their intention to destroy the Chinese will and capacity to resist and actually to overthrow the existing Chinese Government. By declining the League Assembly Advisory Committee's invitation, the Japanese have refused even to consult with other governments with a view to adjusting their difficulties with China.

The Secretary expresses the feeling that the Sino-Japanese situation definitely concerns the world as a whole. No longer do the questions involved relate merely to specific provisions of particular treaties being violated; they are questions of international law, of principles of humanity, of war and of peace. Naturally it is true that the questions involve violating agreements, particularly the League of Nations Covenant, the Nine-Power Treaty, and the Kellogg-Briand Pact. But problems of world economy, world humanity, and world security also are involved. In the opinion of the Secretary, it is not possible on a basis of realism for these questions to be confined to any one forum's consideration or to be brought within the exclusive focus of

any one existing agreement. Further, the Secretary believes it inexpedient to attempt stating the possible limit of action to be taken by nations desiring peace for the purpose of expressing themselves against activities now being engaged in, as regards the situation under reference, in jeopardy to the security and rights of all nations and in breach of the peace.

It is felt that the United States Government, in action taken thus far, has gone further in making efforts calculated to strengthen general principles of world peace and world security and in indicating toward disregard of them disapprobation and disapproval than any other government or group of nations has gone. Therefore, it is felt that other nations might now well direct their efforts to go as far as or farther than the United States thus far has gone along these lines.

The Minister is instructed to endeavor with discretion to cultivate thinking along these lines within restricted circles which will respect confidence, at the same time making it clear that the United States does not desire to incite the League of Nations to action and declines to chart a course for its members, whether individually or collectively.

HULL

793.94/10314: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, September 29, 1937—10 p. m.

[Received September 29—12:39 p. m.]

432. The Military Attaché has today submitted to me the following memorandum:

"The following information was gathered last night by officers of this office in the course of conversation with well-informed Japanese officers who hold responsible positions in the War Department and General Staff headquarters.

(a) The Japanese Army is very anxious to have the United States understand that all Japanese operations in China are aimed at military objectives. No intentional attacks have been or will be made on nonmilitary Chinese or foreign property or persons.

(b) Responsibility for the destruction of foreign property or lives in the course of military operations is not admitted, but in the case of the bombing of the American Mission School at Tungchow, a solatium of 1,500 yen has been given.

(c) The Army approves the sending abroad of unofficial, distinguished Japanese to explain to foreign countries Japan's intentions in China, and particularly the absence of any territorial ambitions there. Mr. Matsukata goes to the United States prepared to make large purchases from American firms.

(d) Japanese Army forces in the Shanghai area will be limited to the four divisions now there and are considered sufficient to force the withdrawal of Chinese troops from the vicinity of Shanghai. A more extensive operation in that theatre is not contemplated.

(e) Troop movements to North China and the Shanghai area will in future be limited to the replacements necessary to maintain units in the field at the prescribed strength.

(f) The possibility that Soviet Russia may ally itself openly with China is considered serious and steps have been taken to reenforce the Kwantung Army as a protective measure. There is a strong feeling among the younger Army officers that, as Russia will have to be fought sometime, the war might just as well come soon. However, plans to bring on another Russo-Japanese war soon have not been made."

GREW

793.94/11026

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] October 4, 1937.

I called on the Vice Minister for Foreign Affairs by appointment at 12:10 p. m. and made oral representations along the lines of paragraph 4 of the Department's telegram No. 245, October 2, 3 p. m.⁴⁷ concerning the use by Japanese forces of the International Settlement at Shanghai as a base for military operations, reading aloud and leaving with the Vice Minister our *aide-mémoire* on that subject.⁴⁸

Mr. Horinouchi, after listening to my exposition, said that Japanese lives and property in the Settlement are being constantly endangered by firing from Pootung and Chapei and that the measures of the Japanese in landing forces in the International Settlement had been for self-defense. He said that as a matter of fact only about 4,000 marines had been landed in the International Settlement which was a very small proportion of their forces in that sector and that most of these forces had been landed at points well separated from the International Settlement. Mr. Horinouchi said that our *aide-mémoire* would be studied and that a reply would be made in due course.

J[OSEPH] C. G[REW]

793.94/11026

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

On several recent occasions and through different channels, the attention of the Japanese Government has been earnestly invited to the use of the International Settlement at Shanghai by the Japanese forces as a military base. On August 23, with the arrival at and near Shanghai of contingents of the Japanese Army, the operations which were conducted up to that time by the Japanese naval landing force as part of the defense forces of the International Settlement, became a campaign

⁴⁷ Not printed.

⁴⁸ *Infra*.

on a large scale against the Chinese military forces in an extensive area outside the International Settlement. Since the date above mentioned, the wharves of the Hongkew section have been the main base for unloading supplies and troops and evacuating the wounded. According to authoritative reports, fifteen Japanese transports used the docks on the three days September 22 to September 24, four thousand troops having been landed on one of these days.

On September 15 the Consular Body at Shanghai caused oral representations to be made on this subject to the Japanese Consul General, who replied that the Japanese landing party being stationed in Shanghai for the protection of Japanese interests has the right, equally with other foreign military units, to land supplies and reinforcements, and that the landing party or any other Japanese armed force was or would be acting only in self-defense.

In the opinion of the American Government, the present Japanese military operations at Shanghai—their extent, place, and seeming objectives—cannot with warrant be construed as a means of defense of the Settlement. The American Government, accordingly, feels strongly that the Japanese military forces should refrain from using any portion of the Settlement as a base for disembarking Japanese troops and unloading military supplies to be employed outside the Settlement in major operations against Chinese troops, and that the Settlement should not be used in any way as a base or channel for military operations of any character except such as are exclusively for the protection and defense of the Settlement.

It is the further opinion of the American Government that, as the Settlement is an area in which by treaties and agreements a number of countries, including Japan and the United States, have common rights and interests, its use as a base for military operations conducted outside the Settlement is not in keeping with the spirit of those agreements, and that it unwarrantably endangers the rights and interests of all those countries, including the United States, which possess in common those rights and interests.

TOKYO, October 4, 1937.

*Address Delivered by President Roosevelt at Chicago on October 5, 1937*⁴⁹

I am glad to come once again to Chicago and especially to have the opportunity of taking part in the dedication of this important project of civic betterment.

⁴⁹ At dedication ceremonies of the Outerlink Bridge over the mouth of the Chicago River. Reprinted from Department of State, *Press Releases*, October 9, 1937 (vol. xvii, No. 419), p. 275.

On my trip across the continent and back I have been shown many evidences of the result of common-sense cooperation between municipalities and the Federal Government, and I have been greeted by tens of thousands of Americans who have told me in every look and word that their material and spiritual well-being has made great strides forward in the past few years.

And yet, as I have seen with my own eyes, the prosperous farms, the thriving factories, and the busy railroads—as I have seen the happiness and security and peace which covers our wide land—almost inevitably I have been compelled to contrast our peace with very different scenes being enacted in other parts of the world.

It is because the people of the United States under modern conditions must, for the sake of their own future, give thought to the rest of the world, that I, as the responsible executive head of the Nation, have chosen this great inland city and this gala occasion to speak to you on a subject of definite national importance.

The political situation in the world, which of late has been growing progressively worse, is such as to cause grave concern and anxiety to all the peoples and nations who wish to live in peace and amity with their neighbors.

Some 15 years ago the hopes of mankind for a continuing era of international peace were raised to great heights when more than 60 nations solemnly pledged themselves not to resort to arms in furtherance of their national aims and policies. The high aspirations expressed in the Briand-Kellogg Peace Pact and the hopes for peace thus raised have of late given way to a haunting fear of calamity. The present reign of terror and international lawlessness began a few years ago.

It began through unjustified interference in the internal affairs of other nations or the invasion of alien territory in violation of treaties and has now reached a stage where the very foundations of civilization are seriously threatened. The landmarks and traditions which have marked the progress of civilization toward a condition of law, order, and justice are being wiped away.

Without a declaration of war and without warning or justification of any kind, civilians, including women and children, are being ruthlessly murdered with bombs from the air. In times of so-called peace ships are being attacked and sunk by submarines without cause or notice. Nations are fomenting and taking sides in civil warfare in nations that have never done them any harm. Nations claiming freedom for themselves deny it to others.

Innocent peoples and nations are being cruelly sacrificed to a greed for power and supremacy which is devoid of all sense of justice and humane consideration.

To paraphrase a recent author, "perhaps we foresee a time when men, exultant in the technique of homicide, will rage so hotly over the world that every precious thing will be in danger, every book and picture and harmony, every treasure garnered through two millenniums, the small, the delicate, the defenseless—all will be lost or wrecked or utterly destroyed."

If those things come to pass in other parts of the world let no one imagine that America will escape, that it may expect mercy, that this Western Hemisphere will not be attacked, and that it will continue tranquilly and peacefully to carry on the ethics and the arts of civilization.

If those days come "there will be no safety by arms, no help from authority, no answer in science. The storm will rage till every flower of culture is trampled and all human beings are leveled in a vast chaos."

If those days are not to come to pass—if we are to have a world in which we can breathe freely and live in amity without fear—the peace-loving nations must make a concerted effort to uphold laws and principles on which alone peace can rest secure.

The peace-loving nations must make a concerted effort in opposition to those violations of treaties and those ignorings of humane instincts which today are creating a state of international anarchy and instability from which there is no escape through mere isolation or neutrality.

Those who cherish their freedom and recognize and respect the equal right of their neighbors to be free and live in peace, must work together for the triumph of law and moral principles in order that peace, justice, and confidence may prevail in the world. There must be a return to a belief in the pledged word, in the value of a signed treaty. There must be recognition of the fact that national morality is as vital as private morality.

A bishop wrote me the other day: "It seems to me that something greatly needs to be said in behalf of ordinary humanity against the present practice of carrying the horrors of war to helpless civilians, especially women and children. It may be that such a protest might be regarded by many, who claim to be realists, as futile, but may it not be that the heart of mankind is so filled with horror at the present needless suffering that that force could be mobilized in sufficient volume to lessen such cruelty in the days ahead. Even though it may take twenty years, which God forbid, for civilization to make effective its corporate protest against this barbarism, surely strong voices may hasten the day."

There is a solidarity and interdependence about the modern world, both technically and morally, which makes it impossible for any

nation completely to isolate itself from economic and political upheavals in the rest of the world, especially when such upheavals appear to be spreading and not declining. There can be no stability or peace either within nations or between nations except under laws and moral standards adhered to by all. International anarchy destroys every foundation for peace. It jeopardizes either the immediate or the future security of every nation, large or small. It is, therefore, a matter of vital interest and concern to the people of the United States that the sanctity of international treaties and the maintenance of international morality be restored.

The overwhelming majority of the peoples and nations of the world today want to live in peace. They seek the removal of barriers against trade. They want to exert themselves in industry, in agriculture, and in business, that they may increase their wealth through the production of wealth-producing goods rather than striving to produce military planes and bombs and machine guns and cannon for the destruction of human lives and useful property.

In those nations of the world which seem to be piling armament on armament for purposes of aggression, and those other nations which fear acts of aggression against them and their security, a very high proportion of their national income is being spent directly for armaments. It runs from 30 to as high as 50 percent.

The proportion that we in the United States spend is far less—11 or 12 percent.

How happy we are that the circumstances of the moment permit us to put our money into bridges and boulevards, dams and reforestation, the conservation of our soil, and many other kinds of useful works rather than into huge standing armies and vast supplies of implements of war.

I am compelled and you are compelled, nevertheless, to look ahead. The peace, the freedom, and the security of 90 percent of the population of the world is being jeopardized by the remaining 10 percent, who are threatening a breakdown of all international order and law. Surely the 90 percent who want to live in peace under law and in accordance with moral standards that have received almost universal acceptance through the centuries, can and must find some way to make their will prevail.

The situation is definitely of universal concern. The questions involved relate not merely to violations of specific provisions of particular treaties; they are questions of war and of peace, of international law, and especially of principles of humanity. It is true that they involve definite violations of agreements, and especially of the Covenant of the League of Nations, the Briand-Kellogg Pact, and the Nine

Power Treaty. But they also involve problems of world economy, world security, and world humanity.

It is true that the moral consciousness of the world must recognize the importance of removing injustices and well-founded grievances; but at the same time it must be aroused to the cardinal necessity of honoring sanctity of treaties, of respecting the rights and liberties of others, and of putting an end to acts of international aggression.

It seems to be unfortunately true that the epidemic of world lawlessness is spreading.

When an epidemic of physical disease starts to spread, the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease.

It is my determination to pursue a policy of peace and to adopt every practicable measure to avoid involvement in war. It ought to be inconceivable that in this modern era, and in the face of experience, any nation could be so foolish and ruthless as to run the risk of plunging the whole world into war by invading and violating in contravention of solemn treaties the territory of other nations that have done them no real harm and which are too weak to protect themselves adequately. Yet the peace of the world and the welfare and security of every nation is today being threatened by that very thing.

No nation which refuses to exercise forbearance and to respect the freedom and rights of others can long remain strong and retain the confidence and respect of other nations. No nation ever loses its dignity or good standing by conciliating its differences and by exercising great patience with and consideration for the rights of other nations.

War is a contagion, whether it be declared or undeclared. It can engulf states and peoples remote from the original scene of hostilities. We are determined to keep out of war, yet we cannot insure ourselves against the disastrous effects of war and the dangers of involvement. We are adopting such measures as will minimize our risk of involvement, but we cannot have complete protection in a world of disorder in which confidence and security have broken down.

If civilization is to survive the principles of the Prince of Peace must be restored. Shattered trust between nations must be revived.

Most important of all, the will for peace on the part of peace-loving nations must express itself to the end that nations that may be tempted to violate their agreements and the rights of others will desist from such a cause. There must be positive endeavors to preserve peace.

America hates war. America hopes for peace. Therefore, America actively engages in the search for peace.

793.94/10668

*First Report Adopted by the League of Nations Assembly on October 6, 1937*⁵⁰

The Sub-Committee has not attempted to deal with the historical and underlying causes of the conflict in the Far East. It has not, for instance, thought it necessary to revert to the Manchuria affair, which is dealt with in the report adopted by the Assembly on February 24th, 1933. Nor has it attempted to describe in detail the development of events either in the sphere of military action or in that of negotiation and policy. The accounts issued by the two parties in regard to these are contradictory, and on the basis of the material available it would be impossible to do so, especially in view of the fact that Japan, which, since March 28th, 1935, is no longer a member of the League, did not agree to send a representative to sit on the Committee.

In any case, a detailed study is unnecessary. At the beginning of July 1937, there was no indication from either side that there was anything in their relations which could not be settled amicably. All that the Committee has to do is to describe and assess the events which led from a state of peaceful relations to a situation where large armies are in conflict.

It has, accordingly, been possible—in the time available to trace the main development of events—to examine the treaty obligations of the parties to the conflict and to draw conclusions which are set out at the end of this report.

I

At the beginning of July 1937, there were about 7,000 Japanese soldiers in Northern China. These troops were kept there on the basis of the Protocol of September 7th, 1901 (and its annexes), concluded between China and the Powers having legations at Peking. Under these Agreements, China recognised the right of each Power to maintain a permanent guard in the legations quarter at Peking and to occupy twelve specified points * for the maintenance of open communication between the capital and the sea. Under the terms of a supplementary Agreement of July 15th-18th, 1902, the foreign troops stationed at these points had "the right of carrying on field exercises and rifle practice, etc. . . . without informing the Chinese authorities, except in the case of *feux de guerre*".

⁵⁰ This text of the "First Report of the Sub-Committee of the Far-East Advisory Committee adopted by the Committee on October 5th, 1937," is reprinted from League of Nations document, A.78.1937.VII, Geneva, October 5, 1937. Footnotes designated throughout by symbols appear in the original.

*The points are Huang-tsun, Lang-fang, Yang-tsun, Tientsin, Chunliang Ch'eng, Tang-ku, Lu-tai, Tang-shan, Lan-chou, Chang-li, Ch'in-wang tao, Shan-hai kuan.

The Powers other than Japan which at present† maintain contingents at Peiping (Peking), and certain of the points specified in the Protocol of September 7th, 1901, only have very small detachments there. The number of British troops stationed in North China at the beginning of July this year was 1,007; that figure includes the 252 members of the Legation guard. Similarly, the strength of the French effectives stationed in Hopei varies between 1,700 and 1,900, the bulk of whom are at Tientsin. The rest are divided among the garrisons of Shan-hai-Kuan, Chin-wang tao, Tongku and Peking, the detachment in the latter town forming the Embassy guard. At present, the total strength of those troops is 1,600 men and 60 officers; the Embassy guard consists of 120 men.

In addition to the events and developments in Manchuria and Jehol, Japan's political activity in North China, the presence of Japanese effectives greatly in excess of the contingents of the other Powers, and the frequency of their exercises and manoeuvres‡ disquieted the Chinese. It was in an atmosphere of tension that on July 7th last an incident occurred which was not essentially different from those which had preceded it, but which was the occasion from which flow the Japanese army's present operations in Northern China.

This initial incident occurred at Loukouchiao, thirteen kilometres to the south-west of Peiping (Peking), between the Chinese garrison and the Japanese troops carrying out night manoeuvres in that district.

The Chinese and Japanese versions of the incident differ.

According to the Japanese version, it was the Chinese soldiers of the 29th Army who opened fire; a temporary cessation of hostilities was arranged on the morning of July 8th by the Chinese and Japanese military authorities—this was to permit of the immediate opening of negotiations between these same authorities, with a view to the settlement of the incident; the Chinese soldiers did not abide by this agreement, nor by the agreement concluded next day for the mutual withdrawal of the Chinese and Japanese troops; this aggressive attitude on the part of the Chinese troops rendered vain the agreement§

†The Union of Soviet Socialist Republics, having from 1924 onwards given up Russia's right to maintain troops in China in virtue of the 1901 Protocol, now keeps no military contingent there.

‡In point of fact, the Japanese Embassy guard carried out manoeuvres every summer in the country to the west of Peking. The other foreign guards do not seem to have been in the habit of engaging in manoeuvres in the strict sense of the term; they confined themselves to musketry exercises on the rifle-range and route-marches in the country-side.

§This Chinese version is to be found in the dispatches of the Domei News-agency. The agreement of July 11th consisted of three points:

(1) Apology by the representatives of the 29th Army and punishment of those directly responsible;

(2) Chinese troops to evacuate Loukouchiao and to be replaced by the Peace Preservation Corps for the purpose of keeping the Chinese troops sufficiently separated from the Japanese;

(3) Adequate measures to be taken for curbing the activities of the Blue Shirts and Communists.

concluded on July 11th for the settlement of the incident by the Japanese military authorities on the one hand and the Mayor of Tientsin and the Chief of the Public Safety Bureau of Hopei on the other.

According to the Chinese version, on the pretext that one of their men was missing, the Japanese troops which were carrying out manoeuvres in the night of July 7th asked permission to enter Wanping (Loukouchiao) in order to make investigations; this having been refused, Wanping (Loukouchiao) was attacked by the Japanese infantry and artillery; the Chinese garrison resisted; the situation was aggravated, not by the action of the Chinese troops, which even before the Japanese troops had begun their withdrawal, complied with the agreement for the withdrawal of troops, but by the action of the Japanese troops, which, having received large reinforcements, resumed the offensive in the Wanping (Loukouchiao) zone, extending their operations to the immediate vicinity of Peiping; the Chinese Government made no objection to the terms of the agreement concluded on July 11th between the Chinese local authorities and the Japanese army, but the Japanese attempted to impose measures supplementary to this agreement; moreover, disregarding the agreements concluded for the mutual withdrawal of troops, the Japanese army extended its operations in Northern China.

Leaving on one side the obvious discrepancies between these Chinese and Japanese versions of the events, it may be observed that, while these discussions between local authorities for local settlement were going on, and while communications were passing between the Japanese Government and the Chinese Government, the former insisting that a local solution which would confirm its influence in North China should be obtained without Nanking, extensive movements of troops were making the situation worse. As a result of the arrival at Tientsin and in the suburbs of Peiping of reinforcements, hastily sent from Manchuria, the Japanese effectives on July 12th, according to Chinese reports, exceeded 20,000 men, and the Japanese Air Force consisted of 100 aeroplanes. It was also announced that troops of the Central Chinese Government were moving north.

Just as it had advised Nanking not to intervene in the settlement of the incident of July 7th, the Japanese Government gave the Chinese Government a warning regarding the movements of its troops towards the north. Invoking the Tangku Armistice Convention of May 31st, 1933,⁵¹ and the Umezu-Ho-Ying-ching Agreement of June 10th, 1935, an agreement disputed by China, Japan warned the Nanking Government of the serious consequences that would follow on the despatch of its troops into Hopei.

⁵¹ See p. 120.

At the end of July hostilities began in North China, at a time when local negotiations were being carried on. The Japanese occupied Peiping and Tientsin and seized the railway lines running south which connect these two cities with Central China. A new Government which favoured the Japanese influence was set up in Hopei.

The Japanese army then progressed towards the west along the railway which connects Peiping and Sui-yuen through Kalgan and Ta-tung. It also progressed along the frontier between Hopei and Chahar Province; the taking of the Nankow Pass, some 80 kilometres north-west of Peiping, facilitated the penetration of the Japanese Manchurian divisions into Inner Mongolia.

The operations of the Japanese troops in North China provoked a lively reaction in China. By the declarations of Japanese statesmen to the effect that China must give way, the emergency financial measures taken at Tokio, and the departure of the Japanese nationals resident in China, the Government and the people of China were led to the conclusion that Japan was determined to break their resistance by force of arms.

They were confirmed in this conviction, when at the end of the second week of August, the Shanghai region became a second theatre of operations, despite the efforts that were made to keep hostilities at a distance from a city in which the interests of China and those of other nations are so closely interlocked.

It will be remembered that, in 1932, the hostilities in the Shanghai region had been brought to an end by the conclusion of the Agreement of May 5th, of which Article II stipulated that the Chinese troops would remain in the positions they occupied at that date pending later arrangements upon the re-establishment of normal conditions in the area dealt with by this Agreement. The Chinese delegation to the Shanghai Conference, in accepting the Agreement, declared in particular that it was understood that "nothing in this Agreement implies any permanent restriction on the movements of Chinese troops in Chinese territory".

The Japanese Minister for Foreign Affairs, in a speech which he made in the Imperial Diet on September 5th, 1937, described as follows the initial incident at Shanghai on August 9th and the difficulties which occurred on the following days:

"... on August 9th, at Shanghai, Sub-Lieutenant Oyama and Seaman Saito, of the landing party, were murdered at the hands of the Chinese Peace Preservation Corps.

"Even then, Japan, adhering to a peaceful cause, sought to settle the affair through the withdrawal of the Peace Preservation Corps and the removal of all military works that had been erected in violation of the 1932 Truce Agreement. China refused to comply with our demands under one pretext or another, and proceeded, instead, to

increase her troops and multiply her military works in the prohibited zone, and finally launched an unwarranted attack upon the Japanese.

"Thereupon, as a matter of duty, our Government despatched small naval reinforcements to Shanghai as an emergency measure to ensure the protection of our nationals in that city."

After describing the efforts of the Powers to exclude Shanghai from the zone of hostilities, M. Hirota said that "in the afternoon of August 13th, the Chinese armies that had been pouring into the Shanghai area took the offensive".

With this version may be contrasted that contained in the Chinese Government's statement communicated to the League of Nations on August 30th.

The incident of August 9th is described as follows:

"One Japanese naval officer, one Japanese seaman, and a member of the Chinese Peace Preservation Corps were killed in a clash arising from the Japanese naval men's attempt to approach the Chinese military aerodrome near Shanghai regardless of Chinese warnings."

Recalling, moreover, the above-mentioned declaration by its representative at the time of the conclusion of the Agreement of May 5th, 1932, the Chinese Delegation, while mentioning that its Government had repeatedly ordered the local authorities of Shanghai to take special precautions against the occurrence of any untoward incident, maintains that movements of Chinese troops in Chinese territory cannot be considered as a breach of the Agreement.

The opening of hostilities at Shanghai is described by the Chinese note in these words:

"Within less than forty-eight hours, Japan concentrated about thirty warships at Shanghai, and had her armed forces there increased by several thousand. At the same time, however, demands calculated to remove or undermine Chinese defence were made on the Chinese authorities. The expected attack opened on August 13th, four days after the incident."

Since then furious fighting has been going on round Shanghai. At the beginning of July, the strength of the Japanese troops stationed in the International Settlement and on the extra-Settlement roads amounted to 4,000 men. At the end of September, under the protection of 38 Japanese warships assembled at Woosung, reinforcements had been landed which the Chinese authorities estimated at over 100,000 men.

During the last few weeks, Japan has developed her military action, not only in the Yangtse valley, where, *inter alia*, Japanese aircraft have several times bombed the capital of China, but along the Chinese coast and in the interior, where numerous aerial bombardments have been carried out.

At present, apart from the operations of the Japanese armies in North and Central China, and the raids carried out by Japanese aircraft on the ports and the cities of the interior, the Japanese fleet, while continuing to co-operate with the army, more especially before Shanghai, is patrolling the coast to prevent supplies from being brought to China by Chinese ships, a number of which have been sunk.¶

Since July 7th, faced by a growing resistance, Japan has not ceased to intensify her action, employing larger and larger forces and more and more powerful armaments. According to Chinese estimates, in addition to the 100,000 men in the Shanghai region, the strength of the Japanese troops operating in China exceeds 250,000 men.

As regards the activity of the Japanese aircraft, the Advisory Committee, in its resolution of September 27th, condemned the aerial bombardments of open towns in China. The Assembly has endorsed this resolution.[¶]

II

For the purpose of examining the facts of the present situation, it does not seem necessary to discuss the treaties regulating commercial matters and such matters as the extra-territorial status of Japanese nationals in China. There are only three main treaties which are relevant to our present purpose—namely, the Final Protocol of September 7th, 1901, the Nine-Power Treaty signed at Washington in 1922, and the Pact of Paris of 1928, to which may be added the Hague Convention No. I of October 18th, 1907,** which has a somewhat different character. There are, in addition to these, an indeterminate number of bilateral agreements which have been negotiated at various times locally between Chinese and Japanese authorities. The exact terms, the scope, the interpretation of the validity of these agree-

¶ On August 25th, 1937, Vice-Admiral Hasegawa, commanding the Japanese naval forces, published the following proclamation at Shanghai:

"A blockade of the Chinese coasts from 32°4' North and 121°44' East to 23°14' North and 116°48' East on and after 6 p. m., on August 25th, against Chinese vessels, is hereby proclaimed.

"Vessels of a third party and also Japanese vessels are free to pass the blockaded area."

On September 5th, the Tokio Navy Office announced that, from noon of that day, the entire coast of China would be closed to Chinese vessels. The port of Tsingtao and the leased territories of third Powers are excluded.

[¶] The Assembly, at its meeting of September 30th, adopted a report of the Sixth Committee whereby the said Committee, having heard a statement from the Chinese delegate, urged that in armed conflicts artistic monuments and cultural institutions representing the high-water mark of civilizations should be spared.

** China and Japan have signed and ratified the Hague Convention No. I of October 18th, 1907. Under Article I of that Convention, the contracting Powers, "with a view to obviating as far as possible recourse to force in the relations between States", agreed "to use their best efforts to insure the pacific settlement of international differences". The Convention recommends recourse, according to the case, to mediation, arbitration, or international commissions of inquiry.

ments are matters of dispute. They cannot affect or override the obligations undertaken by either of the parties in the three multilateral engagements referred to above.

Under the Protocol of September 7th, 1901, and annexed instruments, Japan, together with certain other Powers, is entitled to station troops at certain points in the province of Hopei, along the Peiping-Mukden Railway, for the purpose of keeping open communications between the legations in Peiping and the sea. These troops "will have the right of carrying on field exercises and rifle practice, etc., without informing the Chinese authorities, except in the case of *feux de guerre*".

Under the Nine-Power Treaty of 1922 regarding the principles and policies to be followed in matters concerning China, the contracting Powers, other than China, agreed, *inter alia*, to respect the sovereignty, the independence and the territorial and administrative integrity of China; to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable Government. The contracting Powers (including China) further agreed that whenever a situation arose which, in the opinion of any one of them, involved the application of the stipulations of the Treaty and rendered desirable discussion of such application, there should be full and frank communication between the contracting Powers concerned.

Under the Pact of Paris of 1928, the parties solemnly declared in the names of their respective peoples that they condemned recourse to war for the solution of international controversies and renounced it as an instrument of national policy in their relations with one another. They further agreed that the settlement or solution of all disputes or conflicts, of whatever nature or of whatever origin they might be, which might arise among them, should never be sought except by pacific means.

III

Prima facie, the events described in the first part of this report constitute a breach by Japan of her obligations towards China and towards other States under these treaties. The conduct of hostilities by Japanese forces under the circumstances described by land, water and air throughout China is *prima facie* inconsistent with an obligation to respect the sovereignty, the independence and the territorial integrity of China, and also with the obligation never to seek the solution of a dispute with China, of whatever origin or character, except by pacific means. It would seem that only if it could be shown to be a measure necessary for self-defence (including the defence of the Japanese forces and nationals lawfully upon Chinese territory)

could the position of the Japanese forces in China possibly be reconciled with Japan's treaty obligations.

Among the elements by which this question can be judged must be included the official statements made by the Parties themselves as to their attitude and policy during the development of the conflict up to the present time.

The attitude of China was set out by the President of the Executive Yuan, Generalissimo Chiang Kai-shek, in a speech made on July 17th, 1937, in which he emphasised that national existence and international co-existence were the twin aims of the external policy of the Chinese National Government. . . . China was not seeking war; she was merely meeting attacks on her very existence. On the other hand, she was still seeking peace. Whether it would be peace or war depended entirely on the movements and activities of the Japanese troops. He then mentioned four points as representing the minimum considerations on the basis of which a pacific solution could be sought. These points were:

(1) Any settlement must not contain any terms constituting an encroachment on China's sovereign rights and territorial integrity;

(2) Any unlawful alteration in the administrative systems of the two provinces of Hopei and Chahar would not be allowed;

(3) The removal of the provincial officers appointed by the Central Government, . . . through outside pressure, would not be allowed; and

(4) No restrictions should be imposed on the garrison districts of the 29th Route Army.

In the memorandum presented by the Chinese Foreign Office to the Japanese Embassy in Nanking on July 19th, the Chinese Government "renewed its proposal for simultaneous cessation of troop movements on both sides and mutual withdrawal of troops to their respective original positions on a date to be agreed upon by both parties". It also unequivocally stated that for the settlement of the incident the Chinese Government was prepared to accept any pacific means known to international law or treaties, such as direct negotiations, good offices, mediation and arbitration.

The general attitude of the Japanese Government towards the dispute was set forth in a statement made by the Japanese Prime Minister on July 27th, when, in answer to a question in the Diet, he said:

"Japan has no territorial ambitions whatever in China. If she had such designs as the Chinese professed, the army might already have occupied the whole of North China. Surely the Chinese Government and the Powers realise this. Japan wants Chinese co-operation, not Chinese territory. By co-operation, I do not mean that Chinese interests are to be subordinated to those of Japan, but that the two countries should contribute on a basis of equal mutual assistance to the development of Far-Eastern culture and prosperity."

In his speech before the Diet of September 5th, M. Hirota, the Minister for Foreign Affairs, declared that the policy of the Japanese Government had been one of local settlement and non-aggravation and that the Japanese Government had exerted every effort to effect a speedy solution.

On September 15th, the spokesman of the Japanese Foreign Office declared that the Japanese Government, in accordance with the policy of local settlement and non-aggravation, had done everything to arrive at a speedy settlement.

Statements such as these appear to show that both sides believe that at an early stage of events the incident could have been localised and a pacific solution found. This result, however, proved unattainable.

It is noteworthy that Japanese official statements declare that it was the movements of Chinese troops and the aggressive intentions of the Chinese Government which frustrated the pacific intentions of the Japanese Government. Chinese official statements, on the other hand, bring exactly the same charge against Japan—namely, that it is the invasion of Japanese troops and the aggressive intentions of the Japanese Government that have swelled a local incident into a great catastrophe.

At a comparatively early stage, it began to appear that Japan, in addition to reaching a local settlement, was also determined to obtain a settlement of all the questions at issue between China and Japan.

On the evening of July 11th, a statement prepared at the Cabinet meeting earlier in the day was issued by the Japanese Foreign Office. The effect of the statement was that, though anxious to maintain peace and order in North China, the Japanese Government intended to take all necessary measures for despatching military forces to that region.

On July 27th, Prince Konoye made a speech in which the following statement occurred:

“I think that not only must problems with China be settled locally but also we must go a step farther and obtain a fundamental solution of Sino-Japanese relations.”

M. Hirota said in the Diet on September 5th that “it is hardly necessary to say that the basic policy of the Japanese Government aims at the stabilisation of relations between Japan, ‘Manchukuo’ and China, for their common prosperity and well-being. Since China, ignoring our true motives, has mobilised her vast armies against us, we cannot do otherwise than counter the mobilisation by force of arms. . . . We firmly believe that it is in accordance with the right of self-defence as well as with the cause of righteousness that our country is determined to deal a decisive blow to such a country (China), so that it may reflect upon the error of its ways. . . . The sole recourse open to the

Japanese Empire is to administer the foregoing blow to the Chinese army, so that it may lose completely its will to fight."

On the Chinese side, Generalissimo Chiang Kai-shek issued a statement on July 30th, containing the following observations:

"The declaration I made at Kuling and the minimum four conditions laid down by me for the settlement of the Loukouchiaio affair are unalterable. It is out of the question that, having reached this crucial juncture, we could still consider the situation of Peiping and Tientsin as a matter for local settlement, or that the Japanese army could be tolerated to run rampant in the North or to set up another puppet government there. The only course open to us now is to lead the masses of the nation, under a single national plan, to struggle to the last. In short, the Government's policy vis-à-vis Japanese aggression remains the same and has not changed. It is to preserve China's territorial integrity and political independence."

The Japanese Government has on a number of occasions stated its desire for a peaceful settlement and for harmonious co-operation between Japan and China. It has, however, insisted throughout that this result must be achieved by China and Japan alone, without any interference from third parties. Thus, in reply to a suggestion in the Budget Committee of July 29th that the Governments should make a firm statement to forestall the intervention of third Powers, the Japanese Minister for Foreign Affairs replied that he did not anticipate intervention, and that were any such proposals to be made, the Government would not fail to reject them.

Further, in his telegram of September 25th declining the Advisory Committee's invitation to take part in its work, M. Hirota declared that as regards the settlement of the present affair the Imperial Government, as it has stated on many occasions, is firmly convinced that a just, equitable and practical solution of the questions concerning Japan and China can be found by the two countries.

As regards the attitude of China, reference may be made to the statements made by the Assembly and the Committee by the Chinese Delegation. There seems no reason to doubt that the memorandum of July 19th, which has already been quoted, continues to represent the policy of the Chinese Government.

IV

CONCLUSIONS

It is clear that the two countries take very different views as to the underlying grounds of the dispute and as to the incident which led to the first outbreak of hostilities.

It cannot, however, be challenged that powerful Japanese armies have invaded Chinese territory and are in military control of large areas, including Peiping itself; that the Japanese Government has

taken naval measures to close the coast of China to Chinese shipping; and that Japanese aircraft are carrying out bombardments over widely separated regions of the country.

After examination of the facts laid before it, the Committee is bound to take the view that the military operations carried on by Japan against China by land, sea and air are out of all proportion to the incident that occasioned the conflict; that such action cannot possibly facilitate or promote the friendly co-operation between the two nations that Japanese statesmen have affirmed to be the aim of their policy; that it can be justified neither on the basis of existing legal instruments nor on that of the right of self-defence, and that it is in contravention of Japan's obligations under the Nine-Power Treaty of February 6th, 1922, and under the Pact of Paris of August 27th, 1928.

793.94/10668

*Second Report Adopted by the League of Nations Assembly on
October 6, 1937*⁵²

1. In the report which the Sub-Committee has already submitted to the Advisory Committee, the facts of the present situation in China and the treaty obligations of Japan have been examined. That report shows that the action taken by Japan is a breach of Japan's treaty obligations and cannot be justified.

2. The establishment of the understandings of international law as the actual rule of conduct among Governments and the maintenance of respect of treaty obligations in the dealings of organised peoples one with another are matters of vital interest to all nations.

3. The present situation in China is a matter of concern not only to the two States in conflict but, to a greater or lesser degree, to all States. Many Powers are already directly affected in the lives of their nationals and in their material interests. But even more important than this is the interest which all States must feel in the restoration and maintenance of peace. This, indeed, is the fundamental purpose for which the League exists. It has thus the duty as well as the right to attempt to bring about a speedy restoration of peace in the Far East, in accordance with existing obligations under the Covenant and the treaties.

4. The Sub-Committee has considered in the first place the obligations which the Covenant places in such circumstances upon Members of the League.

⁵² This text of the "Second Report of the Sub-Committee of the Far-East Advisory Committee adopted by the Committee on October 5th, 1937", is reprinted from League of Nations document, A.80.1937.VII, Geneva, October 5, 1937.

5. The Advisory Committee has been set up under the wide terms of Article 3 (3) of the Covenant, which authorises the Assembly to deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

6. This Article places no limit upon the action of the Assembly, and Article II [11] which, *inter alia*, has been invoked by China provides that "The League shall take any action that may be deemed wise and effectual to safeguard the peace of nations".

7. The Sub-Committee has examined the situation with a view to determining what action would be "wise and effectual".

8. It cannot be admitted that the present conflict in the Far East, which has been shown to involve an infringement of Japan's treaty obligations, is one which can as of right only be settled by direct methods between the Chinese and Japanese Governments. On the contrary, the whole situation must be taken into the fullest consideration and in particular any appropriate means by which peace may be re-established, in conformity with the principles of the Covenant and of international law and with the provisions of existing treaties, must be examined.

9. The Sub-Committee is convinced that even at this stage of the conflict, before examining other possibilities, further efforts must be made to secure the restoration of peace by agreement.

10. In attempting a settlement, by negotiation, of the present conflict, the League cannot lose sight of the fact that one party is not a member of the League and has, in relation to the work of the Advisory Committee, explicitly declined to co-operate in political matters with the League.

11. The Sub-Committee notes that under the Nine-Power Treaty signed at Washington, the contracting Powers, other than China, agreed, *inter alia*, to respect the sovereignty, the independence, and the territorial and administrative integrity of China, and that all contracting Powers, including China, agreed that, whenever a situation should arise which involved the application of the stipulations of the Treaty and rendered desirable the discussion of such application, there should be full and frank communication between the Powers concerned. It appears, therefore, to the Sub-Committee that the first step which the Assembly should take, in the name of the League, would be to invite those Members of the League who are parties to the Nine-Power Treaty to initiate such consultation at the earliest practicable moment. The Sub-Committee would suggest that these Members should meet forthwith to decide upon the best and quickest means of giving effect to this invitation. The Sub-Committee would further express the hope that the States concerned will be able to associate with their work other States which have

special interests in the Far East to seek a method of putting an end to the conflict by agreement.

12. The States thus engaged in consultation may at any stage consider it desirable to make proposals through the medium of the Advisory Committee to the Assembly. The Sub-Committee recommends that the Assembly should not close its session and should declare the League's willingness to consider co-operation to the maximum extent practicable in any such proposals. The Advisory Committee should in any case hold a further meeting (whether at Geneva or elsewhere) within a period of one month.

13. Pending the results of the action proposed, the Advisory Committee should invite the Assembly to express its moral support for China and to recommend that Members of the League should refrain from taking any action which might have the effect of weakening China's power of resistance and thus of increasing her difficulties in the present conflict, and should also consider how far they can individually extend aid to China.

Press Release Issued by the Department of State on October 6, 1937 ⁵³

The Department of State has been informed by the American Minister to Switzerland of the text of the report adopted by the Advisory Committee of the League of Nations setting forth the Advisory Committee's examination of the facts of the present situation in China and the treaty obligations of Japan. The Minister has further informed the Department that this report was adopted and approved by the Assembly of the League of Nations today, October 6.

Since the beginning of the present controversy in the Far East, the Government of the United States has urged upon both the Chinese and the Japanese Governments that they refrain from hostilities and has offered to be of assistance in an effort to find some means, acceptable to both parties to the conflict, of composing by pacific methods the situation in the Far East.

The Secretary of State, in statements made public on July 16 and August 23, made clear the position of the Government of the United States in regard to international problems and international relationships throughout the world and as applied specifically to the hostilities which are at present unfortunately going on between China and Japan. Among the principles which in the opinion of the Government of the United States should govern international relationships, if peace is to be maintained, are abstinence by all nations from the use of force in the pursuit of policy and from interference in the internal affairs of other

⁵³ Reprinted from Department of State, *Press Releases*, October 9, 1937 (vol. xvii, No. 419), p. 284.

nations; adjustment of problems in international relations by process of peaceful negotiation and agreement; respect by all nations for the rights of others and observance by all nations of established obligations; and the upholding of the principle of the sanctity of treaties.

On October 5 at Chicago the President elaborated these principles, emphasizing their importance, and in a discussion of the world situation pointed out that there can be no stability or peace either within nations or between nations except under laws and moral standards adhered to by all; that international anarchy destroys every foundation for peace; that it jeopardizes either the immediate or the future security of every nation, large or small; and that it is therefore of vital interest and concern to the people of the United States that respect for treaties and international morality be restored.

In the light of the unfolding developments in the Far East, the Government of the United States has been forced to the conclusion that the action of Japan in China is inconsistent with the principles which should govern the relationships between nations and is contrary to the provisions of the Nine Power Treaty of February 6, 1922, regarding principles and policies to be followed in matters concerning China, and to those of the Kellogg-Briand Pact of August 27, 1928. Thus the conclusions of this Government with respect to the foregoing are in general accord with those of the Assembly of the League of Nations.

793.94/10744

Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation Between the Secretary of State and the Japanese Ambassador (Saito)

[WASHINGTON,] October 7, 1937.

The Ambassador called at 3:45 this afternoon at his request.

The Ambassador stated that he had come entirely on his own initiative and without instruction from his Government. He had in his hand a one-page memorandum on which there were Japanese characters and at which he frequently glanced during the course of the conversation. He said that he had come to ask about the action which had been taken yesterday⁵⁴ and to inquire what the American Government "wished." He said that this was the first time so far as he was aware in which the American Government had come out and expressed itself definitely with regard to a general situation in the Far East. He said that the Japanese do not feel that they have violated any treaties. —The Secretary then gave a review of developments since July 7. He said that at the outset and repeatedly, as the Ambassador would remember, the Ambassador had informed us that this

⁵⁴ See press release, *supra*.

was a comparatively small matter and that Japan had no extensive intentions; and we had urged and had kept on urging that the peace be kept and we had offered to be of any possible assistance toward disposing of the controversy by peaceful means. But the situation had developed on a large scale, hundreds of thousands of Japanese troops were operating in China, the coast was blockaded, the air was full of planes, bombings were taking place at many points, women and children were being killed, etc. —The Ambassador replied with a statement that the Japanese had been following a conciliatory policy for several years but the Chinese had been recalcitrant and had broken several agreements and had come to the conclusion that the Japanese could be defied and it had become necessary for the Japanese to use force. He said that at Shanghai the Chinese had attacked Japanese nationals, Japan had sent warships, and the Chinese had attacked the ships. From this the thing had spread. He thought that the powers did not understand the situation and Japan's position. He said that they appreciated the quiet and understanding way in which the American Government had hitherto proceeded with regard to the matter. He wondered whether, in the light of yesterday's action, we had in mind any further course.

The Secretary replied that we had not in mind at present any particular step: we have followed a course and a policy which we will continue to follow.

The Ambassador asked whether there would be a conference of the Nine Power Treaty powers. —The Secretary replied that he had been asked that question elsewhere and he had answered by referring to the resolution of the League.

The Ambassador spoke to the effect that in condemning Japan the powers did not understand and would only be making things more difficult. He said that the Japanese Government wanted to bring the conflict to an end and that, the Japanese people, being proud, when they found themselves criticized, would be all the more insistent that the course which the Government was following be persisted in. —The Secretary said that he did not see how the Japanese could expect the powers to keep silent. He was very sorry that the situation has developed as it has. He repeated, in brief, the review which he had made earlier in the conversation of developments, especially Japan's action, in the Far East; he said that the powers were naturally aroused over all this and naturally could not keep silent about it; that more than fifty powers had expressed themselves at the League; that we, as a signatory of the Nine Power Treaty and the Kellogg Pact, could not admit that the situation was none of our business and could not refrain from expressing the view that provisions of these agreements had been disregarded.

The Ambassador spoke to the effect that relations between the

United States and Japan had been friendly, had been in recent years increasingly so, and should not be permitted to become otherwise. He intimated that the Japanese were exasperated with certain other powers and that he hoped that they would not become so with the United States. —The Secretary said again that he greatly regretted the whole situation. He said that the powers would much rather give any country a clean bill of health than condemn or criticize it. He said that he himself would gladly walk from Washington to San Francisco if by doing so he could cause Japan and China to sit down and, with such assistance as anybody else might render, come to a peaceful solution.

The Secretary inquired whether there was anything that Mr. Hornbeck might wish to say. —Mr. Hornbeck said that there was one question in his mind, a rather incisive question, a question which he would put if he might without impropriety: the Ambassador had stated that the Japanese Government was anxious to bring the conflict to an end and that intrusion by the powers would only make the situation more difficult; he would like to ask what, if the powers in no way intruded, would bring the conflict to an end. —The Ambassador asked whether Mr. Hornbeck meant "what terms." —Mr. Hornbeck said that he meant rather what development or what state of affairs or situation would bring the hostilities to an end. —The Ambassador replied that a recognition by China of her inability to resist Japan and a manifestation on China's part of willingness to be friendly and to cooperate with Japan would bring the hostilities to an end. —Mr. Hornbeck inquired whether this meant that the problem is a "military problem." —The Ambassador replied that that was what it meant.

With the usual amenities, the conversation ended.

As Mr. Hornbeck proceeded with the Ambassador to the door, the Ambassador added that in saying that the problem is a military problem he meant "for the present—a military problem."

S[TANLEY] K. H[ORNBECK]

793.94/10524 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, October 9, 1937—2 p. m.

[Received October 9—6:15 a. m.]

463. Following is text of Foreign Office statement as released in English at 1:35 p. m. today:

"The League of Nations has declared that the actions now being taken by Japan in China are a violation of the Nine-Power Treaty and the Treaty for the Renunciation of War, and the State Department of the United States has issued a statement to the same purport.

However, these steps must be attributed to an unfortunate lack of understanding of the real circumstances as well as the true intentions of Japan, a state of affairs which the Japanese Government deem very regrettable.

The present Sino-Japanese affair originated in the unwarranted attack made by Chinese forces on Japanese garrison troops legitimately stationed in North China under rights clearly recognized by treaty. The troop which was maneuvering at the time of the outbreak was a very small unit. The Japanese garrison force was then scattered in different parts, engaged in peacetime duties. After the outbreak of hostilities, Japan did everything in her power to reach a local settlement of the incident, even at the sacrifice of strategical advantages. These facts are sufficient to prove that the action of the Japanese force was by no means premeditated but simply defensive.

China is undoubtedly responsible for the spread of the affair to Shanghai and then to other points of Central China. She openly violated the agreement for the cessation of hostilities concluded in 1932 by concentrating overwhelmingly numerous forces of more than 40,000 men in the demilitarized zone and attempted to annihilate our naval landing party, numbering but a scant 3,000, and our 30,000 nationals living in the Settlement, amongst whom were many women and children.

The subsequent development of the Japanese military action has been but the unavoidable consequence of the hostile operations of China, who, ignoring our policy of a local settlement and nonaggravation of the situation, moved and concentrated her large armies against us. The action which Japan is taking at the present time is a measure of defense to which she has been compelled to resort by the premeditated provocative acts of China.

What the Japanese Government seek today is merely the abandonment by China of her anti-Japanese policy and the establishment of the enduring peace in East Asia, through sincere cooperation between Japan and China. They have no territorial designs whatever.

In the light of these circumstances, it must be firmly declared that the present action of Japan in China contravenes none of the existing treaties which are in force.

The Chinese Government lending themselves to Communist intrigue, have brought about the present hostilities by their persistent and malicious anti-Japanese measures and their attempt to do away with rights and vital interests of Japan in China by force of arms. It is they who should be deemed a violator of the spirit of the Treaty for the Renunciation of War—a menace to the peace of the world.”

GREW

*Extract From Radio Address Delivered by President Roosevelt at the White House on October 12, 1937*⁵⁵

As we plan today for the creation of ever higher standards of living for the people of the United States, we are aware that our plans may be most seriously affected by events in the world outside our borders.

⁵⁵ Reprinted from press release issued by the White House on October 12, 1937, at 9:30 p. m.

By a series of trade agreements, we have been attempting to recreate the trade of the world which plays so important a part in our domestic prosperity; but we know that if the world outside our borders falls into the chaos of war, world trade will be completely disrupted.

Nor can we view with indifference the destruction of civilized values throughout the world. We seek peace, not only for our generation but also for the generation of our children.

We seek for them the continuance of world civilization in order that their American civilization may continue to be invigorated by the achievements of civilized men and women in the rest of the world.

I want our great democracy to be wise enough to realize that aloofness from war is not promoted by unawareness of war. In a world of mutual suspicions, peace must be affirmatively reached for. It cannot just be wished for. It cannot just be waited for.

We have now made known our willingness to attend a conference of the parties to the Nine Power Treaty of 1922—the Treaty of Washington, of which we are one of the original signatories.⁵⁶ The purpose of this conference will be to seek by agreement a solution of the present situation in China. In efforts to find that solution, it is our purpose to cooperate with the other signatories to this Treaty, including China and Japan.

Such cooperation would be an example of one of the possible paths to follow in our search for means toward peace throughout the whole world.

The development of civilization and of human welfare is based on the acceptance by individuals of certain fundamental decencies in their relations with each other. The development of peace in the world is dependent similarly on the acceptance by nations of certain fundamental decencies in their relations with each other.

Ultimately, I hope *each* nation will accept the fact that violations of these rules of conduct are an injury to the well-being of *all* nations.

Meanwhile, remember that from 1913 to 1921, I was fairly close to world events, and in that period, while I learned much of what to do, I also learned much of what *not* to do.

The common sense, the intelligence of America agree with my statement that "America hates war. America hopes for peace. Therefore, America actively engages in the search for peace".

⁵⁶ For invitation of the Belgian Government and other documents relating to the Conference of Brussels, see Department of State Conference Series 37, *The Conference of Brussels, November 3-24, 1937, Convened in Virtue of Article 7 of the Nine-Power Treaty of Washington of 1922* (Washington, Government Printing Office, 1938).

793.94/11026

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] October 15, 1937.

In accordance with the Department's instructions conveyed in telegram No. 261, October 14, 5 p. m.,⁵⁷ I called this afternoon on the Minister for Foreign Affairs at the Gaimusho and opened the conversation by referring to the plans, which the Minister had already seen reported in the press, for the convocation of a conference of the parties to the Nine Power Treaty. I said I did not know whether these plans were yet completed or where the conference would take place, although Brussels had been prominently mentioned in this connection. I then said to the Minister, acting under instructions, that the American Government is proceeding on the assumption that the Japanese Government shares the view of the American Government that the proposed conference of the parties to the Nine Power Treaty will offer a useful opportunity for a reasoned and frank discussion of the difficulties, both present and underlying, of the situation in the Far East with a view to seeking to arrive at a constructive solution by a process of peaceful agreement, and that the Japanese Government will attend the proposed conference. I then for a few moments elaborated the thoughts contained in the foregoing statement and the great importance of seizing this opportunity both for the purpose of a frank and free exchange of views and for finding a basis from which a constructive settlement could be reached.

The Minister after listening carefully to my oral presentation, replied that no decision had yet been reached by the Japanese Government because no invitation to attend such a conference had been received, but that according to the present tendency of views within the Japanese Government such an invitation would be declined. I repeated word for word the Minister's reply and asked him if this was the answer to my representations which he wished me to report to my Government. Mr. Hirota replied in the affirmative.

I then said to the Minister that my official representations were completed and that I wished now to speak personally and informally. I said that Japan had shown every indication of desiring to have her point of view known in the world and that the Japanese Government was sending abroad good-will envoys for the specific purpose of explaining that point of view. Did not the Minister think that the proposed conference would offer an excellent opportunity for a frank and free discussion in which both combatants could express their respective points of view and that such an exchange of views might well lead to an earlier peaceful settlement than if the present warfare is allowed to pursue its course? Mr. Hirota replied that the

⁵⁷ Not printed.

League of Nations had already taken the part of China against Japan and that such a conference would merely result in bolstering up China and in prolonging rather than shortening the warfare. I asked whether such a conference might not offer an opportunity to discuss terms of peace. The Minister replied that China already well knows the terms on which peace would be possible as he had been discussing them with Chiang Kai-shek for the last four years. I said: "Do you mean your three points?" The Minister said "in general, yes". The Minister added that ever since the conclusion of the Sino-Soviet Pact a settlement of the troubles had become much more difficult and that Chiang Kai-shek was no longer free to follow his own wishes. I said: "Do you mean that he is estopped by the Soviets". Mr. Hirota said: "and also by his own generals". I said I understood that the Sino-Soviet Agreement was merely a pact of non-aggression. Mr. Hirota replied that he thought it went much farther than that. I said: "Do you mean that it contains secret clauses". Mr. Hirota nodded an affirmative.

After a further expression of hope on my part that the Japanese Government would still see its way clear to participate in the forthcoming conference the conversation terminated.

J[OSEPH] C. G[REW]

793.94/11115

*The Japanese Ministry for Foreign Affairs to the American
Embassy in Japan*

[Translation]

No. 130, Asia I

TOKYO, October 19, 1937.

MEMORANDUM

The Japanese Foreign Office presents its compliments to the American Embassy and, having duly noted the proposal set forth in the *aide-mémoire* of October 4 from the Embassy of the United States in Tokyo with regard to the use by the Japanese forces of the Shanghai International Settlement, has the honor to make the following reply:

Japan's present military operations at Shanghai had their origin in the fact that China massed quantities of troops around the Settlement and defied the Japanese landing force charged with protection of Japanese residents there. Thereafter China mobilized and rapidly brought up a large number of troops over a wide area in the rear of Shanghai, and assumed an antagonistic attitude against the greatly outnumbered Japanese forces. The Japanese army was therefore obliged to despatch reinforcements for reasons of defense. The

area of military operations has been necessarily enlarged. Because of the need of protecting the International Settlement and because of the inherent right to protect Japanese residents, the Japanese Government is of opinion exception cannot be properly made to the action of the Japanese army in landing troops necessary for defense, and munitions of war, in the northern area of Shanghai, an area allotted to Japan for purposes of guarding, in order to carry on military operations against Chinese forces which constitute the menace.

Japan, as one Power in the International Settlement, has large rights and interests there, as have also other Powers. As a result of military operations against China, which assumed an unwarrantably provocative attitude in the present instance, Japan is now sustaining heavy sacrifices. In view of the fact that the Japanese Government is keenly alive to the safety and the rights and interests of nationals of other Powers, it is bending every effort to the protection of such rights and interests, and is consequently obliged to use part of the International Settlement in the present military operations.

793.94/11115

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

The American Embassy refers to its *aide-mémoire* of October 4 with regard to the use by the Japanese forces of the International Settlement as a base for military operations and to the reply of the Japanese Foreign Office thereto dated October 19.

The American Government has duly noted the considerations set forth by the Japanese Government in its above-mentioned reply but is constrained to inform the latter that the American Government continues to hold the views as set forth in the Embassy's *aide-mémoire* of October 4.

TOKYO, October 28, 1937.

*Address Delivered by Norman H. Davis at the Nine-Power Conference, Brussels, on November 3, 1937*⁵⁸

We have come to this Conference to collaborate in efforts toward an objective for which all peoples and all governments should strive. That objective is peace.

Sixteen years ago there assembled at Washington the delegates to a conference which had been called for the limitation of armaments

⁵⁸ Reprinted from Department of State, *Press Releases*, November 6, 1937 (vol. xvii, No. 423), p. 352.

and to find a solution of Pacific and Far Eastern problems of international concern, and thereby to safeguard peace in the Far East. After a few months of careful consideration of the problems involved, those delegates signed a number of interrelated agreements and resolutions which, it was believed, would assure the legitimate rights and interests of all the countries represented, which provided for various common and reciprocal concessions, and which committed the signatories to pursue policies of peace.

In that group of agreements was a treaty relating to principles and policies to be followed in matters concerning China. That treaty dealt with questions which are fundamental; it reaffirmed principles to which most of the signatories had already—some repeatedly—committed themselves; it specified not only what should be the obligations of the other powers but what should be the obligations of China; it was ratified by all of the nine powers present at the conference and it has since been adhered to by five other powers. In that treaty there was a provision that whenever a situation should arise which, in the opinion of any of the parties, involved the application of the stipulations of the treaty and rendered desirable discussion of such application, there should be full and frank communication between the contracting powers concerned.

It is in accordance with that express provision that we meet here today. Our present interest, however, would be real even if there were no such treaty and no such provision. The hostilities which are now being waged in the Far East are of serious concern not only to Japan and China but to the entire world.

For several decades the nations of the world have been seeking to evolve methods to achieve the twofold objective of preventing resort to armed force and, if unhappily it has been resorted to, finding means to bring the conflict to an end. Various methods have been proposed. Various instruments have been signed. In all of these there has appeared one common feature, namely, that where controversies develop, solution must be sought by pacific means. To this process 63 nations committed themselves by the Pact of Paris of 1928.

Peace, once envisaged only by idealists, has become a practical matter of vital self-interest to every nation. The day has long since gone by when the effects of an armed conflict are confined to the participants. It is all too apparent that under modern conditions the human and material sacrifices and the moral and spiritual costs exacted by the use of armed force not only fall as a heavy and oftentimes crushing burden upon the nations directly involved in the conflict but have grave repercussions upon all nations of the world.

Armed conflict, wherever it may occur, impairs everywhere the immeasurable value of freely negotiated treaties and agreements as effective and reliable safeguards of national security and international

peace. The resulting loss of confidence in such instruments leads nations to seek safety in competitive armaments and to devote a disproportionate share of their resources thereto, thus impoverishing some nations and inexorably lowering the standards of life of all.

Not only does resort to armed force result in needless loss of human life and shock every humane instinct of mankind, but its disorganizing effects fall upon all phases of constructive human activity, national as well as international.

As a result of the amazing developments in science and industry there has come about an interdependence among nations, as a result of which the effects of any major disturbance are felt everywhere. As our modern civilization has evolved, as it has developed new methods and processes, as it has raised the standard of living of hundreds of millions of human beings all over the world, it has become increasingly sensitive to shock. A dislocation in any part of its interrelated mechanism throws other parts out of gear. It creates need for prompt and skillful attention at the point of dislocation in order to prevent further disturbance and possible break-down of the whole machinery.

International trade and financial relations, which are indispensable to human welfare, immediately suffer from the disorganizing effects of resort to armed force. It is through these channels that some of the most direct and most painful repercussions of any major armed conflict spread to the uttermost corners of the earth. Once mutually beneficial international economic relations are impaired or break down, nations are forced into varying degrees of reliance upon their own resources and, consequently, into a further lowering of their living standards.

Unfortunately the break-down of the processes of international trade and financial relations may occur as a result of other causes than armed conflict. For reasons which I need not enumerate here, nations may elect to embark upon policies directed toward economic self-sufficiency or toward securing immediate though narrow advantages, thus foregoing the broad and cumulative benefits which trade released from excessive restraint will yield. Such policies in themselves create conditions conducive to a threat to peace. The world has witnessed during the past few years the emergence of such conditions and the unfolding of the vicious spiral of economic warfare, political tension, competitive armaments, and actual armed conflict.

In the particular circumstances with which we are confronted at the present Conference, our objective is the restoration of peace and stability in an extraordinarily important region of the world. But as we seek earnestly the means of attaining these objectives, let us keep in our minds also the pressing need for constructive effort directed toward the creation of conditions which will make unthinkable the use

of armed force. There should be no place for resort to arms in an orderly and prosperous world.

In the Far East probably to a greater extent than in any other part of the world there are taking place great changes in the thought and the activities of vast groups of human beings. Within a few generations, Japan has undergone a great transformation, and both Occident and Orient have witnessed and been impressed by admirable achievements effected by the Japanese people. At the Washington Conference, the governments there represented, after careful consideration of the situation in the Far East, adopted the view that the Chinese people possessed the capacity to establish a new order. The Nine Power Treaty was based on that concept. In agreeing to its provisions, the governments which became parties to that treaty affirmed their belief in the capacity of the Chinese to evolve and carry out a program of political and economic reconstruction. The signatories to the treaty undertook to regulate their relations with China and with one another in a manner which would not interfere with this hoped-for development but would indeed encourage and support it. During the years which have since elapsed, especially the more recent years, the Chinese have made rapid progress along a course which tends to confirm the faith on which the Nine Power Treaty was founded.

Unfortunately, Japan and China have come into conflict and have resorted to hostilities. These hostilities have steadily increased in scope and intensity. Not only have they destroyed many Chinese and Japanese lives and much Chinese and Japanese property, but they have at some places taken and at many places endangered lives of nationals of other countries; they have destroyed property of nationals of other countries; they have disrupted communications; they have disturbed and interfered with the commerce of practically all nations that are engaged in international trade; and they have shocked and aroused the peoples of all nations. Such hostilities are of concern not only to the countries engaged in them; they have affected and they are detrimentally affecting the whole world.

We are here with a common concern and a common purpose, and our effort to deal with the situation must be constructive.

We come to this Conference to study with our colleagues the problems which concern us. We have come not with the expectation of working miracles but with the intention of appealing to reason. We expect to join with other nations in urging upon Japan and China that they resort to peaceful processes. We believe that cooperation between Japan and China is essential to the best interests of those two countries and to peace throughout the world. We believe that such cooperation must be developed by friendship, fair play, and reciprocal confidence. If Japan and China are to cooperate it must be as friends and as equals and not as enemies. The problems underlying Sino-Japanese relations

must be solved on a basis that is fair to each and acceptable to both. It is not only in the interests of China and Japan that hostilities be promptly terminated and that the differences between them be peacefully composed, but it is in the interest of the community of nations as a whole. The longer the present hostilities continue the more difficult will a constructive solution become, the more harmful will be their effects upon Sino-Japanese relations and upon the world, and the more will general peace and stability be endangered. It is important that equitable adjustment be found.

We come to this Conference with no commitments except those to treaty provisions and to principles which the Government of the United States has repeatedly and emphatically affirmed. The Government of the United States is prepared to share in the common efforts to devise, within the scope of these treaty provisions and principles, a means of finding a pacific solution which will provide for terminating hostilities in the Far East and for restoring peace in that area.

*Statement Made by Norman H. Davis at Brussels on November 13, 1937*⁵⁹

The following statement was issued today by Norman H. Davis, American delegate to the Nine Power Conference, at Brussels, Belgium:

"I feel that this occasion calls for some general observations. If we do not from time to time pause in our consideration of the particular and reiterate the principles that guide us in their relation to the general, then the impression may gain ground that our policies have less depth or purpose than is in fact the case. We are in this Conference very much concerned with peace in one important area of the world, the Far East. It is of vital importance that peace be restored there, not merely for the two participants in the present conflict, but for the world at large. The cost in human misery is vast and the material losses are heavy. But even greater is the loss to world confidence and the undermining of stability and security, if the integrity of certain principles which we hold sacred is not preserved. Through a period of centuries, the world has developed a system of international law which is the basis of international morality and conduct and which provides for fair dealing among nations, just as private relationships are based on codes of fair dealing among individuals. When observed, this gives a sense of security to nations, enables them to develop their own civilization in their own way, to choose the form of government they desire, and to know that they

⁵⁹ Reprinted from Department of State, *Press Releases*, November 13, 1937 (vol. xvii, No. 424), p. 376.

are free to solve their internal problems without the intervention of outside powers. This is essential for orderly progress in the world.

"International law has been written into, and is based upon, a series of international agreements, and the cornerstone of progress is the observance of undertakings solemnly given and solemnly received between nations. Change is possible—more than that, it is often desirable—but is legitimate only if carried out by peaceful methods and by mutual agreement. The question we are considering here, in its final analysis, is whether international relations shall be determined by arbitrary force or by law and by respect for international treaties. In fact that seems to be the greatest issue that faces the world today and is one of the most momentous problems that mankind has been called upon to solve. As President Roosevelt expressed it the other day: 'Those who cherish their freedom and recognize and respect the equal right of their neighbors to be free and live in peace, must work together for the triumph of law and moral principles in order that peace, justice, and confidence may prevail in the world.'^{59a} If the conception of change by violence should prevail we should be faced by international anarchy. Only the concept of respect for law and treaty will give us a world that is secure and wherein good will and confidence can exist, and observance of the pledged word is the one immutable foundation on which the structure of world peace can be built. And if today I have reiterated this in simple language, it is to emphasize the conviction which is ours, that on no other basis can an equitable and lasting solution of the Sino-Japanese conflict be found, and in no other way can a just peace be reestablished and be maintained in the Far East.

"To come to the specific problem with which we are here immediately concerned: Japan was invited to attend the Conference, where we would have welcomed from her a full explanation of her side of the case as to the incidents which led to the outbreak of hostilities as well as the underlying causes of the conflict. She declined. Going one stage further, and in a desire to be considerate of every possible susceptibility, we asked Japan whether she would be disposed to depute a representative to exchange views with the representatives of a small number of powers to be chosen for that purpose by the Conference. Such an exchange of views would have taken place within the framework of the Nine Power Treaty and in conformity with its provisions; its aims would have been to throw further light on the various points under discussion and to facilitate a settlement of the conflict. Again Japan's reply is negative. Had Japan accepted, I am confident that we could have been most helpful to her as well as to China, which it was and is our most sincere desire to be.

^{59a} Address delivered at Chicago on October 5, 1937, p. 379.

"I am convinced that the only just and durable solution would be a settlement by voluntary, peaceful agreement, which would result in good will and confidence and in mutually beneficial commercial relations. It would of course have been desirable had China and Japan been able to compose their difficulties by peaceful negotiation without resort to armed conflict. Unfortunately, however, they did not do so, and their failure created a situation in which the rights and interests of other powers became involved and which has made still more difficult a peaceful and mutually acceptable settlement by direct negotiation.

"From the standpoint of observance of the letter and spirit of treaties to which she voluntarily put her name, from the standpoint of her material self-interest, from the standpoint of world peace and progress and international good will, it would seem that there are compelling reasons why Japan should cooperate in our work. We hope that Japan may still see its way clear to doing so."

*Declaration Adopted by the Nine-Power Conference at Brussels on November 15, 1937*⁶⁰

Following is the text of the declaration adopted on November 15, 1937, by the Nine Power Conference at Brussels, Belgium. Italy voted against the declaration, and Norway, Sweden, and Denmark, while endorsing the general principles involved, abstained from voting.

"1. The representatives of the states met at Brussels having taken cognizance of the Japanese Government's reply of November 12, 1937 to the communication addressed to the latter on November 7, 1937 observe with regret that the Japanese Government still contends that the conflict between Japan and China lies outside the scope of the Nine Power Treaty and again declines to enter into an exchange of views for the purpose of endeavoring to achieve a peaceful settlement of that conflict.

"2. It is clear that the Japanese concept of the issues and interests involved in the conflict under reference is utterly different from the concepts of most of the other nations and governments of the world. The Japanese Government insists that as the conflict [is] between Japan and China it concerns those two countries only. Against this the representatives of the states now met at Brussels consider this conflict of concern in fact to all countries party to the Nine Power Treaty of Washington of 1922 and to all countries party to the Pact

⁶⁰ Reprinted from Department of State, *Press Releases*, November 20, 1937 (vol. xvii, No. 425), p. 380.

of Paris of 1928, and of concern in fact to all countries members of the family of nations.

"3. It cannot be denied that in the Nine Power Treaty the parties thereto affirmed it to be their desire to adopt a specified policy designed to stabilize conditions in the Far East and agreed to apply certain specified principles in their relations with China and, in China, with one another; and that in the Pact of Paris the parties agreed 'that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be which may arise among them shall never be sought except by pacific means.'

"4. It cannot be denied that the present hostilities between Japan and China adversely affect not only the material interests of nearly all nations. These hostilities have brought to some nationals of third countries death, to many nationals of third countries great peril, to property of nationals of third countries widespread destruction, to international communications disruption, to international trade disturbance and loss, to the peoples of all nations a sense of horror and indignation, to all the world feelings of uncertainty and apprehension.

"5. The representatives met at Brussels therefore regard these hostilities and the situation which they have brought about as matters inevitably of concern to the countries which they represent and—more—to the whole world. To them the problem appears not in terms simply of relations between two countries in the Far East but in terms of law, orderly processes, world security and world peace.

"6. The Japanese Government has affirmed in its note of October 27 to which it refers in its note of November 12 that in employing armed force against China it was anxious to 'make China renounce her present policy.' The representatives met at Brussels are moved to point out that there exists no warrant in law for the use of armed force by any country for the purpose of intervening in the internal regime of another country and that general recognition of such a right would avoid a permanent cause of conflict.

"7. The Japanese Government contends that it should be left to Japan and China to proceed to a settlement by and between them alone. But, that a just and lasting settlement could be achieved by such a method cannot be believed.

"Japanese armed forces are present in enormous numbers on Chinese soil and have occupied large and important areas thereof. Japanese authorities have decided in substance that it is Japan's objective to destroy the will and the ability of China to resist the will and the demands of Japan. The Japanese Government affirms that it is China whose actions and attitude are in contravention of the Nine Power Treaty; yet, whereas China is engaged in full and frank discussion of the matter with the other parties to that treaty,

Japan refuses to discuss it with any of them. Chinese authorities have repeatedly declared that they will not, in fact that they cannot, negotiate with Japan alone for a settlement by agreement. In these circumstances there is no ground for any belief that, if left to themselves, Japan and China would arrive in the appreciably near future at any solution which would give promise of peace between those two countries, security for the rights and interests of other countries, and political and economic stability in the Far East.

"On the contrary there is every reason to believe that if this matter were left entirely to Japan and China the armed conflict—with attendant destruction of life and property, disorder, uncertainty, instability, suffering, enmity, hatreds, and disturbance to the whole world—would continue indefinitely.

"8. The Japanese Government in their latest communication invite the powers represented at Brussels to make a contribution to the stability of Eastern Asia in accordance with the realities of the situation.

"9. In the view of the representatives of the states met at Brussels, the essential realities of the situation are those to which they draw attention above.

"10. The representatives of the states met at Brussels are firmly of the belief that, for the reasons given above, a just and durable settlement is not to be expected of direct negotiations between the parties. That is why in the communications addressed to the Japanese Government they invited that Government to confer with them or with representatives of a small number of powers to be chosen for that purpose, in the hope that such exchange of views might lead to acceptance of their good offices and thus help towards the negotiation of a satisfactory settlement.

"11. They still believe that if the parties to the conflict would agree to a cessation of hostilities in order to give an opportunity for such a procedure to be tried, success might be achieved. The Chinese Delegation has intimated its readiness to fall in with this procedure. The representatives of the states met at Brussels find it difficult to understand Japan's persistent refusal to discuss such a method.

"12. Though hoping that Japan will not adhere to her refusal the states represented at Brussels must consider what is to be their common attitude in a situation where one party to an international treaty maintains against the views of all the other parties that the action which it has taken does not come within the scope of that treaty, and sets aside provisions of the treaty which the other parties hold to be operative in the circumstances."

793.94/11672

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] November 16, 1937.

The Minister for Foreign Affairs last evening asked me to come to see him at his official residence at 9:30 this morning and he talked to me along the following lines:

1. Reports received from the Brussels Nine-Power Conference indicate that the draft resolution submitted to the Conference provides for united action against Japan. The Minister does not know whether the draft which he has seen was passed by the Conference without alteration or amendment. If the clause for united action remained in the resolution as passed he fears that it will have a very unfortunate effect on Japanese public opinion. He interprets the term "united action" as envisaging some sort of economic boycott or other sanctions. He said that any such united action, far from helping to terminate the hostilities, would actually result in prolonging them indefinitely.

2. The Minister said that according to the information which he has received through the diplomatic representative of "a certain Power" the United States Government not only took the initiative in convoking the conference but is also taking the lead in Brussels (I here interrupted the Minister to interpolate the information which we had received from the Department and also the gist of the statement made by Mr. Eden in the House of Commons to the effect that the initiative for calling the Conference had been taken by a group within the League of Nations of which the United States is not a member and that the United States, when asked where it felt the Conference should be held, had merely suggested Brussels as the rendezvous. The Minister repeated nevertheless that his information was to the effect that the United States had been the real leader from the start). Mr. Hirota said that he hoped that I would bring the views in paragraph 1 to the attention of our representatives in Brussels.

3. Mr. Hirota then said that these rumors of American initiative were bound to appear soon in the Japanese press and that this would have a most unfortunate effect on Japanese public opinion. The Japanese public hitherto has felt that Great Britain is the country which has been foremost in endeavoring to develop a solid front against Japan but that if the Japanese press now reported the United States as taking the leadership in Brussels the onus would be largely transferred to the United States.

4. The Minister said that good relations with the United States, as he had often told me, was his fundamental policy and that he

greatly "feared" the results of such a change in Japanese public opinion.

5. Up to the moment of the President's speech in Chicago on October 5 the Japanese public had felt that the United States was the only country which had been genuinely impartial during the Sino-Japanese hostilities. All of the other countries, he said, for one reason or another had special interests in China and their impartiality was therefore doubted. The position of the United States in the estimation of the Japanese public, however, was such that it was generally felt that the United States might play the same role in helping to terminate the present hostilities as it had played in the Russo-Japanese war as being the most impartial of all Japan's friends. The President's Chicago speech had temporarily modified this view but the fact that in his recent speech opening Congress the President had made no reference to the Far Eastern situation made the Japanese public feel that perhaps the United States is not so rigid in its attitude as had been feared.

6. Mr. Hirota then said that the Japanese military movements in China are progressing favorably and there is no need for the Army to go much further than it has already gone although they will be perfectly capable of doing so if they consider it necessary. In China's own interests now is the time to bring about peace. The Chinese Government is considering evacuating Nanking to some other capital and this, the Minister said, will be a very foolish move. As a matter of fact Chiang Kai-shek's position is far from secure and some of the principal generals are already forming an opposition. If peace is made now the Japanese demands will be "reasonable" and not a foot of Chinese territory will be taken by Japan. If, however, the warfare continues the present attitude of the Japanese Government may no longer apply and more drastic terms may result in view of the increased sacrifices involved.

7. If the United States wishes to help, the best thing it can do is to persuade the Chinese Government to open negotiations with Japan. As soon as there is some indication that such negotiations will be acceptable to the Chinese Government Mr. Hirota would send a representative to Shanghai to talk with a representative of the Chinese Government either in public or in strict secrecy as the Chinese Government might wish. (Mr. Hirota, having mentioned the continued presence of the Chinese Ambassador in Tokyo, I took this occasion to inquire whether diplomatic channels would not therefore exist which could be utilized along the lines of Mr. Hirota's suggestion. Mr. Hirota merely assented that these channels did exist but made no further comment thereon.)

8. When Mr. Hirota had finished the foregoing statement, I repeated it to him, point by point, and inquired whether I had cor-

rectly understood everything that he had said. The Minister assented. I said that I would promptly report the conversation to Washington. I then said to the Minister that I hoped that he would do his best to prevent the Japanese press from publishing unconfirmed rumors concerning the attitude of the United States and, in any case, that he would endeavor to calm such adverse press reactions against the United States as might occur, especially until my Government's reaction to our present conversation had been ascertained. The Minister replied that he agreed with me as to the importance of this and that he would do his best.

J[OSEPH] C. G[REW]

793.94/11672

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] November 18, 1937.

In accordance with the Department's instruction No. 300, November 16, 8 p. m.⁶¹ I called this morning on the Minister for Foreign Affairs at his official residence and precisely carried out the Secretary's directions. I read to him the text of the final paragraph of the declaration drawn up by the Brussels Conference and pointed out that nowhere in the declaration did the phrase "united action" appear. I remarked that the term "common attitude" is quite a different matter and I hoped that this clearing up of an erroneous impression would completely set at rest the fears which he had expressed to me the other day. Mr. Hirota assented.

I then said that in the message from Mr. Hull which he had asked me to communicate directly to Mr. Hirota it was made clear that there was not an atom of truth in any allegation that the initiative in convoking the Brussels Conference was taken by the United States. It is Mr. Hull's understanding that neither the United States nor any other Power represented at the Conference has gone farther than to assume its share of the common responsibility for an exchange of views concerning the situation in the Far East. I then once again spoke of the originally inaccurate press reports concerning Mr. Eden's speech in the House of Commons and I also repeated Mr. Welles's statement to the press definitely correcting the misunderstanding.^{61a} I said I feared that an effort was being made in various quarters to injure the relations between the United States and Japan by spreading rumors to the effect that the United States had not only taken the initiative in convoking the Conference but is also taking active leadership in the Conference, and I appealed to Mr. Hirota, on behalf of good rela-

⁶¹ Not printed.

^{61a} Statement made in press conference on November 2, 1937, for attribution but not for quotation; not printed.

tions between our countries, to do everything possible to counteract the effect of these rumors and to let the actual facts be known. Mr. Hirota said that he would take definite steps in that direction and that he would also convey to his colleagues what I had said to him.

I then read to Mr. Hirota Mr. Hull's message⁶² concerning their mutual efforts to maintain and develop good relations between our countries and Mr. Hull's apprehension lest the present situation in the Far East would injure those relations. Mr. Hirota expressed great pleasure at this message and asked me to thank Mr. Hull for it. He asked if he might have the paper on which I had written the message but as the message had come in confidential code and would have to be paraphrased I said to Mr. Hirota that I would write him the message later on the plea that the paper in my hand was not sufficiently neat to leave with him.

Mr. Hirota then referred to our conversation the other day and said that reports are now coming in to him that Chiang Kai-shek and the Chinese Government are evacuating Nanking. He repeated that he felt this to be most unfortunate because if chaos should result it would mean an indefinite prolongation of the hostilities. He said "we want to talk with Chiang Kai-shek and this will now be very difficult". I merely inquire once again whether diplomatic channels between the two Governments are not still in existence to which Mr. Hirota smilingly assented but without comment.

J[OSEPH] C. G[REW]

793.94/11872

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

[Tokyo,] November 18, 1937.

MY DEAR MR. MINISTER: In accordance with your request I take great pleasure in communicating to Your Excellency the message from Mr. Hull which was conveyed orally in our conversation this morning.

Mr. Hull sincerely appreciates Your Excellency's desire that good relations with the United States should be maintained. At all times during the past five years Mr. Hull has striven with that end in view and in all frankness and friendliness Mr. Hull feels that he must express his apprehension lest the cause of promoting and developing those mutually good relations, which both Your Excellency and Mr. Hull have constantly in mind, should be injured by the present situation in the Far East.

With high respect, I am [etc.]

JOSEPH C. GREW

⁶² *Infra.*

Press Release' Issued by the Department of State on November 22, 1937 ⁶³

The Chinese Government having announced in a statement issued on November 20, 1937, the removal of the seat of the National Government as of that day to Chungking, in Szechuan Province, the American Ambassador to China, now at Nanking, together with certain members of his staff, will leave tomorrow for Hankow, where it is expected the Chinese Ministry of Foreign Affairs will be established. The Ambassador and the members of his staff accompanying him will proceed by the U. S. S. *Luzon*, which will also take on board all American citizens who wish to leave Nanking. It is understood that the heads of other foreign diplomatic missions and members of their staffs will leave Nanking for Hankow at about the same time.

The Embassy at Nanking will continue to function. Secretaries George Atcheson, Jr., and J. Hall Paxton, and Clerk Emile P. Gassie, Jr., are remaining at Nanking to carry on the work of the office, including the rendering of assistance, if needed, to American citizens who do not wish to leave. The U. S. S. *Panay* is remaining at Nanking.

Report Adopted by the Nine-Power Conference at Brussels on November 24, 1937 ⁶⁴

Following is the text of the report adopted on November 24, 1937, by the Nine Power Conference at Brussels, Belgium:

"The Conference at Brussels was assembled pursuant to an invitation extended by the Belgian Government at the request of His Majesty's Government in the United Kingdom with the approval of the American Government. It held its opening session on November 3, 1937. The Conference has now reached a point at which it appears desirable to record the essential phases of its work.

"In the winter of 1921-22 there were signed at Washington a group of inter related treaties and agreements of which the Nine Power Treaty regarding principles and policies to be followed in matters concerning China constituted one of the most important units. These treaties and agreements were the result of careful deliberation and were entered into freely. They were designed primarily to bring about conditions of stability and security in the Pacific area.

"The Nine Power Treaty stipulates in Article one that

"The Contracting Powers, other than China, agree:

⁶³ Reprinted from Department of State, *Press Releases*, November 27, 1937 (vol. xvii, No. 426), p. 395.

⁶⁴ *Ibid.*, p. 396.

“(1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China;

“(2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government;

“(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

“(4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.’

“Under and in the light of these undertakings and of the provisions contained in the other treaties, the situation in the Pacific area was for a decade characterized by a substantial measure of stability, with considerable progress towards the other objectives envisaged in the treaties. In recent years there have come a series of conflicts between Japan and China, and these conflicts have culminated in the hostilities now in progress.

“The Conference at Brussels was called for the purpose, as set forth in the terms of the invitation, ‘of examining in conformity with Article seven of that treaty, the situation in the Far East and of studying peaceable means of hastening an end of the regrettable conflict which prevails there.’ With the exception of Japan, all of the signatories and adherents to the Nine Power Treaty of February 6, 1922 accepted the invitation and sent representatives to Brussels for the purpose stated in the invitation.

“The Chinese Government, attending the Conference and participating in its deliberations, has communicated with the other parties to the Nine Power Treaty in conformity with Article 7 of that treaty. It has stated here that its present military operations are purely in resistance to armed invasion of China by Japan. It has declared its willingness to accept a peace based upon the principles of the Nine Power Treaty and to collaborate wholeheartedly with the other powers in support of the principle of the sanctity of treaties.

“The Japanese Government in replying with regret that it was not able to accept the invitation to the Conference affirmed that ‘the action of Japan in China is a measure of self defense which she has been compelled to take in the face of China’s fierce anti-Japanese policy and practice and especially by her provocative action in resorting to force of arms; and consequently it lies, as has been declared already by the Imperial Government, outside the purview of the Nine Power Treaty’; and advanced the view that an attempt to seek a solution at a gathering of so many powers ‘would only serve to complicate the situation still further and to put serious obstacles in the path of a just and proper solution.’

"On November 7, 1937 the Conference sent through the Belgian Government to the Japanese Government a communication in the course of which the Conference inquired whether the Japanese Government would be willing to depute a representative or representatives to exchange views with representatives of a small number of powers to be chosen for that purpose, the exchange of views to take place within the framework of the Nine Power Treaty and in conformity with the provisions of that treaty, toward throwing further light on points of difference and facilitating a settlement of the Sino-Japanese conflict. In that communication the representatives of the states met at Brussels, expressed their earnest desire that peaceful settlement be achieved.

"To that communication the Japanese Government replied in a communication of November 12, 1937 stating that it could not do otherwise than maintain its previously expressed point of view that the present action of Japan in her relations with China was a measure of self defense and did not come within the scope of the Nine Power Treaty; that only an effort between the two parties would constitute a means of securing the most just and the most equitable settlement, and that the intervention of a collective organ such as the Conference would merely excite public opinion in the two countries and make it more difficult to reach a solution satisfactory to all.

"On November 15 the Conference adopted a declaration in the course of which it affirmed that the representatives of the Union of South Africa, the United States of America, Australia, Belgium, Bolivia, Canada, China, France, the United Kingdom, India, Mexico, Netherlands, New Zealand, Portugal, and the Union of Socialist Soviet Republics ' . . . consider this conflict of concern in fact to all countries party to the Nine Power Treaty of Washington of 1922 and to all countries party to the Pact of Paris of 1928 and of concern in fact to all countries members of the family of nations.'

"In the presence of this difference between the views of the Conference and of the Japanese Government there now appears to be no opportunity at this time for the Conference to carry out its terms of reference insofar as they relate to entering into discussions with Japan towards bringing about peace by agreement. The Conference therefore is concluding this phase of its work and at this moment of going into recess adopts a further declaration of its views.

"The text of the communication sent to the Japanese Government on November 7, 1937 reads as follows:

"The representatives of the states met in Brussels on November 3, last, have taken cognizance of the reply which the Japanese Government sent in of October 27 to the invitation of the Belgian Government, and the statement which accompanied this reply.

"In these documents the Imperial Government states that it cher-

ishes no territorial ambitions in respect of China and that on the contrary it sincerely desires "to assist in the material and moral development of the Chinese nation", that it also desires "to promote cultural and economic cooperation" with the foreign powers in China and that it intends furthermore scrupulously "to respect foreign rights and interest[s] in that country."

"The points referred to in this declaration are among the fundamental principles of the Treaty of Washington of February 6, 1922 (The Nine Power Treaty). The representatives of the states parties to this treaty have taken note of the declarations of the Imperial Government in this respect.

"The Imperial Government moreover denies that there can be any question of a violation of the Nine Power Treaty by Japan and it formulates a number of complaints against the Chinese Government. The Chinese Government for its part contends that there has been violation, denies the charges of the Japanese Government and, in turn, makes complaint against Japan.

"The treaty has made provision for just such a situation. It should be borne in mind that the exchange of views taking place in Brussels is based essentially on these provisions and constitutes "full and frank communication" as envisaged in Article VII. This Conference is being held with a view to assisting in the resolving by peaceful means of a conflict between parties to the treaty.

"One of the parties to the present conflict, China, is represented at the Conference and has affirmed its willingness fully to cooperate in its work.

"The Conference regrets the absence of the other party, Japan, whose cooperation is most desirable.

"The Imperial Government states that it is "firmly convinced that an attempt to seek a solution at a gathering of so many powers whose interests in East Asia are of varying degree[s], or who have practically no interests there at all, will only serve to complicate the situation still further and to put serious obstacles in the path of a just and proper solution."

"It should be pointed out that all of these powers which are parties to the treaty are, under the terms of this instrument, entitled to exercise the rights which the treaty confers upon them; that all powers which have interests in the Far East are concerned regarding the present hostilities; and that the whole world is solicitous with regard to the effect of these hostilities on the peace and security of the members of the family of nations.

"However, the representatives of the states met at Brussels believe that it may be possible to allay Japan's misgivings referred to above; they would be glad to know whether the Imperial Government would be disposed to depute a representative or representatives to exchange views with representatives of a small number of powers to be chosen for that purpose. Such an exchange of views would take place within the framework of the Nine Power Treaty and in conformity with the provisions of that treaty. Its aims would be to throw further light on the various points referred to above and to facilitate a settlement of the conflict. Regretting the continuation of hostilities, being firmly convinced that a peaceful settlement is alone capable of insuring a lasting and constructive solution of the present conflict, and having confidence in the efficacy

of methods of conciliation, the representatives of the states met at Brussels earnestly desire that such a settlement may be achieved.

"The states represented at the Conference would be very glad to know as soon as possible the attitude of the Imperial Government towards this proposal."

"The text of the declaration adopted by the Conference on November 15, 1937 reads as follows: [For text, see page 410.]

"The text of the declaration adopted by the Conference November 24, 1937 reads as follows:

"The Nine Power Treaty is a conspicuous example of numerous international instruments by which the nations of the world enunciate certain principles and accept certain self denunciatory rules in their conduct with each other solemnly undertaking to respect the sovereignty of other nations, to refrain from seeking political or economic domination of other nations, and to abstain from interference in their internal affairs.

"These international instruments constitute a framework within which international security and international peace are intended to be safeguarded without resort to arms and within which international relationships should subsist on the basis of mutual trust, good will and beneficial trade and financial relations.

"It must be recognized that whenever armed force is employed in disregard of these principles the whole structure of international relations based upon the safeguards provided by treaties is disturbed. Nations are then compelled to seek security in ever increasing armaments. There is created everywhere a feeling of uncertainty and insecurity. The validity of these principles cannot be destroyed by force, their universal applicability cannot be denied and indispensability to civilization and progress cannot be gainsaid.

"It was in accordance with these principles that this Conference was called in Brussels for the purpose, as set forth in the terms of the invitation issued by the Belgian Government "of examining in conformity with article seven of the Nine Power Treaty, the situation in the Far East and of studying peaceable means of hastening an end of the regrettable conflict which prevails there."

"(Since its opening session on November 3rd the Conference has continuously striven to promote conciliation and has endeavored to secure the cooperation of the Japanese Government in the hope of arresting hostilities and bringing about a settlement.

"The Conference is convinced that force can provide not [no] just and lasting solution for disputes between nations. It continues to believe that it would be to the immediate and the ultimate interest of both parties to the present dispute to avail themselves of the assistance of others in an effort to bring hostilities to an early end as a necessary preliminary to the achievement of a general and lasting settlement. It further believes that a satisfactory settlement cannot be achieved by direct negotiation between the parties to the conflict alone and that only by consultation with other powers principally concerned can there be achieved an agreement the terms of which will be just, generally acceptable and likely to endure.

"This Conference strongly reaffirms the principles of the Nine Power Treaty as being among the basic principles which are essen-

tial to world peace and orderly progressive development of national and international life.

"The Conference believes that a prompt suspension of hostilities in the Far East would be in the best interests not only of China and Japan but of all nations. With each day's continuance of the conflict the loss in lives and property increases and the ultimate solution of the conflict becomes more difficult.

"The Conference therefore strongly urges that hostilities be suspended and resort be had to peaceful processes.

"The Conference believes that no possible step to bring about by peaceful processes a just settlement of the conflict should be overlooked or omitted.

"In order to allow time for participating governments to exchange views and further explore all peaceful methods by which a just settlement of the dispute may be attained consistently with the principles of the Nine Power Treaty and in conformity with the objectives of that treaty the Conference deems it advisable temporarily to suspend its sittings. The conflict in the Far East remains, however, a matter of concern to all of the powers assembled at Brussels—by virtue of commitments in the Nine Power Treaty or of special interest in the Far East—and especially to those most immediately and directly affected by conditions and events in the Far East. Those of them that are parties to the Nine Power Treaty have expressly adopted a policy designed to stabilize conditions in the Far East and, to that end, are bound by the provisions of that treaty, outstanding among which are those of articles 1 and 7.

"The Conference will be called together again whenever its chairman or any two of its members shall have reported that they consider that its deliberations can be advantageously resumed."

Both China and Italy requested that statements of position they made should be considered as integral parts of the report.⁶⁵

793.94/11840

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

Indications have been given by the Japanese authorities at Shanghai that they intend to dispatch troops to occupy on December 1st certain buildings within those sectors of the International Settlement allotted for defense purposes to the American and Italian detachments, and that Japanese forces are to be transported through the International Settlement south of Soochow Creek to Nantao and other points beyond the International Settlement.

The International Settlement has a special status related to extra-territoriality and to the Treaties, and by long usage has been recognized as a neutral area. Those parts of the International Settlement protected by the "neutral" foreign forces have been set aside in the past by

⁶⁵ Statements not printed.

mutual agreement in plans for the defense of the International Settlement. The defense plan stipulates that any commander desiring to arrange special protection for his nationals in a sector other than his own shall first obtain the concurrence of the sector commander concerned. Under existing conditions, such concurrence might reasonably be withheld, as the introduction at this time of Japanese troops into a thickly populated area would actually constitute a grave danger to peace and order.

Entirely apart from the legal aspects of the action proposed by the Japanese authorities, it is earnestly to be hoped that the Japanese Government will share the view that the presence of Japanese troops south of Soochow Creek at this time must create new problems in the way of protecting and safeguarding other foreign rights and interests. With the huge Chinese population heavily augmented by refugees forced to leave the countryside, the problems of the authorities of the International Settlement are extremely grave, and notwithstanding all precautions, there may be expected to occur incidents likely seriously to prejudice the safety of foreign residents and otherwise lead to most serious difficulties.

In view of the fact that armed Chinese forces have been carefully excluded from the areas concerned, it would be appropriate if the Japanese forces were directed by the Japanese Government to abstain from entering the areas at this time.

TOKYO, November 30, 1937.

793.94/11286

The Secretary of State to the Chairman of the Committee on Foreign Affairs, House of Representatives (Sam D. McReynolds)

WASHINGTON, December 4, 1937.

MY DEAR MR. McREYNOLDS: The receipt is acknowledged of a letter of November 25 from Mr. I. R. Barnes, Clerk of the Committee on Foreign Affairs,^{65a} asking that the Department furnish the Committee on Foreign Affairs a report, in duplicate, on H. Res. 364, "Requesting certain information from the President of the United States."

Information which has been and is constantly made publicly available through the press and official statements affords the answers to most of the questions listed in H. Res. 364. However, for convenience of reference, there is offered comment in regard to the questions as follows:

With regard to the first question, it is a matter of public knowledge that Japanese armed forces are in control over certain areas of Chinese territory. In connection with this question, reference is made to a

^{65a} Not printed.

statement^{65b} issued on October 27, 1937, by the Japanese Foreign Office in which it is declared, "Japan never looks upon the Chinese people as an enemy nor does she harbor any territorial designs." (*New York Times*, October 28, 1937.)

With regard to the second question, the armed forces of Japan have, as stated in reports appearing currently in the press, advanced in north China as far west as the rail head at Paotow (in Suiyuan Province) and as far south as some fifty miles beyond Taiyuanfu in Shansi Province, as the northern tip of Honan Province and as the Yellow River in Shantung Province. In the Shanghai area, Japanese forces have advanced in the direction of Nanking and now occupy a line approximately seventy-five miles distant from Nanking.

With regard to the third and fifth questions, there are enclosed (a) a statement issued by the Chinese Foreign Office on November 20, 1937, in reference to the removal of the capital of China from Nanking,^{65b} and (b) a statement issued by the Department of State on November 22, 1937.^{65c}

With regard to the fourth question, the Department of State and American diplomatic and consular officers in China have from the beginning of the present conflict between China and Japan urged that American citizens in China, because of the dangers incident to continued residence there, withdraw, and the American Government has facilitated in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Furthermore, the Department is not for the present issuing passports valid for travel to and in China save in certain exceptional circumstances.

With regard to the sixth question, there is enclosed a copy of the statement issued by the Department covering the exportation for the month of October 1937 of arms, ammunition and implements of war from the United States to foreign countries, including China and Japan.^{65d} These statements are issued monthly. While exporters of such arms and munitions are not required under existing law to inform the Department of State whether such sales are made on a cash or on a credit basis, it is the understanding of the Department that the transactions involving shipments to China and to Japan are on a cash basis.

With regard to the seventh question, neither the Chinese Government nor the Japanese Government has declared war on the other. The President of the United States has not found "that there exists a state of war" (see Public Resolution No. 27, 75th Congress, approved May 1, 1937).

^{65b} Not printed.

^{65c} *Ante*, p. 417.

^{65d} See Department of State, *Press Releases*, November 6, 1937 (vol. xvii, No. 423), p. 362.

With regard to the eighth question, the entering into force of the restrictive provisions of the Neutrality Act of May 1, 1937, is left to and is dependent upon decision of the President by a finding that "there exists a state of war." The policy of the Department of State in reference to this Act is dependent upon that decision. The Department of State keeps constantly in mind the fact that the principal purpose of the Act is to keep the United States out of war.

With regard to the ninth question, the United States maintains no armed forces in the Japanese Empire. In China, there are armed forces of the United States at Peiping (527 U. S. Marines), at Tientsin (784 U. S. Army), and at Shanghai (2701 U. S. Marines). The American Government maintains small detachments at Peiping and at Tientsin, and other interested governments maintain similar detachments, pursuant to the provisions of the so-called Boxer Protocol of 1901 which was concluded between China and the representatives of the interested governments, including the American Minister to China. These troops are maintained for the general purpose of providing protection to American nationals (including the Embassy personnel) and, in case of emergency calling for evacuation, making available an armed escort. At Shanghai, the Government of the United States (as well as various other governments) has since 1927 maintained in the International Settlement at that place a small detachment of armed forces for the purpose of assisting in protecting the large number of American citizens residing in that area from the dangers incident to serious disorders beyond the control of the local authorities. Also, there are naval vessels of the United States in Chinese waters. These vessels form a part of the United States Asiatic Fleet based on Manila, and the distribution and movements of these vessels are under the control of the Commander-in-Chief of that Fleet. Normally, except in times of trouble in which American lives and property are endangered, these vessels, with the exception of a few small gunboats on the Yangtze River and in south China waters, cruise between Chinese ports and the Philippine Islands. The authority for stationing naval vessels of the United States in Chinese waters is found in the Sino-American Treaty of 1858^{65e} and in somewhat similar provisions of treaties between China and other foreign powers, which provisions inure to the benefit of the United States through most-favored-nation treatment. American armed forces in China are there for the protection of American nationals, primarily against mobs or other uncontrolled elements. They have no mission of aggression. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation. During the current situation of emergency in China, these forces have rendered important service in protecting

^{65e} Miller, *Treaties*, vol. 7, p. 793.

the lives of American nationals, together with and including our diplomatic and consular establishments, and in making possible the maintenance of uninterrupted communications with our nationals and our diplomatic and consular establishments in the areas involved.

There are also enclosed for convenience of reference, various public documents, as indicated below, which contain statements in regard to the attitude and policy which the Government is following.^{65f}

Sincerely yours,

CORDELL HULL

793.94/12050

*The Japanese Ministry for Foreign Affairs to the American Embassy
in Japan*

[Translation]

No. 160, American I

TOKYO, December 15, 1937.

MEMORANDUM

The Japanese Foreign Office has the honor to acknowledge the receipt of the American Embassy's memorandum of December 11^{65g} with regard to statements made by the Japanese Consul General at Shanghai on December 8 at a meeting of the interested consular representatives to consider developments arising out of the march on December 3 of Japanese military units through neutral areas of the International Settlement, and stating that the American Government, having taken note of the statements made on the part of the Japanese Consul General, is confident that the Japanese Government will put an end to apprehensions regarding future occurrences of a nature likely to lead to consequences disturbing to the preservation of order in the International Settlement. With regard thereto, the Foreign Office has the honor to reply that the Japanese Government has of course no intention which would impair the administration or the authority of the Municipal Council, and to make the assurance that in the maintenance of peace and order in the International Settlement it is the constant policy of the Japanese Government to cooperate with the International Settlement authorities.

393.115/2184

The Secretary of State to Senator William H. Smathers

WASHINGTON, December 18, 1937.

MY DEAR SENATOR SMATHERS: I have received your letter of December 13, 1937,^{65g} in which you inform me that you favor the with-

^{65f} List of documents not printed.

^{65g} Not printed.

drawal of American ships and citizens from the area affected by the present conflict in the Far East.

The question of the types and degrees of protection which this Government should afford to its citizens abroad presents many difficulties and is one in regard to which opinions may very readily differ. In a situation such as has prevailed in the Far East there have been developed during more than a century certain rights, certain interests, certain obligations and certain practices. In the light of peculiar features inherent in the situation, all of the major powers have developed and employed, with authorization by the Chinese Government, methods for safeguarding the lives and interests and property of their nationals believed to be appropriate to the situation and warranted by the peculiarities thereof. Thus, for instance, there came about and there is still in existence the system of extraterritorial jurisdiction and various of its concomitants. Concurrently, many nationals of this and other countries have, during several generations, gone to China, established themselves there in various occupations and activities, and subjected themselves both to the advantages and to the disadvantages of the conditions prevailing there; and the American Government has, along with other governments, accepted various rights and incurred various obligations. In a situation such as now prevails, many of our nationals cannot suddenly disavow or cut themselves off from the past nor can the American Government suddenly disavow its obligations and responsibilities. The American naval vessels and the small contingents of American landed forces which have been maintained in China were placed and have been kept there solely for the purpose of assisting in the maintenance of order and security as affecting the lives, the property and the legitimate activities of American nationals, especially in regard to conditions of local disorder and unauthorized violence. These vessels and troops have never had in any sense any mission of aggression. It has long been the desire and expectation of the American Government that they shall be withdrawn when their appropriate function is no longer called for. We had thought a few months ago that the opportune moment for such a withdrawal was near at hand. The present, however, does not seem an opportune moment for effecting that withdrawal.

Officers of the American Government have repeatedly and earnestly advised American citizens, in face of dangers incident to residence in China, to withdraw and are making every effort to provide safe means whereby they may depart. During the current situation in China the American military and naval forces have rendered important service in protecting the lives of American nationals, in assisting in evacuating Americans from areas of special danger, and in making

possible the maintenance of uninterrupted communications with our nationals and our diplomatic and consular establishments in the areas involved.

As of possible interest in this connection there is enclosed a press release issued by the Department on August 23, 1937,^{65b} outlining the policy on which the Government is proceeding with reference to the situation in the Far East.

I am very grateful for your courtesy in bringing to my attention your views in regard to the situation in the Far East, and I assure you that we welcome at all times thoughtful views and comment on any phase of our foreign relations.

Sincerely yours,

CORDELL HULL

^{65b} *Ante*, p. 355.

1938

393.11/2093

The Secretary of State to Vice President Garner

WASHINGTON, January 8, 1938.

SIR: On January 6, I received a copy attested by the Secretary of the Senate of Senate Resolution No. 210 of January 5, 1938, which reads as follows:

"Resolved, That the Secretary of State is requested to transmit to the Senate at the earliest practicable time the following information, based upon the latest available statistics: (1) The approximate number of American nationals residing in the Republic of China on or about August 9, 1936, the number temporarily in China on said date, and the number now residing therein; (2) if not inconsistent with the public interest, the approximate number of officers and enlisted personnel of our Army, Navy, and Marine Corps now stationed in said Republic; and (3) the approximate amount of American capital invested in said Republic and the names and addresses of the principal investors."

In reply:

1. The request for figures giving the approximate number of American nationals residing in the Republic of China on or about August 9, 1936, the number temporarily in China on said date, and the number now residing therein, can be answered only by the use of and the making of certain estimates. The figures available to the Department are approximate figures as of the dates January 1, 1936, January 1, 1937, and November 6, 1937.

(a) On the basis of figures relating to January 1, 1936, and the figures relating to January 1, 1937, it is the Department's belief that the number of American residents in China as of August 9, 1936, would approximate 10,350.

(b) For the number of American nationals temporarily in China on or about August 9, 1936, there are no figures available. However, there were issued or renewed during the year 1936 for travel in the Far East American passports to the number of 10,636, and it is to be presumed that a considerable number of the persons who received these passport services visited China (or, if residing there, were there or returned thereto) during that year.

(c) With regard to the number of American nationals now residing in the Republic of China, the information available to the Department indicates that in July 1937 at the beginning of the present Sino-

Japanese hostilities there were in China approximately 10,500 American nationals; that of this number some 4,600 were evacuated up to November 6; and that there now are in China approximately 6,000 American nationals.

2. With regard to the approximate number of officers and enlisted personnel of our Army, Navy, and Marine Corps stationed in the Republic of China, the United States now has armed forces ashore at three points in China:

At Peiping (U. S. Marines)	528
At Tientsin (U. S. Army)	814
At Shanghai (U. S. Marines)	2555

Of the force of U. S. Marines at Shanghai approximately 1,500 represent reinforcements and relief sent to that port in August 1937 for temporary duty as a result of and in order to cope with problems occasioned by the present emergency situation in the way of protecting American nationals. Approximately 100 of this reinforcement have already been withdrawn.

With regard to the approximate number of officers and enlisted personnel of our Navy stationed in Chinese waters, I am informed by the Navy Department that at this time the total personnel on all United States naval vessels now in Chinese waters is 129 officers and 1671 men, including marines on ships. This personnel is on 13 United States naval vessels, which constitute a part of the United States Asiatic Fleet, based on Manila. The United States Asiatic Fleet comprises 44 vessels, which, with the exception of the flagship, the U. S. S. *Augusta*, a heavy cruiser, are ships of the lighter categories—destroyers, submarines and gunboats, with certain auxiliary vessels. Of the 44 vessels of the Asiatic Fleet, only 13 are now in Chinese waters and of this 13 only 9, consisting for the most part of small, river gunboats, are on duty exclusively in Chinese waters. These 9 gunboats have a total personnel of 69 officers and 896 men.

3. With regard to the approximate amount of American capital invested in the Republic of China and the names and addresses of the principal investors, the most authoritative information available to the Department of State as to American investments in China is that contained in the statement which the Secretary of Commerce sent to Senator Gerald P. Nye under date January 4, 1938, the text of which is published in the *Congressional Record* of January 5, pages 63, 64. For convenience of reference there is quoted the first paragraph of the statement furnished by the Secretary of Commerce, reading as follows:

“The latest official figures of American investments abroad on a bycountry basis are those published in the Balance of International Payments of the United States in 1933, pages 53 to 62. Insofar as

China is concerned, the total remains practically the same as in 1933—\$132,000,000. To this total, for some purposes, may be added (1) approximately \$40,000,000 of Chinese obligations that have been in default since the World War; (2) from twenty-five to thirty million dollars to cover the properties of American citizens permanently residing in China; and (3) about \$40,000,000 of properties of American missionary and charitable organizations.”

With regard to the names and addresses of the principal American investors, the Department maintains no complete lists of individual American investors in China and is not authoritatively informed as to the amount of the investments of individual firms, societies, or organizations. Professor Charles F. Remer's book entitled “Foreign Investments in China” (the MacMillan Company, New York, 1933)—which is referred to in the statement of the Secretary of Commerce mentioned above—contains statements that American “business investments” include the investments of 353 different firms, of men in the various professions, and of clubs and similar organizations; that the property of American missions and philanthropic societies includes the investments of over forty Protestant societies, nine Catholic societies or orders, and ten educational, medical, and philanthropic institutions.

It may be considered of interest as a part of the background of general policy to give additional information and comment as follows:

With regard to the U. S. Marine detachment at Peiping and the U. S. Army detachment at Tientsin, the American Government maintains these small detachments—and several other interested governments maintain similar detachments—pursuant to the provisions of the so-called Boxer Protocol of 1901 which was concluded between China and the representatives of the interested governments, including the American Minister to China. The purpose of maintaining these troops is to contribute to the protection of American nationals (including the diplomatic personnel) and, in case of emergency calling for evacuation, making available an armed escort.

With regard to the U. S. Marine detachment at Shanghai, the Government of the United States has since 1927—as have various other governments—maintained in the International Settlement at that port a small detachment of armed forces for the purpose of assisting in protecting the large number of American citizens residing in that area from the dangers incident to serious disorders possibly beyond the control of the local authorities.

With regard to the United States naval vessels in Chinese waters, the Government of the United States has—as have other similarly interested governments—maintained gunboats in Chinese waters since the 1840's primarily for the purpose of contributing to the protection of American citizens. The authority for stationing naval vessels in

Chinese waters is found in the Sino-American Treaty of 1858 and in provisions of somewhat similar treaties between China and other foreign powers which provisions inure to the benefit of the United States through most-favored-nation treatment.

American armed forces in China are there for the protection of American nationals primarily against mobs or other uncontrollable elements. They have no mission of aggression. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation. Developments in China during the years immediately preceding the outbreak of the present hostilities between China and Japan afforded the Government of the United States reasonable expectation that the armed forces of this country might soon be withdrawn from China in an orderly way and to the advantage of this and other countries. The normal trend of events, however, was interrupted when fighting broke out and spread to various parts of China.

During the current situation in China—as in various previous situations of emergency—the American armed forces in China have rendered important service in protecting the lives of American nationals, in assisting in evacuating Americans from areas of special danger, and in making possible the maintenance of uninterrupted communication with and for our nationals and our diplomatic and consular establishments in the areas involved.

Confronted by the present emergency situation in the Far East, which is attended by extraordinary hazards to everyone in the affected areas, this Government has endeavored to accord to American nationals in that region appropriate and practicable protection, as the Government of the United States always has done in similar situations in all parts of the world. From approximately 1825 until the outbreak of the Spanish-American War, the United States maintained a squadron of naval vessels in the Mediterranean, primarily for the purpose of according protection in the broadest possible sense to American citizens. Subsequent to the World War, the United States maintained a squadron of naval vessels in European waters for the same general purpose. This squadron was gradually withdrawn. In July, 1936, when civil war developed in Spain there happened to be a number of United States naval vessels cruising in European waters. Because of the hazard to the lives of American nationals in Spain and with a view to facilitating withdrawal of American citizens from that country and rendering needed protection, three of the United States naval vessels then in European waters were sent to Spanish ports; also, a United States Coast Guard cutter which was then in European waters. The United States now maintains three naval vessels in proximity to Span-

ish waters for the purpose indicated above. Thus what the Government of the United States is doing in China is entirely consistent with long-established policy and practice of the United States and the well-recognized duty of the Government to afford protection to American nationals.

The interest and concern of the United States in the Far Eastern situation, in the European situation, and in situations on this continent are not measured by the number of American citizens residing in a particular country at a particular moment nor by the amount of investment of American citizens there nor by the volume of trade. There is a broader and much more fundamental interest—which is that orderly processes in international relationships be maintained. Referring expressly to the situation in the Far East, an area which contains approximately half the population of the world, the United States is deeply interested in supporting by peaceful means influences contributory to preservation and encouragement of orderly processes. This interest far transcends in importance the value of American trade with China or American investments in China; it transcends even the question of safeguarding the immediate welfare of American citizens in China.

In connection with the problem of affording appropriate protection to Americans in China, there must be kept in mind the fact that we have nationals residing in practically every country of the world and that every year some 200,000 of our citizens go abroad; that these include large numbers of students, teachers, religious leaders, laborers, executives, and merchants, men, women, and children; that the number of Americans proceeding abroad for business purposes is not greater than, is probably less than, the number who go abroad for educational, cultural and philanthropic purposes; and that a policy of abandoning American nationals in any one part of the world would have inevitable and serious repercussions adverse to the legitimate rights of Americans and the legitimate interests of this country in other parts, in most parts, of the world.

In emergency situations such as that which now prevails in the Far East, the Government endeavors to pursue in regard to the question of affording appropriate protection a course based upon calm reason. We endeavor to afford those measures of protection which are called for by and are in accord with the realities of the situation. Since the beginning of the present Chinese-Japanese conflict, this Government and its officers in China have repeatedly and earnestly advised American citizens, in face of dangers incident to situations of danger, to withdraw, and in the present situation we are making every effort to provide safe means whereby they may depart. When situations of acute danger develop or seem likely to

develop at particular points, our officers redouble their efforts to effect the safe withdrawal of American citizens from those points. When the situation at particular points becomes more tranquil and less likely to present serious hazard to the lives of American citizens, the course is followed of withdrawing armed forces which may have been sent to those points.

In the present situation in the Far East, the Government of the United States is affording appropriate protection and assistance to American nationals, as this Government always has done. The American Government is also upholding principles, as it has always done. It has asked and is asking that the rights of the United States and the rights of our people be respected, and at the same time it has sought and is seeking to avoid involvement of this country in the disputes of other countries.

The principles which the Government of the United States is following in its international relationships are set forth in the statement which I made on July 16, 1937. A copy of this statement and a copy of a further statement which I made on August 23 are enclosed for convenience of reference.⁶⁵¹ We are directing our whole thought and effort toward making effective the policies, especially the policy of peace, in which this country believes and to which it is committed.

I have [etc.]

CORDELL HULL

793.94/12345

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] January 10, 1938.

In the course of my conversation on various subjects with the Minister for Foreign Affairs this morning he said that I might like to know of certain rumors and reports which had reached him.

1. The Minister said that reports were circulating in Japan to the effect that certain American bankers, unspecified, are considering or have decided to advance credits to the Chinese Government to the extent of one hundred and fifty million gold dollars to help China pay her debts and to stabilize the Chinese currency and at the same time certain English bankers were considering similar action to the extent of thirty million pounds sterling. The Minister did not say whether he had definite confirmation of the accuracy of these rumors.

2. Mr. Hirota then turned to the question of peace negotiations with China and said that before the Brussels Conference he had suggested to the American, British, German and Italian Ambassadors that Chiang Kai-shek⁶⁶ should take the initiative in approaching the

⁶⁵¹ *Ante*, pp. 325 and 355.

⁶⁶ Chinese Generalissimo; premier from 1935 to January 1, 1938.

Japanese Government for peace negotiations. About December 27 the German Ambassador in Tokyo had asked Mr. Hirota if he would state the Japanese peace terms which could be conveyed to Chiang Kai-shek through Ambassador Trautmann and that the Minister had then stated the Japanese terms as follows:

- (1) Abandonment by China of all anti-Japan and anti-Manchukuo activities and cooperation with Japan for combating communism.
- (2) The establishment of certain demilitarized zones.
- (3) The settlement of Sino-Japanese economic relations.
- (4) Indemnification for the results of the hostilities.

I asked the Minister if he would care to elaborate on these various points. He said that the demilitarized zones should be created in Inner Mongolia, North China and the district now occupied by Japanese forces south of the Yangtze River between Shanghai and Nanking. Inner Mongolia was to have an autonomous government under the sovereignty of the Chinese Central Government. The régimes in the other demilitarized zones were to have a considerable degree of autonomous power but they also would be under Chinese sovereignty. As for an economic settlement this would include the development of China's natural resources and also a tariff agreement with Japan.

3. The Minister said he was aware that Kung^{66a} had approached the American Government through Ambassador Wang^{66b} to ask the American Government's advice with regard to the acceptance of these terms and also to request the mediation of President Roosevelt. Mr. Hirota said that the Japanese Government had asked the Chinese Government for its reply to these terms about January 10th and that they were now awaiting a reply at any moment. Mr. Hirota said that he was telling me this merely because he thought I would like to be informed with regard to the situation.

J[OSEPH] C. G[REW]

793.94119/378 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Substance]

WASHINGTON, January 12, 1938—7 p. m.

10. Reference is made to the Ambassador's telegram No. 23 of January 12, 11 p. m.,⁶⁷ and to general considerations.

The Department suggests to the Ambassador the serving of a possible useful purpose should there be conveyed at this time to the Japanese Government, while the Imperial Conference is considering mat-

^{66a} Dr. H. H. Kung, Chinese Minister of Finance and vice premier, 1933-38; premier, 1938.

^{66b} Dr. C. T. Wang, Chinese Ambassador and former Chinese Minister for Foreign Affairs.

⁶⁷ Not printed.

ters of gravest import, a mention of the following points: That Japan has the eyes of the world upon it; that a profound effect upon the welfare and prosperity of the whole world may be had through the decisions reached by the conference; that all mutually beneficial and normal activities in and respecting China have been seriously disturbed for the past six months by the fighting going on in China; that political, economic, and social tensions and dislocations are being produced by the fighting and are adversely affecting not only Japan and China but also other nations; that various adverse effects from and of this conflict cannot be escaped in any way by the other countries of the world or even by Japan, with further extension, intensification, and prolongation of the hostilities inevitably increasing the concern of other nations suffering from these adverse effects and adding to the possibility of unfortunate international complications; that the United States Government is convinced that it would be in the best interests of other nations and also of Japan for the principles of policy set forth in the Secretary's statement of July 16 last^{es} to be practically applied; and that the United States earnestly hopes the Japanese Government's decisions will be fully in keeping with the best Japanese traditions of high-minded, farseeing, and wise statesmanship.

The Secretary adds his realization that the making of such an approach at this time to the Japanese Government is a delicate question and that it is highly desirable to avoid an appearance of foreign intrusion into matters of Japanese internal political deliberations. The suggestion is made, however, that a friendly talk by the Ambassador with the Japanese Minister for Foreign Affairs along the lines indicated might be fruitful of more good than harm.

The Secretary leaves to the Ambassador's discretion whether an approach such as outlined above should be made and also, if the Ambassador decides affirmatively, whether he should speak on his own initiative or as under instruction from his Government.

The foregoing does not imply or contemplate mediation by the United States.

HULL

793.94119/382 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Substance]

TOKYO, January 14, 1938—5 p. m.

[Received January 14—10:25 a. m.]

28. Reference Department's 10, January 12, 7 p. m. The purpose of the Imperial Conference was to give the Emperor's sanction to

^{es} *Ante*, p. 325.

whatever decisions had already been formulated and adopted by the Government. The conference ended following a brief session, and the decisions previously taken are now "immutable" in Japanese eyes.

Even a friendly talk on the subject with the Minister for Foreign Affairs would have to be reported to the Cabinet, and I have little doubt that in the present tense atmosphere the proposed representations by me to attempt influencing or modifying the Imperial Conference's decisions in contrast to protection of specific interests of the United States would at this moment be interpreted as an effort to interfere with the Emperor's prerogative and would entail a reaction the reverse of what is desired.

As I fully realize the fundamental importance of the views and facts presented in your telegram, I shall bear them in mind constantly until a favorable occasion permits their expression. However, we are aware that not only the substance of the Department's outlined points but also the effects, hazards, and ramifications involved in Japanese policy were weighed very carefully by the Government here prior to presentation to the Emperor of the proposals implementing that policy.

Appreciating fully your wish for me to use my discretion in the matter, I trust that consideration of the foregoing views may not prove them to run counter to yours.

GREW

793.94/12345

Statement by the Japanese Government, January 16, 1938

Even after the capture of Nanking, the Japanese Government have till now continued to be patient with a view to affording a final opportunity to the Chinese National Government for a reconsideration of their attitude. However, the Chinese Government, without appreciating the true intentions of Japan, blindly persist in their opposition against Japan, with no consideration either internally for the people in their miserable plight or externally for the peace and tranquility of all East Asia. Accordingly, the Japanese Government will cease from henceforward to deal with that Government, and they look forward to the establishment and growth of a new Chinese régime, harmonious co-ordination with which can really be counted upon. With such a régime they will fully co-operate for the adjustment of Sino-Japanese relations, and for the building up of a rejuvenated China. Needless to state, this involves no change in the policy adopted by the Japanese Government of respecting the territorial integrity and sovereignty of China as well as the rights and interests of other Powers in China.

Japan's responsibilities for the peace of East Asia are now even heavier than ever before.

It is the fervent hope of the Government that the people will put forth still greater efforts toward the accomplishment of this important task incumbent on the nation.

793.94/12345

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] January 17, 1938.

At the end of my conversation this morning with the Minister for Foreign Affairs he said that he would like to explain to me the background of the announcement made by the Japanese Government yesterday. The Minister said that through the good offices of the German Ambassador certain peace proposals were made to the Chinese Government in December and that an answer was expected during the early part of January. On January 14th the Chinese Government returned a "perfunctory" reply merely asking for further information concerning the proposed terms. The Japanese Government then became convinced of the futility of further negotiations and decided to have no further dealings with the Government now located in Hankow. The Minister said that this did not involve a specific act effecting a breach of diplomatic relations but simply meant a cessation of dealings with Hankow on the ground that the Government in Hankow no longer represents China. The Minister said that there would be no immediate recognition of any regime but that the Japanese Government would await developments. The regime in North China would constitute the "basic power" of whatever government should eventually be recognized and that that government would include such regimes as were friendly to Japan. It was not possible as yet to foresee whether such a regime would develop in Nanking.

J[OSEPH] C. G[REW]

894.032/184

*Address Delivered by the Japanese Prime Minister (Prince Konoye)
Before the Japanese Diet on January 22, 1938*⁶⁹

The New Year is with us amid the storm and stress of the China Affair. Today at this session of the Imperial Diet which faces a momentous crisis of our nation, I have the honour to wish with you a long life to our Sovereign and prosperity and happiness to the Imperial House, before stating to you the views of the Government. I have been moved beyond words by the Imperial Message that was graciously granted at the opening session and by the deep concern shown by His Majesty over the present situation.

⁶⁹ English text received by the Embassy in Japan from the Japanese Foreign Office.

It is scarcely necessary for me to say that Japan's immutable national policy aims at building the edifice of permanent peace for East Asia on the unshakable foundation of close co-operation between Japan, Manchoukuo and China, and to contribute thereby to the cause of world peace. The adoption some time ago of our determined policy not to deal with the obdurate Kuomintang Government of China, and the exertion of ceaseless efforts towards the cultivation of friendly relations with the Powers, have been both dictated by this policy of the Government. We all rejoice for the sake of world peace that the tripartite Anti-Comintern Agreement between Japan, Germany, and Italy was completed through the participation of Italy last fall.⁷⁰

It is now more than half a year since the commencement of the present conflict. The fields of hostilities have been extended from North China to Central and South China. The valorous and daring operations of the Imperial forces have brought us victory after victory. Nanking, the Chinese Capital, quickly fell into our hands. The situation is developing most favourably for Japan. While this is, of course, due to the August Virtue of our Sovereign, I am profoundly grateful for the loyalty and courage of the officers and men of the Imperial forces at front and for the ardour and enthusiasm of all our people at home.

Now the Government look forward to the emergence of a new Chinese regime which may really be counted upon to co-operate with Japan, and with such a regime they intend to adjust the Sino-Japanese relations and lend their hands in the rehabilitation of China, and in laying firmly thereby the foundation for a permanent peace of East Asia. Needless to say, there will be no change in Japan's policy to respect the sovereignty and territorial integrity of China and the legitimate rights and interests of third Powers in China.

The mission of Japan as the stabilizing force of East Asia is greater and her obligations have grown heavier than ever. In order to fulfil this mission, and to discharge these obligations of ours, we must certainly be prepared to make hereafter still greater sacrifices than we have made heretofore. But unless we resolve to do this, we only lay in store misfortunes for the future. I believe that to bear such sacrifices is a noble duty that we of the present generation owe to posterity.

It is under a conviction such as this that our Government are striving with all their might to deal with the China Affair and to achieve the end they have in view. And for that they are working for the completion of the plans for the national mobilization both material and spiritual, and the execution of the various necessary measures. Under

⁷⁰ See vol. II, p. 159.

this policy, the Government realize the first necessity of replenishing armaments and filling the national treasury, and accordingly, emphasis has been placed on this point in regulating country's economy and finances. As regards the budget for the coming fiscal year, it has been so compiled as to devote as much money and material as possible to the fulfilment of military requirements, and to curtail as far as possible the general consumption of the goods and funds having to do with military supplies.

In the field of industry, the basic principle of the Government will be laid in the increase of our nation's productive power under the one comprehensive scheme covering Japan, Manchoukuo and China, and efforts are to be exerted toward supplying the articles needed for national defence, promoting all the important industries, and expanding our export trade.

As for our work at the home front, not only everything will be of course done in order to keep our officers and men at front free from all anxieties for those at home, but suitable and effective measures will be taken to provide for the relief of the families of those killed, wounded, or taken ill.

Far distant still is the end of the conflict. We should expect that it will be a long time before a settlement is reached. Ours is indeed a momentous task unparalleled in history. We shall never succeed in accomplishing the task unless all of us show the dauntless spirit of gladly and courageously offering ourselves to our country. Let me assure you that the Government, with patience and perseverance and a resolute will, expect to reach a settlement of the Affair.

In accordance with these views, the necessary bills together with the budget are being presented to you, on which I earnestly hope that you, appreciating the intentions of the Government, will give your approval.

894.032/184

*Address Delivered by the Japanese Minister for Foreign Affairs
(Hirota) Before the Japanese Diet on January 22, 1938*⁷¹

At the last session of the Diet I had the honour to speak on the policy of the Japanese Government regarding the China Affair. Today I desire to address you on the subsequent developments which have occurred in the Chinese situation as well as on our foreign relations in general.

The attitude of the Japanese Government towards the present Affair has been clearly set forth in their statements made public from time to time in the past. Japan has no territorial ambitions in China, nor has

⁷¹ English text received by the Embassy in Japan from the Japanese Foreign Office.

she any intention of separating North China from the rest of the country. All she wants is that China, taking a broad view of the situation, will collaborate with Japan toward the fulfilment of the ideal of Sino-Japanese co-operation for the common prosperity and well-being of the two countries. Accordingly, even after the outbreak of the present Affair, we eagerly looked forward to joining forces with China for the purpose of securing peace in East Asia as soon as the Nationalist Government should have discarded their policy of opposition to Japan and Manchoukuo and evinced a sincere desire to work together for this ideal of Japan. However, the Nationalist Government failed to understand our true intentions, and they were caught, so to speak, in the trap set by themselves, being bound by their commitments to the anti-Japanism that they had fostered for such long years. Unable to act wisely and well with a calm judgment, but relying upon third Powers, or allying themselves with Communists, they are even now calling for a prolonged resistance, regardless of the plight of the 400 million people of China whom they have plunged into the depth of suffering and misery. Now the heroic operations of our loyal and valiant forces in the north and in the south, have forced the Nationalist Government to abandon Nanking, their capital, and to flee far up the Yangtze River. Still unrepentant, they persist in their desperate opposition. It is a most lamentable thing for the sake of East Asia as a whole as well as for the people of China.

Some time ago when the Japanese Government received a proffer of good offices by the German Government to act as an intermediary for bringing about direct negotiations between Japan and China, they proposed, with a view to affording the Nationalist Government a last opportunity for reconsideration, the following four points as the basic conditions for the solution of the Affair:

1. China to abandon her pro-Communist and Anti-Japanese and anti-Manchoukuo policies to collaborate with Japan and Manchoukuo in their anti-Comintern policy.
2. Establishment of demilitarized zones in the necessary localities, and of a special regime for the said localities.
3. Conclusion of an economic agreement between Japan, China and Manchoukuo.
4. China to pay Japan the necessary indemnities.

These items summarized the minimum requirements which were considered absolutely indispensable by the Japanese Government. It was my earnest hope that the Nationalist Government would sue for peace on the basis of these fundamental conditions. However, that Government, blind to the larger interests of East Asia, and ignoring both our magnanimity and Germany's friendly intention, exhibited no readiness to ask frankly for peace, but only sought to delay the matter and ultimately failed to send a reply that could be regarded in

any way as sincere. The Nationalist Government having thus wilfully thrown away the last chance placed at their disposal by the Japanese Government, it became clear that there would be no hope of ever arriving at a solution by waiting indefinitely for any reconsideration on the part of the Nationalist Government. It is because of these circumstances that the Japanese Government issued on the 16th of this month the statement that they would from thenceforward cease to deal with the Nationalist Government. As is made plain in that statement our Government now look forward to the establishment and the growth of a new Chinese regime capable of genuine co-operation with Japan, which it is their intention to assist in the building up of a new and rehabilitated China. I am fully convinced that this is the only way of realizing our ideal of securing the stability of East Asia through Sino-Japanese co-operation.

I desire to avail myself of this occasion to say that in Europe and America there are some who are apt to entertain misgivings regarding Japan's intentions as though she were trying to close the Chinese door, and expel the interests of the Powers from China. Let me state explicitly that not only will Japan respect to the fullest extent the rights and interests of the Powers in the occupied areas, but she is prepared, for the purpose of promoting the welfare of the Chinese people, to leave the door wide open to all Powers and to welcome their cultural and economic co-operation there. It is earnestly to be hoped that the Powers, by recognizing the new conditions prevailing in China, and by appreciating the propriety of such Japanese demands for necessary and rational adjustments as have been submitted, or may be submitted hereafter, in order to meet those conditions, will co-operate for the establishment of a new order in the Far East.

As regards our relations with Manchoukuo, it is the fundamental principle of our national policy to help that country to achieve a healthy progress as an independent state, maintaining all the while its intimate and inseparable relationship with our own. In accordance with this basic principle our Government decided upon the abolition of the extraterritoriality long enjoyed by Japan and transfer of her administrative rights in the South Manchuria Railway zone. And in the execution of that programme the first treaty was concluded in June, 1936, and the second treaty in November last year, the operation of both of which has proved exceedingly satisfactory. As for the international status of Manchoukuo, because of the various governmental reforms and improvements accomplished through her strenuous efforts exerted with the help of Japan for their materialization, the Powers have come to revise their appraisal of the new state. Italy, first of all, extended formal recognition towards the end of November last, and the mutual extension of formal recognition with the Franco

Government of Spain took place in the early days of the following December.

Japan's policy towards the Soviet Union has always been guided by our conviction of the urgent need of placing the relations of the two countries upon a normal footing for the sake of the peace of East Asia. It is in accordance with this policy that we endeavoured within the past year to solve the long pending issue of the revision of the Fishery Treaty; but unfortunately, owing to the attitude of the Soviet authorities, we were obliged to conclude a *modus vivendi* at the year end as in the year before last. I should add, however, that since the Soviet Government are proceeding with the necessary internal preparations for the conclusion of an agreement providing for a revision of the treaty now in force, we are taking steps for the continuance of the negotiation and the signing of the new agreement at the earliest possible date.

This Government attach great importance to a smooth operation of the Japanese concession enterprises in North Saghalien. Let me say that the Japanese Government will never allow these rights and interests derived from the Soviet-Japanese Basic Treaty ^{71a} to be nullified through unreasonable pressure. Again, the relations between the Soviet Union and China are attracting the special attention of our nation. China concluded in August last a non-aggression pact with the Soviet Union, while members of the Communist International have penetrated all classes of the Chinese, destroying the social order of the country and endangering the stability of East Asia. Japan, ever solicitous for the civilization of East Asia and the welfare of its people, cannot but view the situation with the gravest concern.

In conducting military operations in China, Japan has been exercising special care lest the nationals and the rights and interests of third Powers should suffer. But there have occurred, I regret to say, toward the end of last year the *Panay* Incident ⁷² and the *Ladybird* Incident, involving Great Britain and the United States. While it is needless to say that their occurrence was entirely unintentional, it was feared for a time that these incidents might lead to an alienation of feeling between Japan and those two countries. I rejoice that thanks to the calm and fair-minded attitude taken by the governments of both countries and the sincerity of our government and people, the incidents have been brought in each case to an amicable settlement.

Since the outbreak of the present Affair, the United States has always maintained a fair and just attitude, acting on all occasions with such careful regard for the cause of Japanese-American friend-

^{71a} Signed at Peking, January 20, 1925; League of Nations Treaty Series, vol. xxxiv, p. 32.

⁷² See pp. 517 ff.

ship that, despite such mishaps as the *Panay* Incident, the relations of the two countries, I am happy to say, have suffered no impairment. The importance to the conduct of our foreign affairs of American understanding needs scarcely to be mentioned. We shall continue to do our best towards the furtherance of Japanese-American amity and good will.

As regards Great Britain, there has been no change in the policy of the Japanese Government, which aims at the maintenance of the traditional friendship between the two countries. I hope that the British Government and people, grasping fully the importance of Anglo-Japanese relations, will endeavour to comprehend correctly Japan's position in East Asia and to co-operate with Japan for the furtherance of peace and good understanding between the two nations. At the same time, I desire to urge upon our own people to stand solidly behind this policy of the Government, in view of the seriousness of the general situation.

I am glad to say that Japan and Germany have been brought closer together than ever through such auspicious events as the visit of H. I. H. Prince Chichibu who was pleased to make a tour of that country on his way home from England last year, and also the cruise of the H. I. M. S. *Ashigara*, which included a call at Kiel. Especially do this Government appreciate the friendly and most sympathetic attitude Germany has taken in consonance with the spirit of the German-Japanese Anti-Comintern Agreement. We will strive to strengthen further the co-operation between the two countries.

From the beginning of the present Affair, Italy, understanding our true motives, has collaborated with us along all lines. It is well known to you how consistently and how energetically the Italian Government supported our country in November last year at the Brussels Conference of the Signatory Powers to the Nine Power Treaty. In connection with the question already mentioned of the settlement of the present Affair, the Italian Government again manifested their sympathetic concern. This Government are most grateful for these proofs of good will on the part of Italy. Italy, which had taken actually the same position as Japan in the matter of combatting the Comintern, joined in the German-Japanese Anti-Comintern Agreement in November last. It is a subject for congratulation from the standpoint of securing world peace that Japan, Germany and Italy have come to join forces under the Anti-Comintern banner. This Government will seek to extend further the effective operation of this agreement in concert with Germany and Italy.

In Spain, the civil war which broke out in July 1936 has developed steadily in favour of the régime under General Franco, which has now succeeded in bringing the greater part of the country under its control, and in consolidating its foundations. Moreover, the Franco

Government is identified with the Government of this country in the policy adopted against the Comintern. In the light of these facts we have decided to recognize that Government, and the necessary steps to that end were taken early in December last year.

A survey of our foreign trade shows that there has been in the past year a notable increase, as compared with the preceding year, of more than 35 per cent. in value as regards imports and 18 per cent. in value as regards exports—the total value of imports and exports together exceeding 7,270,000,000 yen, which is an unprecedented sum in the history of our foreign commerce.

Nevertheless, there still remain the economic barriers as heretofore. While endeavouring on the one hand to eliminate these obstacles through diplomatic means by dealing individually with the various countries according to their respective circumstances and the measures employed by them, this Government are exerting on the other hand unremitting efforts to promote our foreign trade by every means available. During the past year trade agreements have been concluded with British India, Burma, and Turkey. There were also signed in December a Treaty of Commerce with Siam and a supplementary agreement to the Italo-Japanese Treaty of Commerce relating to the Italian colonies. Negotiations are now in progress with other countries for the conclusion of the necessary trade agreements, covering both old and new markets.

A boycott of Japanese goods has been initiated in certain countries owing to misleading Chinese propaganda concerning the present Affair and to the machinations of the Chinese who reside there in large numbers. However, nowhere has it developed into any serious proportions, thanks to the united efforts of the Government and people and the fair attitude of the general public in the countries concerned.

The Japanese Government believe it to be one of the necessary conditions of the peace and harmony and the prosperity of Japan, Manchoukuo and China, and consequently of the entire world, to increase rationally the productive power of those three countries, and to strengthen their economic ties, and at the same time to promote their trade with the rest of the world. For the realization of this purpose the Government are now carefully preparing appropriate plans at home and abroad.

Finally I desire to say a few words on cultural work. In order to promote international friendship and to bring about a real peace among mankind it is necessary that nations should form intimate cultural bonds and cultivate a full understanding of one another's ideals and aspirations. The present Affair is traceable in no small degree to Chinese lack of understanding in this regard. If Japan and China are to build up a lasting friendship, they should understand each other's national conditions and characteristics, and co-operate cul-

turally according to the fundamental spirit of the Orient. Taking this standpoint, the Government intend to carry on in China more intensively than heretofore the cultural work which will serve as a foundation for the permanent peace and prosperity of the two nations. At the same time the Government will not relax their cultural work elsewhere since there is a special need, in the face of the present international situation, of making other peoples better acquainted with our unique culture and the national traits of our people who love justice and peace.

I hope that from what I have now said you have been able to understand the views of the Government regarding the present China Affair and foreign questions in general. In brief, the underlying aim of the foreign policy of the Government is to eradicate the root of evil in East Asia, to make known throughout the world the justice of our cause, and to contribute toward laying the foundations of world peace. To that end the Government are doing their very utmost. And I trust that you will appreciate the intentions of the Government and will extend your co-operation for the attainment of the objectives of our foreign policy in dealing with the grave emergency that confronts the nation today.

793.94/12279 : Telegram

The Consul General at Shanghai (Gauss) to the Secretary of State

SHANGHAI, February 1, 1938—11 a. m.

[Received 7:35 p. m.]

177. Following from Tokyo:

January 31, 5 p. m. Please relay the following to the Department and repeat to Ambassador Johnson:

"My 25, January 13, 6 p. m., paragraph No. 3.⁷³

1. In view of recent developments at Geneva, the Department may be interested in the statement made in the Diet on January 25 by the Minister for Foreign Affairs as follows: "The first point of [*in*] the present interpellation was a question of the significance of calling the present Sino-Japanese relations an incident and not a war. As is well known, the present trouble arose from the Lukowkiao Bridge incident, becoming gradually aggravated until turned into a general conflict. Up to the present time, if we look at the situation between Japan and China, it is clearly a great struggle; for the Far East an extraordinary struggle. However, as you know, the situation in the Far East is not one like that of Europe based on concepts of international law. Speaking from racial as well as other considerations the relations of these two countries cannot be regulated by war. Actually Japan has from the outset of this incident announced that it was combatting the anti-Japanese movement as represented by the Chiang regime and the military cliques. On the

⁷³ Not printed.

one hand there has arisen in North China a government which, friendly to Japan, is adopting a joint anti-Communist policy. Arguing from this standpoint it is beyond need of proof that the relations between China and Japan are not a war in which the Chinese Government and its people are looked upon as enemies. Ordinarily, according to the dictates of international law, in the case of war it is usual to make a declaration of war at the outset or later. As a result of the declaration of war it is customary for third countries to assume the obligations of neutrals. In the present situation in the Far East the advantages and disadvantages of the application of the principles of international law to this situation must be considered carefully. In the light of the situation in China and in international relations we have not yet taken the step of declaring war. However, depending on developments, this step may become necessary. Consequently it is unnecessary to repeat that both internally and externally the present struggle is in fact a war. Accordingly the question of the steps to be taken at the termination are the same as those of war. If we look at the attitude of the Chinese National Government up to the present time we see that it lacked entirely any sincere intention to negotiate with Japan and we therefore severed all international intercourse with it. However from the standpoint of actual fact the relations between Japan and China must be postponed [*fostered*]. Having reached this state [*stage*], Japan with extraordinary determination is urging the reflection of all China and is building everlasting peace in the Far East. Japan cannot lend an ear to effort by a third power to intervene at this time. I can hardly imagine there would be such a third country. However with respect to relations between China and third countries in the past there are a number of countries which have had very many cultural or material interests in China. Considerable reflection is necessary as to what degree these countries will maintain the interests they have had in China up to the present time. Should, through the action of a third country, there result aid being given to China this will only serve to prolong the incident and would have a deplorable effect on the restoration of peace in the Far East, to be sure—nay, on the restoration of peace in the world. We are trying to get the various countries to understand fully the present situation in the Far East and to adopt policies in conformity with the new situation. In this respect in the past in the relation between China and third countries it is a fact that there have been such things as the supplying of armaments. It appears in the majority of cases that third countries and China, not being subject to the restrictions of laws of neutrality, regard this trade in arms as undertaken purely as a commercial transaction. However this is a matter of theory. Actually, those countries with kindly intentions, desiring a quick solution of the present situation, restoration of the peace in the Far East, and maintenance of world peace, are for the most part restricting voluntarily the supplying of arms. Those who are not so doing have had the situation explained to them and have had attention called to this fact. Various countries are cited and we often are asked which country is the principal supplier of armaments. Recently, in a communication received from England it has been explained that in Hong Kong, which is supposed to be the

principal import source of arms to China, at the present time the armaments of English manufacture occupy but a small portion of the whole. We must recognize that almost the entire amount comes from other countries. To look upon this as an act of commercial character and to [simply stand] with folded arms can only result in the prolongation of the present trouble between Japan and China and I am constantly calling this to the attention of various foreign countries, the countries concerned. As the situation develops I believe that these countries can be made to have a more comprehensive understanding, particularly as a result of making clear our attitude that we would have nothing to do with Chiang Kai-shek, that with different administration as the center we would assist in the reconstruction of China. I believe that the business[men] of various countries who have been supplying the armaments to the national movement [*National Government*] for purely profit motives will reflect seriously. This will constitute my answer to the above interpellation.'

2. As reports from Geneva state that Eden, Delbos, and Litvinov ^{73b} have assured Koo ^{73c} that their respective countries are prepared to assist China by continued supplies of arms and munitions, considerable significance is being attached to a statement made by the Prime Minister on January 29 before the Budget Committee of the Lower House. No official text of the statement is available but it was reported in the press to have been as follows: 'With reference to a declaration of war, it is possible by methods of diplomacy to prevent to a certain degree third countries helping China by the supply of munitions and we are employing various appropriate means to convey to such countries a correct conception of Japanese position in China. However as I stated on a previous occasion we intend to request that His Majesty declare war if Chiang Kai-shek's future attitude and other developments, both internal and external to Japan, should warrant such action.' Comment will follow shortly."

Grew
GAUSS

Press Release Issued by the Department of State on February 4, 1938 ^{73d}

The American Government has decided to reduce the number of the American armed forces in North China by withdrawing the Fifteenth Infantry, now stationed at Tientsin, and transferring to Tientsin from Peiping two companies of the United States Marine Guard now stationed at Peiping, leaving at Peiping two companies of that Guard.

The stationing of American armed forces at Peiping and Tientsin dates from the year 1900. In that year the American Government

^{73b} British, French, and Soviet representatives.

^{73c} Chinese representative.

^{73d} Reprinted from Department of State, *Press Releases*, February 5, 1938 (vol. xviii, No. 436), p. 199.

and other principally interested governments found it necessary to send expeditionary forces to North China for the relief of the legations of the foreign powers besieged by "Boxers" and Chinese Imperial troops. The negotiations which followed the successful raising of the siege of the legations were concluded by the signing on September 7, 1901, of the so-called Boxer Protocol by the representatives of the interested powers, including the United States. In the Boxer Protocol it was recorded that the Chinese Government had granted to the interested powers the right to station at certain points forces for the maintenance of open communications between the capital (Peking) and the sea.

Since 1901 the American Government has, along with other interested governments, felt it desirable to continue the maintenance of a legation guard at Peiping. In January 1912 the American Government, in view of the development in China of an armed revolution which resulted in the overthrow of the Manchu dynasty and in consequence of various disorders which ensued, sent to Tientsin from Manila a detachment of the American Army for the protection of American lives. Since that time the American Government—as well as certain other governments—has maintained a small force at Tientsin.

The purpose of maintaining these detachments of American armed forces at Peiping and at Tientsin has been to contribute to the protection of American nationals (including the diplomatic personnel) and, in case of emergency calling for evacuation, to make available an armed escort. Their mission has been solely protective.

The American Government has long been committed to the principle of effecting the withdrawal of such forces whenever the situation so develops as to warrant the view that withdrawals can be effected without detriment to American interests and obligations in general.

The withdrawal of the Fifteenth Infantry, total personnel (officers and men) 808, will take place early in March.

The Marine Guard at Peiping has a total personnel of (officers and men) 527.

711.41/381a

The Secretary of State to the Chairman of the Senate Committee on Foreign Relations (Key Pittman)

WASHINGTON, February 8, 1938.

MY DEAR SENATOR PITTMAN: My attention has been called to Senate Resolution Number 229 introduced by Senator Johnson of California on January 5 (Calendar February 7), 1938, and ordered to lie on the table.

Under the terms of the proposed Resolution the Secretary of State is requested, if it be not incompatible with the public interest, to advise the Senate in response to three inquiries.

For your information, and for such use as you may desire to make thereof, I desire to state to you very definitely that in response to point (a) which reads "whether or not any alliance, agreement, or understanding exists or is contemplated with Great Britain relating to war or the possibility of war", the answer is, No; in response to point (b) which reads "whether or not there is any understanding or agreement, express or implied, for the use of the navy of the United States in conjunction with any other nation", the answer is, No; with regard to point (c) which reads, "whether or not there is any understanding or agreement, express or implied, with any nation, that the United States Navy, or any part of it, should police or patrol or be transferred to any particular waters or any particular ocean", the answer is, No.

Sincerely yours,

CORDELL HULL

*Press Release Issued by the Department of State on
February 17, 1938*^{73a}

The American consul general at Shanghai, Mr. Clarence E. Gauss, telegraphed the Department of State today as follows:

"The Sixth Marines began embarkation on the *Chaumont* morning of sixteenth. Embarkation will be completed this afternoon. *Chaumont* sails tomorrow morning. Brigadier General Beaumont and staff embarked at 10:15 this morning.

"The chairman of the American community has addressed a letter to General Beaumont on behalf of the community expressing appreciation of the splendid services rendered by him and the officers and men of his command. Letter states that the timely arrival of the Marines reinforcements during a period of great strain brought a feeling of immense relief and increased security to all residents of the city. Letter commends the conduct of the Marines in Shanghai, saying that their exemplary behavior and deportment has brought to all Americans here a feeling of great pride in our Navy."

The Navy Department announced on January 31 that the Brigade Headquarters of the 2d Marine Brigade and the 6th Regiment of Marines, sent from San Diego to Shanghai in August last as a reinforcement during the period of emergency to the 4th Marine Regiment already there, and on temporary duty at Shanghai since September last, are soon to be withdrawn from Shanghai, as they are no longer needed there.

^{73a} Reprinted from Department of State, *Press Releases*, February 19, 1938 (vol. xviii, No. 438), p. 266.

*Press Release Issued by the Department of State on March 3, 1938*⁷³¹

The Department today received the following report from Mr. John K. Caldwell, consul general at Tientsin, China:

"The Fifteenth Infantry, United States Army, left Tientsin on the morning of March 2 and sailed from Chinwangtao this morning.

"Their departure from Tientsin was marked by friendly demonstrations by all nationalities; in local British and American press and at farewell reception there were expressions of regret at their departure and commendation of their conduct during the nearly 26 years they have been in Tientsin. Before their departure American and British communities made farewell presentations, the British military and the British civilians each gave a farewell reception, and the French presented flowers to Mrs. McAndrew in a brief ceremony at the French Club on her way to the station. The route from the American barracks to the International Bridge was lined by British police and British, French, and Italian troops; the British, French, and Italian bands in turn headed the procession and played at the station, where they were joined by the Chinese police band and where there were posted guards of honor of British, French, and Italian troops and Chinese police. The British municipality provided the traditional Chinese farewell firecrackers as the regiment passed Victoria Park. The Japanese Military were extremely courteous and helpful in connection with arrangements for rolling stock and the policing of the station and its vicinity. Regiment can well be proud of a record of a quarter of a century in Tientsin which brings such commendation and such striking evidences of friendship from all nationals upon its departure."

It is the Department's understanding that two companies of United States Marines, taken from the Marine Guard at Peiping, have proceeded to Tientsin and are now on duty there, carrying on with the mission of protection which was that of the Fifteenth Infantry.

The Fifteenth Infantry comprises 808 officers and men. The two companies of United States Marines now at Tientsin number approximately 250 officers and men.

711.93/386

*Statement by the Japanese Minister for Foreign Affairs (Hirota)
to the Budget Committee of the Lower House of the Japanese Diet
on March 4, 1938*

[Translation]

If there be grounds for the suspicion that the United States, in its relations with Japan, is making a particular effort to expand its armaments on the Pacific Coast I am sorry that the United States feels this way. It is Japan's idea as the central support of peace in

⁷³¹ Reprinted from Department of State, *Press Releases*, March 5, 1938 (vol. XVIII, No. 440), p. 285.

the Far East to work for the security and progress of East Asia just as the United States is working for peace on the American continent as the central figure there. If both parties understand their respective positions it seems to me that there can be no cause for conflict. We hope to make the United States understand this point and thereby bring about more friendly relations.

894.00 P.R./124

*Statement by the Japanese Military Commander in Central China,
March 10, 1938*⁷⁴

On March 10 General Hata, who replaced General Matsui as commander of the Japanese forces in central China, gave his first press interview. He declared there would be no change in "Japan's immutable policy" towards China. "Accordingly it may be necessary for the Japanese forces to remain in central China for 5 years, or 10 years, or 100 years, depending on the circumstances". He gave assurances that neutral rights and interests will be duly respected but said that injustices in the name of foreign rights and interests cannot be recognized. Commenting on the fighting spirit of his officers and men he said that he was convinced they will be able to continue their drive to Hankow or anywhere else.

*Address Delivered by the Secretary of State on "Our Foreign Policy"
at Washington on March 17, 1938*⁷⁵

In the course of the daily press conferences at the Department of State, I have occasion to see many of you and to touch upon day-to-day developments in our foreign relations. Such information as I am able to give you in these conferences must, of necessity, relate to specific questions and, oftentimes, to isolated events. Yet upon you, representatives of the press, rests a heavy responsibility in keeping our people currently and accurately informed on the vital issues which arise in our country's relations with other nations. I welcome, therefore, this opportunity to meet with the members of the National Press Club in the calmer atmosphere of an occasion like the present one, and to discuss with you some of the fundamental conditions and problems presented by our international relations and our foreign policy.

⁷⁴ Extract from a report on conditions in Japan during the month of March 1938, enclosed in despatch No. 2910, Apr. 30, 1938, from the American Ambassador in Japan.

⁷⁵ Before the National Press Club. Reprinted from Department of State Publication No. 1146 (Washington, Government Printing Office, 1938).

The primary objectives of our foreign policy are the maintenance of the peace of our country and the promotion of the economic, the social, and the moral welfare of our people. Unfortunately, the means of attaining these objectives involve today so many factors of great complexity that their real significance is frequently misunderstood and misinterpreted.

By instinct and tradition our country has been, throughout its history, sincerely devoted to the cause of peace. Within the limitations imposed by time and circumstance we have earnestly sought to discharge our responsibilities as a member of the family of nations in promoting conditions essential to the maintenance of peace. We have consistently believed in the sanctity of treaty obligations and have endeavored to apply this belief in the actual practice of our foreign relations. In common with all other nations we have, since the end of the World War, assumed a solemn obligation not to resort to force as an instrument of national policy. All this gives us a moral right to express our deep concern over the rising tide of lawlessness, the growing disregard of treaties, the increasing reversion to the use of force, and the numerous other ominous tendencies which are emerging in the sphere of international relations.

On July 16, 1937, I issued a public statement setting forth the fundamental principles to which our Government adheres in the formulation of its foreign policy.⁷⁶ On behalf of our Government I transmitted a copy of this statement to every government of the world, requesting such comment as each might see fit to offer. To our profound gratification an overwhelming majority of those governments joined in affirming their faith in these vital principles.

The most important of these principles, which are indispensable to a satisfactory international order, are as follows:

Maintenance of peace should be constantly advocated and practiced.

All nations should, through voluntary self-restraint, abstain from use of force in pursuit of policy and from interference in the internal affairs of other nations.

All nations should seek to adjust problems arising in their international relations by processes of peaceful negotiation and agreement.

All nations should uphold the principle of the sanctity of treaties and of faithful observance of international agreements.

Modification of provisions of treaties, when need therefor arises, should be by orderly processes carried out in a spirit of mutual helpfulness and accommodation.

Each nation should respect the rights of others and perform scrupulously its own established obligations; in brief, international law and the spirit which underlies it must be revitalized and strengthened.

⁷⁶ *Ante*, p. 325.

Steps should be taken toward promotion of economic security and stability the world over through lowering or removal of barriers to international trade, according of effective equality of commercial opportunity, and application of the principle of equality of commercial treatment.

National armaments should be limited and be progressively reduced; at the same time, realizing the necessity for maintaining armed forces adequate for national security, each nation should to that end be prepared to reduce or increase its own armed forces in proportion as reductions or increases are made by other nations.

Apart from the question of alliances with others, each nation should be prepared to engage in cooperative effort, by peaceful and practicable means, in support of these principles.

The peace and progress of every nation are just as dependent on international law and order, based upon the foregoing principles, as the welfare, stability, and progress of a community are dependent upon domestic law and order, based upon legal, moral, and other recognized standards of conduct. No government faithful to the sacred trust involved in the task of providing for the safety and well-being of its people can disregard these universal principles. Every nation, whatever its form of government, can support them. Every nation must support them, if civilization is to survive. The longer the nations delay acceptance and observance of these fundamental tenets of constructive statesmanship, the graver will be the jeopardy into which all worth-while international relationships will be plunged, and with them the welfare, the happiness, and the civilized existence of all nations.

The crucial issue today is whether these principles will be vitalized and be firmly established as the foundation of an international order or whether international anarchy based on brute force will inundate the world and ultimately sweep away the very bases of civilization and progress. That issue is universal. No more than a community or a nation, can the world base its existence in part on law and in part on lawlessness, in part on order and in part on chaos, in part on processes of peace and in part on methods of violence.

On August 23 I made another public statement,⁷⁷ reaffirming the principles which should underlie international order, peace, and justice, if the world is to avoid a relapse into another dark night of international anarchy and general retrogression. I called attention again to the fact that if these principles are to be effective they must be universal in their application. This statement was prompted by the fact that the progress and possibilities of armed conflict were becoming more alarming both in the European and the Far Eastern areas and that the basic principles to which I have just referred were

⁷⁷ *Ante*, p. 355.

being challenged and the doctrine of armed force was gaining supremacy in important regions of the world.

During the early months of the conflict in the Far East I appealed on several occasions, in the name of our Government, to both Japan and China to desist from using armed force and to resort to the well-recognized processes of peaceful settlement for the adjustment of whatever differences existed between them. I said that we would be glad to be of assistance toward facilitating, in any manner that might be practicable and mutually agreeable, resort by them to such processes.

On August 17,⁷⁸ and with frequent reiteration thereafter, I stated that we did not intend to abandon our nationals and our interests in China.

From time immemorial it has been the practice of civilized nations to afford protection, by appropriate means and under the rule of reason, to their nationals and their rights and interests abroad. This policy has been pursued by the Government of the United States throughout the existence of our country.

Methods and means of affording protection abroad vary according to the places in which and the circumstances under which protection is called for. In the case of China, where unusual local conditions were such that the protection afforded by local authorities did not suffice to give security against excited and lawless elements, there have occasionally been sent—not by this country alone but by a number of countries—armed forces, to contribute to the affording of such protection as is due under the rules of international law and the provisions of treaties. American forces thus sent to China have at no time had any mission of aggression, and it has been the practice of the American Government to withdraw such forces whenever and as soon as the local situation so develops as to warrant the view that their withdrawal can be effected without detriment to American interests and obligations in general.

In announcing our intention to afford appropriate and reasonable protection to our rights and interests in the Far East, I stated clearly that we are fully determined to avoid the extremes either of internationalism or of isolationism. Internationalism would mean undesirable political involvements; isolationism would either compel us to confine all activities of our people within our own frontiers, with incalculable injury to the standard of living and the general welfare of our people, or else expose our nationals and our legitimate interests abroad to injustice or outrage wherever lawless conditions arise. Steering a sound middle course between these two extremes, we are convinced that a policy of affording appropriate protection—under

⁷⁸ *Ante*, p. 349.

the rule of reason, in such form as may be best suited to the particular circumstances, and in accordance with the principles we advocate—is imperatively needed to serve our national interest.

Our decision in this matter is based not only on what we firmly believe to be a specific and elementary duty of a government toward its citizens, but also on other and broader considerations. Respect by a country for the rights and interests of others is a visible test of the fulfillment of obligations assumed by virtue of acceptance of international law and of undertakings embodied in negotiated international instruments. It is, therefore, a test of the observance of those fundamental principles of civilized relations among nations, which, if firmly established, provide in themselves the best means of protection against violation and abuse of the legitimate rights and interests of every nation.

To waive rights and to permit interests to lapse in the face of their actual or threatened violation—and thereby to abandon obligations—in any important area of the world, can serve only to encourage disregard of law and of the basic principles of international order, and thus contribute to the inevitable spread of international anarchy throughout the world. For this country, as for any country, to act in such manner *anywhere* would be to invite disregard and violation of its rights and interests *everywhere*, by every nation so inclined, large or small.

To respect the rights of others and to insist that others respect our rights has been the traditional policy of our country. This policy was admirably expressed by James Monroe when, in his message to Congress on December 2, 1823, he said:

“Our policy . . . remains the same: . . . to cultivate friendly relations . . . and to preserve those relations by frank, firm, and manly policy, meeting in all instances the just claims of every power, submitting to injuries from none.”

In a world in which the rule of force has not as yet been firmly and surely supplanted by the rule of law, it is the manifest duty of a great nation to maintain armed forces adequate for its national defense. Writing on this subject, which was as vital to our national life 150 years ago as it is today, James Madison said:

“The means of security can only be regulated by the means and the danger of attack. They will, in fact, be ever determined by these rules, and by no others.”

It is the duty of the Federal Government to insure the safety of our country and to determine what “means of security” are, at any given moment, needed to provide against “the means and the danger of attack.” The responsible heads of our naval establishment offer convincing reasons in support of the program, now before the Con-

gress, to render adequate the means of our national defense. No policy would prove more disastrous than for an important nation to fail to arm adequately when international lawlessness is on the rampage. It is my considered judgment that, in the present state of world affairs, to do less than is now proposed would lay our country open to unpredictable hazards. It would, moreover, seriously restrict our Nation's ability to command, without purpose or occasion for resorting to arms, proper respect for its legitimate rights and interests, the surrender of which would constitute abandonment of the fundamental principles of justice and morality and peace among nations.

The maintenance of these principles that are of concern to all nations alike cannot and should not be undertaken by any one nation alone. Prudence and common sense dictate that, where this and other nations have common interests and common objectives, we should not hesitate to exchange information and to confer with the governments of such other nations and, in dealing with the problems confronting each alike, to proceed along parallel lines—this Government retaining at all times its independence of judgment and freedom of action. For nations which seek peace to assume with respect to each other attitudes of complete aloofness would serve only to encourage, and virtually invite, on the part of other nations lawlessly inclined, policies and actions most likely to endanger peace.

In the present Far Eastern emergency, we have consistently collaborated with other peace-seeking nations in the manner I have just described. I have said often, and I repeat again, that in this collaboration there is not a trace of alliance or involvement of any sort. We have scrupulously followed and we intend to follow the traditional policy of our country not to enter into entangling alliances or involvements with other countries.

When the Brussels Conference was called, this country, as one of the original signatories of the Nine Power Treaty and in accordance with its treaty obligations thus assumed, promptly accepted the invitation to the Conference. Our delegation cooperated fully with the representatives of the other Conference powers in examining the situation in the Far East and exploring methods of bringing about peace by processes of agreement. The Conference made a substantial contribution toward keeping alive principles of world order and of respect for the pledged word. Its declarations placed a new emphasis upon the deep concern of peaceful nations over any developments that threaten the preservation of peace.

In connection with the Far Eastern situation, this Government was confronted with the question of applying the existing neutrality legislation, which was designed primarily to keep our Nation out of war. After mature deliberation the conclusion was reached that in the

circumstances attending the controversy in the Far East—a type of circumstances which the authors of the legislation could scarcely have visualized—application of the law would be most likely to endanger the very objectives which the law was designed to promote. Accordingly, exercising the discretion vested in him by the law itself, the President has refrained from putting the provisions of that law into operation. At the same time, in pursuance of our general policy of avoiding unnecessary risks, the President announced, on September 14, 1937,^{78a} that “Merchant vessels owned by the Government of the United States will not hereafter, until further notice, be permitted to transport to China or Japan any of the arms, ammunition, or implements of war which were listed in the President’s proclamation of May 1, 1937,”^{78b} and that “Any other merchant vessels, flying the American flag, which attempt to transport any of the listed articles to China or Japan will, until further notice, do so at their own risk.”

Our Government pursues, in relation to every world area alike, a policy of noninterference, with ill will toward no nation and a sincere desire to be friendly with all. At the same time, we endeavor to afford appropriate protection to American citizens and American interests everywhere. During recent months, as throughout the past 150 years, the Government of the United States has sought to exercise moral influence and to cooperate in every practicable way with all peace-seeking nations in support of those basic principles which are indispensable to the promotion and maintenance of stable conditions of peace.

We have affirmed on every possible occasion and have urged upon all nations the supreme need for keeping alive and for practicing sound fundamental principles of relations among civilized nations. We have never entertained and we have not the slightest intention to entertain any such notion as the use of American armed forces for “policing the world.” But we equally have not the slightest intention of reversing a tradition of a century and a half by abandoning our deep concern for, and our advocacy of, the establishment everywhere of international order under law, based upon the well-recognized principles to which I have referred. It is our profound conviction that the most effective contribution which we, as a nation sincerely devoted to the cause of peace, can make—in the tragic conditions with which our people, in common with the rest of mankind, are confronted today—is to have this country respected throughout the world for integrity, justice, good will, strength, and unswerving loyalty to principles.

The foregoing is the essence of our foreign policy. The record is an open book. We spare no effort to make known the facts regarding

^{78a} See vol. II, p. 201.

^{78b} 50 Stat. 1834.

our attitude, our objectives, and our acts. We are always ready to furnish to the members of the Congress essential information. You, gentlemen, have first-hand knowledge of our constant effort to keep the press and the public informed.

There is one thing that we cannot do; and that is, to prepare and to place before every government of the world a detailed chart of the course of policy and action which this country will or will not pursue under any particular set of circumstances. No man, no nation, can possibly foresee all the circumstances that may arise. Moreover, to attempt to make such a detailed chart of future action would merely result in impairing our effectiveness in working for the one objective toward which we constantly strive and on which, I am certain, there is not a vestige of disagreement among the people of our country—the establishment of durable peace.

So strong, indeed, is the desire of this country for peace that many measures have been suggested toward our keeping out of war—some of them in complete disregard of both experience and practicability. It has been urged that we apply the neutrality law automatically in all circumstances, without adequate consideration of the possible consequences of such action for our own peace and for the safety of our citizens. It has been urged that we withdraw precipitately from any part of the world in which violators of international decencies choose to assert themselves. It has even been urged that we change the very basis of our representative form of government in a frantic search for something which the proposers assume would make it more likely that this country avoid war.

I take it for granted that all of us alike are sincere friends of peace. This makes it all the more necessary for every one of us to scrutinize carefully every measure proposed, lest in our attempts to avoid war we imperil the chances of preserving peace.

The problem of the form of government best adapted to this country's needs was one with which the founders of our Republic came to grips in those stirring days when the structure of our independent national existence was being given form and substance. After exhaustive deliberation and discussion they decided upon the system of representative democracy in preference to that of pure democracy as the system through which the people could best safeguard their liberty and promote their national security and welfare. The wisdom of the founders of this Nation in deciding, with conspicuous unanimity, to place the conduct of foreign relations in the hands of the Federal Government has stood the test of generations as providing the most effective means that can be devised for assuring the peace, the security, and the independence of our people.

What warrant is there, in reason or in experience, for the assumption—which underlies such proposals as the plan for a popular refer-

endum on the subject of declaring war—that the Chief Executive and the Congress will be at any time more eager and more likely to embark upon war than would be the general body of citizens to whom they are directly responsible? No President and no Congress have ever carried this country into war against the will of the people. On the other hand, there is not a vestige of doubt that the adoption of a procedure like the referendum plan would hopelessly handicap the Government in the conduct of our foreign relations in general and would thus disastrously impair its ability to safeguard the interests of the Nation, in the forefront among which is that of peace.

Likewise dangerous, from the viewpoint of the preservation of peace, is the proposal that we retire from the Far East, comprising the chief portion of the Pacific area. Unfortunately, many people in this country have wholly misunderstood the position and policy of our Government in relation to that situation. Some have visualized only our trade and investment relationships with China, or our moral and cultural interests there, symbolized by missionary, educational, medical, and similar activities. Some have concentrated their attention solely upon the incidental and exceptional facts of the existence of extraterritoriality and the maintenance of some armed forces to assist in safeguarding our nationals against possible mob violence and similar disorders—special rights which it is our policy to give up and forces which it is our policy to withdraw the moment the unusual conditions disappear.

All these are important. But the interest and concern of the United States—whether in the Far East, in any other part of the Pacific area, in Europe, or anywhere else in the world—are not measured alone by the number of American citizens residing in a particular country, or by the volume of investment and trade, or by exceptional conditions peculiar to the particular area. There is a much broader and more fundamental interest—which is, that orderly processes in international relationships based on the principles to which I have referred be maintained.

As I have already indicated, what is most of all at stake today, throughout the world, is the future of the fundamental principles which must be the foundation of international order as opposed to international anarchy. If we and others were to abandon and surrender these principles in regard to the Pacific area, which is almost one-half of the world, we would have to reconcile ourselves to their certain abandonment and surrender in regard to the other half of the world.

It would be absurd and futile for us to proclaim that we stand for international law, for the sanctity of treaty obligations, for nonintervention in internal affairs of other countries, for equality of industrial and commercial rights and opportunities, for limitation and

reduction of armaments—but only in one-half of the world, and among one-half of the world's population. The catastrophic developments of recent years, the startling events of the past weeks, offer a tragic demonstration of how quickly the contagious scourge of treaty breaking and armed violence spreads from one region to another.

Those who contend that we can and should abandon and surrender principles in one-half of the world clearly show that they have little or no conception of the extent to which situations and developments in any part of the world of today inevitably affect situations and conditions in other parts of the world. The triumph of this seclusionist viewpoint would inescapably carry the whole world back to the conditions of medieval chaos, conditions toward which some parts of both the eastern and the western worlds are already moving. Such is the fate to which extreme isolationists—*isolationists* at any price—all those who contend that we should neither protest against abuses nor cooperate with others toward keeping principles alive, those who say that under no circumstances should we insist upon any rights beyond our own territorial waters—such is the fate to which blind extremism of this type would consign this country and the world.

The momentous question—let me repeat—is whether the doctrine of force shall become enthroned once more and bring in its wake, inexorably, international anarchy and a relapse into barbarism; or whether this and other peaceful nations, fervently attached to the principles which underlie international order, shall work unceasingly—singly or in cooperation with each other, as circumstances, their traditional policies and practices, and their enlightened self-interest may dictate—to promote and preserve law, order, morality, and justice as the unshakeable bases of civilized international relations.

We might, if we could reconcile ourselves to such an attitude, turn our backs on the whole problem and decline the responsibility and labor of contributing to its solution. But let us have no illusions as to what such a course of action would involve for us as a nation.

It would mean a break with our past, both internationally and domestically. It would mean a voluntary abandonment of some of the most important things that have made us a great nation. It would mean an abject retreat before those forces which we have, throughout our whole national history, consistently opposed.

It would mean that our security would be menaced in proportion as other nations came to believe that, either through fear or through unwillingness, we did not intend to afford protection to our legitimate national interests abroad, but, on the contrary, intended to abandon them at the first sign of danger. Under such conditions the sphere of our international relationships—economic, cultural,

intellectual, and other—would necessarily shrink and shrivel, until we would stand practically alone among the nations, a self-constituted hermit state.

Thrown back upon our own resources, we would find it necessary to reorganize our entire social and economic structure. The process of adaptation to a more or less self-contained existence would mean less production and at higher costs; lower living standards; regimentation in every phase of life; economic distress to wage earners and farmers, and to their families; and the dole, on an ever-increasing scale.

All this we would be doing in pursuit of the notion that by so doing we would avoid war. But would these policies, while entailing such enormous sacrifices and rendering the Nation more and more decadent, really give us any such assurance?

Reason and experience definitely point to the contrary. We may seek to withdraw from participation in world affairs, but we cannot thereby withdraw from the world itself. Isolation is not a means to security; it is a fruitful source of insecurity.

We want to live in a world which is at peace; in which the forces of militarism, of territorial aggression, and of international anarchy in general will become utterly odious, revolting, and intolerable to the conscience of mankind; in which the doctrine of order under law will be firmly established; in which there will no longer be one code of morality, honor, justice, and fair play for the individual in his relations with other individuals, and an entirely different code for governments and nations in their relations with each other. We want to live in a world in which fruitful and constructive international relationships can serve as a medium for disseminating throughout the world the benefits of the material, spiritual, and moral progress of mankind.

To that end we will continue to give full and sincere adherence to the fundamental principles which underlie international order; we will continue to urge universal acceptance and observance of these principles; we will continue, wherever necessary and in every practicable and peaceful way, to cooperate with other nations which are actuated by the same desires and are pursuing the same objectives; we will persevere in appropriate efforts to safeguard our legitimate rights and interests in every part of the world; and we will, while scrupulously respecting the rights of others, insist on their respecting our rights.

To that end we will continue to strive, through our reciprocal trade program and through other economic policies, to restore the normal processes and to expand the volume of mutually beneficial trade among the nations, which is indispensable to an increase of production, employment, purchasing power, and general economic

well-being here and everywhere; we will continue to promote peace through economic security and prosperity; we will continue to participate in the numerous international scientific, technical, and other conferences and collaborative efforts, which have been such powerful influences in assisting the stream of new ideas, of new discoveries, of learning and culture, to flow throughout the world; and we will continue to urge other nations to give their support to such policies and efforts.

We believe that a world at peace, with law and justice prevailing, is possible, and that it can be achieved by methods to some of which I have referred. That is the cornerstone of our foreign policy—a policy graphically described by President Roosevelt when he said:⁷⁹

“There must be positive endeavors to preserve peace. America hates war. America hopes for peace. Therefore, America actively engages in the search for peace.”

The objectives of our foreign policy are as easy to grasp as they are fundamental. The means we are using to attain these objectives are the only means approved by reason and by experience. For the sake of the best interests of our people, we must maintain our strength, our courage, our moral standards, our influence in world affairs, and our participation in efforts toward world progress and peace. Only by making our reasonable contribution to a firm establishment of a world order based on law can we keep the problem of our own security in true perspective and thus discharge our responsibility to ourselves—to America of today and to America of tomorrow. No other course would be worthy of our past or of the potentialities of this great democracy of which we are all citizens and in whose affairs we all participate.

793.94119/411

The Department of State to the British Embassy

AIDE-MÉMOIRE

Reference is made to the British Ambassador's *aide-mémoire* of April 11, 1938,⁸⁰ in which there is discussed the question of the possible use of good offices directed toward bringing the hostilities in the Far East to a close. The views of the Government of the United States are invited on the question of the advisability of mediatory action at an opportune time by both the British Government and the Government of the United States or, as distinguished therefrom, action by one or the other of the two Governments.

⁷⁹ See address of October 5, 1937, pp. 379, 383.

⁸⁰ Not printed.

The Government of the United States is especially impressed by the view of the British Ambassador at Tokyo, as set forth in the British Ambassador's *aide-mémoire*, to the effect that there does not appear to be at the present moment any prospect of useful intermediary action. So far as the information in the possession of this Government indicates, neither the Chinese Government nor the Japanese Government would be prepared at this time to agree to terms of peace which would be acceptable to the other. This Government appreciates the cogency of the views that Japanese public opinion would not be likely at present to welcome or even accept collaborative mediatory action by the United Kingdom and the United States, owing to the implications of pressure in such a *démarche*, and that in some circumstances mediatory action by one government is more likely to be attended by success than mediatory action by more than one government. This Government is also of the opinion that the situation may change.

The Government of the United States is therefore inclined to the view that it would be advisable, before assuming a definite attitude toward the question of mediation by one government as distinguished from mediation by more than one government, to await a time when developments in the conflict between China and Japan are such as to render opportune an offer by a third country or countries of good offices.

This Government is of the opinion that any government or governments that may undertake mediation should keep other principally interested governments reasonably well informed of the progress of negotiations.

In case there occur any developments which seem to it significant in reference to this matter, the Government of the United States will wish to communicate with the British Government in regard thereto. The Government of the United States trusts that the British Government will likewise wish, as developments occur, to keep this Government informed of the British Government's attitude and thought.

WASHINGTON, April 14, 1938.

793.94/13138

The Ambassador in Japan (Grew) to the Secretary of State

No. 2936

TOKYO, May 16, 1938.

[Received June 3.]

SIR: Certain significant statements concerning the hostilities in China and Japan's relations with other countries were made by Mr. Hirota, the Minister for Foreign Affairs, in an interview with foreign press correspondents at his official residence on May 9. In

the course of a newspaper interview with reporters on the same day Prince Konoye, the Premier, made several interesting declarations with regard to the Sino-Japanese conflict and Japan's internal political affairs.

With respect to China, the Minister for Foreign Affairs reiterated the Government's often announced policy, namely, that Japan would not deal with the Chiang Kai-shek Government since it was past the power of General Chiang to separate himself from the "communist elements" surrounding him; that the elimination of the Chiang Kai-shek régime, the greatest anti-Japanese force in China, was of the utmost importance for the promotion of "good relations between China and Japan"; and that the "reform of Chiang Kai-shek" was impossible, and hence the incident would probably be protracted. Asked if dealing with Chiang Kai-shek might eventuate if some friendly Power should offer to mediate, Mr. Hirota observed that Japan's attitude was understood by all the Powers and that therefore, in his opinion, no third Power would take steps towards mediation between Japan and General Chiang. Despite this clear-cut statement, Mr. Neville Chamberlain, the British Prime Minister, was reported by Domei to have declared in the House of Commons on May 11 that Great Britain would be glad to offer its services, either singly or jointly with other powers, in order to bring about an equitable peace between China and Japan, but that no useful purpose would be served by offering mediation until both sides had indicated willingness to accept it.

Queried as to whether Japan had territorial ambitions in China, Mr. Hirota asserted that, since the main purpose of the "incident" was to make it possible for the peoples of China and Japan to cooperate economically and socially, it was "a small matter" whether the territory was Chinese or Japanese. He added that the test of the matter was the present Japanese "policy of letting the Chinese govern themselves" in territories occupied by the Japanese army. The Minister for Foreign Affairs stated further that recognition by Japan of the anticipated new Government to be formed in China by amalgamation of the Peiping and Nanking régimes would not be possible until it controlled "much more territory" than the two régimes did at present, and that recognition of the amalgamated Government would come when that Government had become strong enough to be recognized as the central Government of China, at which time China would be "a practically independent country and on a position of complete equality with Japan". In reply to a direct question, Mr. Hirota said that the proposed amalgamated Government in China would be asked to pay indemnity for acts committed under the Government headed by General Chiang Kai-shek.

As regards the Powers' rights and interests in China, Mr. Hirota asserted that although Japan was making no plans for a change in the status of the International Settlement at Shanghai after the close of the incident, it was very much to be desired that some formula be found which would take cognizance of the increase in the number of Japanese residents there; that not only Italian capital but also other foreign capital would be welcomed in the development of North China; and that China must be powerful enough "to put itself in order" before extra-territoriality and "unequal treaties" could be abolished in that country.

In addition to his observations concerning China, the Minister for Foreign Affairs commented on Japan's relations with Soviet Russia, Great Britain, and the United States, and on affairs in Europe. The Soviet Union, he said, was insisting that only urgent pending questions be discussed between the two countries, while Japan wished that as many questions as possible be taken up, including that of the fisheries; no break with the Soviet Government was anticipated, even if Soviet-Japanese negotiations for the settlement of outstanding problems should fail; and Soviet assistance to China, although conspicuous, had been less in extent than expected by China; and, in his (Mr. Hirota's) opinion, the Soviet Government would stop such assistance, realizing that it had been extended in vain. According to Mr. Hirota, Japan's relations with the United States and Great Britain had improved and were "very smooth", while Germany by its actions in China had increasingly shown its friendship for Japan. He stated that the recently concluded Anglo-Italian agreement and the Anglo-French talks that followed were both welcomed in Japan because of their effect on peace in Europe. According to the *Nichi Nichi* version of the interview, when questioned with regard to the international effect, especially that on the anti-comintern pact, brought about by the Anglo-Italian understanding, Mr. Hirota replied that "for Britain to reach an accord with either Italy or Germany is for her to approach the anti-comintern pact".

While en route to Kyoto by train on May 9, Premier Konoye granted an interview to newspaper correspondents, the principal object of which appeared to be a desire to dispel apprehension arising from reports of Japanese reverses on the Hsuechow front in Kiangsu Province. The Premier declared that the China incident was progressing smoothly in the desired direction; that in his belief the progress of the present hostilities would be even more important than the capture of Nanking had been; and that the Chinese propagandists, taking advantage of the comparative inactivity in the last few weeks, had been circulating false rumors concerning Chinese successes in the war zone. Premier Konoye's remarks concerning the protraction

of the conflict were of the same tenor as Mr. Hirota's, his principal point being that the hostilities must go on to a finish and that the Japanese Government would have no dealings with General Chiang Kai-shek, even if that leader were to sue for peace. However, the Premier added that the only course now open to the Chiang régime was to abandon its existence and to join hands with the Peiping régime.

Taking up the question of the establishment of an organ in the Japanese Government for directing the China policy, Premier Konoye said that it might be expected that a new phase in the hostilities of such a nature as to facilitate the fusion of the North and Central China régimes would develop in the course of the present month and that by that time the Government would have reached a final decision on the plan for such an organ. He admitted that there was still some difference of opinion in the Government on the fundamental nature of Japan's China policy and that opposition was anticipated from various quarters, no matter what form of central machinery the Government should desire to set up.

The Premier concluded his remarks by stating that he wished to deal for the time being with the China incident and only with those domestic issues which had a direct bearing on the incident, with the exception of plans for reforming the Government system and the Diet system, which would be taken under consideration "without any loss of time".

There are enclosed clippings from the *Japan Advertiser* of May 10 and the *Nichi Nichi* of May 11,⁸¹ which give the substance of the statements made by Mr. Hirota and Prince Konoye.

Respectfully yours,

JOSEPH C. GREW

793.94/13585

*Statement by the Japanese Prime Minister (Prince Konoye),
July 7, 1938*⁸²

July 7, last year, was the day on which the Lukouchiao Incident occurred. The China Incident which followed is now to see the first anniversary of its outbreak. At the outset of the Incident our Empire took a non-aggravation policy and tried to localize the solution of the affair. But the outrageous Nationalist Government took every occasion to betray our sincerity and needlessly aggravated the situation. It has cried [*sic*] long resistance against this nation and brought about the conflict seen today, which we deeply regret.

But, with the progress of the Incident, our Imperial forces have carried everything before them, and in the brief period of one year

⁸¹ Neither printed.

⁸² Reprinted from the *Japan Times* (Tokyo) of July 7, 1938.

they have succeeded in raising the Sun Flag everywhere over the extensive area already occupied by them. We are highly inspired by this, and our feeling we can never properly express in words. The results are of course due to the efforts of the brave and faithful officers and men who have fought, shielded by the August virtue of His Majesty. Representing the entire nation, I wish to express hereby profound gratitude for the services rendered by the officers and men of the Imperial Army and Navy. At the same time, I can never forget the services contributed by the many heroes who have fallen in China in connection with the current Incident. To the spirits of the men slain in battle I pay my profound respect and condolence.

Thanks to the skilful strategic operations of the Imperial forces and the efforts of all the men, Japan has won continued victories. At present the fall of Hankow is imminent. As the nation is aware, the Chiang regime is the Government which has dared to destroy the Yellow river embankments and does not care about sacrificing thereby in the muddy flood the lives of hundreds of thousands of innocent fellow-nationals. Such an outrageous and cruel act will never be permitted by man or Heaven. There is no reason why such a Government should last. Under ordinary circumstances, the Chiang regime would have collapsed long ago. But the fact that the regime still exists is due to the aid of foreign Powers, upon which it depends, and which use every available means to perpetuate its existence at the cost of the welfare of the entire Chinese nation.

Of the foreign Powers, there are such friendly nations as Germany and Italy which approve the Empire's national policy and collaborate with us in joint defense against Communism. But there are still other nations which do not yet understand our true intention and are engrossed in the acquisition of new rights and interests in China as well as in the protection of already-acquired rights and interests in that country. Who knows but that those nations, knowing the feeble power of the Chiang regime, by giving further help to the regime in an attempt to prolong the hostilities and weaken the national power of Japan, will not try thus to threaten Japan's national safety?

Faced by this serious fact of national emergency, the nation cannot rest contented with the number of victories gained, inflated over the success. The current Incident is known as the China Incident, but the other party is not necessarily the Chiang regime only. Behind the Chiang regime there exists extremely complex and manifold international relations involving international interests. The circumstances are not simple. Our nation is required to grasp the situation correctly and try to cope with it creditably.

In modern war, the battlefield is not merely the field of powder-smoke and rain of bullets. Fighters are not only those who carry

guns or brandish swords. Once war is begun, even if the actual battlefield may be across the sea, the nation must have the tense feeling that all its land at home is also a battlefield. Not only those who carry guns and bayonets, but also those who till the soil, spin yarn, strike their hammers, or work at their desks—young and old, men and women, in fact, all the nation—must have the realization that they are actual fighters. Otherwise it will be impossible to save the unprecedentedly difficult situation. Success in modern war is not decided only by a struggle of arms. In parallel with the armed conflict we must push economic and ideological battles, which are also potent factors for winning the victory.

In war, we either win or lose. Once war is begun, therefore, we must try to win it, whatever difficulty or hardship we may encounter. The Empire of Japan is a unique country, governed and reigned over by a line of Emperors unbroken for all ages. At no time in the long history of the nation has it ever been defeated by any foreign nation. In the present China Incident, thus, unless we win a glorious victory, how can we face our ancestors who have given us such a brilliant history, or our descendants who are to shoulder the destiny of our nation in succeeding generations.

We, in harmonious cooperation with officers and men at the front, must try to establish perfect National General Mobilization preparedness, in an attempt to win final victory. To win this final victory, we must be prepared to grapple with every difficulty and hardship. In order to assure a supply of necessary war materials, the nation will doubtless experience many inconveniences in its living. But the nation, always remembering the hardship and struggle of officers and men at the front, must try to bear every difficulty. Our officers and men at the front are fighting, staking their lives for the sake of the Empire. Is it not then our duty to try to bear every difficulty and enable all our men at the front to work freely and actively without care? It is not the way simply to force upon you, the nation, any hardship. We desire that there be repeated no more such conflicts in East Asia. This is the way whereby we desire, as a result of final victory, that there be established securely permanent peace in East Asia, forestalling any ambitious attempts of third Powers.

Among the 400,000,000 people of the Republic of China there is quite a number moderate and sound in their views, who really understand the true intentions of Japan. These men have established in North China the Provisional Government and in Central China the Renovation Government, ousting the outrageous and cruel Chiang Kai-shek regime. They are today steadily achieving tangible results. The Empire of Japan must do its best to help these new pro-Japanese Chinese governments to lay the foundation of East Asian peace. This is indeed the historic mission thrust upon the shoulders of this Empire.

However, the current situation which Japan faces is extremely complex. As Japan at present faces a situation possibly requiring long-term hostilities, no time in the history of our nation has been more serious. Hereupon, there are raised cries of national unity and there is demanded also national general mobilization. But the talked-of national unity or national general mobilization can never be achieved by mere propaganda. It does not necessarily mean the mere assembling of men and women, young and old. This alone would not be true national general mobilization. Farmers must work faithfully as farmers, businessmen as businessmen, women as women, students as students, each in their proper sphere. Thus can we achieve true national unity and collaboration. No greater service to the State, or no stronger combination of the people, could be acquired.

All friends of the Empire, the war has just begun. The Government must depend upon your strong determination, untiring effort, and admirable cooperation. We hope the whole nation will bear this fact deeply in mind and act accordingly. Will you try thus to overcome every difficulty and hardship? Will you try thus each to fulfil your own duties? The glorious crown of victory or the great objective of establishing East Asian peace will never be achieved without such effort on the part of the entire nation. On the first anniversary of the outbreak of the China Incident, I appeal to the entire nation, reminding it of this vital fact.

*Press Release Issued by the Department of State on August 2, 1938*⁸⁸

The Chinese Foreign Office having been removed last week from Hankow to Chungking, Ambassador Nelson T. Johnson and members of the Embassy staff today departed from Hankow for Chungking aboard the *Luzon*. For some time quarters for the Embassy staff have been engaged at Chungking. The gunboat *Tutuila* is accompanying the *Luzon* and will remain at Chungking. The *Luzon* will return to Hankow. Ambassador Johnson today telegraphed the Department as follows:

"At 8 this morning I departed from Hankow for Chungking accompanied by my staff aboard the *Luzon*. *Tutuila* is accompanying *Luzon* and will remain in Chungking, *Luzon* returning to Hankow."

The consul general and his staff are remaining at Hankow.

Ambassador Johnson also telegraphed the Department this morning that the *Monocacy* had reported that the Japanese consul had contacted Americans at Kiukiang and reported that all Americans

⁸⁸ Reprinted from Department of State, *Press Releases*, August 6, 1938 (vol. xix, No. 462), p. 88.

were safe at that place. There are reported to be 10 American citizens at Kiukiang.

Radio Address Delivered by the Secretary of State at Washington on August 16, 1938, on "International Relations and the Foreign Policy of the United States"^{83a}

All nations have a primary interest in peace with justice, in economic well-being with stability, and in conditions of order under law. These are constant objectives of this country. Each of these objectives is today seriously jeopardized in many parts of the world. All governments and all peoples should therefore be on guard against certain dangerous developments which imperil them, and be alive to the issues involved.

Out of these menacing developments there has arisen and there confronts the nations today a clear-cut issue: Is the future of the world to be determined by universal reliance upon armed force and frequent resort to aggression, with resultant autarchy, impoverishment, loss of individual independence, and international anarchy? Or will practices of peace, morality, justice, and order under law, resting upon sound foundations of economic well-being, security, and progress, guide and govern in international relations?

As modern science and invention bring nations ever closer together, the time approaches when, in the very nature of things, one or the other of these alternatives must prevail. In a smaller and smaller world it will soon no longer be possible for some nations to choose and follow the way of force and for other nations at the same time to choose and follow the way of reason. All will have to go in one direction and by one way. The first of the alternative ways leads through military adventuring to international lawlessness, the result of which is chaos and loss of the precious values which, through centuries of struggle, toil, and sacrifice, civilized nations have slowly achieved. The other way leads, through exercise of moral restraint and observance of international obligations and treaties, to conditions of order based upon law, giving security and facilitating progress.

In the circumstances which prevail in the world today, no nation and no government can avoid participation in determining which course will be taken. The issue is fundamental. Consciously or unconsciously, every country is throwing the weight of its attitude and action, positive or negative, toward one course or the other. The degree to which each nation will influence the ultimate decision will

^{83a} Delivered over the red network, National Broadcasting Company; reprinted from Department of State, *Press Releases*, August 20, 1938 (vol. XIX, No. 464), p. 117.

depend on the earnestness with which it espouses and supports the principles on the side of which it chooses to range itself.

The World War left a legacy of deep-seated maladjustments within and among nations. But out of it also emerged a passionate desire among peoples everywhere for enduring peace, order, and progress.

For a decade following the Peace of Versailles, the peoples of the world worked earnestly toward those ends, and considerable progress was made. But unhappily the rapid growth of economic nationalism following as an aftermath of the war culminated in 1929 in world-wide economic catastrophe. Political controversies and conflict, aggravated and intensified by world-wide depression, undermined the whole structure of world economy and of law and order among the nations.

Economic stability, financial stability, social stability, and in the last analysis political stability, are all parts of an arch resting upon the foundation of trade. No modern industrial nation can maintain proper existing standards of living without international trade. Raw materials and other commodities are indispensable for the maintenance of industrial processes; and foreign markets for the sale of a nation's products are likewise indispensable for its economic life. Shut off from international trade, nations face deterioration and decline.

As trade barriers mounted on every side, as the movement toward economic nationalism gathered momentum, it became only too clear that either the excessive trade barriers between nations must be reduced or the pressures of nations to gain access to needed raw materials and to equally necessary foreign markets by conquest of additional territory and tactics of the mailed fist would become intensified.

Against this world background this country embarked upon a program for the reduction or elimination of excessive trade barriers and for the elimination of uneconomic trade discriminations and other unfair trade methods. In 1934 the Congress passed the Trade Agreements Act for the achievement of these purposes. Since then our country has vigorously engaged in trade-agreement negotiations with an increasing number of countries, and it has tirelessly urged upon other nations the imperative need of pursuing a similar course.

Concurrently with efforts to restore international commerce upon this constructive basis, we have also pursued—and have urged upon other nations—parallel and complementary policies in the field of finance, restoration of stability of foreign exchanges and of monetary conditions, and the inviolability of financial obligations and undertakings.

Unfortunately, as time has gone on, the disintegration of the structure of world order under law and the abandonment or repudiation of the principles underlying it, have proceeded with staggering rapidity. Orderly and peaceful processes and methods of international cooperation have in many regions given way to military aggression

and armed force. Today, invasion of territory of sovereign states, destruction of lawfully constituted governments and forcible seizure of hitherto independent political entities, interference in the internal affairs of other nations, wholesale violation of established treaty obligations, growing disregard of universally accepted principles of international law, attempts to adjust international differences by armed force rather than by methods of pacific settlement, contemptuous brushing aside of rules of morality—all these appalling manifestations of disintegration seriously threaten the very foundations of our civilization.

Inasmuch as the processes of disintegration and deterioration in international relations are plainly spreading in many directions, the curative processes must be no less broad in scope and more effective in character. Not only has the rebuilding of a sound economic structure become absolutely essential, but the reestablishing of order under law in relations among nations has become imperatively necessary. Hence, while continuing and intensifying our effort to promote economic reconstruction, the Government of the United States has enlarged the scope of its effort and is urging upon all nations adoption of a comprehensive program embracing both economic reconstruction and revitalizing of principles which are indispensable for restoration of order under law.

There is and there can be no doubt as to the preference and desire of the people of this country. We want peace; we want security; we want progress and prosperity—for ourselves and for all nations. Our practical problem is that of finding and employing the best methods, of keeping our eyes and our feet upon the better way, of cooperating with other nations that are seeking as are we to proceed along that way. On this problem the Government of the United States has been and is constantly at work. Toward its solution, we sought at the conference at Buenos Aires in December 1936 to broaden our combined economic and peace program by proposing and urging upon peaceful nations everywhere adoption of a program based on principles of world law and international order. This program calls for constant reaffirmation, revitalization, and stressing of fundamental principles. Its essential points cannot be too often stated.

We believe in, we support, and we recommend to all nations economic reconstruction as the foundation of national and international well-being and stability.

We believe in, we support, and we recommend adherence to the basic principles of international law as the guiding and governing rules of conduct among nations.

We believe in, we support, and we recommend respect for and observance of treaties, including, in connection therewith, modification of provisions of treaties, when and as need therefor arises, by orderly

processes carried out in a spirit of mutual helpfulness and accommodation.

We believe in, we support, and we recommend voluntary self-restraint, abstention from use of force in pursuit of policy and from interference in the internal affairs of other nations, and the settlement of differences by processes of peaceful negotiation and agreement.

We believe in, we support, and we recommend to all nations that they be prepared to limit and progressively reduce their armaments.

We believe in, we support, and we recommend collaboration between and among representatives of the nations, and in the freest possible intellectual interchange between and among their peoples—to the end that thereby understanding by each country of the problems of others and of problems that are common to all may be promoted and peaceful adjustment of controversies be made more readily possible.

We believe in, we support, and we recommend international cooperation in such ways and by such methods as may be practicable for the advancement of this program.

Taken as a whole, this program envisages continuous progress over a high and open road toward long-view objectives. We are convinced that this program offers to all nations the maximum of possible advantage and the fullest possible opportunity to safeguard and promote their own welfare and with it that of the world community of which they are members. We are also convinced that no other program can in the long run check and reverse the present ominous drift toward international anarchy and armed conflict on a gigantic scale which, if it comes, will destroy not only the material achievements of past centuries but the precious cultural and spiritual attainments of our modern civilization.

The Government of the United States, with the support of an alert public opinion in this country, has earnestly sought and is seeking to make appropriate contribution to the carrying out of this program.

The people of this country are each day more accurately visualizing the conditions which prevail and more fully understanding the problems that are involved in international relations. They are becoming increasingly concerned over the spread of international lawlessness and its adverse effect upon the present and future welfare of our own country.

Each day's developments make more and more clear the fact that our own situation is profoundly affected by what happens elsewhere in the world.

Whatever may be our own wishes and hopes, we cannot when there is trouble elsewhere expect to remain unaffected. When destruction, impoverishment, and starvation afflict other areas, we cannot, no matter how hard we may try, escape impairment of our own economic

well-being. When freedom is destroyed over increasing areas elsewhere, our ideals of individual liberty, our most cherished political and social institutions are jeopardized.

When the dignity of the human soul is denied in great parts of the world, and when that denial is made a slogan under which propaganda is set in motion and armies take the field, no one of us can be sure that his country or even his home is safe. We well know, of course, that a condition of wholesale chaos will not develop overnight; but it is clear that the present trend is in that direction, and the longer this drift continues the greater becomes the danger that the whole world may be sucked into a maelstrom of unregulated and savage economic, political, and military competition and conflict.

Hence it is necessary that as a nation we become increasingly resolute in our desire and increasingly effective in our efforts to contribute along with other peoples—always within the range of our traditional policies of nonentanglement—to the support of the only program which can turn the tide of lawlessness and place the world firmly upon the one and only roadway that can lead to enduring peace and security.

So far as this country is concerned, we shall continue to do everything in our power toward keeping alive and fostering and cultivating the various features of this broad and comprehensive program, a program in which we most sincerely believe, to which we give our constant support, and which we earnestly recommend to all other governments and peoples for general adoption.

As more and more nations accept this program and demonstrate their will to work together for the restoration of sound economic relations, of international morality, and of the principles of international law and justice, it will become more clear—even to the nations which now profess to place their reliance solely on a policy of armed force—that the overwhelming majority of mankind is determined to live in a world in which lawlessness will not be tolerated, in which order under law will prevail, and in which peaceful economic and cultural relationships will be inviolate.

760F.62/1016

*Memorandum by the Secretary of State of a Conversation With the
Hungarian Minister (Pélenyi)*

[Extract]

[WASHINGTON,] September 21, 1938.

I stated that since August a year ago I have proceeded here on the theory that Japan definitely contemplates securing domination over as many hundreds of millions of people as possible in eastern Asia

and gradually extending her control through the Pacific islands to the Dutch East Indies and elsewhere, thereby dominating, in practical effect, that one-half of the world; and that she is seeking this objective by any and every kind of means; that at the same time I have gone on the theory that Germany is equally bent on becoming the dominating colossus of continental Europe.

C[ORDELL] H[ULL]

793.94/14047 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, October 12, 1938—10 a. m.

[Received October 12—7 a. m.]

657. Hostilities in China. The communication quoted below was brought to us this morning by the Foreign Office, with the request that it be treated as a statement made directly by the Vice Minister to me. We are informed that identic communications are being delivered to other missions. Quotation follows in full:

“With the imminent fall of Hankow and the elimination from Central China of the influence of the Chiang Kai-shek regime, which will thereby become a merely local regime, the Imperial Japanese forces have decided upon launching military operations along the coast of Kwangtung Province with the object of dealing more effective blows at Chiang’s regime and thereby accomplish the purpose of the present expedition.

The said operations are purely military and are to be undertaken for the sole purpose of intercepting the principal route of the arms and munitions supply for the Chinese forces and destroy the major points of hostile machinations against Japan.

The policy hitherto pursued by the Imperial Japanese Government with regard to the rights and interests of third powers in China remains unchanged and, of course, the best of efforts will be done to prevent any damage to them in the pending operations.

The Imperial Government, therefore, requests that third powers will understand the real intentions of Japan and pay special attention, extending cooperation to the efforts of the Imperial forces for minimizing as far as possible any damages to the rights and interests of third powers, with a view to precluding the occurrence [of] untoward incidents, and at the same time forestall Chinese machinations to drag third powers into the maelstrom of armed conflict.

I hereby make informal notification of our request, pending further notification of our request in concrete form for the prevention of untoward incidents which will be made in due course of time, both at Tokyo and on the spot.”

The press announces that the landing of Japanese forces on the coast of Kwangtung Province took place this morning.

Sent to Chungking, Hong Kong, Canton, and Peiping.

GREW

793.94/14124

*Memorandum by the Chief of the Division of Far Eastern Affairs
(Hamilton) of a Conversation With the Counselor of the Japanese
Embassy (Suma)*

[WASHINGTON,] October 13, 1938.

Mr. Suma called at his request. He said that he had called in reference to the landing of Japanese troops in south China. He said that our Ambassador at Tokyo had already been informed by the Japanese Government in regard to this landing of Japanese troops. He said that he was not calling under instruction from his Government but that in view of various statements made to him by Americans in New York that Japan intended to attack Hong Kong or intended to establish a foothold in south China with a view to later expanding southward, he wished to state that such apprehensions were unfounded, and that the objective of the Japanese military operations in south China was to cut the communication system in south China which was being used for shipment of munition supplies and thereby to bring about a speedy end to the fighting.

I told Mr. Suma that we did not like anything connected with the fighting; that wherever the fighting spread we saw American lives imperiled and the interests and rights of Americans jeopardized and definitely impaired.

Mr. Suma said that we had been informed at Tokyo that the Japanese Government's attitude with regard to the rights and interests of third powers remained unchanged and that we had been assured that the Japanese Government would respect such rights and interests. I commented that we had had many such assurances but that oftentimes the results were not in accord with the assurances.

We then exchanged some pleasantries in regard to the weather and some comments in regard to Ambassador Saito's illness.

M[AXWELL] M. H[AMILTON]

793.94/14380

*Statement by the Japanese Government, November 3, 1938*⁸⁴

By the august virtue of His Majesty, our naval and military forces have captured Canton and the three cities of Wuhan; and all the vital areas of China have thus fallen into our hands. The Kuomintang Government exists no longer except as a mere local régime. However, so long as it persists in its anti-Japanese and pro-communist policy our country will not lay down its arms—never until that régime is crushed.

⁸⁴ Released by the Japanese Foreign Office the evening of November 2, 1938, for publication in papers the following morning.

What Japan seeks is the establishment of a new order which will insure the permanent stability of East Asia. In this lies the ultimate purpose of our present military campaign.

This new order has for its foundation a tripartite relationship of mutual aid and co-ordination between Japan, Manchoukuo and China in political, economic, cultural and other fields. Its object is to secure international justice, to perfect the joint defence against Communism, and to create a new culture and realize a close economic cohesion throughout East Asia. This indeed is the way to contribute toward the stabilization of East Asia and the progress of the world.

What Japan desires of China is that that country will share in the task of bringing about this new order in East Asia. She confidently expects that the people of China will fully comprehend her true intentions and that they will respond to the call of Japan for their co-operation. Even the participation of the Kuomintang Government would not be rejected, if, repudiating the policy which has guided it in the past and remolding its personnel, so as to translate its re-birth into fact, it were to come forward to join in the establishment of the new order.

Japan is confident that other Powers will on their part correctly appreciate her aims and policy and adapt their attitude to the new conditions prevailing in East Asia. For the cordiality hitherto manifested by the nations which are in sympathy with us, Japan wishes to express her profound gratitude.

The establishment of a new order in East Asia is in complete conformity with the very spirit in which the Empire was founded; to achieve such a task is the exalted responsibility with which our present generation is entrusted. It is, therefore, imperative to carry out all necessary internal reforms, and with a full development of the aggregate national strength, material as well as moral, fulfil at all costs this duty incumbent upon our nation.

Such the Government declare to be the immutable policy and determination of Japan.

793.94/14380

Radio Speech by the Japanese Prime Minister (Prince Konoye) ⁸⁵

TOKYO, November 3 [, 1938, No. 6].—(Domei)—Addressing the nation over radio for fifteen minutes from 9:10 o'clock this morning from his official residence on the occasion of the birthday anniversary of the late Emperor Meiji, Premier Prince Fumimaro Konoye enunciated the Government's policy to meet the new situation created as the result of the fall of the Wuhan cities into Japanese hands and

⁸⁵ Copy made by the American Embassy in Japan of a mimeographed document distributed November 3, 1938, by the Domei news service.

urged the nation to make a fresh determination to attain the objectives of the current crusade in China. A translation by Domei of the Premier's radio speech follows:

"It is my great pleasure, on this occasion of the birthday anniversary of the late Emperor Meiji and once more remembering the high virtues of the Emperor, to enunciate the views of the Government in connection with the establishment of peace in the Far East the work of which has been bequeathed to us from the late Emperor. Following closely on the heels of the fall of Canton, Hankow, which forms the heart of the interior of China came under Japanese control. A vast area involving the seven important cities which control the functions of modern China is in the hands of the Japanese army. There is a well-known saying that 'those who control the vital areas of China control whole China'. The Chiang Kai-shek administration has practically been reduced to a mere local regime. While reserving her sufficient fighting power for rejecting interference from outside Japan has secured the brilliant achievements. This is due to the strenuous efforts on the part of the brave officers and men under the august virtue of His Majesty the Emperor and the sense of gratitude of the people has never been moved so profoundly as on the present occasion. The people's gratitude goes to a great number of those who have fallen or [been?] wounded in the incident. We feel that we are doubly duty-bound toward this priceless sacrifice. First of all, we must attain the objectives of the current fighting by succeeding to the will of those who have been sacrificed in the incident. Next, we must not forget to repay those families and relatives of the sacrificed. Japan holds the key to the disposal of China. However, what Japan sincerely desires is the development and not the ruin of China. It is China's cooperation and not conquest that Japan sincerely desires. Japan desires to build up a stabilized Far East by cooperating with the Chinese people who have awakened to the need of self-determination as an Oriental race. No country desires or understands as Japan does perfection of China as an independent state and China's racial aspiration and sentiment. History shows that Japan, Manchukuo and China are so related to each other that they must bind themselves closely together in a common mission for the establishment of peace and order in the Far East by displaying their own individuality. It is a matter for deep regret, not only for the sake of Japan but also for the sake of the Far East that the realization of this ideal between Japan and China was hampered by the wrong policy pursued by the Nationalist Government. The keynote of the policy pursued by the National Government is very superficial because it was based on the trends of the temporary reactionary period following the termination of the World War. This policy was not based on the tradition and intuition which are so char-

acteristic of the Chinese nation. The National Government did everything in order to maintain its power and did not care for steady bolshevisation and colonisation of China. This is not in accordance with the way pursued by China's zealous patriots who have fought at the sacrifice of their own lives for the construction of a new China. This is the reason why Japan which is so closely affiliated with China as one of the two greatest races in the Orient has risen in arms to crush the Chiang Kai-shek administration although she does not want to have a tragedy of fighting with the brother nation, China. Japan sincerely desires that China will awake. Those who are jealous of the future in China should rise up for the execution of the common mission of the Far East by pointing the Chinese people to their destined path and guide the rejuvenated China. Rehabilitation is steadily on its way in Peking and Nanking while the spirit of rejuvenation pervades the Mongolian frontier districts. The Chinese race which on many occasions during its history extending over five thousand years held a guiding torch for the civilization of the world should leave behind it a history compatible with the great deeds left by China's forefathers by bringing a new light to the civilisation of the world and sharing with Japan in the mission for the construction of a new Far East. If the National Government regains the original spirit of the Chinese race, effects changes in the policy it has pursued and the personnel and emerges as a new administration for the reconstruction of China Japan would not reject the participation of the National Government. All countries of the world should have a clear recognition regarding the new situation in the Far East. History shows clearly that peace and independence in China have been frequently menaced as the result of the struggle for supremacy among foreign Powers which was based on imperialistic ambitions. Japan sees the necessity of effecting a fundamental revision in this situation and desires to establish a new peace fabric in Far East on the basis of justice. It goes without saying that Japan will not exclude cooperation of foreign Powers. Neither she intends to damage the legitimate rights of the third Powers in China. If the Powers understand the real intentions of Japan and devise a policy in accordance with the new situation in the Far East, Japan does not grudge to cooperate with them for peace in the Far East. The world knows that Japan is earnestly determined to fight it out with communism. What the Comintern intends to do is bolshevisation of the Far East and disturbance of world peace. Japan expects to suppress in a drastic manner the sources of the evils of bolshevisation and their subversive activities behind the so-called long-term resistance of the Chiang Kai-shek administration. Fortunately, both Germany and Italy which are our allies on the anti-Comintern front understand the intentions of Japan in the Far East and have extended their moral support in the current incident which has greatly en-

couraged the Japanese nation. In this respect we extend our deep gratitude to these countries. The current incident had convinced us of the necessity of further tightening the bonds. Japan is determined also to cooperate in the reestablishment of world order guided by a common view of the world. What the world at present needs badly is the establishment of peace on a fair balance of power. There is no denying the fact that various principles in the past have forced the maintenance of the *status quo* marked by an unbalanced state. That the international treaty such as the covenant of the League of Nations has lost its prestige is fundamentally due to this irrationality. Without making international justice a mere slogan on paper a new peace fabric must be formed which can keep pace with the progress of history for the basis and in accordance with international justice established all phases of human life such as commerce, emigration, natural resources and culture. We believe that the only means to break the current general crisis is to perfect the above-mentioned conditions. The Japanese people are placing absolute confidence in the members of the fighting services on the front and engaged in the various activities behind the gun and are perfecting the necessary conditions to meet Japan's protracted hostilities. This is very characteristic of the people. Japanese history shows that the vicissitudes of the country have always depended on the people's self-consciousness about the national structure. When we realize that the Imperial Throne is concerned about the establishment of permanent peace in the Far East we subjects cannot but feel that our moral mission is indeed heavy. The Japanese people at this very juncture must face their respective duties solemnly. They must also have a clear understanding and should not err in their recognition about what kind of sacrifice and preparations is necessary for the construction of a new fabric on a moral basis in the Far East. If there is any one in Japan who holds the idea that the fall of Hankow and Canton will immediately bring an era of peace he does not really understand the important meaning of the current incident. Nothing is more dangerous. Japan which is entrusted with the task of constructing a new Far East has entered upon a new stage of creation in all fields of human life. In this sense, the actual fighting has just started. In order to be a great nation we must proceed with the perfection of various preparations for reconstruction both at home and abroad with a firm faith and determination.[⁶⁶]

793.94/14863

*Statement by the Secretary of State*⁶⁶

In response to requests by the press for comments on the statement issued by the Japanese Government in regard to the situation in the

⁶⁶ Issued by the Department of State as a press release, November 4, 1938.

Far East, the Secretary of State said that he felt it very important to view the situation in accurate and comprehensive perspective. The attitude of the United States and the position of the American Government in relations both with China and with Japan, as with other countries, are, he said, governed and guided by the generally accepted principles of international law, by the provisions of treaties to which the United States and numerous countries—among them China and Japan—are parties, and by principles of fair dealing and fair play between and among nations. This country's position with regard to the situation in the Far East has, he said, repeatedly been declared, and this position remains unchanged.

693.001/464

*Statement by the Japanese Prime Minister (Prince Konoye),
December 22, 1938*⁸⁷

The Japanese Government are resolved, as has been clearly set forth in their two previous statements issued this year, to carry on the military operations for the complete extermination of the anti-Japanese Kuomintang Government, and at the same time to proceed with the work of establishing a new order in East Asia together with those far-sighted Chinese who share in our ideals and aspirations.

The spirit of renaissance is now sweeping over all parts of China and enthusiasm for reconstruction is mounting ever higher. The Japanese Government desire to make public their basic policy for adjusting the relations between Japan and China, in order that their intentions may be thoroughly understood both at home and abroad.

Japan, China and Manchoukuo will be united by the common aim of establishing the new order in East Asia and of realizing a relationship of neighbourly amity, common defence against Communism, and economic co-operation. For that purpose it is necessary first of all that China should cast aside all narrow and prejudiced views belonging to the past and do away with the folly of anti-Japanism, and resentment regarding Manchoukuo. In other words, Japan frankly desires China to enter of her own will into complete diplomatic relations with Manchoukuo.

The existence of the Comintern influence in East Asia can not be tolerated. Japan therefore considers it an essential condition of the adjustment of the Sino-Japanese relations that there should be concluded an anti-Comintern agreement between the two countries in consonance with the spirit of the anti-Comintern Agreement between Japan, Germany and Italy. And in order to ensure the full accom-

⁸⁷ Released by the Japanese Foreign Office.

plishment of her purpose, Japan demands, in view of the actual circumstances prevailing in China, that Japanese troops be stationed, as an anti-Communist measure, at specified points during the time the said agreement is in force, and also that the Inner Mongolian region be designated as a special anti-Communist area.

As regards economic relations between the two countries, Japan does not intend to exercise economic monopoly in China, nor does she intend to demand of China to limit the interests of those third Powers, who grasp the meaning of the new East Asia and are willing to act accordingly. Japan only seeks to render effective the co-operation and collaboration between the two countries. That is to say, Japan demands that China, in accordance with the principle of equality between the two countries, should recognize the freedom of residence and trade on the part of Japanese subjects in the interior of China, with a view to promoting the economic interests of both peoples; and that, in the light of the historical and economic relations between the two nations, China should extend to Japan facilities for the development of China's natural resources, especially in the regions of North China and Inner Mongolia.

The above gives the general lines of what Japan demands of China. If the true object of Japan in conducting the present vast military campaign be fully understood, it will be plain that what she seeks is neither territory nor indemnity for the costs of military operations. Japan demands only the minimum guarantee needed for the execution by China of her function as a participant in the establishment of the new order.

Japan not only respects the sovereignty of China, but she is prepared to give positive consideration to the questions of the abolition of extra-territoriality and of the rendition of concessions and settlements—matters which are necessary for the full independence of China.

**BOMBINGS OF CIVILIANS BY THE JAPANESE
AND OTHER ACTS ENDANGERING THE LIFE
AND WELFARE OF AMERICAN CITIZENS IN
CHINA**

BOMBINGS OF CIVILIANS BY THE JAPANESE AND OTHER ACTS ENDANGERING THE LIFE AND WEL- FARE OF AMERICAN CITIZENS IN CHINA

1937

[For lists of incidents involving bombings and attacks upon American citizens, 1937-1941, see *Summary of Past Policy, and of More Immediate Events, in Relation to the Pacific Area*, House Document No. 458, 77th Congress, 1st Sess., annex 6, "American Nationals Killed or Wounded by Japanese Forces in China Since July 7, 1937," pp. 53-54; annex 7, "American Property in China Reported To Have Been Damaged, Destroyed, or Seriously Endangered by Japanese Air Bombing or Air Machine Gunning Since July 7, 1937," pp. 54-63; annex 8, "American Nationals Who Have Been Reported To Have Been Assaulted, Arbitrarily Detained, Subjected to Indignities, Et Cetera, Since July 7, 1937, by Japanese Authorities or Agents," pp. 63-72.]

793.94/10421

The Commander in Chief of the United States Asiatic Fleet (Yarnell), et al., to the Commander of the Japanese Third Battle Fleet at Shanghai (Hasegawa)

SHANGHAI, 22 August, 1937.

MY DEAR ADMIRAL HASEGAWA: For several nights it has been the practice for a Japanese destroyer to anchor near the *Augusta*. Last night for some time this destroyer was almost abreast of the bow of the *Augusta*. On the night of August 20th this destroyer opened fire on some buildings on the Pootung side of the river, the shells passing close to the bow of this vessel.

As you are doubtless aware, the Chinese government demanded of the neutral powers on August 19th that they remove all of their men-of-war and merchant vessels at least five nautical miles from Japanese naval vessels, or to require the Japanese vessels to move five miles from neutral vessels. If this demand was not complied with within 12 hours from date of notification the Chinese government refused to assume any responsibility for any damages which might be caused to the men-of-war or merchant vessels of neutral countries during the engagements taking place between the Chinese and Japanese forces.

Due to the necessity of evacuating the nationals of the several countries from the International Settlement and for other obvious reasons, this demand can not be complied with.

On August 20th, several shell[s] fell in the water in the immediate vicinity of the *Augusta*. One fell on the deck of the *Augusta* killing one man and wounding 18 others. Three large shell[s] passed over the *Lamotte-Picquet* and *Sacramento* striking a Chinese Customs vessel and a building in the French Concession. The danger to which the neutral vessels are placed by this gunfire of the opposing forces in their immediate vicinity is apparent.

The neutral men-of-war must remain in this vicinity to have access to their sectors in the perimeter of the Settlement and to protect their nationals. They cannot be withdrawn.

In order to reduce the danger to neutral vessels, at the naval buoys it is strongly urged that Japanese men-of-war be kept below Hongkew Creek at all times in order that as great an interval as possible be kept between the vessels under your command and those of the neutral powers. It is observed that the Japanese Naval buoys have now been vacated and it is hoped that this berth will be left vacant as long as the present situation continues.

You have clearly expressed your understanding of our position in the present unfortunate situation and your desire to refrain from any military operations tending to embarrass the fulfillment of our difficult task. We therefore do not hesitate to bring this matter to your attention and know you will appreciate that occurrences such as the above no matter what their significance can only tend toward a complication of the existing situation.

We have [etc.]

H. E. YARNELL

Admiral, U. S. Navy

Commander in Chief U. S. Asiatic Fleet

C. J. C. LITTLE, K. C. B.

Admiral, Royal Navy

Commander in Chief

British Naval Forces, China Station

LE BIGOT

Vice-Admiral, French Navy

Commander in Chief

French Naval Forces in the Far East

793.94/9594 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, August 23, 1937—5 p. m.

[Received August 23—7:20 a. m.]

299. Shanghai's unnumbered August 19, 3 p. m., and my 294, August 21, 2 p. m., paragraph 3.¹

¹ Neither printed; the telegram of August 19 was sent to the Department as No. 514.

August 20 the Embassy delivered to the Foreign Office copy of the list of places of residence of American missionaries contained in Shanghai's August 19, 3 p. m. Today the Foreign Office orally stated that after consultation with the Navy Department the following reply is made:

Desiring as Japan does to avoid harm to Americans or American property the Japanese Navy has issued orders to that effect. List received from the American Embassy has been transmitted to the Japanese officers in command. The Navy hopes that American properties will be conspicuously marked. The Navy suggests that Americans be advised to evacuate such properties as may become occupied by Chinese forces. It is also the hope of the Navy that the American authorities will continuously feel free to convey any additional information about such properties which might add to the effectiveness of Japan's desire to keep American interests unharmed.

Repeated to Shanghai for relay to Nanking.

GREW

793.94/9599 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, August 23, 1937—9 p. m.

[Received August 23—10:20 a. m.]

302. Department's 158, August 21, 10 p. m., and our 295, August 23, 10 a. m.²

1. I have today made oral representations to the Vice Minister in support of the recommendation of the five Ambassadors at Nanking contained in Nanking's 485, August 21, 1 p. m.,³ to instruct Japanese bombers to avoid operations in a specified area of Nanking.

2. My Italian and British colleagues have today done likewise. The German and French Embassies state that they have supported or will support the recommendation.

3. Acting upon the advance information supplied by this Embassy last night (our 295, August 23, 10 a. m., paragraph 1), the Foreign Office last night submitted the recommendation to the Navy Department and has now informed the Embassy (by memorandum in English to be considered as oral reply) as follows:

"(1) It is the earnest desire of the Japanese Government to safeguard the Embassies of Germany, Great Britain, France, Italy and America in Nanking and the warships and merchant vessels belonging to these powers anchored there. The Japanese Government have already on their own initiative instructed the authorities concerned to use utmost caution in order to ensure as far as possible under the circumstances the safety of these Embassies and ships and they want to inform the Ambassadors of the powers concerned that the Japanese authorities are acting in conformity with these instructions.

² Neither printed.

³ Not printed.

(2) The Japanese Government understand that the proposed area is one which embraces the sites of the Embassies above mentioned and the mooring points of the men-of-war and merchant vessels of the powers. In this area, however, there are various Chinese military works and a number of establishments connected with military operation as well as Chinese warships and fortresses. The Japanese Government desire to warn the powers in advance that in case the Chinese should make use of them for any hostile or provocative acts they might be forced to take necessary measures to cope with it.

(3) Even in the above-mentioned circumstances the Japanese Government would try as much as possible to avoid inflicting damage upon the Embassies, et cetera, of the powers concerned. They request, therefore, that the powers will, as a precautionary measure, mark plainly their Embassies, warships and merchant vessels so that these may be easily identified from the air.

August 23, 1937."

Repeated to Shanghai for relay to Nanking.

GREW

793.94/10022

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 781

TOKYO, August 27, 1937.

EXCELLENCY: Acting under instructions, I have the honor to inform Your Excellency that my Government reserves all rights on its behalf and on behalf of American nationals in respect to damages to or loss of American property or on account of death or injuries sustained by American nationals as a result of the activities of Japanese armed forces in the course of or incident to military operations now in progress in China.

I avail myself [etc.]

JOSEPH C. GREW

793.94/9775 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, August 30, 1937—2 p. m.

180. Nanking's 554, August 29, 1 p. m., is repeated for communication by you to your interested colleagues as follows:

"If the Department approves please inform Tokyo that British, German, Italian, French Embassies and I wish that our several ambassadors at Tokyo would represent to the Japanese Government that the railway which connects Hankow with Canton and Hong Kong is now being used by foreign nationals being evacuated from China and that we hope that every care will be used by Japanese military planes not to machine gun or bombard trains or otherwise interrupt use of that line for evacuation of foreigners."

The Department approves of your associating yourself with your interested colleagues in making appropriate representations to the Japanese Government in regard to this matter.

HULL

793.94/9777 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, August 30, 1937—8 p. m.

183. The Department has received from Nanking a telegram reading substantially as follows:

In view of the fact that there are American citizens still scattered throughout the country who will have to use the railways and motor roads as their only means of leaving for places of comparative safety, and in view of widespread bombing operations now being carried out by the Japanese military throughout Chinese territory, I wonder whether the several Governments could not properly make representations to the Japanese Government with a view to persuading it to refrain from these attacks upon defenseless cities, hospitals, trains and motor cars, et cetera. Sooner or later some incident is going to happen resulting in the death or injury to American citizens going about their legitimate occupations within the interior of China where such dangers should not exist. Japan declares that it is not at war with China and yet its planes are conducting raids far in the interior dropping deadly missiles in deliberate disregard of the rights of other nations.

The Department desires that unless you perceive objection you call at the Japanese Foreign Office and invite attention to the situation described in the telegram quoted above, in the hope that the Japanese Government will cause appropriate instructions to be issued to its military forces in the field. It is suggested that you leave an *aide-mémoire* at the Foreign Office.

It is desired that you inform your principally interested colleagues of the action you propose taking and suggest for their consideration the advisability of taking action along similar lines.

HULL

793.94/9814 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, August 31, 1937—6 p. m.

[Received August 31—9 a. m.]

333. Department's 180, August 30, 2 p. m., Hankow-Canton railway.

1. I have today addressed the following note to the Minister for Foreign Affairs.

"Tokyo, August 31, 1937. Number 785. Excellency: Under instruction from my Government I have the honor to invite the atten-

tion of Your Excellency to the fact that the railway which connects Hankow with Canton and Hong Kong is now being used by foreign nationals who are being evacuated from China. My Government accordingly expresses the hope that every care will be used by Japanese military planes not to machine-gun or bomb trains or otherwise interrupt the use of that line for the evacuation of foreigners.

In thus approaching Your Excellency I wish at the same time to associate myself with similar representations on this matter which I am informed certain of my colleagues are submitting to Your Excellency.

I avail myself, et cetera, Joseph C. Grew".

2. My British and French colleagues are also addressing to the Minister for Foreign Affairs notes of a similar character.

3. My German and Italian colleagues envisage only an oral approach to the Foreign Office and will not address written notes.

GREW

793.94/10157

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

[Translation]

No. 102, Asia I

TOKYO, August 31, 1937.

EXCELLENCY: I have the honor to inform Your Excellency that I have duly noted the contents of Your Excellency's note No. 781 of August 27.

As stated to the Government of the United States on several occasions, the Japanese Government, keenly solicitous of the safety of lives and property of Japanese and of other nationals in China, has spared no effort to prevent the present incident from assuming larger proportions. The military operations which have been taken and are being taken by Japanese forces in China are confined to measures of defense against illegal and provocative attacks on the part of China. I therefore have the honor to invite Your Excellency's attention to the fact that, in consequence, the Japanese Government is not liable for damages or losses sustained by nationals of third countries as a result of fighting in that area.

I avail myself [etc.]

KOKI HIROTA (SEAL)

793.94/10157

Memorandum by the Ambassador in Japan (Grew)

[Extract] ⁴

[Tokyo,] September 1, 1937.

Called on the Minister for Foreign Affairs by appointment at his official residence at 5 o'clock.

⁴For remainder of this memorandum, see p. 359.

I began the interview by referring to our combined efforts during the past years to improve Japanese-American relations. It was my constant endeavor to see those relations maintained and consolidated. Now, however, I felt a daily dread that some serious incident might occur in China arising out of the indiscriminate bombing operations of the Japanese forces which might result in the injury or death of American citizens, and such an incident, as the Minister could well appreciate, would exert a most unfortunate effect on Japanese-American relations because it could not fail to enflame public opinion in the United States. My purpose today was to appeal to the Minister in the most earnest manner to take steps which would obviate the grave risks to which peaceful Americans in China, going about their daily occupations or perhaps on their way to places of greater safety, were now constantly subjected.

[Here follow statements giving in substance the *aide-mémoire* of September 1, 1937, printed *infra*.]

I then said to the Minister, after reading to him and leaving with him our *Aide mémoire* of September 1, that he himself was responsible for the conduct of Japan's political relations with other countries and that these relations should be considered paramount to military considerations. I therefore appealed to him with great earnestness and strong emphasis to exert his authority in this direction having especially in mind the great importance of avoiding the risk of grave incidents which could injure the friendship between Japan and the United States for the maintenance and development of which we both had been constantly working during the past four years.

The Minister inquired whether the bombing on August 26 of which I had spoken, had taken place within the area mentioned in my representations to the Vice Minister on August 23. I replied that I believed this to be the case but whether this was so or not, it did not alter the humanitarian and other aspects of the situation which I had just brought out in my representations to him. Mr. Hirota said that it was the intention of the Japanese military forces to attack only military establishments but that sometimes the bombs failed to reach their precise objectives and accidents happened. He said that he would bring my representations to the attention of the War and Navy Ministries.

J[OSEPH] C. G[REW]

793.94/10157

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

The American Ambassador on August 23 brought orally to the attention of the Vice Minister for Foreign Affairs the desire of the diplomatic representatives at Nanking of the United States, Great Britain, France, Germany and Italy that Japanese bombing operations be excluded from an area in that city wherein they and some of their nationals reside and where foreign shipping is anchored. The American Government feels, however, that other aspects of the matter demand equal consideration. The extensive bombing of that city on the night of August 26 placed in danger the lives and property of noncombatants, both foreign and Chinese, and it has seemed to the American Government that the appropriate Japanese authorities, when this fact is brought to their attention, may desire to limit future action in accordance with the restraints which considerations of humanity and of international comity usually impose on the bombing of the political capital of a country, especially when no state of war exists. Both before and after the earlier request for the protection of a defined area, there occurred bombing operations over the city which extensively damaged the buildings and killed and injured several of the employees of the National Central University and also resulted in the burning alive of numerous peaceful Chinese in one of the poorer quarters. These scenes of destruction have been visited by foreign diplomatic officers. The Government and people of the United States are in friendly relations with China as with Japan. Basing its appeal, therefore, on these friendly relations and on the principle of ordinary humanity, the American Government requests the discontinuance of activities which, despite their military objectives, result actually in the indiscriminate destruction of property used for educational and other non-military purposes and in the wounding and painful death of civilians.

The American Government is also greatly concerned over the fact that there are American citizens still scattered throughout China who will have to use the railways and motor roads as their only means of leaving for places of comparative safety. In view, therefore, of the widespread bombing operations now being carried out by the Japanese military throughout Chinese territory the American Government feels that it may properly make representations to the Japanese Government with a view to persuading it to refrain from attacks upon defenseless cities, hospitals, trains and motor cars, et cetera. There is grave risk that sooner or later some incident will take place resulting in the death or injury to American citizens who

are going about their legitimate occupations within the interior of China where such dangers should not exist. Japan declares that it is not at war with China and yet its planes are conducting raids far in the interior, dropping deadly missiles with consequent serious damage to the rights of other nations.

The attention of the Japanese Government is invited to the situation described in the foregoing paragraphs in the hope that appropriate instructions may be issued to its military forces in the field.

TOKYO, September 1, 1937.

793.94/10408

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

[Translation]

No. 108, Asia I

TOKYO, September 3, 1937.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note No. 785 of August 31.

In the present incident the Japanese Government has taken, and is still taking, all possible measures for the prevention of injury and loss of lives and property of both Japanese and foreigners, as the United States Government must already be aware. Japanese forces have no intention of interrupting evacuation of nationals of third countries by machine-gun fire or the dropping of bombs. However, the railway connecting Hankow with the Canton area is now being used by China for military purposes including the transportation of troops and munitions of war. I desire to invite Your Excellency's attention to the fact that so long as the railway is used for such purpose the Japanese Government cannot guarantee to refrain from interrupting its operations.

I avail myself [etc.]

KOKI HIROTA

793.94/10408

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 788

TOKYO, September 6, 1937.

EXCELLENCY: I have the honor to inform Your Excellency that on September 4 the commanders-in-chief of the American, British and French naval forces at Shanghai addressed communications respectively to the commander of the Japanese naval forces at Shanghai and to the commander of the Chinese military forces in the Pootung area, calling attention to the consequence of an artillery duel which took place about midday on September 3d between Chinese guns in Pootung

and Japanese warships in sections 5, 6, and 7 of the Shanghai harbor. They point out that several shells fell in the International Settlement south of Soochow Creek and in the French Concession, causing forty or fifty casualties, and that serious damage was caused to property in Pootung. They consider that if these engagements continue and possibly become more general the safety of the foreign areas will be seriously involved and life and property further endangered. They therefore recommend and request that in order to avoid this state of affairs and in order to preserve the safety of the foreign areas under their protection, the Chinese and Japanese forces should be withdrawn as follows: (1) Japanese naval forces to withdraw below section 7 of the river, (2) Chinese forces in Pootung to withdraw to the eastward of Pootung Road and south of Changkadu Creek.

In bringing this matter to Your Excellency's attention, I most earnestly hope that the recommendations of the commanders-in-chief of the American, British, and French naval forces will be acted upon favorably.

The American Ambassador to China is addressing a communication in the foregoing sense to the Chinese Government.

I avail myself [etc.]

JOSEPH C. GREW

793.94/10408

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

[Translation]

No. 112, Asia I

TOKYO, September 10, 1937.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note No. 788 of September 6.

The Japanese Government is of opinion that arrangements of the kind proposed require first of all practical study by officers on the spot. With regard to the present proposal a reply has been received from the officer in command of Japanese naval forces at Shanghai stating that he has already informed the senior officers of the American, French, and British naval forces at Shanghai to the effect that even though Japan and China should mutually withdraw their respective warships and troops from the areas specified, it is very likely that Chinese forces would launch attacks from points outside those areas, and in that event Japanese warships would inevitably be obliged to respond, thus endangering quarters where nationals of third countries are residing in the concessions, although Japan desires to avoid that danger. It is therefore deemed imperative that all Chinese troops, including plain clothes corps, be withdrawn from the areas of Pootung and Nanshih which are within a six-kilometer curve with

Pootung Point as center, in which the right bank of the Whangpoo includes an area from the vicinity of the Hai Feng shipyard to the southern boundary of the French Concession. If such withdrawal be carried out, the commander is ready to give consideration to cessation of bombardment of Pootung and Nanshih by Japanese war vessels from above Section 7 of the river.

I avail myself [etc.]

KOKI HIROTA

494.11/26 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, September 14, 1937—6 p. m.

205. Your 337, September 2, 4 a. m.⁵ In order to avoid any possible assumption by the Japanese Government that this Government acquiesces in the broad disclaimer of all liability, you may acknowledge the Foreign Minister's note and say that your Government cannot accept the position of the Japanese Government that, under the circumstances of the military operations which have been and are now being taken by Japanese forces in China, it is not liable for damages or losses sustained by nationals of third countries as a result of fighting in that area; and that your Government will be under the necessity of looking to the Japanese Government for compensation for such damage and loss suffered either by this Government or its nationals to the extent that liability therefor exists under international law.⁶

HULL

793.94/10720

The Japanese Ministry for Foreign Affairs to the American Embassy in Japan

[Translation]

TOKYO, September 15, 1937.

AIDE-MÉMOIRE

His Excellency the American Ambassador, in an *aide-mémoire* of September 1st, 1937, conveyed the request of the American Government for the discontinuance of such bombing operations over Nanking of Japanese forces as might result in the destruction of property of non-military character and in the wounding and death of civilians, and also for their abstinence from attacks upon defenceless cities, hospitals, trains, motor-cars, et cetera, with a view to preventing danger to the American citizens who are still scattered in the interior of China.

⁵ Not printed; it transmitted the text of note No. 102, August 31, 1937, to the American Ambassador in Japan from the Japanese Minister for Foreign Affairs, p. 492.

⁶ The note was delivered on September 15, 1937 (494.11/27).

As His Excellency is aware, Nanking is the pivotal base wherein are planned and originated all Chinese hostile operations against the Japanese forces. In view of the fact that the city is defended by many forts; is possessed of numerous other military organs and establishments in and around it, it is quite proper that against these, the Japanese should carry out bombing operations. It should be stated definitely that the objectives of their bombing are limited, from the standpoint of humanity, strictly to those military organs and establishments, and absolutely in no instance non-military property and civilians are ever made the direct objectives of attacks. That, in spite of all such caution exercised on our part, non-combatants should sometimes be made victims of the hostilities and suffer unforeseen disasters in respect of their lives and property, is also regretted deeply by the Japanese Government. That, however, has been an inevitable concomitant of hostile operations in all ages. In order to ensure, as far as possible, the safety of non-combatants in the present case, it is believed that, in parallel to the caution exercised by the Japanese as above stated, the Chinese on their part should take appropriate measures, such as the evacuation of non-combatants from the neighborhood of their military organs and establishments.

The Japanese Government, as has repeatedly been made known, are most solicitous of the security of the lives and property of the nationals of third countries, including American citizens, in China, and are prepared to do whatever lies in their power to facilitate their withdrawal to places of safety and to afford protection to their property. And they wish to assure Your Excellency that nothing is farther from the thought of the Japanese forces than to make attacks, such as are referred to in the American *aide-mémoire*, upon defenceless cities, hospitals, trains, and motor-cars, which are not used by the Chinese for military purposes.

793.94/10720

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 796

TOKYO, September 17, 1937.

EXCELLENCY: I have the honor, by direction of my Government, to address to Your Excellency the following note:

"Since the beginning of the present fighting in China the American Government has received reports of attacks by Japanese armed forces in China upon American nationals and their property, including attacks upon American humanitarian and philanthropic establishments and upon the persons and property of non-combatants generally.

The American Government desires in particular to bring to the attention of the Japanese Government a recent attack on September 12

by Japanese planes on an American missionary hospital in South China, located at Waichow, Kwangtung Province. Information in the possession of the American Government indicates that three Japanese planes flew low three times over the mission compound where two large American flags were flying; that each time the planes dropped bombs all of which exploded seriously injuring personnel of the hospital as well as damaging the hospital and the residence, that there were no anti-aircraft guns at Waichow, and that the mission itself is two miles distant from any Chinese military encampment.

Attack upon non-combatants is prohibited both by long accepted principles and by established rules of international law. Also, attack upon humanitarian establishments, especially those which are lawfully under the flags of countries in no way party to military operations, have no warrant in any system of law or of humane conduct. The American Government, therefore, is impelled, in fulfillment of its obligations toward its nationals and on behalf of those fundamental principles of law and of morality which relate to the immunity of non-combatants and humanitarian establishments, emphatically to voice objection to such attacks and to urge upon the Japanese Government, which the American Government cannot believe approves of such disregard of principles, that effective steps be taken toward averting any further such attacks."

I avail myself [etc.]

JOSEPH C. GREW

793.94/10141 : Telegram

The Consul General at Shanghai (Gauss) to the Secretary of State

SHANGHAI, September 19, 1937—1 p. m.

[Received September 19—4:28 a. m.]

728. The Japanese Consul General has just handed me the following translation of a statement by the commander in chief of the Japanese Third Fleet, with the request that it be communicated to you for the information of our nationals and with the further request that you communicate it to other foreign embassies and legations at Nanking:

"It being the objective of the Japanese operations to bring the present state of hostilities to an early conclusion by terminating hostile actions of the Chinese forces, and Nanking being the principal base of the Chinese military operations, the Japanese naval air force may, after 12 o'clock noon of September 21, 1937, have to resort to such offensive measures as bombing and otherwise upon the Chinese forces, as well as all establishments pertaining to their military and activities, in and around the city of Nanking.

It needs no reiteration that the safety of the lives and property of nationals of friendly powers will be taken into full consideration during the projected offensive. In view, however, of the possibility of such nationals becoming dangerously involved in the Sino-Japanese hostilities in spite of all precautions, the commander in chief of the Third Fleet, Imperial Japanese Navy, is constrained to earnestly advise such officials and residents as are now living in and around Nan-

king to take adequate measures for voluntarily moving into areas of greater safety. The foreign warships, as well as those who [*which*] propose to avoid the danger on the Yangtse-kiang, are advised to moor upstream from Hsiasanshan."

Sent to Nanking, repeated to Department, commander in chief informed.

GAUSS

793.94/10720

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] September 20, 1937.

My conversation with the Minister for Foreign Affairs at his official residence at 6 o'clock this evening was prefaced by a word of appreciation from me with regard to the arrangements made by the Japanese authorities to avoid bombing the Hankow-Canton railway during the evacuation of Americans on September 22 and 26. The Minister inquired if I had received his note concerning the bombing of the American missionary hospital at Waichow⁷ to which I replied in the affirmative and expressed further appreciation of the Minister's expressions of regret and the offer to consider indemnification.

Nanking

I then turned to the announced plans of the Japanese naval forces to bomb Nanking commencing tomorrow at noon, and I made to the Minister the most emphatic and earnest representations with regard to the serious danger to which foreign diplomatic establishments and personnel, as well as other non-combatants, would inevitably be subjected if such a course is pursued. I spoke of the very serious effect which would be produced in the United States on the American Government and people if some accident should occur in connection with those operations, and I then spoke of the steadily mounting feeling which is developing in the United States and in other countries against Japan, which by her course of action is laying up for herself among the peoples of the world a liability of distrust and suspicion, popular antipathy and the possibility of Japan's becoming ostracized from the family of nations. I said to the Minister that the goodwill between our countries which he and I had been building up during these past years was rapidly dissolving as a result of Japan's action in China and that while the American people are patient they are nevertheless easily aroused by some serious incident involving their legitimate interests abroad and that I am constantly dreading the effects in my country which would undoubtedly be called forth if as a result of Japanese operations in China some serious incident should occur which

⁷ Note dated September 20; not printed.

the American people would feel had touched their honor. I said to the Minister that at times like these we must not forget historical fact and that he would remember what had happened in the United States when the *Maine* was blown up in Havana. Neither the American Government nor the American people desired war with Spain, but that incident in itself was sufficient to provoke war. I then spoke earnestly of the Minister's own responsibility for guiding Japan's foreign relations and for restraining the Japanese naval and military forces in China from their course of action which is rapidly causing Japan to lose the world's goodwill and is building up abroad a practically universal sentiment of antagonism against his country. I said that the military and naval forces did not understand and appeared not to care about Japan's foreign relations and her position in the world and it was therefore his own responsibility to guide the course of action which is now being pursued in China. The force and directness of my statements and appeal left nothing whatever to Mr. Hirota's imagination. My effort was to bring home to the Minister with maximum effect the certain repercussion which would occur in the United States if some serious accident involving American interests were to happen in connection with the proposed bombing of Nanking.

Mr. Hirota, while making no effort to counter my observations, listened gravely and silently throughout my talk. When I had finished he observed that orders had gone out four hours ago from Tokyo to the naval command in China that every effort was to be made to avoid injury to the foreign diplomatic establishments or to non-combatants in Nanking in connection with the proposed bombing operations. I said that the afternoon press had reported that certain bombing operations in Nanking had already occurred yesterday, but the Minister said that these were unimportant and far away from the diplomatic establishments. With regard to the warning by the Japanese navy that the bombing operations would commence at noon on September 21, the Minister volunteered the opinion that the warning was "too short".

Although I talked to the Minister today with an emphasis and directness unprecedented since my arrival in Japan, there was no indication on his part of resentment. His demeanor was naturally graver than usual and he appeared to me to receive my observations rather sadly but without any effort whatever to try to rebut my remarks. While recent developments indicate that he has made and is making efforts to avoid antagonizing the United States by cautioning the military and naval forces in individual local issues, we must reluctantly face the fact that the civil government in Tokyo has very little influence with these forces where their general objectives are concerned.

J[OSEPH] C. G[REW]

793.94/10328

*Memorandum by the Chief of the Division of Far Eastern Affairs
(Hamilton)*

[WASHINGTON,] September 20, 1937.

The Japanese Ambassador called by request of the Acting Secretary of State, Mr. Moore.⁸

The Acting Secretary said that he had asked the Ambassador to call in regard to the proposed Japanese bombing of Nanking.

The Acting Secretary said that the announced plans of the Japanese naval forces had been brought to our notice only 48 hours before the actual bombing might commence, and the Acting Secretary stressed that the shortness of the notice was extremely regrettable. The Acting Secretary referred to the fact that according to a report which we had received from our Ambassador at Nanking the notice did not give sufficient time for the Ambassador and other American nationals to arrange for precautionary measures to insure the safety of the American Embassy and of American nationals and property. The Acting Secretary said that we were very much concerned about the whole matter. He referred to the fact that the Japanese Admiral's notice stated that the nationals of third countries should withdraw from Nanking and its vicinity to areas of greater safety but did not specify in any way where such areas of greater safety might be.

Mr. Wilson informed the Ambassador that in addition to our serious concern with regard to the safety of the American Embassy and of American nationals at Nanking we also were concerned with regard to the very unfortunate repercussions which would be bound to arise should large sections of the city of Nanking be laid waste as a result of a general bombing. Mr. Wilson pointed out that the killing and injuring of non-combatants which would inevitably result therefrom would be a shock to the world and that, whether or not such destruction was accidental or premeditated, wide-spread and hostile criticism would inevitably result from any such Japanese attack.

The Acting Secretary told the Japanese Ambassador that Mr. Grew at Tokyo had already made representations to the Japanese Minister for Foreign Affairs on the subject. The Ambassador commented that the Japanese Foreign Minister had sent him a telegraphic report covering Mr. Grew's conversation with Mr. Hirota and that the Foreign Minister had informed Mr. Grew that foreign diplomatic establishments and non-combatants were to be avoided and that the Japanese bombing operations would be directed at Chinese military establishments. The Acting Secretary emphasized to the Ambassador that if the bombing attack were to be carried out it seemed highly desirable

⁸ Assistant Secretary of State Hugh R. Wilson was also present.

that the attack be restricted in area and that the bombing be postponed in order to afford the nationals of third powers reasonable opportunity to take precautionary measures.

The Japanese Ambassador said that he would send a telegram to his Government that evening reporting the conversation and the fact that the American Government viewed the announced plans of the Japanese to bomb Nanking with deep concern.

(NOTE: It was agreed that in reply to inquiries from the press both the Japanese Ambassador and officers of the Department would state that the Ambassador had called to discuss the Chinese-Japanese situation. The Acting Secretary told the Ambassador, however, that developments over night or later might cause the Department to make known the fact that the Acting Secretary had asked the Ambassador to call in order to express to the Ambassador this Government's deep concern in regard to the proposed Japanese bombing of Nanking.)

M[AXWELL] M. H[AMILTON]

793.94/10169 : Telegram

*The Commander in Chief of the United States Asiatic Fleet
(Yarnell) to the Commander of the Yangtze Patrol (Marquart)*^{8a}

[SHANGHAI,] September 21, 1937.

0021. Yesterday the following letter was sent to Admiral Hasegawa.

"My Dear Admiral Hasegawa: I have received the notice which was issued through the Japanese Consulate General with reference to the proposed bombing by Japanese naval air force of Nanking, the operations to begin after 12 o'clock, noon, on September 21st.

This notice contained the advice that foreign warships are advised to moor upstream from Hsiasanshan.

The United States Navy has at Nanking two river gunboats, the *Luzon* and the *Guam*. These two ships are anchored in the river abreast of the Butterfield and Swire Pontoon.

As long as the United States Embassy and any United States nationals remain in Nanking, it is necessary for these two vessels to remain there also. These two vessels are distinguished by the United States flag being spread horizontally on the upper works.

It is requested that you issue the necessary instructions to the Japanese naval air force to avoid dropping bombs in the vicinity of these vessels. In case Japanese Army planes are bombing in this vicinity it is requested that they be issued similar instructions."

In view of the fact that your anchorage has been notified to the Japanese Admiral, Cincaf considers it the safest location in case of bombing attacks. 1123.

^{8a} Copy transmitted to the Department of State by the Navy Department on September 21, 1937.

793.94/10720

*The American Ambassador in Japan (Grew) to the Japanese
Minister for Foreign Affairs (Hirota)*

No. 780

Tokyo, September 22, 1937.

EXCELLENCY: I have the honor, by direction of my Government, to address to Your Excellency the following note:

"The American Government refers to the statement by the Commander-in-Chief of the Japanese Third Fleet which was handed to the American Consul General at Shanghai on September 19 announcing the project of the Japanese naval air force, after twelve o'clock noon on September 21, 1937, to resort to bombing and other measures of offense in and around the city of Nanking, and warning the officials and nationals of third Powers living there 'to take adequate measures for voluntary moving into areas of greater safety'.

The American Government objects both to such jeopardizing of lives of its nationals and of non-combatants generally and to the suggestion that its officials and nationals now residing in and around Nanking should withdraw from the areas in which they are lawfully carrying on their legitimate activities.

Immediately upon being informed of the announcement under reference, the American Government gave instructions to the American Ambassador at Tokyo to express to the Japanese Government this Government's concern; and that instruction was carried out. On the same day, the concern of this Government was expressed by the Acting Secretary of State to the Japanese Ambassador in Washington.

This Government holds the view that any general bombing of an extensive area wherein there resides a large populace engaged in peaceful pursuits is unwarranted and contrary to principles of law and of humanity. Moreover, in the present instance time limit allowed for withdrawal is inadequate, and, in view of the wide area over which Japanese bombing operations have prevailed, there can be no assurance that even in areas to which American nationals and non-combatants might withdraw they would be secure. Notwithstanding the report that assurance that 'the safety of the lives and property of nationals of friendly Powers will be taken into full consideration during the projected offensive', this Government is constrained to observe that experience has shown that, when and where aerial bombing operations are engaged in, no amount of solicitude on the part of the authorities responsible therefor is effective toward insuring the safety of any persons or any property within the area of such operations.

Reports of bombing operations by Japanese planes at and around Nanking both before and since the issuance of the announcement under reference indicate that these operations almost invariably result in extensive destruction of non-combatant life and non-military establishments.

In view of the fact that Nanking is the seat of government in China and that there the American Ambassador and other agencies of the American Government carry on their essential functions, the American Government strongly objects to the creation of a situa-

tion in consequence of which the American Ambassador and other agencies of this Government are confronted with the alternative of abandoning their establishments or being exposed to grave hazards.

In the light of the assurances repeatedly given by the Japanese Government that the objectives of Japanese military are limited strictly to Chinese military agencies and establishments and that the Japanese Government has no intention of making non-military property and non-combatants the direct objects of attack, and of the Japanese Government's expression of its desire to respect the embassies, warships and merchant vessels of the Powers at Nanking, the American Government cannot believe that the intimation that the whole Nanking area may be subjected to bombing operations represents the considered intent of the Japanese Government.

The American Government, therefore, reserving all rights on its own behalf and on behalf of American nationals in respect to damages which might result from Japanese military operations in the Nanking area, expresses the earnest hope that further bombing in and around the city of Nanking will be avoided."

I avail myself [etc.]

JOSEPH C. GREW

793.94/10330

*Memorandum by the Chief of the Division of Far Eastern Affairs
(Hamilton) of a Conversation With the Counselor of the Japanese
Embassy (Suma)*

[WASHINGTON,] September 25, 1937.

Mr. Suma called at his own request on another matter and, referring to the notice issued by the Japanese admiral at Shanghai of the project to bomb Nanking, said that he was sorry that the notice had caused so much misunderstanding. He said that in his opinion the notice should have contained a more adequate explanation of the Japanese admiral's motive in issuing the notice and that the Japanese naval and military authorities had no intention of bombing other than military objectives. I said that we had received a number of assurances from the Japanese Government to that effect but the fact remained that the Japanese bombing operations were, according to our reports and reports contained in the press, resulting in the killing of large numbers of non-combatants. I referred to the recent Japanese bombing operations at Canton where, according to the reports, some 2,000 non-combatants had been killed. I said that I had noticed a statement in some newspaper to the effect that the Japanese military were very much surprised that reports were being sent from China to the effect that Japanese military operations were resulting in the death of non-combatants. I said that this killing of non-combatants at Canton, at Hankow, at Nanking and at various other places in China could not but create the most deplorable impression in this country and in other countries. Mr. Suma said that there were of course a number of Chinese military fortifi-

cations and organizations in Nanking. I inquired whether most of such Chinese military organizations and activities were not located outside the city wall. Mr. Suma said that most of them were but that in addition there were a number of Chinese military organs inside the city. To this I commented that while there might be some Chinese military organs within the city of Nanking, there were large areas in the city which were entirely non-military in character and yet the Japanese bombing operations were causing the death of non-combatants in those areas. I said again that this whole matter of bombing non-combatants was deplorable and was creating a most unfortunate impression.

M[AXWELL] M. H[AMILTON]

793.94/10516

*Resolution Adopted by the League of Nations Advisory Committee
on September 27, 1937⁹*

The Advisory Committee,

Taking into urgent consideration the question of the aerial bombardment of open towns in China, by Japanese aircraft,

Expresses its profound distress at the loss of life caused to innocent civilians, including great numbers of women and children, as a result of such bombardments,

Declares that no excuse can be made for such acts which have aroused horror and indignation throughout the world,

And solemnly condemns them.

*Press Release Issued by the Department of State on September 28,
1937¹⁰*

The Department of State has been informed by the American Minister to Switzerland of the text of the resolution unanimously adopted on September 27 by the Advisory Committee of the League of Nations on the subject of aerial bombardment by Japanese air forces of open towns in China.

The American Government, as has been set forth to the Japanese Government repeatedly, and especially in this Government's note of September 22, holds the view that any general bombing of an extensive area wherein there resides a large populace engaged in peaceful pursuits is unwarranted and contrary to principles of law and of humanity.

⁹ League of Nations document A.56.1937 VII., Geneva, September 28, 1937.

¹⁰ Reprinted from Department of State, *Press Releases*, October 2, 1937 (vol. xvii, No. 418), p. 268.

793.94/10311 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, September 29, 1937—8 p. m.
[Received September 29—10:13 a. m.]

431. Our 403, September 22, 6 p. m.^{10a} Bombing of Nanking. The following reply to our note of September 22 has today been received from the Foreign Office:

"No. 121, September 29, 1937.

"Excellency: I have the honor to inform Your Excellency that I have duly noted the contents of Your Excellency's note number 780 of September 22 regarding the bombing of Nanking by Japanese forces.

As Your Excellency's Government is well aware, Nanking is exceptionally strongly fortified and it is the most important strategic base of military operations for the Chinese forces. The bombing of the military facilities and equipment located in and around the said city is a necessary and unavoidable measure for the attainment of the military objectives of the Japanese forces. It goes without saying that bombing operations by Japanese forces will be strictly confined to such scope and will not be aimed at noncombatants, as evidenced by the fact that warning was given even to Chinese noncombatants.

The frequently stated policy of the Imperial Japanese Government to respect as far as possible the rights and interests of third countries and the safety of the lives and property of the nationals thereof remains unaltered in the present bombing operations. The recent proposal of the Imperial Japanese Government that the officials, citizens, and vessels of Your Excellency's country take refuge was the result of the desire to avoid if possible the occurrence of injury to nationals of third countries, which might be unavoidable notwithstanding the greatest precautions which may be taken by the Japanese forces.

It is hoped that Your Excellency's Government will understand that the Imperial Japanese Government has desired the safety of the nationals of third countries in spite of the fact that the Japanese forces are restricted in their strategic movements by reason of the giving of advance warnings, and it is earnestly hoped that Your Excellency's Government, with full appreciation of the circumstances, will cooperate with the measures taken by the Imperial Japanese Government. Furthermore, the view of the Imperial Japanese Government with regard to damages sustained by nationals of third countries as a result of the present hostilities in China remains as stated in my note number 102, Asia 1, under date of August 31.

I avail myself, et cetera, signed Koki Hirota."

Repeated to Shanghai.

GREW

^{10a} Not printed.

793.94/10331 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, September 30, 1937—1 p. m.

[Received September 30—7:33 a. m.]

435. Shanghai's August 19, 3 p. m., to the Department.¹¹ Reference bombing operations.

1. The following is the text in translation of a memorandum received today from the Foreign Office.

Tokyo, September 29, 1937, number [30, European II], memorandum. With a view to cooperating with the Japanese forces in their desire not to cause damage to the property of nationals of third countries, especially to eleemosynary institutions, during attacks on military establishments and facilities, the Japanese Department of Foreign Affairs has the honor to express to the American Embassy the hope that a list will be supplied, as soon and in as much detail as possible, indicating the location of the hospitals, churches, schools, and other eleemosynary establishments belonging to the United States and to nationals of the United States, preferably accompanied by maps and photographs."

2. I suggest that the Department instruct Nanking whether or not the Department desires that the information requested by the Foreign Office be supplied.

Repeated to Shanghai.

GREW

793.94/11026

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

Tokyo, October 1, 1937.

MY DEAR MINISTER: With reference to the assurances, both written and oral, which from time to time have been conveyed by Your Excellency to my Government to the effect that the bombing operations of the Japanese forces in China are aimed exclusively at Chinese military establishments, and that strict orders have been issued to officers in the field that non-combatants as well as humanitarian and other non-military establishments are to be scrupulously and solicitously avoided, I consider it pertinent to bring to Your Excellency's attention the substance of a telegram which I have received from the American Ambassador in Nanking reporting the bombing of that capital, as follows:

So far as the American Embassy at Nanking is aware, the only establishments at Nanking which can warrantably be regarded as bases for Chinese military operations are establishments such as the military air field, arsenal and barracks outside the walls of Nanking. The term "military establishment" cannot properly be applied to the Central

¹¹ Not printed.

University, the Central Hospital, the Ministry of Health, the Legislative Yuan, the Ministry of Education, and the electric light plant, all of which have apparently been the targets of Japanese bombers and some of which have been hit and damaged by bombs. The Central University has been bombed three times. It is also to be emphasized that bombs in certain instances have fallen within a hundred yards of the official residences of certain of the foreign diplomatic representatives in Nanking.

I am [etc.]

JOSEPH C. GREW

793.94/10331 : Telegram

*The Secretary of State to the Ambassador in Japan (Grew)*¹²

WASHINGTON, October 5, 1937—7 p. m.

250. Your 435, September 30, 1 p. m.

1. The Department desires that you reply to the Foreign Office substantially as follows:

In the light of the assurances repeatedly given by the Japanese Government that the objectives of Japanese military operations are limited to Chinese military agencies and establishments and that the Japanese Government has no intention of making non-military property and noncombatants the objects of attack, it is not perceived that there is need for the supplying of a list and the indicating of the locations of American properties, with the possible exception of properties located in the immediate vicinity of Chinese military agencies and establishments.

Although it has been our procedure, for the purpose of safeguarding and serving the American interests involved, to inform both the Japanese and the Chinese authorities of the location of American institutions endangered by their proximity to places in the range of military operations when and so far as practicable, Japanese bombing operations have now been extended to a vast area and have been directed against objectives where it is often not apparent that any military purpose is to be served thereby. Consequently no reliable indication is afforded as to what places are likely to come next within the range of Japanese military operations. Furthermore, American institutions generally, so far as this Government has been informed, have been adopting the practice of plainly displaying on their buildings clear nationality marking, and the location of such buildings is usually described in published directories, maps, et cetera, which are doubtless available to the Japanese military authorities. It would thus appear to the American Government that the Japanese military authorities are in better position than are the American authorities to determine what American institutions will be endangered by virtue of their proximity to Japanese military objectives, and to take adequate precautions accordingly.

In the event that Japanese authorities request information to supplement that which is already available in regard to a particular point where American property may be located near to a Chinese military

¹² Repeated by the Department to the Embassy in China as telegram No. 299, October 5, 1937, 8 p. m.

establishment which the Japanese authorities contemplate attacking, the American authorities would be prepared as heretofore to give such information as may be practicable in regard to the location of American property and institutions. However, in giving any such information, the American Government does so only for the purpose of protecting American life and property; it reserves entirely its declared attitude and position in regard to the hostilities in which Japanese and Chinese armed forces are engaged; and its reservation of rights in regard to destruction of American life or property which may arise therefrom will in no way be altered by the fact of its having given or not having given such information.

2. A supplementary instruction follows.

HULL

393.1163Am3/236 : Telegram

The Secretary of State to the Ambassador in Japan (Grew) ¹³

WASHINGTON, October 5, 1937—8 p. m.

251. Supplementing Department's 250, October 5, 7 p. m. Your 431, September 29, 8 p. m.; 435, September 30, 1 p. m.; 450, October 5, 7 p. m.¹⁴

The publication of the text of the Japanese reply of September 29 to this Government's note of September 22 was followed by widespread comment in the press in this country to the effect that the reply was "unsatisfactory". There was much comment, some of astonishment, some severely critical, and some expressive of perplexity, on the expression of hope that this Government would "cooperate with the measures taken by the Imperial Japanese Government". We realize that Hirota's statement in that context related to measures which the Japanese wish to take to avoid endangering or destroying American lives and property. But, many commentators failed accurately to grasp the intended application and dealt with this suggestion that we "cooperate" without reference to the limitation implicit in the context. Subsequently, both in the memorandum reported in your 435, September 30, 1 p. m., and in the last paragraph of Hirota's note reported in your 450, October 5, 7 p. m., the Foreign Office again solicits our "cooperation" in relation to procedure for the safeguarding of American lives and property.

The idea that we should or that we can cooperate with Japan in anything related to or connected with the carrying on of the hostilities to which Japan and China are parties is an idea entirely contrary to our whole attitude and policy in regard to those hostilities. Disapproving as we do of the military operations in their entirety, we cannot take a step or make a contribution which implies assent on our part to

¹³ Repeated by the Department to the Embassy in China as telegram No. 302, Oct. 6, 1937, 7 p. m.

¹⁴ Telegram No. 450 not printed.

such operations provided they do not endanger or destroy American lives and property. We must and we will do what we appropriately can toward causing American lives and property not to be endangered. But, in so doing, it should not be expected or be construed that we are "cooperating" with either of the parties engaged in military operations or that what we do is done in any sense for the purpose of facilitating the conducting by either party of such operations.

In view of the type of comment to which the Foreign Office use of this expression "cooperate" has given rise, both in unofficial and in official circles in this country, we feel that you should bring this matter to Hirota's attention and make clear to Hirota that what this Government seeks and expects is not "cooperation" between the two countries in relation to any phase of military operations but that American lives and property shall not be endangered by and in consequence of any military operations. We appreciate the assurances and the apparently sincere effort of the Japanese Foreign Office to help toward avoiding endangering American lives and property, but in our opinion it would be advisable to avoid use of the term "cooperate" in any context relating to or bearing upon the military operations.

HULL

793.94/11026

Memorandum by the Counselor of the American Embassy in Japan (Dooman) of a Conversation With the Director of the American Bureau of the Japanese Ministry for Foreign Affairs (Yoshizawa)

[Tokyo,] October 7, 1937.

I called on Mr. Yoshizawa this morning and read to him the Department's 250 of October 5, 7 p. m. and 251 of October 5, 8 p. m. Mr. Yoshizawa listened attentively and asked me again to read No. 250. He then enumerated the several points brought out in the telegram and asked whether he had correctly outlined the purport of the telegram. I replied that he had. Mr. Yoshizawa then asked whether I could give him in writing the substance of the first and third paragraphs of No. 251. I said that I would do so.

As I was about to leave, Mr. Yoshizawa said that he had just read the State Department's announcement.¹⁵ He said that he would be interested in seeing, now that the American Government has declared that Japan has resorted to war, whether the Neutrality Act ^{15a} would be invoked.

E[UGENE] H. D[OOMAN]

¹⁵ See press release issued by the Department of State on October 6, 1937, p. 396.

^{15a} See act of August 31, 1935, as amended; 49 Stat. 1081, 1152, and 50 Stat. 121.

793.94/10822 : Telegram

*The Commander in Chief of the United States Asiatic Fleet
(Yarnell) to the Chief of Naval Operations*

[SHANGHAI,] October 24, 1937.

[Received 11:05 p. m.]

0024. Following letter sent to Vice Admiral Hasegawa commanding Third Japanese Fleet this date:

"My dear Admiral Hasegawa: During the past two months Japanese shells and bombs have fallen in the sector of the International Settlement defended by the United States marines as follows:

September 2d. Shrapnel shell from Hongkew Park batteries fell near post number 8 without exploding. Shrapnel fragments fell near post 6-afirm.

September 9th. Nine 72-milimeter shrapnel shell fell in second battalion sector near Foo Sing Mill. Base of 9-inch shell fell near post number 4.

September 27th. One shell fell at Sing Yue Mill.

October 2d. Twelve shells fell near junction of Robinson Road and Soochow Creek. Shells approximately five inches in diameter.

October 14th. Two bombs fell near corner of Changping and Markham Roads. Forty casualties among noncombatants.

October 15th. One large shell fell near Gordon Road.

October 22d. A bomb fell at corner of Sinza and Myburg Road causing about fifty casualties among noncombatants.

In addition to the above, anti-aircraft fragments and shells have fallen in this sector on 29 different days.

Japanese planes loaded with bombs have at times flown directly over this part of the Settlement.

Representations have been made by the marine commander to the commanding officer of the naval landing party on a number of occasions, requesting that more care be observed with reference to bombs and shell[s] falling in the Settlement, and assurances have been given that this would be done.

It is obvious, however, judging from the bomb that was dropped in the Settlement on October 22d, that these assurances have little weight.

I am confident that you realize the necessity of avoiding any action that would result in loss of life of personnel of the Marines Brigade defending this sector and may I request and urge that steps be taken by the forces responsible for the above-mentioned incidents to prevent their recurrence in the future.

I am, very sincerely, H. E. Yarnell, Admiral U. S. Navy, Commander in Chief U. S. Asiatic Fleet." 1200.¹⁶

¹⁶ Under instructions from the Department of State, oral representations of a similar nature were made by the Embassy in Japan to the Japanese Foreign Office on October 27, 1937 (793.94/10819, 10856, 11115).

793.94/10947

Press Release Issued by the Department of State on October 27, 1937

The American Consul General at Shanghai, Mr. Clarence E. Gauss, reported to the Department of State that on the afternoon of October 24 a party of about ten persons, including three American men and two American women, were horseback riding on Keswick Road, at the corner of that road and Great Western Road, close to the western boundary of the foreign protected area and in the British guarded sector, were machine gunned by an airplane stated to be a Japanese plane. One British soldier was killed. None of the party of riders was injured. Two of their horses were killed and two wounded.

Consul General Gauss immediately made oral representations to the Japanese Consul General, who expressed his sincere regret and stated that the authorities were investigating.

At Tokyo on October 25 Ambassador Joseph C. Grew orally communicated the facts set forth above to the Japanese Foreign Office and urged that measures be taken at once to safeguard against such attacks. The Foreign Office expressed regret and stated that it was awaiting results of an investigation being made by the Japanese Consul General with the collaboration of the Japanese military and naval authorities.

On October 26 Ambassador Grew received a note from the Japanese Minister for Foreign Affairs, of which the following is a translation:

"Excellency: In the name of the Imperial Government I express regret that, on October 24, an airplane of the Imperial forces fired in error upon American nationals near the corner of Keswick Road and Great Western Road in Shanghai. The Imperial Government hereby makes known to Your Excellency that necessary measures are being devised to prevent the recurrence of incidents of this character, and that, after investigation, it will appropriately deal with those responsible for the incident under reference. It desires to add that it is prepared to make necessary compensation in respect of any injury which may have been incurred by your nationals.

"I avail myself et cetera, Koki Hirota, Minister for Foreign Affairs".

Ambassador Grew has been instructed to express to the Japanese Minister for Foreign Affairs the appreciation of this Government for the prompt expression of regret offered by the Imperial Japanese Government.

793.94/10886 : Telegram

*The Commander in Chief of the United States Asiatic Fleet (Yarnell)
to the Chief of Naval Operations*

[SHANGHAI,] October 29, 1937.

[Received 6 a. m.]

0029. Following from Vice Admiral Hasegawa dated and received 28 October:

"My Dear Admiral Yarnell: I have the honor to acknowledge receipt of your letter of 24 October in regard to shells and bombs which have fallen in the sector guarded by the United States Marine forces.

The commanding officer of the United States Marines has in the past made frequent representations to the commanding officer of the Japanese naval landing party in regard to this matter, and I can assure you that the Japanese forces also are desirous of preventing incidents of this kind. I regret very much the incident of 22 October, when an object dropped by a Japanese plane fell in the United States Marine sector, and, on the following day, I sent a member of my staff to express official regrets to the commanding officer of the United States Marine forces.

The above incident occurred when three Japanese planes in formations which had completed their bombing operations in Chapei were returning to the north of Soochow Creek. One of these planes, through error, dropped an emergency gasoline tank which, being light, was blown by a northeast wind into the United States Marine sector and which burned when it struck. That it was not a bomb is clear from the facts that it did not explode and that the object came from only one plane of a three-plane formation which had already completed bombing operations. I believe that you will agree with me in regard to the above facts.

I am in entire agreement with your statements that it is necessary to prevent these incidents, and I assure you that I have directed the Japanese naval forces to exercise greater care in the future.

Respectfully yours, K. Hasegawa, Vice Admiral Commander in Chief Third Fleet." 1009.

*Press Release Issued by the Department of State on November 2, 1937*¹⁷

The latest figures available on the number of American nationals who have been evacuated from China and the number of those remaining have come from the commander in chief of the Asiatic Fleet at Shanghai. They are as follows:

American nationals evacuated to October 29 from—

Shanghai.	2, 046
Peiping-Tientsin area.	510
Chefoo-Tsingtao area.	1, 193
Yangtze River ports and interior.	352
Foochow-Amoy-Swatow area.	93
Kwangtung, Kwangsi, Kweichow Provinces, and Hainan Island.	367

Total evacuated. 4, 561

American nationals remaining at—

Shanghai.	2, 293
Peiping-Tientsin area.	1, 055

¹⁷ Reprinted from Department of State, *Press Releases*, November 6, 1937 (vol. XVII, No. 423), p. 351.

American nationals remaining at—Continued.

Chefoo-Tsingtao area.....	676
Yangtze River ports and interior.....	1, 156
Foochow-Amoy-Swatow area.....	216
Kwangtung, Kwangsi, Kweichow Provinces, and Hainan Island.....	406
Total remaining.....	5, 802

793.94/10939 : Telegram

The Commander in Chief of the United States Asiatic Fleet (Yarnell)
to the Chief of Naval Operations

[Substance]

[SHANGHAI,] November 2, 1937.

[Received 10:40 a. m.]

0002. The Japanese Military Commander, General Matsui, was represented by the Japanese Military Attaché, General Harada, and by Consul General Okazaki this morning in my conference at which the senior British, French, Italian, and Netherlands naval officers also were present. I expressed my regret at not being able to confer with General Matsui directly, and plainly and emphatically informed the Japanese that a very grave situation was being created by the killing and wounding of neutral uniformed men and noncombatants through the firing of shells and the dropping of bombs into the Shanghai International Settlement and French Concession and that it is most essential that the recurrence of such incidents be prevented in the future by the taking of effective steps. It was deemed to be most important for General Matsui to realize the situation's gravity and for both neutral and Japanese authorities to make every effort by conference or other practicable means for the avoidance of future incidents.

In reply, the Japanese stated that, since the Chinese were entrenched west of the Settlement immediately in the neighborhood of British and French troops, a very difficult situation existed, for it was necessary to shell and to drop bombs close to the boundary in order to dislodge the Chinese, and some would inevitably occasionally drop on neutral territory. Orders had been issued, however, against shelling or bombing the immediate neighborhood, and the Japanese were likewise attempting at some distance from the boundary to penetrate the Chinese lines to force their withdrawal. There had been issued to artillery and to liaison officers with the Anglo-French forces a large-scale map, and it was fully realized that further incidents must be avoided. General Matsui would immediately be informed of the neutral attitude.

Harada and Okazaki, who were impressed, I believe, by the conference, will endeavor to have the situation improved. A great danger of more incidents continues so long as the Settlement is flanked by both Chinese and Japanese forces. I am trying to arrange with the Chinese military leaders a similar conference. 1650.

793.94/11083 : Telegram

*The Commander in Chief of the United States Asiatic Fleet (Yarnell)
to the Chief of Naval Operations*

[SHANGHAI,] November 12, 1937.

[Received 1 p. m.]

0012. Have sent following letter to Admiral Hasegawa:

"My Dear Admiral Hasegawa: The American Ambassador, Nanking, has informed me of a message from the foreign chairman of the Soochow International Relief Committee to the effect that the Japanese military authorities through notices dropped from planes have marked [*warned*] Soochow that after November 13th they will bomb Soochow indiscriminately. He states that Soochow is filled with civilian population and refugees from areas involved in hostilities and has requested me to get in touch with the Japanese military authorities to endeavor to prevent such a disaster, or at least to give time for some arrangements to be made between the Chinese and Japanese military authorities for mutually agreed upon safe area to which refugees could be taken. The present plan is for refugees to be taken to Eastern Hill adjacent to lake and Western Hill, an island near by and in the lake.

Appreciating the sincere and sympathetic consideration you have given request in the past, and knowing your earnest desire to reduce the loss of life and suffering of noncombatants as much as possible in the present unhappy strife, may I request your influence with the military authorities to accede to the request of the American Ambassador.

I am, very sincerely, H. E. Yarnell, Admiral U. S. Navy commanding Asiatic Fleet." 1826.

SINKING OF THE U. S. S. "PANAY," DECEMBER 12, 1937

*Summary of Events at Nanking Between November 21 and December 10, 1937*¹⁸

On November 21, 1937, the Chinese Minister for Foreign Affairs at Nanking asked the American Ambassador to inform the latter's colleagues of the Minister's imminent departure from Nanking and of his desire that the foreign Chiefs of Mission leave Nanking as soon as possible. The American Ambassador communicated this information to his colleagues and it was agreed by the Chiefs of Mission that they would leave as nearly together as possible for Hankow at which place the Chinese Foreign Office would be established.

On November 22, the various foreign Ambassadors and Ministers, together with some of their nationals, boarded vessels to depart for Hankow, the American Ambassador with part of his staff boarding the U. S. S. *Luzon*, flagship of the Yangtze Patrol of the United States Asiatic Fleet. Part of the staff of the American Embassy was left in Nanking to keep the Embassy functioning as long as possible in the light of the expected Japanese attack upon Nanking and to render assistance to Americans who, notwithstanding the urging of the Embassy, did not wish to leave on the *Luzon*. The U. S. S. *Panay* was instructed to remain at Nanking for the purpose of maintaining communications between the Embassy and other American diplomatic and consular officers and the Department of State and to take remaining Americans aboard when that action should appear necessary.

Upon departure from Nanking, the American Ambassador sent to the Japanese Ambassador at Shanghai by naval radio through the American Consulate General at Shanghai a message to the effect that, as the Ministry of Foreign Affairs of the Chinese Government had announced its removal to Hankow, the American Ambassador had likewise left Nanking for that city in order to perform his appropriate duties; that he had taken with him part of the Embassy staff, but the Embassy office at Nanking continued to function; and that the Embassy requested that "the Japanese military and civil authorities take note of the circumstances described above and should necessity arise accord full recognition to the diplomatic status of the Embassy per-

¹⁸ This summary of the events leading to the sinking of the U. S. S. *Panay* was prepared in the Department of State on the basis of numerous telegrams and reports which are not printed.

sonnel and premises and give them appropriate facilities and full protection".

In the light of the situation developing, which included continuous Japanese air raids on Nanking and steady progress by Japanese forces in their march against the capital, the Code Section of the American Embassy was removed to the U. S. S. *Panay* on December 2. By that date, all but a few British subjects were sleeping on board a merchant hulk upriver from Nanking under the protection of British gunboats, but due to the small size of the *Panay*, the Americans who planned to board that ship continued to remain temporarily on shore.

On December 7 the officer in charge of the American Embassy^{18a} reported to the Department that he felt that everything possible had been done for the Americans in Nanking. He pointed out that since the middle of August they had been urged to withdraw and until recently the water route to Shanghai was safe and open and river steamers were operating to Hankow until a few days before; that on November 22 the U. S. S. *Luzon* had offered every American still in Nanking opportunity to proceed on that vessel to Hankow; and that the U. S. S. *Panay* had offered to take aboard every remaining American and the Embassy had urged those Americans to board the *Panay*. He stated that American property had been posted with proclamations issued by the Defense Commander's headquarters and the Embassy had issued identification cards and armbands to servants left in charge of American property. Ropes had been prepared for the use of the remaining Americans in case they later wished to escape from the city over the walls, and arrangements were being made with the military authorities to facilitate such departure. He also informed remaining Americans that his residence in the Embassy compound was at their disposal in case they were endangered in their own dwellings and that this might provide a refuge from looting and street fighting, although probably not from artillery fire because of the situation of the Embassy on exposed elevated ground. To one of the Americans remaining for the purposes of the so-called safety zone, he had given the use of his motor car for himself and other Americans, if needed, and to facilitate escape to the walls.

On December 7, Japanese forces marching on Nanking reached the outskirts of Tangshan, twenty miles east of Nanking. The officers in charge of the American, British and German Embassies decided that the remaining foreign Embassy staffs would go aboard various vessels on the following night, returning the succeeding day if that should be feasible (the officer in charge of the Italian Embassy was already aboard the U. S. S. *Panay*). In accordance with this decision, the American, British and German officials boarded ships on the night of December 8 and a temporary office of the American Embassy was

^{18a} George Atcheson, Jr., Second Secretary of Embassy in China.

established on the *Panay*. On that day, the Embassy received through the American Consulate General at Shanghai a communication, addressed by the Japanese Consul there to the Senior Consul, stating in substance that it was the earnest wish of the Japanese forces that all foreign nationals remaining in Nanking should stay away from that zone of actual fighting by evacuating from that city without delay. On the morning of December 9, the officer in charge of the American Embassy sent from the *Panay* a radio reply advising the Japanese Embassy of the names of the eighteen Americans planning to remain in Nanking indefinitely in connection with hospital, safety zone and newspaper work, stating that "the American Embassy requests that in case of need, the Japanese authorities give appropriate protection and facilities to these Americans" and giving notification that officers of the Embassy continued to be ashore during the daytime.

Also that morning, the officer in charge of the Embassy received a message on the *Panay* from an officer of the Defense Commander's headquarters stating that the situation was serious and advising that no one go ashore. As, however, there were no other indications from the city of trouble within, three officers of the American Embassy proceeded to the Embassy buildings. Subsequently, Chinese reports indicated that Japanese units had reached the area of Molingkuan, some seventeen miles southeast of Nanking. Also on that day, Japanese troops reached a point outside the Kwangsua gate of Nanking, near the military airfield, and began exchanging machine-gun fire with Chinese troops on the city wall. Cross artillery fire between the area outside the gate and Chinese batteries on Purple Mountain was proceeding and a column of Chinese soldiers near the National Government headquarters inside the city was bombed by planes. The waterfront area at Nanking was subsequently heavily bombed and, pursuant to telegraphic instructions from the Department and at the urgent request of the Chinese military authorities, the staff of the Embassy returned to the *Panay* at 3 p. m., accompanied by the First Secretary of the British Embassy, who was subsequently transferred to a British gunboat.

[For account from this time forward, see despatch dated Shanghai, December 21, 1937, from the Second Secretary of Embassy in China to the Secretary of State, page 532.]

394.115 Panay/20 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, December 12, 1937—11:45 p. m.

340. Telegrams from Hankow indicate that yesterday and today American and British naval and merchant vessels at various points

on Yangtze above Nanking were repeatedly fired on and bombed. A Japanese source is reported to have stated at Wuhu that Japanese military forces have orders to fire on all ships on the Yangtze. Today the U. S. S. *Panay* and three Standard Oil steamers at point twenty-seven miles above Nanking are reported bombed and sunk and survivors—including Embassy personnel, Navy personnel and some refugees—are now in Hohsien. Please immediately inform Hirota,^{18b} ask for information, and request that Japanese Government immediately take appropriate action. Impress upon him the gravity of the situation and the imperative need to take every precaution against further attacks on American vessels or personnel.

When we have further particulars I shall give you further instruction.

HULL

394.115 Panay/6 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 13, 1937—noon.

[Received December 13—3:30 a. m.]

619. Embassy's No. 587, December 2, 3 p. m.¹⁹ On the basis of telegrams received this morning from the Embassies in Nanking and Hankow with regard to the jeopardizing of the U. S. S. *Panay* and American refugees on Standard Oil Company's ships on the Yangtze by shelling, I called on my own initiative this morning on the Minister for Foreign Affairs and with reference to our *aide-mémoire* of December 1 requested him to take further steps to restrain the Japanese military forces from continuing the serious risks to American lives and property involved in the dropping of shells in the vicinity of these ships. I left with the Minister an *aide-mémoire* and also copies of portions of the telegrams from Nanking and Hankow giving the facts. These excerpts were left with the Minister informally and not as diplomatic documents at his request after I had read them to him.

The Minister's only comment was that the Japanese military authorities had already warned foreign nationals to evacuate the area of hostilities around Nanking. I pointed out the deplorable and serious effect which would be caused in the United States if the shells falling in the vicinity of these vessels should cause injury to Americans.

Repeated Peiping for Nanking and Hankow.

GREW

^{18b} Koki Hirota, Japanese Minister for Foreign Affairs.

¹⁹ Not printed.

*Press Release Issued by the Department of State on December
13, 1937*²⁰

The Secretary of State, the Honorable Cordell Hull, said this morning that he is getting all the essential facts concerning the sinking of the *Panay*. When they have been assembled, representations based on those facts will be made at Tokyo.

The Department of State this morning announced that Ambassador Johnson reported from Hankow at 5 p. m., December 13 (Shanghai time), that Dr. Taylor^{20a} at Anking had telephoned again at 4:15 transmitting a statement from Mr. Atcheson that the survivors were in danger at Hohsien. Dr. Taylor stated he thought that the danger was due to fighting there. Mr. Atcheson stated that Mr. Gassie^{20b} had a wound in the leg. The other members of the Embassy staff are unhurt. A British gunboat reported at 3 o'clock the afternoon of December 13 that it had been off Hohsien for over half an hour and that it could see no signs of life on the north bank, that the Standard Oil Company's *Meian* was beached and deserted, apparently hit by bombs on the bridge; that the *Panay's* outboard sampan had been recovered from the mud half a mile below the *Meian*; that Socony ship *Meiping* was burning fiercely at Kaiyuan wharf on right bank of river and that the *Bee*^{20c} was proceeding to investigate.

394.115 Panay/2 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 13, 1937—3 p.m.
[Received December 13—6 a.m.]

622. My 619, December 13, noon. The Minister for Foreign Affairs has just called on me in person at the Chancery and has informed me of the receipt of a Domei report from Shanghai that in following fleeing remnants of the Chinese Army Japanese planes had bombed three Standard Oil vessels and had sunk U. S. S. *Panay* while in the close vicinity on the Yangtze above Nanking. The Minister said that he had as yet received no official report but that he had come immediately to express to our Government the profound apology of the Japanese Government and that Saito^{20d} would do the same to you. He said that Admiral Hasegawa had accepted full responsibility for the accident. He said that immediately after my visit this morning he had communicated my representations to the Japanese naval and military

²⁰ Reprinted from Department of State, *Press Releases*, December 18, 1937 (vol. XVII, No. 429), p. 446.

^{20a} H. B. Taylor, American medical missionary.

^{20b} Emile Gassie, clerk of the Embassy in China.

^{20c} British gunboat.

^{20d} Hiroshi Saito, Japanese Ambassador at Washington.

authorities. Hirota said, "I cannot possibly express how badly we feel about this." The Navy and War Minister[s] have sent similar expressions of regret to the Navy and War Departments in Washington through the naval and military attachés here.

Repeated to Peiping for Nanking and Hankow.

GREW

394.115 Panay/118

Memorandum by the Secretary of State

[WASHINGTON,] December 13, 1937.

The Ambassador of Japan called upon his own request. He proceeded to read from a memorandum in Japanese and sought to give me such facts as it contained relative to the bombing and sinking of the U. S. Gunboat *Panay*. The memorandum recited that there were thirteen refugees and a crew of 59 on this boat; that the *Panay* was anchored in the river at time of the bombing; that Japanese officials had received reports that Chinese troops were retreating up the river in boats; that the naval airplanes were sent to attack them and by mistake the *Panay* was bombed and sunk. The Ambassador then said that Japanese officials had been informed by United States authorities as to the whereabouts of the *Panay*, and so the bombing and sinking of this boat is considered a very grave blunder. He said that Hirota, before receiving official reports, proceeded to call on Ambassador Grew at Tokyo and to offer full apologies and regrets; that Hirota also sent orders to the Japanese Embassy at Washington for reports of the bombing and sinking of the *Panay* to be given the United States Government and for full and sincere apologies and regrets to be conveyed to the United States Government by the Ambassador, which he was thus undertaking to do. The Ambassador then said that the Japanese Navy, upon receiving a telegram from Ambassador Nelson Johnson regarding the sinking of the *Panay*, at once sent a war vessel, together with hospital and other supplies for all relief purposes, to the Americans. He said that Hohsien, where the survivors were taken, is near the neighborhood where Japanese and Chinese troops are fighting, so that it has been difficult to get these relief supplies to the American survivors of the bombing. He said also that United States authorities had requested Japanese officials to render these Americans all possible aid and that they were doing this as best they could. He read from his manuscript to the effect that the *Panay* and Standard Oil ships were anchored by a hulk or something of the sort.

At the conclusion of the Ambassador's statement, I said that of course this Government was glad to have the benefit of his statement; that we here were never quite so astonished at an occurrence as at the news of this promiscuous bombing of neutral vessels on the

Yangtse; that we were now most diligently undertaking to assemble all of the essential facts regarding the matter, and that then we will comment to the Japanese Government in the light of these facts. I said, "In this connection, I read to you as follows:

The White House
Washington

Memorandum handed to the Secretary of State at 12:30 P. M.,
December 13, 1937.

Please tell the Japanese Ambassador when you see him at one o'clock:

1. That the President is deeply shocked and concerned by the news of indiscriminate bombing of American and other non-Chinese vessels on the Yangtse, and that he requests that the Emperor be so advised.
2. That all the facts are being assembled and will shortly be presented to the Japanese Government.
3. That in the meantime it is hoped the Japanese Government will be considering definitely for presentation to this Government:
 - a. Full expressions of regret and proffer of full compensation;
 - b. Methods guaranteeing against a repetition of any similar attack in the future.

F.D.R."

I said that the contents of this memorandum were, of course, wholly reasonable, especially in the light of what the Ambassador had just stated was a "very grave blunder". I again expressed my amazement and also the hope that the military officials operating in this area would realize the extreme danger of their unprecedented conduct.

The Ambassador, in reply, agreed absolutely with everything I said.

C[ORDELL] H[ULL]

394.115 Panay/92: Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, December 13, 1937—8 p. m.

342. Please communicate promptly to Hirota a note as follows:

"The Government and people of the United States have been deeply shocked by the facts of the bombardment and sinking of the U. S. S. *Panay* and the sinking or burning of the American steamers *Meiping*, *Meian* and *Meisian* [Meihsia] by Japanese aircraft.

The essential facts are that these American vessels were in the Yangtze River by uncontested and incontestable right; that they were flying the American flag; that they were engaged in their legitimate and appropriate business; that they were at the moment conveying American official and private personnel away from points where danger had developed; that they had several times changed their position, moving upriver, in order to avoid danger; and that they were attacked by Japanese bombing planes. With regard to

the attack, a responsible Japanese naval officer at Shanghai has informed the Commander-in-Chief of the American Asiatic Fleet that the four vessels were proceeding upriver; that a Japanese plane endeavored to ascertain their nationality, flying at an altitude of three hundred meters, but was unable to distinguish the flags; that three Japanese bombing planes, six Japanese fighting planes, six Japanese bombing planes, and two Japanese bombing planes, in sequence, made attacks which resulted in the damaging of one of the American steamers, and the sinking of the U. S. S. *Panay* and the other two steamers.

Since the beginning of the present unfortunate hostilities between Japan and China, the Japanese Government and various Japanese authorities at various points have repeatedly assured the Government and authorities of the United States that it is the intention and purpose of the Japanese Government and the Japanese armed forces to respect fully the rights and interests of other powers. On several occasions, however, acts of Japanese armed forces have violated the rights of the United States, have seriously endangered the lives of American nationals, and have destroyed American property. In several instances, the Japanese Government has admitted the facts, has expressed regrets, and has given assurances that every precaution will be taken against recurrence of such incidents. In the present case, acts of Japanese armed forces have taken place in complete disregard of American rights, have taken American life, and have destroyed American property both public and private.

In these circumstances, the Government of the United States requests and expects of the Japanese Government a formally recorded expression of regret, an undertaking to make complete and comprehensive indemnifications, and an assurance that definite and specific steps have been taken which will ensure that hereafter American nationals, interests and property in China will not be subjected to attack by Japanese armed forces or unlawful interference by any Japanese authorities or forces whatsoever."

Before seeing Hirota inform your British colleague of intended action and text, but do not thereafter await action by him.

We are informing British Government of this instruction to you.

HULL

394.115 Panay/59 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, December 14, 1937—6 p. m.

[Received December 14—10 a. m.]

630. 1. At 5 o'clock this afternoon Yoshizawa ^{20e} called on me upon instructions from the Minister for Foreign Affairs and handed me a note of which the following is an informal translation made by the Foreign Office. The translation is accurate in point of substance and corresponds closely to the original Japanese text.

^{20e} Director of the American Bureau of the Japanese Ministry for Foreign Affairs.

"December 14, 1937.

Monsieur l'Ambassadeur: Regarding the incident of the 12th December in which the United States gunboat *Panay* and three steamers belonging to the Standard Oil Company were sunk by the bombing of the Japanese naval aircraft on the Yangtze River at a point about twenty-six miles above Nanking, I had the honor, as soon as unofficial information of the incident was brought to my knowledge, to request Your Excellency to transmit to the Government of the United States the apologies of the Japanese Government. From the reports subsequently received from our representatives in China, it has been established that the Japanese naval air force, acting upon information that the Chinese troops fleeing from Nanking were going up the river in steamers, took off to pursue them, and discovered such vessels at the above-mentioned point. Owing to poor visibility, however, the aircraft, although they descended to fairly low altitudes, were unable to discern any mark to show that any one of them was an American ship or man-of-war. Consequently, the United States gunboat *Panay* and the vessels of the Standard Oil Company, being taken for Chinese vessels carrying the fleeing Chinese troops, were bombed and sunk.

While it is clear, in the light of the above circumstances, that the present incident was entirely due to a mistake, the Japanese Government regret most profoundly that it has caused damages to the United States man-of-war and ships and casualties among those on board, and desire to present hereby sincere apologies. The Japanese Government will make indemnifications for all the losses and will deal appropriately with those responsible for the incident. Furthermore, they have already issued strict orders to the authorities on the spot with a view to preventing the recurrence of a similar incident.

The Japanese Government, in the fervent hope that the friendly relations between Japan and the United States will not be affected by this unfortunate affair, have frankly stated as above their sincere attitude which I beg Your Excellency to make known to your Government.

I avail myself, etc., signed Koki Hirota."

2. Yoshizawa then read to me portions of the official Japanese naval report on the disaster the purport of which is that the disaster was not caused by deliberate intention to bomb American vessels but was due to the inability of the aviators to distinguish the nationality of the vessels bombed. I informed Yoshizawa that his explanation does not cover the fact that, notwithstanding information in Japanese hands that foreign vessels were in the neighborhood of Nanking, bombarding and shelling operations by both naval and military forces were carried out without any precautions taken against attack upon foreign vessels. I also pointed out that the bombing and shelling was carried out in the face of repeated assurances that measures had been taken to safeguard against attacks upon American nationals and property.

3. I also stated to Yoshizawa that I had just received instructions to present to the Minister for Foreign Affairs a note from the American Government. I added that, although I appreciated the action of the Japanese Government in delivering to me its note, I would proceed with the instructions which had been given to me.

4. I am still waiting for an appointment to call on Hirota which I asked for at 4 o'clock.

Repeated to Peiping for Hankow.

GREW

394.115 Panay/58 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 14, 1937—9 p. m.

[Received December 14—10:26 a. m.]

631. Department's 342, December 13, 8 p. m. After being detained all afternoon at a conference with the Prime Minister, the Minister for Foreign Affairs received me at the Foreign Office at 8:30 o'clock when I read to him and presented a signed note embodying the Department's text. I pointed out orally that while the Japanese note delivered to me this afternoon (Embassy's 630, December 14, 6 p. m.) was responsive to some of the points set forth by my Government, it did not meet all of them, as, for example, assurances as to the future safeguarding of American nationals, interests and property in China from unlawful interference by any Japanese authorities or forces whatsoever and that I would, therefore, expect an answer. Hirota promised me a prompt reply. Hirota added, "I wish to do everything in my power to maintain good relations with the United States."

Repeated to Peiping, for Ambassador Johnson.

GREW

394.115 Panay/83 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 15, 1937—4 p. m.

[Received December 15—8:20 a. m.]

638. At 2:15 o'clock today Captain Kondo, senior aide to the Navy Minister, called on the Naval Attaché to express the following with regard to the bombing and sinking of the U. S. S. *Panay* on December 12.

"Our Navy, regretting the unfortunate accident, has taken the following steps for the time being.

1. Strict and definite instructions have been issued to commanding officers in the China area to the effect that recurrence of a fault of the same kind should be absolutely avoided in the areas where English and American war vessels or steamers are present, even if at the risk of missing the chance of attacking Chinese troops.

2. The commanding officer of the naval air corps in the Shanghai vicinity as the officer who was responsible for this incident, was transferred today, 15 December, to a certain post in home waters.

That the commanding officer should take the full responsibility when any one of his officers should commit a fault is the tradition of the Japanese Navy."

Repeated to Shanghai for communication to the commander in chief and relay to Hankow.

GREW

394.115 Panay/131 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, December 16, 1937—1 p. m.

350. I desire that you call as soon as possible upon the Minister for Foreign Affairs and that you make to him, as under instruction from your Government, a statement along lines as follows:

The official reports which are now reaching the Government of the United States in regard to the attack upon the U. S. S. *Panay* are of a character greatly adding to the seriousness of the reports on which the Government of the United States based its communication to the Japanese Government of December 14. These reports state that while the survivors were escaping from the sinking *Panay* Japanese airplanes dived and machine-gunned the boats at extremely low altitudes; that before the *Panay* sank two Japanese Army motorboats approached the ship, machine-gunned it, boarded the ship and stayed for five minutes although colors at the gaff were flying and easily discernible; and that, on reaching shore, the survivors hid the wounded and scattered as planes repeatedly flew over apparently searching to exterminate all. These reports give very definite indication of deliberateness of intent on the part of the Japanese armed forces which made the attack on the U. S. S. *Panay* and American merchant ships. The Government of the United States is still awaiting the receipt of further and most detailed official reports. Meanwhile, the Government of the United States brings to the notice of the Japanese Government knowledge of the information which the Government of the United States is now receiving and of the seriousness of the character of that information.

The Government of the United States refers to the statement contained in the note of December 14 from the Minister for Foreign Affairs to the American Ambassador at Tokyo that the Japanese Government "will deal appropriately with those responsible for the incident" and states that present information raises still more acutely that question. This information also raises more acutely the question of the character of the specific steps which have been taken to "ensure that hereafter American nationals, interests and property in China will not be subjected to attack by Japanese armed forces or unlawful interference by any Japanese authorities or forces whatsoever".

HULL

394.115 Panay/123 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 16, 1937—7 p. m.
[Received December 16—2:05 p. m.]

645. Department's 347, December 15, 7 p. m.²⁰¹ We have been receiving all day a succession of Japanese individuals and deputations who have called to express regret over the *Panay* disaster. We appreciate also receiving a large number of letters.

Cash donations to Americans in the disaster are being brought in or sent to the Embassy and we hear that the newspapers and various Government departments are receiving donations for transmission to us. A delicate problem is thus being presented. In those cases where donations were brought to us in person we have courteously declined acceptance but donations are also being sent by mail including some sent anonymously which therefore cannot be returned. We realize that the acceptance of the donations for the purpose for which they are offered might prejudice the principle of indemnification for which the Japanese Government has assumed liability. On the other hand the donations are all of trivial amounts so that sentiment is chiefly involved in the problem and to return the donations might give rise to a misunderstanding of our attitude. Logical grounds for refusal are difficult to explain to people who know of no other way to express their regrets and sympathy over the disaster.

It is suggested that one way out of the difficulty would be to accept the donations if the donors are agreeable to the money being sent to the American Red Cross for relieving distress among Americans in China.

We would welcome the Department's early instructions in the matter.
GREW

394.115 Panay/124 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 17, 1937—1 p.m.
[Received December 17—7:23 a.m.]

647. Department's 350, December 16, 1 p.m. I have just carried out your instructions at noon today and after oral representations I left with the Minister for Foreign Affairs an *aide-mémoire* precisely and fully embodying the contents of your telegram. I talked to Hirota in the strongest possible way regarding the seriousness of the facts presented, which beyond peradventure disprove the allegation that a mistake had been made in bombing the *Panay*, and the seriousness with which my Government regarded this new evidence. I pointed out that according to this evidence Japanese naval and military forces were

²⁰¹ Not printed.

both clearly guilty of deliberate attack carried out from points from which there could be no question whatsoever as to the visibility of the colors flying from the American ship. I read the *aide-mémoire* textually to the Minister, informing him that I would later communicate such further facts as might come to our attention.

Hirota said that he was totally unaware of the facts which I had presented and that he would immediately take up the matter with the naval and military authorities. He was visibly upset by the facts communicated and the gravity of the manner in which I presented them.

GREW

394.115 Panay/148

Memorandum by the Secretary of State

[WASHINGTON,] December 17, 1937.

The Japanese Ambassador called upon his own request and proceeded to say that the reports reaching his Government indicated that neither the *Panay* nor any of its survivors were fired upon by Japanese military boats with machine guns. He had no particular facts, and before he got through I said that there was evidently no question about the fact that two of such military motorboats did fire on the *Panay*, and some of their crew then boarded the *Panay*; that we have incontrovertible proof to that effect.

The Ambassador then backed away from this phase and spoke a few words to me which he asked to be kept off the record. I did not interpret them as of any particular significance or importance. They related to one of his officials.

I said that if Army and Navy officials in this country were to act as the Japanese had over there, our Government would quickly court martial and shoot them, and I was wondering whether his Government would take charge of this military situation and deal with it or whether it would not; that I was saying this in the interest of everybody concerned. The Ambassador endeavored to indicate his concurrence in the sentiments I was expressing.

He then said that the Navy at Shanghai had undertaken to correct the statement of the Ambassador to me some days ago to the effect that the whereabouts of the *Panay* had been made known in advance to the proper Japanese military and naval officials; that in point of fact the latter did not receive such notice on the occasion of this trip of the *Panay* up the river. I replied that it must have been difficult, in the first place, for the proper Japanese officials not to know that the *Panay* had left from in front of Nanking and retired up the river for some distance; that that was not a matter of the same importance it would have been if the reported order of the Japanese to fire on all vessels in the Yangtze had not been in operation; that in any event the officials of the United States Government at Nanking and on the

Panay had sought at all times to make known in advance its movements to the appropriate Japanese officials at Nanking, Shanghai and Tokyo, according to my present recollection.

I again expressed astonishment at the occurrence and again referred to the question of whether these wild, runaway, half-insane Army and Navy officials were going to be properly dealt with.

C[ORDELL] H[ULL]

394.115 Panay/123 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, December 18, 1937—6 p. m.

361. Your 645, December 16, 7 p. m. In view of the apparent sincerity of feeling in which the donations are being proffered and of the likelihood that a flat rejection of such offers would produce some misunderstanding of our general attitude and offend those Japanese who make such a gesture, the Department is of the opinion that some method should be found whereby Japanese who wish to give that type of expression to their feelings may do so.

The Department feels, however, that neither the American Government nor any agency of it nor any of its nationals should receive sums of money thus offered or take direct benefit therefrom. It occurs to the Department to suggest that you approach Prince Tokugawa or some other outstanding Japanese personage inquiring whether he would be willing to constitute himself an authorized recipient for any gifts which any Japanese may wish voluntarily to offer in evidence of their feeling, public announcement to be made of such arrangement and an accompanying announcement that funds thus contributed will be devoted to something in Japan that will testify to good will between the two countries but not be conveyed to the American Government or American nationals. Perhaps you can think of some better method of handling the problem presented. Obviously, the prompt making of some such arrangement would be advantageous.

Meanwhile, in the Department's opinion, the only American agencies which should receive tentatively any such funds are the American Ambassador in Japan and the American Ambassador in China. Any American agencies to whom such funds are proffered should refer the donors to the American Ambassadors, and in turn the Ambassadors should make appropriately appreciative acknowledgement and refer the donors to the persons who may be agreed upon, of Japanese nationality, for acceptance of such gifts.

For your information, Admiral Yarnell has just been offered a large sum by personnel of the Japanese Third Fleet, has replied that he has no authority to receive any funds, and is being instructed to continue in that attitude until further instructed along the lines of the above.

HULL

394.115 Panay/160 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 20, 1937—3 p. m.

[Received December 20—9:20 a. m.]

662. The senior aide to the Navy Minister came to the Naval Attaché's office at 9:30 Sunday ²¹ night to inform him of the substance of a report received from Rear Admiral Eijiro Kondo at Nanking, commander of the Japanese Yangtze Patrol, who had investigated the bombing by naval planes and machine gunning of the *Panay* by Japanese military launches.

"On the 11th and 12th Japanese military forces had occupied the area between Wuhu and Taiping on the south bank of the Yangtze. Nanking did not come under complete control of the army until the 13th. Naval force arrived off Nanking at 3:30 on the 13th. Naval bombing operations on the 11th and 12th were carried on from bases about half way between Nanking and Shanghai. Reports were received on the morning of the 12th that Chinese were crossing the river from Nanking to Pukow. Also reports were sent by army units near Taiping above Nanking that ten steamers carrying Chinese troops were fleeing up the river. This report was made by radio to naval air forces. Orders were given to the army units above Nanking to cross the river and cut off the Chinese forces at Pukow, and all Japanese forces had orders to display a vigorous offensive to use all their strength to annihilate the enemy. This order included naval air forces. A battalion on the south bank of the Yangtze at Taiping, a few miles above Mayqueen Island off which the *Panay* and the three Standard Oil Company vessels were anchored, stood down stream in launches about 9 a. m. The adjutant of the battalion went on board the *Panay* and exchanged cards with the commanding officer. The latter asked him not to attack stating that the *Panay* was moving upstream out of the area of hostilities. These launches then stood down the river and presumably landed on the north bank several miles below that vicinity. At 2:10 p. m., another Japanese launch with noncommissioned officers and privates stood down the river from the same point. The *Panay* was seen being attacked by Japanese planes and returning the fire. The launch put back, disembarked its excess soldiers and put out again to 'investigate the situation.' Incidentally a Japanese plane bombed these Japanese soldiers after they had been landed, killing one. The Japanese launch upon returning to the vicinity of the *Panay* found bullets falling around and, thinking it was a Chinese steamer, commenced firing on the *Panay* with its machine gun. The firing was continued for a 'short time' at a fairly great range with the bullets apparently falling short. The launch then went closer to 'examine' the ship."

(The report did not state that the *Panay* was boarded but the senior aide thinks the word "examine" might mean boarding.)

He also stated that the first bombing of the *Panay* had occurred before 2:10 p. m., probably about 1:30 p. m.

²¹ December 19, 1937.

When asked whether survivors of the *Panay* were seen going ashore in boats or if naval planes had machine gunned the *Panay* and the survivors, the reply was that there was no report on that.

Three bombing attacks were made on the *Panay*. When asked when the naval authorities first learned that these planes had sunk an American gunboat, the senior aide stated that the pilots knew it after the third bombing attack. In contradiction to this he later stated that the naval bombing planes had returned to their bases jubilant over the successful execution of their mission to annihilate the enemy and that the first knowledge Admiral Hasegawa had of the "unhappy accident" was Monday morning.^{21a}

The senior aide appeared to lay great stress upon the confusion that existed in the area above Nanking due to the numerous uncoordinated military and naval operations that were being carried out on the 12th. When asked if such military and naval units were not aware that vessels of third powers were in that locality, he said information at that time was to the effect that they were at Nanking. The American flag was not seen by the aviators. Army personnel which "examined" the *Panay* still thought it a Chinese vessel. He inferred that should it be established the survivors had been machine gunned after leaving the *Panay* the reason for it would be that it was thought they were fleeing Chinese.

GREW

394.115 Panay/248

*The Second Secretary of Embassy in China (Atcheson) to the Secretary of State*²²

SHANGHAI, December 21, 1937.

[Received January 5, 1938.]

SIR: I have the honor to refer to Shanghai's telegram No. 1174, December 17, 6 p. m., containing my preliminary report on the bombing of the U. S. S. *Panay*, December 12, 1937.

As reported in my telegram No. 1018, December 8, 10 p. m., the remaining Embassy personnel at Nanking boarded the U. S. S. *Panay*, then lying off The Bund at Hsiakuan, at 9:30 p. m., December eighth. The next morning Secretary Paxton,^{22a} Captain Roberts^{22b} and I returned to the Embassy premises, but, at the urgent request of the Chinese military authorities, who stated that the city gate might close at any moment, went back to the *Panay* at three o'clock.

As reported in my No. 1024, December 9, 4 p. m., the Pukow waterfront was heavily bombed just after we returned to the *Panay*, bombs

^{21a} December 13, 1937.

²² None of the correspondence mentioned in this despatch is printed.

^{22a} John Hall Paxton, Second Secretary of Embassy in China.

^{22b} Capt. Frank N. Roberts, Assistant Military Attaché in China.

fell in the river near us, and Lieutenant Commander J. J. Hughes, U. S. N., commanding, decided to move the *Panay* up river about two miles to San Chia Ho, off the Asiatic Petroleum Company's installation, whence American refugees from inside the city could proceed if they decided to join us. H. M. S. *Scarab* and H. M. S. *Cricket* were then at San Chia Ho and notified us that at five in the afternoon they would move up river about half a mile in order to be near the Jardine-Matheson hulk on which a large number of British and other foreigners had taken refuge. On December eleventh (my No. 1033, December 11, 1 a. m.) shells were reported to have fallen in the neighborhood of Hsiakuan railroad station and we anticipated that an advance by the firing batteries and deviation of the fire might compel the *Panay* to move farther up river, and Americans in the city were so informed. At two-forty-five that afternoon (my No. 1035, December 11, 5 p. m.) shells began falling on the near (south) shore not far up river from the *Panay*. Reluctant to leave San Chia Ho, and the possibility of further contact with those Americans who chose to remain in Nanking (although telephone communication was broken), the *Panay* delayed moving until shells were falling in the water ahead of the vessel and on the right (south) bank of the Yangtze. She then proceeded up river about twelve miles from Nanking to mileage 208 above Woosung.

As in the case of previous moves of the *Panay*, by the telegram last referred to I requested the Consul General at Shanghai to inform the Japanese Embassy of our position with the request that appropriate instructions be issued to the Japanese forces, including the air force, since Japanese bombing planes had flown daily over the *Panay* at San Chia Ho, as well as over the ship when it was at its former Hsiakuan anchorage.

As reported in my No. 1037, December 11, 7 p. m., some of the shells fell close to the Jardine-Matheson hulk then anchored about half a mile above the *Panay* and near H. M. S. *Scarab* and H. M. S. *Cricket*. One reportedly fell within fifty feet of the British passenger steamer *Whangpoo*. Some fell on both sides of the Standard-Vacuum Oil Company's S. S. *Meiping* and near other merchant vessels, including the British merchant launch *Woo Kuang* on which one Chinese was wounded by shrapnel. As these vessels and the *Panay* moved up river the firing batteries changed their direction of fire, or extended it, for the shells appeared to follow for at least two miles the line of ships under way and fell continuously in the water before us, all off the port bow as if the ships were accompanied by an artillery barrage.

As stated in my No. 1037, Colonel Lovat-Fraser, British Military Attaché, and Dr. Rosen, Secretary of the German Embassy, who were on one of the British vessels, said that in their opinion there was no question that the batteries responsible were Japanese and that they deliberately fired on the ships, continuing their attempts to hit the

vessels as the latter moved up river to get out of range. This was also the independent opinion of the officers and American passengers on the *Meiping*, and several other passengers endangered by the shelling. At that time, as reported in the telegram under reference, the opinion of Captain F. N. Roberts, U. S. A., Assistant Military Attaché, was that the shells were fired by Chinese batteries in or near Nanking South City searching Japanese positions on the river bank. I was then inclined to agree but in view of the subsequent experience of H. M. S. *Ladybird* at Wuhu I have changed this opinion, although Captain Roberts adheres to his original report. Admiral Holt of the British Navy informed me that after the shelling of H. M. S. *Ladybird* at Wuhu about December twelfth (the vessel was hit seven times by shells some of which were six inch) the Japanese Commander on shore informed him that he, the Japanese Commander, had received a blanket order to destroy all shipping. Seemingly the only possible conclusion, therefore, is that our ships were fired at by Japanese batteries pursuant to this blanket order.

At nine o'clock on the morning of December twelfth shell fire again caused the *Panay* to move farther up stream. About an hour later a Japanese military unit on the north shore signalled the *Panay*, which stopped, and a motor boat with a machine gun mounted in the bow and carrying about twenty Japanese soldiers, all armed, put out and came to the starboard ladder. Two Japanese officers, accompanied by four soldiers, came aboard and after climbing to the deck by the ladder the four soldiers with fixed bayonets took posts at the gangway. I followed Commander Hughes to the ladder to talk with the Japanese officers, the senior of whom gave his name as Lieutenant M. Shigeru. They spoke very little English but questioned us as to our purpose in proceeding up river and Commander Hughes told them it was to escape shell fire. Commander Hughes and I gave them our cards and they invited Commander Hughes ashore but he declined. We shook hands and they departed. The action of the soldiers in fixing their bayonets after boarding the *Panay* we put down to ignorance because while the officers were not very friendly they did not on the other hand seem unfriendly.

At eleven o'clock the *Panay* anchored twenty-seven miles above Nanking at mileage 221 above Woosung. The Standard Oil tankers followed us and anchored near by: the S. S. *Meihsia* about 500 feet ahead; the S. S. *Meiping* about 300 feet from the *Meihsia* on the latter's starboard quarter; and the S. S. *Meian* about 700 feet directly behind the *Panay*. All vessels were flying American flags and the colors were painted horizontally on the awnings and superstructures. By my priority radiogram No. 1040 of December 12, 11 a. m., I requested the Consul General at Shanghai to inform the Japanese Embassy of the new position of the *Panay* and the Ameri-

can merchant vessels in question and to ask that appropriate instructions be issued to the Japanese forces. I requested that the Consul General, in communicating with the Japanese Embassy, add that circumstances might again cause the *Panay* to move either up or down river and that the vessel expected to return down river to Nanking as soon as feasible in order to reestablish communication with the Americans who remained in Nanking and in order that the Embassy might as soon as practicable resume its functions ashore. Mr. Gauss received this priority message about 12:15 p. m., at once telephoned to the Japanese Consul General, and sent a written communication to the Japanese Consul General which was received by the latter before one p. m.

The U. S. S. *Panay* and the Standard Oil vessels were bombed by Japanese planes shortly after 1:30 p. m., December 12th. The weather was clear, sunny and still. The bombing was by at least six planes believed to have been light bombers using bombs estimated to have been about 100 pounds in weight. Before the bombing and when the planes were first heard approaching, Captain Roberts proceeded to the boat deck to observe them. He watched them through field glasses and identified them by their markings as Japanese, as did also Mr. Malcolm MacDonald (British, correspondent of the *London Times*) who saw them from the sick bay, which was being used as a press room. According to Mr. Norman Alley, Universal News Reel camera man who took motion pictures of the planes while they were dive-bombing the *Panay*, and who was also on the boat deck, the bombing was effected by nine planes. The general consensus of opinion among the ship's company was that there were six planes. The bombing planes power dived at the *Panay* in succession and, according to Captain Roberts and others who saw them, the bombs were dropped from an altitude of not more than 1,000 feet. Approximately 20 bombs were dropped at the *Panay*, with four or five direct hits on the naval vessel and two or three hits on the S. S. *Meiping*. Most of the bombs fell at the port side forward of the *Panay*, with at least one on the starboard side. The first bomb hit the port bow, disabling the forward three-inch gun, giving the ship a terrific jolt and causing her to begin to list to starboard. One bomb fell amidships on the port side. I personally did not see the planes. I was in my quarters, the forward starboard cabin on the main deck, working on Embassy business, when I heard the first power dive, followed at once by the first bomb which fell on the other side of the ship. Secretary Paxton and Clerk Gassie were working in the ship's office below the main port deck when the bombing began. Mr. Paxton states that there was a severe explosion on the port side of the ship which threw him, Mr. Gassie, Seaman W. P. Lander and Yeoman J. P. Weber completely across

the room onto a pile of debris, filing cases and other heavy objects, and that water began to leak in through the hull. Some heavy object, presumably the desk of the office, which was hurled against them, broke Mr. Gassie's leg and injured Mr. Paxton's knee. Mr. Paxton and the Navy personnel helped Mr. Gassie up the ladder and placed him in the doorway of the forward lavatory opening on to the forward main passage way between the two sides of the ship.

During the bombing the Japanese planes machine-gunned the ship as they power dived. Commander Hughes, who was on the bridge, gave the call to general quarters and three (possibly four) of the mounted machine-guns on the boat deck were manned by their crews. Lieutenant A. F. Anders, U. S. N., Executive Officer of the *Panay*, went to the boat deck and himself attempted to man one machine-gun and while doing so was wounded in both hands. The after three-inch gun was not uncovered or manned. Failing in his attempt to man the machine-gun Lieutenant Anders proceeded to the bridge, where he found Commander Hughes with a broken leg. Lieutenant Anders was wounded in the throat by shrapnel while on the bridge at this time. Lieutenant Anders, and Chief Quartermaster Lang who was wounded on the chin, in the right arm and one leg, carried the Commander to the forward galley of the main deck. Meanwhile I had left my cabin, just as the inner steel wall was blown in, in an effort to learn what was happening to the others and met Mr. Paxton, who was covered with debris, and Captain Roberts, who had been knocked flat by the concussion of a bomb and again knocked down by splattering steel fragments caused by machine-gun fire from a plane. Bombs were still falling and at each power dive we took cover in the center of the passage way and huddled together until after the explosions. I found Mr. Gassie in the lavatory and asked some sailors to help him, and then found Commander Hughes in the galley and heard give him [*him give*] the order to abandon ship. This was about 2:05 p. m. I then called a sailor and we carried Commander Hughes along the starboard deck aft and placed him in a small boat, which some members of the party had lowered, and sent him ashore. This boat was machine-gunned from the air and Machinist's Mate, second class, A. Kozak, was wounded during the journey ashore. Four bullet holes were later found in this boat. Meanwhile the engine room watch had opened the steam safety valves in order to lessen the chances of a boiler explosion, and while this was the proper thing to do, one result was that it was no longer possible to maneuver the ship. The power had been turned off immediately after the first bomb hit the *Panay* and it was therefore impossible to send an SOS. According to one member of the crew the first bomb injured the batteries of the radio apparatus and this put the radio out of commission. Badly wounded and unable to

speak as he was, Lieutenant Anders took charge of the evacuation of the ship, wrote his orders on pieces of paper or bulkheads and kept to his feet until his task was accomplished.

The *Meihsia* came to our assistance but we waved her away as we knew she was filled with gasoline.

On the third trip of the ship's boats, the last members of the crew and passengers reached shore. These two boats put off from the *Panay* practically simultaneously, and in one was Lieutenant Anders, the executive officer, and Ensign Biwerse^{22c} was in the other. Because the outboard motor of the smaller sampan broke down, this boat containing Lieutenant Anders was actually the last to reach shore. As soon as a check had been made, the larger sampan returned to the ship for water and other needed supplies.

After the *Panay* had been abandoned and was settling by the starboard bow, two Japanese armed patrol boats came down river, machine-gunned the *Panay* with several bursts, went around the stern, and several Japanese soldiers boarded the vessel on the port side, remained for about five minutes and then departed. The *Panay's* flags were flying in plain view at this, as at all times, until the vessel sank. The machine-gun bursts fired by these patrol boats were apparently directed at the bridge. I personally did not see these patrol boats as I was helping to carry Commander Hughes into the marsh reeds. I heard the motors of the boats and the machine-gun fire. Captain Roberts, who was closer to the water's edge, saw them, as did a number of the members of our party, including Mr. MacDonald and Mr. Roy Squires. In fact, the patrol boats appeared and began firing while the boat which had gone back to the ship for supplies was still off shore. Boatswain's Mate Ernest R. Mahlmann and Machinist's Mate G. L. Weimer were in this small boat of ours at the time and stated that they heard bullets whistling overhead.

The Japanese patrol boats started up river again but turned back toward our landing point; however, we were all now hidden and they departed.

Meanwhile the burning *Meiping* headed first toward the north shore but turned toward the south bank and eventually was brought alongside a pontoon located there. The *Meihsia* followed the *Meiping*. The *Meian* remained along the north shore farther down stream. According to the Americans on the *Meiping* and *Meihsia*, when the *Meiping* came to the south bank about 100 Japanese soldiers appeared and ordered the ship's company ashore. These soldiers apparently had no contact with the patrol boats which had machine-gunned the *Panay*; they gave some first aid treatment to Mr. Pickering of the Standard-Vacuum Oil Company and Mr. Vines of the Yee Tsoong Tobacco Distributors, Ltd., and after questioning they

^{22c} Denis H. Biwerse.

ordered the ship's company aboard again. Almost immediately after the company had returned on board, six planes appeared over the river and again bombed both the *Meiping* and the *Meihsia* from low altitudes. Large fires broke out on the vessels and the explosions of gasoline drums on the *Meiping* could be heard for hours afterwards.

While we were searching for a way out of the marsh in which we were hidden a fleet of three Japanese bombers proceeding down river flew over us and one Japanese plane circled above the marsh reeds where we had concealed our wounded and ourselves. The actions of this plane and the previous action of the Japanese army patrol boats, in connection with the incredible fact of the bombing of the *Panay*, gave us every reason to believe that the Japanese were searching for us to destroy the witnesses to the bombing.

During the period we were in the marsh Commander Hughes, after consultation with me and with my approval, asked Captain Roberts to take charge of the party since all three most senior naval officers were wounded and the remaining naval officer, Ensign Biwerse, was badly shell-shocked, having had his trousers blown away by the explosion of the bomb. From then on the responsibility for our actions fell chiefly to Captain Roberts and me, in consultation with Commander Hughes who, in spite of his painful wound, remained calm and collected and bore himself with admirable fortitude.

The *Panay* sank with colors flying at 3:54 p. m.

We sent Secretary Paxton inland in an attempt to get out a message and make known what had occurred. We did not know at that time that Mr. Paxton was wounded both in one arm and one knee. With complete selflessness he did not tell us of his wounds but went off alone into territory that was under attack on his important mission.

After darkness came we made our way in relays to some farm houses about one mile up river and a little in-shore and there obtained some food and temporary shelter. Several police from Hohsien arrived and told us they came to help us; also one or two soldiers came and assisted us in finding coolies to act as stretcher bearers. We had only two stretchers from the ship, and there were thirteen men so badly wounded they had to be carried. We obtained some bamboo beds and improvised stretchers out of boards from pig pens and from doors of the farm houses, and began the journey to Hohsien, a point five miles away and three miles inland. At the gate of Hohsien Mr. Malcolm MacDonald (correspondent of the *London Times*) and I, who were with the advance party carrying Commander Hughes, were met by a Chinese employee of the Standard-Vacuum Oil Company from Nanking, Mr. T. H. Chen, who placed himself at our disposal and rendered us great assistance. Just inside the gate the Magistrate's secretary came to us and told us

that quarters had been arranged for our wounded and ourselves, and Mr. MacDonald and I proceeded to the Magistrate's yamen while the wounded were taken to their quarters, under the direction of Captain Roberts who stayed at the small hospital helping to care for the wounded, as Dr. Grazier,^{22d} U. S. N., the *Panay* surgeon, who was with a later section of our party, did not reach Hohsien until 4:15 a. m. The Magistrate, Mr. Wang Tien-chih, an American returned student, did everything possible for us and while we were in Hohsien devoted his entire time to our needs and wishes. He told us that his city had already been attacked three times by Japanese patrols and we decided that as soon as we could give the wounded some care and rest and make arrangements to do so we would proceed on inland under cover of the darkness of the next night. The wisdom of our decision seemed to be subsequently confirmed by the appearance on December 13th of Japanese planes which circled over Hohsien. One of these planes flew at an altitude of not more than 400 feet over the little thatched-roof hospital where we had our wounded concealed. Apparently the airmen did not see any of us; they did not shoot; one machine-gun bullet could have set fire to the thatch and burned up the helpless wounded. The appearance of this plane had a most unfortunate effect upon the shell-shocked and wounded men.

On the morning of December 13th I managed at about 8:30 to get a clear telephone connection with Dr. Taylor, an American medical missionary at Anking, and he relayed our news to the Ambassador a little later. I managed also to telephone to Dr. C. A. Burch, an American missionary at Luchowfu (Hofei) and he also relayed a message to the Ambassador.

Mr. Sandro Sandri, an Italian journalist who was a guest on the *Panay*, and Storekeeper Charles Ensminger died of their wounds at Hohsien. In the afternoon of December 13th the Magistrate informed me that a group of about 1000 Japanese soldiers had crossed the river from the south bank and landed on the north bank near the point where we ourselves had landed the afternoon before and were only six miles away. He and other Chinese at Hohsien were plainly concerned at our presence in their city and feared that the Japanese would attack the place in an attempt to capture our party. The Magistrate kindly arranged for the hire of six small junks and after dark we loaded our wounded on these vessels and proceeded up a nearby creek twenty miles to the town of Hanshan, a journey which took ten hours. We arrived at the point on the creek nearest to Hanshan at 6:00 a. m., December 14th. Captain Roberts and I walked to the town about two miles distant and persuaded the soldiers at the gate to admit us and to take us to the Magistrate's

^{22d} Lt. Clark G. Grazier.

yamen. We found in the Magistrate, Mr. Kiu Jui-chuan, as kind and helpful a friend as was Magistrate Wang of Hohsien. Mr. Kiu arranged for quarters and food for the wounded and ourselves and did everything for us within his power.

On the morning of December 14th, while we were trying to telephone to Luchowfu for motor busses or trucks with which to continue on to that place, 130 miles distant, I received a telephone message from Admiral Holt of the British Navy, then at Hohsien, that the situation was clear and that arrangements had been made for our passage to Shanghai under Japanese escort. At about noon Dr. Burch arrived from Luchowfu with medical supplies, then drove 30 miles to Chaohsien and brought Mr. Paxton from that place back to Hohsien. We left Hohsien [*Hanshan*] at 2:15 p. m., December 14th, by junk and after 8:00 p. m., reached Hohsien where Admiral Holt and Magistrate Wang had arranged for the transportation of our wounded to, and accommodations for the party on, H. M. S. *Bee*, H. M. S. *Ladybird* and U. S. S. *Oahu*.

The *Panay* is sunk in about 30 fathoms. The *Meiping* and *Meihsia* and their cargoes are total losses. A statement compiled by the Standard-Vacuum Oil Company and containing an estimate of its losses as a result of the bombing is enclosed.

A statement of the casualties is also enclosed. The number of foreign dead has now reached four.

In a radiogram which I addressed to the Ambassador from the U. S. S. *Oahu* on December 15th I had the honor to state that great credit for our escape from shore inland was due to Captain F. N. Roberts, U. S. A., Assistant Military Attache. His courage, leadership and selflessness in refusing to be beaten can be described only in terms of highest praise.

I wish also to note in this record the courage and resourceful conduct of Secretary Paxton. In his lonely and arduous attempt to get out a message which would let be known what had happened and which would prevent a further attack upon us, which we had strong evidence to believe was contemplated, Mr. Paxton proceeded as far as Chaohsien, thirty miles beyond Hanshan, fifty miles from the river.

The following instances of gallant conduct on the part of naval personnel came under Captain Roberts' and my observation:

Lieutenant Commander J. J. Hughes sustained a broken leg and shock when the first bomb exploded, but though in great pain courageously continued to give directions and orders until the ship had to be abandoned. Ashore, he preserved the same calmness and fortitude.

Lieutenant A. F. Anders was shot through the hand, and in the throat so that he could not speak, but wrote instructions on the white

paint work, and refused to be put ashore till the last. He had lost a great deal of blood and was very weak, but insisted that the other wounded of the party be given medical attention before he himself received it, and during the time ashore he was continuously concerned for the safety and welfare of the men.

Dr. Grazier, U. S. N., with courage and calmness under fire and at all times, devoted himself untiringly to the care of the wounded.

Chief Quartermaster John H. Lang was painfully wounded in the chin, in the right arm, and right leg, but refused to become a stretcher case in view of the requirements of the other wounded, and with great courage and fortitude kept on his feet the entire way.

Coxswain M. D. Rider, after helping carry a wounded comrade six miles, voluntarily remained the rest of the night at the improvised hospital to assist in caring for the wounded.

Chief Boatswain's Mate Ernest R. Mahlmann and Machinist's Mate G. L. Weimers courageously returned to the ship for additional supplies although hostile airplanes were expected to return at any moment. While returning to shore these men narrowly escaped being fired on by a Japanese river patrol.

Captain Roberts and Secretary Paxton collaborated in the preparation of this report and have given it their approval. It is respectfully requested that a copy be furnished the War Department.

Respectfully yours,

GEORGE ATCHESON, Jr.

394.115 Panay/170 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, December 23, 1937—7 p. m.

371. Your 668, December 22, 11 a. m., and Department's 368, December 22, 4 p. m., ^{22c} and previous.

The Department has now received the report of the findings of the Naval Court of Inquiry. The Navy Department is radioing the Commander-in-Chief at Shanghai to repeat to you by radio, if he has not already done so, the report of findings. I desire that you immediately communicate a copy of the report of findings to the Minister for Foreign Affairs under cover of a formal note reading as follows:

"In further reference to the *Panay* incident, the Government of the United States encloses a copy of the report of findings of the United States Naval Court of Inquiry".

For your information, it is expected that the text of the report of findings will be made public here shortly.

By separate telegram the Department is sending you for your information but not for communication to the Japanese Government the opinion of the Court of Inquiry.

HULL

^{22c} Neither printed.

394.115 Panay/193 : Telegram

*The Commander in Chief of the United States Asiatic Fleet (Yarnell)
to the Secretary of the Navy (Swanson)*

DECEMBER 23, 1937.

[Received 1:15 a. m.]

The following are finding[s] of facts of the Court of Inquiry ordered to investigate the bombing and sinking of the U. S. S. *Panay*.

The Court was composed of Captain H. V. McKittrick, Commander M. L. Deyo, Lieutenant Commander A. C. J. Sabalot, members, and Lieutenant C. J. Whiting, Judge Advocate. The findings are approved.

The record of the Court will be forwarded to the Department by airmail leaving Manila about 29 December.

The Court finds as follows:

(1) That on December 12, 1937, the U. S. S. *Panay*, a unit of the Yangtze Patrol of the United States Asiatic Fleet, was operating under lawful orders on the Yangtze River.

(2) That the immediate mission of the U. S. S. *Panay* was to protect nationals, maintain communication between the United States Embassy, Nanking, and office [of] the Ambassador at Hankow, provide a temporary office for the United States Embassy staff during the time when Nanking was greatly endangered by military operations and to afford a refuge for American and other foreign nationals.

(3) That due to intensive shell fire around Nanking the U. S. S. *Panay* had changed berth several times to avoid being hit and, on the morning of December 12, 1937, formed a convoy of Socony Oil Company vessels, principally the S. S. *Meiping*, *Meihsia* and *Meian*, and proceeded upriver.

(4) That adequate steps were taken at all times to assure that the Japanese authorities were informed of the movements of the U. S. S. *Panay*.

(5) That in addition [to] her regular complement the U. S. S. *Panay* had on board at this time four members of the American Embassy staff, four American nationals and five foreign nationals.

(6) That at zero nine forty while standing upriver, the U. S. S. *Panay* stopped in response to a signal from a Japanese landing boat; a Japanese Army boarding officer with guard went on board and was informed that the U. S. S. *Panay* and convoy were proceeding to anchorage 28 miles above Nanking; no warning was given of any danger likely to be encountered.

(7) That at about eleven hundred December 12, 1937, the U. S. S. *Panay* and convoy anchored in the Yangtze River in a compact group at about mileage two hundred twenty-one above Woosung, twenty-eight miles above Nanking.

(8) That the U. S. S. *Panay* was painted white with buff upper works and stacks and displayed two large horizontal flags on her upper deck awnings plus large colors at her gaff.

(9) That the Socony Vacuum ships *Meiping*, *Meihsia* and *Meian* each displayed numerous horizontal and vertical American flags all of large size.

(10) That at thirteen thirty the crew of the U. S. S. *Panay* were engaged in normal Sunday routine and were all on board except a visiting party of eight men on board the S. S. *Meiping*.

(11) That at about thirteen thirty eight, three large Japanese twin-motored planes in a vee formation were observed at a considerable height passing overhead downriver. At this time no other craft were in the near vicinity of the *Panay* and convoy and there was no reason to believe the ships were in a dangerous area.

(12) That without warning these three Japanese planes released several bombs, one or two of which struck on or very close to the bow of the U. S. S. *Panay* and another which struck on or very close to the S. S. *Meiping*.

(13) That the bombs of the first attack did considerable damage to the U. S. S. *Panay*, disabling the forward three-inch gun, seriously injuring the Captain and others, wrecking the pilothouse and sick bay, disabling the radio equipment, the steaming fireroom, so that all power was lost and causing leaks in the hull which resulted in the ship settling down by the head and listing to starboard, thereby contributing fundamentally to the sinking of the ship.

(14) That immediately thereafter a group of six single-engined planes attacked from ahead, diving singly and appearing to concentrate on the U. S. S. *Panay*, a total of about twenty bombs were dropped many striking close aboard and creating by fragments and concussions great damage to ship and personnel. These attacks lasted about twenty minutes during which time at least two of the planes attacked also with machine guns, one machine gun attack was directed against a ship's boat bearing wounded ashore causing several further wounds and piercing the boat with bullets.

(15) That during the entire attack the weather was clear with high visibility and little if any wind.

(16) That the planes participating in the attacks on the U. S. S. *Panay* and its convoy were unmistakably identified by their markings as being Japanese.

(17) That immediately after the first bomb struck air-defense stations were manned, the 30-caliber machine guns battery opened fire and engaged the attacking planes throughout the remainder of the attack. The three-inch battery was not manned nor were any

three-inch shells fired at any time. This was in accordance with the ships air-defense bill.

(18) That during the bombing many were injured by flying fragments and concussion and all suffered shock on the first bomb. The Captain suffered a broken hip and severe shock; soon thereafter Lieutenant Anders, Executive Officer, was wounded by fragments in throat and hands, losing power of speech; Lieutenant J. G. Geist, Engineer Officer, received fragments in the leg; Ensign Biwerse had clothing blown off and was severely shocked. This included all the line officers of the ship, the Captain being disabled, the Executive Officer carried on his duties giving orders in writing. He issued instructions to secure confidential publications, to get underway and to beach the ship. Extensive damages prevented getting under way.

(19) That at about fourteen hundred, believing it impossible to save the ship and considering the number of wounded and the length of time necessary to transfer them ashore in two small boats, the Captain ordered the ship to be abandoned. This was completed by about fifteen hundred. By this time the main deck was awash and the *Panay* appeared to be sinking.

(20) All severely wounded were transferred ashore in the first trips, the Captain protested in his own case; the Executive Officer, when no longer able to carry on due to wounds, left the ship on the next to the last trip; and Ensign Biwerse remained until the last trip.

(21) That after the *Panay* had been abandoned Mahlmann, c. b. m., and Weimers, m. m. first, returned to the *Panay* in one of the ship's boats to obtain stores and medical supplies. While they were returning to the beach, a Japanese powerboat filled with armed Japanese soldiers approached close to the *Panay*, opened fire with a machine gun, went along side, boarded and left within five minutes.

(22) That at fifteen fifty four the U. S. S. *Panay*, shortly after the Japanese boarding party had left, rolled over to starboard and sank in from seven to ten fathoms of water, approximate latitude 30-44-30 north, longitude 117-27 east. Practically no valuable government property was salvaged.

(23) That after the *Panay* survivors had reached the left bank of the river, the Captain, in view of his own injuries and the injuries and shock sustained by his remaining line officers and the general feeling that attempts would be made to exterminate the survivors, requested Captain F. N. Roberts, United States Army, who was not injured and who was familiar with land operations and the Chinese language, to act under his directions as his immediate representative. Captain Roberts functioned in this capacity until the return of the *Panay's* crew on board the U. S. S. *Oahu* on 15 December, 1937, performing outstanding service.

(24) That Messrs. Acheson and Paxton of the United States Embassy staff rendered highly valuable services on shore where their knowledge of the country and language coupled with their resourcefulness and sound advice contributed largely to the safety of the party.

(25) That after some fifty hours ashore during which time the entire party suffered much hardship and exposure somewhat mitigated by the kindly assistance of the Chinese, they returned and boarded the U. S. S. *Oahu* and H. M. S. *Ladybird*.

(26) That from the beginning of an unprecedented and unlooked-for attack of great violence until their final return, the ship's company and passengers of the U. S. S. *Panay* were subjected to grave danger and continuous hardship; their action under these conditions was in keeping with the best traditions of the naval service.

(27) That among the *Panay* passengers Mr. Sandro Sandri died of his injuries at thirteen thirty, 13 December; Messrs. J. Hall Paxton, Emile Gassie and Roy Squires were wounded.

(28) That early in the bombing attacks the Standard Oil vessel got underway, *Meiping* and *Meihsia* secured to a pontoon at the Kaiyuan wharf and the *Meian* was disabled and beached further down the river on the left bank. All these ships received injuries during the first phases of the bombing. Serious fires on the *Meiping* were extinguished by the *Panay* visiting party of eight men who were unable to return to their ship.

(29) That after attacks on the *Panay* had ceased the *Meiping* and *Meihsia* were further attacked by Japanese bombing planes, set on fire and destroyed. Just previous to this bombing Japanese army units on shore near the wharf attempted to avert this bombing by waving Japanese flags; they were not successful and received several casualties. It is known that Captain Carlson of the *Meian* was killed and that Messrs. Marshall, Vines, Pickering and Squires were wounded. Casualties among the Chinese crews of these vessels were numerous but cannot be fully determined.

(30) That the following members of the *Panay* crew landed on shore from the *Meiping* after vainly attempting to extinguish oil and gasoline fires on board: V. F. Puckett, c. m. m.; J. A. Granes, g. m. first; J. A. Dirnhoffer, seaman first; T. A. Coleman, c.p.h.m.; J. A. Bonkoski, g.m. third; R. L. Browning, e.m. third; J. L. Hodge, fireman first; and W. T. Hoyle, m.m. second. These men encountered Japanese soldiers on shore who were not hostile on learning they were Americans.

(31) That all of the *Panay* crew from the *Meiping* except J. L. Hodge, fireman first, remained in one group ashore until the following day when they were rescued by H. M. S. *Bee*. Hodge made his way to Wuhu and returned Shanghai via Japanese naval plane on 14 December.

(32) That, in searching for and rescuing the survivors, Rear Admiral Holt, R. N., and the officers and men of H. M. S. *Bee* and H. M. S. *Ladybird* rendered most valuable assistance under trying and difficult conditions thereby showing a fine spirit of helpfulness and cooperation.

(33) That Charles L. Ensminger, s. c. first, died at thirteen thirty 13 December at Hohsien, China, from wounds received during the bombing of the U. S. S. *Panay* and that his death occurred in line of duty, not the result of his own misconduct.

(34) That Edgar C. Hulsebus, coxswain, died at zero six thirty, 19 December at Shanghai, China, from wounds received during the bombing of the U. S. S. *Panay* and that his death occurred in line of duty, not the result of his own misconduct.

(35) That Lieutenant Commander James J. Hughes, Lieutenant Arthur F. Anders, Lieutenant (jg) John W. Geist, John H. Lang, c.q.m., Robert R. Hebard, fireman first, Kenneth J. Rice, e.m. third, Carl H. Birk, e.m. first, Charles Schroyer, seaman first, Alex Kozak, m.m. second, Peres D. Ziegler, s.c. third, and Newton L. Davis, fireman first, were seriously injured in line of duty, not the result of their own misconduct.

(36) That Lieutenant Clark G. Grazier, m.c., Ensign Denis H. Biwerse, Charles S. Adams, r.e.m. second, Tony Barba, s.c. third, John A. Bonkoski, g.m. third, Ernest C. Branch, fireman first, Raymond L. Browning, e.m. third, Walter Cheatham, coxswain, Thomas A. Coleman, c.p.h.m., John A. Dirnhoffer, seaman first, Yuan T. Erh, m.a.t.t. first, Fred G. Fichtenmayer, c.m. first, Emery F. Fisher, c.w.t., Michael Gerent, m.m. second, Cecil B. Green, seaman first, John L. Hodge, fireman first, Fon B. Huffman, w.t. second, Karl H. Johnson, m.m. second, Carl H. Kerske, coxswain, Peter H. Klumpers, c.m.m., William P. Lander, seaman first, Ernest R. Mahlmann, c.b.m., William A. McCabe, fireman first, Stanley W. McEowen, seaman first, James H. Peck, q.m. second, Reginald Peterson, r.m. second, Vernon F. Puckett, c.m.m., King F. Sung, m.a.t.t. first, Harry B. Tuck, seaman first, Cleo E. Waxler, b.m. second, John T. Weber, yeoman first, and Far Z. Wong, m.a.t.t. first, were slightly injured in line of duty, not the result of their own misconduct.

394.115 Panay/184 : Telegram

*The Commander in Chief of the United States Asiatic Fleet
(Yarnell) to the Secretary of the Navy (Swanson)*

December 23, 1937.

[Received 10 : 50 a. m.]

0023. The following is the opinion of the Court of Inquiry ordered to investigate the bombing and sinking of the U. S. S. *Panay*. The opinion is approved.

Opinion was that the U. S. S. *Panay* was engaged in carrying out the well-established policy of the United States of protecting American lives and property.

2. That the Japanese aviators should have been familiar with the characteristics and distinguishing markings of the *Panay* as this ship was present at Nanking during the Japanese aerial attacks on this city.

3. That, while the first bombers might not have been able on account of their altitude to identify the U. S. S. *Panay*, there was no excuse for attacking without properly identifying the target, especially as it was well known that neutral vessels were present in the Yangtze River.

4. That it was utterly inconceivable that the six light bombing planes coming within about six hundred feet of the ships and attacking for over a period of twenty minutes could not be aware of the identity of the ships they were attacking.

5. That the Japanese are solely and wholly responsible for all losses which have occurred as the result of this attack.

6. That the death of C. L. Ensminger, sk first and E. W. G. Hulsebus, coxswain occurred in line of duty and were not the result of their own misconduct.

7. That the injured and wounded members of the crew of the U. S. S. *Panay* received their wounds and injuries in the line of duty and were not the result of their own misconduct.

8. In considering the case as a whole and attending incidents that the court is of the opinion that no offenses have been committed nor blame incurred by any member of the naval service involved. 1735.

394.115 Panay/191 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 23, 1937—11 p. m.

[Received December 23—1 p. m.]

676. Embassy's 668, December 22, 11 a. m.²³ The conference at the Embassy this evening lasted nearly three hours and consisted in a general statement by the Vice Minister of the Navy followed by detailed reports of the Japanese naval and military officers sent to Nanking to investigate the circumstances attendant upon the sinking of the *Panay*. The main effort of these officers was clearly to lay before me the evidence to prove their contention that the bombing and subsequent machine-gunning of the *Panay* and other American ships and survivors were mistakes and unintentional. The discrepancies between

²³ Not printed.

the factual reports of these officers and the information from American sources now before us do not appear to us to be great. A series of misunderstandings and consequent errors are freely admitted, while a detailed account was given of the circumstances which created the misunderstandings. We were all impressed, including the counselor and naval and military attachés who were present at the conference, with the apparently genuine desire and efforts of both Army and Navy to get at the undistorted facts.

Nevertheless the evidence offered still leaves undetermined whether the bombing of the *Panay* was done with deliberate disregard of consequences or was the result of negligence of some responsible person. The latter at least seems to be admitted as evidenced by the statements today of the Vice Minister of the Navy and the recall of Rear Admiral Mitsunami.

The Vice Minister said that the military forces had come into the trouble entirely as a result of the original naval mistake and that the Navy therefore accepted any blame which might be attached to Army units and desired to make complete amends including apology, indemnity and future guarantees against similar incident.

I closed the conference with a statement along the lines of paragraph 4 of Department's telegram No. 368,²⁴ clearly bringing out the pertinent points therein mentioned. I said that I was not yet in possession of the findings of the American naval court of inquiry nor of all of the evidence thereto presented but that I was in possession of some of the evidence and that while that evidence tallied in many respects with the Japanese reports it did not tally in all respects. I added that we are still awaiting a reply from the Japanese Government to our representations of December 14 and 17 because the Foreign Minister's note of December 14 was not responsive to all of the points raised by my Government and I then laid stress with the utmost emphasis on the serious results which could flow from a repetition of the *Panay* incident or from any incident analogous to it.

Miss Arnold took full stenographic notes of the proceedings which will be forwarded by mail to the Department and by earliest means to the commander in chief in Shanghai when transcribed.

Repeated to Shanghai for the commander in chief.

GREW

²⁴ December 22; not printed.

394.115 Panay/196 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 24, 1937—8 p.m.
 [Received December 24—12:05 p.m.²⁵]

679. My 677, December 24, 4 [6?] p.m.²⁶ Following is unofficial translation of *Panay* note handed to me by the Foreign Minister at 7 p.m. The Minister said that only résumé will be published in Japan but that the Japanese Government has no objection to the immediate publication of the full text in the United States. Comment follows in section 2.

“December 24, 1937.

Monsieur l'Ambassadeur: Regarding the unfortunate incident occurring on the Yangtze River about twenty-six miles above Nanking on the 12th instant, in which Japanese naval aircraft attacked by mistake the U. S. S. *Panay* and three merchant ships belonging to the Standard Oil Company of America, causing them to sink or burn with the result that there were caused casualties among those on board, I had the honor previously to send to Your Excellency my note dated the 14th of December. Almost simultaneously, however, I received Your Excellency's note No. 838, which was sent by the direction of the Government of the United States, and which, after describing the circumstances prior to the occurrence of the incident, concludes that the acts of the Japanese forces in the attack were carried out in complete disregard of the rights of the United States, taking American life and destroying American property, both public and private; and which states that, ‘in these circumstances, the Government of the United States requests and expects of the Japanese Government a formally recorded expression of regret, and an undertaking to make complete and comprehensive indemnifications, and an assurance that definite and specific steps have been taken which will ensure that hereafter American nationals, interests, and property in China will not be subjected to attack by Japanese armed forces or unlawful interference by any Japanese authorities or forces whatsoever.’

As regards the circumstances surrounding the present unfortunate incident, I desire to state that while it is concluded in Your Excellency's note that the incident resulted from disregard of American rights by Japanese armed forces, it was entirely due to a mistake, as has been described in my note above mentioned. As a result of the thorough investigations which have been continued since then in all possible ways to find out the real causes, it has now been fully established that the attack was entirely unintentional. I trust that this has been made quite clear to Your Excellency through the detailed explanations made to Your Excellency on the 23rd instant by our naval and military authorities.

With reference to the first two items of the requests mentioned in Your Excellency's note, namely, a recorded expression of regret, and indemnifications, no word needs to be added to what I have said in my afore-mentioned note. As regards the guarantee for the future,

²⁵ Telegram in two sections.

²⁶ Not printed.

I wish to inform Your Excellency that the Japanese Navy issued without delay strict orders to 'exercise the greatest caution in every area where warships and other vessels of America or any other third power are present, in order to avoid a recurrence of a similar mistake, even at the sacrifice of a strategic advantage in attacking the Chinese troops.' Furthermore, rigid orders have been issued to the military, naval, and Foreign Office authorities to pay, in the light of the present untoward incident, greater attention than hitherto to observance of the instructions that have been repeatedly given against infringement of, or unwarranted interference with, the rights and interests of the United States and other third powers. And the Japanese Government are studying carefully every possible means of achieving more effectively the above-stated aims, while they have already taken steps to ascertain, in still closer contact with American authorities in China, the whereabouts of American interests and nationals, and to improve the means of communicating intelligence thereof speedily and effectively to the authorities on the spot.

Although the attack on the man-of-war and other vessels of the United States was due to a mistake as has been stated above, the commander of the flying force concerned was immediately removed from his post, and recalled, on the grounds of a failure to take the fullest measures of precaution. Moreover, the staff members of the fleet and the commander of the flying squadron and all others responsible have been duly dealt with according to law. The Japanese Government are thus endeavoring to preclude absolutely all possibility of the recurrence of incidents of a similar character. It needs hardly be emphasized that, of all the above-mentioned measures taken by the Japanese Government, the recall of the commander of the flying force has a significance of special importance. It is my fervent hope that the fact will be fully appreciated by the Government of the United States that this drastic step has been taken solely because of the sincere desire of the Japanese Government to safeguard the rights and interests of the United States and other third powers.

I avail, et cetera, signed Koki Hirota."

In handing me the note the Minister said that the Government is taking every step to meet the desires of the American Government and that the strictest orders in this connection have been issued to the military and naval forces. He said that the recall of Admiral Mitsumami as the officer responsible for the incident was extremely severe punishment because it implies disgrace and the fact that he is no longer competent to command "on the field of battle." The Minister furthermore gave me in strict confidence a list of eleven naval officers against whom measures have been taken in accordance with law.

I said to the Minister that I would send him the findings and report of the American Naval Court of Inquiry as soon as received. I expressed appreciation of the direct reports made to me by naval and military officers last night and repeated part of the remarks made to them in my final statement, especially with regard to the dangers of another incident analogous to that of the *Panay*. Hirota said rather sadly: "I am having a very difficult time. Things happen unexpect-

edly." He did not elaborate this remark. I gathered that it was his earnest hope that his present note would serve toward settling the incident. I said that I would cable the note immediately to my Government.

A responsible officer in the Foreign Office explained to us that the reference in the Japanese note to the punishment of high naval officers and to the precaution now being incorporated in military orders made it inexpedient to publish the note textually in Japan.

GREW

394.115 Panay/196 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, December 25, 1937—3 p. m.

376. Your 679, December 24, 8 p. m. Please communicate immediately to the Minister for Foreign Affairs as under instruction from your Government a note as follows:

"The Government of the United States refers to its note of December 14, the Japanese Government's note of December 14 and the Japanese Government's note of December 24 in regard to the attack by Japanese armed forces upon the U. S. S. *Panay* and three American merchant ships.

In this Government's note of December 14 it was stated that 'the Government of the United States requests and expects of the Japanese Government a formally recorded expression of regret, an undertaking to make complete and comprehensive indemnifications, and an assurance that definite and specific steps have been taken which will ensure that hereafter American nationals, interests and property in China will not be subjected to attack by Japanese armed forces or unlawful interference by any Japanese authorities or forces whatsoever.'

In regard to the first two items of the request made by the Government of the United States, the Japanese Government's note of December 24 reaffirms statements made in the Japanese Government's note of December 14 which read 'the Japanese Government regret most profoundly that it (the present incident) has caused damages to the United States' man-of-war and ships and casualties among those on board, and desire to present hereby sincere apologies. The Japanese Government will make indemnifications for all the losses and will deal appropriately with those responsible for the incident.' In regard to the third item of the request made by the Government of the United States, the Japanese Government's note of December 24 recites certain definite and specific steps which the Japanese Government has taken to ensure, in words of that note, 'against infringement of, or unwarranted interference with, the rights and interests of the United States and other third powers' and states that 'The Japanese Government are thus endeavoring to preclude absolutely all possibility of the recurrence of incidents of a similar character'.

The Government of the United States observed with satisfaction the promptness with which the Japanese Government in its note of

December 14 admitted responsibility, expressed regret, and offered amends.

The Government of the United States regards the Japanese Government's account, as set forth in the Japanese Government's note of December 24, of action taken by it as responsive to the request made by the Government of the United States in this Government's note of December 14.

With regard to the facts of the origins, causes and circumstances of the incident, the Japanese Government indicates in its note of December 24 the conclusion at which the Japanese Government, as a result of its investigation, has arrived. With regard to these same matters, the Government of the United States relies on the report of findings of the Court of Inquiry of the United States Navy, a copy of which has been communicated officially to the Japanese Government.

It is the earnest hope of the Government of the United States that the steps which the Japanese Government has taken will prove effective toward preventing any further attacks upon or unlawful interference by Japanese authorities or forces with American nationals, interests or property in China."

Department is releasing text for publication in Sunday morning²⁷ papers which do not appear on the street before 9:30 p. m. tonight.

HULL

394.115 Panay/200 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 26, 1937—noon.

[Received December 26—10:35 a. m.]

683. Department's 376, December 26 [25], 3 p. m., *Panay* incident. Note delivered to the Minister for Foreign Affairs at noon today.

After I had read the note aloud, Hirota said to me: "I heartily thank your Government and you yourself for this decision. I am very, very happy. You have brought me a splendid Christmas present." The Minister added that the Japanese Government has taken and will continue to take all possible measures to prevent the recurrence of such an incident.

GREW

394.115 Panay/206 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 28, 1937—5 p. m.

[Received December 28—8:35 a. m.]

691. The Naval Attaché has just given me the following translations of a communication on the subject of the *Panay* incident addressed by the Navy Minister and the Chief of the General Staff

²⁷ December 26, 1937.

to Admiral Hasegawa, commander in chief of the Japanese Fleet in China, and of Admiral Hasegawa's reply thereto.

From the Navy Minister and the Chief of the General Staff to Admiral Hasegawa:

It is most gratifying from the point of view of the friendly relations between the United States and Japan that the *Panay* incident has been amicably settled because of the appropriate measures taken by the Imperial Government and the headquarters at the front and of the calm attitude on the part of the American authorities.

In view of the fact however that the true settlement of the said incident lies in that whether or not the Imperial Government should abide by its guarantee to respect in the future the American lives, properties and interests and also that since it is a serious matter upon our ability or inability of fulfillment of which depend the dignity of the Imperial Navy and even the prestige of the Empire, Your Excellency is expected to further urge your subordinates to take thorough precautions for the prevention of a similar incident."

From Admiral Hasegawa to the Navy Minister and the Chief of the General Staff:

"In receiving His Highness' and His Excellency's kind message informing us of the amicable settlement of the *Panay* incident, our trepidation is deepened for giving anxiety to His Majesty and aggravating the concern of the Government and the people with the incident caused by our blunder.

As for the Imperial Government's guarantee to respect in future American lives, properties and interests, the officers and men of the Fleet are determined to engage in operations with greater caution so as not to repeat similar blunders."

Repeated to Shanghai for the commander in chief.

GREW

394.115 *Panay*/282: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, January 14, 1938—noon.

[Received January 14—5 a. m.]

27. Our 694, December 29, 10 a. m.^{27a} Prince Tokugawa called on me this morning and said that the delay in dealing with the question of the disposal of the *Panay* sympathy donations has been occasioned by the absence from Tokyo of people which he wished to consult, notably Count Kabayama who is to return at the end of this week. Prince Tokugawa proposed to form a Japanese committee to deal with the fund and will endeavor to make specific arrangements for receiving the fund early next week and to make a public announcement at that time. He states that he himself fully understands the attitude of our Government but fears that some of the donors may resent the use of

^{27a} Not printed.

their donations for purposes other than the specific purpose for which they were given. I pointed out that the public announcement should aim to make the situation as clear as possible and that if any of the donors then wished to withdraw their donations, this could still be done.

We have constantly endeavored to hasten the decision but in such matters the tendency in Japan is to move slowly and no efforts on our part could have brought earlier results. We now have some \$5,000 in the fund but contributions have almost ceased. I hope very much to be able to arrange for the transfer of the money next week and shall keep the Department informed.

Repeated to Shanghai.

GREW

394.115 Panay/303 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, January 21, 1938—7 p. m.
[Received January 21—11:20 a. m.]

46. Our 27, January 14, noon.

1. Prince Tokugawa's personal advisers, who have been considering for several weeks the question of his taking over the *Panay* sympathy contributions, met yesterday evening and after long discussion recommended to Tokugawa that he should not undertake to dispose of the funds under the conditions which the Department laid down in its 361, December 18, 6 p. m. Tokugawa, who had given me reason to believe that he was disposed to undertake the disposal of the fund, called on me this evening and said that he must accept the recommendations of his personal advisers, who are representative of the best and most substantive elements in the country.

2. Two of these advisers informed us last night after the meeting that their decision had been most reluctantly reached, as they did not wish to see Tokugawa, who is in the very forefront of those working for friendly relations with the United States, appear to be unwilling to promote a project the very purpose of which is to further such relations. Nevertheless they felt that the motives of the contributors and the spontaneity with which the contributions were made were matters of the utmost delicacy and that they deserved to be considered with the greatest circumspection. It is the general custom in this country for friends to give money when death has occurred and in cases of loss by fire or from natural calamities. I had occasion myself recently to subscribe to a fund to replace the home of a Japanese friend which was recently destroyed by fire. As indicated in my 645, December 16, 7 p. m., the customary method of expressing sympathy in this country is by making gifts of money. Tokugawa's advisers feel certain that if the money were to be taken over by him under the conditions laid down by the Department the contributors would strongly resent the diversion of the contributions from the object for

which they were made, namely, to help those who suffered from the attack on the *Panay*. In these circumstances there are left but two alternatives, as follows.

3. The first alternative, against which I strongly recommend, is for me to return the contributions with the explanation that it is the view of the American Government that American citizens should not benefit from them. The fund, now amounting to something over yen 17,000 with additional substantial amounts in prospect of which I have just heard, was made up not only of gifts from some of the leading people in Japan but in large part of donations of trivial sums by children and by persons in humble circumstances who would be unable to comprehend why gifts made in line with a universal Japanese custom should be refused. Such refusal would seem to them a grave offense and would not fail to be interpreted as indicating intention on the part of our Government to deny the Japanese people at large an opportunity to make atonement by giving expression to their sympathy toward the *Panay* victims. I would have to obey instructions to return the contributions with the utmost regret and misgivings.

4. The second alternative is that there be simultaneously a nominal acceptance of the fund by the *Panay* survivors and a contribution by the survivors in their turn of the fund to some deserving project in Japan. Under this procedure I would inform each of the contributors that the survivors are appreciative of the good will and sympathy which animated the donors and that the survivors after acceptance have authorized me to apply the fund to some purpose in Japan which would promote friendly relations between the two countries. Such contribution would be in the Japanese view a "return present" which also is customary and would therefore be eminently proper in the Japanese scheme of things.

5. The Department will probably have difficulty in appreciating the importance of these hairsbreadth distinctions and may view this matter with impatience, but I hope that the Department will understand that when a number of intelligent Japanese have spent a month in study it means that questions of form are of extraordinary importance to these people. The course I have recommended cannot be followed without modification of the Department's position but I agree with Tokugawa's advisers when they state that this matter is capable of doing "serious harm unless the American Government can see its way clear to compromise." I realize that the Department has already considerably accepted one compromise. A second compromise seems to me in every way desirable.

6. Should insurmountable legal difficulties stand in the way, would the Department be disposed to recommend Congressional action?

Repeated to Shanghai.

GREW

394.115 Panay/303 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, January 23, 1938—4 p. m.

23. Your 46, January 21, 7 p. m. The Department appreciates the concern of the Embassy over reaching a solution of this matter which will not wound Japanese susceptibilities and is itself giving sympathetic consideration to the problem, but finds itself confronted with serious difficulty in reaching a decision owing to the lack of clear indication as to what was in the minds of the donors. There is no explicit indication whether the donations have been intended for beneficiaries of those killed as well as for survivors, whether civilians are to be included as well as Government personnel and whether the donations are to be apportioned equally among all or in amounts proportionate to individual injuries and losses sustained. It is apparent that in the absence of such indication, any disposition or allocation which might be made by this Government of the donations might be open to criticism or objection on the part of dissatisfied individual potential beneficiaries.

The Department realizes that in the circumstances the Embassy may not be able on the basis of such indications as it may have had from the contributors to clarify the foregoing points. It occurs to the Department, however, that you may wish to approach Prince Tokugawa again for suggestions in regard to these difficulties or perhaps for a statement either by himself or some other outstanding personality which you and we could regard as interpreting the spirit of the donors collectively in regard to the allocation of the funds. The Department will await your further report on this matter before reaching any decision.

HULL

394.115 Panay/356 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, February 9, 1938—7 p. m.

[Received February 9—9:03 a. m.]

91. Department's 44, February 7, 5 p. m.^{27b}

1. Prince Tokugawa has been engaged during the past three weeks in organizing a committee to represent the donors as widely as possible. This committee met yesterday evening and adopted a resolution in translation as follows:

“Resolved: That the contributions were made for the purpose of manifesting the sympathy of the Japanese people toward those persons who were wounded and the families of those persons who were

^{27b} Not printed.

killed on board the United States gunboat *Panay* and the three American steamships on December 12, 1937, during the Japanese military operations on the Yangtze River directed at [the enemy?], and in consequence of attacks mistakenly made by the Japanese forces; and that the disposal of such contributions in keeping with the original purposes for which they were made shall be left entirely to the discretion of His Excellency, the American Ambassador, Mr. Grew."

2. I hope that the Department will shortly be in a position to authorize me to proceed along the lines described in paragraph 4 of my 46, January 21, 7 p. m.

Repeated to Shanghai.

GREW

394.115 Panay/356 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, February 12, 1938—3 p. m.

57. Your 91, February 9, 7 p. m. In the light of the opinion of the Department, in which the Navy Department concurred, that neither the American Government nor any agency of it nor any of its nationals should receive sums of money proffered by Japanese private donors in connection with the *Panay* disaster or take direct benefit therefrom, and of the authority which the resolution quoted by you confers upon you regarding the disposal of such contributions, the Department desires that you proceed along the lines indicated in paragraph 4 of your 46, January 21, 7 p. m., if in your judgment such a course will best dispose of the matter and be satisfactory to the Japanese donors.

HULL

394.115 Panay/380 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, February 28, 1938—4 p. m.

[Received February 28—7:15 a. m.]

139. Department's 57, February 12, 3 p. m., reference *Panay* contributions.

1. Count Kabayama who was requested by me to present suggestions as to possible ways in which the money might be used has been consulting other interested Japanese. He has now presented to me various suggestions among which are:

(a) Endowment of beds in a charity hospital.

(b) Endow a scholarship for Japanese graduates of the American school in Tokyo who continue their studies in the United States.

(c) Give to the English-speaking Society of Japan for ordinary expenses.

(d) Found a Townsend Harris memorial museum.

(e) Endow a special section in some existing library in Japan to make available American publications, particularly American Government publications.

2. Although each of these suggestions has merit, I am not entirely satisfied that any or all of them provide means for the use of the money to the best possible advantage. Furthermore in the past a number of deserving projects coming within the field of American-Japanese relations could not be either carried out or continued because of lack of funds. For example, funds for essential repairs to the temple at Shimoda where Townsend Harris stayed were collected some years ago only with the greatest difficulty and further repairs are now necessary; the grave in a temple graveyard of Heusken, Harris' secretary, has fallen into disrepair but no funds are available; and money is required for the upkeep of graves of American naval sailors buried in various parts of the country. The *Panay* contributions (especially if increased to 100,000 yen which Kabayama suggested his friends might be prepared to do in certain circumstances) might supply a small but extremely useful income to meet constant or unforeseeable needs.

3. The Japanese contributors have entrusted to me the disposal of the money and I am aware that responsibility in this regard is on me. Nevertheless I would appreciate having the Department's advice on the following plan:

(a) The contributions to be held in perpetuity under a trust in Japan to be known as the America-Japan Trust.

(b) The trustees to be the American Ambassador, the Japanese President of the America-Japan Society, and one other American to be nominated by the other trustees.

(c) The income of the fund to be expended in accordance with the principles laid down in the Department's 361, December 18, 6 p. m.

4. The contemplated trust would be in effect a miniature pilgrim's trust which has been operated in Great Britain with signal success.

5. I have not discussed with officers of the America-Japan Society the possible establishment of a trust fund but I believe that they would be entirely receptive.

6. The fund now in my handling is deposited in a special account with the National City Bank in Tokyo and amounts to yen 37,099.95.

GREW

394.115 Panay/333 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, March 2, 1938—4 p. m.

73. Your 139, February 28, 4 p. m. The Department perceives no objection to the plan set forth in your numbered paragraph 3, it being

assumed that in your judgment that plan will best dispose of the matter and be satisfactory to the Japanese donors.

It occurs to the Department to suggest, however, that the proposed American Japan Trust be so constituted as to have a wider scope than to serve exclusively as a repository for the *Panay* contributions. That is to say, it might be advantageous if these contributions, even though they do in fact compose the nucleus of the Trust, could be merged and gradually lose their identity in a fund which might receive accretions from time to time from sources unconnected with the *Panay* case. In this way, your responsibility under the resolution of the donors would be more definitely terminated by the transfer by you of the *Panay* contributions to the Trust, and at the same time the fund would tend gradually to become dissociated from the *Panay* episode.

You should of course be careful to avoid giving any encouragement to the suggestion for an increase in the *Panay* contributions.

HULL

394.115 Panay/399a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, March 19, 1938—4 p. m.

99. Please communicate following note to the Minister for Foreign Affairs:

"Reference is made to the exchanges of communications between my Government and the Government of Japan regarding the attack upon the U. S. S. *Panay* and American merchant vessels on December 12, 1937, by Japanese armed forces, and to the assurances contained in your Government's note dated December 14, 1937, and reaffirmed in its note of December 24, 1937, that the Japanese Government would make 'indemnifications for all the losses' sustained.

I am instructed by my Government to state that it finds (1) that the amount of the property losses sustained is \$1,945,670.01, and (2) that the amount of the indemnification which should be paid in the death and personal injury cases is \$268,337.35. Therefore the total amount which my Government is prepared to accept is \$2,214,007.36.

These figures have been arrived at after careful consideration and represent only the actual property losses and a conservative estimate of the damages resulting from deaths and personal injuries. The amount includes no item of punitive damages."²⁸

HULL

²⁸ Text of note dated March 21, 1938, delivered by the Ambassador in Japan on March 22, 1938.

394.115 Panay/403 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, March 22, 1938—6 p. m.

[Received March 22—10:55 a. m.]

194. Department's 81, March 9, 11 a. m., and our 171, March 14, 4 p. m.²⁹ The Naval Attaché has presented to me the following memorandum:

"At a conference this morning the senior aide to the Navy Minister stated: (1) The report that 'the Navy Minister had exonerated the naval officers connected with the *Panay* bombing, blaming poor communications therefor' was untrue; (2) the Japanese Navy traditionally holds the highest ranking officers fully responsible for their units and the commander of the naval air forces, Rear Admiral Mitsunami, was immediately recalled and he and another unit commander have been given appropriate punishment. For reasons of morale and discipline the nature of this cannot be disclosed; (3) when asked if the pilots or Captain Senda (the director of air operations) were punished, Captain Kondo replied that all responsible parties had been appropriately punished but this could not be disclosed for the above reason; (4) when asked if any of those responsible parties had benefited by the Imperial amnesty on Constitution Day, the reply was 'no'."

Repeated to Shanghai for Hankow and for the commander in chief.

GREW

394.115 Panay/420 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, April 4, 1938—4 p. m.

[Received April 4—6:11 a. m.]

227. My 191, March 22, 1 p. m.^{29a} We received today from the Foreign Office a communication dated April 1 in the form of an unofficial letter from Yoshizawa to Dooman,³⁰ asking for an itemized statement of the *Panay* incident indemnification claim. A translation of the letter follows:

"My dear Mr. Dooman: With reference to note number 898, dated March 21st, by which the American Ambassador at Tokyo requested indemnification for American property losses and for the death of and injury to American citizens caused by the attack on December 12th by Japanese naval airplanes on the American warship *Panay* and on American merchant vessels, the various departments concerned of the Japanese Government have expressed a desire for an itemized statement, which is required for purposes of accounting, covering the amount requested as indemnification.

²⁹ Neither printed.^{29a} Not printed.³⁰ Eugene H. Dooman, Counselor of Embassy in Japan.

I would, therefore, be grateful if you would be good enough urgently to furnish me with the information requested. Sincerely yours, Seijiro Yoshizawa."

Please instruct.

GREW

394.115 Panay/423 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, April 5, 1938—noon.

[Received April 5—2:34 a. m.]

229. Our 227, April 4, 4 p. m.

1. This morning Yoshizawa gave us orally an explanation of the circumstances of the sending of his letter quoted in our telegram under reference: (a) Upon receipt of the *Panay* incident claim a committee composed of representatives of various government departments was established to take action on the claim. Owing to constant attendance of these representatives at the sessions of the Diet, the committee did not meet until last week. (b) The committee agreed that the claim would be paid "without haggling or quibbling." (c) The representative of the Ministry of Finance however took the position that for purposes of accounting an itemized statement would be necessary.

2. Yoshizawa said that the question was raised in the committee whether the statement in our note of March 21st to the effect that the claim presented did not include any "punitive claim" indicates that the American Government intends hereafter to present a punitive claim, and that he expressed the opinion that the American Government has no such intention. He inquired of us whether we could confirm this opinion.

GREW

394.115 Panay/423 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, April 7, 1938—6 p. m.

123. Your 227, April 4, 4 p. m., and 229, April 5, noon. Dooman may reply to Yoshizawa in the form of an unofficial letter as follows:

"The total amount of \$2,214,007.36 which my Government is prepared to accept as indemnification for losses and damages resulting from the incident of December 12, 1937, is itemized as follows (in U. S. dollars):

A. Property losses:

I. Navy Department: Loss of *Panay* \$455,727.87; Loss of ship's equipage, supplies, etc. \$97,766.48; Effects of personnel \$40,263.00. Total \$593,757.35.

II. Post Office Department: Stamps, funds, and supplies \$74.27.

III. Department of State: Effects of Embassy personnel \$6,400.80.

IV. Standard-Vacuum Oil Company: Cost of replacement of 5 vessels (*Mei Ping*, *Mei Hsia*, *Mei An*, *Mei Foo IX*, *Bulk Junk* 163); damage to 2 others (*Mei Foo XI*, and *Lighter* No. 206); loss sustained by reason of deprivation of use of vessels until new vessels can be placed in operation; office furniture, cargo, bunkers and ship's stores, cash; less depreciation on first 5 vessels named, in the amount of \$229,703.00; \$1,251,008.00. Other personal property on board vessels, \$36,934.00. Total, \$1,287,942.00.

V. Personal property of 13 American nationals not members of the Navy, Embassy, or Standard-Vacuum Oil personnel, \$57,495.59.

Total of all property losses \$1,945,670.01.

B. Death and personal injury indemnifications:

For death of two members of crew of *Panay* and Captain of *Mei Ping*, and injury to 74 people on board the *Panay* or other vessels \$239,887.98, and for hospitalization and loss of services during sick status, etc., \$28,449.37.

Total for deaths and personal injuries, \$268,337.35.

With regard to the items of personal property, there happens to have been on the several vessels a larger amount of personal property than usual, because of the fact that at the time of this incident a number of the persons affected were withdrawing from Nanking under circumstances of evacuation. The figures as presented constitute as accurate a computation of the damages sustained as it is reasonably possible to make. As stated in the Embassy's communication of March 21, my Government has not included punitive damages. Furthermore, my Government does not intend to ask for any punitive damages."

[Paraphrase.] Upon presentation of the letter by Dooman, should the Japanese authorities ask for a more detailed itemization, he may state orally that the United States Government will have no objection to giving the Japanese Government a full statement ultimately of the disbursements when settlement shall have been made by this Government individually with the various claimants. [End paraphrase.]

HULL

394.115 *Panay*/438 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, April 20, 1938—noon.

[Received April 20—7 a. m.]

257. Department's 126, April 9, 1 p. m.³¹

1. An announcement with regard to the proposed America-Japan

³¹ Not printed.

trust released by me yesterday to the press was promptly and favorably dealt with this morning by all the vernacular papers, which refer to this disposition of the *Panay* contributions in such terms as "splendid undertaking", "enlightened project", "spur to friendly relations".

2. The Foreign Office last night issued to the vernacular press the following statement:

"The Foreign Office had no previous knowledge to this happy plan but it thoroughly approves of it and will spare no effort to support it. The sympathy of the Japanese people over the *Panay* incident has been admirably converted to practical use. It now remains for the Japanese people to make the America-Japan trust as large as possible."

3. A substantially similar oral statement was conveyed by the Foreign Office to me this morning.

4. Our press release stated that the contributions which have gone into the fund have no relation to the payment officially undertaken by the Japanese Government for American losses at the time of the sinking of the *Panay*.

GREW

394.115 Panay/441 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, April 22, 1938—5 p. m.
[Received April 22—5:37 a. m.]

264. My 262, April 22, noon.³² *Panay* check for \$2,214,007.36, payable to the order of the Secretary of State of the United States of America, received at 5 p. m. today.

GREW

³² Not printed.

1938

793.94/11940 : Telegram

*The Secretary of State to the Ambassador in China (Johnson) at
Hankow*

WASHINGTON, January 7, 1938—7 p. m.

7. Department's 4, January 4, 3 p. m., in reply to Shanghai's 3, January 2, noon.³³

Supplement: It is highly important that, in responding to requests from Japanese or Chinese authorities for information of the character under reference³⁴ with such information, there be communicated expressly the specification that, in giving such information, the American Government or its agent does so only for the purpose of contributing toward the safeguarding of American life and property; and that this Government's general position in regard to the hostilities and its reservation of rights in regard to destruction of American life or property which may arise from the hostilities will in no way be altered or modified by the fact of its having given or not having given such information regarding the location of American nationals, property, institutions, etc.

HULL

393.115/109 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, January 10, 1938—1 p. m.

[Received January 10—7:15 a. m.]

16. The following telegram has been sent to the Consul General at Shanghai.

"January 10, 10 a. m. Your 43, January 8, 5 p. m., regarding reports of looting of American property by Japanese troops at Soochow and Hangchow.

1. I made informal representations to the Minister for Foreign Affairs this morning and told him that while I was not yet in possession of detailed reports I thought he would wish to know of these general reports immediately so that prompt action might be taken. Hirota said that he would at once bring the matter to the attention of the Japanese military authorities.

³³ Neither printed.

³⁴ i. e., information concerning the location of American property within or near the zone of present hostilities.

2. It seems to me very important that detailed affidavits covering these reports of looting should be obtained at the earliest possible moment and that copies should be conveyed both to the Japanese Consul General at Shanghai and to me.

3. Repeated to the Department."

GREW

793.94/12345

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 866

TOKYO, January 17, 1938.

EXCELLENCY: I have the honor, under instruction from my Government, to bring to Your Excellency's attention reports and complaints from American residents that in the course of recent military operations at Nanking and Hangchow and other places, the Japanese armed forces have repeatedly entered American property illegally and removed goods and employees and committed other acts of depredation against American property, which has almost invariably been marked by American flags and by notices in English, Chinese, and Japanese issued by the American authorities and setting forth the American character of the property concerned. According to these reports, not only have Japanese soldiers manifested a complete disregard for these notices but they have also in numerous instances torn down, burned, and otherwise mutilated American flags. I am directed to impress upon Your Excellency the seriousness with which my Government regards such acts and to convey its most emphatic protest against them. My Government finds it impossible to reconcile the flagrant disregard of American rights shown by Japanese troops as described with the assurances contained in Your Excellency's note of December 24, 1937,³⁵ that "rigid orders have been issued to the military, naval and foreign office authorities to pay . . . greater attention than hitherto to observance of the instructions that have been repeatedly given against infringement of or unwarranted interference with the rights and interests of the United States and other third Powers".

In view of the fact that a number of these acts are reported as having occurred subsequent to the receipt of the aforementioned assurances of the Imperial Japanese Government, and inasmuch as this disregard of American rights is reported as still continuing, the American Government is constrained to observe that the steps which the Imperial Japanese Government have so far taken seem inadequate to ensure that hereafter American nationals, interests and property in China shall not be subjected to attack by Japanese armed forces or unlawful interference by any Japanese authorities or forces

³⁵ See telegram No. 679, Dec. 24, 1937, from the Ambassador in Japan, p. 549.

whatsoever. My Government must, therefore, request that the Imperial Japanese Government reenforce the instructions which have already been issued in such a way as will serve effectively to prevent the repetition of the outrages.

I avail myself [etc.]

JOSEPH C. GREW

393.115/119: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, January 17, 1938—1 p. m.
[Received January 17—8:30 a. m.]

34. Department's 16, January 15, 3 p. m.^{35a} looting of American property in China by Japanese troops.

After reading and presenting our notes to the Minister for Foreign Affairs this morning I said to Hirota that in the interests of a clear understanding of the situation I desired to make some supplementary observations. Incoming American newspapers and periodicals have shown beyond doubt that the entire American nation has been profoundly stirred by the *Panay* incident.³⁶ Fortunately, owing to the good sense of both of our Governments, the incident was prevented by our exchange of notes from leading to more serious developments. Nevertheless, I felt that the Minister ought to realize that the requests and expectations set forth in our note of December 14 were no idle gestures and that they meant precisely what they said. I therefore could not feel sure the *Panay* incident could be regarded as liquidated if the Japanese authorities failed to carry out effectively and in good faith the assurances given in the Japanese note of December 24. There had already occurred numerous unlawful interference[s] by Japanese forces with American nationals, interests and property in China since those assurances were given and I felt that this looting of American property was an especially serious aggression. If these various acts of interference and aggression should continue—and it was quite certain that they would find their way into the American press—I greatly feared that the American people would begin to question the trustworthiness of the assurances which had been given us as a direct result of the *Panay* incident and that public opinion in the United States would become increasingly exacerbated. Facts count more than statements. I therefore desired emphatically to impress upon the Minister the real dangers inherent in these repeated acts of interference and aggression. I reminded the Minister of the furor which had been created in Japanese military circles and in the Japanese press when a Japanese flag had been subjected to disrespect in the streets of Shang-

^{35a} Not printed.

³⁶ See pp. 517 ff.

hai. The Japanese authorities were consequently in a favorable position to appreciate the feelings of the American Government and people arising out of the reports that American flags in Nanking, Hangchow and other places had been torn down, burned and otherwise mutilated. I spoke of the emotional devotion which our flag inspired among our people. The seriousness of such incidents was self evident.

In conclusion I once again appealed to the Minister gravely and with the utmost emphasis to take further steps which would effectively implement the assurances of the Japanese Government and would obviate the dangers to the relations between our country [*countries*] which must inevitably and progressively increase if the various acts of interference with American interests in China should continue. I told him in the strongest terms at my command that I was seriously worried at the outlook.

The Minister said that he could not at all understand how these undisciplined acts by Japanese troops could have occurred because the strongest possible orders had gone out to both Army and Navy to avoid acts or measures which might interfere with Japan's good relations with the United States. He tried to pin me down as to the precise dates and I left him in no doubt that these acts had occurred subsequent to the Japanese assurances and are still continuing. He authorized me to tell you in reply to my insistence that he would bring my representations to the "highest quarter".

I have thought it best to leave to the Department any announcements to the American press that these representations have been made.

Repeated to Peiping for Johnson.

GREW

393.115/125 : Telegram

*The Third Secretary of Embassy in China (Allison) to the
Secretary of State*

NANKING, January 18, 1938—4 p. m.

[Received 5:11 p. m.]

27. Between noon of January 15 and noon today there have been reported to this Embassy 15 cases of irregular entry of American property by Japanese soldiers. In addition to property of American citizens and organizations which was removed during these irregular entries, 10 Chinese women refugees residing at the properties concerned were forcibly taken away. The most recent and most flagrant case took place this morning when Japanese soldiers with two trucks entered a compound belonging to the United Christian Mission and took away a piano and other property. In removing it they broke down a large section of the wall surrounding the compound. An

American member of the mission states he saw the wall this morning and it was intact. I saw the wall personally at 1:45 p. m. after it had been torn down and can testify that it was within the previous three hours, for, while early this morning it rained, the fragments of the wall on the ground were perfectly dry. I have repeatedly called the attention of the Japanese Embassy to such matters which continue to be of daily occurrence but I am forced to the conclusion that the Japanese Embassy is powerless to stop these depredations and that the Japanese Army is either unwilling or unable to afford adequate protection to American property. There has been no appreciable change in the situation since January 15, upon which date, according to Tokyo's January 15, 5 p. m., to Shanghai, the Japanese War Department instructed the military authorities in Nanking to refrain from the irregular entry of American property.

Repeated to Embassy, Hankow, and Shanghai. Shanghai please repeat to Tokyo.

ALLISON

793.94/12345

Memorandum by the Counselor of the American Embassy in Japan (Dooman) of a Conversation With the Director of the American Bureau of the Japanese Ministry for Foreign Affairs (Yoshizawa)

[Tokyo,] January 19, 1938.

I told Mr. Yoshizawa that I had come under the Ambassador's instructions to supplement and enforce the statements which the Ambassador made to the Minister for Foreign Affairs on January 17, when presenting his note on the subject of desecration of the American flag by Japanese soldiers, illegal entry into American property, abuse of Chinese civilians, etc. There had just come in from Nanking a telegram (No. 27, January 18, 4 p. m.), which I requested Mr. Yoshizawa first to read. When he had completed reading the telegram, I said to Mr. Yoshizawa that the Ambassador was genuinely alarmed over the consequences of the actions of the Japanese forces in the field. It was our desire and intention to discuss on their legal and logical merits those questions in which were involved injury to American commercial and economic interests, but where there were involved deliberate offenses to the American flag and violations of the elementary rules of human conduct there existed no basis whatever for discussion. I was, therefore, instructed to say that we expected that, as previous instructions sent from Tokyo had been ineffective, the Japanese Government would take at once the most drastic action to restore and thereafter to maintain conditions which would not create issues of the gravest character.

Mr. Yoshizawa said that he had seen the Foreign Minister soon after his conversation on January 17 with the Ambassador; that Mr.

Hirota had repeated to him the statements made by the Ambassador; and that he had directed Mr. Yoshizawa to translate our note in order that it might be laid before the Cabinet at its next meeting (which was held yesterday). The note had been discussed at the Cabinet meeting, and there was under consideration a plan which, it was thought, would ensure the forces in China complying with orders from Tokyo. I remarked that this plan would seem to indicate that the Japanese Government is satisfied that its orders are not being obeyed. Mr. Yoshizawa ignored my remark and went on to say that he believed that he would be in a position tomorrow to inform me of the plan under consideration.

Mr. Yoshizawa, at my suggestion, took notes of the salient features of Nanking's telegram above-mentioned, and he said that he would get into touch with the War Office at once. It was then about 6:30 p. m., and he fortunately had an appointment with the Minister for Foreign Affairs, when he would not fail to report to Mr. Hirota the purport of the statement which I had been instructed to make.

E[UGENE] H. D[OOMAN]

793.94/12207 : Telegram

The Consul General at Shanghai (Gauss) to the Secretary of State

SHANGHAI, January 25, 1938—3 p. m.

[Received 9:06 p. m.]

135. Ambassador's January 21, 5 p. m., to the Consulate General: Tokyo's 39, January 19, noon ^{36a} concerning actions of Japanese troops. With reference to behavior of Japanese troops in immediate vicinity of Shanghai and such cities as Soochow and Hangchow, the following information is offered based on written reports on file here and oral statements made by American missionaries:

1. Shanghai and environs: As result of heavy and protracted hostilities in immediate vicinity of Shanghai almost the entire Chinese population of these areas fled, some seeking refuge in the interior and others fleeing to the International Settlement and French Concession. In consequence the Japanese found the areas around Shanghai practically uninhabited with the exception of Pootung and Nantao. With reference to Pootung few if any foreigners have penetrated in the hinterland and no reports have been received from foreign sources regarding the behavior of Japanese troops in that area. Chinese reports, some of which are undoubtedly credible, indicate that there has been some killing of Chinese civilians, raping of women, and looting and burning of private property. With reference to Nantao, American doctors and missionaries report a number of cases of rape, the shooting of approximately 80 Chinese civilians, and the burning and looting of much Chinese private property shortly after the Jap-

^{36a} Not printed.

anese occupied that area. Conditions in Nantao are slowly improving but cases of rape are still reported from time to time.

2. Hangchow: Reports from American missionaries at Hangchow indicate that between December 24 and January 5 there was much raping of women and looting and destruction of Chinese private property by Japanese troops and that in a number of instances women who had taken refuge in American and other foreign mission property were dragged away and raped by Japanese soldiers. A considerable force of Japanese military police is now functioning in the city and conditions are reported to have improved.

3. Soochow: Detailed reports just received from American missionaries who remained to care for refugees at Kwangfoh, some ten miles southwest of Soochow, and who visited Soochow several times between November 21 and December 21 indicated that Japanese troops indulged in an appalling orgy of raping and looting. One report states that: "In our visits to the different mission compounds of Soochow, it was necessary for us to pass through the most important business and residential sections of the city. Every shop, bank, and residence that came under our review had been broken into and uniformed Japanese soldiers were seen going in and coming out of these buildings, coming out loaded down with bales of silk, eiderdown quilts, pillows, clothing, et cetera. That this looting was not something done for the sole benefit of the individual soldiers who were doing the work but for the benefit of the Japanese Army and with the knowledge and consent of the officers, is proved by the fact that we saw some of this loot being loaded on Army trucks. We saw one big truck standing in front of the military headquarters loaded to the top with fine blackwood Chinese furniture. All this robbing by Japanese in Soochow was terrible, but the worst remains to be told . . . the violation of Chinese women of all classes by the Nipponese marauders. The number of victims was great." Similar depredations undoubtedly occurred in many other cities and towns but authenticated reports are not likely to be received until the missionaries are allowed to return to their stations.

Sent to Hankow, repeated to Tokyo.

GAUSS

*Press Release Issued by the Department of State on January 28,
1938*³⁷

Before the Japanese military forces took the city of Nanking, all American nationals who could be induced to do so, including the staff of the American Embassy, withdrew from that city.

³⁷ Reprinted from Department of State, *Press Releases*, January 29, 1938 (vol. xviii, No. 435), p. 178.

Eighteen American nationals, most of them missionaries, doctors, nurses, or teachers, elected to remain there.

The American Embassy premises were left in charge of Chinese custodians and watchmen and were appropriately posted with notices and identifications showing that they were American official premises. Other American properties in the City were similarly equipped with appropriate identifications of their American ownership or interest.

The Japanese military forces occupied the city on December 13, 1937.

Thereafter, on December 28, the hostilities at that point having been terminated, Mr. John M. Allison, Third Secretary of Embassy, was sent officially to Nanking to reopen the Embassy and survey the condition and circumstances of American nationals and American property in that city as well as to perform the usual services of the Embassy in safeguarding rights and interests of American nationals. Mr. Allison has been busily engaged in the faithful carrying out of his mission; he has been in close contact with those American nationals who remained in Nanking; he has made records of and reports on the condition of the Embassy, the property of Embassy personnel, the circumstances in which American nationals are living, and the condition of American properties. There have been reported to him and reported to the Department by him a considerable number of cases of disregard of American rights and interests, including, among other things, destruction of American property, and invasion of American premises. He has, among other appropriate activities, been making efforts to obtain, verify, and report the facts in regard to these matters.

Although Mr. Allison has been working under difficulties (his staff consisting of but one other officer and one clerk, in a very large city where the conditions are those of recent extreme violence), and although he has encountered many obstacles to the successful carrying on of investigations which it is his function to make, there has at no time been in any of the many reports which the Department has been receiving from China any indication that Mr. Allison has at any time been lacking in judgment or acted with indiscretion; it has received several reports indicating that he has had the confidence and the cooperation of his Japanese official associates.

Mr. Allison has lived in Japan and speaks Japanese.

Among other cases, Mr. Allison has been investigating a report that late on the night of January 24, 1938, armed Japanese soldiers forced their way into Nanking University, an American institution. This violation of American property was reported to him on the 25th, and after making a partial investigation Mr. Allison reported the matter to the Japanese Embassy, following which, on the afternoon of January 26, a Japanese consular policeman and Japanese

gendarmes went to Nanking University to investigate the matter and proceeded from there with a Chinese woman witness to a building occupied by Japanese soldiers, some of whom were alleged to have invaded the American property. Mr. Allison and Mr. Charles Riggs, an American citizen and a member of the faculty of Nanking University, accompanied the Japanese consular policeman and gendarmes in their investigation. The facts as reported to the Department of State by Mr. Allison under date of January 27 are set forth below:

"During the course of an investigation yesterday into the irregular entry of American property, Mr. Charles Riggs, an American citizen (and a member of the faculty of Nanking University, an American institution), and myself were slapped in the face by a Japanese soldier and Mr. Riggs was further attacked and had his collar torn.

"This incident was the culmination of a series of minor incidents which had marked the efforts of this office during the past few days to bring to an end the continued irregular entry of American property. During a general discussion of the matter the evening of January 25, Mr. Fukui of the Japanese Embassy had stated to me that I was placing too much confidence in the statements of American missionaries.

"It was reported to me on the 25th, at about 11 o'clock the previous evening armed Japanese soldiers had forced their way into the agricultural implement shop of Nanking University, an American institution, and after searching one of the Chinese on the premises, had taken a Chinese woman, who returned after 2 hours and reported she had been raped three times. On the afternoon of January 25, Mr. Riggs and Dr. M. S. Bates, an American professor, interviewed the woman who was able to identify the place to which she was taken. This proved to be a former residence of Catholic priests, now occupied by Japanese soldiers. The matter was reported to the Japanese Embassy and on the afternoon of January 26 a consular policeman and gendarmes in civilian clothes came to investigate the matter and went to the place from which the woman was taken, accompanied by Mr. Riggs and myself. After questioning the people there the Japanese took the woman and two Chinese to the building where the rape was alleged to have taken place. At that point a discussion was held as to whether or not Mr. Riggs and myself should accompany the woman into the building while she attempted to identify her assailants. Because of previous experience of intimidation of Chinese who had accused Japanese of wrongdoing, Mr. Riggs did not wish the woman to be left alone. The gendarmes said we had better not go into the building but did not definitely say we could not. One of them forcibly took the woman and walked with her through the open gate of the compound, whereupon he was followed by Mr. Riggs. I followed and just inside the gate we stopped to discuss the matter. While doing so a Japanese soldier dashed up angrily and shouted in English 'back, back' at the same time pushing me back toward the gate. I backed up slowly but before I had time to get out of the gate he slapped me across

the face and then turned and did the same to Mr. Riggs. The gendarmes with us tried feebly to stop the soldier, and one of them said in Japanese 'these are Americans' or words to that effect. We were then outside the gate on the street. As soon as the soldier heard we were Americans he became livid with rage, repeated the word 'Americans' and also attempted to attack Mr. Riggs who was nearest him. The gendarmes prevented him, but he succeeded in tearing the collar and some buttons off Mr. Riggs' shirt. In the meantime the officer in command of the unit appeared and shouted at us in an offensive manner. At no time did either Mr. Riggs or myself touch a Japanese soldier nor did we speak to any except the gendarmes with us."

Mr. Allison further reports that they then went to the Japanese Embassy

"where a full report was made to Mr. Fukui. Mr. Fukui's attitude was that we should not have been in the soldier's compound, even though at the time we were investigating the above-mentioned irregular entry of American property by Japanese soldiers, and that the soldier had told us to leave and was therefore seemingly within his rights in slapping us. I told Mr. Fukui there could be no excuse for the slapping and that I would expect a call from the military to explain the matter. He said he would report at once to the military authorities."

Mr. Allison's report concludes as follows:

"At 11 o'clock this morning, Major Hongo came to the Embassy and on behalf of the Commander of the Japanese forces expressed regret for the incident and offered apologies. He stated that a strict investigation was being made of the unit responsible and that while this unit's departure from Nanking had been scheduled for today it was being kept here for several days to complete the investigation. I told Major Hongo I appreciated his call and that while I personally accepted his apology I could not say what view of the matter would be taken by my Government."

Mr. Allison telegraphed the Department of State on January 28 as follows:

"I was astounded to hear over the radio this afternoon that according to the official Japanese version I had refused to leave the premises when the Japanese soldier challenged me and that I had insulted the Japanese military officer.

"As stated in my report of January 27 I was backing out of the compound when the assault took place and according to Mr. Riggs who was at one side in a position to see, I had actually been backed up against the gate and could not go further when the slapping occurred.

"With regard to the alleged insult, Major Hongo mentioned no such thing when he called to apologize yesterday morning. I inquired of Mr. Fukui this evening how I had insulted the Japanese military and he replied that it was my going into the quarters without permission. I assured him that I had no intention of insulting the military authorities and requested him so to inform them."

*Press Release Issued by the Department of State on January 31,
1938*³⁸

The Department of State on the evening of January 28, 1938, instructed the American Embassy at Tokyo to make oral representations to the Japanese Foreign Office with reference to the incident involving the slapping by a Japanese soldier of Mr. John M. Allison, third secretary of the American Embassy at Nanking, on January 26.

The Department instructed the Embassy at Tokyo orally to communicate the substance of Mr. Allison's telegrams of January 27 and 28 to a high officer of the Japanese Foreign Office and that in so doing there be emphasized that in weighing the gravity of the incident this Government takes into account the fact that the whole incident, including the slapping by a Japanese soldier of a diplomatic representative of this Government, is not an isolated case, but represents but one of and cannot be dissociated from a series of cases of irregular entry of American property and disregard of American rights by Japanese soldiers. The Embassy was also to emphasize that in the light of all these continuing incidents and of the statement made by Mr. Fukui of the Japanese Embassy at Nanking that Mr. Allison was placing too much confidence in the statements of American missionaries, it was important that this Government's representative at Nanking ascertain the truth in regard to reports of the continued invasions of American property. It was suggested that the Embassy point out that Mr. Allison was investigating an unauthorized and unwarranted entry of American property; that, in company with a Japanese consular policeman and Japanese gendarmes, Mr. Allison proceeded to the American property in question; that the investigation led from the American property to property which was a former residence of Catholic priests but now occupied by Japanese soldiers; that the purpose in going to the last-mentioned property was to identify if possible the persons who had without warrant entered the American property in question; that Mr. Allison and Mr. Riggs, without encountering any sentry or guard, followed the Japanese gendarme[s] inside the open gate of the compound occupied by the Japanese soldiers; that as soon as a Japanese soldier indicated that they should withdraw, they began doing so; and that the soldier slapped Mr. Allison before Mr. Allison had time to get out of the gate and while Mr. Allison was in process of backing out of the compound.

The Foreign Office was to be informed that this Government expected to receive from the Foreign Office a suitable expression of regret and an assurance that the Japanese Government will take adequate measures to punish the offenders.

³⁸ Reprinted from Department of State, *Press Releases*, February 5, 1938 (vol. xviii, No. 436), p. 196.

Ambassador Grew reported on January 29 that the Department's instructions were fully carried out in a long conversation which he held with the Vice Minister for Foreign Affairs on the evening of January 29. Ambassador Grew emphasized the importance of prompt compliance with the expectations of the American Government and said that he would remain at home all day Sunday, January 30, in the hope of receiving an immediate answer.

Ambassador Grew reported last night that the Vice Minister for Foreign Affairs asked him to come to his official residence at 10 o'clock the night of Sunday, January 30, and expressed to Mr. Grew in the name of the Japanese Government profound regret at the assault on Mr. Allison and gave assurances that after strict investigation the Japanese Government will take suitable and adequate measures to punish those concerned in this affair. The following is the Embassy's translation of the text of the Vice Minister's oral communication:

"1. Whatever the antecedent circumstances might have been the striking by a Japanese soldier of an American consular officer is a most regrettable occurrence. A Japanese staff officer has already expressed in the name of the commanding officer regrets and apologies over the incident, and although Mr. Allison has apparently accepted such regrets and apologies the Imperial Government for its part hereby expresses its profound regrets over the occurrence of this unfortunate incident.

"2. In view of the serious character of this incident the Imperial Government gives assurance that after strict investigation it will take suitable and adequate measures to punish those concerned in this affair.

"3. Whenever incidents of this character take place, discrepancies are likely to occur between the respective contentions of the persons involved, and in this instance there are substantial differences between Consul Allison's report, as described in the complaint of the American Government, and in the report received by the Japanese Government in respect of the circumstances leading up to the slapping of the American consul by the Japanese soldier. The determination of the actual facts must await a careful investigation which is now to be undertaken, and it is desired accordingly to report the carrying out of such investigations."

The third secretary of embassy, John M. Allison, has now reported to the Department of State that he was informed on the afternoon of January 30 by Major Hongo that after a preliminary investigation the commanding officer and 20 men of the unit concerned are being tried by court-martial. Major Hongo also stated that he realized there had been a misunderstanding with regard to Mr. Allison's having insulted the Japanese Army and that the matter had been explained to the higher military authorities.

393.115/149 : Telegram

*The Counselor of Embassy in China (Lockhart) to the Secretary
of State*

PEIPING, February 2, 1938—7 p. m.
[Received February 2—3:42 p. m.]

81. Ambassador's circular, January 10, 11 a. m.

1. The following communication was received today from the local Japanese Embassy under date January 31.

"I have the honor to inform you that I am in receipt of a communication from the Chief of Staff of the Terauchi forces pertaining to the protection and respect of life and property of the nationals of the third powers as hereinafter mentioned:

(1) The request is made for the placement of the proper marks visible both from the ground and the air on all the establishments maintained by the nationals of third powers in order to assure their protection from bombing and gunning in the area extending generally from the lines connecting the cities of Tsingtao, Yenchow, Taming, Changte and Taiyuan (these cities proper are not included) southward to the Yangtze River.

It is further requested to communicate to the Japanese Embassy regarding the positions of such establishments bearing the marks and other necessary information, with an inclosure, if possible, of city or town maps containing specific designations.

(2) It is unofficially requested that proper steps will be taken for the encouragement of nationals of the third powers to evacuate from the areas of hostilities in order to avoid possible danger to their lives."

2. The Embassy has before it the Department's 299, October 5, 8 p. m.,^{38a} and supplementary instruction 302, October 6, 7 p. m.,^{38b} both contained in your January 5, 5 p. m.,^{38c} but is uncertain whether it should reply in the sense of those two telegrams or whether it should instruct the consulates concerned to supply such of the information as is available or can be obtained. In this connection see paragraph 2 of Shanghai's 3, January 2, noon.^{38c} Your instructions are respectfully requested.

3. It is believed that the consulates concerned would find it impossible in many instances now to communicate with places within the zone indicated by the above-mentioned letter in which there may be American property.

4. It would appear that the request contained in paragraph number 2 of Morishima's letter has already been complied with.

Sent to the Ambassador.

LOCKHART

^{38a} See footnote 12, p. 509.

^{38b} See footnote 13, p. 510.

^{38c} Not printed.

793.94/12482

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] February 4, 1938.

I called on the Minister for Foreign Affairs at his official residence at 9 o'clock this morning and presented a formal note concerning the looting of American property by Japanese forces in China,^{38d} reviewing the reports of depredations, and containing the substance of the final paragraph of the Department's no. 33, February 2, 5 p. m.³⁹

Having received from the Department no comment on my supplementary oral representations made to the Minister for Foreign Affairs on January 17 (our 34, January 17, 1 p. m.) I assume that they were approved and I therefore took an equally strong attitude in my talk with the Minister today. I told him that the data which I was now presenting in our note effectually disproved the reports which had come to me from Japanese sources that we were depending upon Chinese informants for our information and I said that we were now giving certain precise dates on which looting had been observed by American citizens. I spoke of the steadily mounting evidence of Japanese depredations which was coming before the American public; that the inflammable effect of this evidence should not be overlooked or minimized and that the patience of the American people was not inexhaustible. I said to the Minister once again in strong terms that I was becoming increasingly disturbed at the situation and the future outlook for Japanese-American relations. I asked the Minister for a precise statement which I might convey to my Government in reply to its assumptions and expectations of assurances.

The Minister said that the strictest possible instructions had gone out from General Headquarters to be handed down to all commanding officers in China to the effect that these depredations must cease and that Major General Homma had been sent to Nanking to investigate and to ensure compliance. The Minister said that he confidently expects the immediate cessation of such looting. He furthermore authorized me to inform you that in the light of the investigations now being carried out full indemnification will be made for losses and damages inflicted.

With regard to reports of the desecration of the American flag the Minister said that the Japanese authorities had as yet been unable to confirm these reports.

J[OSEPH] C. G[REW]

^{38d} *Infra*.³⁹ Not printed.

793.94/12482

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Hirota)*

No. 872

Tokyo, February 4, 1938.

EXCELLENCY: I have the honor to refer to my note no. 866, of January 17, 1938, and, under instructions from my Government, to inform Your Excellency that numerous complaints are being received by the American Government of the utter disregard shown by Japanese armed forces in China for American property. Among such cases are:

Soochow: According to American missionaries who visited Soochow a number of times between November 21 and December 21, on November 24 they found that property of the Baptist Mission had been broken into and thoroughly looted, and they observed Japanese soldiers looting the ladies' home and school buildings. On the same day these missionaries inspected the American Presbyterian Mission Hospital, saw one building burning, and found that the administration building had been looted. They inspected the Methodist Episcopal Mission Hospital, and found that the lower floor of the doctor's residence had been looted, and saw Japanese soldiers engaged in looting the upper floor. On November 26 they inspected property of the American Church Mission in company with Japanese officers detailed by military headquarters, and they saw three Japanese soldiers on the premises engaged in looting. They inspected Soochow Academy property and found the principal's and treasurer's offices thoroughly looted, and all safes and filing cabinets broken open. They found also that one foreign residence had been thoroughly looted, and that the Church had been broken into and vestments looted or strewn about in great disorder. On December 1 they found Japanese soldiers in the treasurer's office in the Yates Academy, trying to break open the safe. On visiting the office the following day they found that the safe had been broken open. They also saw soldiers loading loot from Baptist residences and school buildings.

According to Bishop Arthur J. Moore, in charge of the missions of the Methodist Episcopal Church, South, in China, who had visited Soochow, where the Mission has large holdings, including Soochow University and Laura Haygood School for Girls, all the buildings had been looted, four buildings had been bombed, and Japanese were occupying other buildings, using the new chapel of Laura Haygood School for Girls as a stable.

Hangchow: Reports from missionaries at Hangchow indicate that on December 26 Japanese soldiers entered three American residences, on which American flags were flying and on which American consular proclamations and notices issued by the Japanese military police had been posted, and stole money, jewelry, and other articles. On December 27 Japanese soldiers again entered the same residences and stole property.

In calling Your Excellency's attention to these and other numerous depredations, I am instructed to say that my Government finds it

impossible to reconcile these lawless acts directed against American mission properties with the assurances repeatedly given by the Japanese Government that American rights and interests in China will be fully respected by the armed forces of the Japanese Government. It appears that these incidents have occurred with the knowledge, and some indeed in the presence, of Japanese officials, while others, such as the occupancy of mission properties by Japanese troops, were presumably by the express direction of military officers. Arbitrary entry and occupation, together with pilfering, looting, and wanton destruction of property, can in no sense be regarded as acts of a character to be expected from a properly controlled military organization. My Government assumes that the Japanese Government in no wise approves or condones such lawlessness, and expects assurances from the Japanese Government that it will take immediate and specific steps to put an end to the depredating of American properties and that it will make full and complete indemnification for all losses and damages inflicted.

I avail myself [etc.]

JOSEPH C. GREW

393.115/154 : Telegram

The Secretary of State to the Ambassador in China (Johnson) at Hankow

WASHINGTON, February 4, 1938—8 p. m.

53. Your 77, February 3, 3 p. m.,⁴⁰ and Peiping's 81, February 2, 7 p. m. Department requests that Peiping send a preliminary reply to the Japanese Embassy giving such information as is available in regard to the location of establishments maintained by American nationals within the area outlined in the Japanese Embassy's note of January 31 and informing the Japanese Embassy that an effort is being made to obtain more detailed information which will be communicated in due course. Peiping may in its discretion point out that such information, insofar as the provinces of Kiangsu and Anhui are concerned, has already been supplied by the American Consul General at Shanghai to the Japanese naval authorities there (Shanghai's 532, August 22, 11 a. m.).⁴⁰

Peiping should ask the consular offices concerned, including Tientsin, Tsingtao, Hankow and Shanghai, to prepare a list of American property located in the area outlined in the Japanese Embassy's note of January 31. When this information has been received it should be made available to the Japanese Embassy.

Any communication to the Japanese Embassy containing information of the nature indicated should of course contain a safeguarding statement in the sense of the Department's 7, January 7, 7 p. m.

⁴⁰ Not printed.

In Peiping's communication to the Japanese Embassy appropriate mention might be made of the circumstances mentioned in numbered paragraph 3 of Peiping's telegram under reference.

Repeated to Peiping.

HULL

793.94/12620

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

[Translation ^a]

No. 17, American I

TOKYO, February 12, 1938.

MONSIEUR L'AMBASSADEUR: I have the honour to state to Your Excellency that careful perusal has been made of Your Excellency's Note No. 866, dated the 17th January, notifying the occurrence of various cases of the infringement of American interests by Japanese forces during their recent military operations in Nanking, Hangchow and other places.

The Japanese Government have steadfastly pursued their policy, as repeatedly declared on various occasions, of respecting as far as possible the rights and interests in China of the United States and other third Powers. In view of the unfortunate incident that occurred in December last, they again issued, as Your Excellency knows by my Note of the 24th December last, most strict orders to the Japanese authorities in China to devote their attention still more closely than before to the matter of those rights and interests. It is, therefore, with most profound regret that, despite these steps taken by them, the Japanese Government received the above-mentioned Note of Your Excellency's. Orders were immediately sent to the Japanese authorities on the spot to conduct thorough-going investigations, as a result of which the following circumstances have so far become clear.

In Nanking various cases have been found which are considered as having occurred on account of inadequate control in that city, due to the unavoidable insufficiency of force detailed to the duty of protecting the rights and interests of third Powers as well as to general police purposes, the insufficiency being caused by the frequent movements of the troops in the front lines, the shifting of units, and the work of clearing the city of the remnants of the defeated Chinese forces and of lawless Chinese elements.

The Japanese Government therefore once more despatched rigorous instructions on the 15th and the 20th of January with the object of making their above-mentioned orders thoroughly understood by all the authorities concerned, and in the meantime they and, in an especial

^a Notation on file copy: " 'Unofficial translation' supplied by the Foreign Office."

degree the highest command of the fighting services, have with extraordinary concern been doing their utmost for a satisfactory settlement of the affairs in question, by causing the authorities on the spot to establish the facts in every case as clearly and promptly as possible, and then to deal appropriately with the responsible parties according to military law and to make restitution of damages. As there remain certain points requiring further investigation, the Foreign Office authorities and the Army authorities on the spot are now earnestly endeavouring to establish the facts of each case. As regards compensation for loss and damage, it is the intention of the Government to let such matters be settled as far as possible on the spot, and for this purpose they have been maintaining intimate contact with the American authorities there. I trust that Your Excellency is already aware of these matters.

With respect to Hangchow, the Japanese forces which occupied the city on the 22nd December last year, found their supplies from the rear temporarily cut off and they were obliged to obtain provisions on the spot, which necessarily had to be requisitioned owing to the flight of the inhabitants. Prior to their entry into Hangchow, however, the Japanese military authorities had given strict instructions to the commanders of all units regarding the protection of the rights and interests of third Powers, and furthermore, at the time of their entry, they sent gendarmes to post notices on the buildings belonging to the nationals of third Powers, in order to ensure their protection. Nevertheless, in view of the fact that the requisitioning of provisions had to be effected at night, with fighting still in progress, they might have failed to recognize such notices and flags, and furthermore, by reason of the fact that the buildings of the nationals of third Powers were intermingled with those of the Chinese, and that there were no owners to be found in the houses in question, it is possible that some of the requisitioning squads made mistakes in identifying these objects. At the same time, the fact should be noted that there were at the time numerous cases of looting and destruction committed by Chinese rabbles, taking advantage of the prevalent confusion. The difficulty of ascertaining the facts in circumstances such as these will be easily understood.

In the circumstances stated above, if there were cases of Japanese soldiers at Hangchow entering by mistake houses owned by the nationals of third Powers, the purpose of such entry was either the requisition of food or a search for the remnants of Chinese troops, as a necessary measure incident to the conduct of military operations. The military authorities, as the result of a rigid investigation, discovered no evidence to show that any thing whatever other than food-stuffs had been removed from these houses.

A protest is made in Your Excellency's Note on the part of the United States Government on the ground that they had received reports alleging that there had occurred improper acts on the part of Japanese soldiers toward American flags. Deeming it greatly regrettable if, indeed, there had been such occurrences, the Japanese authorities on the spot, requesting the American authorities in Shanghai and Nanking to submit concrete data on these cases, have been conducting thorough-going investigations regarding the matter. With reference to the report that on the 13th December last, Japanese soldiers at Wuhu pulled down and threw into the Yangtze an American flag from a Chinese boat belonging to the American-owned General Hospital at Wuhu, investigations have been made among the troops which were in that city at the time of the reported incident, as a result of which it has been established that no Japanese soldiers have either been involved in, or aware of, the occurrence of any incident of this sort. Besides, an American connected with the said hospital is reported to have stated that, although he had, in the circumstances then existing, presumed the case to be due to the act of Japanese soldiers, he had by no means actually witnessed the facts, such as the throwing of an American flag into the river. Of these facts, I believe, Your Excellency is aware, since they have already been communicated to the American Consul-General at Shanghai by the Japanese Consul-General. Our authorities have been earnestly conducting further investigations in other places than Wuhu, but so far no evidence has been found. The Japanese Government, with a view especially to bringing home to the minds of all troops the importance of respecting the American national emblem, have ordered their instructions in that regard to be transmitted to every unit in China.

In view of the circumstances stated above, the Japanese Government are studying how they can elaborate effective and adequate measures that can as soon as possible be put in force so as to put a definite stop to any occurrence of similar events. Meanwhile, they have taken, in addition to the various measures already in force, other steps including, (1) the despatch to the spot of a high officer from Tokyo in order to insure the full execution of the instructions mentioned above, (2) the stationing of special officers at important points in China to take charge of matters relating to the rights and interests of third Powers, and (3) the reinforcement of the military police in China.

I beg Your Excellency to convey to your Government the earnest intention of the Japanese Government as stated above to devote their best efforts toward the prevention of any recurrence of these incidents in future.

I avail myself [etc.]

KOKI HIROTA (SEAL)

793.94/12620

Memorandum by the Counselor of the American Embassy in Japan (Dooman) of a Conversation With the Director of the American Bureau of the Japanese Ministry for Foreign Affairs (Yoshizawa)

[Tokyo,] February 15, 1938.

I called on Mr. Yoshizawa at the Foreign Office this evening in accordance with a request which came by telephone from Mr. Ishii, Mr. Yoshizawa's assistant. Mr. Yoshizawa said that he would be grateful if I would convey to the Ambassador a message from the Foreign Office, as follows:

The Japanese Government earnestly desires to settle as soon as possible the question of forcible entry by Japanese troops into the premises of the American Embassy at Nanking and to that end it has directed Major-General Harada, Military Attaché of the Japanese Embassy and concurrently Chief Political Officer to the Expeditionary Forces, to express regrets to the designated officer of the American Government.

The Japanese Government also desires to settle the cases of reported desecration of the American flag, and the Acting Japanese Consul General at Nanking has requested that Allison supply evidence in the various cases. Allison has supplied a memorandum setting forth the facts in each of five different cases, but he has not indicated the names of any eye-witnesses. In these circumstances, Harada is prepared now to express regrets for desecration of the American flag "if such desecration shall have been established."

Mr. Yoshizawa hoped that the Ambassador could see his way clear to recommending to Washington that the procedure proposed be accepted. I said that I would communicate the message at once to Mr. Grew.

E[UGENE] H. D[OOMAN]

793.94/12620

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

[Translation]

No. 6, Asia I

Tokyo, February 15, 1938.

EXCELLENCY: I have the honor to state that in the present incident in spite of the fact that the Imperial Army in its policy of respecting to the utmost the lives and property of third countries in China has from the beginning exerted the fullest efforts, it is regretted that there have been instances where the property of nationals of third countries suffered incidental damages to some degree during the fighting between the Japanese and Chinese armies owing to the inability to

discern the location of property or the lack of distinguishing marks or the use of the above-mentioned property for military purposes.

While the policy of the Imperial armies with respect to the protection of the lives and property of nationals of third countries in China is unchanged, in view of the recent illegal methods of warfare employed by the Chinese Army following the extension of the sphere of fighting operations between the Japanese and Chinese armies there have been attendant cases of misuse of the flags of third countries, and in order to provide greater facilities to commanders on the spot in the protection of lives and property of nationals of Your Excellency's country it is respectfully requested that you inform Americans or administrators of American property outside the zones now occupied by the Imperial forces, to wit, (1) the district south of Tsingtao, Yenchow, Taming, Changteh, and Taiyuan lines (excluding those cities and towns) to the Yangtze River, particularly the lines of the Lunghai Railway, Tientsin-Pukow Railway, and the Peiping-Hankow Railway; (2) the districts along the Yangtze River; (3) the districts along the Canton-Hong Kong Railway; and (4) in various ports on the eastern China Sea and on the South China seacoast to carry out the following provisions: (a) in addition to setting up horizontal beacons clearly discernible from high altitudes to set up large vertical beacons clearly discernible from a great distance on the ground; (b) to define by street maps if possible the exact location of the above-mentioned property and to transmit this, together with the designs of such beacons without delay to the nearest Imperial Army authorities, or to the nearest Japanese Embassy or Consulate; (c) not to permit Chinese armies to station themselves in the vicinity of such property or to set up military establishments there; (d) not to permit the use of the above-mentioned beacons by Chinese armies; (e) to communicate at the earliest opportunity with the nearest Imperial Army authorities or with the nearest Japanese Embassy or Consulate in case of damage occurring. With respect to (b) above, in those cases where it is difficult to communicate the exact location of property and the designs of beacons to the nearest Imperial Army authorities or the nearest Embassy or Consulate, it is requested that Your Excellency so far as possible report this information to the Foreign Office.

It is believed, aside from the foregoing, if the nationals of Your Excellency's country residing in areas where fighting is going on between the Japanese and Chinese armies would take refuge beforehand in safety zones this, together with the fullest care on the part of the Imperial armies, would contribute greatly to the prevention of unfortunate incidents.

I avail myself [etc.]

KOKI HIROTA

793.94/12620

Memorandum by the Counselor of the American Embassy in Japan (Dooman) of a Conversation With the Director of the American Bureau of the Japanese Ministry for Foreign Affairs (Yoshizawa)

[Tokyo,] February 16, 1938.

I informed Mr. Yoshizawa of the substance of Shanghai's 240, February 11, 11 p. m.⁴² with regard to the occupation by Japanese forces and looting of the University of Shanghai. I said to Mr. Yoshizawa that such occupation could not be squared with the official assurances repeatedly given that American property would be respected.

Mr. Yoshizawa expressed surprise over the statement by Mr. Gauss that the Japanese Consul General has thus far failed to reply in writing to Mr. Gauss's repeated written representations. He said that he would inquire into the matter and do his best to see that it was satisfactorily settled.

E[UGENE] H. D[OOMAN]

793.94/12620

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

[Translation]

No. 7, Asia I

Tokyo, February 17, 1938.

EXCELLENCY: I have the honor to refer to my communication No. 6 Asia I, Confidential, of February 15, 1938, regarding the marking of the location of property of nationals of third countries in China and to inform Your Excellency that as a result of recent aerial reconnoiters by the Imperial armies in the areas along the Peiping-Hankow railway and the banks of the Yellow River it has been ascertained that there are numerous cases of the Chinese armies deliberately stationing trains and setting up objects of a military nature nearby churches, factories, and the like of nationals of third countries in, first of all, Luchow [*Puchow?*] and in the cities of the left bank of the Yellow River.

Although as I have repeatedly stated, it is the policy of the Imperial Army to respect to the utmost the lives and properties of nationals of third countries, inasmuch as it has become necessary from the standpoint of military operations to attack these Chinese trains and other objects of a military character, it goes without saying that the Imperial Government cannot assume responsibility for incidental damage suffered, by reason of proximity to the Chinese, by third countries in those cases where the Chinese have deliberately used areas

⁴² Not printed.

adjoining property of nations of the third countries for military purposes.

In this connection it is earnestly requested that in those cases where objects of a military nature lie in the vicinity of churches, factories, and the like owned by your nationals, the Chinese be urged to move these military objects elsewhere and to refrain from placing them in contiguous areas.

I avail myself [etc.]

KOKI HIROTA (SEAL)

793.94/12701

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 880

TOKYO, February 21, 1938.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's notes no. 6 of February 15, 1938, with regard to the marking of property in China of nationals of third countries, and no. 7 of February 17, 1938, in which it is stated that the Japanese Government cannot assume responsibility for incidental damage done to such property in those cases where the Chinese have deliberately used areas adjoining such property for military purposes. I did not fail to communicate to my Government the texts of these notes.

Under instruction from my Government I take note of the statement that notwithstanding the efforts made by the Imperial Army in its policy of respecting to the utmost the lives and property of nationals of third countries in China it is regretted that there have been instances where the property of nationals of third countries has suffered damages owing to inability to discern the location of property or to lack of distinguishing marks or to use of such property for military purposes; and of the statement that it continues to be the policy of the Imperial Army to respect the lives and property of nationals of third countries in China. Further I note the request that I inform Americans or administrators of American property outside of zones indicated that they should carry into effect certain precautionary measures.

I have communicated the text of Your Excellency's note to the appropriate American officials and I assume that appropriate communication will be made in so far as feasible to American nationals or administrators of American property in China outside zones now occupied by Japanese Imperial forces.

I am instructed, however, to point out that under the circumstances which prevail and in connection with the areas described there rests upon American officials and other American nationals in China no obligation whatsoever to take precautionary measures requested on

behalf of the Imperial forces in Your Excellency's note under reference; I am to state that toward safeguarding American lives and interests involved precautionary measures have voluntarily been advised and voluntarily been taken in so far as possible and that such measures will continue voluntarily to be taken; but that, nevertheless, irrespective of whether American nationals take or do not take such precautionary measures, obligation rests upon the Japanese military authorities to exert the utmost precaution to the end that American nationals and property shall not be injured by Japanese military operations; and that whether such requests of the Imperial forces have or have not been complied with, whenever and wherever American nationals or property have been or may be injured in consequence of the operations of Japanese armed forces the American Government is compelled to attribute to the Japanese Government responsibility therefor.

American nationals and property lawfully located in China possess there certain well-recognized rights which are in no way altered by the circumstances of the present conflict; American nationals, although advised by American authorities to withdraw from areas in which danger exists, are under no obligation to do so, and in some cases find withdrawal impossible; American property situated in areas which are made or which are about to be made theaters of military operations can in most cases not be removed; this is obviously the case as regards real property; the presence of Chinese military personnel or equipment in the neighborhood of American nationals or property is clearly a circumstance over which American officials or other American nationals do not and cannot exercise control, and it in no way alters the rights of such American nationals or lessens the obligations of the Japanese armed forces or authorities to respect those rights; disclaimers of the responsibility by the Imperial forces will not alter these rights or these obligations respectively. In the light of these facts and considerations, failure on the part of American officials or nationals to have complied with the requests of the Imperial forces under the circumstances affords no excuse for injury which has occurred or which may occur to American nationals or property by Japanese armed forces; and any such injury, as has been stated in my note No. 781 of August 27, 1937,^{42a} is considered by the American Government as upon the responsibility of the Japanese Government.

I avail myself [etc.]

JOSEPH C. GREW

^{42a} *Ante*, p. 490.

393.115/247

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

The American Embassy had the honor, in its note No. 892 of March 12, 1938,⁴³ to invite the serious attention of the Ministry of Foreign Affairs to the continued occupation by Japanese forces of certain American mission property in Shanghai. The occupation of American property by Japanese military forces is not confined to the cases cited in that note but is a condition which obtains extensively in areas in Central China under occupation by Japanese military forces. American missionaries have been denied access to mission property and during their enforced absence nearly all buildings have been looted and damaged and some have been destroyed by fire.

American mission property at the following named places is occupied at the present time by Japanese troops: Changshu, Changchow, Chinkiang, Liuho, Nanking, Nansiang, Quinsan, Shanghai, Soochow, Sungkiang, Yangchow, and Wusih in the Province of Kiangsu, and Huchow and Kashing in Chekiang Province.

It will, of course, be apparent to the Japanese Government that the action of the Japanese military authorities in preventing American owners or their representatives from occupying or even inspecting their properties prevents them from assessing the damages recently occasioned by Japanese soldiers.

The Ministry of Foreign Affairs will undoubtedly realize that the attitude of the Japanese military authorities in denying American citizens access to their lands and buildings in the places mentioned is obstructive of the early settlement of claims for damages which have been or are to be presented. For example, although the Japanese Government admitted responsibility for the bombing on November 12 of the American Church Mission at Wusih and indicated its readiness to compensate for losses sustained, it would appear that not even at this late date are representatives of the Mission permitted to resume rightful occupation of or even to inspect the lands and buildings at Wusih with a view to ascertaining losses sustained.

In drawing the attention of the Ministry of Foreign Affairs to the circumstances above set forth, the American Embassy requests that prompt action be taken by the Japanese Government to cause the evacuation by Japanese forces of American property, and to direct the Japanese military authorities in China to permit American owners or their representatives to occupy or to inspect their properties.

TOKYO, March 26, 1938.

⁴³ Not printed.

393.115/258

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

[Translation]

No. 41, American I

Tokyo, April 2, 1938.

EXCELLENCY: In Your Excellency's note no. 872 dated February 4, 1938, you made reference to your note no. 866, and stated, upon instruction of your Government, that American missionaries had ascertained or had seen entry into, occupation of, and other depredations committed by Japanese military forces on properties of American missions at Soochow, Hangchow, and other places. You requested that the Imperial Government cause special measures to be promptly taken with a view to bringing to an end acts of the kind above mentioned, and that the Imperial Government give complete assurances that all losses and damages will be indemnified.

It has been affirmed on various occasions that it is the fundamental policy of the Japanese Government to do everything possible to respect the interests and property of the United States and of third countries, and that to give effect to that policy various appropriate and effective measures are being earnestly applied by every available means. I have already had the honor to inform Your Excellency of the preoccupation in putting such declarations into effect by my confidential notes no. 173 of December 24, 1937,⁴⁴ and no. 17 of February 12, 1938.

In view of the fact that the various cases referred to by Your Excellency require thorough investigation, Japanese officials on the spot are now endeavoring to ascertain the facts by communication with the persons who discovered or saw the incidents under reference and with those who made report of these incidents. The Imperial Government is prepared to pay appropriate indemnification in those cases where, as a result of such investigations, definite evidence is obtained that injury was improperly caused by Japanese forces. The following conclusion with reference to the above-mentioned incidents occurs in the concluding portion of Your Excellency's note under acknowledgment:

"It appears that these incidents have occurred with the knowledge, and some indeed in the presence, of Japanese officials, while others, such as the occupancy of mission properties by Japanese troops, were presumably by the express direction of military officers."

The Imperial Government desires to make the reservation that it cannot concur in that conclusion until investigation of the actual circumstances should make available evidence of the facts.

I avail myself [etc.]

KOKI HIROTA

⁴⁴ See telegram No. 679, Dec. 24, 1937, from the Ambassador in Japan, p. 549.

393.1163P92/130

*The American Embassy in Japan to the Japanese Ministry for
Foreign Affairs*

No. 925

The American Embassy presents its compliments to the Japanese Ministry of Foreign Affairs and has the honor to state that, according to information received through the American Consulate General at Hankow, on May 10 and 11 Japanese planes bombed property of the American Southern Presbyterian Mission at Hsuehowfu, Kiangsu Province, China. In the east suburb two bombs fell in the yard of the American church, another hit the church, and seven fell very close to the yard wall, causing extensive damage. The roof of the church building was covered by two American flags and two flags showing a blue cross on a white background, all very large. The report further states that the north suburb chapel was also damaged by bombing.

The American Embassy, acting under instructions from its Government, has the honor to request that the Japanese Government cause an investigation to be made of the circumstances referred to in the foregoing report and that the American Embassy be informed of the results thereof at the earliest possible moment.

TOKYO, May 16, 1938.

393.1163 Nantungchow/33

*The American Embassy in Japan to the Japanese Ministry for Foreign
Affairs*

No. 942

The American Embassy presents its compliments to the Japanese Ministry of Foreign Affairs and has the honor to refer to the damage to American mission property at Nantungchow on August 17, 1937, as a result of Japanese military operations.

This case was orally brought to the attention of the Foreign Office on August 20, 1937, by Mr. Coville^{44a} in conversation with Mr. Yoshizawa, and on that occasion a copy of a telegram on this subject from the American Consul General at Shanghai was left with Mr. Yoshizawa. Mr. Coville was informed at that time that the protest of the American Consul General at Shanghai to the Japanese Consul General at Shanghai had been received by the Foreign Office.

On August 20, 1937, the Senior Aide to the Japanese Navy Minister expressed regret to the Assistant Naval Attaché of this Embassy and gave his assurances that the bombing of the American mission at Nantungchow had not been deliberate.

A memorandum on this case dated November 24, 1937,⁴⁵ was handed informally to Mr. Suma, Counselor of the Japanese Embassy at Wash-

^{44a} Cabot Coville, Second Secretary of Embassy in Japan.

⁴⁵ Not printed.

ington, by the then Assistant Chief of the Division of Far Eastern Affairs in the Department of State, Mr. Hamilton,^{45a} on November 30, 1937, in response to the initiative which Mr. Suma had taken on August 25, 1937, in bringing up this case. Mr. Suma at that time referred to the way in which an informal settlement had been effected of the damage to American mission property at Tungchow, near Peiping, and said that he thought the present case might be handled in the same manner.

In addition to the foregoing, various conversations have since been held on this case between members of this Embassy and members of the American Bureau of the Foreign Office.

According to information received from the American Consul General at Shanghai, Mr. C. A. Burch of the United Christian Missionary Society, who proceeded to Nantungchow to make an investigation, stated in a sworn statement that, during an air raid which occurred at ten-thirty on the morning of August 17, 1937, four two-winged hydroaeroplanes described by witnesses as bearing the "Red Sun" insignia on the wings flew low over the mission property and dropped a number of bombs, one of which was believed to be incendiary, on the hospital and other mission buildings causing extensive damage.

Acting under instructions from its Government, the American Embassy expresses the earnest hope that, in view of the long period which has elapsed, assurances will be given that this matter will be settled promptly.

TOKYO, May 30, 1938.

393.115 Dollar Wharf and Warehouse Co./6

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Ugaki)

No. 943

TOKYO, May 30, 1938.

EXCELLENCY: Acting under instructions from my Government, I have the honor to invite the attention of Your Excellency to the following information received through the American Consul General at Shanghai:

The Texas Company (China) Limited reports that its launch *Texasco One* while flying the American flag and under way in the Whangpoo in front of the Asiatic Petroleum Company's lower wharf in Pootung was boarded at 12:30 a. m., May 19, by five Japanese (three of whom were armed) from a launch. Three of the Japanese were in naval uniforms. The Japanese drove all but one of the seventeen Chinese passengers and members of the crew to the stern of the launch and the Japanese beat them with a wooden truncheon.

^{45a} Maxwell M. Hamilton appointed Chief of the Division on August 16, 1937.

Four foreigners, none of whom are Americans, were aboard the launch. They pointed out the American flag to the Japanese. The foreigners were rudely treated but not beaten. Thirteen of the beaten Chinese are employees of the Texas Company.

The Japanese refused to permit the launch to proceed until 5:15 a. m., May 19. They searched it but did not take anything.

Two of the injured Chinese suffered fractured arms, three have serious contusions, the rest suffered bruises.

The *Texaco One* has been registered at the American Consulate General at Shanghai since April 15, 1931. It has been used continuously during recent months to carry passengers and supplies between the company's Gough Island installation and Shanghai. The Texas Company states that all the Chinese on the launch were known to the company and that none of them could be accused of being guerrillas.

Your Excellency's attention is also invited to the following further report received through the American Consul General at Shanghai:

The Dollar Wharf and Warehouse Company, an American firm reports that its steam launch *Dahlay* (which is registered at the American Consulate General at Shanghai) while flying the American flag and proceeding up the Whangpoo with two lighters in tow was stopped at 2:45 a. m., May 20, by a "Japanese naval launch". Four Japanese in naval uniforms boarded the launch. The *Dahlay* at the time was hired out to Parsons & Company, a British firm, engaged in the transportation of cargo and passengers and towing between Shanghai and small ports on the Yangtze near Shanghai such as Shupu. The crew consisted only of Chinese employees of the Dollar Wharf and Warehouse Company. Two Chinese representatives of the owners of the cargo which consisted of rice were also aboard. These two Chinese were asked for passes and not answering quickly enough were beaten with sticks about their heads and bodies by the Japanese. The number one laodah held out his pass to a Japanese who immediately hit him with a stick. The Japanese also beat the number two laodah and a sailor with a stick. The Japanese ordered the laodah to cut the lighters adrift and to proceed to the Pootung side of the river where the launch was tied up at the Kailan Mining Administration's coal dock. About 3:15 a. m. a foreign river policeman arrived on the scene. He took the number two laodah to a hospital to have his wounds dressed. After daylight the *Dahlay* picked up the lighters it had been towing and proceeded to the Shanghai bund without further incident.

I am instructed to point out to Your Excellency that my Government is inclined to take strong exception to these evidences of disregard by the Japanese authorities at Shanghai of the rights and immunities of American vessels, and that my Government expects that Your Excellency will without delay cause instructions to be issued to the Japanese authorities at Shanghai which will serve to prevent further interference with the movements of American vessels.

I desire to add that, although the personnel aboard the two vessels under reference was not American, knowledge of the physical abuse

to which the personnel aboard was subjected by Japanese who unlawfully boarded the vessels creates in the mind of the American public an unfavorable impression of the gravity of the offense involved.

I avail myself [etc.]

JOSEPH C. GREW

393.1163P92/129

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

No. 946

The American Embassy presents its compliments to the Japanese Ministry of Foreign Affairs and has the honor to state that the following message from Haichow has been received through the American Consul General at Shanghai:

"American Presbyterian Chapel only a few feet from American Presbyterian Hospital and American Presbyterian Women's Bible School, in same yard with our residence, were bombed on May 24th by Japanese planes causing great damage; residences only very slightly damaged. Chapel and school greatly damaged, in addition our chapel[s] inside the city and at Shaiho were bombed and greatly damaged. American flags were prominently displayed at each building. Our residential property is in well defined area outside the Haichow west gate. Women's Bible School, Girls' School, and three of our residences are in a large block of property well segregated from other property, not near Chinese property. West gate chapel and hospital compound are also clearly defined and easily distinguishable. Difficult to mistake either of our large compounds. No soldiers occupying any of our property here. Please take steps to prevent further damage to our property and to preclude danger to life."

The American Consul General at Shanghai reports that a second message has been received stating that the Mission was again bombed on May 28, one bomb landing less than thirty-five yards from Mr. McLaughlin's residence, but that they were, however, fortunately unharmed. Mr. McLaughlin requests that measures be taken for the bombing to be ceased.

The American Embassy, acting under instructions from its Government, has the honor to request that the Japanese Government cause an investigation to be made of the circumstances referred to in the foregoing report and that the American Embassy be informed of the results thereof at the earliest possible moment.

The American Embassy has the honor to observe to the Ministry of Foreign Affairs that these unwarranted attacks upon non-combatants and property used for humanitarian purposes were made despite the fact that, as in other cases, American flags were prominently displayed at each building.

TOKYO, May 31, 1938.

393.115/403

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] May 31, 1938.

In an interview with the Vice Minister for Foreign Affairs, Mr. Horinouchi, today at 3.45 at the Foreign Office, I took up with him and left notes covering the following subjects:

Return of American Citizens to their property in China.

I left with Mr. Horinouchi our signed note no. 945,^{45b} informing him that the Department proposes to release immediately to the press the text of this note and adding that the effect of this publicity might be favorably offset if the Japanese Government were promptly to assure us of positive and favorable action by the Japanese military to meet our desires by removing the obstacles mentioned in our note. The Vice Minister replied that he would do his best but made no commitment. I told the Department that I felt that the publication of the note is desirable.

Assault on Chinese under American flag on launches Texaco One and Dahlay.

Vigorous representations were made as desired by the Department in our signed note no. 943.*

Bombing of Lutheran United Mission, Chumatién, Honan.

Representations were made in *note verbale* no. 947.†

Bombing of Southern Presbyterian Mission, Haichow.

Representations were made in *note verbale* no. 946.‡

Bombing of Mission, Nantungchow.

Desired representations were made in *note verbale* no. 942.§

Bombing of Southern Presbyterian Mission at Sutsien and Hwaiian, Kiangsu.

Representations were made in *note verbale* no. 944.||

In delivering to the Vice Minister for Foreign Affairs today our various notes dealing with injuries by Japanese forces to American interests in China I took occasion to point out in emphatic terms the cumulative effect of these injuries on public opinion and feeling in the United States and expressed my earnest hope that the assurances given me today by the new Minister for Foreign Affairs that he would "guarantee the protection of American interests in China" would promptly bear fruit. The Vice Minister examined our several notes

^{45b} Note dated May 31, 1938, p. 764.

*See Embassy's despatch no. 2993, of June 8, 1938. [Footnote in original; despatch No. 2993 not printed.]

†See Embassy's despatch no. 2996, of June 8, 1938. [Footnote in original; despatch and *note verbale* under reference not printed.]

‡Embassy's despatch no. 2995, of June 8, 1938. [Footnote in original; despatch No. 2995 not printed.]

§Embassy's despatch no. 2992, of June 8, 1938. [Footnote in original; despatch No. 2992 not printed.]

||Embassy's despatch no. 2994, of June 8, 1938. [Footnote in original; despatch and *note verbale* under reference not printed.]

reporting the bombing of American Mission property and surmised that the Japanese planes had not been able to discern from the air the American flags and markings. At this point I stated in no uncertain terms and in the strongest language at my command that his suggestion was astonishing and totally unacceptable. At the request of the Japanese authorities themselves and notwithstanding the absence of any obligation whatever on the part of the Americans involved, the position of American property in China had been clearly designated and the desired markings by American flags had been carried out. The responsibility of avoiding those locations devolved exclusively on the Japanese forces. The excuse which the Vice Minister advanced of possible poor visibility could not for a moment be accepted by my Government and it was certainly not an excuse which would appeal to the American people, both of whom are becoming increasingly concerned at Japanese depredations carried out in complete disregard of contrary assurances repeatedly given us. The Vice Minister made no comment.

J[OSEPH] C. G[REW]

Statement by the Acting Secretary of State, June 3, 1938 ⁴⁶

The Government of the United States has on numerous occasions expressed its belief that the outbreak of serious hostilities anywhere in the world might in one way or another affect the interests of this country. Both in the Far East and in Europe there have been going on hostilities every aspect of which the American people and this Government have deplored. When the methods used in the conduct of these hostilities take the form of ruthless bombing of unfortified localities with the resultant slaughter of civilian populations and in particular of women and children, public opinion in the United States regards such methods as barbarous. Several times during the past year, especially on September 28, 1937,⁴⁷ and on March 21, 1938,⁴⁸ the Secretary of State has expressed the views of this country to the effect that any general bombing of an extensive area wherein there resided a large population engaged in peaceful pursuits is contrary to every principle of law and of humanity. During the past few days there have taken place in China and in Spain aerial bombings which have resulted in the death of many hundreds of the civilian population. This Government, while scrupulously adhering to the policy of non-intervention, reiterates this nation's emphatic reprobation of such

⁴⁶ Reprinted from Department of State, *Press Releases*, June 4, 1938 (vol. xviii, No. 453), p. 642.

⁴⁷ See press release issued by the Department of State on September 28, 1937, p. 506.

⁴⁸ Statement, "Revolution in Spain; Bombing of Civilian Populations," Department of State, *Press Releases*, March 26, 1938 (vol. xviii, No. 443), p. 396.

methods and of such acts, which are in violation of the most elementary principles of those standards of humane conduct which have been developed as an essential part of modern civilization.

793.94116/52: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, June 9, 1938—7 p. m.

[Received June 9—9:30 a. m.]

368. Department's 185, June 6, 7 p. m.,⁴⁹ paragraph numbered 2.

1. Taking the opportunity of my call today on the Vice Minister for Foreign Affairs in connection with the Scovel case,^{49a} I said that I wished to speak informally with regard to the bombing by Japanese forces of civilian populations in China. I said distinctly that I was not making official representations and that in fact I had no instructions to do so, and that I was acting on my own initiative and from the point of view of Japanese-American relations. I said that, having worked steadily during the past six years for the maintenance and development of good relations between our two countries, I always felt constrained to point out to the Japanese Government, at least informally, issues and developments which in my opinion were likely to injure these relations. I said that I did not wish today to go into the technical aspects of these bombing operations nor approach the question of military objectives or of fortified or unfortified areas. What I did wish to do was to point out the deplorable effect on American public opinion when large numbers of civilian populations were killed or injured by large bombing operations anywhere and to raise the question whether the military advantage to be gained from such operations was sufficiently important to justify the inevitable harm which such wholesale slaughter must have on Japan's reputation abroad, especially in the United States. I said that this seemed to me to be an aspect of the problem which chiefly concerned the Ministry of Foreign Affairs, responsible as that Ministry is for Japan's foreign relations. It seemed to me of the utmost importance that the Japanese Government should constantly bear in mind the deep humanitarian interest of the American Government and of the American people in the bombings of civilian populations wherever and how-ever carried out.

2. The Vice Minister expressed appreciation of the friendly way in which I had approached the subject and said that General Ugaki would be equally appreciative. He said that full consideration would be given to my observations and that in fact the Foreign Minister is

⁴⁹ Not printed.

^{49a} Dr. Frederick G. Scovel, American missionary, wounded June 2, 1938, at Tsining, China, by a Japanese soldier.

now negotiating with the military authorities in connection with this problem.

3. It was agreed that no publicity would be given to the foregoing conversation.

Repeated to Shanghai for Hankow.

GREW

393.115/402

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

No. 955

The American Embassy presents its compliments to the Ministry of Foreign Affairs and has the honor to state that according to information received through the American Consul General at Shanghai, the nurses' home and two residences on the compound of the Soochow Hospital, property belonging to the American Methodist Episcopal Mission South, were occupied by Japanese troops on May 30 last. The American Consul General at Shanghai has made representations to his Japanese colleague concerning this report of the recent occupation of additional American property.

The occupancy by Japanese troops of the American property under reference is unwarrantable and is contrary to the repeated assurances given by the Japanese Government that American interests and property would be respected. The American Embassy, accordingly, requests that the competent Japanese authorities will take urgent measures to cause the immediate vacation of this property. The right is reserved to claim compensation in full for all losses and damage sustained by the Methodist Episcopal Mission South and by the individual members thereof during Japanese occupation of the premises.

TOKYO, June 10, 1938.

793.94/13190 : Telegram

The Consul General at Shanghai (Lockhart) to the Secretary of State

SHANGHAI, June 11, 1938—noon.

[Received June 11—6 a. m.]

812. 1. I have this morning received a letter, marked urgent, dated June 11, addressed to the Ambassador from Matsuyuki Tani, [Japanese] Minister at Large reading as follows:

2. "Your Excellency: I have the honour to inform you that I have been requested by our naval authorities to notify our honourable colleagues concerned of the following: (1) While the Japanese naval authorities believe that there are neither men-of-war nor other vessels of third powers within the area from Wuhu to Hukow on the Yangtze River, they earnestly hope that, in view of the possibility that the area in question will become a field of hot fighting on and after the 11th of

June, none of such vessels will enter that area so long as the commander in chief of the Japanese Fleet in China seas will find it strategically inconvenient for them to enter; (2) in case there are men-of-war or other vessels of third powers in that area, it is hoped that the immediate notification be made of their names, principal item[s] and present locations, etc., and that they will immediately move to safer places, down from Wuhu or far up the Yangtze River; (3) it is hoped that men-of-war or other vessels of third power[s] now floating on the upper stream above Hukow of the Yangtze River and the lakes adjacent, will sail up beyond Hankow as the hostilities spread to that direction. It is further hoped that their names, principal items, present locations and sailing schedules to the upper stream above Hankow will be immediately notified and that every actual movement of them will be notified as soon as possible.

These requests are based on the sincere wishes on the part of our naval authorities to preclude any possibility in the course of our military operations of causing damage on the vessels of third powers and thus bringing about untoward incidents between Japan and third powers, which they are very anxious to avoid. It is earnestly hoped, therefore, that the third powers concerned, on their part, would cooperate with our naval authorities by complying with the above requests voluntarily. In this connection, I should be grateful if Your Excellency would be good enough to take immediate steps to bring the above to the notice of the interested parties.

I have the honour to be, with the highest consideration, etc."

3. I have given to the commander in chief a copy of the above-mentioned letter.

Repeated to Hankow, Peiping and Tokyo.

LOCKHART

793.94/13191 : Telegram

The Consul General at Shanghai (Lockhart) to the Secretary of State

SHANGHAI, June 11, 1938—1 p. m.

[Received June 11—6 a. m.]

813. My No. 812, June 11, noon.

1. I have this morning received a further letter addressed to the Ambassador, dated June 11, from Mr. Tani, Japanese Minister, reading as follows:

2. "At the request of the Japanese naval authorities, I have the honor to bring the following to Your Excellency's attention.

The experiences of Japanese air forces during the present hostilities have shown that although the men-of-war and other vessels of third powers painted their respective national flags upon their awnings to make themselves distinguishable from Chinese boats, it was hardly possible for Japanese fliers to recognize these painted flags from the air. They earnestly hope therefore that the powers concerned would find out a new method to make their vessels more distinguishable, for example, such as painting the greater part of the vessels scarlet or in other colours, and that they would at the same time take necessary

steps to prevent Chinese from resorting to the same measure in order to escape trial bombardments.

The suggestion arose from the earnest wishes of the Japanese Navy to avoid as far as possible the occurrence of untoward incidents between Japan and third powers by causing unwanted [*unwarranted?*] damages on vessels of third powers. I should be grateful therefore if you would be good enough to give favorable consideration to the suggestion."

3. I have given to the commander in chief a copy of the above-mentioned letter.

Repeated to Hankow, Peiping and Tokyo.

LOCKHART

793.94/13201 : Telegram

The Consul General at Shanghai (Lockhart) to the Secretary of State

SHANGHAI, June 11, 1938—10 p. m.

[Received June 11—2 p. m.]

822. Following from Tokyo:

June 11, noon. Department's 189, June 9, 7 p. m.⁵⁰

1. We have today presented the following note to the Minister for Foreign Affairs:

"No. 957. The American Embassy presents its compliments to the Japanese Ministry of Foreign Affairs and has the honor to refer to the assurances given on various occasions by the Japanese Government that American lives and property in China would be respected. Attention is invited to the fact that there are now residing in Hankow a substantial number of American citizens, and that property is held in various parts of Hankow by American citizens. Further, there are on the Yangtze River in the vicinity of Hankow American and other foreign naval and merchant vessels. The American Embassy confidently expects that, in the event of military operations, of whatever character, being conducted against Hankow by the Japanese military forces, the assurances of the Japanese Government that American lives and property will be respected will be scrupulously observed. Tokyo, June 11, 1938."

2. My British colleague states that he will take similar action.

3. My French colleague is informing Paris of my action and requesting instructions. He says that Naggia^{50a} is arriving in Hankow today and will no doubt confer with Johnson. Johnson may wish to suggest to Naggia that he recommend action by his colleague in Tokyo.

4. I have not yet heard whether the German and Italian Embassies will take similar action. Repeat to Hankow and Department as our 375, June 11, noon.

Grew

LOCKHART

⁵⁰ Not printed.

^{50a} French Ambassador in China.

793.94/13197 : Telegram

The Ambassador in China (Johnson) to the Secretary of State

HANKOW, June 12, 1938—1 p. m.

[Received June 12—8:15 a. m.]

286. My 284, June 12, 11 a. m.^{50b} Following from Admiral Yarnell:

"Reference letters from Mr. Tani to you dated 11 June there are no United States men-of-war in Yangtze between Wuhu and Hukow at present. It is my intention to visit Nanking and Wuhu about 24-25 June in U. S. S. *Isabel*. Future presence of United States naval vessels in area Wuhu-Hukow will depend on whether American nationals that area are in need of assistance. Due notice of movements of United States men-of-war will be given Japanese and Chinese authorities. This also applies to movements of vessels above Hukow. While due care will be taken to avoid unnecessary exposure in dangerous areas, assistance to American nationals in evacuation of such areas is paramount mission of Navy and will be followed. It is not considered that warning given by Japanese Ambassador relieves that nation in slightest degree of responsibility for damage or injury to United States naval vessels or personnel. With reference to suggestion contained in second letter that United States naval vessels should be made more distinguishable, 'such as painting the greater part of the vessel scarlet or in other colors,' this suggestion cannot be considered. United States naval vessels on Yangtze are painted white with large American flags painted on their awnings. These flags and nationality of vessels should be apparent to any aviator at several thousand feet altitude. Attention is invited to fact that Chinese Government has no vessel of river gunboat type on Yangtze. Comyangpat⁵¹ by copy of this despatch will carry out policy of Cincaf⁵² with reference to details of execution."

I am instructing Lockhart to make a reply to Mr. Tani in my name along lines of Admiral Yarnell's telegram above quoted.

Shanghai is being requested to mail to Tokyo a copy of Yarnell's comments.

JOHNSON

793.94/13205 : Telegram

The Commander in Chief of the United States Asiatic Fleet (Yarnell)
to the Commander of the Yangtze Patrol (Le Breton)^{52a}

[SHANGHAI,] June 13, 1938.

0012. In connection my despatch of 12th to Ambassador, it is not intended that United States ships shall remain within area of active military engagements. After full opportunity has been offered for evacuation of nationals, notice of probable date of withdrawal of gunboats from a specific area should be given. These dates will normally be left to your discretion. 1335.

^{50b} Not printed.⁵¹ Commander, Yangtze Patrol.⁵² Commander in Chief, Asiatic Fleet.^{52a} Copy transmitted to the Department of State by the Navy Department on June 13, 1938.

793.94/13469

The Counselor of the American Embassy in Japan (Dooman) to the Director of the American Bureau of the Japanese Ministry for Foreign Affairs (Yoshizawa)

TOKYO, June 14, 1938.

MY DEAR YOSHIZAWA: I enclose herewith a copy of the substance of a letter addressed by our Consul General at Shanghai to Mr. Tani in reply to the latter's letters of June 11, with regard to the movements of foreign vessels between Wuhu and Hukow on the Yangtze River.

Sincerely yours,

EUGENE H. DOOMAN

[Enclosure]

The American Consul General at Shanghai (Lockhart) to the Japanese Minister at Large in China (Tani)

I have been advised by Admiral Yarnell that there are no United States vessels in the Yangtze between Wuhu and Hukow at this date. However, Admiral Yarnell plans to visit in that vicinity on the 24th and 25th of this month in the U. S. S. *Isabel*. It will depend on what assistance American nationals may need in that locality as to future presence of our vessels there, at which time due notice will be given to both the Chinese and Japanese, and this will include areas above Hukow. Admiral Yarnell also adds that due care will be taken as to unnecessary exposure in those areas, but that assistance to Americans evacuating is of paramount importance to the Navy and will be carried out; and the information given in Mr. Tani's letters of June 11 does not in the slightest degree relieve the Japanese Government of responsibility for any harm to our vessels or persons. Further that our vessels are painted white and have large flags painted on their awnings, and should be apprant [at] several thousand feet altitude.

793.94116/62: Telegram

The Consul General at Shanghai (Lockhart) to the Secretary of State

SHANGHAI, June 18, 1938—8 p. m.

[Received 8:11 p. m.]

867. 1. Rear Admiral Nomura issued a long statement here yesterday in which he attempted to defend the bombing of civilian populations. The essence of the statement is that similar bombings are taking place in other parts of the world against defended cities and towns; that marksmanship is necessarily poor from the air (citing the relatively small number of hits scored against even large targets); that there had been warnings to both third-party nationals and Chinese civilians to withdraw; that common sense would dictate that noncombatants living near military objectives should withdraw to less dangerous zones.

2. The statement, which is in no way convincing, reflects sensitiveness on the part of the Japanese naval authorities to the widespread criticism directed against them for the recent bombings of civilian populations at Canton.

Repeated to Hankow, Peiping and Tokyo.

LOCKHART

393.115/424

The Japanese Minister for Foreign Affairs (Ugaki) to the American Ambassador in Japan (Grew)

[Translation]

No. 18 *Go*, Asia I

[Tokyo,] June 20, 1938.

EXCELLENCY: While informing Your Excellency that accompanying the extension of the hostilities in China the areas (excepting leased territories and international settlements of third countries, and areas in possession of the Japanese army) south of the Yellow river and east of a line connecting Sian, Ichang, Hengchow, and Pakhoi, constitute an area of active military operations, I have the honor to state that the Imperial Government desires to prevent, as far as possible, accidental injury to nationals of Your Excellency's country, or their property, caught in the hostilities between the Japanese and Chinese forces.

In order that the realization of this desire may be assured it is urgently hoped that the points mentioned below will be carried into effect by the nationals of Your Excellency's country and by those persons in charge of their property within the stated area, and it is hoped that the persons concerned may be promptly notified.

a. Nationals, vessels, et cetera remaining within the stated area not to approach Chinese military establishments.

b. Property of nationals in the stated area to be marked so as to be clearly visible from the air and from the ground, and at the same time notification of such property to the Japanese military authorities at the front to be expedited.

c. Since, in event of the Chinese forces taking advantage of the property of nationals of Your Excellency's country, the Japanese forces, being forced to attack, cannot accept the responsibility of protecting such property, arrangements to be made to prevent the Chinese forces from utilizing or approaching the said property.

With a view to preventing the occurrence of all kinds of undesirable incidents involving the nationals of Your Excellency's country, I should like to add here that it is sincerely hoped (although the Imperial Government does not, of course, require it) that nationals of Your Excellency's country living in the above-mentioned area who are able to leave, will, to as great an extent as possible, withdraw from the area of hostilities to safe districts.

Further, even outside the above-mentioned area the Japanese military forces must carry out bombardment of all kinds of important military establishments of the Chinese forces, and I shall therefore greatly appreciate a report of the location of any interests of Your Excellency's country of which notice has not yet been received. At the same time it is desired that properties be so marked as to be plainly visible from the air. It is also requested that nationals be instructed not to approach Chinese military locations.

The past experience of the Imperial Army has been that often marks to be observable from the air have not been clear, and it will be appreciated if all such are made plainly visible.

The foregoing is based upon the sincere wish of the Imperial Government to avoid risk of occurrence of unpleasant incidents and disaster to nationals of Your Excellency's country and their property in China, with the coming expansion of military activities. In regard thereto I have the honor sincerely to request Your Excellency's full understanding and prompt consideration in the premises.

I avail myself [etc.]

KAZUSHIGE UGAKI

393.115/424

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Ugaki)

No. 972

Tokyo, June 27, 1938.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note No. 18 *Go*, Asia I, dated June 20, 1938, relating to the measures recommended for the protection of American nationals and property in the area of active military operations in China and to inform Your Excellency that this note has been referred to my Government. This note has also been brought to the attention of the American Ambassador to China.

In this connection it appears desirable to recall to Your Excellency the position taken by my Government that, although American nationals have been and are being advised voluntarily to withdraw to places of safety, to place distinguishing marks on their property, and to take other precautionary measures, and that in so far as practicable and reasonable such nationals are voluntarily doing so, obligation to avoid injuring American lives and property rests upon the Japanese military authorities irrespective of whether American nationals do or do not take such precautionary measures. My Government holds, furthermore, that the presence of American nationals and property within the areas of military conflict and possible proximity to such American nationals and property of Chinese military personnel or equipment—clearly a circumstance over which American officials or other American nationals cannot exercise control—in no

way lessens the aforementioned obligation of the Japanese armed forces.

I avail myself [etc.]

JOSEPH C. GREW

393.1163Am33/91

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Ugaki)*

No. 975

TOKYO, June 28, 1938.

EXCELLENCY: Acting under instructions from my Government I have the honor formally to protest an unwarranted attack on June 15, 1938, by Japanese airplanes upon the American Southern Baptist Mission at Pingtu, Shantung, which resulted in placing the lives of two hundred school children and seven American missionaries in grave jeopardy and in wounding other noncombatants, and which inflicted extensive damage upon American property.

According to information received through the American Consul at Tsingtao:

The American Southern Baptist Mission at Pingtu reported that at 8:30 on the morning of June 15, with clear visibility and no wind, two Japanese naval bombers released two high explosive bombs, "number 260 kilograms" as shown by markings on scrap found directly over the mission boys' school compound. Both bombs exploded doing extensive damage to the residence of the American principal and school buildings. One bomb struck less than fifteen feet from the principal's residence and the second twenty five feet.

The boys' compound is about one eighth of a mile south of the city wall and not closer to any possible military objective.

After circling, the planes returned over the same course and dropped two bombs about fifty feet directly west of the mission girls' school compound which is closer to the city wall. Damage from concussion was done to buildings on this compound and adjacent mission property. The girls' school was not in session. The boys' school was having final examinations. Two hundred boys were endangered but escaped.

None of the seven American missionaries were injured but Chinese civilian women and children were injured.

Six American flags were flying on the compounds at the time of the raid. During the occupation of Pingtu this year by forces of the Japanese army, various compounds were visited by officers in command of detachments. Naval bombers have flown low over compounds on several occasions.

Acting further under instructions from my Government, I have the honor to request that the Japanese Government cause an investigation to be made of the circumstances referred to in the foregoing report and that I be informed of the results thereof at the earliest possible moment.

At the same time I have the honor to request that Your Excellency cause instructions to be issued promptly which will prevent the recurrence of similar acts.

I avail myself [etc.]

JOSEPH C. GREW

894.00/806

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] July 4, 1938.

Following our 399, June 22, noon, and the Department's reply 212, June 25, 4 p. m., ⁵³ I called today on General Ugaki, Minister for Foreign Affairs, at his official residence, and made representations according to the precise statement appended hereto.⁵⁴ My presentation was prepared in this form in order to convenience the English interpreter, Mr. Tsuchiya, and to leave a precise although informal record of what was said. Mr. Tsuchiya held a copy of the document and rapidly interpreted each sentence as I read it to the Minister. There was no interruption during the entire reading and translation of this document.

The Minister after listening to my complete representations said that he wished to express appreciation of the manner of my approach. His actual words as translated by the interpreter were that the Minister wished to express "appreciation and gratitude for the sympathy and friendliness" of my representations. Frankly, the Minister's reaction somewhat surprised me because I had spoken to him forcefully and emphatically and had set forth in no uncertain terms the highly unfavorable attitude of my Government and of the American public towards Japan's conduct of the hostilities in China, and I had rather expected a far less favorable reception of my remarks. I think that the Minister's reaction can only be explained by the comments which I advanced to him under the heading "Japanese-American Relations" and my observation under the heading "General Principles" that during the entire conflict of the past year my Government has endeavored to follow a course of strict impartiality and this attitude, we feel, entitles us to express our views without risk of misunderstanding.

The Minister then continued with the following further comments. He would take a further opportunity, he said, to discuss the points which I had raised. These points required most careful investigation, consideration and detailed examination but for the present he wished to make the following observations:

⁵³ Neither printed.

⁵⁴ *Infra*.

1. The Japanese Government is making wholehearted efforts to settle the conflict and to secure peace in East Asia at the earliest possible moment. The Minister hopes that we understand that desire.

2. The Japanese Government is giving most careful thought to Japanese-American relations. There must be frank discussion and we must understand each other on a basis of mutual fairness and justice.

3. The Open Door in China will be maintained. We may rest assured that the Japanese Government will maintain full respect for the principle of equal opportunity. In some cases there may be temporary difficulties during the period of hostilities not entirely satisfactory to the American Government. These are purely temporary.

4. Indiscriminate bombing is strictly prohibited by special instructions. In actuality a few Japanese aviators have not had long enough training and miss their marks which explains the damage of which I complained. Every effort is to be made to avert this kind of damage.

5. Full consideration is being given to the return of American citizens to their goods and property. The Minister hopes we will understand that ordinary Japanese people are not allowed to follow the army but only contractors and purveyors. He gave the illustration of sea gulls following a ship.

6. In Shanghai and Nanking there is now peace and order but while the Japanese are pushing their drive on Hankow those places are actually bases of military activity. The Minister hopes that we will take that fact into consideration.

Immediately at the commencement of the interview and prior to my own representations General Ugaki said that he desired to take up certain points with me and he thereupon read in Japanese a document which was interpreted into English by Mr. Tsuchiya. In reply to my inquiry the Minister said that this document would be sent me as soon as certain typographical corrections had been made. The points which he raised were as follows:

PROTECTION OF LIVES AND PROPERTY OF AMERICAN NATIONALS

Desiring to prevent accidental injuries to American nationals and their property in the area of hostilities in China the Imperial Government has suggested to the foreign ambassadors and ministers in Tokyo measures for the protection of their nationals. It is also stated in the above-mentioned note that in many cases (actual examples listed below) the Chinese have taken advantage of American property from a military standpoint. The Japanese forces must of course attack military objectives once they have been established by the Chinese. In spite of these facts the Imperial Government is giving the most careful thought and consideration to harmonizing this situation with actualities. In our note no. 972 we had informed the Japanese Government that even if there are Chinese military establishments near American property the American Government can

exercise no control over this and therefore the fact that such military establishments exist in no way lessens the responsibility of Japan for losses which American nationals may sustain when such Chinese military establishments are attacked by Japanese military forces. Although the Japanese forces are endeavoring in every way to avoid damage to American property it is very difficult in the prosecution of hostilities to prevent inevitable loss of some extent, especially in instances in which the Chinese have clearly occupied American property. In view of this it is not at all logical that the responsibility should be borne by Japan. As the American Government is aware of the above realities the Japanese Government earnestly hopes that we will wish to endeavor to prevent the utilization of American property in a military sense by the Chinese. If without making the above endeavor the American Government speaks of responsibility on the part of Japan alone, the feeling of partiality cannot be removed.

I said to the Minister that I took note of his statement and that I would deal with it in my subsequent representations which could clearly indicate that most if not all of the American property damaged by such military operations had been widely separated from any Chinese military objective. Those representations clearly indicated that the American Government must hold the Japanese Government responsible for such losses and damages.

List of Examples

1. At Shunteh, Hopeh Province, on November 12 of last year, the American Presbyterian church being used as the staff headquarters of the Chinese army was bombed.

2. At the time of the attack on Fenyang, Shansi Province, on February 17 of this year the Chinese army occupied military emplacements which placed an American church at their back and forced severe obstacles on our forces in their selection of a method and an opportunity for attack. Finally this church also suffered bombardment.

3. There is information to the effect that on May 14 of this year during the hostilities in the neighborhood of Hsuehow, one part of the Chinese army established a wireless set in an American church building at Chunyin in Kiangsu Province and engaged in communications.

4. On May 25 of this year Sen Chih-ti, head of the Tsimo plain-clothes anti-Japanese group and at the same time head of the military police, (said to have 1500 subordinates) was discovered inside Tsingtao. During the pursuit of this individual he was hidden in the Tsungteh middle school under the management of the Yanghsin Lu American Presbyterian church.

ARTICLES IN AMERICAN MAGAZINES DISRESPECTFUL TO JAPAN

Recently there have appeared many articles disrespectful to the Japanese Imperial Household published in American magazines

(examples listed below). Although by taking suitable measures the Japanese authorities are endeavoring to prevent exacerbation of the feelings of the people towards the United States, nevertheless if these articles were made known to the Japanese people the Minister fears that the incident concerning the Imperial Household would give rise to a serious problem. In view of the good relations between Japan and America the continued appearance of such publications is a source of concern to the Imperial Government. It would be gratifying if the American Government would take suitable measures in connection with this situation.

I said to the Minister that one of the fundamental principles of the American Constitution and Government was free speech and free press and that with the best will in the world my Government could exert no control over the press. When statements appeared in the American press of a nature to injure the feelings of foreign countries, especially comments regarding foreign royalty, the American Government deplored these utterances but it had been shown by experience that when protests were made they generally served only to draw greater public attention to the utterances in question and often resulted in throwing more fuel on the flames, whereas if allowed to pass without comment such press utterances generally died a natural death very quickly and were soon forgotten. It would therefore be highly inadvisable for my Government to take steps along the lines of the Minister's request. I added that our own Chief of State and Government are continually subject to adverse criticism, sometimes rather vitriolic criticism, by the American press.

Names of magazines

1. Ken (April)
2. Life (April 14 and May 8)
3. Esquire (April)
4. Saturday Evening Post (May 7)
5. Time (April 18)
6. Liberty (February 19)
7. Focus (July)

DISADVANTAGES OF AMERICAN PRESS ANNOUNCEMENTS CONCERNING
INCIDENTS IN PROCESS OF SETTLEMENT

The Minister then said, with regard to the present incident, the Japanese authorities in the field (Foreign Office, army, navy) are all zealously working for a local settlement. However, the publication in the press by the American Government of incidents which are progressing towards a local settlement is a measure on the part of the American Government which not only does not contribute towards a settlement of the case but on the contrary, the Minister fears, delays the settlement. With regard to local settlements, because of the manner of treatment by the American Government as

mentioned above, the authorities in the field receive the impression that the American Government believes that if it brings the problem to the attention of the central authorities it will be able to expedite the settlement. This has a tendency to stiffen the attitude of the authorities in the field. On the contrary when a matter is entrusted to local settlement, if we cite the example of the settlement of the recent question of the return of American missionaries to Suchow, the rapidity of the solution is clear. In this connection, in addition to our full understanding of the foregoing circumstances the Minister most earnestly hopes that for the solution of the problems of the present hostilities the most practical measures directly relative to actual conditions will be adopted. Furthermore, on the part of the Japanese, individuals from the concerned bureaus of the Foreign Office, army and navy, are now being called to Tokyo and the conditions minutely examined.

I promptly took issue with the Minister on his point that we should deal exclusively with the authorities in the field rather than with the central authorities and I pointed out that the Minister must realize that our proper principal channel for explaining American interests and for making representations if such interests were injured was the Foreign Office in Tokyo, not the army and navy, and that we must hold the Minister himself directly responsible for dealing with the foreign relations of Japan.

(The Minister's meaning with regard to the publication by the American Government "of incidents which are progressing towards a local settlement" was not entirely clear but I suppose he had in mind various press releases of the Department of State from time to time concerning representations made to the Japanese Government and that the knowledge of these representations had tended to stiffen the attitude of the military and naval authorities in the field. Considerable publicity was given in Japan to an alleged statement by someone in the Department of State that our representations concerning the return of missionaries to Suchow had brought results with amazing and almost unprecedented rapidity. It was of course pure coincidence that the permits were given so soon after our representations but the nature of the publicity in Japan gave the impression that our Embassy possessed great influence with the Foreign Office through which it was able to get immediate results and this may well have angered the military and naval authorities.)

RECENT STATEMENT BY THE JAPANESE SPOKESMAN IN SHANGHAI CONCERNING EXTRATERRITORIALITY

As a result of investigations made by the Imperial Government of the reports which were circulated concerning the statement by the spokesman of the Japanese Consulate General in Shanghai concern-

ing extraterritoriality, it has been found that they were based upon a misunderstanding. It goes without saying that the Japanese Government has no intention of denying the right of extraterritoriality in China which America and other countries enjoy and of giving the present conditions in China as an excuse. This is considered to be entirely a problem between those various countries and China. However, the Imperial Government strongly maintains the view that it is only right, because of the present hostilities between Japan and China extending over a broad area, that the Japanese armed forces take whatever measures are necessary from a military standpoint. This is particularly justifiable when there is an attempt to endanger the safety of the forces or when an act is done or attempted which would injure the carrying out of Japanese military activities. In such cases the army will take necessary measures without questioning the nationality of the person. The above-mentioned statement by the Japanese spokesman in Shanghai was, after all, nothing more than an expression to the above purport. It may be said that the statement in question was entirely separate from the question of extraterritoriality. The Imperial Government sincerely desires to correct the misunderstanding on the part of the American Government and to obtain its understanding of the true motive of the Imperial Government.

I replied that I took note of the Minister's statement but I wished to point out that the original statement of the Japanese spokesman in Shanghai had been officially published by Domei and it was therefore natural that we had taken it at its face value. (I noticed that both the Minister and the interpreter smiled broadly at this comment on my part.) The position of my Government with regard to this question had been fully recorded.

EMBARGO ON HIDES AND SKINS IN NORTH CHINA

The Department's telegram no. 229, July 2, 7 p. m., via Peiping,⁵⁵ was received at the Embassy on July 4, at 1:30 a. m., and although it was then too late to incorporate the subject in the typed record of my representations to the Minister for Foreign Affairs on that day, I did take up this subject with General Ugaki in accordance with the final paragraph of the Department's instruction under reference, making emphatic representations along the lines of the Department's telegram and requesting that the Japanese Government take steps to cause the removal of the unwarranted restrictions placed upon the American trade with North China.

⁵⁵ Not printed.

The Minister appeared to search his memory with regard to the embargo mentioned and finally said that he knew nothing about the matter and would cause an immediate investigation to be made.

J[OSEPH] C. G.[REW]

894.00/806

*The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Ugaki)*⁵⁶

I have not wished to bother His Excellency by frequent visits until he had had an opportunity to become settled in office.

I have therefore taken up either with the Vice Minister or the Director of the American Bureau the various issues and cases that have arisen.

Furthermore, I feel that the Minister has been making efforts on his own initiative to find solutions to various difficulties for American interests in China arising out of the present conflict.

I have wished to watch the working out of those efforts which I have reported to my Government and which are fully appreciated.

Now, however, I feel that the time has come for a talk along general lines.

I hope that the Minister will regard our talk today as concentrating what might have been said in several interviews since he assumed office.

I do not wish to present any diplomatic document, formal or informal. My representations will be oral. But if it will convenience the Minister in recording our conversation, I shall be happy to leave with him these rough notes, not as a diplomatic document but merely as an informal guide to what has been orally presented.

RESPECT FOR AMERICAN PROPERTY RIGHTS

At my first interview with the Minister when I asked what report I might make to Washington concerning the Minister's attitude towards American interests in China, I was very much gratified when His Excellency replied that he would guarantee the protection of those interests.⁵⁷

My Government has been informed of those assurances.

I now feel that the Minister would wish to be informed of the great and widespread injury to American property in China at the hands of Japanese military and naval forces during the year since the hostilities in China began.

⁵⁶ Statement left with the Japanese Minister for Foreign Affairs on July 4, 1938.

⁵⁷ See telegram No. 746, June 1, 1938, from the Consul General at Shanghai, p. 766.

A list has therefore been prepared, which I shall leave with His Excellency, giving an accurate and itemized statement of some of these damages.

This list is however only partial and not complete.

The Minister will note that much of the damage has occurred through the indiscriminate bombing of buildings carefully and conspicuously marked with American flags.

This includes many hospitals, missions, schools, churches and colleges.

We believe that very few of these damaged buildings were situated nearby to any Chinese military objectives.

As a typical case, one of very many cases, I shall ask the Interpreter to be good enough to translate to His Excellency a recent letter from our Embassy in Peiping to Mr. Horiuchi, Counselor of the Japanese Embassy in that city. (Appended)⁵⁸

Not only has American property been widely injured or wholly destroyed but American lives have been continually placed in immediate danger.

These incidents obviously have created a most unfortunate reaction in the United States, not only in the interested business circles and among the many millions of Christians whose churches, missions, schools and hospitals have been damaged or destroyed, but on American public opinion as a whole.

The deplorable effect on Japanese-American relations is obvious.

To overcome this effect and to carry out the guarantees which the Minister was good enough to give me in our conversation of May 31, I urge His Excellency, under the heading of respect for American property rights, to take concrete steps as follows:

(a) to ensure the exercise of particular care by the armed forces of Japan in China to avoid damaging American properties by direct military action, especially through bombing activities from airplanes;

(b) to ensure the restoration to American citizens of the full possession and unhampered use of their properties in the areas controlled by the Japanese wherein warfare has ceased;

(c) and to ensure compensation for such loss and damage as have been caused by Japanese military operations in China.

MAINTENANCE OF THE PERSONAL RIGHTS OF AMERICAN CITIZENS

Under this general heading, several important desiderata come into view.

First and foremost, of course, is the prime importance of avoiding danger to American lives by indiscriminate bombing operations.

⁵⁸ Not printed.

The charge that many of these operations in the past have been indiscriminate can hardly be denied, for the results have been clear.

The American buildings were clearly marked by American flags; many or most of them were widely separate from any Chinese military objectives.

Yet they were bombed nevertheless, and American lives were thereby placed in jeopardy.

Secondly, American citizens have been in various cases and localities molested or affronted by Japanese soldiers.

There have been, among other cases, the Allison incident and the Thomson incident in Nanking, and the Massie incident in Tsingtao, all cases of personal assault without good cause. The slapping across the face of American citizens, including the wife of an American naval officer, by Japanese soldiers, cannot pass unnoticed in my country. Were the positions reversed, I cannot believe that the Japanese Government would be inclined to tolerate such incidents.

Of an even graver nature was the Scovel incident in Tsining where an American missionary was shot by a drunken Japanese soldier.

I shall not now go into these cases in detail because they have been or are being dealt with individually, and today I wish to speak along more general lines.

But my Government feels very strongly that greater control and care should be exercised by the Japanese armed forces in avoiding injury and indignities to American citizens.

Finally, under this heading, I wish to speak of the rights of American citizens to visit and control their goods and properties and to resume their lawful occupations in the areas controlled by Japan wherein hostilities have terminated.

I know that the Minister has been making efforts along those lines and, in the case of Nanking, that passes are being issued in certain cases.

But in a locality where hundreds of Japanese civilians have already established themselves, we feel that the bars should be let down more generally and that American citizens, having lawful interests and occupations in Nanking and other localities in the occupied areas where warfare has ceased should be permitted to proceed forthwith.

The continued occupation by Japanese troops of the University of Shanghai, American property, is particularly to be deplored. I may say that there are some millions of Baptists in the United States keenly interested in that question today.

In this general connection there is a long outstanding case of the detention and partial destruction at Nanking of a cargo of wood oil belonging to an American concern, the Werner G. Smith Company,

which the owners wish to ship to Shanghai, yet permission has been withheld for many months.

All of these situations and incidents have created an unfortunate impression on my Government and on American public opinion.

The smoothing out of these cases is essential in the interests of good relations between our countries.

Summarizing the desiderata under this heading, I would mention the following points:

(a) avoidance of danger to American lives through indiscriminate bombing operations and other acts;

(b) avoidance of assaults and indignities inflicted on American citizens by Japanese armed forces;

(c) restitution of the rights of American citizens to visit and control their goods and properties and to take up their lawful occupations in the areas controlled by Japan in which hostilities have ceased.

MAINTENANCE OF EQUALITY OF OPPORTUNITY IN JAPANESE CONTROLLED AREAS IN CHINA AS BETWEEN JAPANESE AND OTHERS

Under this heading I refer to the avoidance of restrictions and obstacles to American trade and other enterprise as might result from the setting up of "special companies", officially supported and granted preferred status;

Avoidance of the granting of monopolies;

And avoidance of the establishment of exchange control involving restrictions upon the trade between the United States and China while at the same time allowing the free movement of funds and goods between Japan and China.

In that respect the situation in Manchuria, where American enterprise and trade are subject to restrictions in favor of Japanese enterprise and trade, and in marked contravention of the principle of the Open Door, long assured in theory but denied in practise, is illustrative of what we do not desire to see occur elsewhere in China.

This is a point upon which I would particularly like to be able to communicate to my Government assurances from His Excellency the Minister.

PROTECTION OF LEGITIMATE AMERICAN FINANCIAL INTERESTS

Included under this heading of desiderata are the preservation of the machinery of administration of the Chinese Maritime Customs and the continued servicing of American obligations secured upon the salt, customs and consolidated tax revenues.

These are subjects which I frequently discussed with His Excellency's predecessor, Mr. Hirota, and upon which our views are amply recorded in notes and other documents filed with the Gaimusho.

AVOIDANCE OF INTERFERENCE WITH AMERICAN TREATY AND
PRESCRIPTIVE RIGHTS IN CHINA

Under this desideratum we envisage non-interference with American extraterritorial and other rights arising from American-Chinese treaties;

Also avoidance of interference with the administrative functions and organization of the International Settlement at Shanghai,

As well as with the functions and organization of the Chinese Courts serving the International Settlement.

On December 27, 1937, the spokesman of the Japanese military authorities at Shanghai is reported as having stated to representatives of the press that nationals of third countries were subject in China to Japanese military law, officially reported by Domei.

On January 10, 1938, I informed Mr. Hirota in the course of a conversation which I had with him on this matter that the American Government would not recognize or countenance any attempt on the part of the Japanese authorities in China to exercise jurisdiction over American nationals in China.

I feel that, a Japanese official spokesman having again made a public statement on the subject of rights of nationals of third countries, I should make it clear to His Excellency that there can be no change in the position of my Government that the extraterritorial status of its nationals in China must be respected.

An unfortunate impression has been created abroad, and we feel that caution should properly be observed by Japanese spokesmen in touching on this important subject.

JAPANESE-AMERICAN RELATIONS

The foregoing points embrace certain litigated and tangible issues which have arisen out of the hostilities in China.

They represent important American interests, and to ensure the protection of those interests my Government would welcome the effective cooperation of His Excellency the Minister.

I know very well that His Excellency desires to work for the friendship and good relations between our two countries.

These various issues and incidents which I have mentioned have inevitably created a marked reaction and influence on public opinion in the United States. My Government must listen to public opinion within our country.

Therefore, in the interests of Japanese-American relations, now and hereafter, I earnestly appeal to the Minister to bring to bear the full and important weight of his own influence in ensuring the desiderata which I have mentioned.

Those desiderata are of great importance, and I feel it my duty to try to convey to the Minister a full appreciation and understanding of those interests, concerns and anxieties of the American Government and people.

International friendship depends in large degree on international understanding.

An Ambassador must be an interpreter of his country's views, opinions, sentiments and considered reactions.

Sometimes these interpretations may be welcome, sometimes not, but the Ambassador would be failing in his duty if he avoided the truth, or tried to minimize or obscure it.

The true friend in every walk of life is the friend who speaks frankly, not the friend who merely says the things which he thinks the other would like to hear.

I believe His Excellency to be a searcher after truth, and in the friendliest way I must portray the truth, even though the picture may be painted in dark colors, whereas we would both of us prefer to see nothing but a happy picture.

For long I have been seriously concerned about the relations between our two countries.

At times during the past year most serious incidents have occurred which required the most careful handling on the part of both of our Governments, lest the repercussions of those incidents should lead our relations into dangerous channels.

Incidents of a more or less serious nature are still taking place.

I constantly fear the occurrence of some further incident, or merely the amassment of many incidents, affronts, indignities, assaults, possible loss of American lives, loss or damage to American property, injury to legitimate American interest, the cumulative effect of which might create on American public opinion the most deplorable if not disastrous results.

I have had many evidences of the apparently sincere desire on the part of the Japanese Government, especially the Ministry of Foreign Affairs, to prevent relations between our two countries from becoming seriously impaired, and I appreciate the many assurances which I have received that incidents of various kinds will either be prevented or not permitted to recur.

However, there are continual indications that the armed forces of Japan in China pay little if any attention to the assurances given us by the Government in Tokyo.

Only yesterday we heard of a particularly glaring case of such lack of attention.

At the time of the sinking of the United States ship *Panay*, several vessels belonging to the Standard Oil Company were likewise sunk.

On April 22 last the Japanese Government expressed a wish to salvage those vessels for conversion into scrap metal.

On April 25 we informed the Foreign Office that the Japanese Government might salvage the vessels on the understanding that representatives of the Standard Oil Company should be present when the vessels were raised and be permitted to recover books, documents and papers constituting official records of the company, as well as logs, registry documents et cetera for the purpose of turning them over to the American consular officers in China.

On June 2 we were informed that the salvaging of these vessels had already begun without the presence of representatives of the company.

On June 3 we were advised by the Foreign Office that the Japanese Government desired to deal with this matter in such manner as to meet substantially the wishes of the American Government.

We were at the same time informed that Commander Kami of the Japanese Navy was to arrive in Shanghai on June 6 and would be directed to ensure satisfactory arrangements for the presence of the Company's representatives during salvage.

We are now informed that the vessels since that date have been blown into scraps without the presence of representatives of the Company, rendering impossible the taking out of the documents.

My Government has consequently asked me to make known to His Excellency the inability of the Government of the United States to comprehend how the Japanese Government could be so unmindful of its assurances.

I appeal to the Minister to bring to bear the full and important weight of his own influence to obviate the constant risks of which I have spoken and to prevail upon the Japanese naval and military forces in China to honor the assurances given by their own Government in Tokyo, both in regard to individual cases and along general lines involving fundamental international rights.

GENERAL PRINCIPLES

But while the foregoing desiderata are of great importance, I feel it my duty to convey to the Minister certain interests and concerns of the American Government and people along broader lines.

These interests and concerns have from time to time been publicly expressed by Mr. Hull with admirable clarity.

I refer in this connection to Mr. Hull's public statements of July 16 and August 23, 1937,^{58a} making clear and applicable to the Pacific area the principles by which the American Government is being guided, principles with which Japan is in direct conflict.

^{58a} *Ante*, pp. 325 and 355.

I furthermore refer to Mr. Hull's speeches before the National Press Club in Washington on March 17⁵⁹ and before the annual meeting of the Bar Association of Tennessee at Nashville on June 3, 1938.⁶⁰

No doubt the Minister has seen these various published statements and speeches; if not, they must be in the files of the Gaimusho.

These statements and speeches by the American Secretary of State have, among many other clearly stated facts, indicated that the existence and circumstances of the present conflict in China is deplored by the American people who have become increasingly perturbed by the method employed by Japan to resolve its disputes with China.

During the entire conflict of the past year my Government has endeavored to follow a course of strict impartiality.

This attitude, we feel, entitles us to express our views without risk of misunderstanding.

In this world of ours no nation and no people can escape the effects of warfare anywhere.

The present manifestation of Japan's foreign policy and the methods which the Japanese armed forces are employing in pursuit of that policy are looked upon with deep regret by the American Government and people.

Not only on grounds of humanity but also on grounds of the menace to American life and property, the widespread bombing of civilian populations in China has profoundly shocked both our Government and people.

There may be as has been claimed sanction under the rules of war for bombing defended areas, but it is my profound conviction that conditions have altered since the rules of war were formulated—in the days which preceded the invention of airplanes—and that the conscience of mankind abhors the wholesale destruction from the air of innocent non-combatants.

My Government is most deeply anxious that the conflict be concluded and that peace be restored at the earliest possible moment, with due regard for the establishment and maintenance of orderly processes in the relations of nations, along lines consistent with the provisions of existing international commitments and with principles of justice and equity with regard to all concerned.

These concerns of my Government and the American people are broad and fundamental.

I cannot too earnestly stress the public thought and comment that are being given to these matters in my country today, where acts and facts speak louder than words.

⁵⁹ *Ante*, p. 452.

⁶⁰ See extracts in Department of State, *Press Releases*, June 4, 1938 (vol. xviii, No. 453), pp. 645-647.

Now I have spoken with the utmost frankness, but in all friendliness and friendship.

I shall say nothing of this interview to the press. Perhaps the Minister may wish to tell the press merely that I came to discuss Japanese-American relations in general terms.

Once again I earnestly appeal for His Excellency's cooperation and most careful thought in considering the desiderata and facts presented.

893.1163/851

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Ugaki)

No. 1026

Tokyo, August 16, 1938.

EXCELLENCY: I have the honor to refer to notes addressed to the Ministry under the direction of Your Excellency nos. 992 and 993, dated July 15, 1938, nos. 1005 and 1006, dated July 22, 1938, and nos. 1022, 1023, 1024, and 1025, dated August 15, 1938, relating to the attacks by the Japanese military on American mission properties at Wuchang.⁶¹

I am directed to make comprehensive and emphatic representations to the appropriate Japanese authorities through Your Excellency, recalling succinctly the essential facts and circumstances of the attacks of these American mission properties at Wuchang, and to point out that notwithstanding the fact that the mission properties have been marked on maps delivered by the American Consul General at Shanghai to the Japanese authorities the mission properties under reference have been bombed no less than seven times since July 6 last, and particularly to emphasize the fact that in the course of these attacks American lives have been directly imperilled.

Acting under instructions from my Government I accordingly have the honor to request through Your Excellency that immediate and effective steps be taken to prevent a recurrence of such deplorable attacks.

I avail myself [etc.]

JOSEPH C. GREW

*Press Release Issued by the Department of State on August 26, 1938*⁶²

Text of a note presented to the Japanese Foreign Office by the American Ambassador at Tokyo, upon instruction of the Secretary of State:

⁶¹ None printed.

⁶² Reprinted from Department of State, *Press Releases*, August 27, 1938 (vol. XIX, No. 465), p. 146.

[Tokyo,] August 26, 1938.

EXCELLENCY: Acting under instructions, I have the honor on behalf of my Government to protest to Your Excellency against the unwarranted attack on August 24, 1938, near Macao, by Japanese airplanes upon a commercial airplane operated by the China National Aviation Corporation resulting in the total destruction of the commercial airplane, the loss of the lives of a number of noncombatant passengers, and the endangering of the life of the American pilot.

This attack upon the plane has aroused public feeling in the United States.

I am directed to point out to Your Excellency, with reference to the attack in question, that not only was the life of an American national directly imperilled but loss was also occasioned to American property interests as the Pan American Airways has a very substantial interest in the China National Aviation Corporation.

I am directed to invite the special attention of Your Excellency to the following points in the account of Pilot Wood: the China National Aviation Corporation plane was pursued by Japanese planes which started machine gunning; after the China National Aviation Corporation plane had successfully landed it was followed down by Japanese pursuit planes which continued to machine gun it until it had sunk; and when Pilot Wood started swimming across the river he was followed by one of the Japanese planes which continued to machine gun him.

My Government desires to express its emphatic objection to the jeopardizing in this way of the lives of American as well as other noncombatant occupants of unarmed civilian planes engaged in clearly recognized and established commercial services over a regularly scheduled air route.

I avail myself [etc.]

(Signed) JOSEPH C. GREW

793.94/14030

The Japanese Ministry for Foreign Affairs to the American Embassy in Japan

[Translation]

No. 81, Asia I

NOTE VERBALE

The Imperial Ministry of Foreign Affairs presents its compliments to the American Embassy and has the honor, in view of the attack which is soon to be made on Hankow and its environs by the Imperial Army, to convey to the American Embassy the following communication regarding the safety of the rights and interests in Hankow of third countries.

Information concerning the safety of the rights and interests in Hankow of third powers was conveyed in a *note verbale* dated January 11 of this year.⁶³ From that time up to the present the attack on Hankow has been limited to aerial bombardment.

Since the capture of Hankow is soon to be carried out by means of military force both land and water, the Imperial Government by enlarging upon and explaining the purport of the above-mentioned *note verbale* is desirous of contributing toward assuring the safety of the rights and interests of third countries.

As was stated in the preceding *note verbale*, the conditions under which the Imperial Army will not attack the specified area are that Chinese forces are not present within the said area; that absolutely no military advantage of the area be taken by the Chinese Army and that the movements of Japanese forces outside the area are not hindered from within the area. In consequence of these conditions:

1. The Chinese forces are not to be allowed to pass through the said area.

2. The Chinese forces' arms, ammunition, military supplies, et cetera, are not to be allowed to be stored in or to be transported through the area.

3. The Chinese forces are not to confront the Imperial forces by taking a position in front of this area.

4. The area is not to be utilized by the Chinese military authorities for espionage, communications, or as a base of operations for creating disturbances behind the Japanese lines.

5. Vessels used by the Chinese forces are not to be allowed to navigate along or to anchor at the river front in the said area.

6. Plain clothes troops, assassins, and criminals are to be considered as elements of the Chinese Army and the foregoing conditions are properly to be applicable also to them.

The Imperial forces consider these to be especially important items in connection with the need for planning for the safety of third-party interests at the time of the capture of Hankow, and accordingly they urgently ask that the countries concerned will take steps to see that they are strictly carried out.

In regard to the abuse by the Chinese forces of third-party rights: the experiences during the hostilities in the western part of Shanghai last year fully evidence that, in the event that the Chinese forces confront the Imperial forces in the vicinity of foreign property or use such property as cover, as an unavoidable consequence the property of third parties is unintentionally subjected to fire.

Accordingly it is particularly to be added that as long as there are Chinese military forces or military emplacements within one thousand meters from the outer edge of the established area at Han-

⁶³ Not printed.

now herein referred to, it is exceedingly difficult for the Imperial forces to bear responsibility for unforeseen damages to the rights and interests of third parties which may occur as a result of an attack on such Chinese forces or emplacements.

[Tokyo,] September 3, 1938.

793.94/14030

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

No. 1038

The American Embassy presents its compliments to the Imperial Ministry of Foreign Affairs and has the honor to refer to the Ministry's *note verbale* dated September 3, 1938, Asia I, No. 81, relating to the safety of the rights and interests at Hankow of third countries.

This *note verbale* has been carefully studied by the American Government.

The American Government's views in regard to military operations in and against a definitely arranged specified area at Hankow are well known to both the Japanese and the Chinese Governments. In this connection, however, the Japanese Government will doubtless understand that the American authorities cannot assume any responsibility to either side in the present unfortunate hostilities between Japanese and Chinese forces for any actions or undertakings of the other side.

Attention is called to the fact that from time to time the American authorities have, with the purpose of facilitating the protection of American lives and property and without prejudice to the general rights, supplied the Japanese authorities with maps showing the location of American properties in areas of hostilities in China, including properties in Hankow and Wuchang. The specified area at Hankow consists very largely of foreign owned property including a considerable amount of American property. A considerable number of American citizens are amongst the large foreign community in that area, and, as the Japanese Government is aware, there are also American citizens and American property in Wuchang.

Irrespective of the outcome of efforts made to separate the specified area at Hankow from all military activities, the American Government fully expects that the Japanese authorities will so conduct their military activities in China as to avoid injury to American lives and properties and makes full reservation of its rights and of the rights of its nationals in the event of the failure of the Japanese authorities to do so.

Tokyo, September 12, 1938.

393.115/485 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, October 13, 1938—4 p. m.

[Received October 14—7 a. m.]

664. Our 657, October 12, 10 a. m.,^{63a} and 396, June 21, 6 p. m.⁶⁴

Following is our translation of a note received this morning from the Foreign Minister:

"Number 37500 [37 Go], Asia I. Ministry of Foreign Affairs. October 12, 1938. Excellency:

1. The Imperial Government previously communicated, by its note dated June 20, as urgent, desires of the Imperial Government and gave the viewpoint of protecting the rights and interests of nationals of third countries that in the area south of the Yellow River and east of a line connecting Sian, Huon, Hengchow, and Pakhoi, which area it was assuming would become in the future the scene of military land operations:

(a) Nationals of third countries will withdraw from military emplacements of the Chinese;

(b) Property of nationals of third countries be clearly marked so as to be visible from the ground and from the air, and notification of such property to the Japanese authorities be expedited;

(c) In the event of the Chinese forces exploiting property of nationals of third countries within such area, the Japanese forces will be obliged to attack such property; and in such cases the Japanese forces cannot assume responsibility for protection of such property;

(d) From the point of view of preventing the occurrence of incidents of all kinds, the withdrawal so far as possible of nationals of third countries from the area of actual hostilities to safe places is greatly to be desired.

The Japanese Government now has the honor, in view of the fact that military operations are actually being undertaken in South China, again to invite Your Excellency's attention to the communication above mentioned and at the same time urgently to request Your Excellency's Government to take appropriate measures, especially in regard to the following points:

2. During the hostilities at Shanghai and Kiukiang, the Chinese Army deliberately constructed defensive emplacements contiguous to the property of nationals of third countries or employed property of nationals of third countries to offer resistance to the Japanese Army, which circumstances created for the Japanese Army the greatest difficulty in protecting such property. Accordingly, the Imperial Government urgently requests that Your Excellency's Government will be disposed to take appropriate and effective measures to the end that the Chinese be prevented from resorting, in the operations in South China, to the practices above described.

^{63a} *Ante*, p. 476.

⁶⁴ Not printed; but see note of June 20, 1938, from the Japanese Minister for Foreign Affairs to the Ambassador, p. 602.

With relation to this point the Imperial Government maintains the view that, if the Chinese Army should take positions contiguous to the property of nationals of third countries, responsibilities for any damage which might thereby arise must properly be borne by the Chinese Army.

Further, the Imperial Government ardently desires that special measures will be taken to prevent acts of any kind (even though the Imperial Government is confident that such acts will not occur) which might give rise to suspicion on the part of the Japanese Army that Your Excellency's country is manifesting sympathy toward China.

3. The Imperial Government, being apprehensive lest movements of troops, vessels, and airplanes of third countries on Chinese territory, in Chinese waters, and in the air over Chinese territory in all that part of China extending from Swatow to Pakhoi give rise to unforeseen incidents with Japanese troops, vessels, and airplanes, urgently desires that the countries concerned will, so far as possible, avoid all such movements. If it should be absolutely necessary to move troops, vessels, or airplanes of Your Excellency's country within the above-indicated area, it is desired that the Japanese authorities be informed, so far as the communication facilities permit, at least ten days in advance.

4. In conclusion, as the possibility cannot be precluded that the Chinese may intend to utilize the territory, wireless equipment, or air over the territory of third countries, the Imperial Government confidently expects and urgently requests that any such designs on the part of the Chinese Army will not in any way be tolerated.

I avail myself, et cetera. Prince Fumimaro Konoye, Minister for Foreign Affairs. His Excellency Joseph Clark Grew, Ambassador Extraordinary and Plenipotentiary of the United States of America at Tokyo."

The British Embassy has received a similar note.

Copy by mail to Peiping.

GREW

793.94/14315

*The Japanese Ministry for Foreign Affairs to the American Embassy
in Japan*

[Translation]

No. 97, Asia I

NOTE VERBALE

The Imperial Ministry of Foreign Affairs presents its compliments to the American Embassy in Tokyo and has the honor to acknowledge the receipt of the latter's *note verbale* dated September 12, 1938, in which the views of the American Government concerning the safety of the rights and interests of third countries in a specified area at Hankow were set forth.

In the above-mentioned *note verbale*, the American Government urgently requested that the Japanese authorities so conduct their military operations in China as to avoid injury to the lives and property of American nationals. The fact that the Imperial military forces are

already to as great an extent as possible, strictly adhering to a policy of giving consideration to the safety of the lives and property of the nationals of third countries has previously been made clear by frequent communications and public statements by the Japanese Government, and has been substantiated by past examples. Accordingly, even if a lack of concurrence and cooperation on the part of the Chinese authorities should unhappily prevent the implementation of the arrangement between the Japanese Government and the Powers concerned looking toward the safety of the lives and property of the nationals of third countries as a whole in a specified area at Hankow, there will be of course no change in the policy followed up to the present.

When the Chinese military forces utilize the rights and interests of third countries for military operations, that is, when they offer military resistance from points in close proximity to such interests or use such interests as cover, it becomes practically impossible to avoid the occurrence of unforeseen damage to the rights and interests of third countries. Nevertheless, according to reports from all sources, the Chinese military forces are utilizing the rights and interests of third countries, within and without the area in question, they are building military emplacements, and they are storing arms, ammunitions, military supplies, et cetera. It is important that the Powers concerned, if they are desirous of securing the safety of those interests, should take effective and appropriate measures to prevent acts of the Chinese forces which can be anticipated to jeopardize or injure such rights and interests. If, on the contrary, measures which should appropriately be taken are not taken, and the Powers concerned demand of the Japanese Government alone satisfaction in regard to the results of damages to rights and interests, such demands cannot be said to be just. For this reason the Imperial Government must continue to hold the view, as set forth in its *note verbale* dated September 3, 1938, that in such circumstances the Japanese Government cannot assume responsibility for damages to rights and interests.

[Tokyo,] October 14, 1938.

393.115/488 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, October 16, 1938—3 p. m.

[Received October 17—8 a. m.]

671. Department's 354, October 14, 7 p. m.⁶⁵ I have today addressed the following signed note to the Minister for Foreign Affairs:

"Tokyo, October 16, 1938. Number 1085. Excellency: I have the honor to refer to the statement to me on October 12, 1938, of His

⁶⁵ Not printed.

Excellency, the Vice Minister for Foreign Affairs, relating to the question of the rights and interests of third powers in China, and to acknowledge the receipt of Your Excellency's note number 37 *Go*, Asia I, dated October 12, 1938, marked confidential, relating to the measures recommended for the protection of American nationals and property in the areas of active military operations in China.

The foregoing note makes reference to the Japanese Government's note No. 18 *Go*, Asia I, dated June 20, 1938, relating to the same subject. In my reply thereto, No. 972, dated June 27, 1938, I ventured to recall to Your Excellency's predecessor the position taken by my Government that although American nationals have been and are being advised to take certain measures for their safety and for the protection of their property and that insofar as practicable and reasonable such nationals are doing so, nevertheless obligation to avoid injury to American lives and property rests upon the Japanese military authorities irrespective of whether American nationals do or do not take such precautionary measures. I also stated that my Government holds, furthermore, that the presence of American nationals and property within the areas of military conflict and possible proximity to such American nationals and property of Chinese military personnel or equipment in no way lessens the obligation of the Japanese armed forces.

With reference to the statement to me on October 12, 1938, of His Excellency, the Vice Minister, I have the honor to inform Your Excellency that my Government takes special note of the statement that in the military operations under reference the Japanese Government intends to respect foreign interests and to make the 'best of efforts' to prevent any damage to them. I am instructed to add that my Government will expect scrupulous observance of this assurance. I avail myself, et cetera. Joseph C. Grew. His Excellency Prince Fumimaro Konoye, His Imperial Majesty's Minister for Foreign Affairs."

Repeated to Chungking and Peiping. Commander in chief informed.

GREW

793.94/14378

The American Ambassador in Japan (Grew) to the Japanese Vice Minister for Foreign Affairs (Sawada)

Tokyo, October 27, 1938.

MY DEAR MINISTER: I have received a report that the Japanese naval authorities at Shanghai have urgently requested representatives in China of third powers that, owing to the presence in the immediate vicinity of third party vessels anchored off Hankow of a large number of junks carrying Chinese troops, these third party vessels move to previously designated anchorages in order that unfortunate incidents may be avoided. In the communication in which this request is made, the Japanese naval authorities refer to the intensive character of the hostilities which are expected to occur at Hankow and state that it is difficult to give assurance that Chinese troops in close proximity to third party vessels will not be attacked.

My Government takes the strongest possible exception to the position as above intimated of the Japanese naval authorities at Shanghai. The American vessels now anchored off Hankow bear appropriate and adequate markings, and the Japanese naval authorities are, of course, fully aware of their position. Further, there are in Hankow a number of American citizens and important American property interests, whose protection in the existing circumstances requires the presence of American naval vessels and so long as this need exists the American naval vessels must remain. Quite apart from this consideration, there appears to be no warrant for attacks to be made in the vicinity of these vessels.

It is most urgently requested that the appropriate Japanese naval and military authorities be explicitly instructed to refrain from making any attack in the immediate vicinity of American vessels.

Sincerely yours,

JOSEPH C. GREW

393.1123 Nyhus, Phoebe/30

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] October 31, 1938.

After repeated efforts to see the Minister for Foreign Affairs had failed I called today on the Vice Minister and made emphatic representations regarding the Nyhus case. I said to Mr. Sawada that I regarded this as an extremely serious case because it involved not only the bombing of American property but the loss of American life, that it was only a wonder that greater loss of American lives had not occurred through the repeated bombings of American property in China ever since the hostilities began and that unless effective steps were taken to prevent such attacks in future the risk of further incidents of this nature would be continual, and I pointed out to him the deplorable effect which the inevitable publicity concerning the Nyhus incident would exert on American public opinion. My oral representations were supported by a signed note addressed to the Minister for Foreign Affairs⁶⁶ and couched in vigorous terms.

The Vice Minister after listening to my presentation said: "I agree with you that this is a very serious incident" and promised an immediate investigation.

393.1123 Nyhus, Phoebe/30

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita)

No. 1105

Tokyo, October 31, 1938.

EXCELLENCY: I have the honor to inform Your Excellency that information has reached me that property belonging to the Lutheran

⁶⁶ *Infra*.

Brethren Mission at Tungpeh, Honan, was bombed by Japanese airplanes on October 24, 1938, which action resulted in the death of an American national, Phoebe Nyhus, aged three years, and in the wounding of two other American nationals, her mother, Mrs. Arthur E. Nyhus, and her sister, Ruth Nyhus, aged eight years. The building which was the object of the attack was destroyed.

Acting under instructions from my Government, I am compelled emphatically to protest this unwarranted bombing of American property which resulted in the death of an American national and wounded two others. The attention of Your Excellency is especially invited to the fact that a map of Tungpeh showing the location of the property was furnished to the Japanese authorities more than seven months ago, on March 3, 1938, and that, therefore, there would appear to be no grounds upon which the bombing could be excused because of lack of identification of the property.

My Government urgently requests that the Japanese Government cause an investigation to be made of the circumstances referred to in the foregoing report and that immediate steps be taken with a view to fixing the responsibility for this unfortunate occurrence and to the taking of measures which will ensure that similar incidents do not occur.

I avail myself [etc.]

JOSEPH C. GREW

393.115/526

The Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew)

[Translation]

No. 41 *Go*, Asia I

[Tokyo,] November 7, 1938.

EXCELLENCY: Since the outbreak of the present incident, the Imperial Government has constantly exercised care to protect the lives and property of nationals in China of third countries, and it has, as the area of hostilities in China expanded, repeatedly set forth in notes dated February 15, 1938, June 20, 1938, and October 12, 1938, its desires with regard to the measures which should be taken in order that this objective might be accomplished. Canton and even Hankow have been occupied recently by the Japanese forces; and as a result of the flight of the Chiang Kai-shek régime to the western part of China, the area of hostilities in China will henceforth gradually expand further toward the west, and Shensi Province, Hupeh Province, and Hunan Province are in the near future to become areas of hostilities. Further, even west of the above-mentioned areas up to a line connecting Suchow, Batang, and Tali, military objectives in Chinese territory are to be subject to attack by Japanese military airplanes. Accordingly, with a view to effecting even more completely its con-

sistent desire that the lives and property in China of nationals of third countries be protected, the Imperial Government now sets forth hereunder its earnest desiderata and urgently requests that Your Excellency's Government take prompt and appropriate measures in the premises.

1. In view of the fact that the Chinese forces are using for military purposes civilian airplanes manufactured in third countries, and in order to avoid the occurrence of unforeseen incidents, it is desired that measures be taken to prohibit the flight in the above-mentioned areas of aircraft having any connection with Your Excellency's country.

2. Travel in the above-mentioned areas by nationals of Your Excellency's country is to be undertaken at the risk of the travellers themselves.

3. From the standpoint of assuring their safety, the withdrawal wherever possible to safe areas of those nationals of Your Excellency's country staying in the above-mentioned areas who are able to withdraw therefrom is to be desired.

4. It is desired that the Japanese authorities be notified in reasonably ample time of the property interests of nationals of Your Excellency's country, and that such properties be very clearly marked so as to be visible from the air and from the ground.

It should be understood that it is impossible fully to protect interests of Your Excellency's country in regard to which such measures as described above are not taken.

5. The Chinese, in order to evade the exercising of the just rights of the Japanese armed forces, are deliberately transferring public and private property to the names of nationals of third countries. Therefore, the Japanese forces cannot assume the responsibility of protecting property which has been transferred for that purpose.

Further, it has been repeatedly stated that the Japanese military forces cannot assume the responsibility of protecting third countries' interests which are utilized by, or in close proximity to, the Chinese forces. I desire here, once again, to invite Your Excellency's attention to this fact.

I avail myself [etc.]

HACHIRO ARITA

793.94/14461

*The Japanese Vice Minister for Foreign Affairs (Sawada) to the
American Ambassador in Japan (Grew)*

[Translation]

[Tokyo,] November 11, 1938.

MY DEAR AMBASSADOR: I have carefully perused the contents of Your Excellency's letter, dated October 27, setting forth your views

concerning the urgent request for the withdrawal of naval and other vessels of Your Excellency's country from the vicinity of Hankow at the time of the attack on and capture of that place by the Japanese armed forces. The urgent request of the Japanese authorities concerned at Shanghai to which you refer was made in an effort to do everything possible to avoid the occurrence of unforeseen damage to naval and other vessels of third countries during the attack on junks which were known definitely to the Japanese military authorities to have a large number of Chinese soldiers aboard and to be brazenly swarming in the proximity of naval and other vessels of third countries. This, just as prior announcements of the Imperial Government which have frequently been made, was an act based upon the sincere wish for the preservation of the rights and interests of third countries and should, I believe, be so understood by Your Excellency.

The Japanese Government, considering the view expressed in the last part of the Minister's official note, no. 97, Asia I, October 14, 1938, must endorse the action of the Imperial military authorities who, with the above-mentioned intent, made that urgent request.

As Your Excellency is aware no unforeseen incidents involving vessels of Your Excellency's country occurred.

Sincerely yours,

RENZO SAWADA

494.11/96

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita)

No. 1157

TOKYO, December 22, 1938.

EXCELLENCY: Acting under instructions from my Government, I have the honor to invite the attention of Your Excellency to the fact that numerous notes addressed by me to the Japanese Government regarding the bombing by Japanese airplanes of American mission property in China remain unanswered. In this connection reference is made, for example, to the following notes addressed to the Ministry under the direction of your Excellency:⁶⁷

No. 923, May 16, 1938, relating to the bombing on or prior to May 13, 1938, of the American Southern Baptist Mission, Chenghsien, Honan.

No. 925, May 16, 1938, relating to the bombing on May 10 and 11, 1938, of the American Southern Presbyterian Mission, Hsuchowfu, Kiangsu.

No. 926, May 18, 1938, relating to the bombing on April 29, 1938, of the Saint Joseph Hospital, Wuchang, Hupeh.

No. 927, May 19, 1938, relating to the bombing on January 24, 1938, of the American Advent Mission, Chao Hsien, Anhwei.

⁶⁷ Of the notes listed, only notes No. 925, May 16, 1938, and No. 946, May 31, 1938, are printed; see pp. 590, 593.

No. 935, May 23, 1938, relating to the bombing on May 13 and 19, 1938, of the Free Methodist Mission, Chengchow, Honan.

No. 944, May 31, 1938, and no. 980, July 6, 1938, relating to the bombing on May 19, 1938, of property of the Southern Presbyterian Mission at Sutsien, Kiangsu, and of property of this same mission at Hwaiyin (Tsingkiangpu) on May 24, 1938.

No. 946, May 31, 1938, relating to the bombing on May 24 and 28, 1938, of the American Presbyterian Mission, Haichow.

No. 947, May 31, 1938, relating to the bombing on May 21, 1938, of the Lutheran United Mission, Chumatien, Honan.

Your Excellency's attention is also invited to my note no. 975, dated June 28, 1938, relating to an attack upon the Southern Baptist Mission property at Pingtu, which note remains unanswered notwithstanding oral assurances given to me by the Vice Minister for Foreign Affairs on August 26, 1938, that an immediate investigation would be made in the matter; to my unanswered note no. 942, dated May 30, 1938, regarding the bombing on August 17, 1937, of the Central China Christian Mission at Nantungchow, which note was sent in pursuance of a request made by the Ministry of Foreign Affairs; and to my unanswered note no. 1105, dated October 31, 1938, regarding the bombing of the Lutheran Brethren Mission at Tungpeh, Honan, resulting in the destruction of American property and the death and injury of American citizens.

I am instructed by my Government to state that it desires to be informed whether it may expect a formal expression of regret on the part of the Japanese Government for the death and injury of American citizens in the Tungpeh bombing and also assurances that appropriate indemnities will be granted, and when it may expect replies to the other above-mentioned notes and notes subsequently sent regarding the repeated bombings of American mission properties, including churches and hospitals, by Japanese airplanes.

I avail myself [etc.]

JOSEPH C. GREW

494.11/96

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] December 26, 1938.

In my conversation with the Minister for Foreign Affairs today he anticipated the presentation of our note, no. 1157 of December 22, in which we asked for replies to various notes already addressed to the Japanese Government regarding the bombing by Japanese airplanes of American mission property in China. This anticipation was a result of Mr. Dooman having informed Mr. Yoshizawa in advance that I had the intention to approach this matter. Mr. Arita said he understood that there had been ten or twelve cases of the bombing of American property in China and that while these cases would be

dealt with in due course, he wished now to refer to the attack on the Lutheran Brethren Mission at Tungpeh, Honan, resulting in the destruction of American property and the death and injury of American citizens. He said that as Tungpeh was not under Japanese occupation it had been up to the present impossible to conduct an investigation into this case and the question of responsibility and indemnity could not be approached until such investigation had taken place. Nevertheless, in view of the fact that American life had been lost there as a result of the hostilities in China, he wished now to express his regret on behalf of the Japanese Government. He understood that such an expression of regret had already been tendered by the Japanese representative in Shanghai. Mr. Arita then handed me a note confirming his oral statement.⁶⁸

I acknowledged the Minister's expression of regret and received his note but at the same time I said that I had already written him a note, no. 1157, December 22, covering this and other cases of bombing and referring to several notes of ours to which we had as yet received no reply, including the Tungpeh case. I handed this note to the Minister and expressed the hope that he would expedite replies to the various notes mentioned.

In view of the Minister's implied supposition that there were only ten or twelve cases of the bombing of American property in China, I took occasion to say to him that if I was not mistaken the number of such cases already totalled between two hundred and three hundred, and on December 28 I wrote to him stating that so far as we are now advised the cases of injury to American property in China at the hands of Japanese forces, including bombing, looting, assault, et cetera, totalled 296.

Our note, no. 1157, December 22, is based on the Department's telegram no. 420, December 16, 6 p. m.^{68a}

J[OSEPH] C. G[REW]

393.1123 Nyhus, Phoebe/68

The Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew)

[Translation]

No. 117, American I

[Tokyo,] December 26, 1938.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note no. 1105, dated October 31, 1938, stating that on October 24 of this year the American Lutheran Brethren Mission at Tungpeh, Honan Province, was bombed by Japanese planes and that as a result of this action one American citizen was killed, two were injured and the property of the mission was damaged.

⁶⁸ *Infra*.

^{68a} Latter not printed.

The contents of Your Excellency's note were promptly forwarded to the front and an investigation in the premises was requested. Tungpeh is outside of the territory occupied by the Japanese forces and, although it is impossible to carry out a complete investigation, a report to the following effect has been received. Since it is a fact that on October 24, the date mentioned in Your Excellency's note, the Imperial army carried out bombing operations under conditions as set forth in a separate report herewith attached,⁶⁹ against enemy positions at Tungpeh, it was surmised that the incident which Your Excellency mentioned might be an accidental, unfortunate occurrence resulting from these bombing operations. Accordingly the Japanese Consul General and the appropriate authorities of the Imperial army at Shanghai expressed to the American authorities regret for the occurrence of the incident and stated that appropriate measures would be taken when the circumstances became clear. Although it is expected that this incident will be satisfactorily settled locally in the near future, the Imperial Government also expresses regret for the occurrence of the incident in which the life of an American citizen was lost.

I avail myself [etc.]

HACHIRO ARITA

494.11/97

*The Japanese Ministry for Foreign Affairs to the American Embassy
in Japan*

[Translation]

No. 118, American I

NOTE VERBALE

The Imperial Ministry of Foreign Affairs presents its compliments to the American Embassy in Tokyo and has the honor to acknowledge the receipt of, and to reply to, the notes, sent by the Embassy at frequent intervals, in which it was stated that the Embassy had been informed that the property of American nationals at various places in China had been damaged as a result of bombing by the Japanese forces, and in which it was requested that investigations of the circumstances of these bombings be made, and that the Embassy be informed of the results of such investigations.

The text of each note was forwarded to the authorities concerned both in Tokyo and at the front and investigations are being carefully carried out. However, it is, of course, impossible to make an investigation when the incident occurred outside of the territory occupied by the Japanese forces, and even when within occupied territory, owing to a lapse of time, indefinite dates given in the evidence, and to other factors, it is extremely difficult to make effective investiga-

⁶⁹ Not attached to file copy.

tions of the conditions obtaining at the time of the incident. However, the replies which have been received thus far concerning the results of investigations of the circumstances of the bombings carried out by the Imperial forces are as set forth on a separate enclosure.

The Japanese forces, when carrying out aerial bombing operations necessary for strategic reasons, are exerting their best efforts in order to protect non-combatants, and in addition to this, as has frequently been announced, they are, in order to respect the property of the nationals of third countries, exhausting every possible precautionary and technical measure. This fact is made clear by the results of the investigations set forth on the separate enclosure. Accordingly, if, as reported by the American Embassy, damage was done to the property of American citizens in China, it must be surmised that such damage was caused by stray shells or bomb fragments from bombing operations. These operations were carried out without the least anticipation of the existence of American property rights and interests in the close proximity of Chinese military emplacements, troops, war materials, et cetera, for the reason that it was impossible to recognize the markings identifying American property rights and interests, either at the time of executing the bombing operation or in prior photographic scouting, because American property rights and interests were not effectively marked so as to be visible from the air or because the markings were inadequate.

However, in order to prevent to as great extent as possible the occurrence of such regrettable losses in the future, the authorities at the front are being instructed by the military authorities also to pay in the future even more attention to the respecting of the rights and interests of nationals of third countries. It is accordingly the earnest hope of the Imperial Government that American citizens in China will also, on their part, try to take precautions in order to avoid such unforeseen damages by putting up adequate markings visible from the air.

Further, among various incidents concerning which the American Embassy has made representations, some have already been the subject of a request for an investigation from the local American authorities to the Japanese authorities in that locality, and in a considerable number of these instances replies or explanations by the local Japanese authorities have already been made. There is no alternative but that investigations of this kind, by their very nature, be based upon reports from the locality concerned. For example, although the central authorities receive a request for an investigation, it is the practice to send all details to the authorities at the front. Accordingly, in order to decrease the difficulties of investigation which arise because of a lapse of time, et cetera, it is desired that the exchange of correspondence concerning these investigations, to as great an extent as

possible, be made locally. The Imperial Government sincerely hopes that the American Government also, with the above objective, will lend its support to the procedure of seeking settlement in the area concerned.

[Tokyo,] December 28, 1938.

[Enclosure]

ADDENDUM

1. The results of an investigation show these facts with regard to the incident set forth in the *note verbale*, no. 925, May 16, 1938, from the American Embassy at Tokyo, in which it was said that as a result of bombing operations at Hsuehchow by Japanese military planes, property belonging to the American Southern Presbyterian Mission at that place was damaged. The above bombing operations by Japanese military planes were carried out on both May 10 and May 11, 1938. The military objectives being the enemy forces between Sinking and Hsuehchow and the Hsuehchow railway station, no American or other third country property whatsoever was a target. It was ascertained that, at the time of this bombing attack, no markings whatsoever indicating the existence of American property were perceived. Therefore, even if it be a fact that American property was damaged in this case, it is to be concluded that such damage accidentally occurred for the reason that American property was in the close proximity of military facilities of the Chinese forces.

2. The results of an investigation show these facts with regard to the incident set forth in the *note verbale* no. 926, May 18, 1938, from the American Embassy at Tokyo,⁷⁰ in which it was said that as a result of bombing operations at Wuchang by Japanese military planes, property belonging to the Saint Joseph hospital at that place was damaged. Since these operations were directed against the arsenal at Hanyang, it is clear that Wuchang was not an objective of the attack. Further, fearing, in view of the severe battle in the air, that some bombs might have fallen from airplanes which were partially damaged, a detailed investigation was made particularly in that connection. Evidence of such a fact, however, was not found.

3. The results of an investigation show these facts with regard to the incident set forth in the *note verbale*, no. 928, May 19, 1938, from the American Embassy at Tokyo,⁷⁰ in which it was said that the motor yacht *Gypsy* owned by Anthony Clifford Miccia was damaged by bombing by Japanese military planes at South Soukong in the vicinity of the Shanghai Yacht Club located at Ming Hong, about 18 miles south of Shanghai. The personnel in the Japanese airplanes which had set out on September 8 of last year to bomb the enemy forces in

⁷⁰ Not printed.

the Ming Hong area definitely observed that a large number of junks being towed by tugs and having Chinese soldiers aboard were moving in a creek at a point two kilometers from the Ming Hong ferry. Therefore, for strategical reasons, bombing operations against these forces were unavoidable. It was ascertained that, in respect of this bombing also, the maximum precautions were taken to guard the safety of property of third countries, and that damage to such property was avoided. It is, accordingly, to be concluded that, even if it be a fact that American property was damaged in this case, such damage occurred as the unavoidable result of the bombing operations against the above-mentioned Chinese military forces.

4. The results of an investigation show these facts with regard to the incidents set forth in the *notes verbale*, no. 944, May 31, 1938, no. 980, July 6, 1938, and no. 990, July 14, 1938, from the American Embassy at Tokyo,⁷² in which it was said that properties belonging to the Southern Presbyterian Mission at Sutsien and Hwaiian, Kiangsu Province, and property belonging to the Central China Mission at Nanling, Anhwei Province, were damaged by bombing operations by Japanese military planes. In these various locations also, as is usual, Japanese military planes carried out bombing operations accurately directed against Chinese military facilities and there was not an instance of making a target of the property of the United States or other third country. It was ascertained that during these bombing operations, the Japanese military planes did not perceive any markings identifying American property. It is, accordingly, to be concluded that, even if it be a fact that American property was damaged in these cases, such damage was accidentally caused by stray shells, or bomb fragments, owing to the close proximity of American property to Chinese military facilities. Further, also in view of these several protests from the American authorities, the commanding officers at the front have been instructed by the appropriate Japanese military authorities to pay, in the future, the greatest attention to the rights and interests of third countries.

5. The results of an investigation show these facts with regard to the incident set forth in the *note verbale*, no. 947, May 31, 1938, from the American Embassy at Tokyo,⁷³ in which it was said that buildings and other property within the compound of the Lutheran United Mission at Chumatien, Honan Province, were damaged by bombing operations at that place by Japanese military airplanes. These operations were directed against the Chumatien railway station and Chinese military vehicles assembled near that station for the purpose of cutting the Peiping-Hankow railway line, and it was ascertained that property of the United States or other third country was not

⁷² Not printed.

⁷³ None printed.

made a target. Accordingly, it is to be concluded, even if it be a fact that American property was damaged in this case, such damage occurred for the reason that American property was not marked so as to be visible from the air and that property was in the close proximity of Chinese military facilities.

6. The results of an investigation show these facts with regard to the incident set forth in note no. 975, June 28, 1938, from the American Ambassador at Tokyo, in which it was said that as a result of bombing operations at Pingtu, Shantung Province, by Japanese military planes, property belonging to the Southern Baptist Mission at that place was damaged. On June 15, a squadron of Japanese military planes while scouting for the enemy in the area which they were assigned to cover recognized, at about 8:30 a. m. a rather large body of enemy forces retreating between buildings resembling a school. After three observation flights at a height of seven hundred meters no marking of a third country was recognized, and the enemy was therefore bombed. Accordingly, even if bombs fell within the compound of the mission grade school, it was ascertained that it was entirely unavoidable in view of the circumstances at that time. Concerning this case, the American Consul at Tsingtao has already, by a note dated June 18, addressed the acting Japanese Consul General in that city,⁷⁴ and the American Consul [*sic*] in Peiping has, by a note dated June 21, protested to the Japanese Embassy in that city.⁷⁴ Information has been received that in reply to the above notes, the local Japanese military authorities through the acting Japanese Consul General explained the circumstances at that time, as have been set forth above, and expressed the earnest desire that reliable and effective markings which would be visible from an airplane be installed by the Americans. In addition the opinion was expressed that the most effective method of avoiding the occurrence of accidents was that nationals of third countries should temporarily withdraw from such areas as this in which bandits are gathered.

7. The results of an investigation show these facts with regard to the incident set forth in an official note, no. 976, June 29, 1938, from the American Embassy at Tokyo,⁷⁴ in which it was said that as a result of bombing operations at Tsimo, Shantung Province, by Japanese military planes, property of the American Lutheran Mission at that place was damaged. Although Japanese military planes cooperating with land forces in subduing bandits were, on June 25, engaged in bombing enemy soldiers assembled in villages south of Tsimo, it was ascertained that at the time of this bombing no markings whatsoever visible from the air, indicating property of third countries, were perceived. This case is a regrettable incident which occurred as a result of the fact that it was entirely im-

⁷⁴ Not printed.

possible for the Japanese planes to recognize this American church, and it is absolutely impossible for an airplane flying at a rather high altitude to distinguish a national flag flying perpendicularly. The Japanese naval authorities have, in view of this incident, however, instructed the commanding officers concerned to take every measure to avoid the recurrence of such incidents.

8. The results of an investigation show these facts with regard to the incidents set forth in the *notes verbale* no. 978, July 5, 1938, no. 981, July 6, 1938, no. 984, July 8, 1938, from the American Embassy at Tokyo,⁷⁷ in which it was said that as a result of bombing operations of Japanese military planes, the residence of Dr. Gillette, an American citizen, at Mamoi, Fukien Province, and property belonging to the American Christian Herald Industrial Mission at Foochow were damaged and that the American Standard Vacuum Oil Company's gasoline storage tanks at Swatow were gravely endangered. At the time of the bombing of Mamoi, Foochow, and Swatow by Japanese military planes, the appropriate Imperial military authorities carried out a prior complete investigation concerning foreign rights and interests, and further just before the bombing operations a photographic scouting expedition was made. Those who were assigned to go with the planes were particularly experienced soldiers. The bombing operations were confidently carried out with the Mamoi ship-building yard at Mamoi, the Foochow Tunghu barracks at Foochow and the Municipal Government and Swatow Garrison Headquarters at Swatow as the respective military objectives. It was ascertained that they were not at all indiscriminate bombing operations as was reported to the American authorities by those who suffered damage in the locality concerned, and that the actual bombing operations, as was expected, accurately struck the military objectives. Accordingly it is to be concluded that, even if it be a fact that American property was damaged as was stated in the above mentioned *notes verbale* from the American Embassy, such damage was an accident arising from the fact that American property was in the extremely close proximity of Chinese military facilities. Information has also been received that Japanese military planes at the time of the photographic scouting expedition, before the bombing, and also at the time of the carrying out of the bombing operations did not perceive any markings whatsoever indicating American property rights and interests.

9. The results of investigations show these facts with regard to the incidents set forth in the American Embassy's *notes verbale* no. 992, July 15, 1938, no. 993, July 15, 1938, no. 1005, July 22, 1938, no. 1006, July 22, 1938, no. 1022, August 15, 1938, no. 1023, August 15, 1938, no. 1024, August 15, 1938, no. 1025, August 15, 1938,⁷⁷ and the American

⁷⁷ None printed.

Ambassador's note no. 1026, August 16, 1938,⁷⁸ in which it was stated that as a result of bombing operations at Wuchang by Japanese military airplanes, the Saint Hilda's School for Girls, property of the American Church Mission, property of the American Christian Missionary Alliance, the buildings of the Central China College of the American Church Mission, property of the Sisters of Notre Dame, property of the Saint Anne Convent, and the clinic of the American Seventh Day Adventist Mission, all at Wuchang, were respectively damaged. Japanese military planes carried out bombing operations against military objectives as follows: on July 12 (above mentioned American Embassy's *notes verbale* nos. 992 and 993) against a high-angle gun emplacement at Wuchang and a group of barracks south of that place, and July 19 and August 11 (American Embassy's *notes verbale* nos. 1005, 1006, 1022, and 1023) against the Shessian high-angle gun emplacement at Wuchang and a group of barracks south of that place, and on August 12 (American Embassy's *notes verbale* nos. 1024 and 1025) against the Fangsha (sic) Bureau of the Commanding General's Headquarters. Since in each instance these bombing operations were carried out against a military objective, it was ascertained that there is absolutely no instance of making a target of facilities belonging to the United States or to any other third country. Accordingly it is to be concluded that, even if it be a fact that American properties were damaged in these cases, such damage occurred accidentally from stray shells or bomb fragments for the reason that American properties were in the close proximity of Chinese military facilities.

10. The results of an investigation show these facts with regard to the incident set forth in the American Embassy's *note verbale* no. 1045, September 16, 1938,⁷⁹ in which it was said that kerosene oil, belonging to an American juridical person, the Texas Oil Company, Ltd., was destroyed while in transit in the vicinity of the Behang station by bombing by Japanese military planes. Although, on May 10, Japanese military planes bombed trucks and armored cars which were fully loaded with enemy soldiers and were proceeding in the direction of Chuan Chow, it was ascertained that there was no instance of the bombing of any automobiles having markings identifying American property. Accordingly, it is to be concluded that, even if it be a fact that American property was damaged in this case, such damage arose from the fact that the American property bore no markings or was proceeding exceedingly close to the Chinese military forces.

11. The results of an investigation show these facts with regard to the incident set forth in American Embassy's *note verbale* no. 1054,

⁷⁸ *Ante*, p. 619.

⁷⁹ Not printed.

September 19, 1938,⁸⁰ in which it was stated that a building of the American Presbyterian Mission at Hoihow, Hainan Island, was damaged by bombing by a Japanese plane. Although Japanese military planes on September 9, 1938, bombed the promontory forts at Hainan and on September 10 bombed the military headquarters at Haichow, it was ascertained that at neither time were any markings identifying American property perceived. Accordingly, it is to be concluded that, even if it be a fact that American property was damaged in this case, such damage was an accident occurring only for the reason that the American property was unmarked.

12. The results of an investigation show these facts with regard to the incident set forth in the American Embassy's *note verbale* no. 1058, September 19, 1938,⁸⁰ in which it was said that as a result of bombing by Japanese planes, property at Canton of the American Standard Vacuum Oil Company was damaged. Japanese military planes on May 28, 1938, and June 4, bombed the Wongscha station and on June 6, the military communications office. It was ascertained, however, that at that time no marks identifying American property were perceived. Even if it be a fact that American property was damaged in this case, it is accordingly to be concluded that such damage was an accident occurring for the reason that the American property was entirely unmarked.

13. The results of an investigation show these facts with regard to the incident set forth in the American Embassy's *note verbale* no. 1059, September 20, 1938,⁸⁰ in which it was said that as a result of the bombing by Japanese military planes, church property of the American South China Cumberland Presbyterian Mission was damaged. While Japanese military planes on August 8 bombed the Canton military headquarters, it was ascertained that in that vicinity no markings identifying American property were perceived. Even if it be a fact that American property was damaged in this case, it is, accordingly, to be concluded that such damage was an accident occurring only for the reason that the American property was unmarked.

494.11/97

The Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew)

[Translation]

No. 119, American I

[Tokyo,] December 30, 1938.

EXCELLENCY: I have the honor to inform Your Excellency that I have carefully perused your note no. 1157, December 22, 1938, in which inquiry was made concerning the replies of the Imperial Gov-

⁸⁰ Not printed.

ernment to the numerous notes which Your Excellency has sent regarding various incidents in which as a result of bombing operations by Japanese military planes, damage was done to American church property in China; and in which inquiry was made concerning the attitude of the Imperial Government with regard to the incident in which damage was done to the American church at Tungpeh, Honan Province, causing death and injury to American citizens.

By note No. 118/American I, December 28, 1938, replies were made to the following communications which were among the various items referred to in Your Excellency's note under reference: American Embassy's *notes verbale* no. 925, May 16; no. 926, May 18; no. 944, May 31; no. 980, July 6; and no. 947, May 31; and Your Excellency's note no. 975, June 28.⁸¹

Further, it is to be noted that this Ministry's note above mentioned also sets forth the results which have been obtained thus far of investigations of various other incidents.

With regard to the incident in which damage was done to the American church at Tungpeh, which was the subject of Your Excellency's note no. 1105, October 31,⁸² and to which reference was made in your note under acknowledgment, I wish to call Your Excellency's attention to my confidential note no. 117/American I, December 26,⁸³ which was delivered personally on the occasion of my interview with Your Excellency on December 26. Further, with regard to the claim for indemnity for loss of life occurring in this case, the Japanese Consul General at Shanghai during the early part of November informed the American Consul General at that place that, although it is impossible to make a detailed investigation as Tungpeh is outside of the territory occupied by the Imperial forces, the Japanese Government is prepared, as soon as the conditions are made clear, to devise some method of providing a solatium. I believe that Your Excellency's Government, being in receipt of a report to that effect, is already aware of these circumstances.

I avail myself [etc.]

HACHIRO ARITA

⁸¹ Notes No. 925, May 16, 1938, and No. 975, June 28, 1938, are only ones printed; see pp. 590, 604.

⁸² *Ante*, p. 627.

⁸³ *Ante*, p. 632.

1939

393.115/600

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

Reference is made to the informal memorandum presented by the American Embassy to the Japanese Foreign Office under date of February 6, 1939,^{83a} relating to certain irksome and seemingly unwarranted restrictions placed upon American personal and business interests in Tientsin by the Japanese military authorities in that city.

Information has now reached the Government of the United States indicating that there has been little or no relaxation in the restrictions referred to above and that further restrictions are to be imposed effective March 10, 1939, which will undoubtedly have a most unfavorable effect upon the extensive American personal and business interests in Tientsin.

Within the last week or ten days the Japanese military have constructed along the south and west boundaries of the British and French Concessions and the road to the East Arsenal live-wire fences with solid posts, and heavy insulators and wire, flanked by heavy wire, and have collected near the keyed entrances to the Concessions and within the first special area large quantities of "knife supports" for wire entanglements of heavy poles, much larger and more substantial than any used hitherto. These measures constitute a serious danger to the lives of American citizens.

In view of the foregoing the Government of the United States expresses the hope that the Japanese authorities will immediately take the necessary steps to alleviate those restrictions already imposed and to prevent further restrictions being imposed such as those contemplated to be made effective on March 10, 1939.

TOKYO, March 8, 1939.

393.115/630

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] March 30, 1939.

I called this afternoon on the Minister for Foreign Affairs and presented our note no. 1230.⁸⁴ After reading to the Minister the prin-

^{83a} Not printed.

⁸⁴ *Infra.*

cial points brought out in the note I said to him that this situation is becoming increasingly serious and that these continual bombings of American property, already totalling 135 in number, reports of which are coming across my desk almost daily, are causing increasing perturbation in the United States. I pointed out especially a few of the outstanding cases including that of the American Lutheran Mission at Tungpeh and that of the American Southern Baptist Hospital at Chengchow which had been bombed seven times since February 1938 and then urged with all earnestness that effective steps be taken to put an end to these bombings, stating that the American Government will carefully watch future developments in the expectation that the Japanese Government by taking effective measures will relieve the American Government of the obligation to publish the note.

The Minister expressed deep regret at the report which I had laid before him and said that he would immediately take the matter up with the appropriate authorities.

I then said to the Minister that having completed my official representations I wished to speak to him personally, informally and off the record, and I then said that these continual bombings of American property in China were leading to a growing conviction in the United States that these attacks are intentional and part and parcel of a studied campaign to drive foreign interests out of China. I said that it seemed to us impossible to place any other construction on the matter.

The Minister took these remarks in good part but said that he must deny that there was any truth in them, especially because since the publication of the news that U. S. S. *Astoria* was bringing the remains of the late Ambassador Saito to Japan a wave of friendly feeling for the United States had swept through this country and as this feeling was undoubtedly shared by "the soldiers" it was inconceivable that they would intentionally resort to such tactics as the intentional bombing of American property.

J[OSEPH] C. G[REW]

393.115/630

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Arita)*

No. 1230

TOKYO, March 30, 1939.

EXCELLENCY: Acting under instructions, I have the honor to inform Your Excellency that my Government formally and emphatically protests the continued disregard by the Japanese military forces of American lives and property in China.

In this connection I am directed to invite the attention of the Japanese Government to the ever lengthening list of instances in

which, as a result of air raids by the Japanese forces, American properties, although clearly marked and the location thereof previously reported with accompanying maps to the Japanese authorities, have been damaged and in some cases destroyed.

I am at this juncture constrained to refer to my note no. 880, dated February 21, 1938, to His Excellency Mr. Hirota,⁸⁵ then Minister for Foreign Affairs, in which it was pointed out that under the circumstances which prevailed in the areas in China outside zones then occupied by Japanese forces there rested upon American officials and other American nationals in China no obligation to take the precautionary measures requested on behalf of the Japanese forces by His Excellency Mr. Hirota in his note no. 6, dated February 15, 1938.⁸⁶ It was also pointed out, however, that toward safeguarding American lives and interests involved, precautionary measures had been advised and had voluntarily been taken in so far as possible, and that such measures would continue voluntarily to be taken. Despite the fact that such voluntary precautionary measures continued since that time and are continuing to be taken in respect of the property of American missions in China, there have occurred not less than 135 instances of aerial attacks by Japanese forces endangering American lives and resulting in damage to American property which have been brought by this Embassy to the attention of the Japanese Government. In virtually every such case the property had been clearly marked by American flags and other visible signs indicating American ownership, and wherever possible maps indicating the precise location of such property had been furnished to the Japanese authorities.

An outstanding example of the instances to which my Government refers is the recent bombing of the American Lutheran Mission at Tungpeh which resulted in death or grave injury to certain members of the Nyhus family. Twenty-eight of the attacks upon American property reported to the Japanese Government since the beginning of this year include three bombings on November 13, 14, and 18, 1938, of property of the Christian and Missionary Alliance at Taiping; bombing of the Peniel Missionary Home at Sai Nam, Kwangtung, in June 1938 and again on October 22, 1938; bombing on October 3 and 5, 1938, of property of the Standard-Vacuum Oil Company at Nanchang; bombing on December 24 and again five days later on December 29, 1938, of buildings of the Christian and Missionary Alliance at Kweilin, which resulted in the killing and wounding of members of the staff of the mission and refugees therein; the bombing on December 29, 1938, of the American Southern Baptist

⁸⁵ *Ante*, p. 586.

⁸⁶ *Ante*, p. 583.

Mission hospital, also at Kweilin, and the bombing on December 29, 1938, of the American Southern Baptist Mission at Shiuchow. Further bombings occurred on January 10, 1939, which resulted in the demolition of and damage to buildings belonging to the Evangelical Lutheran Mission at Shasi, Hupeh; on November 13 and November 23, 1938, and again on January 12, 1939, which resulted in the destruction of hospital and residence buildings belonging to the American Presbyterian Mission, North, at Hengyang, Hunan; on January 15, which resulted in serious damage to the property of the Suteh Girls' School of the American Methodist Episcopal Mission at Chungking; on January 23, which resulted in damage to the American Church Mission at Kuling; on February 4, which resulted in damage to property belonging to the Werner G. Smith Company at Wanhhsien; on February 22, which resulted in damage to the hospital of the Covenant Missionary Society at Kingmen; on February 25, which resulted in damage to the American Catholic Mission at Loting, and the serious wounding of Father Kennelly; on March 8, which resulted in damage to two compounds of the American Church Mission at Ichang, bombed in separate raids; and again on March 14, which resulted in damage to the St. James School property of the same mission at Ichang; on March 17, when the American Southern Baptist hospital at Chengchow was bombed twice, causing six casualties; again on March 19, when this same property was bombed for the seventh time since February 1938; on March 20, resulting in serious damage to property of the Covenant Missionary Society at Siangyang, Hupeh, and to the Santeh Bible School premises of the Lutheran United Mission at Fancheng, Hupeh.

Accordingly, I have the honor urgently to ask that Your Excellency take steps to the end that the Japanese Government promptly issue to its appropriate authorities in China such instructions as may be required to prevent any future recurrence of the bombing of American properties. These bombings have, as indicated above, resulted in death and injury to American citizens and in extensive material loss and, if continued, could not fail to have further such deplorable effects. The Government and people of the United States are becoming increasingly perturbed over these acts on the part of the Japanese military forces, and the weight which they can attach to assurances of the Japanese Government in this respect is necessarily determined by the extent to which Japanese forces in the field respect or fail to respect those assurances.

I avail myself [etc.]

JOSEPH C. GREW

793.94/15086

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] May 11, 1939.

In accordance with the Department's telegram 119, May 8, 7 p. m.⁸⁷ I called this morning on the Foreign Minister and made emphatic oral representations against the recent indiscriminate bombings by Japanese forces in China, basing my representations primarily on humanitarian grounds involving the safety of non-combatant civilian populations and furthermore on the grounds of the serious risks involved in jeopardizing the lives and property of American nationals both official and private.

The text of my oral statement, a copy of which I left with the Minister, and a coded text of which is being sent tonight by air mail to Shanghai for repetition to the Department by the naval radio is appended.

The Minister's only comment was the usual formula that every effort was made by the aviators to avoid accidents when bombing military objectives but that he would convey my representations both to the military and naval authorities. I pointed out to the Minister that in view of the great heights from which the bombs were dropped, in a wholesale and indiscriminate way, the chance of hitting specific objectives was very small while the risk of injuring foreign nationals or property and of causing widespread casualties among the local population was very great. The Minister replied merely that such bombing operations were part and parcel of the Japanese military operations in China and that as soon as these hostilities ceased, the risks of which I complained would likewise cease.

The Minister asked me what sort of publicity I thought ought to be given to our interview. I suggested that he say that I had come to discuss the general political situation but he replied that this would be too vague to satisfy the press. He then suggested an announcement that I had come to discuss current American problems in China. I agreed with this suggestion on the ground that some elements in the Army might be undesirably inflamed by a statement of my precise representations which might merely serve to incite the military to more intense depredations. (In agreeing to the Minister's proposal I had in mind the fact that if my precise representations were passed down to the Bureau of Information, the official spokesman, Mr. Kawai, if true to form, would very likely serve up the story in an inaccurate and sensational form. Mr.

⁸⁷ Not printed.

Dooman, at my suggestion, later discussed the point with Mr. Yoshizawa who thought that it would be best to leave the matter of publicity as arranged between the Minister and myself). I however told the Minister that with a view to satisfying American public opinion my Government might feel obliged to give detailed publicity in the United States to my representations.

[Annex]

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita) on May 11, 1939

On September 20, 1937, I called on His Excellency Mr. Hirota,⁸⁸ then Minister for Foreign Affairs, and, under the instruction of my Government, I made to him most earnest and emphatic representations with respect to the plan announced at that time by the Japanese naval forces to bomb Nanking. I pointed out and dwelt at length on the grave danger to foreign diplomatic establishments, personnel and non-combatants, as well as the serious effect on American public opinion which some accident in connection with those operations would entail.

Two days later, on September 22, 1937, again acting under the instructions of my Government, I delivered to Mr. Hirota a note, no. 780, dated September 22, 1937,⁸⁹ setting forth clearly and succinctly the American Government's views with respect to the announcement of the Japanese naval forces in China of the plan to resort to bombing and other measures of offense in and around the city of Nanking.

I have now been instructed by my Government to call on Your Excellency and, primarily on humanitarian grounds, and in reiteration of the representations made on both occasions mentioned, emphatically to express the most serious concern at the recent indiscriminate bombings of the civilian populations of Chungking, Swatow, Ningpo, and Foochow. According to information reaching my Government, the destruction caused by these air raids by the Japanese forces was confined almost entirely to civilian lives and the property of civilians.

Your Excellency is undoubtedly aware of the feeling aroused in the United States by the indiscriminate aerial bombing of the civilian population in various areas in China in the past. I cannot too earnestly impress upon Your Excellency the serious responsibility which devolves upon the authorities charged with the guidance of Japan's

⁸⁸ See memorandum of September 20, 1937, by the Ambassador in Japan, p. 500.

⁸⁹ *Ante*, p. 504.

foreign relations to restrain the military or naval forces responsible for these indiscriminate bombings from a course which, if continued, will inevitably create a progressively deplorable reaction in the United States. The American Government and people—let me repeat from previous representations—are and always will be concerned, primarily from the humanitarian point of view, in the mass bombing of civilian populations wherever and however carried out.

Added to the humanitarian factor applying to non-combatants generally, there exists the emphatic objection of the American Government to the jeopardizing of the lives of its own nationals which must inevitably arise from such indiscriminate attacks. I need hardly remind Your Excellency of the repeated bombings of American property in China, of which approximately 140 separate instances have come to my Government's attention during the present hostilities, in spite of the fact that these properties were clearly marked by American flags and their positions notified to the Japanese military authorities. Loss of American life, wounds and serious property damage were caused. The fact that during a recent period reports of these attacks on American property dwindled, and for a time actually ceased, gave us the hope that effective steps were being taken to meet our representations.

But now, with wholesale bombing operations renewed, I must draw Your Excellency's special attention to the fact that the American Embassy in China is at present appropriately established in Chungking, the seat of Government, while American Consulates exist in Swatow and Foochow, and that private American citizens, following their lawful occupations, are present both in those places and at other points currently subjected to these indiscriminate attacks from the air. I respectfully point out to Your Excellency the grave risk of incidents which might have a seriously adverse influence upon the relations between our two countries. In saying this I merely state a fact which must be patent to anyone having knowledge of the normal reactions of the American Government and people to a given circumstance or set of circumstances. In the light of past experience I would be derelict in duty if I failed to emphasize this risk, and the prime importance of avoiding such risk.

Therefore both on humanitarian grounds, involving the safety of non-combatant civilian populations, and on the grounds of the serious risks involved in jeopardizing the lives and property of American nationals, both official and private, I earnestly appeal to Your Excellency to take such effective steps as will terminate these indiscriminate bombing operations now current in China.

393.115/640 : Telegram

The Chargé in Japan (Dooman) to the Secretary of State

Tokyo, May 19, 1939—4 p. m.

[Received May 22—3:20 p. m.]

238. [From the:]

“Ministry of Foreign Affairs May 17, 1939.

Excellency: I have the honor to acknowledge the receipt of Your Excellency's note No. 1230 dated March 30, in which there are presented various instances of damage done to American property in China since the beginning of the present year by bombing from the air, in which the attention of the Imperial Government is drawn to these circumstances, and in which request is made that necessary instructions be issued to the authorities in the field with a view to preventing the recurrence of damage of the foregoing character.

As Your Excellency is aware, the Imperial Forces are exercising special care toward the protection of third-party property in China, particularly churches, schools, hospitals, private interests and other cultural establishments; and, as pointed out in a *note verbale* No. 118 dated December 28, 1938, if any damage should be done to such institutions as a result of military operations, such damage arises from unexaggerated circumstances.

There occurs in the concluding paragraph of Your Excellency's note under acknowledgment of March 30, the following statement: ‘The Government and people of the United States are becoming increasingly perturbed over these acts on the part of the Japanese military forces, and the weight which they can attach to assurances of the Japanese Government in this respect is necessarily determined by the extent to which Japanese forces in the field respect or fail to respect those assurances.’ The impression is conveyed by the above-quoted statement that the American Government believes that the results of action by the Japanese military authorities in the field do not necessarily coincide with the wishes of the central authorities. If that impression is correct, our sentiments can only be those of greatest regret. The Japanese authorities in the field are, at the risk of their lives, engaged in conducting military operations on a vast scale. Further, one of the counter measures against air attack of the Chiang regime is to endeavor to make it as difficult as possible for the Japanese to avoid doing injury to the properties of third parties. It is a matter of extreme regret to the Imperial Government that, notwithstanding the above-described circumstances and the strenuous efforts made by the Japanese, the facts are not understood.

Nevertheless the Imperial Government, taking into consideration Your Excellency's request, anticipates that even more effective steps will no doubt be taken from the point of view of respecting the properties in China of third parties. The Imperial military and naval authorities have repeatedly cautioned their forces in China to exercise care with a view to avoid causing unintentional damage to third-party properties especially cultural institutions. The army recently addressed an instruction to the officers in the field in the following sense: ‘Complaint has been made by the United States that the number of cases, according to investigations made by the American Government, of bombing of American properties from the air since

the beginning of the present year exceeds more than twenty. If that statement is a fact, the conditions referred to are of course due to recent improvements by the enemy of anti-aircraft defenses which prevent bombing at low altitudes; or again they are presumably due to machinations calculated to create dissention between Japan and other countries, especially the United States; or again to the fact that the Chinese forces are intentionally making use of foreign properties or are placing themselves in the vicinity of such properties. Nevertheless it is hoped that redoubled care will be exercised in all directions with a view to avoid causing damage to foreign properties.' The Navy is taking steps to issue instructions in a similar sense. The Imperial Government seizes this occasion to express the hope that American nationals, by adequately marking their properties so that they are readily discernible from the air, will give even more cooperation than that which they have given in the past with a view to avoiding unfortunate and unintentional damage. Further, the hope is again expressed that measures will be taken, as has been frequently communicated by Japanese military authorities in the field, to prevent Chinese forces from utilizing or approaching American properties.

The Imperial Government also regrets that the cases which have already occurred include instances in which American citizens have lost their lives or have incurred injury, and it deplors the occurrence of such instances. With particular reference to the cases at Tungpeh and at Loting, both of the places mentioned are situated outside the areas occupied by the Japanese forces, and, therefore, investigations cannot be carried out; nevertheless, as Your Excellency is aware, the authorities in the field are endeavoring earnestly to devise a settlement of both cases. A solatium has already been forwarded to Father Kennelly, and efforts are being made to devise some method for granting the Nyhus family an appropriate solatium. It is hoped that the American authorities will also cooperate with a view to reaching a settlement in each of these cases.

I avail myself."

Repeated to Chungking, Peiping.

DOOMAN

393.115/642 : Telegram

The Chargé in Japan (Dooman) to the Secretary of State

TOKYO, May 22, 1939—6 p. m.

[Received May 23—9:10 a. m.]

241. Department's 138, May 20, 4 p. m.,⁹⁰ bombing of American properties.

1. The text of the note presented today to the Foreign Office is as follows:

"Excellency: I have the honor to acknowledge the receipt of Your Excellency's note No. 51 dated May 17, 1939 replying to Mr. Grew's note No. 1230 dated March 30, 1939 in which Mr. Grew informed

⁹⁰ Not printed.

Your Excellency that the American Government formally and emphatically protests the continued disregard by the Japanese military forces of American lives and property in China—a disregard manifested by constant, and, in many cases repeated, bombings of American property. I have not failed to communicate to my Government the text of the note under acknowledgment, but pending the receipt of instructions which my Government may give me on the basis of Your Excellency's note it is my painful duty to bring to your attention the recent recrudescence of bombing by Japanese military of American property, as indicated in my two notes of even date, No. 1272 and No. 1273.⁹¹

According to reports received from reliable sources, the American Lutheran Brethren Mission property at Tangho, Honan Province, was bombed on May 4, and on May 2 the property of the same mission at Tungpeh was bombed and the church and school belonging to the mission were destroyed. Both properties were marked, the report concerning the latter case stating specifically that a large American flag was flying from a high pole at the time of bombing and that the American flag was painted on the roof. A bomb was also dropped on April 27 on hospital property at Kingmen, Hupeh, belonging to the Covenant Missionary Society.

In view of the killing or wounding of members of the Nyhus family during the bombing of the Lutheran Brethren Mission properties at Tungpeh, on October 24, 1938, and of the improbability that the Japanese military could have been ignorant of the location of that property, the bombing and destruction of that property which occurred on May 2 is regarded by my Government as especially flagrant. Similarly, the property at Kingmen was unmistakably known to the Japanese military in view of the representations made in regard to the bombing of the property there on February 22.

In addition to the cases above cited, there are reports of other instances of bombing.

Your Excellency, in the note under acknowledgment the steps calculated to cause the Japanese military in China to avoid doing damage to third-party properties in China have not been taken. It is justly clear, from the fact that American property, the existence and location of which must have been known to the responsible Japanese authorities, have again been bombed, that such authorities are not uniformly animated by that measure of concern for avoiding injury to the interests of the United States which the United States can rightfully expect of servants of a nation with which it maintains relations of peace. The persistence of incidents of the character under reference, must have had, as was emphatically stated by Mr. Grew, deplorable effects on the American public mind, and I venture to hope that the Japanese Government will take steps which will promptly yield results which would warrant the allaying of anxiety on this score.

I avail myself, et cetera".

Repeated to Peiping, Chungking.

DOOMAN

⁹¹ Neither printed.

893.102 Tientsin/385

Press Release Issued by the Department of State on June 19, 1939

At his press conference today the Secretary of State made the following statement:

"This Government is not concerned in the original incident at Tientsin relating to the requested delivery of the four accused Chinese. It is concerned, however, with the nature and significance of subsequent developments, in their broader aspects, coupled with other past and present acts and utterances in other parts of China. This Government therefore is observing with special interest all related developments in China as they occur from day to day. I have nothing further to add today."

893.102 Tientsin/289 : Telegram

The Chargé in Japan (Dooman) to the Secretary of State

[Paraphrase]

TOKYO, June 22, 1939—2 p. m.
[Received June 22—3 : 33 a. m.]

290. Yesterday I was talking with the Director of the American Bureau, Japanese Foreign Office, and stated to him that the Japanese would be making a great mistake if they assumed that by not mistreating nationals of the United States in Tientsin they would fail to arouse a strong reaction on the part of the American public to the reports in the press of indignities, highly offensive to our sense of decency, which are being inflicted on the British.

Telegram sent to Peiping for repetition to Tientsin, Chungking, and Shanghai.

DOOMAN

893.102 Tientsin : Telegram

The Secretary of State to the Chargé in Japan (Dooman)

WASHINGTON, June 24, 1939—2 p. m.

173. Your 290, June 22, 2 p. m. I approve of your timely action in expressing your opinion to Yoshizawa as reported in your telegram. Although no serious incidents involving American citizens with Japanese military have been reported as a result of Japanese restrictive measures against the two Concessions at Tientsin, the reports of the humiliation and indignities which are being inflicted by the Japanese upon other nationals at the Concessions' boundaries are receiving widespread publicity in this country and are causing a general feeling of indignation on the part of the American people. Continuance of acts of the character mentioned cannot fail to contribute toward making more difficult the composing of an already difficult situation.

Repeated to Peiping, Chungking and Tientsin.

HULL

393.115/683 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, July 6, 1939—7 p. m.

183. On July 5, and at his own request, the Counselor of the Japanese Embassy (Suma) called at the Department. He stated that a telegraphic report of Hirasawa's investigation had been received by the Embassy from the Japanese Foreign Office. The report, he said, made mention of four general points, as follows:

1. Before any particular area was bombed, the location of foreign properties was investigated by the Japanese aviation authorities.

2. The scope and direction of the proposed attack was decided by them in the light of their investigation.

3. An endeavor was made to avoid American and other foreign properties even when this avoidance caused inconvenience to the Japanese.

4. When Japanese aviators saw that American and other foreign properties would be in jeopardy by their bombings, the Japanese aviators ceased bombing operations notwithstanding that Chinese military objectives might be nearer such properties.

Mr. Suma added that the conclusions drawn by Hirasawa was that it was impossible for anything further to be done by the Japanese air force toward making effective their desire to avoid the bombing of American and other foreign properties; it was Hirasawa's recommendation that there be an isolation distance of one kilometer for American properties from Chinese and Chinese military objectives.

Mr. Suma was informed in reply that reports had been received from Shanghai and Hankow by the Department relative to Hirasawa's investigation; that of the American properties scattered all through China, a substantial number were institutions of learning which Chinese students naturally attended; that on many occasions the Government of the United States had pointed out to the Government of Japan that we had no control over the question of proximity of military objectives to American properties; that in our opinion the important fact was whether the bombing of American properties would continue or whether it would not.

An informal memorandum was then handed to the Counselor in which was described the bombings of certain Protestant and Roman Catholic mission properties on June 23, 24 and 25, and the bombing of the Union High School, Foochow, on June 29.

Telegram repeated to Chungking.

HULL

793.94/15175 : Telegram

The Ambassador in China (Johnson) to the Secretary of State

CHUNGKING, July 7, 1939—noon.

[Received 2:04 p. m.]

429. Another air raid was conducted by Japanese planes on Chungking this morning commencing about 12:40 and lasting until about 2:10 a. m. Bombs were dropped in various areas of the city though the downtown business section appeared to be the main target. A number of bombs fell in the Lungmenhao district on the south bank of Yangtze. The British gunboat escaped a direct hit by the narrowest of margins while one bomb falling within one hundred fifty feet of Peck's⁹² quarters caused about thirty Chinese civilian casualties. Casualties and property damage as a result of raid appear to have been small and confined almost exclusively to civilians. The Embassy has thus far received no reports of injury to American life or property in consequence of raid.

Repeated to Peiping, Hankow, Shanghai. Shanghai please mail to Tokyo.

JOHNSON

793.94/15175 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, July 7, 1939—8 p. m.

186. Chungking's 425, July 6, 10 a. m.,⁹³ and 429, July 7, noon.

The Department is greatly perturbed at the danger to which Ambassador Johnson and the American Embassy staff are being subjected; also by the continued bombing of American properties as exemplified in this latest instance in which the Lewis Memorial Institutional Church in Chungking was damaged. Press despatches from Chungking state that today's raid caused the serious and perhaps fatal injury of Jasper Shen, said to be a Hawaiian-born American citizen.

Unless you perceive objection, please call as soon as practicable on the Minister for Foreign Affairs, conveying to the Minister as under instruction an expression of this Government's deep concern for the safety of the Ambassador and his staff at Chungking and for the safety of other Americans and American property, and saying that this Government expects that the Japanese Government will without delay take such steps as may be necessary to insure the avoidance of further endangering by Japanese bombing operations of American lives and property.

In view of the possibility that the issuance of restraining orders to the Japanese air force in the field might be expedited thereby, the

⁹² Willys R. Peck, Counselor of Embassy in China.

⁹³ Not printed.

Consul General at Shanghai is requested to ask his Japanese colleague to take appropriate action vis-à-vis the Japanese military command.

Repeated to Peiping, Chungking and Shanghai.

Shanghai please repeat to Tokyo Chungking's telegrams under reference.

HULL

793.94/15181 : Telegram

The Consul General at Shanghai (Gauss) to the Secretary of State

SHANGHAI, July 8, 1939—4 p. m.

[Received July 8—8:45 a. m.]

576. Reference Department's 186, July 7, 8 p. m., for Tokyo. I have taken action as requested in last paragraph of this message. At the same time I have informed Japanese Consul General that, according to information from the Commander of the Yangtze Patrol, five bombs struck within two hundred yards of the U. S. S. *Tutuila* at Chungking during the recent air raids there. Commander Yangtze Patrol has made representations to senior Japanese naval officer here but I have deemed it appropriate to add this information in my representations to the Japanese Consul General, and the Embassy at Tokyo may wish to do likewise.

Repeated to Tokyo, Chungking and Peiping.

GAUSS

793.94/15187 : Telegram

The Chargé in Japan (Dooman) to the Secretary of State

TOKYO, July 10, 1939—4 p. m.

[Received July 10—5:30 a. m.]

320. Department's 186, July 7, 8 p. m. and our 317, July 9, noon.⁹⁴

I called this afternoon on the Minister for Foreign Affairs and made the strongest possible representation with regard to the recent bombings at Chungking. Mr. Arita said that he was distressed to learn that Ambassador Johnson and his staff had been put in jeopardy. It was impossible for him to promise that the bombing of Chungking would cease, as attack from the air was an important and effective phase of the military operations, but he had already caused the information which we supplied to the Foreign Office on July 8 to be communicated to the Navy Department with an urgent request that some new method be devised to safeguard American lives and property. I emphasized the likely serious consequences of continued indiscriminate bombing at Chungking.

Repeated to Shanghai for relay to Chungking and Peiping.

DOOMAN

⁹⁴ Latter not printed.

793.94/15236

Memorandum by the Secretary of State

[WASHINGTON,] July 10, 1939.

The Japanese Ambassador came in at my request. I then proceeded, without particular preliminaries, to read him the following:

"On two occasions between midnight and 2:00 a. m., July 6, two squadrons of Japanese planes raided Chungking. Bombs fell at random on both banks of the Yangtze River and in the city. One bomb fell within 400 feet of the residence of the Counselor of the American Embassy. Other bombs fell in the same general neighborhood, one landing about 300 yards from the residence of the American Ambassador. The Lewis Memorial Institutional Church at Chungking, an American institution, was badly damaged.

"Another raid was made by Japanese planes on Chungking on July 7 commencing about 12:40 a. m., and lasting until about 2:10 a. m. On this occasion bombs fell in various areas of the city and also on the south bank of the Yangtze, one bomb falling within 50 yards of the quarters of the Counselor of the American Embassy and causing about 30 Chinese civilian casualties.

"During these raids five bombs struck within 200 yards of the U. S. S. *Tutuila*.

"The bombing appears to have been carried out in an indiscriminate manner and the damage and loss of life inflicted to have been confined almost exclusively to civilians. The Government of the United States has repeatedly expressed this country's abhorrence of such indiscriminate bombing. Added to this general humanitarian concern is the consideration that the bombings under discussion, which are but the most recent of a long list of similar bombings, have exposed to grave hazards the American Ambassador, his staff, an American naval vessel and American naval personnel thereon, and all other Americans at Chungking.

"The President in person has asked that the Secretary of State protest to the Japanese Ambassador against a continuation of these indiscriminate bombings. The President would like to have an immediate statement from the Japanese Government, without making the matter one of a formal exchange of notes."

At the conclusion of the reading, I handed the Ambassador a copy of what I had read. He began to indicate his lack of belief in the facts, by saying that his Government had given special instructions to the military authorities in China to be careful to avoid injuries to persons and properties of other nations, etc., etc. I interrupted him and said that without taking up the question of what kind of instructions the military authorities were under from Tokyo, the official facts speak for themselves and show clearly that the Japanese military authorities are proceeding indiscriminately and recklessly with bombings in and about Chungking; that I was speaking from the facts, while the Ambassador was speaking from his understanding that instructions to be careful in bombing had been issued. He

then abandoned this phase. I said that, of course, if this sort of reckless bombing went on something serious in the way of injuries to other nationals and their properties would inevitably occur, and, that in the interest of both his country and mine, my Government seeks to avoid such an unfortunate development. The Ambassador then said he would promptly transmit the written statement I had read to him to his Government.

He then referred to a conversation between Ambassador Grew and Foreign Minister Arita, before the Ambassador recently left Tokyo for America, in which Mr. Arita had brought up (1) the idea of our two countries exercising their influence toward avoiding war in Europe; (2) the reported apprehension of my Government that the Japanese occupation of the Hainan Islands is part of a plan of permanent military conquest; and (3) my Government's concern about the extent of possible injury and loss of American interests, including American trade, in China, by reason of possible permanent Japanese policies of control. He said he would be interested in anything I might have to say on these points.

Point 3. I said that, taking the last point first, I need not remind him that for six years I had been earnestly pleading with and urging upon his Government the view that there is enough room on this planet for fifteen or eighteen great nations like his and mine, and that by cooperating along progressive and mutually desirable lines, great progress of the entire world population would gradually follow, etc., etc.

Point 2. I said that, on the other hand, while present American interests and rights in the Far East are highly important, the big consideration relates to the question whether all of China and the Pacific islands skirting it is to be Manchuria-ized by Japan, with international law destroyed and treaty observation abolished and all other nations not allowed into that one-half of the world—the door shut and locked by Japan except over preferences for her own citizens. I added that if some one nation is to do this in one-half of the world, some other nation in the other half of the world might undertake to follow the same example, and nothing would be more absurdly impossible for the future progress of the population of the world, including the countries assuming this species of domination, than such attempted course. I proceeded further to say that the Ambassador might suppose an announcement that this hemisphere and a part of Europe would be foreclosed against his country in the sense of being Manchuria-ized, and added that I need not speculate on what his country would think and how it would feel. I said that such efforts at domination, with no facilities for financing and progressive development, and the going forward on such a huge scale, could only result in disaster for all concerned, speaking, of course, from my view-

point, and that this general idea had been urged by me on his statesmen for six years.

The Ambassador undertook to advance the idea that Japan was just interfering temporarily with other people's interests on account of military exigencies. To this I replied that the fact that the rights and interests of other nationals all over China are being seriously interfered with, beyond all possible military requirements or even pretext, gives rise to the disappointment, not to say resentment, of the governments whose nationals are thus affected; that these excesses have occurred in north China and in South China and all up and down the Yangtze River; that Americans and other nationals are required to abandon their businesses, while the Japanese businessmen are permitted to step in and take their places and carry on business almost as usual—not temporarily, but apparently indefinitely. I added that these signs and circumstances indicating the Manchuria-izing of all China, or an attempt to do so at least, gives rise to the American apprehension, to which the Ambassador referred, that American trade and other interests might be permanently jeopardized or held in abeyance by Japan.

Point 1. As to the question raised with Ambassador Grew by Foreign Minister Arita about the possible cooperation of our two countries to compose the threatened dangers of Europe, I said that the single test of my Government in dealing with other Governments relates to the question of peace; that we consider the preservation of peace so supremely important to the future of all nations that we draw the line between honest, law-abiding, peaceful countries and peoples, without reference to their form of government, on the one hand, and those who are flouting law and order and officially threatening military conquest without limit as to time or extent; that we will work in a friendly spirit with every peaceful nation to promote and preserve peace, without serious thought as to who they are; that while we have not the slightest alliance, or secret or other understandings with any nation on earth, and do not propose to have any, we will keep thoroughly armed and prepared to take care of our interests and rights; that we have, in the spirit I was describing, made every kind and character of plea to the countries of Europe to indicate a willingness for the peaceful settlement and adjustment of their economic and other relations, and we have indicated our readiness to cooperate in every feasible plan to restore international trade and finance to a normal basis; that, notwithstanding these earnest pleas, (which the Japanese Government itself might well have been making, if it has not been doing so, or might well make now and persistently in the future,) nations perhaps could not but take notice that Japan herself is engaged in military operations for purposes of conquest, and that this situation might well call for an ending, if Japan were to exercise

her fullest influence along with the United States and other countries in efforts to compose threatened military conquest in other parts of the world.

The Ambassador made no particular comment, except to state that there had been reports in this country to the effect that Japan might enter into a military pact with Germany and Italy, whereas the truth is that his country has no idea of doing so; that Japan, because of its proximity and difficulties with Russia, has been interested in the anti-Comintern policy of certain European states and in working with them against Bolshevism. I replied that, of course, this was primarily the business of his country; that my country, of course, strongly opposes the doctrines of Bolshevism, and he said he knew this; that it also, as I had indicated, abstains from any entanglements or involvements with European countries; that, of course, if Japan desires to tie herself up with the horribly complicated European controversies, so as to make herself immediately involved in any European war, that still was her business primarily; and I might again reiterate that my Government is keeping itself in a detached position, with peace as its supreme objective, and with armaments sufficient for all purposes of security.

The Ambassador again and finally indicated that he would present my written statement, regarding bombing of American nationals and property, to his Government. I again emphasized that, in my opinion, something serious would inevitably occur if this sort of reckless conduct should continue; that, of course, we were making complaint primarily from this viewpoint and in the end it should be highly to the interest of both Governments thus to deal with dangerous practices before something happens of a serious nature; that my Government, of course, desires to preserve relations of fair-play and fair-dealing and friendliness with all nations at all disposed to this end. I said that if I might so add, without in any way referring to the local differences between Japan and Great Britain in China, but only basing my remarks on an incident, I would suggest that stripping nationals of other countries of all clothing in public is something abhorrent to the average citizen everywhere; that while it accomplishes next to nothing for the Government engaging in such practice, it does arouse universal resentment and condemnation; that the point I was coming to and the only thing I had in mind in thus referring to this sort of practice was that if some of our American nationals in China should be thus stripped to the point of stark nakedness and exposed to the public view, there would doubtless arise a surprising amount of bitterness and denunciation; and that, therefore, I did hope the Government of Japan would see its way clear to refrain not only from all excesses in depriving our nationals of their rights and interests and busi-

nesses in China, but also from other such practices as may be calculated to create unfriendliness and hostility between our peoples. The Ambassador spoke approvingly of these views.

C[ORDELL] H[ULL]

793.94/15201a : Telegram

The Secretary of State to the Chargé in Japan (Dooman)

[Paraphrase]

WASHINGTON, July 10, 1939—6 p. m.

190. Referring to your telegram No. 320, July 10, 4 p. m. At my request the Japanese Ambassador came to see me this morning, at which time I talked with him about the bombings of Chungking by the Japanese on the mornings of July 6 and 7. I affirmed our opposition to continuation of these indiscriminate bombings and told him that I had been asked by the President personally to make this protest. I also informed Mr. Horinouchi that the President desired to receive without delay and with no exchange of formal notes, a statement on the matter from the Japanese Government.

HULL

*Press Release Issued by the Department of State on July 10, 1939*⁹⁵

In connection with the bombings of Chungking on July 6 and 7 by Japanese planes, American diplomatic and consular officials have made appropriate representations to the Japanese authorities against the indiscriminate bombings which seriously endangered American life and property. The American Embassy at Tokyo reports that on July 10 the American Chargé d'Affaires at Tokyo, under instructions, made emphatic representations to the Japanese Minister for Foreign Affairs in regard to the matter.

793.94/15232

Memorandum by the Chief of the Division of Far Eastern Affairs (Hamilton)

[WASHINGTON,] July 13, 1939.

Mr. Suma⁹⁶ said that the Embassy had received a telegram from the Japanese Foreign Office reporting the representations made by Mr. Dooman to the Japanese Foreign Minister on July 10 in regard to the recent bombings of Chungking. Mr. Suma said that the report received by the Embassy indicated that, even prior to the making by Mr. Dooman of representations, the Japanese Foreign Office had

⁹⁵ Reprinted from Department of State, *Bulletin*, July 15, 1939 (vol. I, No. 3), p. 48.

⁹⁶ Counselor of the Japanese Embassy.

gotten in touch with the Japanese Navy Department in regard to the bombings.

M[AXWELL] M. H[AMILTON]

793.94/15208 : Telegram

The Ambassador in China (Johnson) to the Secretary of State

CHUNGKING, July 13, 1939—noon.

[Received July 13—6:45 a. m.]

438. Reference my despatch No. 212, May 22.⁹⁷ With reference to Tokyo's 320, July 10, 4 p. m., Department may consider it appropriate to communicate the following to Tokyo for possible informal communication to Foreign Minister Arita in connection with his statement that attack from the air upon Chungking "was an important and effective phase of the military." I may, I think, with all modesty, consider that my views on the subject are not without value as I have personally witnessed from the ground and in a sense from the point of view of one under attack from the air, some 66 raids by Japanese planes made in the night as well as in the day. I have learned to distinguish between a raid made upon a military objective and one that is made merely for the purpose of terrifying and killing unarmed and innocent civilian population. I feel that I can say that Chungking is unarmed in any sense that might be construed as offensive. To say that anti-aircraft weapons comprise military establishments and therefore offensive weapons is like saying that when I raise my hands to a defenseless [*sic*] position to meet the threat of an attacker I thereby justify the attacker on the ground that he subsequently does what he does to me in self-defense. I witnessed the two raids mentioned in this telegram. I have inspected the damage done to the city during the previous raids when incendiary bombs were used. I feel that I can say without fear of contradiction that in all of these raids the bombing was indiscriminately carried out with the deliberate intention of terrorizing the unarmed population of the city of Chungking and without regard to immediate objectives; that no objects of military character were hit or damaged; that while thousands of innocent men, women and children were killed in the fires started by incendiary bombs dropped among the wooden houses which characterize the housing of Chungking, no armed or military forces were injured or hurt. I feel that I can say without fear of contradiction that the only effect of this type of bombing has been to blast deeper the spiritual chasm that has been growing during the past two years between the Chinese and the Japanese peoples, a chasm that will keep these peoples sadly apart for years to come, postponing the establishment of that peace

⁹⁷ Not printed.

which the Japanese have so often said was the object of their campaign on the Continent. The effect of these bombings of undefended cities far behind the lines has been to unify the people and to build up in them a spirit of resistance that was not there before.

JOHNSON

793.94/15187: Telegram

The Secretary of State to the Chargé in Japan (Dooman)

WASHINGTON, July 15, 1939—6 p. m.

202. Your 320, July 10, 4 p. m.

1. Unless you perceive objection, please seek an early appropriate occasion to read to the Japanese Foreign Minister the pertinent portions of Chungking's no. 438, July 13, noon, which Chungking has been instructed to repeat to you via Shanghai.

2. In bringing to the Foreign Minister's attention the report under reference, you should allude to the Foreign Minister's statement made to you on July 10 to the effect that it was impossible for him to promise that the bombing of Chungking would cease, as attack from the air was an important and an effective phase of military operations, and you should emphasize the importance which this Government attaches to the report as a carefully considered statement of fact and opinion by a highly qualified observer. You should also inform the Foreign Minister that it is difficult for this Government to reconcile with this report the general tenor of the statements attributed to Hirasawa by the Counselor of the Japanese Embassy (reference the Department's telegram 183, July 6, 7 p. m.).

Repeated to Chungking and Peiping.

HULL

393.1163 Lutheran Brethren/101

The Japanese Minister for Foreign Affairs (Arita) to the American Chargé in Japan (Dooman)

[Translation]

No. 90, American I

TOKYO, July 17, 1939.

SIR: I have carefully perused your notes, no. 1272, May 22, 1939, no. 1273, May 22, 1939, and no. 1274, May 22, 1939,⁸⁸ in which it was stated that property belonging to the Lutheran Brethren Mission at Tangho, Honan Province, was bombed by Japanese military planes on May 4, 1939; further that the property of the Lutheran Brethren Mission at Tungpeh, Honan, the same property at which the incident resulting in death and injury to members of the Nyhus family on October 24, 1938, occurred, was again bombed on May 2, 1939, by Japanese airplanes. You stated that both properties were marked;

⁸⁸ None printed.

and that particularly in the latter case it was entirely improbable that the Japanese military authorities could be ignorant of the existence of the above property. At that time, you stated, there was an American flag flying from a pole on the property and also there was an American flag painted on the roof. In view of these facts, you stated that this bombing of the same property must be viewed as especially flagrant. You protest to the Japanese Government concerning these incidents, and request that measures be taken to prevent any future occurrences of a similar nature.

The actual facts, however, according to the investigations of the Japanese forces which have recently entered Tangho and Tungpeh, are as set forth in the addendum herewith attached.

As I have already frequently explained to you, the Japanese air forces have paid from the beginning, and are paying, the strictest attention to the protection of the rights and interests of third countries in China. Nevertheless, in time of war accidental injury may be done to such rights and interests. The Imperial Government sincerely regrets such instances, but it has been learned that these injuries are very often caused, as in the cases at Tangho and Tungpeh, by the fact that the property of American nationals has given the appearance of being that of the enemy, or for the reason that enemy forces have assembled in large numbers, or have constructed their military emplacements in close proximity thereto. The Imperial Government being greatly embarrassed by these facts, I desire emphatically to invite your attention to instances of the above nature.

You conclude in the latter part of your above-mentioned note no. 1274 that the Japanese authorities are not uniformly animated by a spirit of concern for American rights and interests. As the Minister for Foreign Affairs has, at every opportunity, affirmed to His Excellency, Ambassador Grew, and to you, the Japanese people, the Japanese Government and authorities both civil and military at home and abroad, have always been and are anxious for the maintenance and promotion of friendly relations between Japan and the United States, and have invariably considered in good faith the protection of American rights and interests in China. Accordingly, under present circumstances your statements, such as those mentioned above, are indeed inapposite. I earnestly hope that to a greater degree than heretofore the sincerity of Japan's attitude will be appreciated.

Needless to say, the Japanese Government will take all possible measures to protect rights and interests in China. It is requested that the United States, on its part, cooperate fully with Japan toward avoidance of such damages by preventing the Chinese forces from utilizing such property, by prohibiting the building of military emplacements of the Chinese forces in close proximity to that property, and by other measures.

Finally, I wish to call your attention to the fact that officials of the Japanese Army at Shanghai, officials of the Ministry of Foreign Affairs and other officials concerned are at present conferring and are giving particular attention to the question of a solatium for the members of the Nyhus family who were injured in the recent unfortunate accident at Tungpeh.

I avail myself [etc.]

HACHIRO ARITA

[Enclosure—Translation]

ADDENDUM

1. It was determined that Japanese airplanes did, in fact, bomb and destroy an American mission at Tungpeh. This mission was comprised of two buildings constructed near the provincial government's building. Of the above two buildings, one, the main building a two-story structure, was struck by a bomb and destroyed with the exception of one portion of about one hundred and forty-four square feet in the north corner. On the roof of that part left standing, there was a small observation lookout. The other building was a barrack-like structure. Inside there were definite evidences of the housing of a large number of people and straw was spread on the floor. There was a brick wall around this mission and there were loopholes cut into the wall. The property clearly had enemy character.

It is definitely established that all of the buildings within the walls of Tungpeh were appropriated by enemy forces and were utilized as barracks. For example the school building in the center of the walled city was remodeled as a military barracks and a neighboring house was used as a military telephone exchange with many telephone lines converging on it. There was a room marked "Commander's Headquarters" in the provisional government's office building near the above mission which clearly indicates that this served as the headquarters of the enemy forces. Further, houses in the immediate or close proximity of this same mission were practically all marked "Training Corps no. ". There were many evidences that these buildings were barracks of the enemy forces and such buildings were destroyed by the Japanese air forces. The propriety of such action from the standpoint of prosecution of hostilities may be proved by actual evidence.

2. The Japanese air forces had discovered at the time of the bombing of Tangho that there was a large concentration of enemy troops near the American mission at that place. This discovery was later verified as a fact through investigations among the local populace. This mission was very small and not more than one very small part of it was destroyed. Even in this case as well, there are many evidences that the enemy forces took military advantage of American rights and interests.

793.94/15230 : Telegram

*The Chargé in Japan (Dooman) to the Secretary of State*⁹⁹

[Extract]

Tokyo, July 18, 1939—8 p. m.

[Received July 19—6 a. m.]

340. Department's 202, July 15, 6 p. m.

Yoshizawa told me that the Chungking bombings were being carefully investigated and that the Japanese Ambassador at Washington would be shortly instructed to make a full statement in response to the representations made to him by the Secretary on July 10.

Repeated to Chungking, Peiping.

[DOOMAN]

793.94/15253

Memorandum by the Secretary of State

[WASHINGTON,] July 20, 1939.

The Japanese Ambassador came in today as a result of my request, made on yesterday, for an early report in reply to our conversation of July tenth, at which time I asked for an explanation and suitable expressions of the Japanese Government in regard to the reckless bombing near an American vessel anchored in the Yangtze River, damage to a church owned by American missionaries, and the dropping of bombs near the official residences of the American Ambassador and Counselor in Chungking. The Ambassador handed me the two attached statements, one of the Japanese Government and the other a report of their Commander-in-Chief of the China Sea Fleet, relative to this matter.¹ As I read the statements I observed that the Government of Japan was repeating its old line of suggestions and comment to the effect that their military forces were warned to exercise full care in bombing operations and that Americans should be more appreciative of this attitude than they seem to be. I said further that this line of comment gets nowhere; that the big fact to be considered and dealt with is that Japanese bombs fell dangerously near the residences of our Ambassador and Counselor and our vessel on the Yangtze; that it is no answer in regard to this sort of dangerous bombing merely to repeat that Japanese officials are always warned to be cautious. I said that the fact is that this dangerous bombing did occur and, if it should be continued, something very serious was liable to happen, as the Government of Japan must realize, and, hence, the double emphasis my Government is placing on this single fact. I further

⁹⁹ Transmitted to the Department by the Consul General at Shanghai (Gauss).

¹ *Infra*.

said that, naturally, I did not attach much importance to these repetitions of the Government of Japan that the military officials are directed to exercise caution; that the big point is that some way must be found to avoid this dangerous bombing in localities entirely away from any of the armed forces or properties of the Chinese Government. I indicated my disappointment, by repeating such remarks as the foregoing, and in no way indicated any satisfaction with the Japanese communication, but, on the contrary, continued to say that the sole question relates to whether the Japanese Government would in the future use sufficiently increased precautions as to put an end to such dangerous bombing as occurred in the instant case.

The Ambassador said that it was hoped my Government would urge its nationals to exercise as much caution as possible to keep away from places of danger. I replied that my Government does not concede the right of any other outside country to a monopoly of highways or streets or other localities in China; that my Government, from the general standpoint of their personal safety, and without any implied concessions of any superior right or privilege of Japanese nationals to travel in and to occupy given areas, does caution its nationals in China to use reasonable and ordinary diligence to avoid danger or injury to their persons or properties. I further added that at the same time my Government stands unalterably for the doctrine of damages for any injury to the person or property of its nationals in connection with the Japanese activities in China. The Ambassador then said his Government hoped that our nationals would mark and locate their properties so these could be recognized and their locality and nature known. I said to him that while my Government, as just stated, does advise its nationals to exercise reasonable and ordinary diligence for the avoidance of injuries both to person and property, it does not undertake to indicate the manner in which this shall be done, but leaves this to its nationals there on the ground; that I might add, however, that they naturally and on their own initiative take many different steps to avoid injury to themselves or their properties, and, probably in most instances, they do endeavor to mark or otherwise indicate and make known the location of their properties to the proper officials of the Japanese forces. I said my recollection was that there could not well have been anything lacking in the way of information given to Japanese officials as to the location of the American Embassy, the residence of the Counselor, the American vessel nearby on the Yangtze River, and the church building. The Ambassador did not pursue this matter any further.

He then inquired what my opinion was about the outlook in Europe. I replied that my Government makes no predictions about the future in Europe but it is taking absolutely nothing for granted; that when

the rulers of powerful nations put all their resources in armaments and in the organization of huge military forces, and when in speeches, every week or two, announce to the world that they have not got as much of the world's goods as they are entitled to and that they propose to get the desired additional amount by force, my Government still makes no predictions, but it does undertake to arm and to continue to arm so as to be prepared for any possible eventuality, and that this will continue to be its very definite policy. I then said that with so many nations exhausting all of their economic vitality by putting their entire substance into armaments and armies and navies, it is just a question of time when most nations will be utterly bankrupt and when not only will their peoples be in a state of more or less destitution, but, what is far worse, they will continue, as they are doing today, to drag the entire world down towards lower levels of existence; that this is a course now being accelerated in its awful effects in the way of human deterioration. I then added that my country fights Bolshevism as do numerous others, but that the powerful nations, who are steadily lowering the standards of life of their own and other peoples by a course of militarism and military conquest, are really the greatest friends that Bolshevism has, in that they are steadily dragging the entire world unerringly in the direction of Bolshevism, even though they may imagine that they are actually fighting Bolshevism. The Ambassador did not express any disagreement with this.

C[ORDELL] H[ULL]

793.94/15253

The Japanese Ambassador (Horinouchi) to the Secretary of State

STATEMENT OF THE JAPANESE GOVERNMENT:

As stated by the Foreign Minister to the Charge d'Affaires of the United States upon the latter's representation on July 10, the Japanese Government regrets to learn that bombs fell near the official residences of the American Ambassador and Counselor in Chungking and an American warship anchored in the Yangtze, and caused damage to a church owned by American missionaries during the bombing of that place by the Japanese naval air force on the 6th and 7th of July.

However, it should be stated that the occurrence of such an incident was accidental. As described in the report of our Commander-in-Chief of the China Sea Fleet attached hereto, the air force concerned in the accident "is at a loss to know by what chance any bomb could have fallen on the southern bank of the Yangtze River." It is to be regretted, therefore, that the American authorities, on the basis of this unfortunate occurrence alone, should charge the Japanese naval

air force with an indiscriminate and reckless bombing without according due credit to the assiduous care and the sincerity of purpose with which Japanese air forces have been endeavoring not to inflict any damage to the interests of third powers.

It has been repeatedly explained to the American authorities, either orally or in written statement, that the Japanese forces, regardless of whether they belong to the army or the navy, have taken every conceivable measure in their efforts for precluding the possibilities of endangering the lives and property of third power nationals. They have made it their practice to investigate as minutely as possible the relative positions of their bombing objectives and the property of third powers before deciding upon the direction and sphere of their action, and in actual bombing the crews of their planes, though exposed at every moment to the attacks from the land and air forces of the enemy and by no means sure of the safety of their own lives in the next moment, have assiduously striven for accurate aiming and for the prevention thereby of any damage to the interests of third powers. It is earnestly hoped that the American Government will fully appreciate these circumstances and have confidence in the military discipline with which the Japanese air forces are performing their operations.

Notwithstanding these painstaking efforts of our air forces, untoward accidents do occur on account of the extreme difficulties arising from the fact that aerial markings of property are often imperfect and that Chinese forces, military organs and establishments are situated close to the property of third powers, as well as the fact that bombing has to be carried on while our air force is engaged in an aerial combat and is also exposed to fire from the ground. We earnestly hope that the American Government will appreciate the unavoidability of some bombs going astray under circumstances such as these. We are nevertheless very sorry for any damage that might be caused thereby to the interests of third powers. We have been constantly applying ourselves to the problem of discovering a method of minimizing such hazard to third powers, and will put forth still greater efforts with that end in view.

It is earnestly desired in this connection that the American Government will take further measures along practical lines with regard to the marking of property and the furnishing to the Japanese authorities more complete maps that show clearly the location of their rights and interests, as well as the prevention of the Chinese from constructing military establishments and organs, or concentrations of their troops, near such rights and interests.

[WASHINGTON,] July 20, 1939.

[Enclosure]

The Japanese Ambassador (Horinouchi) to the Secretary of State

REPORT OF THE COMMANDER-IN-CHIEF OF THE CHINA SEA FLEET:

Upon the receipt of the news that during the air raid on Chungking by our naval air force in the early morning hours on July 6 and 7 bombs fell in the neighborhood of American property, including the residences of the American Ambassador and Counselor and an American warship, the Commander-in-Chief of our China Sea Fleet, who recognized the regrettable character of the incident, immediately issued an order to take further precautions against recurrence of similar incidents, and at the same time called to Shanghai the senior staff officer of the air force concerned and made a personal inquiry into the affair. The Commander-in-Chief ordered the air force again, through the senior staff officer, to exercise caution. The facts of the case as established by the inquiry are as follows:

"A Japanese naval air force raided Chungking on July 6 between 2:55 and 4:00 o'clock A. M. (Japanese Standard Time) and on July 7 between 2:50 and 4:05 o'clock A. M. (Japanese Standard Time), the principal objectives being the Chungking headquarters of the chairman of the military affairs committee and the military establishments in the vicinity of the central park. During these raids it was noted that all the bombs landed nearby those objectives.

"The said air force was aware of the existence of American property on the south bank of the Yangtze River, namely on the opposite side of Chungking, and every precautionary measure was taken against inflicting any damage upon the property. Especially on the morning of July 6, despite the difficult circumstances in which our airmen found themselves as they were subjected to enemy gunfire under illumination, they exercised the utmost care even to the extent of performing the approach maneuver all over again when there was the slightest doubt as to the accuracy in aiming.

"Our men noted on July 7 two bombs go astray and fall in the river northeast of Chungking, but on neither July 7 nor 6 did they note any other bomb fall in the river or on the south bank. They cannot but wonder by what chance any bombs could have fallen near the American property."

[WASHINGTON,] July 20, 1939.

*Press Release Issued by the Department of State on November
20, 1939*²

In response to inquiries at the press conference today concerning the situation at Tientsin, the Acting Secretary said that the American

² Reprinted from Department of State, *Bulletin*, November 25, 1939 (vol. I, No. 22), p. 589.

Consul General, Mr. John K. Caldwell, at Tientsin has been reporting that difficulties of transit at the Japanese military barriers around the foreign concessions at Tientsin are increasing. Mr. Caldwell telegraphed under date of November 13 that although there have been reported only a few cases of delay to American citizens he has received many complaints of delays, varying from many hours to more than a day, to American goods. For example, the Japanese military authorities have required that loads of coal and of peanuts be dumped on the street for inspection. He has reported under date November 16 that these transit difficulties are on the increase. An American rug manufacturer has complained that a truckload of rugs proceeding under an American pass bearing a Japanese consular visa was refused permission to pass through the barrier until the rugs had been spread out in the street. Another American had complained of difficulties in bringing food supplies into the concessions. The coal situation was becoming critical although ample supplies of coal are easily available across the river.

393.1163 Lutheran Brethren/146

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Nomura)

No. 1426

TOKYO, December 5, 1939.

EXCELLENCY: I have the honor to inform Your Excellency that I have been informed through the American Embassy at Chungking that the property of the Lutheran Brethren Mission at Tungpeh, Honan, has again been damaged as the result of an air raid by Japanese planes on August 1, 1939. The location of this property is undoubtedly well known to the Japanese military authorities since the property has been bombed on two previous occasions, first on October 24, 1938, resulting in the death of an American national and the wounding of two other American nationals, and again on May 2, 1939. In this connection reference is made to my note no. 1105 dated October 31, 1938,³ and to my note no. 1273 dated May 22, 1939.⁴

According to a report received by the American Embassy at Chungking, while no direct hits were made on the mission property during the Japanese air raid on August 1, 1939, three bombs fell near enough to cause additional damage to that property. Large holes in the roofs of the buildings were caused by falling debris; one brick wall is bulging and may fall at any time; the missionary residence was machine-gunned, one bullet passing through the roof and ceiling and stopping at the brick wall of an upstairs room.

³ *Ante*, p. 627.

⁴ Not printed; but see telegram No. 241, May 22, 1939, 6 p. m., from the Chargé in Japan, p. 650.

The report states that two of the three bombs mentioned fell within one hundred feet of the mission property, near enough to give the appearance of having been directed at the mission.

I am constrained emphatically to protest these continued attacks upon this mission property, especially in view of the tragic and disastrous result of the first bombing on October 24, 1938, and to request that immediate and effective steps be taken to prevent the recurrence of such unwarranted attacks. It is also requested that the Japanese Government cause an investigation to be made of the circumstances referred to in the foregoing report and that the Embassy be informed of the results thereof at the earliest possible moment in order that it may communicate with its Government.

I avail myself [etc.]

JOSEPH C. GREW

494.11/117 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Extract—Substance]

WASHINGTON, December 8, 1939—6 p. m.

390.

The Secretary refers to the Ambassador's telegram No. 639 of November 29, 7 p. m.,⁵ reporting that virtually all of the 59 replies which the Ambassador had received recently from the Japanese Foreign Office to the United States Government's representations regarding damage to American interests and property in China contained what are in effect disclaimers of responsibility.

It is suggested that the Ambassador informally approach the Japanese Foreign Office and, after mentioning publicity currently emanating from Japan regarding Japanese "settlement" and "payment" of American claims, state that it is considered by the United States Government that a basis for expecting Japanese payment of equitable amounts to compensate injured American claimants is not afforded by the solatium offers made at Shanghai and the recent replies at Tokyo to American representations; that, in the opinion of the American Government, no constructive purpose is served by publicity of such character; and that additional publicity of the kind may impel the American Government, in the interests of giving the public a well-rounded idea of the situation, to publish figures and statements which would cover the situation as a whole.

HULL

⁵ Not printed.

393.115/819

*The American Ambassador in Japan (Grew) to the Japanese
Minister for Foreign Affairs (Nomura)*

No. 1428

The American Ambassador presents his compliments to the Imperial Japanese Minister for Foreign Affairs and has the honor to acknowledge the receipt of certain of the latter's recent communications replying to representations made by the American Government concerning instances of damage to American property and interests in China, of injuries and indignities inflicted on American citizens, and of restriction and denial of American rights in China. A list of the communications under acknowledgment is appended.^o

Copies of these notes received from Admiral Nomura are being forwarded to the Secretary of State and also to the various appropriate American consular offices in China for reference to the injured parties. After further careful investigation by the respective consular offices, the findings will be fully reported by them to the Department of State in Washington. Previous replies of a similar nature which the Japanese Government has made in the past to representations of the American Government in regard to damage to American property and interests have been similarly dealt with. It has been noted that, in the majority of cases in which investigations by American consular offices in China have been made, the findings as reported to the Department of State have been at variance with the reports of the Japanese military authorities upon which the replies of the Japanese Government have been based.

Mr. Grew desires to express the appreciation of the American Government for the increased interest, as evidenced by the recent large number of replies received, which the Japanese Government appears to be taking in a number of claims of American citizens against the Japanese Government growing out of the Sino-Japanese hostilities. At the same time, he suggests that a more favorable impression might well be created in the United States if concrete evidence were received of an earnest desire on the part of the Japanese Government to afford to those claimants equitable amounts in compensation for damages sustained.

TOKYO, December 13, 1939.

^o Not printed; it lists 58 communications.

494.11/119 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 26, 1938 [1939]—7 p. m.

[Received December 26—9:22 a. m.]

706. Our 688, December 18, 11 p. m.,^{6a} paragraph 3. The following is our translation of an informal letter dated December 23 which Dooman received today from Yoshizawa:

"On the occasion of Ambassador Grew's interview with Foreign Minister Nomura on December 18, the Ambassador expressed dissatisfaction concerning the explanations contained in the majority of some fifty-nine notes recently sent by this Minister in reply to various representations by the Embassy on cases involving damage to American rights and interests in China. He characterized them as denials of Japanese responsibility and he invited the attention of the Foreign Minister to them. These cases of damage for the most part grow out of action taken by Japanese military airplanes, and the majority occurred in areas not yet under Japanese occupation, the demand precluding the conduct by us of investigations on the spot. The above-mentioned replies, therefore, communicated certain conclusions reached on the basis of conditions resulting from military operations taking place when the cases occurred. The dissatisfaction which is felt on your side is appreciated, but I believe it will also be appreciated on your side that there is no way open to us to make investigations over and beyond those already made.

Our notes are intended not merely to communicate the results of investigations (which were as complete as possible) carried out conformably to your representations, but to show our readiness to give renewed consideration to the circumstances of the various bombing and other cases and to the actual damage done if and when further representations are made on the basis of fresh investigations conducted by you in the light of our reports. Therefore, the assertion that our attitude is one of attempting to evade responsibility is believed to be unjustified."

Text by air mail to Shanghai and Peiping.

GREW

^{6a} Not printed.

1940

793.94/15739

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

PRO MEMORIA

The United States Government is informed that the portion of the railway between Haiphong and Yunnanfu which lies in Chinese territory has recently been subjected to frequent bombings by Japanese military airplanes. This railway in recent months has carried a considerable part of the trade involved in the normal commercial relations of the United States and China. American commerce must, therefore, necessarily be injured and the lives of American citizens engaged in that commerce may be endangered as a result of the Japanese bombing of that railway.

This danger to our nationals and injury to our commerce comes at the very time when Japan desires, according to our understanding, to indicate to the United States its intention to avoid injuring the rights in China of third Powers. The United States will have no other choice, if the bombing continues, than to add this to the extensive list of injuries, commercial and otherwise, which has been suffered by it as a result of the actions of the Japanese forces in China.

The United States Government assumes that the Japanese Government is aware that, to the personnel of American official establishments at Chungking, the railway is an important means of ingress and egress, and that the lives of Americans lawfully engaged in the pursuit of their official duties may therefore be endangered by bombing attacks on the railway.

TOKYO, January 31, 1940.

711.94/1419 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, February 14, 1940—8 p.m.

[Received February 14—1:50 p.m.]

119. Our 107, February 11, 6 p.m.⁷ The Foreign Minister is reported to have made the following reply in the Budget Committee of the Lower House today to the recent interpellation from a member regarding cases pending between the United States and Japan :

⁷ Not printed.

"It is our policy to settle cases with the United States over matters in China as far as possible on the spot. However, the United States does not necessarily desire settlement on the spot, and in a considerable number of cases, because of their nature or for other reasons, has requested settlement in Tokyo. We are not fully aware in Tokyo of what cases have arisen on the spot between Japan and the United States.

The cases to which I shall now refer are those which have been taken up principally in Tokyo. From the outbreak of the incident until the end of last month, of the cases made the subject of protests in writing to the Foreign Office by the American Government, some 210 cases remain unsettled. Of the total, 149 relate to air attacks.

I must point out in this connection that our military forces have been taking every precaution to avoid damage to other than military objectives; that they have made particular efforts to avoid damage to third-power interests by conducting prior investigations; and that every consideration has been given to the method of attack. The efforts of our military authorities in this regard can only be the subject of admiration. Despite these efforts, there have been cases of damage to American property, due either to the failure to receive notification of the location of the property or to improper notification or to the lack of necessary markings. Moreover, there have been other cases in which damage has been caused to American property by Japanese air attacks because of the utilization by the Chinese of the property or because of the fact that it was adjacent to military objectives or from other causes, of which the total amounts to some 110 since the outbreak of the incident. Included in this number are two or three cases in which there was death and bodily injury to American citizens. With respect to those cases in the areas under Japanese military occupation careful investigation is undertaking [*undertaken*] and appropriate disposition made. In those cases where damage to life and limb has occurred a solatium has been paid and the cases settled. Of the cases related above, 149 are pending.

Cases in the second category include those of occupation, destruction, or expropriation at the hands of the Japanese military. These are 73 in number. The remaining cases have arisen from military operations, movements or garrisoning of troops. Some have occurred also because they were necessary from the standpoint of military strategy. We are investigating reports with care and in detail and are disposing of the cases in a just and reasonable fashion.

The third category, which does not involve damage, consists of customs, Salt Gabelle, North China exchange control, yen-bloc currency, railway loans, the opening of the Yangtze, the purchase of tobacco, eggs, hides and skins, native products from the interior, and travel into the interior. These cases are about 10 in number. As 600 cases have been commonly mentioned, I do not know the source from which such a figure comes. Perhaps it refers to the number of relatively minor cases which have been settled locally. However, the point is not clear. The cases being handled by the Foreign Office are some 210 in number."

Repeated to Shanghai. Shanghai please repeat to Tokyo and Chungking.

GREW

393.1163 Lutheran Brethren/162

*The Japanese Minister for Foreign Affairs (Arita) to the American
Ambassador in Japan (Grew)*

[Translation]

No. 45, American I

Tokyo, March 1, 1940.

EXCELLENCY: I have carefully perused the contents of Your Excellency's note no. 1426, December 5, 1939, in which it is stated that the property of the Lutheran Brethren Mission, an American church, at Tungpeh, Honan Province, again sustained damage as a result of bombing by Japanese planes on August 1, 1939. If damage was sustained by the American church during the air raid, as I am informed by Your Excellency, the actual circumstances thereof may be disclosed at a later date when it is possible for the Imperial Government authorities there to make an investigation on the spot. However, in the meantime, I have the honor to forward the following addendum based on a report concerning the circumstances of the bombing received from the authorities of the Imperial Government in that area.

In regard to the case in which death and injury were inflicted on October 24, 1938, at the same place on the family of Mr. Nyhus, an American citizen, as I have frequently stated in my note, the Imperial Government is deeply regretful. I have the honor to inform Your Excellency that the Imperial Government as an expression of sympathy had forwarded from the Japanese Consul General at Shanghai through the American Consul General there to the family the sum of U. S. \$15,000.

I avail myself [etc.]

HACHIRO ARITA

[Enclosure—Translation]

ADDENDUM

There being indicated from the middle of July, 1939, that the enemy's so-called summer offensive was gradually intensifying itself, the Japanese military forces routed the enemy forces infesting Mingkong and Pinchangkwan and following this wiped out the western section of Hsinyang. The said Japanese forces then attacked the main enemy forces lurking in Tungpeh, Honan Province.

On August 1, 1939, the Imperial army air forces carried out a bombing attack at an altitude of 1,000 meters on the western and southern part of the city of Tungpeh. Although there were clouds on the west of the Chikungshan mountain and along the Taipiehshan mountain on that day and the entire area was covered with mist, visibility was average and the conditions for recognizing objects on the ground were also average. In spite of the fact that the air forces conducted detailed reconnaissance flights before the attack, no third-Power markings were recognized.

It is needless to say that the bombing attack was carried out with the enemy soldiers at Tungpeh city and not with the American church as the objective. Therefore, if the American church sustained damage during the attack, it is extremely regrettable, but such must be regarded as an unavoidable accident caused by the close proximity of that church to the enemy trenches and the lack of markings clearly visible from the air.

793.94/15798

*The Japanese Ministry for Foreign Affairs to the American Embassy in Japan*⁸

PRO MEMORIA

The exclusion of the Hanoi Yunnan Railway from any claim to neutrality in the event of war between China and any other power was established in 1903 when an agreement was concluded between France and China with regard to the laying and operation of that railway. At the present time the Chiang régime^{8a} is employing the railway as an important route for the supply of arms, ammunition and other military commodities, and, therefore, the Imperial forces may properly take such military measures against the railway as they deem necessary.

The American Government refers in the *pro memoria* dated January 31 to injury to American trading rights in China and to the danger to the lives of American citizens engaged in American commerce with China which will be caused by bombing of the railway, and observes that, if such bombing continues, it will be obliged to add the dangers to which American citizens are exposed and the injury which may be done to American rights as a result of the actions of the Japanese forces in China. As a part of the military operations which are developing on a large scale in China, the Imperial forces are taking proper military measures against the transportation of military supplies over the Hanoi Yunnan Railway; consequently, although it is regretted that the lives of American nationals and American commerce are exposed to danger, the circumstances are unavoidable. In view of the legal position above stated, it is believed that the American Government will appreciate the view of the Japanese Government that the question of assumption of responsibility by the latter Government does not arise.

Reference is made in the above-mentioned *pro memoria* to the assurances of the Japanese Government that it will respect the interests of third parties in China. It is to be added that although there is no

⁸ Handed on March 6, 1940, by the Director of the American Bureau of the Japanese Foreign Office (Yoshizawa) to the Counselor of the American Embassy in Japan (Dooman).

^{8a} Generalissimo Chiang Kai-shek again became Chinese premier (President of the Executive Yüan) in November 1939.

change in the policy of the Japanese Government to respect such interests, such assurances are not to be interpreted as limiting in any way proper military action on the part of the Imperial forces.

793.94/15798

*The American Embassy in Japan to the Japanese Ministry for Foreign Affairs*⁹

PRO MEMORIA

The Government of the United States has taken due note of the reply of the Japanese Foreign Office to the *pro memoria* left with the Japanese Foreign Office by the American Embassy on January 31, 1940, in regard to the bombing of the Haiphong Yunnan Railway.

In the circumstances under which the Japanese authorities are conducting military operations in China, the Government of the United States does not admit the relevancy to the question under consideration of the reference made by the Japanese Foreign Office to the Chinese-French Railway Construction Agreement of 1903, nor does it admit lack of responsibility on the part of the Japanese Government for any loss of American life, or damage to American property that may be caused by the current Japanese military operations in China. The Government of the United States hereby makes full reservations of its rights and of the rights of its citizens in the matter.

Tokyo, March 11, 1940.

893.102 Tientsin/661

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs^{9a}

PRO MEMORIA

The United States Government has on several occasions communicated to the Japanese Government its concern over the situation which has for some time prevailed at Tientsin, particularly as relating to irksome and seemingly unwarranted restrictions placed upon American business interests and personnel in Tientsin by the Japanese military authorities in that city. On February 6, 1939, Mr. Dooman, acting on the Ambassador's instructions, made representations in regard to this matter. Further representations thereanent were made on March 8, 1939, and on November 15, 1939, the Embassy again brought to the attention of the Imperial Japanese Government the difficulties experi-

⁹ Handed on March 11, 1940, by the Counselor of the American Embassy in Japan (Dooman) to the Director of the American Bureau of the Japanese Foreign Office (Yoshizawa).

^{9a} Handed on April 23, 1940, by the American Ambassador in Japan to the Japanese Vice Minister for Foreign Affairs (Tani).

enced by American nationals and business enterprises at Tientsin, due to restrictions and regulations imposed by the Japanese authorities.

The Ambassador has now been informed that although constant endeavors have been made by the American Consul General at Tientsin to effect an improvement in the situation confronting Americans and American interests in that city by reason of the continued obstacles put in their way at the barriers to the foreign concessions, and although assistance to this end has been rendered him on various occasions by his Japanese colleague, delays to the movement of American-owned merchandise through barriers set up by the Japanese military on the borders of the British and French concessions in Tientsin have become increasingly serious during the past month. This has happened despite recent efforts made by American consular authorities to arrange locally for the quick passage of American-owned merchandise through these barriers and despite assurances from Japanese military headquarters that instructions have been issued to see that American-owned merchandise is not subjected to unreasonable delays.

Official reports which have reached the Ambassador from Tientsin set forth that barrier sentries continue to manifest a generally and perhaps increasingly hostile and uncivil attitude toward those who pass, including Americans; that the attitude of such sentries at different barriers and even at the same barrier at different times varies greatly; that at certain barriers they uniformly demand that bearers of passes advance on foot to present them; and that searches of cars and baggage are general. Recently an American lady bearing a special pass exempting her from the necessity of passing through the searching shed was subjected to long delay and involved in an unpleasant altercation at the International Bridge, because she declined to alight from her car, and was allowed to pass only after the officer in command of the barrier guard had seized her pass, which he retained. On April 17 an American lady living at the installation of the Texas Company in the former Belgian concession was compelled to alight from her car at a barrier on Nikolai Road and to walk some hundred yards past a group of Japanese soldiers—in her opinion, for the amusement of those soldiers. Sentries have refused entry into the concessions of a shipment of cloth owned by an American firm, and have objected to passing small parcels of cloth in personal baggage, although, so far as the Embassy is informed, they have eventually passed the latter after much delay and a trip to a second barrier. Even after permission to pass has been given, sentries frequently stand motionless in the narrow barrier openings, making it extremely difficult for automobiles, including that of the American Consul General in that city, to work their way through, and entirely ignoring the cars and their occupants even when addressed politely in Japanese.

Recent oral and written representations of the Consul General to his

Japanese colleague in regard to these matters have received no written reply.

In view of the aggravation of this situation, the Ambassador has been instructed to approach the Imperial Japanese Ministry of Foreign Affairs and to point out emphatically that the long-continued and unlawful interference by Japanese armed forces and their agencies with the movement of American citizens and of American-owned merchandise at Tientsin has been the subject of repeated conversations between American and Japanese officials, but without cessation of such interference. It seems obvious under the circumstances that further instructions from Tokyo to the Japanese armed forces at Tientsin will be required to effect an improvement in the situation, and Mr. Grew accordingly ventures to request that such instructions be sent.

TOKYO, April 23, 1940.

893.102 Tientsin/697

*The Japanese Ministry for Foreign Affairs to the American Embassy
in Japan*

[Translation]

No. 95, Asia I

NOTE VERBALE

The Imperial Ministry of Foreign Affairs has the honor to make the following reply to the various points concerning the situation in Tientsin mentioned in the *pro memoria* which Ambassador Grew handed to Mr. Tani, Vice-Minister for Foreign Affairs, on April 23, 1940.

(1) According to the memorandum submitted by Ambassador Grew, an American lady bearing a special pass was recently involved in an unpleasant altercation at the International Bridge because she declined to alight from her car and was allowed to pass only after the officer in command of the barrier guard had seized her pass. Investigations conducted by the Japanese authorities reveal that in Tientsin recently there were individuals who remodeled the seats, etc., inside automobiles and attempted to carry into the concession certain articles and materials concealed therein. The barrier guard at times examines the inside of automobiles. In this instance the American lady not only refused to obey the order of the sentries to alight from her car but also assumed a very arrogant attitude and put out her tongue thereby insulting the sentries. In principle it is stated on a special pass that the bearer may pass without undergoing inquiries in ordinary times, but the authorities of various Powers have already been informed that individuals may at times be ordered to alight from their cars. The sentries, after consultation with the officer in command, therefore seized the special pass in question. The American Vice Consul later approached the de-

tachment directly concerned with the barrier guard, and demanded the return of the special pass. The American lady has also visited the detachment and expressed her regret, whereupon the special pass was returned to her.

(2) Regarding the incident on April 17, 1940, in which an American lady was compelled to alight from her car at the barrier on Nikolai Road and to walk, inquiries are being made of the detachment concerned but no report has as yet been received. It should be noted nevertheless that at this barrier individuals passing there have frequently expressed an arrogant attitude and irritated the sentries, thereby giving rise to incidents. As a principle, therefore, individuals passing there have temporarily been required to alight from their cars at points where sentries are on duty and then to pass. (This principle has now been rescinded). In the vicinity of the above-mentioned barrier, there are stationed a number of soldiers and it was by chance that the American lady in this case encountered them at such a place. It is not believed that the American lady was forced to walk through a group of Japanese soldiers for their particular amusement.

(3) The *pro memoria* submitted by Ambassador Grew states that even after permission to pass has been given, sentries frequently stand motionless in the narrow passage making it difficult for automobiles to pass. It is a fact that at the barriers, passages are made narrow in order to facilitate control and sentries standing in passages order all passers-by to stop once and then the latter are allowed to pass without delay when the required procedure has been completed. It is not impossible, however, that among sentries there might be some who, under the influence of a passing sentiment, might at times assume an attitude such as described in the *pro memoria*. For this reason, the Japanese military authorities concerned have already issued orders eliciting the special attention of those in charge. It is desired to direct attention to the fact that incidents of this kind depend in great measure upon the attitude of the individual passing the barrier.

(4) The entry into the concessions of a shipment of cloth is generally prohibited. This fact has already been notified to the American authorities in that area.

It should be noted in this connection that it is not true that for the past month the Japanese military authorities in Tientsin have altered their policy or particularly strengthened inquiries and inspections. The Japanese authorities are consistently doing all in their power to lessen, in so far as possible, all inconveniences to which nationals of third countries, including Americans, of good will might be subjected.¹⁰

¹⁰ The barriers surrounding the foreign concessions at Tientsin were removed on June 20, 1940, following the signing of an arrangement between Great Britain and Japan relating to local issues at Tientsin, signed June 19, 1940 (893.102 Tientsin/701, 691).

494.11/141

The Consul at Shanghai (Butrick) to the Secretary of State

No. 3130

SHANGHAI, May 10, 1940.

SIR: I have the honor to refer to this Consulate General's telegram no. 1037, November 25, 10 a. m. (1939),¹¹ and subsequent despatches and telegrams, during 1939 and 1940 in regard to the developments from day to day in the negotiations between the Japanese consular, military and naval authorities and American claimants, having the purpose of establishing a mutually satisfactory basis for the local settlement of American property losses sustained during the current hostilities as a result of acts of the Japanese armed forces. It will be recalled that in its periodic telegraphic reports the Consulate General has informed the Department, in substance, of the respective views taken by the Japanese authorities and the American claimants, and of the informal participation in the negotiations taken by this Consulate General on behalf of American claimants. In view of the fact that a number of American claims have now been settled as a result of direct negotiations between the claimant and the Japanese authorities, and in further view of the fact that there are fairly reliable grounds for believing that the peak of solatia payments to be made by the Japanese Government may have been reached, and that further settlements based upon local negotiations may henceforward be comparatively infrequent, the Consulate General believes that it is advisable to submit the following comprehensive report, for the Department's information, reciting in detail the progressive steps as a result of which the above-mentioned settlements have been concluded. The primary principles and factors controlling local negotiations have been reported to the Department from time to time, but it is thought that a statement showing the developments in somewhat greater detail might be of value and assistance to the Department in illustrating the Japanese views and position.

It will be recalled that subsequent to the fact-finding investigations carried out by the so-called "Ishikawa Detachment" of the Japanese Army during July and the succeeding months of last year, with a view to ascertaining amounts of "solatium payments" to be paid to American nationals who sustained property losses or damage as a result of acts of the Japanese armed forces, the Japanese consular officer in charge of American claims informally notified a member of the staff of this Consulate General that the Japanese military authorities were prepared to offer certain sums as solatium payments in a number of American cases. It was requested, however, that this office inform the respective claimants of the amounts of the tentative Japa-

¹¹ Not printed.

nese offers, which would not actually be made, however, until after the claimant had indicated whether he was prepared to accept the sum offered. The total amounts indicated as offers were exceptionally small in relation to the amounts claimed by the American nationals, and the methods adopted by the Japanese military in measuring the sums to be offered were somewhat unusual and appeared to be in derogation of established and recognized rights of claimants under international law. The foregoing development was fully reported to the Department by Shanghai's telegrams no. 1037, November 25, 10 a. m. and 1084, December 6, 6 p. m. (1939).¹² There are now enclosed, for the Department's fuller information, copies of self-explanatory office memoranda dated November 17, 1939 and December 2, 1939,¹² respectively, reciting in detail the substance of the Japanese proposals.

The Department replied to the above messages by its telegraphic instruction no. 480, December 7, 4 p. m. (1939)¹³ in which certain objections to the Japanese proposal were pointed out, in view of which this Consulate General was instructed not to transmit the tentative offers made by the Japanese authorities to the American claimants, and to disassociate itself entirely from any negotiations between American claimants and the Japanese authorities which had for their purpose the settlement of American claims on the basis outlined in this Consulate General's two telegrams cited in the preceding paragraph. In compliance with the Department's instruction, the substance of its viewpoint was informally conveyed to the local Japanese authorities and their reactions were reported to the Department by this Consulate General's telegrams no. 1111, December 16, 1 p. m. (1939)¹³ and no. 1, January 1, 5 p. m. (1940),¹³ which summarized the main points set forth in greater detail in an office memorandum dated December 13, 1939, a copy of which is enclosed.¹³

Following the informal conveyance of the Department's views to the local Japanese consular authorities, there appeared to be a marked change on their part in regard to the settlement of American claims, evidenced primarily by an apparent tendency to increase materially the amounts of the solatia to be offered, without, however, any real relaxation in regard to the basic question of principles of responsibility, measure of damages, rates of exchange and currency to be used in making payment, et cetera. They stated that they were prepared to increase the amount of solatia to be offered, as a gesture of sympathy toward American claimants, but they remained disinclined to discuss or recognize or in any way be guided by the above-mentioned so-called "principles", as they were reluctant to permit the injection into local settlement negotiations of any consideration of "responsibility"

¹² Neither printed.

¹³ Not printed.

or "liability" in the legal sense of the terms. To ameliorate their strict stand in regard to the non-observance of "principles", however, they stated that they were prepared to give "political consideration" to the settlement of American claims in a favorable manner, the implication being, of course, that although they could not permit themselves to be bound by the usual rules of responsibility under international law, they would, nevertheless, make more substantial payments of solatia than those originally indicated or than might be justified by a strict interpretation or application of their viewpoint. On February 2, 1940 the Japanese Consul General called upon the American Consul General and handed him a *note verbale* dated February 2, 1940, a copy of which is enclosed,¹⁴ in regard to the status of the local negotiations which had been carried on for the previous six months looking toward the local settlement of American property losses. The substance of this *note verbale* was reported to the Department in Shanghai's telegrams no. 99, February 5, 8 p. m.¹⁴ and no. 100, February 6, 2 [4] p. m.¹⁴ However, in the interests of providing a complete picture of the situation there are enclosed copies of two office memoranda, both dated February 5, 1940¹⁴ setting forth the substance of the interview between the American and Japanese Consuls General on February 2, 1940, and a subsequent interview on the same subject between members of the staffs of the respective Consulates General.

Shortly after the Japanese authorities indicated that they would increase the amount of solatia to be offered in certain cases, and would give "political consideration" to the settlement of American claims, they requested that second or supplementary conferences be arranged for the purpose of discussing the cases in greater detail and giving greater consideration, at least nominally, to evidence presented by the American claimants in support of their claims. Actually, however, with one or two exceptions, it is apparent that the purpose of the second conference was merely to provide the Japanese consular officer in charge of claims with an opportunity to make an increased offer of solatium directly to the American claimant concerned. In very few of the supplementary conferences has anything more than a cursory re-examination of the facts and circumstances of the respective claims been made, the conference merely serving as a convenient vehicle for the Japanese authorities to make direct offers to the claimants. Up to the present time, it may be stated that although the secondary offers of solatia are decidedly higher than those originally indicated, they still fall far short—due to the depreciation in the value of the Chinese dollar (the currency in which the Japanese authorities insist that compensation is legally payable)—of the substantial compensation contemplated by the Department in its telegram no. 20, Janu-

¹⁴ Not printed.

ary 12, 5 p. m.,¹⁵ in which it was stated that payments should be made "in amounts which will substantially put claimants in *status quo ante*." As reported telegraphically from time to time, a number of American claimants have accepted the second offers made by the Japanese authorities, and the majority of these cases already have been or will shortly be closed by payment to the claimants of the solatia offered. In certain cases the claimant has been able to obtain payments from 20% to 30% greater than the amounts of the second offers made by the Japanese authorities, as the Consulate General has been able to suggest to the claimant that he consider the advisability of making a counter-offer in a greater amount.

As of possible interest, it may be stated that at the same time that the Japanese authorities indicated that they would increase the solatia to be offered and would give "political consideration" to American claims, it became increasingly apparent, on the other hand, that they were more strictly applying to individual cases the rule of land warfare which provides that there is no liability to make compensation for property destroyed or damaged as a result of actual fighting in the course of military operations. There were some grounds for supposing that as a *quid pro quo* for their favorable treatment in increasing the solatia payments, they were determined to take every advantage which might accrue to them as a result of the invocation and application of the rule of non-liability referred to above. They were not, however, willing to discuss this or other matters in principle, nor was the Department disposed, at that time, to authorize this Consulate General to enter into local discussions with the Japanese authorities in regard to the question whether the laws of war relating to non-responsibility for damages sustained in the course of military operations are applicable in the present conflict.

The Department therefore instructed this Consulate General, in its telegram no. 69, February 16, 4 p. m.,¹⁵ to suggest to the Japanese authorities that in dealing with individual claims which contained items of loss resulting from military operations, those items be segregated from other losses included in the claim on the understanding that such items would be, so far as the American Government was concerned, reserved for further consideration through diplomatic channels. Prior to the conveyance of this suggestion to the Japanese Consul General, however, the matter was discussed informally in several interviews between the American and Japanese consular officers in charge of claims. Copies are enclosed of office memoranda dated February 20 and 27, 1940,¹⁶ giving detailed accounts of the points raised and considered in the course of these preliminary interviews.

¹⁵ Not printed.

¹⁶ Neither printed.

On February 27, 1940 the American Consul General called upon the Japanese Consul General and conveyed orally to him the substance of the Department's suggestion in regard to the proposed segregation of certain types of property losses. After conferring with a representative of the Japanese Foreign Office who was then in Shanghai for the purpose of facilitating the settlement of American property losses, the Japanese Consul General replied that if the proposed segregation of losses was made, the result would be that many American claims would not be subject to local settlement. He suggested that, in lieu of segregation, the Japanese authorities would prefer that the "easy" cases be settled first, proceeding subsequently to local consideration of more involved cases (as those involving indirect losses sustained in the course of military operations). A copy of an office memorandum dated February 27, 1940 in regard to the substance of this interview was transmitted to the Department as an enclosure to this Consulate General's despatch no. 2943 of March 1, 1940.¹⁸

In the course of the conference the Japanese Consul General took occasion to explain at some length the Japanese view in regard to property losses sustained as a result of military operations, pointing out that their practice was to divide such losses into two categories, "direct losses" and "indirect losses." By "direct losses in the course of military operations," for which no compensation or solatium will be made, it is understood that the Japanese consider that the property lost, destroyed, or damaged had acquired "enemy character," as if an American-owned building had been occupied and used by Chinese troops, and the losses had resulted from the Japanese attack upon the Chinese troops therein. By "indirect losses in the course of military operations," it is understood that the Japanese authorities consider such losses to be those caused by "mistake or accident" during the course of actual fighting, as if American property immediately adjoining an objective tainted with enemy character had been damaged by stray bombs or incidental shell fire. Claimants whose losses fall within the last-mentioned category will be offered solatia payments. It was stated that liberal consideration would be given to the classification of American claims in the two categories. The Japanese Consul General emphasized, however, that the Japanese authorities are proposing gratuitous payments in cases appearing to them to be meritorious, rather than indemnification on the basis of any legal liability.

In its telegraphic instruction no. 117 of March 14 [15], 4 p. m.¹⁸ the Department referred to the general question of segregation of losses occurring as a result of military operations and suggested that, if an individual claim includes items of loss falling within a classifi-

¹⁸ Not printed.

cation with respect to which the Japanese propose to offer compensation, and also includes items of loss classified as "direct," with respect to which compensation will not be made, it would appear that, if possible, the latter items might appropriately be segregated from the other items and deferred for further consideration. In accordance with the suggestion contained in the third paragraph of the Department's telegram under reference, this matter was discussed with the appropriate Japanese consular officer who stated, in substance, that he saw no objection to the proposal as put forward. A copy of an office memorandum dated March 19, 1940 covering the substance of this interview is enclosed.¹⁹ Subsequently the Japanese Consul General informally agreed to the above-mentioned suggestion.

Despite the agreement reached, in principle, between the American and Japanese Consuls General in regard to the "segregation" of property losses classified by the Japanese authorities as "direct losses," it shortly developed, in connection with the consideration of individual cases, that the Japanese authorities, particularly the naval and military authorities, were not prepared and did not intend to observe the spirit of the agreement. The first indication of the apparent renunciation of this understanding and the refusal on the part of the Japanese military authorities to be bound thereby, presented itself in the local negotiations between the China Finance Company Federal Inc., U. S. A., and the Japanese naval authorities in regard to property losses sustained by the Eddie Aerated Water Company, wholly owned by the China Finance Company Federal Inc., U. S. A. In this case, there were present property losses falling within the various classifications made by the Japanese authorities, i. e., losses caused by looting, "indirect losses" and "direct losses," thus presenting a favorable opportunity for the application of the terms of the agreement reached by the Japanese and American authorities. Despite this fact, however, the Japanese naval authorities offered a solatium payment in a fixed amount, which payment was to cover all classes of property losses sustained by the American claimant regardless of any classification as previously indicated. This apparent renunciation of the undertaking on the part of the Japanese authorities, was discussed in considerable detail by the American and Japanese consular officers in charge of claims. Unfortunately, in this particular case, the American claimant appeared to be extremely anxious to effect local settlement on almost any grounds, and without reservations, and refused to support the stand taken, in principle, by this Consulate General. The American claimant accepted a small amount, payable in Chinese currency, and agreed that it constituted payment in full for all losses sustained as a result of acts of the Japanese forces, without regard

¹⁹ Not printed.

to the character of the individual losses. For the Department's information there is enclosed a copy of office memorandum dated March 28, 1940²⁰ reciting in detail the developments in connection with the settlement of the claim of the China Finance Company Federal, Inc., U. S. A. during a discussion of which the Japanese authorities apparently reversed their previous position in regard to "segregation" of "direct losses."

During the period from January 1, 1940 until about April 15, 1940 the Japanese consular, military and naval authorities were extremely active in attempting to effect local settlement of American property losses by direct negotiations between the Japanese authorities concerned and the American claimants. These negotiations were facilitated to a certain extent by action on the part of this Consulate General in bringing the parties together, and in supplying to the Japanese authorities detailed statements in regard to the facts and circumstances of the property losses sustained by American claimants. In the great majority of conferences between the American claimants and the Japanese authorities, a member of the staff of this Consulate General was informally and unofficially present, as authorized by the Department.

As a result of the above-mentioned negotiations for local settlement, twenty-one cases of American property losses have been settled by the payment of so-called solatia directly to the American claimant by either the Japanese Army or Navy through the medium of its representative in Shanghai. Five of these settlements were effected in Nanking. In each and every case in which American claimants have accepted the Japanese offers of solatium, the claimant has been fully informed of the views of the American Government in regard to the principles of responsibility, and the measure of compensation which, under international law, would appear to control the settlement of his claim. At the same time the Consulate General has impressed upon the various claimants the necessity of fully supporting their allegations of Japanese responsibility for the loss or damage by the submission of definite and conclusive evidence in regard thereto. The Consulate General, however, has expressly refrained from advising the claimant as to whether he should accept or reject a Japanese offer of local settlement, and has left the decision in that respect entirely to the claimant's own discretion. In general, it has been observed that the great majority of American claimants have been anxious to close their cases by the acceptance of the Japanese offer of solatia, despite the fact that in all instances this resulted in their obtaining but a comparatively small percentage of the alleged actual value of the property lost, destroyed, damaged or looted.

²⁰ Not printed.

There have been a number of cases which have been the subject of local discussions between the Japanese authorities and American claimants, however, which appear to have failed entirely of settlement. In particular there may be cited the claims of the Poplar Grove Farms Federal Inc., U. S. A., Mr. H. D. Rodger, the American Far-Eastern Match Company (refusal of solatia decided by the Japanese authorities on basis of their own investigation without discussion with representatives of American claimant), Mr. Lemuel K. Taylor, the Bible Seminary for Women, the Carolina Leaf Tobacco Company Federal Inc., U. S. A. and a number of individual claims.

For the Department's records and information, there is enclosed a detailed list of all cases in which offers of solatia have been indicated by the Japanese authorities, or have been made directly to the American claimant by the Japanese authorities.²¹ In this list the Consulate General has set forth, in the case of each claimant, the value in United States currency of the property losses sustained, the value after conversion into Chinese currency at the rate of exchange prevailing on the date of loss, the amount of the original offer of solatia tendered by the Japanese authorities, the amount of second and third offers of solatia, the counter-offers made by the American claimants and the disposition of the case, either by acceptance and settlement on the part of the American claimant, or by refusal of the Japanese offer. In a great many of the cases in which offers have been made, no agreement has been reached and these cases may be considered as still pending.

With respect to the twenty-one cases which have been settled, the total value of the property lost, destroyed or damaged, as alleged by the American claimants, is in the sum of \$61,101.81 United States currency which, converted to Chinese currency at the average rate of CH\$1.00 equals US\$0.295, would be \$207,948.86 Chinese currency. The original offers of solatia made by the Japanese authorities in these cases totaled \$115,307.07 Chinese currency, but they were subsequently increased to a total of \$150,090.00. As a result of counter-offers made by the American claimants in certain cases, the final settlements were increased somewhat to a total of \$157,090.00 Chinese currency.

SUMMARY

This despatch summarizes, in somewhat greater detail than has been reported to the Department by telegram, the developments in regard to negotiations between American claimants and the Japanese authorities for the local settlement of American property losses sustained as a result of acts of the Japanese armed forces. As a result of these

²¹ Not printed; it lists 73 cases.

negotiations, twenty-one cases have been settled by the payment of so-called "solatia payments" to the American claimants.

Very respectfully yours,

RICHARD P. BUTRICK

893.102 Tientsin/698

*The American Embassy in Japan to the Japanese Ministry for Foreign Affairs*²²

The time is now at hand when American residents of Tientsin, and of other places in North China, customarily proceed to Peitaho and other resorts, to remain for the duration of the hot weather.

Those Americans residing in the British Concession at Tientsin endeavoring to pass through the barriers with their effects have been subjected to needless and unwarranted interference. The contents of their baggage are frequently removed and thrown on the ground, for what purpose it is difficult to perceive, unless it be to cause annoyance, inconvenience and humiliation.

It is requested that arrangements be made without delay to provide for the free and unmolested passage through the barriers of all Americans and their personal effects.

*Press Release Issued by the Department of State on June 13, 1940*²³

In response to inquiries from correspondents in regard to reports of the bombing of Chungking on June 12, the Secretary of State said that according to information which has reached the Department from official and unofficial sources, Chungking has been extensively bombed on each of several recent days and on June 12 was intensively and indiscriminately bombed by more than one hundred Japanese planes; that casualties of June 12 among the civil populace will probably number several hundred; that various buildings of the American Methodist Mission, including a church, were damaged by concussion; and that two groups of Japanese planes flew over the American Embassy premises but no bombs fell in the immediate vicinity of the Embassy. The Secretary added that the attitude and the position of the people and the Government of the United States toward ruthless bombings of civilian populations have been made abundantly and frequently clear and that we wholeheartedly condemn such practices wherever and whenever they occur.

²² Handed on May 31, 1940, by the Counselor of the American Embassy in Japan (Dooman) to the Director of the American Bureau of the Japanese Foreign Office (Yoshizawa).

²³ Reprinted from Department of State, *Bulletin*, June 15, 1940 (vol. II, No. 51), p. 666.

793.94/16074

The Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew)

[Translation]

Asia I, 8/Go

Tokyo, June 14, 1940.

EXCELLENCY: For some time past the air forces of the Imperial army and navy have been attacking enemy forces and establishments in and around Chungking. It is planned to increase hereafter the severity of these attacks. In the city of Chungking there are American citizens and American interests to which the Imperial forces are endeavoring by every means to prevent injury. It is an incontrovertible fact, however, that the Chinese forces frequently approach third country establishments and construct anti-aircraft gun emplacements and other military facilities. For this reason, it is feared that in spite of the extreme care exercised by the Imperial forces, in the midst of severe fighting it will not be possible to prevent unavoidable incidents affecting American citizens and establishments.

The Japanese Government urges, accordingly, that the American Government take prompt measures to evacuate to a safe place temporarily, until the termination of our bombardment of Chungking, American officials and citizens. The Japanese Government does not intend to attack the areas southward from Tan Tze Shih on the south bank of the Yangtze River facing the city of Chungking to Lung Men Lao (not including Hai Tong Chi). The Japanese Government cannot, however, accept responsibility should unforeseen circumstances arise if American officials and nationals remain in areas other than those mentioned above.

I avail myself [etc.]

HACHIRO ARITA

793.94/16074

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] June 14, 1940.

I called this afternoon on the Minister for Foreign Affairs and carried out the instructions of the Department (Department's 197, June 13, 5 p. m.)²⁴ with emphasis and with appropriate reference to previous representations which we have made on the subject of the bombing of Chungking.

The Minister replied that he invariably passed our representations on to the military authorities whose reports generally showed discrepancies with our own reports. With regard to Chungking the military authorities maintain that they exercise the utmost care and that they attack only military objectives. I replied that their indiscriminate

²⁴ Not printed.

bombing of civilian populations is not a matter of speculation but of fully confirmed fact. I thereupon re-read to the Minister pertinent portions of Ambassador Johnson's 438, July 13, noon, 1939,²⁵ which had already been brought to his attention on June 2. I spoke as on my own initiative of the serious risks that are being incurred.

793.94/16074

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] June 15, 1940.

Upon receipt of the Department's instructions this afternoon (Department's 202, June 14, 7 p. m.)²⁶ I immediately sought an appointment with the Minister for Foreign Affairs. The Minister sent me word that he was occupied and asked me to see the Vice Minister. I replied that my instructions were definitely to see the Minister himself but the reply came that Mr. Arita was engaged in urgent affairs of state and that he could not see me until tomorrow. In view of the urgency of the matter I therefore called at 5:30 this afternoon on the Vice Minister and after reading and handing to him my informal note²⁷ drafted in accordance with the Department's instructions I requested that he bring both the note and my oral representations immediately to the attention of the Minister. This Mr. Tani promised to do.

In the course of the oral representations I repeated what had been said yesterday to the Minister with regard to the attitude of the Government of the United States toward ruthless bombings of civilian populations and spoke of the indiscriminate character of the bombings of Chungking that have heretofore taken place and of their net results as reported by Ambassador Johnson from personal observation, involving the killing of large numbers of civilians without attaining any legitimate military objective. The grave hazards to the lives of American citizens and to the safety of American property were then set forth and the deplorable effect on American public opinion and on relations between the United States and Japan in the event of the injuring or killing of American nationals by Japanese bombing operations was represented and emphasized with all possible vigor and gravity.

The Vice Minister said that as I was communicating a message to the Minister for Foreign Affairs the latter would convey his reply to me in due course.

²⁵ *Ante*, p. 661.

²⁶ Not printed.

²⁷ *Infra*,

793.94/16074

*The American Ambassador in Japan (Grew) to the Japanese
Minister for Foreign Affairs (Arita)*

No. 1564

Tokyo, June 15, 1940.

EXCELLENCY: Although Your Excellency's note of yesterday with regard to the bombardment of Chungking by Japanese forces was received and brought to my attention yesterday afternoon shortly after our meeting at five thirty o'clock, it is of course obvious that the note was prepared prior to the representations in regard to the indiscriminate bombing of that city which I made at that time. I am now directed by my Government to inform Your Excellency in effect as follows:

The attitude and position of the Government of the United States in regard to warnings such as that conveyed in Your Excellency's note have been made clear on several occasions to the Japanese Government. The Government of the United States cannot accept the view that the city of Chungking in general is a legitimate target for air attack.

There are a considerable number of American citizens at Chungking and there is American property at Chungking. The Government of the United States maintains there an office of its Embassy to China and a gunboat, the U. S. S. *Tutuila*. The American citizens at Chungking are there pursuing legitimate activities. The American officials stationed at Chungking, including the American Ambassador to China, are there pursuant to their official duties in maintaining the diplomatic relations of the United States with China. Notwithstanding the fact that Your Excellency's note indicates that the Japanese Government does not intend to attack certain areas on the south bank of the Yangtze River, in which areas the American Embassy is situated, experience of Japanese bombing operations has amply demonstrated the fact that when any extensive area is subjected to attack there results serious hazards to the lives of all persons in the vicinity, with oftentimes injury to many persons. While American officials have consistently advised, and will continue to advise, American nationals to withdraw from areas in which special danger exists, such American nationals are under no obligations to do so, and in some cases find withdrawal impossible. Accordingly, the Government of the United States looks to the Japanese Government to avoid any military operations which would imperil the safety of American nationals and property at Chungking and will expect to hold the Japanese Government responsible for any injury or loss to American nationals occasioned by acts of Japanese armed forces.

I avail myself [etc.]

JOSEPH C. GREW

793.94/16074

The Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew)

[Translation]

No. 121, American I

Tokyo, June 18, 1940.

EXCELLENCY: I have the honor to state that I have carefully perused the contents of Your Excellency's note dated June 15, 1940, in which you set forth the views of the American Government with regard to the advice contained in my note of June 14, concerning the withdrawal of American nationals at Chungking to a safe place during the present bombing of Chungking by Japanese military forces.

Chungking as the military and political center of the Chiang Kai-shek regime is strongly fortified, and within and without that city there are grouped the Supreme Military Headquarters, every sort of government office, military affairs committees, Supreme National Defense committee, central military officers training school, and military arsenals, military uniform factories, arms and ammunition storehouses and other military buildings. In view of the fact that that regime using Chungking as a base of operations is waging war in resistance to Japan, the Imperial Army has lawful reason to destroy that base. Bombing attacks have been and are being continued, therefore, against those Chinese military emplacements. It need not be said that these bombing attacks cover a relatively large area owing to the fact that the objectives are scattered at various places inside and outside the city.

The Imperial Army and navy air forces have on each occasion before a bombing attack thoroughly investigated, on the basis of maps and other information previously received from third Powers, the existence, whereabouts, etc., of third Power interests and property, at the place to be attacked; and even at the cost of detriment to military operations have always carried out these activities with the greatest precaution to avoid causing damage to interests and property of third Powers. The Chiang Kai-shek régime, however, have on many occasions deliberately located their various military emplacements and other military establishments in close proximity to interests and property of third Powers. When making bombing attacks against those objectives, the Imperial air forces are always subjected to anti-aircraft artillery fire and attacking enemy planes against which they defend themselves. In such cases, therefore, damage may be caused to non-combatant Chinese nationals or to interests and property of third Powers by stray shells or some other aftermath of the bombing attack. Damage of that sort must be said to be unavoidable during such military activities, and is entirely uncontrollable. In view of the above situation, to say simply that the Japanese air forces are making indiscriminate bombing attacks is to ignore the justifiable activities and

the spirit of the Japanese air forces, and is beyond the understanding of the Imperial Government.

The Japanese military forces will not hereafter relax their attack on Chungking. Extensive bombing attacks will be made on the various military organs and establishments of the Chiang Kai-shek régime inside and outside of that city in order to destroy completely those organs and establishments. The Japanese Government cannot accept responsibility for unavoidable damage which may occur as a result of these military activities. In this connection, the Imperial Government earnestly hopes that Your Excellency's Government on its part, in consideration of the above possibility of unforeseen damage occurring, will give further profound thought to the remarks set forth in the Ministry's previous note dated June 14, 1940.

I avail myself [etc.]

HACHIRO ARITA

393.1163M56/249

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

No. 1630

TOKYO, September 13, 1940.

EXCELLENCY: I have the honor to apprise Your Excellency that I have received a report through the American Embassy at Chungking that on August 19, 1940, the Lewis Memorial Church of the Methodist Episcopal Mission in that city, an American institution, was completely destroyed by fire resulting from incendiary bombs during the course of a series of raids upon Chungking by Japanese airplanes.

In Note No. 30/European 2, dated November 29, 1937, from the Imperial Japanese Ministry of Foreign Affairs,²⁸ the Embassy was informed in part that "with a view to cooperating with the Japanese forces in their desire not to cause damage to the property of the nationals of third countries, especially to eleemosynary institutions, during attacks on military establishments and facilities", the Japanese Government desired to obtain maps showing the location of hospitals, churches, schools and other eleemosynary establishments in China belonging to the United States.

While reserving all appropriate rights in the premises, with a view to assisting in the protection of American lives and property, the Embassy transmitted to the Ministry of Foreign Affairs on November 30, 1938, a sketch map indicating by hand markings American owned and leased property in Chungking and its environs. Moreover, on February 8, 1939, a similar map was transmitted to the Japanese Consulate General at Hankow.

In this connection I have the honor to refer to my notes no. 1174 of January 23, 1939, no. 1307 of June 16, 1939, no. 1328 of July 14, 1939,

²⁸ Not printed.

no. 1583 of July 13, 1940, no. 1600, of August 6, 1940, and no. 1608 of August 19, 1940,²⁹ bringing to the attention of Your Excellency's Government eight separate and distinct occasions, prior to the present bombing, when the property of this mission at Chungking was subjected to air attacks by Japanese forces. It is difficult to perceive, under the circumstances recited above—since the location of the property in question was unescapably known to the Japanese aviators—how the inference can be avoided that at least some of the attacks upon this American property have been deliberate. I must add in this connection, lest it be thought that this case of repeated bombing of the same American property in China is unique, that the instances of multiple Japanese bombings of the same American properties in China have been numerous.

I have the honor to enter a most emphatic protest on behalf of my Government against this renewed attack upon the property of the Methodist Episcopal Mission at Chungking; to request that Your Excellency be good enough to furnish me a prompt report upon this latest flagrant case; to reserve all rights on behalf of the American citizens and property involved; and to point out once more, as I have on many previous occasions to Your Excellency's predecessors, the grave risk to the lives of American citizens in Chungking and in other parts of China entailed by these ruthless Japanese air bombings, the damage of which to the property of American nationals alone is sufficient evidence of their indiscriminate character.

I must again emphasize the inevitable and damaging effect upon the good relations between our two countries of a continuation and repetition of such attacks upon the property of citizens of a friendly Government, which in the present case have reached almost unbelievable proportions.

I avail myself [etc.]

JOSEPH C. GREW

393.1163M56/249

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

[Tokyo,] September 13, 1940.

MY DEAR MR. MINISTER: Having understood in our conversation yesterday that you were not familiar with the continued cases of bombing of American property in China by Imperial Japanese air forces, I am taking the liberty of sending you, for your personal information, a copy of my official note of today ^{29a} regarding a particularly flagrant case involving the ninth occasion on which the same American property has been bombed by Japanese planes. Your Excellency will see from

²⁹ None printed.

^{29a} *Supra*.

the text of my note that the eight previous instances were duly brought to the attention of the Imperial Japanese Government, and I feel sure that you will readily appreciate the deplorable effect upon Japanese-American relations which would inevitably ensue were a case of this nature to come to the attention of the American public.

In connection with the general subject of the bombing of American property in China, you may be interested in the data given below, taken from our records.

Since the beginning of the hostilities in China there have been brought to our attention approximately 280 instances of the bombing of property, belonging to American nationals, by the Imperial Japanese air forces. As an indication of the fact that these attacks have not abated recently, I may cite the fact that approximately 23 separate cases of bombing of American property in China have come to our attention during the past three months, and that during the time that the present Government has been in office, alone, twelve separate attacks have occurred, involving in some cases very serious destruction to American property. The location of these properties, moreover, had been brought to the attention of the appropriate Japanese authorities, without the responsibility on the part of our Government, for the express purpose of avoiding damage to the American property concerned.

Believe me [etc.]

JOSEPH C. GREW

393.115/980 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, September 22, 1940—2 p. m.

[Received September 22—11:15 a. m.]

878. Embassy's 837, September 14, 9 p. m. [*a. m.*],³⁰ with regard to the bombing in China of American property.

In the course of my conversation with the Foreign Minister on September 21, I made reference to the fact that I had received the impression in our previous conversation of September 12 that, in respect to the vast accumulation of interferences with American rights and legitimate interests in China at the hands of Japanese armed forces and other Japanese agencies, the Minister was not familiar with the details and that, therefore, for the Minister's personal information, I had prepared a list, although not necessarily a complete list, of such interferences which since the commencement of the current hostilities in China had come to the Embassy's attention. Thereupon, I handed this list to the Minister in three sections: First sec-

³⁰ Not printed.

tion, dated October 31, 1939, was communicated to the Department in my despatch number 4218, of November 6, 1939; the second, dated June 10, 1940, was sent to the Department in my despatch number 4784, dated June 19, 1940; the third section, dated September 15, 1940, will be forwarded with my despatch number 5004, dated September 22, 1940.^{30a}

To the Minister I sketched orally the various categories of interferences which these lists covered and stated that while his subordinates in the Foreign Office knew all or most of the items set forth in the list, I believed it was unlikely that the offenses would come to his personal attention, and, therefore, in order to acquire a fair grasp of the immense accumulation of Japanese offenses during the past three years against American rights and legitimate interests, I strongly urged him to study these lists in detail.

The documents were accepted by the Foreign Minister. He made the statement that after he gets settled in office it is his firm determination to sweep away as many of the "past troubles" between the United States and Japan as it is within his power to eliminate. On my part, I did not fail to indicate that many of these troubles are current rather than past.

This telegram has been sent to the Department via Shanghai. Shanghai will please send copies to Chungking and Peiping.

GREW

793.94/16229 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, October 16, 1940—5 p. m.

[Received October 16—11:40 a. m.]

1000. Reference my telephone conversation last night with Vice Foreign Minister regarding bombing of Kunming on October 13. The Vice Foreign Minister has just called me on the telephone and given me the following message:

"I took the matter up with the Navy Department. On October 13 naval air forces raided Kunming; and if damage was done to the American consulate, it might be a result of that raid. The Navy will see to it that the bombing of American consulate is not repeated. Such incident will not be repeated."

Sent to the Department, repeated to Peiping and Hong Kong. Hong Kong please repeat to Kunming and Chungking.

GREW

^{30a} None printed.

793.94/16334

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Matsuoka)*

No. 1670

Tokyo, October 28, 1940.

EXCELLENCY: I have the honor to inform Your Excellency that, according to information received from the American Embassy at Chungking, the 26 heavy Japanese bombers which bombed Chungking on October 25, last, followed a course immediately over the premises of the American Embassy and the U. S. S. *Tutuila* and that bombs fell north, west, and east of them, the nearest dropping about 300 yards north of the Embassy and the ship. The Embassy reported further in this connection that 11 bombs fell on the south bank of the Yangtze River, within the zone designated by Your Excellency's predecessor, Mr. Hachiro Arita, in the penultimate paragraph of his note, Asia I, 8/*Go*, of June 14, 1940, as a safety zone. The Embassy added that an ice plant belonging to the Chungking Ice Company, an American firm, was damaged during the raid.

I have the honor to point out to Your Excellency again the serious danger to the lives and property of American citizens involved in these indiscriminate attacks, to protest emphatically against the renewed bombing of the property of the American firm above mentioned and to express once more the seriousness of the endangering by planes of a friendly power of the American Government's establishment in Chungking and the lives of the American Ambassador and the American personnel, who are carrying on the legitimate duties entrusted to them by my Government.

I take this occasion again to request Your Excellency to cause the most stringent orders to be issued by the appropriate authorities of the Japanese Government to prevent the recurrence of incidents of this nature.

I avail myself [etc.]

JOSEPH C. GREW

793.94/16334

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Matsuoka)*

Tokyo, October 28, 1940.

MY DEAR MR. MINISTER: I am taking the occasion to enclose herewith, for Your Excellency's personal information, in view of the interest which you have been good enough to take in endeavoring to put an end to the long list of bombings by Japanese aviation of American property in China, a copy of my official representations of today's date regarding the renewed bombing by Japanese planes, during the

course of an air raid on Chungking on October 25 last, of the property of the Chungking Ice Company, an American firm, as well as regarding the fact that the 26 Japanese bombers which took part in the raid followed a course immediately over the premises of the American Embassy and the U. S. S. *Tutuila*, and that bombs fell north, west, and east of them, the nearest bomb landing about 300 yards north of the Embassy and the ship in question.

I venture to hope, in view of the interest which Your Excellency expressed in this matter, that the serious menace, constituted by these air raids to the safety of the American official personnel in China as well as to the property and lives of American citizens legitimately pursuing their callings in that country may be obviated through effective orders to the responsible Japanese officers concerned.

Sincerely yours,

JOSEPH C. GREW

494.11 China National Aviation Corporation/17

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

No. 1678

TOKYO, November 8, 1940.

EXCELLENCY: With reference to my representations of November 5, 1940,³¹ regarding the attack by Japanese aviation on a China National Aviation Corporation plane near Kunming, Yunnan Province, which resulted in the death of the American pilot, Mr. W. C. Kent, I have the honor to transmit further information regarding this case based upon data which have since come to light.

The plane in question, a commercial passenger plane flying near Kunming, Yunnan Province, landed at Chanyi early in the afternoon of October 29, 1940. Just after it had landed, five Japanese pursuit planes attacked it, opening fire with a 20-millimeter machine gun. The fire from this gun struck the plane and persons inside, and persons fleeing from the plane were machine-gunned; some were killed and injured. The plane bore distinctive markings with one Chinese character YU five feet high and four and a half wide on the left wing, and under the same wing were three letters representing the China National Aviation Corporation identification insignia, each letter being five feet by four and a half in size. Under the right wing were five Chinese characters representing the same Corporation, each five feet by four and a half in dimensions, and on both sides of the fuselage was the Chinese character YU three feet by two in size. The strokes forming the Chinese characters in question were, in every instance except the last, five and a half inches wide. In this connection I may add that

³¹ Not printed.

this plane is the identical one, the shooting down of which by Japanese aviation on August 24, 1938, formed the subject of my representations to his Excellency General Ugaki on August 26, 1938.³² In repairing it practically no change was made in its appearance, and the markings described above were the same as those which it bore at the time of the previous attack.

The attack upon this plane, resulting in the killing of an American citizen, followed closely upon the reported shooting down at Kunming on October 26 by Japanese military aircraft of a commercial plane of the Eurasia Company, in the course of which it is reported that three civilians were injured.

In representations made by the Embassy regarding the previous attack by Japanese planes, on August 24, 1938, upon a commercial passenger plane belonging to the China National Aviation Corporation, the emphatic objection of the United States Government was expressed to the placing in jeopardy of the lives of American as well as other non-combatant occupants of unarmed civilian planes engaged in established commercial services. The United States Government objects to attack by armed force upon non-combatants and non-combatant enterprises, and has taken due note especially of the killing of an American citizen in the attack on a commercial transport plane operated by a civilian commercial concern, in which there is a substantial American interest, and which is engaged in a legitimate commercial service regularly utilized by American citizens, including officials of the United States Government. In the instant case the attack was made upon a plane which was of a type of civilian transport plane which should be readily recognized by airmen and was easily identifiable as a Douglas DC-2 unpainted dural metal plane. It is not to be conceived that the Japanese air force was ignorant that planes of this type have been flying between Chungking, Kunming, and Hong Kong; that they cannot distinguish between military and civil airplanes; that the Japanese air force was ignorant that such planes are piloted by American pilots, and that they frequently carry American passengers, including American officials. This latest attack upon a civilian commercial passenger plane, in which the life of an American citizen and the lives of several other civilians were sacrificed, brings into strong relief the general jeopardizing of American life and the widespread and unwarranted injury to American interests and property in China which have characterized the activities of the Japanese air force. The Japanese Government will of course realize that incidents of this character, reflecting as they do the apparent attitude of the Japanese military forces toward civilian life, including the lives and property of American

³² See press release issued by the Department of State on August 26, 1938, p. 619.

citizens and in this case involving loss of American life, constitute serious obstacles in the way of improved American-Japanese relations.

I avail myself [etc.]

JOSEPH C. GREW

393.115/1023 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, November 11, 1940—noon.

[Received November 11—10:35 a. m.]

1125. Your telegram number 454, November 7, 9 p. m.,³³ was received November 8, 7 p. m.

1. During my interview yesterday with the Foreign Minister I referred to the continued bombings by the Japanese of American property in China and indicated that there were very serious risks involved in jeopardizing the lives of American citizens in this manner, which, at this time of marked tension between our two countries must be regarded as doubly serious. With reference to this subject, I handed copies of our last five notes concerning recent bombing incidents to Mr. Matsuoka, saying it was my desire to make certain that these facts were known by the Minister himself. Then I spoke of the possibility that with regard to these and previous bombings, my Government might feel obliged, in accordance with its long established practice, to publish full information. The only remark the Minister made to this statement was that the United States Government would, no doubt, wish to consider the effect of such publicity on the relations between Japan and the United States.

2. In connection with the many cases of complaints on the part of the American Government set forth in the lists which I had given him (Embassy's telegram number 878, September 22, 2 p. m.), the Foreign Minister said that he is doing his best to clear them up and that it is his intention soon to send to China an important official, probably the Director of the American Bureau of the Foreign Office, accompanied by several secretaries, for the purpose of locally exploring the situation and of taking the steps to remove, so far as is practicable under the military conditions existing now in China, the cause of the complaints. These complaints he referred to as embracing both military and economic matters. My answer was that for the same avowed purpose former foreign ministers had also sent special agents to China, but that these special agents had met with little success and that until precise and unequivocal instructions to respect American life and property and other legitimate rights and interests were issued to the officers and officials in the field by the highest competent authorities in Tokyo, it

³³ Not printed.

was apparent from experience that accrueement of positive results could not be expected. It may be significant in this connection that recently the Foreign Minister requested me to send him an extra set of the lists of complaints to which reference was made in Embassy's telegram number 878, September 22, 2 p. m.

3. I suggest that the Department may wish to consider a further delay in releasing the proposed publicity regarding bombings in view of Mr. Matsuoka's expressed intention and obvious desire to obviate points of friction with the United States, which, in my opinion, represents a belated recognition of the unfortunate position vis-à-vis the United States into which Japan, through the conclusion of the tripartite alliance³⁴ and other recent developments, has placed herself.

This telegram has been sent to the Department via Shanghai. Shanghai will please send copies to Peiping and Chungking.

GREW

494.11 China National Aviation Corporation/17

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

No. 1684

TOKYO, November 14, 1940.

EXCELLENCY: With further reference to my note no. 1678 dated November 8, 1940, regarding the attack by Japanese aviation on a China National Aviation Corporation plane at Chan-yi, Yunnan Province, which resulted in the death of the American pilot, Mr. W. C. Kent, I have the honor to transmit below the following information regarding the incident which has just been reported to the Embassy by the American Consul General at Hongkong:

The plane in question caught fire after about ten minutes after the attack by the Japanese planes and the latter made several additional attacks upon it while it was burning. The passenger who was killed on the ground was killed about one hundred yards from the plane.

I avail myself [etc.]

JOSEPH C. GREW

*Press Release Issued by the Department of State on November 23, 1940*³⁵

The American Consul at Hanoi, Charles S. Reed, 2d, has reported that Vice Consul Robert W. Rinden, acting under Mr. Reed's instructions, on November 21 drove, in company with a correspondent of the

³⁴ For summary of the pact signed at Berlin September 27, 1940, see vol. II, p. 165.

³⁵ Reprinted from Department of State, *Bulletin*, November 23, 1940 (vol. III, No. 74), p. 453.

United Press, Melville Jacoby, by a warehouse at Haiphong where it was reported that Japanese soldiers were encamped under an American flag. The newspaper correspondent, who was stated to possess a photographer's permit issued by the appropriate authorities, took some pictures of the property in question. The car in which Vice Consul Rinden and Mr. Jacoby were riding was subsequently pursued and stopped by Japanese soldiers, who attempted to force them out of the car and to seize the correspondent's camera. The Vice Consul identified himself to an English-speaking Japanese army officer, but the Vice Consul and Mr. Jacoby were taken into the center of Haiphong under a guard of Japanese soldiers, who prevented them from entering the Hotel Europe by stopping them on the sidewalk, forming a semicircle, and training their rifles upon them. Subsequently French officials arrived and, after discussion between those officials and the Japanese, the Japanese guard withdrew and the two Americans were taken, apparently by French authorities, to French military headquarters. Vice Consul Rinden and Mr. Jacoby returned to Hanoi on the night of November 21.

Consul Reed reported that he has lodged a protest in the matter with the Governor General of French Indochina and with the Japanese Consul General at Hanoi.

The Department is telegraphing appropriate American officials to make further representations in regard to this matter.

811.91251G/15

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

No. 1700

TOKYO, November 26, 1940.

EXCELLENCY: Acting under instructions from my Government, I have the honor formally to protest against the actions of the Japanese military at Hanoi who recently took into custody Mr. Robert W. Rinden, American Vice Consul, and the United Press correspondent, Mr. Melville Jacoby.

My Government considers that the employment of force and the threat of arms against an American official and the individual accompanying him were especially flagrant. I am constrained to recall that it has been necessary for my Government to point out to Your Excellency's Government, in connection with a deplorably large number of incidents involving American nationals and the Japanese military in China, that if the Japanese Government were to issue strict and effective instructions that American citizens should be treated with civility by the Japanese military, incidents of the character described above would not occur.

With reference to the incident which is the subject of the present note, I wish to invite the particular attention of Your Excellency to the fact that Mr. Rinden and his companion were threatened with rifles which were pointed at them, and were kept in custody by Japanese soldiers, and that the Japanese soldiers did not withdraw until the arrival of the French authorities, despite the fact that Mr. Rinden identified himself as an American Vice Consul to a Japanese officer who spoke and understood English.

My Government emphatically protests this unwarranted and illegal action by Japanese soldiers in taking into custody an official of the United States, who in connection with his official duties was engaged upon legitimate activities, and his companion who was also an American citizen.

I avail myself [etc.]

JOSEPH C. GREW

494.11 China National Aviation Corporation/20

*The Japanese Minister for Foreign Affairs (Matsuoka) to the
American Ambassador in Japan (Grew)*

[Translation]

No. 193, American I

Tokyo, December 18, 1940.

EXCELLENCY: I have the honor to state that I have carefully perused the contents of the statement handed by Mr. Crocker, Secretary of the Embassy, to Mr. Terasaki, Director of the Bureau,^{35a} and Your Excellency's notes Nos. 1678, November 8, 1940, and 1684, November 14, 1940, stating that a commercial passenger plane belonging to the Chinese National Aviation Corporation was burned by an attack from Japanese planes during the afternoon of October 29, 1940, at Chanyi, Yunnan Province, and that an American aviator and others aboard were either killed or injured. As a result of an investigation, the actual circumstances of this case were found to be as follows:

Since the time air forces of the Japanese Army began making attacks in Kwangsi, Kweichow and Yunnan Provinces, military transport planes of the Chiang Kai-shek army have been passing frequently over the districts of Chaotung, Kunming, Chanyi, Chihchiang and Kweilin. Having discovered that six enemy military planes were lying in wait in the Kunming district, five planes of the Japanese naval air forces took off toward that district in the afternoon of October 29, 1940, in order to capture and destroy those planes. Enemy planes, however, were not seen at Kunming. But, when Japanese planes arrived over Chaotung, they perceived two enemy fighting planes landed at the enemy's military air-port at that place. Accordingly, Japanese planes immediately fired at the enemy planes setting them on fire.

^{35a} Not printed.

Before the termination of the above fighting operations, a D-model plane was discovered arriving from the Kweiyang district and entering the said military air-port to land. Four Japanese naval planes, one after another, then fired at the plane from its rear at an altitude of about 100 meters. The said D-model plane landed at the air-port while being subjected to bullets, and it is said that the entire body of the plane caught fire and burned after having stopped about one minute in the central zone of the air-port.

If the victim plane was a passenger plane belonging to the Chinese National Aviation Corporation and an American aviator and others aboard encountered danger on that occasion, the Japanese Government regrets it exceedingly. However, the above investigation makes it clear that this was an accident caused by the fact that the aforementioned D-model plane, in order to land at an enemy military air-port, entered an air zone in which fighting operations were in progress, and, judged to be an enemy transport plane, was attacked by the Japanese naval air force. Not only was the accident absolutely unavoidable from the standpoint of military operations but as was previously pointed out in the former Foreign Minister's note, No. 80/-American I, August 31, 1938,^{35b} the company to which the plane in question belongs is a Chinese juridical person, in view of which fact the Imperial Japanese Government is of the opinion that the present case is not one to give rise to an issue directly with a third country.

I avail myself [etc.]

YOSUKE MATSUOKA

^{35b} Not printed.

1941

711.94/1981

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] January 27, 1941.

I called this morning on the Minister for Foreign Affairs and made representations as instructed (Department's 43, January 17, 8 p. m.⁸⁶) regarding the Marine-Gendarme Incident of December 30 in Peiping.

After listening to my full oral statement⁸⁷ of the circumstances of the incident and the views of the Government of the United States with regard to the unresponsive attitude of the Japanese military authorities in Peiping and the evident lack of any disposition on their part to reach a settlement in spite of the moderate and appropriate requests made in connection with the incident by the Commanding Officer of the American Embassy Guard at Peiping, the Minister said that the version of the incident received by the Foreign Office differed materially from the American version. The Minister nevertheless thought it desirable to make a further effort to reach a settlement locally and he, therefore, proposed to instruct the Japanese Embassy in Peiping to endeavor to bring about a more "responsive" attitude on the part of the Japanese military authorities in Peiping. He at least wished further to explore the circumstances of the incident.

I spoke of the desirability of avoiding the irritation engendered by continuing discussion of such incidents when the disposition of the local Japanese authorities to reach a settlement on the basis of the facts appeared to be lacking. The attitude of the Minister however did not appear necessarily to reflect the attitude of the Japanese military authorities at Peiping without further exploration.

J[OSEPH] C. G[REW]

711.94/1981

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

Shortly before 11 p. m. on December 30, 1940, eight United States Marines were present in the International Cabaret on Hatamen Street in Peiping, five of whom were on regular authorized liberty while three were present on duty as special patrol. Parenthetically it may be noted that the duties of the special patrol are to visit night clubs

⁸⁶ Not printed.

⁸⁷ *Infra.*

and cafés in Peiping, to observe the conduct of marines and to order any marine showing signs of intoxication to return immediately to the barracks. All of the marines present in the cabaret at that time were well behaved and sober.

At 10.50 p. m. a Japanese in civilian clothes, who appeared to be drunk, entered the cabaret and walked about the room glaring in an insolent and provocative manner at the marines seated at tables. Although they noted that this Japanese appeared to be armed, the marines ignored his rude actions and he left. Shortly thereafter at 11 p. m. this same Japanese was seen immediately outside the cabaret by two other American marines who were just arriving. They also noticed two more Japanese in civilian clothes standing outside the cabaret. After these two marines had entered the cabaret and as they were removing their overcoats in the cloakroom, the three Japanese came into the cloakroom and one grabbed the overcoat of a marine, who jerked loose and then took off his coat. As this same marine started to leave the cloakroom one Japanese without any provocation whatsoever deliberately shoved him, but even then the marine merely warned the Japanese to stop. The Japanese thereupon rushed at the American marine, who knocked him down, and a general fight ensued. Hearing the commotion in the cloakroom, some of the American marines in the dance room, including those on special patrol, went into the cloakroom and stopped the fighting, disarming one of the Japanese who was in the act of drawing a pistol.

Order was temporarily restored, but in about five minutes a group of some fifteen Japanese gendarmes rushed in. The rapid arrival of these gendarmes would seem to indicate that they had been waiting in the neighborhood. Without making any attempt to ascertain the cause of the trouble or the person or persons responsible, the gendarmes fired shots into the air and brandished swords and pistols, sticking their revolvers into the stomachs or backs of the American marines present in the café. When one marine, a member of the special patrol, endeavored to hand over to the gendarmes the armed Japanese civilian, the marine was promptly arrested by the Japanese gendarmes, who released the armed Japanese. Immediately thereafter, the gendarmes without reason or provocation took four more marines into custody, at the same time threatening all marines present with pistols and swords. While this so-called arrest was being made, three marines were subjected to brutal treatment by Japanese gendarmes and civilians and suffered bruises and cuts about the head and face as a result of being beaten with the butt of a pistol, kicked, and struck.

One of the marines in the cabaret telephoned to the regular uniformed marine patrol, which promptly arrived on the scene in a truck but was prevented by the Japanese gendarmes at the point of drawn pistols from functioning or taking custody of the five marines detained

by the *gendarmarie*. Upon learning of the arrest of these marines, an American marine officer was sent to the *gendarmarie* office at 1.30 a. m., December 31, and requested the release of the American marines. This request was refused. At 6 a. m. Colonel Turnage, commander of the American Embassy guard at Peiping, called at the *gendarmarie* office and requested the release of his men, which was refused on the ground that, in the words of the Japanese *gendarmarie*, "the investigation had not been completed". At 12 noon Colonel Turnage made a formal demand for their release, which was refused on the ground that the matter was being transferred to another office, later learned to be the headquarters of the Japanese Army in North China. At 5 p. m. the five men were released.

During the investigation at the *gendarmarie* office one American marine was manhandled and kicked by the gendarmes and forced to sign a statement to the effect that the affair had started when he knocked a pipe from the mouth of a Japanese.

On the basis of a careful and painstaking investigation of the facts by the responsible officers of the Embassy guard, my Government is convinced of the general reliability of the above account of the incident. Aside from any question of the propriety of the action of Japanese gendarmes rushing upon a group of American citizens and firing shots into the air and brandishing swords and forcibly seizing those Americans, my Government takes a serious view of, first, the refusal of the Japanese gendarmes to surrender custody of the arrested marines to an American marine patrol in uniform upon request that they do so; second, the maltreatment by the Japanese military authorities of American marines while those marines were in custody; and, third, the refusal of the Japanese authorities for a period of some seventeen hours to release those marines despite insistent requests by officers of the American Embassy guard that they be released.

The Japanese military authorities have been unresponsive to the moderate and appropriate requests made in connection with the incident by the commanding officer of the American Embassy guard at Peiping. If the attitude of the Japanese military authorities at Peiping accurately reflects the attitude of the Japanese Government, my Government can only conclude that there does not exist a disposition on the part of the Japanese Government to make any real effort toward settlement of the incident. Under these circumstances my Government is forced to assume that no useful purpose would be served by a further discussion of the matter and it therefore will have to add this case to the list of unsettled cases involving infringement by Japanese agencies of American rights and interests in China of willful abuse by these agencies of American citizens and of affronts to American official agents.

[Tokyo,] January 27, 1941.

125.991H1/59

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Matsuoka)*

No. 1738

Tokyo, February 4, 1941.

EXCELLENCY: I have the honor to inform Your Excellency that according to a report received from the American Consulate at Kunming, during the widespread bombing of that city by Japanese planes on January 29, 1941, one bomb dropped only a little over two hundred yards from the American Consulate. The Consulate buildings were severely shaken, and rocks, dirt, and bomb fragments thrown into the compound. Windows in the buildings were blown open, objects toppled, and the door frame in the living room was shaken so badly as to make repairs necessary.

Your Excellency's attention is invited to the fact that on November 9, 1938, a map in triplicate showing the location of the American Consulate property, as well as other American property in Kunming, was sent by the American Embassy at Peiping to the Japanese Embassy there for forwarding to the appropriate military authorities. Moreover, as the Japanese authorities were also informed, the premises were marked by three American flags 9 feet by 17 feet.

I have the honor again to invite the attention of Your Excellency to the serious repercussions likely to ensue from indiscriminate attacks of this character which have endangered American Government buildings and the lives of the American Consul and his family, and to emphasize the importance of causing urgent and effective instructions to be issued to the appropriate Japanese authorities in China to prevent a recurrence of such dangerous activities.

I avail myself [etc.]

JOSEPH C. GREW

793.94/16619

*The American Ambassador in Japan (Grew) to the Japanese Acting
Minister for Foreign Affairs (Prince Konoye)*

No. 1779

Tokyo, April 14, 1941.

EXCELLENCY: I have the honor to refer to my note to the Minister for Foreign Affairs, no. 1738 of February 4, 1941, with reference to the aerial bombardment of Kunming, China, by Japanese aircraft on January 29, 1941, at which time the American Consulate at that place was seriously endangered, and to inform Your Excellency that American lives and property were again endangered at Kunming on April 8 by a wanton and indiscriminate bombing attack by Japanese airplanes.

On this occasion, according to the American Consul at Kunming, the China Inland Mission, where seven American citizens including three children were residing, was badly damaged by explosions and

barely escaped destruction by fire. At the same time, the house occupied by the American-citizen clerk of the Consulate, adjacent to the Mission, suffered concussion and damage in the form of broken glass, fallen plaster and tiles, and demolished electric light fixtures.

In bringing this matter to Your Excellency's attention, I wish to emphasize the unfortunate effect on public opinion in the United States of such indiscriminate attacks, not only because of the jeopardy in which American lives and property are placed, but also because of the great abhorrence on broad humanitarian grounds held by the American people toward acts of wanton violence against non-combatant and defenceless populations.

In conclusion, I am further instructed by my Government to point out that American officials and citizens reside in Kunming and other localities for legitimate purposes, and they are entitled to continue their activities without danger or loss from the attacks of Japanese aircraft. Despite the fact that the Japanese authorities in a great many of the cases have previously been supplied with detailed information concerning the location of the residences of American citizens and of American property, the lives of American citizens continue to be placed in jeopardy and they continue to suffer losses, in various parts of China.

Accept [etc.]

JOSEPH C. GREW

793.94/16646

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

No. 1793

TOKYO, May 6, 1941.

EXCELLENCY: I have the honor to refer to my note no. 1779 of April 14, 1941, addressed to Prince Konoye during Your Excellency's absence from Japan, concerning the repeated indiscriminate bombing of Kunming by Japanese aircraft, and the danger to American lives and damage to American property caused thereby, and to inform Your Excellency that according to information received from the American Consul at that city, the Consulate was again seriously damaged during an air raid on April 29, 1941. Window glass and screens were blown out; plaster, a large memorial tablet, and part of a wall were knocked down; and dirt and debris were blown into the Compound. Fortunately, there appear to have been no casualties.

As stated in my note no. 1779 referred to above, American officials and citizens reside in Kunming and other localities in China for legitimate reasons, and they have every right to continue their activities without danger to themselves or loss to their property from the attacks of Japanese aircraft. It is hardly necessary to point out to Your Excellency the unfortunate effect of these attacks upon public

opinion in the United States, and it is difficult to estimate what the reaction would be if the Consul or one of his staff were killed or injured. It is only by chance that the continued bombings of Kunming and elsewhere in China have not recently resulted in death or injury to American citizens.

I have accordingly been instructed by my Government to inform Your Excellency that the American Government looks to the Japanese Government to take such steps as may be required to prevent further endangering of American lives and property.

I avail myself [etc.]

JOSEPH C. GREW

793.94/16646

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Vice Minister for Foreign Affairs (Ohashi)

During the past seven months the American Embassy has addressed five separate notes to the Foreign Office with regard to damage to American property by Japanese bombings of Kunming:⁸⁸

1. No. 1655, October 15, 1940.
2. No. 1668, October 26, 1940.
3. No. 1738, February 4, 1940 [1941].
4. No. 1779, April 14, 1941.
5. No. 1793, May 6, 1941.

On each of these occasions, substantial damage was done to American property, including the American Consulate, and the lives of American citizens and officials were put in jeopardy.

The American Consul General at Hongkong, on October 28, 1938, handed his Japanese colleague a map showing clearly the location of all American property in Kunming.

It is pointed out that according to the American Consul at Kunming, the localities attacked during the raids were largely commercial, residential, or otherwise of a non-combatant character. In fact, the raids were carried out in such manner that it is difficult to escape the conclusion that they were designed more to terrorize a helpless population rather than to demolish military works. Although fortunately and completely by chance, no American citizens have been killed or injured of recent months as a result of Japanese military activities, it is hardly necessary to point out that especially at the present juncture an American death or injury might have repercussions of a serious character. The American Government looks to the Japanese Government to take appropriate measures to prevent such an occurrence, and earnestly requests that express instructions be issued to the military authorities in that regard.

TOKYO, May 7, 1941.

⁸⁸ Notes No. 1655 and No. 1668 not printed.

793.94/16689

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Matsuoka)*

No. 1802

Tokyo, May 17, 1941.

EXCELLENCY: With reference to my note no. 1793 of May 6, 1941, concerning repeated indiscriminate bombing of Kunming by Japanese aircraft, and the consequent danger to American lives and damage to American property, I have the honor to inform Your Excellency that the American Consul at Kunming has reported that the Consulate was again damaged during a Japanese air raid on May 12, 1941. Fragments of bombs were scattered in the Consulate compound and one piece broke through a window into a residence bedroom.

Moreover, during this same raid, the larger part of the compound occupied by Mr. Stanley McGeary, an American clerk of the Consulate, was destroyed and his residence so damaged as to render it barely habitable, and for the third time recently the China Inland Mission, where a number of Americans live, was damaged and the residence there of Mr. E. L. Crapuchettes, an American citizen, was partly demolished.

I find it most regrettable that, although every effort has been made to impress upon the Japanese Government and officials the importance attached by my Government to the safety of American officials and citizens residing for legitimate reasons in Kunming and other localities in China and to the security of American property in that country, the activities of the Japanese air forces continue to endanger American lives and to inflict serious damage upon American property. Your Excellency must realize that the cumulative effect upon American public opinion of these repeated bombings of the American Consulate at Kunming and other American properties in that city cannot be otherwise than most unfortunate.

In view of the foregoing, I am obliged to remind Your Excellency that the American Government looks to the Japanese Government to take such steps as may be required to prevent further endangering of American lives and property in China.

I avail myself [etc.]

JOSEPH C. GREW

393.1163M56/302

The Ambassador in Japan (Grew) to the Secretary of State

No. 5645

Tokyo, June 10, 1941.

[Received July 5.]

Subject: Bombing of Methodist Episcopal Mission Property at Chungking by Japanese Aircraft on June 1, 1941.

SIR: With reference to my telegram no. 771 dated June 5, 9 p. m.,⁴⁰ reporting the conversation I had with the Minister for Foreign Affairs on the above subject, I have the honor to enclose a copy of the signed note I handed him at the time, together with a copy of my memorandum of our conversation.

On the following day, June 6, 1941, the Foreign Minister sent me a message through his secretary stating that he had on that day taken up with the War Minister at the Cabinet meeting the question of aerial bombardment in China affecting American property, and that the War Minister had given him assurances that special care would be taken in the future. The receipt of this message was reported in the Embassy's telegram no. 781 of June 6, 8 p. m.⁴⁰

Respectfully yours,

JOSEPH C. GREW

[Enclosure 1]

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

No. 1817

TOKYO, June 4, 1941.

EXCELLENCY: With reference to my note to Your Excellency no. 1803 of May 22, 1941,⁴⁰ concerning damage inflicted on properties of the Methodist Episcopal Mission at Chungking by Japanese aircraft on May 9 and May 10, 1941, I have the honor to inform Your Excellency that properties of the same Mission at Chungking were again seriously damaged by Japanese aerial bombardment on June 1, 1941.

According to information received from the American Embassy at Chungking, a section of the hospital of the Mission at Tai Chiahang, in the center of the city, was badly damaged by a direct hit. A second bomb damaged the compound wall, and the home of an American missionary received damage from stones through the roof. This property has been damaged on at least four previous occasions.

In addition, the newly built Lewis Memorial Institutional Church of the same Mission, located at a distance of about seven hundred yards from the hospital mentioned above, was completely wrecked by a direct hit. This property has likewise been damaged on at least four previous occasions.

Although fortunately there were no casualties, it has been estimated that the cost of "restoring the buildings to use" will be about \$150,000 Chinese currency.

In bringing to Your Excellency's attention this last instance of destruction of the Methodist Episcopal Mission's property during the wanton and random bombardment of Chungking by Japanese aerial forces, I feel impelled to repeat my previous emphatic protests on this

⁴⁰ Not printed.

subject. It is again pointed out that the placing in jeopardy of American lives and the damaging of American property can hardly have a stabilizing effect on public opinion in the United States, and it is urgently requested that immediate steps be taken to put a stop to these attacks on American lives and property in China.

I avail myself [etc.]

JOSEPH C. GREW

[Enclosure 2]

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] June 5, 1941.

In an interview with the Minister for Foreign Affairs today I made emphatic representations and delivered a first person note protesting the bombing and serious damage of the properties of the Methodist Episcopal Mission at Chungking by Japanese aircraft on June 1, properties which had been similarly damaged on at least four previous occasions. I dwelt at length on the steadily growing list of such depredations at the hands of the Japanese forces in China and spoke of the accumulating evidence that American properties seemed to be marked out for purposeful attack, having in mind the repeated assurances given me by the Japanese Government that such attacks were aimed only at military objectives. The location[s] of these properties, I said, were notified to the Japanese military authorities and they were carefully marked with American flags. It seemed to me preposterous to credit the Japanese aviators with such lack of skill. My note spoke of the inevitable effect on American public opinion of such wanton and random bombardment.

The Minister appeared to be impressed with these representations. He called in his secretary and asked that a memorandum be prepared for him to take up the matter with the War and Navy Ministers in Cabinet meeting tomorrow morning.

793.94/16682: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, June 16, 1941—9 p. m.

[Received June 16—10:35 a. m.⁴¹]

830. Chungking's 240, June 15, 3 p. m.⁴² Without delay I immediately sought an appointment with the Minister for Foreign Affairs and delivered to him in person a signed note quoted below. I made the most emphatic representations and pointed out the grave danger to American-Japanese relations involved in recent bombing attacks on Chungking which have now resulted in heavy damage to our

⁴¹ Telegram in two sections.

⁴² Not printed.

Embassy property, including the residence of the Ambassador, and seriously jeopardizing both the lives of the Ambassador and other American nationals and the U.S.S. *Tutuila*. I reminded the Minister of the *Panay* incident⁴³ and its aftermath and expressed the personal opinion that under present circumstances I personally questioned whether the relations between the United States and Japan could now stand a similar strain. If these indiscriminate and wanton attacks should continue, the risks of fatal results must be reckoned with. I said that seldom if ever during my nine years in Japan had I felt greater anxiety than at the present moment. I added that while aware that the Minister was faced with many problems at the present moment, I believed that the issue of these bombing attacks was of more far-reaching importance and gravity than any other issues.

Mr. Matsuoka, who had come out of an official conference to receive me briefly, merely said, "I agree with you." He indicated that he had not yet heard of this recent attack and did not know whether military or naval planes were involved but that he would take up the matter immediately and personally with both the War and Navy Ministers.

"Excellency: I have the honor to inform your Excellency that, according to information just received from the American Ambassador at Chungking, during an air raid early on the afternoon of June 15, 1941, twenty-seven Japanese airplanes flying high bombed Chungking and also dropped several, about five, bombs within areas of one to three hundred yards of the Embassy Chancery and the United States ship *Tutuila*. A bomb which dropped within fifty yards of the entrance to the Embassy dugout hit alongside of and heavily damaged the offices of the assistant military attaché, about half way between the Chancery and the United States ship *Tutuila*. The concussion and flying debris damaged the Chancery, including the windows, transoms, tile roof, screens and shutters. Some damage was also caused at the Ambassador's residence a half mile away and at the Standard Oil offices near the Chancery.

Fortunately, there were no casualties amongst the personnel of the Embassy or the United States ship *Tutuila*. There were a number of Chinese dead and wounded in the vicinity.

Acting under instructions from my Government, I must again emphatically protest against this endangering by Japanese military airplanes of the personnel and premises of the American Embassy in Chungking. I cannot sufficiently stress and I am, therefore, constrained to reiterate my anxiety concerning the inevitable effect upon American public opinion of such wanton and random bombardment.

Your Excellency will, I am sure, agree that such recurrence as has been described above does not comport with the assurances given to Your Excellency by the Imperial Japanese Minister of War, as conveyed to me on June 6 last through Your Excellency's personal message.⁴⁴

I avail, etc."

⁴³ See pp. 517 ff.

⁴⁴ See despatch No. 5645, June 10, 1941, from the Ambassador in Japan, *supra*.

Sent to the Department and to Shanghai. Shanghai please repeat to Chungking, Peiping and Hankow.

GREW

793.94/16698: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, June 19, 1941—9 p.m.

[Received June 21—9:29 a.m.⁴⁵]

851. Embassy's 842, 19th, 1 p. m.^{45a} Bombing of American Embassy Chungking. The Embassy's translation of note no. 69, American, dated June 18, received today from the Foreign Office, follows:

"Excellency: I have the honor to state that I have carefully perused the contents of Your Excellency's note, dated June 16, 1941, stating that, according to a report from the American Ambassador at Chungking, about five bombs were dropped at points within a distance of from one hundred to three hundred yards from the American Embassy at Chungking and the American man-of-war *Tutuila* during the bombing of Chungking by Japanese aircraft on the afternoon of June 15; that the office of the American assistant military attaché and the Embassy Chancery were damaged; and that the office of the Standard Oil Company near the Ambassador's residence and Chancery was also damaged slightly. Your Excellency's note also contained a protest, in accordance with instructions from Your Excellency's Government, with respect to the endangering of the personnel and property of the American Embassy at Chungking by Japanese aircraft.

Your Excellency's apprehensions concerning the effect of such indiscriminate bombing upon American public opinion were also stated. As the result of a prompt inquiry made of the Japanese forces in the area concerned regarding the circumstances of the case, it was ascertained that a unit of the Japanese naval air forces, which took off to bomb the Chungking area on June 15, attacked military establishments of the Chinese Army in the city of Chungking at about 3 o'clock on that afternoon. It happened that just as the commander gave the order to release bombs, one plane on the outside of the formation, failing to maintain its correct position, fell behind and the bombs dropped by that plane alone thus became uncontrolled stray bombs. It is believed that the accident mentioned in Your Excellency's note was due to these stray bombs which fell on the Eastern Bank of the Yangtze River near the Kwanyin Temple, and it is a matter of extreme regret to the Imperial Government.

As stated in our note dated June 14, 1940, the Imperial Army and Navy are taking every precaution, even at the cost of strategic inconvenience, not to bomb the vicinity of the American Embassy, and officers and men at the front have been strictly warned to that effect. I have, however, lost no time in urging the Army and Navy authorities to take further precautions to prevent the recurrence of accidents of this nature. At the same time, however, I wish to take this opportunity

⁴⁵ Telegram in two sections.

^{45a} Not printed.

to request that the American Government give consideration to the matter of cooperation toward the prevention of unfortunate and unforeseen accidents by transferring, if possible, the *Tutuila* to a zone of safety as informally suggested on many occasions by the Japanese naval authorities in China to the American naval authorities [stationed] there.

I avail myself etc. etc."

Sent to the Department via Shanghai. Shanghai please repeat to Chungking and Peiping.

GREW

793.94/16828

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

[Tokyo,] July 8, 1941.

Reference is made to the Foreign Minister's note of June 18⁴⁶ concerning the bombing of Chungking on June 15, at which time the U. S. S. *Tutuila* was endangered; the Foreign Minister requested that consideration again be given to moving the vessel, in accordance with previous suggestions.

The Embassy has been instructed by its Government to state that the U. S. S. *Tutuila* is stationed at Chungking on official service, which the American Government considers to be not only a matter of right but also of necessity. It is of particular service to the Embassy of the United States, and it is not the intention of the Government of the United States to move it. It is, moreover, in a locality declared to be immune from aerial bombardment by responsible Japanese authorities. The American Government desires to reiterate its expectation, as conveyed to Mr. Yoshizawa (Director of the American Bureau) by Mr. Crocker⁴⁷ on July 19, 1940, that strict instructions will be issued in order to prevent further jeopardy to the American Embassy and the American vessel at Chungking.

793.94/16831

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

No. 1845

Tokyo, July 8, 1941.

EXCELLENCY: I have the honor to inform Your Excellency that during a severe Japanese air raid on Chungking on June 29, 1941, at which time the British Embassy was badly damaged, the concussion from bombs dropped on the south bank of the river caused some damage to the staff residence of the American Embassy.

⁴⁶ See telegram No. 851, June 19, 1941, from the Ambassador in Japan, *supra*.

⁴⁷ Edward S. Crocker, First Secretary of Embassy at Tokyo.

I have been instructed by my Government to inform Your Excellency that this renewed endangering of our Embassy at Chungking is regarded as the more reprehensible as it followed so closely on the assurances contained in Your Excellency's note no. 69 of June 18, 1941.⁴⁸

It is once more urgently requested that immediate and explicit instructions be issued to the Japanese aerial forces in order to prevent any further damage or jeopardy to the American Embassy at Chungking.

I avail myself [etc.]

JOSEPH C. GREW

793.94/16754 : Telegram

The Acting Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, July 30, 1941—1 p. m.

443. 1. Report was received from Attaché at Chungking July 30, giving account of operations by 26 Japanese heavy bombers. In paraphrase:

These bombers approached from northwest at height about fifteen thousand feet in ideal weather conditions. Upon reaching city they changed course to the line crossing directly over the *Tutuila* and the Embassy. Having crossed the city without firing, they dropped bombload on foreshore across river opposite *Tutuila*. Left center of formation dropping last bombs swept across river and passed directly overhead. One bomb struck near stern *Tutuila*, shattered an outboard motor boat and threw it upon motor sampan which, sinking by stern, was saved by bowline. Gunboat's stern superstructure was bent inward by blast and swept by a huge wave which collapsed awning and washed away ship's gear and gasoline containers. Personnel escaped injuries from fragments only by miracle which apparently was due to funneling of bombs in water. Last bomb was dropped about four hundred yards eastward of and behind Embassy. All this was witnessed by three U. S. officials from Embassy hill immediately overlooking ship. Unanimous opinion of these officials is that the bombing was a deliberate attack on Embassy area and *Tutuila* which missed its targets only by a fraction of a second.

2. I called the Japanese Ambassador in this morning. I handed him a copy of the report and asked him for answers to questions as follows: (1) Did this take place upon instruction by or knowledge of responsible authorities; (2) what responsibility, if any, does the Japanese Government assume for it; (3) what precise measures in detail does the Japanese Government intend to take toward effectively preventing recurrence of any such action. I reminded him of the pledge solemnly given by the Japanese Government, with, I understand, the knowledge and approval of the Emperor, at the time of the sinking of the *Panay*,

⁴⁸ See telegram No. 851, June 19, 1941, from the Ambassador in Japan, p. 717.

that such action would not be repeated; also, of the fact similar pledges have repeatedly been given since then and have repeatedly been disregarded.

3. I desire that you also take this matter up urgently and with great emphasis with the Minister for Foreign Affairs.

WELLES

793.94/16759: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 31, 1941—6 p. m.

[Received July 31—3:10 a. m.]

1134. Department's 443, July 30, 1 p. m. The Acting Vice Minister for Foreign Affairs, Mr. Yamamoto, called on me at the Chancery in the Embassy at 11 o'clock this morning and said that they had just received word of damage caused to U. S. S. *Tutuila* during a bombing attack on Chungking by Japanese naval planes and that he had come on behalf of the Foreign Minister, Admiral Toyoda, who was absent from the Foreign Office, to express the deep regret of the Japanese Government at this incident. Up to the present, Mr. Yamamoto said, they had received no details.

I said to the Acting Vice Minister that I had just received instructions to see the Foreign Minister himself on this matter and that as soon as my instructions were ready I would ask for an appointment. In the meantime I said that I would withhold any comment but I expressed to him my appreciation of the courtesy of his call and expressions of regret. Sent to Department. Repeated to Shanghai for Chungking.

GREW

793.94/16761: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 31, 1941—6 p. m.

[Received July 31—9:40 a. m.⁴⁹]

1138. Department's 443, July 30, 1 p. m.; Embassy's 1134, July 31, 1 p. m.

1. Following the call of the Acting Vice Minister for Foreign Affairs on me this morning I asked for an appointment with the Minister for Foreign Affairs himself. After some delay the Minister's secretary informed me that Admiral Toyoda desired to call on me at the Embassy at 2 o'clock, later changing the appointment to 2:30. At 2:30 I was informed that the Foreign Minister was then with the Prime Minister and that Admiral Toyoda would be glad to have me come to see him at 2:45, which I did. I am unaware of the reason for the Minister's change of plans.

⁴⁹ Telegram in three sections.

2. I read to the Minister my signed note setting forth the details of the bombing of the *Tutuila* including the unanimous opinion of three American officials, who had observed the bombing from the hill immediately overlooking the ship, that the attack was deliberate; also that the weather conditions were ideal. I thereupon made the most emphatic representations, and, to indicate the very grave nature of the incident, I read to the Minister the observations which I had made to his predecessor, Mr. Matsuoka, on June 16 (see Embassy's 830, June 16, 9 p. m.). I also read to him the oral statement made to Mr. Matsuoka on July 8 regarding the attitude of the Government of the United States toward the Japanese request that consideration again be given to the moving of the U. S. S. *Tutuila*, as set forth in the Department's telegram No. 350, June 24, 8 p. m. (see Embassy's 961, July 8, 11 p. m.).⁵⁰

3. The Minister said that he had sent the Acting Vice Minister to see me this morning to convey his regrets at the incident and he repeated on behalf of the Japanese Government and himself expressions of sincere regret. He said that so far as he could remember a new instruction had been sent only recently to naval aviation officers carefully to avoid jeopardizing the American Embassy and the U. S. S. *Tutuila* in their bombing operations over Chungking and as a naval officer formerly in control of aviation he could assure me that these young aviation officers were strictly obedient to orders from their superiors. He could therefore only assume that in proceeding to its military objective the bombing gear of the plane in question had loosened during flight and that the bomb had dropped without any intention on the part of the pilot. The Minister several times repeated his conviction that the incident was purely and simply an accident but he recognized the potential gravity of the results of such accidents and said that once again he would have the most explicit instructions sent out to the Navy's air arm to avoid such risks.

4. I repeated to the Minister my own conviction that the incident could not possibly have been accidental, especially in the light of the evidence of the several attacks on our Embassy and ship during the last several weeks. I once again pointed out the deplorable effect which this new incident would have on American public opinion and that in the present tenseness of our relations it seemed to me questionable whether these relations could stand the strain of an American fatality or the sinking of the *Tuscaloosa* [*Tutuila*] in the course of further bombing operations.

5. In closing the conversation I said that my Government must reserve a further expression of its views which I assumed would be communicated through Admiral Nomura^{50a} in Washington.

⁵⁰ Neither printed.

^{50a} The Japanese Ambassador at Washington.

Sent to the Department, repeated to Shanghai for Chungking, Peiping.

GREW

793.94/16763 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, July 31, 1941—9 p. m.

[Received July 31—9:19 a. m.]

1141. At 9:30 this morning the senior aide to the Minister of the Navy called on the naval attaché and, under instructions from the Minister of the Navy, orally expressed the regret of the Navy for the damage done to the United States ship *Tutuila* by the Japanese naval air forces in raid on Chungking on July 30, and, after giving assurances that the bombing was accidental, stated that the Japanese Navy is prepared to make full reparations for any damage. As he was leaving, the aide stated that the Minister of the Navy was very much worried over this latest bombing incident and had told the aide that the Japanese Navy would do everything possible to prevent a war between the United States and Japan.

Please inform Navy Department.

GREW

793.94/16765a : Telegram

The Acting Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, August 1, 1941—11 a. m.

451. 1. Late yesterday afternoon the Japanese Ambassador called and said his Government had instructed him to state: (1) That the endangering of the *Tutuila* and the United States Embassy at Chungking was greatly regretted by the Japanese Government; (2) that the Japanese Government was certain that the bombing was accidental; (3) that the Japanese will discontinue bombing of the city area of Chungking in order to give the United States Government assurance that no such endangering will again occur; (4) that as soon as the facts and amounts thereof have been ascertained, the Japanese Government is prepared to make indemnification for any and all damage done. The Ambassador added that there was one request which his Government had, namely, that the Japanese Government's promise to discontinue the bombing of Chungking be kept strictly confidential by us.

2. With the express authorization of the President, the press, in light of this approach, has been informed of the above points 1, 2, and 4 and, in lieu of point 3, they have been told that the Japanese Government has informed the United States Government concretely and in detail regarding the measures taken to prevent a recurrence

of such an incident; and it has been stated by me that the incident is considered closed by the United States Government.

WELLES

793.94/16775 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, August 5, 1941—5 p. m.

[Received August 5—9 a. m.]

1173. The following is a translation of a statement which was handed today to the naval attaché at the Navy Department:

"Concerning the incident of the U. S. S. *Tutuila* being damaged during our air raid of Chungking on July 30, the following conclusion was drawn upon the basis of report by commander at the front line, detailed explanations by a staff officer specially despatched to the front, and repeated and minute investigations:

The bomb which fell in the vicinity of the *Tutuila* was dropped from a plane in a formation that participated in the air raid in following a course the formation was compelled to take, and the bomb went wide of its mark on account of an infinitesimal delay in releasing it. The incident was caused by a pure accident. (We wish to emphatically deny a rumor reported to be current in certain quarters that we intentionally bombed American interests at the time of the air raid, and hope very much that no such misunderstanding exists).

Our air forces are under strict orders to exercise utmost caution during operations in China lest American interests, particularly American men-of-war, should be damaged and heretofore the orders were well observed. However, the attention of the commander at the front was called immediately to the regrettable incident.

In informing you results of our investigation we wish to express our profound gratitude and respect towards the American Government for the measures it took in connection with the incident."

GREW

393.115/1161

The Department of State to the Japanese Embassy

[WASHINGTON,] August 12, 1941.

On July 31, 1941 the Japanese Ambassador to the United States, Admiral Nomura, called on the Under Secretary, Mr. Welles, and, reading from notes, stated that he, the Ambassador, was instructed by his Government to inform the President officially of the deep regret of the Japanese Government over the bombing of the U.S.S. *Tutuila* at Chungking; to say that the Japanese Government desired to assure this Government that the bombing was an accident pure and simple; to say that, in order to make sure that no further incident of this kind would take place, the Japanese Government had decided to suspend all bombing operations over the city area of Chungking; to say that the Japanese Government offered to pay full in-

demnity for any damage occasioned American properties immediately upon the completion of the necessary investigations; to say that the Japanese Government requested that its decision with regard to the suspension of bombing operations over the city area of Chungking be regarded as strictly confidential. Further, the Ambassador gave the Under Secretary to understand that it was he himself, the Ambassador, who had recommended this procedure to the Japanese Government.

Shortly after the conversation under reference, the Under Secretary, having communicated the Ambassador's statement to the President, announced that, in view of the action taken by the Japanese Government, the American Government considered the incident to which it related closed. On August 8, 10, and 12, there have appeared in the press news dispatches from Chungking giving accounts of bombings by Japanese planes at and in the neighborhood of Chungking. This Government is now in receipt of a telegram dated August 11 from the American Ambassador at Chungking stating that Chungking has during the past four days been subjected to unusually heavy and prolonged air raids; and that not only districts outside of the city proper but also the city area have been repeatedly bombed although no bombs have been dropped in that part of the city area which is directly opposite the anchorage of the American gunboat and the location of the United States Embassy's chancery. News dispatches indicate that at least one American residence was demolished and that there was bombing around another residence which is everywhere known to be within the city area.

This Government requests an explanation and a definitive indication of the Japanese Government's attitude and intentions regarding the pledge which was given on July 31.

793.94/16765a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, August 14, 1941—6 p. m.

502. Our telegram No. 451, August 1, 11 a. m. At my request the Japanese Ambassador called on August 13, 1941. During the call I pointed out that our authorities in Chungking had reported that in the four days before August 11 that city had been subjected to exceptionally heavy and prolonged air raid, including the city area itself as well as districts outside the city proper. I said that according to press dispatches the bombs had demolished at least one American residence and had endangered another. I reiterated in substance the telegram from the Department referred to above and requested, with regard to the pledge given on July 31 not to bomb the city area of Chungking, an

explanation and a definitive indication on the part of the Japanese Government of its attitude and intention.

The immediate reply of the Japanese Ambassador was that the promise of the Japanese Government had merely been to cease bombing the city area "temporarily" and not indefinitely. He said that although he might have failed to do so, he believed this fact had been made clear by him to Mr. Welles.

HULL

793.94/16789 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, August 14, 1941—6 p. m.

[Received August 14—9:11 a. m.]

1238. This afternoon the Director of the American Bureau, Mr. Terasaki, called the Counselor of the Embassy to the Foreign Office and said that the Foreign Minister had instructed him to make a statement for communication to me which is substantially as follows:

1. With regard to the assurance which was conveyed to the United States Government through Admiral Nomura that Japanese forces would suspend bombing of the city area of Chungking, not including of course its suburbs, it is unthinkable that the United States Government would communicate such information to the Chungking Government. However, a very dangerous situation would arise if any third party should inform Chungking, and if the fact that Chungking had been so informed should become known in Japan.

2. Except to say that the United States Government must be aware of the Japanese doctrine of the Imperial Command and that an undertaking which would be a restriction on the freedom of operation of the Japanese armed forces is a serious thing for the Japanese Government to give, Mr. Terasaki declined to elaborate on his statement.

3. That his statement be regarded as being of most confidential character was requested with great emphasis by Mr. Terasaki.

GREW

793.94/16789 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, August 16, 1941—7 p. m.

509. Embassy's telegram No. 1238, August 14, 6 p. m. Except in strict confidence to you and the Ambassador at Chungking, the assurance set forth in item 3 of paragraph 1 of our telegram No. 451 of August 1, 11 a. m., has not been communicated to anyone by the Department.

Although the above is for your information, you may so inform the Foreign Office if occasion should arise whereby you feel it would serve

some useful purpose. In addition you may say that the apparently complete disregard by the Japanese armed forces of the spirit if not the letter of the Japanese Government's promise is deprecated and deplored by you and your Government.

HULL

793.94/16933a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, October 11, 1941—5 p. m.

650. Reference previous telegrams in regard to damage to the *Tutuila* and Embassy staff residence at Chungking during air raid of July 30.

1. The Department desires that you address a note to the Foreign Office in which, after making appropriate reference to the assurances conveyed to the Department by the Japanese Ambassador on July 31 in regard to indemnification to be made for damages sustained by the U. S. S. *Tutuila* and the American Embassy at Chungking as a result of Japanese aerial bombing, you inform the Foreign Office that the Navy Department has advised the Department that the damages sustained by the U. S. S. *Tutuila* are in the total sum of Twenty-seven Thousand Forty-five Dollars and Seventy-eight Cents (\$27,045.78), United States currency.⁵¹

2. For your information the above-mentioned sum contains items of damage classified as follows, in the amounts specified :

(a) United States Government: Twenty-five Thousand Seven Hundred Fifty-four Dollars and Thirty-eight Cents (\$25,754.38).

(b) U. S. S. *Tutuila* wardroom mess: Five Dollars (\$5.00).

(c) Commissioned personnel of the U. S. S. *Tutuila*: Five Hundred Dollars (\$500.00).

(d) Crew members of the U. S. S. *Tutuila*: Two Hundred Eighty-six Dollars and Forty Cents (\$286.40).

(e) Dry-docking charges: Five Hundred Dollars (\$500.00).

The above itemized classification should not be transmitted to the Foreign Office unless such a statement is requested, in which case you may supply it in the form of an unofficial letter.

3. You may add that the Department has not yet received from the Embassy at Chungking a statement in regard to Embassy property damaged or destroyed as a result of Japanese aerial bombing, but that as soon as such a statement is available the Foreign Office will be informed.

Sent to Tokyo via Shanghai. Repeated to Peiping and Chungking.

HULL

⁵¹ In telegram No. 1670, Oct. 22, 1941 (793.94/16953), Ambassador Grew reported that with regard to the Department's telegram No. 650, a note dated October 20 had been sent to the Foreign Office.

REPRESENTATIONS TO THE JAPANESE GOVERN-
MENT WITH RESPECT TO THE INTEGRITY
OF THE CHINESE MARITIME CUSTOMS AND
SALT REVENUE ADMINISTRATION

REPRESENTATIONS TO THE JAPANESE GOVERNMENT
WITH RESPECT TO THE INTEGRITY OF THE CHI-
NESE MARITIME CUSTOMS AND SALT REVENUE
ADMINISTRATION

693.002/378

*Memorandum by the Counselor of the American Embassy in Japan
(Dooman) of a Conversation With the Director of the American
Bureau of the Japanese Ministry for Foreign Affairs (Yoshizawa)*

[Tokyo,] September 24, 1937.

I asked Mr. Yoshizawa if he were familiar with the discussions which had taken place between the Foreign Office and the British Embassy here with regard to the Chinese Customs and Salt Administrations. Mr. Yoshizawa said that he had seen various documents on the subject. I said that we would like to associate ourselves with the British Embassy in urging the importance of maintaining the integrity of both of the Chinese services mentioned. I then proceeded with a statement substantially along the lines of the last paragraph of the Department's telegram No. 214 of September 18, 3 p. m.¹

Mr. Yoshizawa replied that the American Government is correct in assuming that the Japanese Government is concerned in maintaining the Chinese Customs and Salt Administrations. A difficult situation had arisen in Tientsin, Mr. Yoshizawa said, for the reason that, although the Japanese Government realizes that the customs collections should revert to the Chinese Government, it would be injurious to the prosecution of the military operations to permit the funds collected to pass at the present time into the hands of the Chinese Government. Arrangements had, therefore, been made to deposit the revenues of the Customs with the Yokohama Specie Bank, to be held until the present situation had been adjusted. Mr. Yoshizawa went on to say that the fact that the present head of the Customs at Tientsin had been appointed by the Chinese Government should demonstrate the sincerity of the desire of the Japanese Government to maintain the integrity of the Maritime Customs.

Mr. Yoshizawa said that he would look into the matter further and give me a more detailed reply in due course.

E[UGENE] H. D[OOMAN]

¹ Not printed.

693.002/425

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Hirota)*

No. 827

TOKYO, November 28, 1937.

EXCELLENCY: I have the honor, under instructions from my Government, to invite Your Excellency's attention to discussions now in progress at Shanghai between officials of the Japanese Government and employes of the Chinese Maritime Customs with regard to certain proposed changes in the organization of the Maritime Customs and in the disposition of the revenues collected by the Maritime Customs. The position being taken by the Japanese officials under reference toward representatives of other foreign Governments who desire to participate in these discussions is that they cannot tolerate the intervention in the matter by third parties.

The American Government shares with the Japanese Government along with other Governments a recognized economic and historic interest in the Chinese customs administration. The integrity of the Chinese customs and the disposition of its revenues constitute, as the Japanese Government is aware, a definite American interest. The developments at Shanghai to which I have above referred, as well as other events relating to the customs service, must therefore be regarded by the American Government as of high interest and importance, and it cannot but view with profound concern the taking of any step which would in any way impair the integrity of the Chinese customs service.

The American Government has a specific concern and a specific interest in any arrangement, even of a temporary character and intended to be maintained only during the period of the current hostilities, affecting the administration and the distribution of the revenues of the customs service. The American Government accordingly believes that it has a right to expect that its representatives at Shanghai be consulted in respect of any new arrangement which may be under contemplation. The American Government has, therefore, directed its Consul General at Shanghai to hold himself in readiness for such consultation and to be prepared to indicate whether any arrangement under contemplation adequately protects both the integrity of the customs service and American interests therein.

I avail myself [etc.]

JOSEPH C. GREW

693.002/419

*Memorandum by the Chief of the Division of Far Eastern Affairs
(Hamilton) of a Conversation With the Counselor of the Japanese
Embassy (Suma)*

[WASHINGTON,] November 30, 1937.

Mr. Suma called at his request. He referred to the representations made by Mr. Grew at Tokyo to the Japanese Foreign Minister in regard to the Customs situation at Shanghai. He said that the Japanese Foreign Minister had explained the Japanese attitude to Mr. Grew; that the Japanese Government would be glad to take note of such views, comments and suggestions as American representatives might put forth but that the Japanese Government could not admit the right of American representatives or other foreign representatives to participate in the making of the arrangements at Shanghai, that these arrangements should be made between the Japanese and the Chinese. Mr. Suma referred to the fact that with the departure from Shanghai and Nanking of responsible Chinese the Japanese were experiencing difficulty in finding Chinese with whom they could effect an arrangement and that the working out of an arrangement might take some time. Mr. Suma indicated that the Japanese Government would be prepared in any such arrangement to safeguard the American financial interests in the Customs.

I said to Mr. Suma that our interest in the Customs Administration was twofold: (a) we were naturally interested in the service of China's obligations to the United States and to American nationals which were secured on the Customs; and (b) we were interested also in the much broader aspects of the Customs situation. I said that the United States along with Japan and other countries had long had a definite interest in the preservation of the integrity of the Chinese Customs Administration and in its effective functioning. I said that, in view of both these types of interest, the American Government believed that it had a right to be consulted in regard to any arrangement made which would affect the functioning of the Customs, and that our Consul General at Shanghai was prepared to offer suggestions with a view to safeguarding our interest in the Customs. I said that the attitude of the Japanese Government did not appear to coincide in all respects with our attitude; that we believed that our attitude was warranted; and that we hoped that in the working out of any arrangements at Shanghai the matter would be handled in such a way, particularly through giving our Consul General an opportunity to offer suggestions and comment in regard to any arrangement under contemplation, as to meet the views of this Government.

M[AXWELL] M. H[AMILTON]

693.002/432

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Hirota)*

[Tokyo,] December 5, 1937.

MY DEAR MINISTER: In my conversations with Your Excellency on November 26th and 28th and in the *aide-mémoire*^{1a} and the note presented on those dates, the interest of the United States in the preservation of the integrity of the Chinese Maritime Customs was clearly set forth. My Government now directs me to inform Your Excellency that it has noted with gratification the friendly and frank discussions in regard to the customs situation in Shanghai which are proceeding between the American Consul General and his Japanese colleague of which my Government has been apprised by Mr. Gauss. During the course of these discussions Mr. Gauss was asked by Mr. Okamoto whether he had any plan to propose or any suggestions to make, to which Mr. Gauss replied that any arrangement contemplated should, according to our views, adequately protect both the administration of the Customs service and the American interests in that service. Our interest in this matter is very real and we feel that we are definitely entitled through that interest to be consulted concerning any contemplated arrangement and as to whether adequate safeguarding of the interests of the United States, particularly in the preservation of the integrity of the Customs is ensured by such arrangement.

I am therefore to say to Your Excellency that it would be very much appreciated if the Japanese Government would be so good as to render certain that no arrangement with regard to the Customs administration will be concluded without prior consultation with the American Consul General in Shanghai.

I am [etc.]

JOSEPH C. GREW

693.002/494

*Memorandum by the Counselor of the American Embassy in Japan
(Dooman) of a Conversation With the Director of the American
Bureau of the Japanese Ministry for Foreign Affairs (Yoshizawa)*

[Tokyo,] December 14, 1937.

I reminded Mr. Yoshizawa of our note to the Foreign Office of December 5 and of the several conversations which the Ambassador has had with the Minister for Foreign Affairs with regard to the Chinese Customs, in which the interest of the American Government in preserving the integrity of the Chinese Customs had been emphasized. The reports which we had received from Mr. Gauss at Shanghai indicated that the attitude on this question of his Japanese

^{1a} *Aide-mémoire* of November 26, 1937, not printed.

colleague was not one which inspired confidence in the intention of the local Japanese authorities to work cooperatively with the representatives of other foreign Governments toward safeguarding their common interests in the Customs.

Mr. Yoshizawa regretted that any such impression should have been gained of the attitude of the Japanese authorities at Shanghai. The fact of the matter was, he said, that the Japanese had no concrete plan which they wish to "put over". Their only concern was that none of the revenues of the Customs should revert during the hostilities to the Chinese Government, and they would be glad to consider any plan which would fully serve that end.

I replied that we had no plan to present and we supported no specific plan. Our concern is that the integrity of the Customs be safeguarded and the Customs revenues fully secured. We felt very strongly that only by prior consultation with regard to any plan put forward which might affect these two points could the interests in the Customs of the concerned Governments be conserved.

After further conversation largely repetitious of the foregoing, Mr. Yoshizawa said that the matter was "very complicated" but that he would do his best to have our wishes met.

E[UGENE] H. D[OOMAN]

693.002/457

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 850

TOKYO, December 23, 1937.

EXCELLENCY: I have the honor to refer to my letter to Your Excellency dated December 5, 1937, in which reference was made to my conversations with Your Excellency on November 26 and 28, and to the *aide-mémoire* and the note presented on those dates in which was clearly set forth the interest of the United States in the preservation of the integrity of the Chinese maritime customs.

Acting under instructions from my Government, I now have the honor to reiterate to Your Excellency the continued and great concern entertained by my Government in the preservation of the administrative integrity of the customs at Shanghai and in the safeguarding of the revenues from the customs. My Government would welcome assurances from the Japanese Government that there shall be a prompt release of foreign indemnity and loan quotas and of customs expenses; it would also welcome, and on this point it places special emphasis, additional assurances from the Japanese Government that neither now nor later shall the release of foreign and indemnity quotas be made contingent upon possible future developments, with the understanding that the Japanese Government will not countenance or support

any subsequent arrangement which might render such an assurance ineffectual. My Government desires further to be assured that customs surpluses for the service of domestic loans be held in the suspense account of the Inspector General of Customs.

My Government would welcome further assurances from the Japanese Government with regard to the continuance of control of the existing tariffs and procedure as well as the return of harbor craft to the custody and use of the Chinese customs administration.

I avail myself [etc.]

JOSEPH C. GREW

693.002/457

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] December 28, 1937.

I called on the Vice Minister for Foreign Affairs at his official residence at 9 o'clock this evening, renewed in detail and with emphasis the previous representations made to the Foreign Minister and delivered a further signed note^{1b} embodying the points mentioned in the penultimate paragraph of the Department's 375.² My British and French colleagues have taken similar action. The Vice Minister said that the matter was being carefully studied. He reiterated the previous general assurances of Mr. Hirota that American interests would be given full consideration.

I said to the Vice Minister that in my own opinion the integrity of the Chinese Customs certainly represented one of the American interests envisaged in the final paragraph of our *Panay* note of December 14³ which should not be subjected to unlawful interference by any Japanese authorities or forces whatsoever and that in the light of our acceptance of the Japanese note of December 24 as "responsive" to our desires, it would be deplorable if interference with that specific American interest should now occur. Although I said that I had not been instructed to point to this particular connection it seemed to me that the point gave the Vice Minister food for thought.

J[OSEPH] C. G[REW]

693.002/457

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 853

Tokyo, December 28, 1937.

EXCELLENCY: Referring to my note to Your Excellency, No. 850 dated December 23, 1937, relating to the continued and great concern entertained by my Government in the preservation of the integrity of the

^{1b} *Infra*.

² Dated December 25; not printed.

³ See telegram No. 342, Dec. 13, 1937, to the Ambassador in Japan, p. 523.

Chinese customs, I have the honor, acting under further instructions from my Government, to urge upon Your Excellency's Government the importance of neither taking nor countenancing action by the Japanese military or other authorities which will disrupt the Chinese customs service or impair the authority of the present customs administration.

In again emphasizing the interest held by my Government in preserving the integrity of the Chinese customs and in the safeguarding of the revenues thereof, I have the honor to express the hope that I may receive the assurances from Your Excellency's Government which were invited in my note under reference.

I avail myself [etc.]

JOSEPH C. GREW

693.002/460

The Ambassador in Japan (Grew) to the Secretary of State

No. 2725

TOKYO, January 6, 1938.

[Received January 24.]

SIR: I have the honor to refer to the Department's telegraphic instruction No. 2, January 4, 6 p. m.,⁴ relating to the Chinese customs, and especially to the last paragraph regarding a further approach to the Japanese Government in an endeavor to obtain from the Japanese authorities certain assurances requested in the Department's telegraphic instruction No. 339, December 12, 3 p. m.⁴

The Embassy will of course continue to emphasize to the Japanese Government the important and high concern with which the American Government regards the preservation of the integrity of the customs administration and the safeguarding of the revenues. There is no question but that this is one of the most important American interests in China, both as to substance and because of the principles involved. The Embassy is in complete accord with the Department's view that it is desirable to avoid taking any steps which might lead to commitment in respect of the support of any specific plan which might be brought up by the other concerned Governments, and to continue to reiterate the importance of the preservation of the integrity of the customs. Those experienced in dealing with the Japanese feel that the only successful method of obtaining results is to continue to press a point home firmly but with constant repetition, with much the same effect as the constant dripping of water which finally wears away a stone.

That the Embassy has up to the present pursued this policy will be found by reviewing the steps taken since the matter first arose in the Department's telegraphic instruction No. 214, September 18, 3 p. m.,⁴

⁴ Not printed.

when on September 24 we approached the Foreign Office stating that we wished to associate ourselves with the British in urging the importance of preserving the integrity of the customs and salt administrations. Since September 24 Mr. Dooman has held three conversations with Mr. Yoshizawa, Chief of the Bureau of American Affairs at the Foreign Office; I have had two conversations with the Minister for Foreign Affairs, and one conversation with the Vice Minister for Foreign Affairs; and five notes or *aide-mémoire* have been presented to the Japanese Government on this subject. For ready reference there is attached hereto an itemized record of the dates upon which these several conversations were held and the several documents on the subject delivered to the Foreign Office.⁵ It will be noted that on each occasion and in every written document the interest of our Government in the preservation of the integrity of the customs was fully emphasized and the Embassy feels that if there is any chance of success it will lie in continuing to make representations along these lines.

Respectfully yours,

JOSEPH C. GREW

693.002/494

Memorandum by the Ambassador in Japan (Grew)

[TOKYO,] January 10, 1938.

In the course of conversation on other matters this morning with the Minister for Foreign Affairs I took up informally the disregard of customs requirements for Japanese goods and vessels. The Minister said that this question was now under discussion and it is hoped that some solution will shortly be found. The problem he said is to separate incoming war supplies for the Japanese forces from other goods. I pointed out the damaging effect upon the customs administration of the present procedure.

I took occasion once again to repeat to the Minister that a disruption of the Chinese customs service and inability of the customs to meet foreign loan and indemnity quotas would bring most unfortunate consequences to all concerned. Mr. Hirota said that the matter is now under discussion and he implied, although without specific assurances, that the final result would be entirely satisfactory to American interests.

J[OSEPH] C. G[REW]

⁵ Not printed

693.002/434 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, January 11, 1938—7 p. m.

6. Reference your 695, December 29, 11 a. m., and 14, January 10, 11 a. m.⁶

The Department has been informed by Tientsin in its No. 3, January 8, 1 p. m.,⁷ that according to reliable information received by the Consulate General there one hundred ten thousand gallons of kerosene were imported from Japan duty free during December and placed on the market in that area.

The Department suggests that on the first suitable occasion you bring this matter orally to the attention of the Foreign Office, emphasizing the discriminatory character of such importations as well as their damaging effect upon customs administration. You might point out that such flagrant acts of discrimination are inconsistent with the repeated assurances of the Japanese Government that it will respect the rights and interests of the United States and that this Government expects that the Japanese Government will take appropriate and prompt steps to insure the carrying out of those assurances.

You may care, before approaching the Foreign Office, to discuss the matter with your British colleague.

HULL

693.002/494

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] January 17, 1938.

Full representations were made by me to the Minister for Foreign Affairs this morning in which I emphasized the discriminatory character of the importation of kerosene to China from Japan duty free and placed on the market, as well as the damaging effect upon the Customs Administration. I pointed out that this was another flagrant act of discrimination inconsistent with the repeated assurances of the Japanese Government and stated that my Government expects the Japanese Government to take appropriate and prompt steps to assure the carrying out of those assurances. The Minister said that he would promptly take the matter up with the proper authorities.

J[OSEPH] C. G[REW]

⁶ Neither printed.⁷ Not printed.

793.94/12345

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

Certain Chinese, understood to be the nominees of the Japanese military, having taken over the Consolidated Tax Office in the International Settlement at Shanghai, the American Consul General at Shanghai informed the Japanese Consul General on December 12, 1937, of the interest of the United States in the consolidated taxes.

The consolidated taxes are security for the wheat, flour and cotton credits of 1931 and 1933, which now form a consolidated obligation of the Chinese Government, held by the Export-Import Bank of Washington. The American Government insists that the Japanese authorities take no action, or countenance action, in areas from which the legitimate Chinese authorities have withdrawn, by any provisional regime, which fails adequately to take into account the aforementioned obligation of the Chinese Government to the Export-Import Bank.

The American Government reserves the right to hold the Japanese authorities accountable for action disregarding of American interests in this matter.

TOKYO, January 17, 1938.

693.002/519

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 874

TOKYO, January 31, 1938.

EXCELLENCY: The American Government has from time to time since the outbreak of the present conflict in China made known to the Japanese Government its very real interest in the preservation of the integrity of the Chinese customs and in the safeguarding of the customs revenues. The American Government has repeatedly urged that no action be taken or countenanced by the Japanese authorities which might undermine the authority of the customs administration, disrupt the customs service, or impair the ability of the customs to continue the service of foreign loan and indemnity quotas and to meet administrative expenses. My Government has expressed a desire to receive from the Japanese Government certain assurances, including an assurance with regard to the continuance of existing custom tariff rates and procedure.

The American Government has recently received information from its representatives in China to the effect that a provisional régime in

Peiping has caused a revision to be made of Chinese customs rates on certain articles entering into the foreign export and import trade of North China. My Government, regarding the Government of China as the only authority which can legally cause a revision to be made in the Chinese customs tariff, is constrained to invite the attention of the Japanese Government to this arbitrary and illegal assumption of authority by the provisional régime in Peiping and to point out that the action of the provisional régime may have a seriously adverse effect upon the integrity of the Chinese customs, with regard both to administration and to revenues, and that the revision of rates does violence to the principle of a uniform Chinese tariff at all ports.

The Japanese Government shares with the American Government and with other Governments a long established and well recognized interest in the integrity of the Chinese customs administration, and the American Government has expressed its confident belief that the Japanese Government reciprocates the earnest desire of the American Government that the integrity of the Chinese customs be respected. The action of the provisional régime at Peiping in revising rates of duty seriously threatens the integrity of the customs. For the creation and the acts of the provisional régime the Japanese Government has an inescapable responsibility; and when those acts are of a character, as in the case of the revision of the rates of duty, which affect the interests of foreign Governments, it is to the Japanese Government that those Governments must address their representations.

The American Government is impelled, therefore, to state to the Japanese Government that it perceives no legality or legitimacy in the assumption of authority by the provisional régime and that it profoundly regrets that the Japanese Government has not exercised that restraining influence which it is in position to exercise upon the authorities of the provisional régime. In the light of the existing situation, the American Government will be compelled to consider the Japanese Government responsible for any adverse effects which a revision of the rates may have upon American rights and interests, including therein trade with China and the servicing from customs revenues of foreign loans and indemnity quotas.

I avail myself [etc.]

JOSEPH C. GREW

693.002/549

*The American Embassy in Japan to the Japanese Ministry for
Foreign Affairs*

AIDE-MÉMOIRE

Reports received by the American Ambassador indicate that the Japanese authorities at Shanghai have not, since the cessation of hos-

tilities in and around that city, permitted the Chinese Customs to resume control over the Japanese wharves, and that there has thus arisen a condition in which Japanese vessels putting into Shanghai have not been paying the specified tonnage dues. Evidence is available that cargo carried on these vessels is being introduced into China without duty having been paid on them. These facts were substantially admitted on February 3 by the Japanese Consul General at Shanghai, who, replying to a complaint of his American colleague that Japanese vessels and merchants are not paying tonnage dues and customs duties, indicated that the settlement of the matter of the Shanghai Customs would be a condition precedent to the correction of the situation under reference.

The American Government is gravely concerned over the conditions which have been permitted to arise and which are having a seriously adverse effect on American interests, and it requests that the Japanese Government sharing the view of the American that the requirement that observance of Customs procedure at Shanghai be made contingent upon acquiescence in Japanese wishes in regard to the settlement of Shanghai Customs issue is indefensible, will issue instructions to the Japanese authorities at Shanghai to permit resumption of normal customs control over Japanese vessels and cargo.

Tokyo, February 7, 1938.

693.002/549

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

AIDE-MÉMOIRE

On December 23, 1937, and on December 27 [28th], 1937, the American Ambassador had the honor to address to His Excellency the Minister for Foreign Affairs notes in which was set forth the interest of the United States in the preservation of the integrity of the Chinese Maritime Customs and in which desire was expressed for certain assurances by the Japanese Government calculated to maintain the integrity and the authority of the Customs.

The American Government, as one of the Governments interested in the Chinese Customs revenues, before examining any plan for settlement of the Customs problem, expects to receive from the Japanese Government broad and positive assurances that no action will be taken or countenanced which will disrupt the Chinese Customs Service or jeopardize the servicing of foreign loans and indemnity quotas from the Customs revenues and that the servicing of such obligations will be considered and treated as first charges on the customs revenue after the deduction of the costs of maintaining the Chinese Maritime Customs.

toms. The American Ambassador desires earnestly and emphatically to receive from the Japanese Government assurances of the foregoing tenor, and requests that the Japanese Government will make it clear that in any arrangement which may be reached the administrative machinery and procedure of the Customs will be carefully preserved and the due payment of foreign loan and indemnity quotas will be provided for.

TOKYO, February 17, 1938.

893.51 Salt Funds/179

*The American Embassy in Japan to the Japanese Ministry for
Foreign Affairs*

AIDE-MÉMOIRE

It has come to the attention of the Government of the United States that the Chinese and foreign salt administration officers at Kalgan, Taiyuanfu, Hangchow, Tsinanfu, Yangchow, and Panpu [*Pengpu?*] have been compelled to evacuate their posts as a result of actual hostilities or of chaotic conditions associated therewith; that the Chinese officers at Tientsin and Wuhu have also been obliged to evacuate; that the Associate District Director at Tientsin, a Japanese subject, participated apparently under compulsion in the seizure of the records and in the subsequent unlawful transfer of funds of the Changlu district directorate to the control of an office allegedly functioning under the Peiping provisional government; that this same officer is reported to have assumed the designation of Associate Director General in North China and as such has appointed a fellow Japanese until recently at Amoy and a former Chinese salt officer as directors of the Shantung district; that at Tsingtao one or possibly two Japanese officers of the service are understood to have been appointed to the eastern areas of Shantung Province; and that with the forcible evacuation of senior foreign and Chinese personnel from the affected districts the administrative procedure governing production, storage and release of salt against duty payment has either been brought to a standstill or taken over by the *de facto* authorities of the locality for their own benefit.

The salt revenue in the affected districts for the fiscal year ended June last totaled over 116,477,000 Chinese dollars or 54 per cent of the aggregate for the whole country. The foreign loan quotas due from these Japanese-occupied districts total over 563,000 Chinese dollars each month and are in arrears to a total of about 2,090,000 Chinese dollars to March first this year.

American loans amounting to more than United States \$15,000,000 are secured by revenues of the Chinese Salt Administration; specifi-

cally there are three loans: the American share of the Hu Kuang loan, the so-called Chicago Bank loan, and the Pacific Development Corporation loan. Arrangements were made early in 1937 for the servicing of those loans from salt revenues with every prospect that payment would be made in full.

Inasmuch as the prospects of servicing those loans are being adversely affected in consequence of the action in China of Japanese armed forces, the Government of the United States desires to bring to the attention of the Japanese Government the substantial American interest in the Chinese Salt Administration and to make full reservation in regard to American rights and interests.

TOKYO, March 19, 1938.

693.002/601

The Japanese Minister for Foreign Affairs (Hirota) to the American Ambassador in Japan (Grew)

[Translation]

No. 34, Commercial 1

TOKYO, March 22, 1938.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note No. 874 dated January 31, 1938, in which it is stated that the American Government regards the revision of the customs tariff recently enacted and enforced by the provisional Chinese Government as a serious threat to the fundamental principle of the integrity and preservation of the Chinese customs and that with respect to the adverse effect the above-mentioned tariff revision may have upon American rights and interests, including therein trade with China and the servicing from customs revenues of foreign loans and indemnity quotas, the American Government will be compelled to consider the Imperial Government responsible.

As Your Excellency is aware, this partial revision of the Chinese customs was enacted and enforced by the provisional Chinese Government established in Peiping on December 14 last year. Accordingly the Imperial government is not in a position to assume any responsibility with respect to the above-mentioned tariff revision.

Furthermore, according to the view of the Imperial Government the recent tariff revision by the provisional Chinese Government is a reduction or exemption of tariff rates on materials urgently required and indispensable in the restoration of devastated war areas and for the relief of the general population, and on a limited number of articles directly related to the livelihood of the masses. Aside from being considered unavoidable under present conditions in North China, the change in the tariff rate is regarded as fair in that it was strictly kept within necessary limits.

From another point of view, the above-mentioned tariff revision gives no preferential treatment to any third country, and in the light of the fact that the special East Hopei trade which constituted a problem in the past has been abolished, it is believed that the American Government will recognize that the revision in the present instance will from a practical standpoint in no way impair American interests.

I avail myself [etc.]

KOKI HIROTA [SEAL]

693.002/700

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] May 17, 1938.

I called on the Minister for Foreign Affairs this morning at 9:30 at the official residence and took up with him the following matters:⁸

CHINESE MARITIME CUSTOMS

An oral approach was made to the Minister along the following lines:

(a) In our conversation of November 28, 1937, the Minister for Foreign Affairs orally gave me specific assurances that no American interests in the Chinese Maritime Customs would be injured.

(b) Before the present Japanese military action in China began, the obligations expressed in foreign currencies in which American interests are involved, secured on the revenue from the Chinese Maritime Customs including surtaxes were being serviced with regularity.

(c) As a result of the Japanese military occupation of North China there has resulted an economic separation of that area from the rest of China and consequently commercial transactions in China and exports from that area do not contribute to the foreign exchange resources of the rest of China.

(d) The American Government is informed that measures are being contemplated by the Japanese authorities which in effect will exempt the Japanese occupied area from its obligation of furnishing its share of the foreign exchange necessary to service the foreign obligations secured upon the customs revenues for the whole of China.

(e) If these proposed measures are successfully carried out they will so reduce the areas remaining available for the supply of the foreign exchange necessary to service the foreign obligations secured upon the revenue from the Chinese Maritime Customs that the servicing of the obligations in which American interests are involved will be jeopardized. This would result in serious risk of default which would completely nullify the assurance given me by Mr. Hirota on November 28, 1937.

(f) To summarize, the payment of foreign creditors, including American creditors, in foreign currencies is an integral part of the obligations resting on the revenue from the Chinese Maritime Customs; and a vital element in such obligations would in effect be left unfulfilled

⁸ Omission which follows is indicated in the original.

if the areas in North China should fail to assume responsibility for supplying a fair share of the foreign currencies required.

(g) Having in mind the foregoing facts and considerations the American Government asks assurances from the Japanese Government that the latter will not approve or agree to any arrangement which will nullify the assurance given me by the Foreign Minister.

The Minister showed indications of resenting my representations and some signs of anger in the course of our discussion, remarking that he thought that the arrangement negotiated with the British had already settled the whole matter. He spoke of the existence of warfare (using the actual word war) and said that the ports in the occupied area are controlled by Japanese troops. Resulting from the negotiations with England, however, the Japanese authorities had taken steps to ensure the continued payment from North China of the foreign obligations secured on the Chinese Maritime Customs by interceding with the Provisional Government in North China. He furthermore said "Have you recognized the Provisional Government of North China?" to which I replied that so far as the question under discussion is concerned my Government holds the Japanese Government responsible. (I took his observation to indicate that in diplomatic controversies relating to North China the same tactics as have been pursued in questions relating to "Manchukuo" will probably be followed by the Minister). The Minister said that these customs revenues are sent to the Inspector General of Customs at Shanghai and that the payment of the foreign obligations is the responsibility of the Inspector General. So far as the Minister is aware, the currency of the Central Bank of China is used in remitting the payments from the occupied areas and therefore, for any conversion of that currency, recourse should be had to Hankow.

I said to the Minister that we had not taken part in the British negotiations but that our interest lies in the preservation of the integrity of the customs and that a definite American interest is involved in the disposition of its revenues. We believe that a vital element in the obligations of the customs would remain unfulfilled if the areas in North China should fail to assume responsibility for furnishing a fair share of the foreign currencies.

The Minister said that he did not think that would be the case. I merely replied that I would report to my Government his attitude and observations. In the course of my remarks I observed that if there should be a default in the payment of the foreign obligations secured by the customs, there would almost certainly occur adverse publicity in the American press which would inevitably cause an unfavorable public reaction in the United States. Our argument was extensive and somewhat involved and the Minister sometimes showed heat in his comments.

J[OSEPH] C. G[REW]

S93.51 Salt Funds/193

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

Reference is made to the American Embassy's *aide-mémoire* of March 19, 1938, relating to certain phases of the functioning of the Chinese Salt Administration in the areas occupied by Japanese forces in China, pointing out the substantial American interest in the Chinese Salt Administration and making full reservation in regard to American rights and interests therein.

In this relation the American Government would welcome assurances from the Japanese Government that it is prepared to accord full respect to American interests in the China salt revenues.

TOKYO, June 21, 1938.

S93.51 Salt Funds/208

The Japanese Ministry for Foreign Affairs to the American Embassy in Japan

[Translation]

No. 78, Asia I

MEMORANDUM

The Imperial Japanese Government replies in the following manner to the two *aide mémoire*, dated March 19 and June 21, 1938, from the American Embassy relating to the Salt Administration in China.

The Japanese Government is, insofar as possible, respecting the rights and interests of the United States of America in the Salt Administration in China. The Chinese Salt Administration, particularly the collection of the salt tax in the interior, is not, as a result of the outbreak of the Chinese incident, functioning smoothly. Further, the new governments established in North and Central China are facing conditions under which they must immediately rehabilitate war areas and give aid to refugees. We are informed that at the present time the new governments are diligently studying the problem of payments on the loans secured by the salt tax. It is hoped that the American Government will fully appreciate the above conditions.

[Tokyo,] August 31, 1938.

*Press Release Issued by the Department of State on October 25, 1938*¹¹

According to the best accounts available to the Department, on October 23 there was loaded on the S. S. *President Coolidge* at Shang-

¹¹ Reprinted from Department of State, *Press Releases*, October 29, 1938 (vol. XIX, No. 474), p. 286.

hai gold and silver bullion valued at approximately three and one-half million dollars, United States currency. The Chase National Bank in Shanghai had applied openly at the Chinese Maritime Customs for permits to ship the bullion, and the permits had been granted. The Customs Administration also had issued clearance papers for the ship, and on the basis of the Customs clearance the ship had been cleared at the American consulate general.

On the night of October 23 the Customs gave notification that owing to "misunderstanding" regarding the shipment of bullion the clearance of the vessel must be postponed or the ship might clear without the bullion. The American consul general strongly protested to the Commissioner of Customs at the action of the Customs in suspending the clearance of the ship after clearance had been granted and after it had loaded its cargo openly under export permits duly issued by the Customs.

Confronted by this situation the captain of the ship decided to unload the bullion on October 24, and according to press reports the ship sailed this morning.

693.002/796

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita)

No. 1126

TOKYO, November 24, 1938.

EXCELLENCY: I have the honor to invite the attention of Your Excellency to the several communications which I addressed to the Japanese Government expressing the high interest and importance which my Government attaches to the preservation of the integrity of the Chinese Maritime Customs. In addition to these written communications, I have also on several occasions brought this important matter orally to the attention of Your Excellency's distinguished predecessors. For the purpose of convenience, I refer especially to my conversation with Mr. Hirota on November 26, 1937, and to the *aide-mémoire* which I left on that occasion:¹² to a subsequent conversation with Mr. Hirota on November 28, 1937, and to my note no. 827 of the same date presented on that occasion; to my letter of December 5, 1937, to Mr. Hirota, referring to my previous conversations and communications under reference; to my note to the Minister for Foreign Affairs, no. 850 of December 23, 1937; to my conversation with the Vice Minister for Foreign Affairs on December 28, 1937, and to my note no. 853 of the same date presented on that occasion; to my note to the Minister for Foreign Affairs, no. 874 dated January 31, 1938; to my *aide-mémoire* handed to Mr. Hirota on February 17, 1938; to my conversation with Mr. Hirota on May 17, 1938; and to my commu-

¹² Not printed.

nication to General Ugaki, no. 963 dated June 15, 1938.¹³

It has recently been brought to the attention of my Government that the Chinese Maritime Customs at Canton was taken over by the Japanese consular and military authorities on November 9, 1938, and that the acting deputy commissioner in charge was informed by those authorities that no customs funds then owing or there in banks might be transferred to the Inspector General of Customs without the permission of the Japanese authorities.

Accordingly, acting under instructions from my Government, I have the honor formally to protest against the taking over of the Chinese Maritime Customs House at Canton by the Japanese authorities. My Government is of the opinion that this reported action constitutes an infringement of the international status of the Chinese Maritime Customs. My Government takes this occasion to reiterate and further to emphasize to the Japanese Government its very real interest in the preservation and integrity of the Chinese customs and in the safeguarding of the customs revenues.

I avail myself [etc.]

JOSEPH C. GREW

693.002/806

The Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew)

[Translation]

No. 114, Asia I

[Tokyo,] December 16, 1938.

EXCELLENCY: I have the honor to inform Your Excellency that I have carefully perused the contents of Your Excellency's note No. 1126, November 24, 1938, concerning the seizure of the Canton Maritime Customs.

I wish to request Your Excellency's understanding of the fact that since the Canton area is at present occupied by the Imperial Army, it is proper that the Canton Maritime Customs be placed under the authority of the Japanese Army of Occupation and, accordingly, the Imperial Government can not accept Your Excellency's protest concerning the seizure of the Canton Maritime Customs by the Imperial Army.

I avail myself [etc.]

HACHIRO ARITA

693.002/845

Memorandum by the Ambassador in Japan. (Grew)

[Tokyo,] February 17, 1939.

With reference to paragraph 4 of our telegram to the Department, no. 22, January 13, 2 p. m., and the Department's reply, no. 17, Janu-

¹³ Latter not printed.

ary 19, 9 p. m., via Shanghai,¹⁴ concerning the Chinese Maritime Customs at Canton, I took occasion this afternoon when calling on the Minister for Foreign Affairs on another matter to state to the Minister orally that the Japanese Government's reply of December 16, 1938, is not responsive to my note no. 1126 of November 24, 1938, in respect of the fact that the basis upon which the Japanese Government declined to accept my representations fails to give consideration to the principal issues involved, namely, the preservation of the integrity of the Chinese Maritime Customs and respect for American and other foreign interests in the customs.

The American Government cannot accept the Japanese contention that military occupation of the Canton area affords justification for taking over the customs or for placing the customs under the authority of the Japanese army of occupation.

The Minister said that he took note of my statement but he made no further comment.

J[OSEPH] C. G[REW]

693.002/935

The American Chargé in Japan (Dooman) to the Japanese Minister for Foreign Affairs (Abe)

No. 1366

TOKYO, September 1, 1939.

EXCELLENCY: I have the honor to inform Your Excellency that the Japanese military forces at Swatow have continued to occupy the premises of the Chinese Maritime Customs at that port for a period of more than two months. Demands have been presented to the Inspector General of Customs requiring that any documents which may be required by the Japanese authorities must be produced for inspection by those authorities, and that the Commissioner of Customs at Swatow shall not, without the approval of the Japanese authorities, withdraw any bank balances nor pay the maturities from customs revenues. The customs officials have also been prohibited from performing any duties outside the Customs House pending further notice. At the same time the Commissioner of Customs has received intimations from the Japanese that he will soon have half the premises returned to him but that a Japanese deputy commissioner should be appointed to facilitate the functioning of the customs service in Swatow.

It is the view of my Government that the actions, as set forth above, of the Japanese authorities at Swatow constitute an effective seizure of the Chinese Maritime Customs at Swatow. I am, accordingly, desired by my Government to protest against such seizure and con-

¹⁴ Neither printed.

tinued occupation of the customs house which prejudice the integrity of the Chinese Maritime Customs. My Government takes this occasion to reiterate and further to emphasize to the Japanese Government its very real interest in the preservation and integrity of the Chinese Maritime Customs and in the safeguarding of the customs revenues.

I avail myself [etc.]

EUGENE H. DOOMAN

693.002/934

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

No. 1370

The American Embassy presents its compliments to the Japanese Ministry of Foreign Affairs and, acting under instructions from the American Government, has the honor to bring to the attention of the Japanese Government the reported action of the Chinese "Superintendent of Customs" at Shanghai, an appointee of the regime at Nanking, in publishing notification effective September 1, 1939, that:

"... payments of customs duties in gold unit notes or in customs gold unit cheques will not be accepted, and all customs duties, dues and fees will either be paid in Hwa Hsing dollars or in standard dollars. The customs gold unit will remain unchanged but no account will be taken of the depreciation of local currency down to a minimum of six pence. That is to say, the duty collecting rate will remain unaffected until the value of local currency depreciated to below six pence and then duty collecting rate will be adjusted to meet the difference between six pence and the market rate for local currency. The exchange rate of the customs gold unit with the Hwa Hsing dollar and the standard dollar together with the exchange rate between the latter two currencies will be notified daily at the Customs."

The American Embassy has the honor again to point out to the Japanese Ministry of Foreign Affairs the broad interest of the American Government in the preservation of the integrity of the Chinese Maritime Customs which this reported action seriously affects and, at the same time, emphatically to protest against attempts of the Japanese-sponsored regime at Shanghai to dictate to the Customs authorities with respect to the currencies and notes to be used in the collection of customs duties at Shanghai.

Furthermore, in accordance with its instruction above referred to, the American Embassy has the honor to request that effective steps be taken by the Japanese authorities to cause the abandonment of such attempts against the integrity of the Chinese Maritime Customs.

TOKYO, September 6, 1939.

693.002/952

*The American Embassy in Japan to the Japanese Ministry for
Foreign Affairs*

No. 1405

The Government of the United States has received information to the effect that a new régime sponsored by the Japanese forces in China may soon be established at Nanking; that it is planned that such new régime will offer to the Inspector General of the Chinese Maritime Customs a position similar to that which he now holds under appointment by the Chinese Central Government; and that should he refuse to accept that offer he would be prevented from further exercise of his present functions as Inspector General in Chinese territory under the control of the new Japanese sponsored régime.

It is the opinion of the Government of the United States that such action would constitute a serious disruption of the Chinese Maritime Customs. The American Government has repeatedly expressed to the Japanese Government its rightful interest in the preservation of the administrative integrity of the Chinese Maritime Customs and it again earnestly requests that the Japanese Government refrain from action either directly through its own agencies or indirectly through the agencies of any Japanese sponsored régime in China tending to destroy the administrative integrity of the Chinese Maritime Customs.

Tokyo, October 26, 1939.

693.002/975

*The Japanese Minister for Foreign Affairs (Nomura) to the
American Ambassador in Japan (Grew)*

[Translation]

No. 204, Asia I

Tokyo, December 28, 1939.

EXCELLENCY: I have the honor to inform Your Excellency that I have carefully perused the contents of the Embassy's note no. 1366, September 1, 1939, concerning the supervision of the Swatow Maritime Customs.

The Swatow district is now under occupation by the Japanese military forces, and therefore, it is natural that the Swatow Maritime Customs should be affected by the exercise of the authority of the Japanese forces of occupation. Accordingly, the Imperial Government cannot accept the protest of the American Government concerning the seizure of the Swatow Maritime Customs by the Japanese forces. In regard to the use of the Swatow Maritime Customs House by the Japanese forces, it is a fact that the Maritime Customs officials offered, at the time of the landing of the Japanese forces at Swatow, the use of the customs houses, the Chinese Club, the home of the

Harbor Master, and a warehouse. The Japanese forces stated that the building would be used temporarily until other suitable houses were found. The action was taken with the complete understanding of both parties. However, the Japanese forces themselves are considering moving into suitable places as soon as possible, and it is reported that the forces in that area are now making preparations therefor.

I avail myself [etc.]

KICHISABURO NOMURA

693.002/976

*The Japanese Ministry for Foreign Affairs to the American Embassy
in Japan*

[Translation]

NOTE VERBALE

No. 203, Asia I

TOKYO, December 28, 1939.

The Imperial Ministry of Foreign Affairs presents its compliments to the American Embassy at Tokyo and has the honor to state that it has carefully perused the contents of the latter's memorandum no. 1405, October 26, 1939, based upon information in the possession of the American Government concerning the position of the Inspector General of Maritime Customs at the time of the establishment of a new regime in China. The Imperial Government is not in receipt of such information as that set forth in the American note and does not possess facilities for determining the validity or falsity of that information. Accordingly, the Imperial Government is not in a position to state its attitude toward hypothetical questions based upon information of this nature. Generally speaking, however, it is believed that problems of this sort would require practical and proper disposition taking into consideration the actual conditions prevailing and the interests of the Powers concerned, et cetera.

693.002/988

*The Japanese Ministry for Foreign Affairs to the American Embassy
in Japan*

[Translation]

NOTE VERBALE

No. 5, Asia I

TOKYO, January 12, 1940.

The Imperial Ministry of Foreign Affairs presents its compliments to the American Embassy at Tokyo and, having carefully perused the contents of the Embassy's memorandum no. 1370, September 6, 1939, in which representations were made concerning the use of Hwa

Hsing notes by the Shanghai Maritime Customs, has the honor to state the views of the Imperial Government in the following addendum:

ADDENDUM

The Imperial Government, of course, does not believe that the responsibility for a direct reply concerning a notification of the Shanghai Maritime Customs rests with this Government. However, in the opinion of the Japanese Government, in view of the fact that the Shanghai Customs are located within territory occupied by the Japanese army and within the sphere of jurisdiction of the Provisional Government, it is natural the notification in question should not be made with the approval of the Chungking régime. Accordingly, it is difficult to understand the remarks made by the American Government concerning the integrity of the Chinese Maritime Customs, which remarks were made simply for the reason that the assent of the Chungking authorities was lacking. We are informed that the publication was considered as the result of prior investigations of the problem, particularly as a practical question, made by the Shanghai Maritime Customs and the office of the Superintendent of General Revenue, and it must be stated that the investigations were completed in a technical manner and from the just standpoint of the internal and external effects which would result.

There are previous instances in which local currency has been used in the actual payment of customs tariffs levied by the Chinese Maritime Customs. This recognition of the collection of revenue in Hwa Hsing notes by the Shanghai Maritime Customs is considered appropriate not only in view of the previous instance mentioned above but also from the standpoint of the stability of the currency.

Information has been received to the effect that the measures taken in this instance were for the purpose of rectifying the disadvantageous conditions under which the collection of duties (reflecting the tendency of the municipal market for legal currency (*fapi*) to fluctuate and decline) tended to be unstable and to decrease owing to the fact that until recently the Shanghai Maritime Customs in the levying of customs duties pegged the exchange ratio of customs gold units and legal currency (*fapi*) on the basis of a "nominal" quotation having no connection with the market quotation for the *fapi* (actually all collections were converted into *fapi* and tax collection in customs gold notes and customs gold checks were also converted into *fapi* at the above-mentioned nominal quotation). At the same time a primary objective was to prevent the occurrence of the inexpediency which would follow if the above-mentioned ratio were suddenly to be changed to the market rate for the *fapi* by which action the payment of duties in *fapi* currency would become comparatively very high amounting

to an increase in customs duties. Therefore, not only was the motive for this action entirely right, but also these expedient measures are well suited to present conditions and, being expected to be equitable with respect to native and foreign businessmen, they are regarded as successfully meeting the technical difficulties.

In this connection it is hoped that the American Government too will understand the purport of the above statements and, after studying the actual advantages and disadvantages, will be brought to change its antagonistic attitude toward this question.

893.002/990

The Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew)

[Translation]

No. 12, Asia I

TOKYO, January 25, 1940.

EXCELLENCY: With reference to Your Excellency's note no. 1366, September 1, 1939, in which representations were made concerning the control of the Swatow Maritime Customs and to which a reply was made in my note, Confidential no. 204, December 28, 1939, I have the honor to inform Your Excellency that this question was satisfactorily settled at the end of last year.

According to a recent report from the authorities in China, the greater part of the commanding headquarters at Swatow jetty was removed at the end of last year. As a result of a conference with the commissioner of the Swatow Maritime Customs, the Commissioner of Customs without objection approved various necessary particulars with regard to future Japanese military operations and the prevention of espionage, and the question of vacating the Swatow Customs buildings was also very satisfactorily settled.

I avail myself [etc.]

HACHIRO ARITA

693.002/991

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita)

No. 1474

TOKYO, February 6, 1940.

EXCELLENCY: The Tax Bureau of the so-called Rehabilitation Commission at Swatow, China, which, as Your Excellency is no doubt aware, is sponsored by agencies of the Japanese Government, has since November of last year levied taxes on imports and exports at that port. This Commission has issued regulations announcing the collection, as of November 1, 1939, of a five per cent ad valorem tax on local produce and a ten per cent ad valorem tax on imports not liable

to the Consolidated Tax, and it has also commenced the collection of a forty per cent ad valorem tax on postal parcels entering Swatow. I am instructed by my Government to protest this illegal and unwarranted action of the Swatow Rehabilitation Commission.

I desire to recall to your attention the interest, which has been expressed on frequent occasions to the Japanese Government, of the American Government in the preservation of the integrity of the Chinese Maritime Customs. I am desired by my Government to protest the continued refusal of the Japanese authorities to allow the Chinese Maritime Customs to function at Swatow while in fact opening the port to the trade of Japanese merchants and permitting authorities at that port under the sponsorship of Japanese agencies to collect import and export taxes.

In this connection I have the honor to request that the Japanese Government issue instructions to its agencies in China to the end that further infringement of the rights and duties of the Chinese Maritime Customs be stopped.

I avail myself [etc.]

JOSEPH C. GREW

ACTS OF JAPAN IN OCCUPIED CHINA INTERFER-
ING WITH AMERICAN TREATY RIGHTS AND
EQUALITY OF COMMERCIAL OPPORTUNITY

ACTS OF JAPAN IN OCCUPIED CHINA INTERFERING WITH AMERICAN TREATY RIGHTS AND EQUALITY OF COMMERCIAL OPPORTUNITY ¹

1937-1938

793.94/11791 : Telegram

*The Commander in Chief of the United States Asiatic Fleet (Yarnell)
to the Chief of Naval Operations*

[SHANGHAI,] December 24, 1937.

[Received 9:45 p. m.]

0024. Following letter dated 21 December received from commander in chief Japanese Fleet in China:

"Admiral N. R. [*H. E.*] Yarnell, Commander in Chief United States Asiatic Fleet. My Dear Admiral. I have the pleasure of informing you that, in conjunction with the arrangement recently made for the passage down the Yangtze River to Shanghai of H. M. S. *Capetown* and Italian ship *Sandro Sandri*, the Japanese Navy is happy to render assistance to vessels of the third powers which are desirous of proceeding down stream from the upper reaches of Nanking to Shanghai under the following understanding: (1) Eight vessels will make one group and with our convoy proceed down once in every two or three days; (2) vessels will come down at their own risk. In this connection, I wish to make it clearly understood that since the above-mentioned arrangement is being made temporary on the occasion of the passage of the two, British and Italian, warships, it is not to be considered by this that the Yangtze River is opened for free navigation. Moreover, in view of the fact that minesweeping operations as well as mopping up operations of the scattered Chinese troops are still going on along the river, it is the desire of the Japanese Navy that foreign vessels including warships will refrain from navigating the Yangtze except when clear understanding is reached with us.

I am, my dear Admiral, yours sincerely, Kiyoshi Hasegawa, Vice Admiral, Commander in Chief Imperial Japanese China Sea Fleet."

The following letter dated 23 December sent in reply:

"Dear Admiral: We have the honor to acknowledge receipt of your letter of 21 December on the subject of navigation of the Yangtze River and wish to thank you for your assurance of the assistance of the Japanese Navy in convoying our shipping down river. We agree that such movements must be undertaken at the risk of the vessels themselves.

¹ For further information regarding Japanese restrictions on equality of commercial opportunity in China, see *Summary of Past Policy, and of More Immediate Events, in Relation to the Pacific Area*, H. Doc. 458, 77th Cong. 1st sess., annex 9, "Japanese Interference With American Trade and Enterprise in China," pp. 72-102.

We agree that notification of the movement of all merchant shipping in the danger areas is necessary at present, though we naturally hope for greater freedom as soon as the dangers are removed in accordance with our treaty rights.

With regards to the movement of warships, we will of course notify the Japanese authorities on the river of intended movement whenever practicable and will in any case be particular to give information of any intended movements through the Kiangyin barrier for the present. We cannot, however, accept the restriction suggested by your letter that foreign men-of-war cannot move freely on the river without prior arrangement with the Japanese and we must reserve the right to move these ships whenever necessary without notification.

We have the honor to be, sir, very sincerely yours, H. E. Yarnell, Admiral United States Navy, Commander in Chief United States Asiatic Fleet; Le Bigot, Vice Admiral in Chief, French naval forces in the Far East; Alberto [Bajara, Capitano di] Vascello, Commandante Superiore Navale in eo [*Far East*]; J. G. L. Dundas, Captain HMS *Folkestone*, Senior British naval officer present." 1834.

394.115 Panay/199 : Telegram

*The Commander in Chief of the United States Asiatic Fleet (Yarnell)
to the Secretary of State*

[SHANGHAI,] December 26, 1937.

[Received 7 a. m.]

0026. On 24th, General Matsui called to express regrets over *Panay* sinking.² As he is senior to me, call was probably directed from Tokyo. Call was returned yesterday.

Discussed with him present conditions in Shanghai due to restrictions imposed by Japanese Army, and gave him letter with enclosures giving many details of restrictions and hardships imposed. General stated that it was his desire to remove restrictions as soon as possible but care had to be taken to prevent entry of Communists, spies, etc., into Japanese areas. Had conference with Admiral Hasegawa three days ago on same subject. Letter to General Matsui read as follows:

"Shanghai, China, 24 December, 1937.

My Dear General: As a result of the hostilities that have been carried on in Shanghai and the Yangtze Valley for the past four months there has arisen a situation that has become critical for the population and the neutral business interests which sustain the life of the city.

It is a situation that demands frank statement and discussion. As you are a soldier, I am sure you would prefer that the matter be handled in that manner.

The Japanese Government has officially and repeatedly stated that it will respect foreign rights and properties in China. The restrictions that were placed into effect at the beginning of hostilities and still govern, regardless of statements to the contrary, lead one to doubt the sincerity of the above statement.

² See pp. 517 ff.

Only yesterday I was called on by an American to assist him in obtaining goods from godowns in Hongkew and Yangtzepoo which are vitally necessary in his business and which he had been trying for four months to obtain without success.

I have heard well-founded rumors that policemen and sentries refused to honor passes issued by responsible Japanese officials for the entry into Hongkew and the removal of goods therefrom.

Commercial firms are restricted or entirely prevented from carrying on their normal operations in industrial and warehouse areas, such as Yangtzepoo, Point Island, and Pootung. A great apartment house stands empty within a stone's throw of Garden Bridge.

Residents are not allowed free access to their homes in residential areas such as Hongkew and the Settlement roads north and west of the International Settlement, except under such onerous restrictions as to make living in these areas impossible.

Actual fighting ceased in the Hongkew and Chapei areas nearly two months ago but the restrictions still continue.

It is known that looting of properties in Hongkew, Yangtzepoo, and the residential areas west of the city has taken place, yet owners are denied the right to occupy their properties or place proper guards over them.

I am inclosing copies of memoranda from the American, British, French, and Italian representatives in Shanghai and the Shanghai Municipal Council, which show the extent to which the intolerable conditions I have before pointed out prevail.³ These lists give many instances of neutral vessels seized without any warning or right other than of armed force, of denial of owners to their lawful property, of looting, denial of owners to enter their own homes and so on. These lists merit very serious consideration.

With reference to the city government of Shanghai, it is now carrying on under a tremendous burden. Revenues have diminished greatly, rendering the financial situation and the continuance of the necessary municipal activities difficult.

The city is crowded with hundreds of thousands of homeless refugees who must be fed and housed. The financial problem in connection with this work is a very great one. Many people of the Settlement and French Concession are devoting their entire time and energies to the solution of this great problem.

The attitude of Japanese soldiery towards Chinese noncombatants has produced a state of terror which prevents their return to their homes and farms. Your own proclamations state that the Japanese Army has no enmity towards the Chinese people. If the Chinese people could be convinced of the sincerity of these proclamations they might be induced to return to their homes.

The great problem confronting the people of Shanghai is whether its commerce is to continue to be strangled to a point where the business community that has made it one of the great ports of the world will be driven out of existence. The present situation is none of their seeking. These interests have suffered tremendous losses through fire, destruction, and the suspension of all business. The question now is how much longer this loss can continue without the final destruction of the city as a commercial port.

³ Memoranda not printed.

I have heard it stated that the real Japanese policy is to drive out of Shanghai all commercial interests except their own. This I cannot believe, since it is directly contrary to the repeated statements of the Japanese Government.

The people of Shanghai thoroughly appreciate and understand that the overwhelming force of the Japanese Army in the Shanghai area makes it possible for you to put into effect such decrees or regulations as you may desire. It did not require a march through the Settlement to impress that fact upon the neutral population.

But with power should go a scrupulous regard for the rights of innocent people. This is generally well realized by men of military training, for they know what [*the?*] misery and suffering that can be caused by the ruthless exercise of power unrestrained by any consideration for neutrals or noncombatants.

I request your earnest consideration of the contents of this letter and enclosures and would appreciate an early reply, with a statement of your policy regarding the points raised herein.

I am, very sincerely yours, H. E. Yarnell, Admiral United States Navy, Commander in Chief United States Asiatic Fleet." 1142.

793.94/12188

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

MEMORANDUM

The American Embassy refers to its memorandum dated December 15, 1937⁴ requesting the Foreign Office to take appropriate action in support of a proposal of the American Ambassador at Hankow to insure the safety of a certain area at Hankow.

The American Embassy now desires to remind the Japanese Government that while the American Government claims absolute freedom for its ships to move and trade on the Yangtze River, the American Government looks to the Japanese authorities to give prior warning in the event of any area on the Yangtze becoming, through steps taken by the Japanese authorities, a danger area.

Tokyo, December 28, 1937.

793.94/12063 : Telegram

The Consul General at Shanghai (Gauss) to the Secretary of State

SHANGHAI, January 12, 1938—noon.

[Received 2:45 p. m.]

63. By letter dated January 10 Japanese Consul General advised Senior Consul that he had been asked by the Japanese naval authorities to communicate following for information of interested powers.

⁴ Not printed.

"As is known, a part of the booms on the Yangtze River which were originally constructed by the Chinese for their military purposes has recently been forced through by the Imperial Japanese Navy with a view to utilizing the opening only for military navigation. Since the channel forced through the booms cannot be opened for free navigation without causing under the present circumstances no small obstacles to the military operations of the Japanese forces, any vessel whether it be government owned or private owned, other than those of Japanese nationality, which has the desire of passing through the channel is hereby cordially requested to get in touch with the Japanese Navy and secure beforehand their understanding for its prospective navigation through the booms. Needless to add the Japanese Navy are always ready to give sympathetic understanding to the navigation of foreign vessels so far as it is permissible, from the military point of view, and offer facilities to the passage of such vessels by supplying a convoy. It is therefore the earnest desire of the Imperial Japanese Navy that the vessels of the interested powers taking all cognizance and appreciation of the above-mentioned circumstances will scrupulously refrain from attempting to navigate through the forced channel freely or in such a way as may invite misunderstanding with the Japanese Navy."

Copy to commander in chief.

GAUSS

793.94/12063 : Telegram

The Secretary of State to the Consul General at Shanghai (Gauss)

WASHINGTON, January 15, 1938—4 p. m.

45. Reference your 63, January 12, noon. Please inform your Japanese colleague that while we are, as a matter of courtesy and practical expediency, informing the Japanese and Chinese authorities, when and so far as practicable, of the movement of our vessels, the implication contained in his letter that the navigation of American vessels on the Yangtze may be limited by Japanese military or naval stipulations is not acceptable and that we claim for our ships absolute freedom to move and trade on the Yangtze.

Please repeat your 63 and this instruction to Hankow and Tokyo for information only.

HULL

393.1115/3151

*The American Embassy in Japan to the Japanese Ministry for Foreign Affairs*⁵

AIDE-MÉMOIRE

More than three months have elapsed since the occupation of Nanking by Japanese military forces. The areas of hostilities have in that

⁵ Handed by the Ambassador in Japan (Grew) to the Japanese Vice Minister for Foreign Affairs (Horinouchi) on April 4, 1938.

interval moved to substantial distances from that city, and there is at this time no conceivable danger which would of itself make it unwise for Americans to reside there. Notwithstanding these facts the Japanese military authorities continue to impose restrictions which in effect prevent American missionaries and business men, with important interests in Nanking, from returning to that city.

The only explanation thus far presented by Japanese officials for the rigid restrictions placed by the Japanese military authorities upon the return to Nanking of Americans and other foreigners is that, from a military viewpoint, conditions are not yet such as to permit foreigners returning. According to the Japanese Consul General at Nanking, there are approximately six hundred Japanese civilians in Nanking. This number, which is believed to be far greater than before the opening of hostilities, includes a considerable number of women and children. There are at least thirteen shops of various kinds operated by Japanese which sell to Chinese and foreigners and cannot be classified as shops for military purposes. Japanese ships make trips every five days from Shanghai to Nanking, and although the Japanese authorities affirm that these vessels carry only military supplies, it is a fact that supplies for the shops operated by Japanese civilians are included in their cargo. It is also known that Japanese civilians and some Chinese civilians have travelled on these vessels. Japanese and Chinese civilians have also been permitted to travel to Shanghai on the military train.

The attention of the Ministry for Foreign Affairs has been invited both orally and in writing to the need for American citizens being permitted to return to Nanking, along with other places in Central China, to inspect their properties with a view to assessing damages which might have been caused by Japanese military operations. In view of the fact that Japanese nationals in considerable number have been permitted to return to Nanking, the explanation given by the Japanese military authorities for the placing of restrictions upon the return of American citizens is not valid. It is, therefore, requested that the Japanese Government will cause to be promptly removed these and other restrictions incompatible with the assurances repeatedly given by the Japanese Government that American rights and interests in China will be respected.

TOKYO, April 4, 1938.

893.5151/454

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] April 12, 1938.

I called on the Minister for Foreign Affairs at his official residence at 9:30 this morning and presented an *aide-mémoire* regarding cur-

rency exchange control in North China. I appealed to the Minister on the basis of the principle of equal opportunity and the Open Door whose support in China the Japanese Government has frequently enunciated. Our *aide-mémoire* furthermore made full reservation in regard to American rights and interests.

The Minister said he understands that the authorities in North China are now discussing the currency question with the foreign banks in Tientsin and he hopes that these discussions will lead to an arrangement acceptable to all. He said that he would have to refer our *aide-mémoire* to his experts before replying but he stated that the Japanese Government will continue to support the principle of equal opportunity and the Open Door in China.

J[OSEPH] C. G[REW]

893.5151/454

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

Reports reaching the Government of the United States indicate that discrimination in favor of Japan's trade with North China is likely to be effected by means of a new currency "pegged to the yen and subject to rigid control". Having in mind the experience of American interests in Manchuria, and having reason to believe that any such control as that reported would seriously affect American rights and interests, especially trade interests in North China, the Government of the United States, viewing with great concern recent developments in those areas where régimes are being established and maintained by means of Japanese military impulsion and support, would welcome assurances from the Japanese Government that it will not support or countenance financial or other measures in the areas occupied by Japanese forces in China which discriminate against American interests.

In this relation the Government of the United States makes full reservations in regard to American rights and interests in the occupied areas in China.

TOKYO, April 12, 1938.

393.115/266 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, May 17, 1938—noon.

[Received May 17—6:56 a. m.]

315. Our 308, May 14, 11 a. m. and Department's 171, May 16, 7 p. m.^a return of American citizens to interior points in China.

^a Neither printed.

In an extensive discussion this morning with the Minister for Foreign Affairs I made strong representations along the lines of Shanghai's 639, May 11, 11 a. m.,⁷ supported by a signed note.⁸ I spoke of the unnecessary hardship caused by the refusal of the Japanese military authorities to grant to Americans passes to peaceful areas where Japanese civilians are freely permitted to go, including some 800 already reported in Nanking. I said that American missionaries and businessmen are becoming increasingly restive at this arbitrary interference with their legitimate interests which cannot be explained by pleading the dangers of the war zone and that I fear serious repercussion in the American press and among the American public if such treatment continues, especially as it runs directly counter to repeated assurances given us by the Japanese Government that American rights and interests in China will be respected.

The Minister replied that he believes the Japanese civilians are permitted to proceed to interior points for the specific purpose of catering to the Japanese forces but that he is surprised by the facts which I gave him and will promptly look into the situation.

Repeated to Shanghai for Hankow.

GREW

393.115/403

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Ugaki)

No. 945

Tokyo, May 31, 1938.

EXCELLENCY: I have the honor to refer to my note to Your Excellency's distinguished predecessor, No. 924, dated May 17, 1938,⁹ relating to the restrictions placed by the Japanese military authorities upon the return to Nanking and other points in the interior of China of American missionaries, merchants, and others desiring to resume their activities or even to make visits of inspection, and to take steps to prevent the further deterioration of their properties.

Acting under further instructions from my Government, I now have the honor to state that the problem of enabling American citizens in China to reenter and reoccupy their properties from which they have been excluded by the Japanese military and of which the Japanese military have been and in some cases still are in occupation, is giving the Government of the United States increasing concern.

An illustrative case is that of the property of the University of Shanghai, a large and valuable plant located at Shanghai in the

⁷ Not printed.

⁸ No. 924, May 17, 1938; not printed.

⁹ Not printed; see telegram No. 315, May 17, 1938, noon, from the Ambassador in Japan, *supra*.

Yangtzepoo district. This University has been engaged for many years in educational work and is jointly owned by the Northern and Southern Baptist Missionary Societies. The premises of the University have been under continuous occupation by Japanese military and naval units since shortly after the outbreak of hostilities at Shanghai in August 1937. It is understood that the premises have been used by the Japanese for quartering troops and for military offices and a portion of the campus for stationing airplanes and supplementing the runway for airplanes on the adjacent golf course which has been converted by the Japanese into a military flying field. During the period of Japanese occupancy several buildings have been damaged and the majority looted. Japanese occupation of the property has continued for a period of nine months, notwithstanding the fact that hostilities in this locality long ago ceased. Repeated written and oral representations made by this Embassy to the Japanese Government and by the American Consul General at Shanghai to the Japanese authorities there have not so far resulted in bringing about restoration of the premises to the rightful owners. Recently representatives of the Baptist Missionary Society have stressed on behalf of the six million Baptist[s] in the United States the urgent need for the return to their possession of this important missionary educational property.

In various places in the lower Yangtze Valley American businessmen and missionaries have been prevented by the Japanese authorities from returning to their places of business and mission stations and are denied even casual access to their property. The American Consul General at Shanghai has made applications for passes in behalf of several American firms with important interests in that area in order to permit the representatives and employees of the firms to resume business after awhile, but such applications have repeatedly been refused by the Japanese authorities on the ground that peace and order have not been sufficiently restored. This has been the case even when the applications were for visits for the purpose of brief inspection and checking of losses or for the purpose of taking steps to prevent further deterioration of their properties, including stocks and equipment, during their enforced absence. Many Japanese merchants and their families are known to be in the localities to which these Americans seek to return.

American missionaries also have been prevented from returning to their stations in the lower Yangtze Valley. Certain mission properties in this region which were formerly under occupation by Japanese troops are now reported to have been vacated as a result of Japanese troop transfers and the missionary societies concerned feel it highly important that their representatives reoccupy and preserve such properties. In view of the fact that Japanese civilians are freely

permitted to go into and reside in such areas—as for example at Nanking where some eight hundred Japanese nationals including a substantial number of women and children are reported to be in residence—it is difficult to perceive any warrant for the continued placing by the Japanese authorities of obstacles in the way of return by Americans who have legitimate reason for proceeding to the areas in question.

My Government is confident that the Japanese Government cannot but concede that vast infringement of and interference with American rights in China by the Japanese authorities involved in the situation to which attention is herein brought are contrary to the repeated assurances of the Japanese that American rights will be respected; that the Japanese Government will take immediate steps, in keeping with such assurances, to cause the return to their rightful owners of the premises of the University of Shanghai and other American property under the occupation of Japanese armed forces; and that the Japanese Government will issue instructions to have removed the obstacles interposed by the Japanese authorities in China against the return by American nationals to places such as those mentioned in the areas under Japanese military occupation.

I avail myself [etc.]

JOSEPH C. GREW

711.94/1189 : Telegram

The Consul General at Shanghai (Lockhart) to the Secretary of State

SHANGHAI, June 1, 1938—3 p. m.

[Received June 1—7:38 a. m.]

746. Following from Tokyo:

“341. May 31, 8 p. m.

1. General Ugaki, the new Minister for Foreign Affairs, received the diplomatic chiefs of mission individually today. Apparently without knowledge of English, he spoke through an interpreter.

2. In our conversation he said that he desired to do his utmost to develop good relations with the United States, adding that having had no experience in diplomacy he is unused to the intricacies of that profession and that therefore he will always speak frankly. I replied that with 34 years of experience in diplomacy I had become steadily more convinced of the stupidity of indirection and that he could always count on complete frankness from me in our relations. We had therefore mutually arrived at the same conception by different roads.

3. I said that in reporting to my Government his intentions, as above stated, it would be helpful if I might at the same time say something about his attitude toward the protection of American interests in China. The Minister replied definitely that he would guarantee the protection of American interests in China and that if questions should arise in connection therewith he wishes me to inform him thereof.

4. At this initial and brief reception there was no opportunity to discuss detailed issues and cases.

Repeat to Hankow and to Department as our 341, May 31, 8 p. m. Grew."

LOCKHART

393.115/297 : Telegram

The Consul General at Shanghai (Lockhart) to the Secretary of State

SHANGHAI, June 2, 1938—7 p. m.

[Received 9:03 p. m.]

762. My 738, May 31, 7 p. m., transmitting Tokyo's 338, May 31, 5 p. m.¹⁰

On the occasion of my call on Mr. Tani ^{10a} yesterday and at a later interview with the Japanese Consul General, I took occasion to bring to their attention the fact that Ambassador Grew had, under instructions from the Secretary of State, made strong representations at Tokyo on May 31 in connection with the action of the Japanese military in refusing to permit American citizens in China to reenter and reoccupy their properties in the Japanese-occupied areas. I cited particularly the property of the Shanghai University and stated that this case illustrates the persistent interference of the Japanese military with the rights of American citizens in China. Other specific instances were cited such as the inaccessibility of American business properties on Point Island and other places in the Shanghai area. I also referred to the adverse effect on American business and missionary enterprises in the Yangtze Valley occasioned by the obstructive tactics of the Japanese military and endeavored to show the urgent necessity for some modification in the present restrictions. The conversation was based on the lines set forth in the Department's instruction to Ambassador Grew on this subject and I expressed the hope that the Japanese authorities here would realize that the situation needs urgent attention and that they would cooperate toward removing the obstacles now in the way of the normal conditions of American business and missionary enterprises. A mail despatch will follow. Repeated to Hankow and Peiping. Code text by mail to Tokyo.

LOCKHART

Press Release Issued by the Department of State on June 2, 1938 ¹¹

The American consul general at Shanghai has telegraphed that on June 1, 1938, the property of the American Southern Baptist Mission

¹⁰ Neither printed.

^{10a} Japanese Minister at Large in China.

¹¹ Reprinted from Department of State, *Press Releases*, June 4, 1938 (vol. xviii, No. 453), p. 637.

on Paohsing Road in the Chapei district of Shanghai was formally returned by the Japanese authorities to the Mission in the presence of the Treasurer and two other representatives of the Mission, representatives of the Japanese military and consular authorities, and a representative of the American consul general. On this property the American Southern Baptist Mission had conducted two middle schools. The property is within the zone where there was severe fighting between the Chinese and Japanese forces during the period of hostilities in and around Shanghai. First occupied at that time by the Chinese forces, the property was later occupied by the Japanese.

The American consul general at Shanghai has also telegraphed that on May 31 the Japanese military authorities agreed to the return to Nanking of American missionaries formerly resident there and that a total of 10 passes have been issued to such Americans.

With regard to representations which have been made on the subject of restitution to the rightful owners of the property of the University of Shanghai in the Yangtzepoo district of Shanghai and of other American properties, the American Ambassador to Japan has telegraphed under date of June 2 that he has just been informed by the Japanese Foreign Office that the Japanese Government is sending an interdepartmental committee to visit the Japanese-controlled area in central China, not only to investigate the situation relating to the occupancy of American property but also to formulate means for satisfactory adjustment of the situation. The Ambassador reports that he is informed that the committee will consist of Colonel Nishi of the General Staff, Commander Kami of the Navy Department, Mr. Ishii of the American Bureau of the Foreign Office, and one Secretary from the East Asia Bureau of the Foreign Office, and that these officials will fly to Shanghai as accommodations are available on military airplanes within the next few days.

Press Release Issued by the Department of State on June 3, 1938

Excerpt from press conference record. Not to be quoted, but may be used in third person as having been said by the Acting Secretary of State, Mr. Sumner Welles.

The American Government has observed with gratification the steps which the Japanese Government has taken. There remain of course other questions which need to be taken care of. There is the question of the return to the American owners of the property of the University of Shanghai in the Yangtzepoo district of Shanghai. There is the question of other American properties in the lower Yangtze Valley. There is the question of removal of obstacles to the return of American missionaries to their properties in places other than Nanking. There is the question of the return of American businessmen

to their properties in Nanking and in other places in the lower Yangtze Valley. This Government is confident that the Japanese Government will promptly take appropriate action with regard to these matters.

793.003/903

Memorandum by the Counselor of the American Embassy in Japan (Dooman) of a Conversation With the Director of the American Bureau of the Japanese Ministry for Foreign Affairs (Yoshizawa)

[Tokyo,] June 27, 1938.

I asked Mr. Yoshizawa whether he had had an opportunity to study the statement issued on June 25 by the spokesman at Shanghai of the Japanese Embassy, affirming in effect that foreign nationals in areas in China under Japanese military occupation did not enjoy extraterritorial rights. Mr. Yoshizawa said that the first intimation that the Foreign Office had received of the issuance of any such statement came from a telegram received over the week-end from Mr. Saito ^{11a} at Washington, who reported that the statement of the Japanese official in Shanghai was prominently displayed in the American press and had shocked the American public. Mr. Yoshizawa went on to say that careful search had been made of telegrams received during the past few days, but that nothing had been reported from Shanghai indicating that the spokesman of the Japanese Embassy had made any such statement. He understood that a telegram had been despatched to Shanghai directing that the text of the statement be telegraphed to Tokyo.

I then showed Mr. Yoshizawa Shanghai's 902 of June 25, noon, in which the statement of the spokesman was quoted. After Mr. Yoshizawa had read it, he remarked that, as I knew from the discussions which we had with regard to the question of the return of American citizens to cities occupied by the Japanese along the Yangtze River, it was not the desire or the intention of the Japanese Government to raise any question of principle, but that he did not wish to make any specific comment on the question of extraterritorial rights until the expected report from Shanghai was received. I reminded Mr. Yoshizawa that this was not a new question: that on December 27, the Japanese military authorities at Shanghai had announced that foreigners would be subject to Japanese military law in China, and on January 10 the Ambassador had informed Mr. Hirota that the American Government could not recognize or countenance any attempt on the part of the Japanese to assert jurisdiction over American nationals. I was instructed to remind Mr. Yoshizawa of the Ambassador's statement of January 10 and to add that we would not

^{11a} Hiroshi Saito, Japanese Ambassador.

countenance or recognize any declaration on the part of the Japanese denying that American nationals enjoy extraterritorial rights in those parts of China now under Japanese military occupation.

In view of the fact that the Japanese Government would shortly proceed to examine the statement made by the spokesman at Shanghai on June 25, I felt that I should lay before Mr. Yoshizawa my personal thoughts on the matter. I wondered whether it had occurred to Mr. Yoshizawa during the course of our conversation that, if the Japanese Government were to confirm and adopt the statement as reported by our Consul General in Shanghai, the position of the Japanese Government would be open to serious implications. I recalled the fact that, on the occasion of the annexation by Japan of Korea in 1910, the Japanese Government declared that all treaties hitherto existing between Korea and foreign countries were terminated by the act of annexation.^{11b} This action of the Japanese Government was based on the view that the sovereign who had executed the treaties ceased to exist. If the Japanese Government were to maintain that it could, by virtue of military occupation of parts of China, modify the terms of any treaties entered into by the United States with China, such a claim would be inseparable from a claim to sovereignty over the occupied areas, which would, of course, be wholly inconsistent with the provisions of the Nine-Power Treaty and with various declarations of the Japanese Government undertaking to respect the territorial integrity of China.

Mr. Yoshizawa made no comment. He stated merely that he hoped to be in a position to discuss the matter more fully in the course of the next day or two.

E[UGENE] H. D[OOMAN]

793.003/903

Memorandum by the Counselor of the American Embassy in Japan (Dooman) of a Conversation With Mr. Ishii of the American Bureau of the Japanese Ministry for Foreign Affairs

[Tokyo,] June 30, 1938.

Referring to the conversation which I had a few days ago with Mr. Yoshizawa, I asked Mr. Ishii whether the text of the statement of the spokesman of the Japanese Embassy at Shanghai denying that foreigners had extraterritorial rights in areas under Japanese occupation, had been received from Shanghai. Mr. Ishii replied that a report had been received from Mr. Hidaka, the Japanese Consul General at Shanghai, to the effect that the press accounts of the statement attributed to the spokesman were entirely incorrect; that the original version was originated by Reuters' correspondent, who is

^{11b} See enclosure No. 1 to the note of August 24, 1910, from the Japanese Ambassador, *Foreign Relations*, 1910, p. 681.

described as "inexperienced", and that Reuters had subsequently given out a correct version. What the spokesman had said was in effect that, in referring to the Thomson case, foreigners enjoying extraterritorial rights could not invoke those rights to refuse search by Japanese soldiers in areas under Japanese military occupation.

I asked whether Mr. Hidaka had telegraphed the official text of the spokesman's statement. Mr. Ishii said that he did not have the telegram before him, but that it was his impression that the text had not been telegraphed.

E[UGENE] H. D[OOMAN]

393.115/364 : Telegram

The First Secretary of Embassy in China (Salisbury) to the Secretary of State

PEIPING, June 30, 1938—3 p. m.

[Received July 1—7 a. m.¹²]

399. Reference Peiping's 394, June 29, noon.¹³ Following telegram from Shanghai is repeated for the Department's information:

"June 23, 5 p. m. Your June 17, 3 p. m.

1. Reference is made to this Consulate's despatch No. 1237, dated June 10, which dealt in a general way with the subject of Japanese interference with American trade in the Shanghai area.

2. It has been necessary when shipping supplies to American mission stations in the interior either to employ the facilities of foreign gun-boats proceeding in their normal movements to river ports or to make special arrangements with the Japanese authorities. However, this particular question is of secondary importance to that of obtaining passes for the return of missionaries to interior stations.

3. The chief complaints in regard to the interference with American trade are on the general grounds of (1) definite refusal to return the areas north of Soochow Creek to the full control of the Shanghai Municipal Council and the restrictions on the Nantao, Pootung, Hungjao and other areas in the vicinity of Shanghai; and (2) the exclusion of Americans and American business from these areas and from the hinterland.

4. With respect to item (1) paragraph 3, conditions in the former warehouse areas north of Soochow Creek are such that many missionaries are now storing their goods south of the creek, where storage, transport and other charges are much higher. Cargo removal is a tedious matter requiring the approval of four different offices and, if stored in the China Merchants wharves, the payment of a removal fee. Industrial operation is rendered difficult by the necessity for individual passes for Chinese employees and special agreements for their daily transportation.

5. As regards item (2) paragraph 3, the extent of Japanese interference with American trade in the interior is almost absolute. Prac-

¹² Telegram in three sections.

¹³ Not printed.

tically no American business is being done except indirectly and on a small scale. There is involved not only a complete denial of freedom of movements but also denial of access to property. Outstanding unsettled cases are the River Trading Company, access to Point Island (reported to the Department in detail in this Consulate General's telegram No. 790, June 7, 6 p. m.¹⁴) and the desire of the Standard Vacuum Oil Company, Texas Company and the Cathay Oil Company to have access to their properties on Point Island and the first two companies to send representatives to Nanking. Restrictions are still being placed on the navigation of inland waterways, including the Yangtze. Passes were secured for the Dollar Company for navigation on the Whangpoo River above the Nantao boom only after much effort, while an application by the Everett Steamship Company for a pass has not been approved. Launches belonging to the Dollar, Standard Vacuum Oil and Texas Companies have been stopped and searched on occasion by Japanese river police. The railways in this area are not yet opened to foreign commercial use and highway transportation is under Japanese control. The movement of American-owned cargo is being interfered with; outstanding cases are the Henningsen Produce Company (reported to the Department in this Consulate's telegram No. 781, June 5, 7 p. m.¹⁴) and the present refusal to permit wood oil belonging to Werner G. Smith Company to be brought to Shanghai from Nanking.

6. There are many outstanding cases of occupation of property but most of these involve missionary establishments and will not be covered in this report. There are, however, several unsettled cases of the seizure of American goods. These include the seizure of a stock of tobacco belonging to the Carolina Leaf Tobacco Company (see this Consulate's 872, June 20, 6 p. m.¹⁴) and a lighter of the Shanghai Lumber and Coal Company.

7. American shipping interests may be expected to suffer from the deterioration of the harbor and its approaches, which is a result of Japanese interference with the work of the Whangpoo Conservancy Board.

8. Other indirect interferences with American trade are: Uncertainty as to rates and universality and rigidity of the so-called new Chinese customs tariff which in some instances is working a hardship on American firms because of increased rates; multifarious taxation by Japanese-controlled puppet organs; difficulty of getting passes for Chinese employees; and, especially, the long delays and protracted negotiation involved in obtaining passes or the settlement of even the most clear-cut cases.

Repeated to Peiping."

Following from Amoy:

"June 22, 10 a. m. Embassy's June 17, 3 p. m. The Standard Vacuum Oil Company and the Texas Company, China, Limited, are the American business interests chiefly affected by the Japanese occupation of Amoy and by their virtual blockade of all Chinese transportation facilities along the Fukien coast. The first-mentioned company's normal monthly turnover of business amounted to United States dollars 450,000 but since May 10th has been reduced to less

¹⁴ Not printed.

than 5% of that amount. The stocks of the latter-named company are stored in Amoy and since the Japanese occupation its representatives have not been allowed to return to Amoy and its normal monthly turnover of business has been reduced from United States dollars 12,005 to nothing since May 10."

Following from Nanking:

"June 18, 1 p. m. Your June 17, 3 p. m. There is no American trade in Nanking with the exception of small sales from local stocks of lumber to the Japanese military authorities made by a Chinese representative of the Robert Dollar Company. Up to the present time, the representatives of the Standard Vacuum Oil Company and the Texas Company (China) Limited, have not been permitted to return to Nanking and no American oil or gasoline is being sold in the city. The Japanese military have imported from Shanghai for their own use a certain amount of Standard Oil products and approximately one thousand gallons of gasoline left in the local installation of the Texas Company were sold to the International Reorganization Committee through the mediation of the Embassy. American firms with smaller interests here such as the Singer Sewing Machine Company, Andersen, Meyer and Company, and the Chinese Engineering and Development Company have been unable to do any business and have not even been permitted to send representatives here to investigate the present state of their affairs.

With regard to the shipment of supplies to American mission stations, this can only be done by sending them on American or British gunboats which maintain periodic trips between here and Shanghai. It has recently proved difficult to effect the landing of such supplies as Japanese gendarmes insist upon making a thorough search of them, ostensibly for the purpose of preventing the importation of unauthorized military supplies. This search even extends to the personal luggage of American missionaries returning to Nanking. The Japanese Consul General has recently indicated that some arrangement might be made whereby the military would not insist upon searching all supplies if the Embassy would indicate in writing the nature of such supplies."

Following from Chefoo:

"June 21, 10 a. m. Replying to your cipher telegram of June 17, 3 p. m., Japanese authorities have prohibited shipments of kerosene, gasoline and lubricating oil to interior points in eastern Shantung, destroying annual business of two American oil companies amounting to 1,500,000 dollars local currency. Annual business under present restrictions confined to local oil sales Chefoo estimated at one tenth of normal business. New currency regulations requiring payment of import duties in Federal Reserve banknotes or northern banknotes hampering importers of American merchandise and exporters of lace and embroidery, shipping to the United States, who import raw materials for manufacturing purposes. Arrangements must be made to supply currency for payment of customs or very profitable export trade will end. While Japanese have prohibited shipments of foodstuffs to interior, all American missionaries in Chefoo Consular District so far have been able to receive their supplies without Japanese interference

when accompanied by certificates from this Consulate with the exception of gasoline for which, upon request, the Japanese naval authorities have supplied shipping permits. Japanese now require all Chefoo firms to produce codes at telegraph office for decoding all incoming and outgoing messages thus delaying the delivery of code messages."

Following from Tientsin:

"June 22, 3 p. m. Your June 17, 3 p. m. American trade in North China is not seriously handicapped by interference on the part of the Japanese military except as a result of manipulation of the currency, Japanese monopolies on wool and furs, the generally disturbed situation (particularly regarding communications which prevents the transportation of native products to Tientsin for export) caused by the Japanese military occupation of this area which has cut Tientsin off from its most important sources of supply of export products, driven out large numbers of the wealthier Chinese merchants, and reduced the whole area away from the railways to a state of chaos which precludes any possibility of normal trade.

The Consulate General has inquired of mission organizations represented in Tientsin and is unable to learn of any direct interference by the Japanese military with the shipment of supplies to American mission stations in the interior although such shipments encounter the same difficulties as other goods due to the very extensive use of railways and other transportation facilities for the transportation of Japanese military supplies. An American missionary who came to Tientsin last month to obtain supplies for a hospital in the interior of Shansi is reported to be returned safely to his station with these supplies with the assistance of the Japanese military. Sent to Embassy at Peiping, repeated to Embassy at Hankow."

SALISBURY

393.115/422

The Japanese Minister for Foreign Affairs (Ugaki) to the American Ambassador in Japan (Grew)

[Translation]

No. 66, American I

[Tokyo,] July 6, 1938.

EXCELLENCY: I have the honor to inform Your Excellency that I have carefully perused Your Excellency's note No. 945, dated May 31, in which reference is made to Your Excellency's note No. 924, dated May 17, addressed to former Minister Hirota, and in which it is stated, in compliance with the instructions of Your Excellency's Government, that the question of enabling American citizens in China to re-enter and re-occupy their respective properties from which they have been excluded by the Japanese military forces and of which the Japanese military forces formerly have been or still are in occupation is giving the American Government increasing concern.

In regard to the University of Shanghai, which is cited as an example in your note: this university was, at the outset of the hostilities in Shanghai and its environs, occupied and used as a base by the

Chinese forces. Therefore, as a result of the operations by the Japanese forces to reduce this position, it was inevitable that damage was done to this university. That the Japanese forces have since come to occupy and use this same university is a situation caused by military necessity. However, as a result of recent consideration by the Imperial Government of all circumstances and in accordance with its basic policy of respect for the rights and interests of third countries, it has been decided that, with the stipulation that the damage incurred because of the use of the property by the Japanese forces be given future consideration along with similar damages incurred by property of nationals of third countries, the Japanese military and naval forces, giving up military utilization of this university, will withdraw therefrom by July 5th, that this school cannot be allowed to be opened until such time as there will be no hindrance to military operations, and that favorable consideration will be given, to the extent that it does not obstruct military activities, to the residence of watchmen and to the repair of school buildings which have been requested by the owners of the University. The above decision has already been reported by the local Japanese Consul General to the American Consul General.

Regarding the question of the return of nationals of Your Excellency's country to various places in the lower Yangtze Valley: there are at present, hidden at many places, remnants of defeated soldiers who are continually appearing and disappearing, and it cannot be predicted when incidents will occur. In view of these actual conditions, the police of the Japanese Consulates alone are not sufficient for the protection of nationals of third countries, and it would become necessary to withdraw for this purpose detachments from military units assigned to participate in the military operations which would be a severe burden on the Japanese forces. While it is true that under these circumstances there are more than eight hundred Japanese living in Nanking, all of these Japanese consist only of those whose residence is considered necessary for military purposes. However, notwithstanding strict protection and policing for these Japanese, many instances have occurred in which such Japanese have met with misfortunes of violence, robbery, et cetera, at the hands of lawless Chinese. The actual situation is that these instances of violence do not attract the attention they would were foreigners involved only because they are injuries to Japanese.

Concerning the present conditions at the places in question: the Japanese Government is, even now, still continuing military operations under the necessity of self-defense. At the present time, although Shanghai, Nanking and other places, may appear on the surface to be peaceful, actually, not only is it a situation in which, as strategic bases, special consideration must be given to the safeguard-

ing of military secrets, but also there are in concealment at the present time many individuals of dangerous character plotting conspiracies. A fundamentally divergent view must be taken from that of Your Excellency's Government, which seeing only the surface of the situation, contends that the areas under reference are not dangerous areas.

I am confident that Your Excellency will understand that, under such circumstances of public order, it is extremely difficult to allow nationals of third countries to return to the above-mentioned places. Nevertheless, in spite of this, favorable consideration is being given in so far as it is possible, to methods of fulfilling the expectations of citizens of Your Excellency's country, and already during May and June there were many instances in which their return was allowed. It is not at all a situation in which refusal is given in every case. In the future also, depending upon the actual conditions prevailing in any given place, the policy will be gradually to permit the return of such nationals.

I avail myself [etc.]

KAZUSHIGE UGAKI [SEAL]

393.115/440

Memorandum by the First Secretary of the American Embassy in Japan (McGurk) of a Conversation With the Director of the American Bureau of the Japanese Foreign Office (Yoshizawa)

[Tokyo,] July 16, 1938.

I took up with Mr. Yoshizawa this afternoon the question of the discrepancies between the statement which the Japanese Government desired published with the note of July 6, 1938, and the figures reported by Shanghai of the number of Americans permitted to return to Nanking.

After some discussion Mr. Yoshizawa agreed to substitute the following:

"1. The Japanese military forces withdrew from the University of Shanghai on July 5;

"2. At the end of last month consent was given to the issuance of permits to one employee each of the Standard Oil and Texas Companies respectively to proceed to Nanking. According to reports to the Japanese Government, the Japanese authorities on the spot had issued thirty-five permits enabling missionaries, physicians and others of American nationality to return to Nanking during the months of May and June. However, the record of the American Consulate General in Shanghai shows that twenty permits were issued through that office. The discrepancy is apparently due to the fact that some of these American citizens may have applied directly to the Japanese authorities, thus accounting for the thirty-five mentioned in the Japanese reports.

"3. With reference to the applications of fourteen American missionaries to return to Soochow, a report was received from the authorities on the spot stating that, as of the end of June, permits were shortly to have been issued for the return of all fourteen missionaries (in fact, permits had already been issued to six of them)."

J[OSEPH] F. M[cGURK]

393.1164 University of Shanghai/68

*The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Ugaki)*¹⁶

No. 1013

TOKYO, July 29, 1938.

EXCELLENCY: I have the honor to refer to my note to Your Excellency no. 945 dated May 31, 1938, relating in general to the restrictions placed by the Japanese military authorities upon American nationals in China who desire to reenter and reoccupy their respective properties from which they have been excluded by the Japanese military forces and of which the Japanese military forces have been or still are in occupation, and in particular to the property of the University of Shanghai, and to Your Excellency's reply thereto no. 66, American I, dated July 6, 1938. I also beg leave to refer to the extensive conversation which I had with Your Excellency on July 4 on the general question of the protection of American property and interests in China.¹⁷

Acting under instructions from my Government, I have the honor to state, with respect to the property of the University of Shanghai, that my Government is of the opinion that evacuation of the property by Japanese troops without returning the property to the control of the Mission concerned does not in any way lessen the responsibility which attaches to the Japanese Government for damages to the property and for losses suffered by the Mission by reason of Japanese occupation and control; that the continued failure of the Japanese authorities to return the property to the complete control of the Mission representatives is undeniably open to the interpretation that the Japanese authorities hope that the property will become useless to its owners thereby making its purchase possible, particularly in view of the fact that the seat of hostilities has long since been far removed from Shanghai and of the fact that the Japanese military have evacuated the property; that this arbitrary interference with American rights and interests is obviously inconsistent with repeated assurances of the Japanese Government to the effect that American rights and interests

¹⁶ Handed to the Japanese Minister for Foreign Affairs by the American Ambassador in Japan on July 30, 1938.

¹⁷ See memorandum by the Ambassador in Japan, July 4, 1938, p. 605.

shall be respected; and that accordingly my Government asks that appropriate steps be taken without further delay to effect the prompt return of the property in question to the full control of its owners.

I avail myself [etc.]

JOSEPH C. GREW

393.1164 University of Shanghai/68

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] July 30, 1938.

I called this morning on the Minister for Foreign Affairs, General Ugaki, at the Gaimusho, and made full representations regarding the University of Shanghai. My presentation was prepared in the form of the attached statement¹⁸ in order to convenience the English interpreter, Mr. Tsuchiya, and to leave a precise although informal record of what I said. At the same time a signed note was left with the Minister.¹⁹ (Department's 260, July 28, 5 p. m., and Shanghai's 1039, July 27, 3 [5] p. m.²⁰)

After listening carefully to my presentation the Minister said that long consideration and the best efforts of the Japanese authorities had already been given to this subject. The Japanese point of view of the situation is somewhat different from the American point of view. This is not a question of arbitrary interference but simply a matter of military secrecy and it is imperative for the Japanese military authorities to restrict the occupation of the University by civilians because it is adjacent to an airplane base and an ammunition warehouse. In the Minister's opinion the military authorities are justified in declining to allow many civilians to return to the University or to open it at this time. The Minister sees our point of view and feels that there is good reason for allowing at least several Americans to return to the University as housekeepers. He feels however that legal ownership has been returned to the mission by the evacuation of the Japanese troops. The Minister takes exception to the supposition that the Japanese authorities hope that the property will become useless to its owners thereby making possible its purchase. He stated categorically that there is no intention to purchase. The Minister says that he understands the situation because Japanese officials have recently been recalled from Shanghai to report on this question. He further states that a prominent Christian member of the House of Representatives, Daikichiro Tagawa, will shortly proceed to China to study at first hand the missionary problems there and the Minister expects that helpful results will spring from this visit. He hopes for a solution of the question of the University of Shanghai "in the near future."

¹⁸ *Infra.*

¹⁹ *Supra.*

²⁰ Neither printed.

I stated clearly that the owners cannot recognize that there has been a return of the property under present conditions and that my Government feels that the evacuation does not in any way lessen the responsibility of the Japanese Government for damages to the property and for losses suffered by the mission arising out of Japanese occupation and control. I pointed out to the Minister that from what he had said to me it might appear that the restrictions against the reoccupation and opening of the University would be of a permanent nature. The Minister replied definitely to the contrary and said that all would depend on the outcome of the present military drive towards Hankow. The Minister said that he was no longer in close touch with military developments but as a former officer of some experience he could state as a personal and private observation that after the fall of Hankow the Shanghai base would be shifted probably some time during the coming autumn. I replied that I would report his statements to my Government.

I think from the nature of our note and my oral presentation today our position is fully reserved.

J[OSEPH] C. G[REW]

393.1164 University of Shanghai/68

Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Ugaki), July 30, 1938

I have asked to see His Excellency the Minister today for the purpose of again bringing to his attention one individual matter, but a matter of great importance, in connection with respect for American property in China, namely the case of the University of Shanghai.

I mentioned this case in my conversation with the Minister on July 4. It concerns the failure of the Japanese military authorities in Shanghai to return this valuable and important property to its rightful owners.

This property, which belongs to the Northern and Southern Baptist Missionary Societies and is located in the Yangtzepoo district, was occupied by Japanese forces since August 1937.

On July 5 of this year the Japanese forces evacuated the property but the property has nevertheless not been returned to the control of its owners.

The owners do not and cannot recognize that there has been a return of the property under these conditions, and my Government feels that this evacuation does not in any way lessen the responsibility of the Japanese Government for damages to the property and for losses suffered by the Mission arising out of the Japanese occupation and control.

The seat of hostilities has long been removed far from Shanghai.

The failure of the Japanese authorities to return the property to the complete control of the Mission representatives is undeniably open to the interpretation that the Japanese authorities hope that the property will become useless to its owners, thereby making possible its purchase.

My Government feels very strongly that this interference with this important American property is obviously inconsistent with the repeated assurances of the Japanese Government that American rights and interests shall be respected;

And accordingly my Government once again asks that appropriate steps be taken without further delay to effect the prompt return of the property in question to the full control of its owners.

This terminates my official representations, made under my Government's instructions, but I beg that His Excellency will permit me to say a word on my own initiative apart from the foregoing formal approach.

The Minister and I are both working for the maintenance and development of good relations between our two countries, and these relations obviously depend not only on government policy but also on public opinion.

In the United States we must recognize the fact that official policy depends in large measure upon public opinion and that, in the long run, the attitude and policy of the American Government is actually directed by public opinion.

Therefore, in considering the best methods of maintaining good relations between Japan and the United States, I feel sure that the Minister will wish me to point out the issues which have a direct and important bearing upon that public opinion.

This issue of the University of Shanghai is especially important because this property belongs to the Baptist Church, and because there are about eight million Baptists in the United States either directly or indirectly interested in seeing that property returned to the control of its rightful owners.

This important and influential body of Americans fail to understand how, when the tide of hostilities has for many months swept far away from Shanghai, the Japanese military authorities still insist on preventing the Baptist Mission from entering upon full control of its property, already much looted and damaged.

That prevention cannot successfully be explained to them on the ground of military necessity.

Adverse publicity on this subject will inevitably increase in the United States, and will have an important influence on public opinion.

Not only the general principle but well over a million dollars in property rights are here involved.

I think that the Minister will wish to study this angle of the problem and once more to exert his effective efforts to implement in this case the general assurances which he has given us concerning respect for American rights in China. I earnestly appeal to him to do so.

693.001/380

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] October 3, 1938.

Upon receipt of the Department's instruction (no. 339, October 1, 2 p. m.²¹) I called on Prince Konoye who is momentarily functioning as Minister for Foreign Affairs. He is not yet receiving diplomats, but I was fortunate in being able to obtain an appointment with him without publicity at his private residence just before he was to go to the Palace for an audience with the Emperor where it is very likely that the new "China Organ" will be discussed. It seems to me that this was a most favorable moment for my interview, and an unusual opportunity to present the President's request²² and the full desiderata of the United States directly to the Premier without going over the head of any Minister.

Prince Konoye listened to my full oral representations which I said would be embodied in a note to be delivered shortly to the Foreign Office. I briefly covered the principal points in the Department's telegram in the half hour at my disposal leaving with the Minister an informal record of my oral remarks for the sake of accuracy.²³

At the end of my representation Prince Konoye said that he was honored by the message from the President. He said that in spite of the change of Foreign Ministers there will be no change in Japan's policy towards affairs in China or towards other foreign nations. The assurances already given us concerning the open door and equal opportunity in China will be steadfastly maintained. The military situation in China may cause delay in meeting all of our desiderata but he gave explicit assurances that this delay will be but temporary. He said that he wished and intended to continue to do everything in his power to improve relations between the United States and Japan as he had in the past. Prince Konoye said he highly valued these relations and added that he was not familiar with many of the points which I had raised but would study them.

At the end of the Minister's remarks I pointed out that many or most of the conditions of which we complained had no direct relation

²¹ Not printed.

²² Mention of the President in this memorandum was due to a garble in telegraphic instructions. However, in telegram No. 342, October 5, 1938, the Department instructed Ambassador Grew that the President had been consulted and had ratified the use made of his name (693.001/353 supp.).

²³ *Infra*.

whatever to the military campaign. The Minister replied that the new "China Organ", now in process of establishment, is being formed for the purpose of dealing with just such questions and he felt sure that once functioning it would be able to smooth out these difficulties by the exertion of direct control by the authorities in Tokyo over the Japanese authorities in China. The Minister repeated his firm desire for improved relations with the United States.

J[OSEPH] C. G[REW]

693.001/380

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Prime Minister and Minister for Foreign Affairs (Prince Konoye), October 3, 1938

I am calling on Your Excellency Prince Konoye as Minister for Foreign Affairs in order briefly to discuss a subject in which the President of the United States is directly interested.

Well knowing how busy is Your Excellency I do not wish to bother you with too many details and I shall therefore confine myself to discussing this subject on general lines and include such details as are necessary in the form of a note to be delivered later at the Foreign Office.

The subject to which I refer has to do with the relations between Japan and the United States with special consideration of the situation of American interests in China.

I have had many conferences on this general subject with former Ministers, especially Mr. Hirota and General Ugaki, who have repeatedly given me precise and definite assurances that American interests in China would be respected and that the principle of the Open Door and equal opportunity would be steadily maintained.

The American Government to its regret is constrained to observe that violation of American rights and interests, including violation of the principle of the Open Door, has nevertheless persisted.

In the light of the situation which I am now reviewing, the President of the United States asks that the Japanese Government implement its assurances already given with regard to the maintenance of the Open Door and to non-interference with American rights by taking prompt and effective measures to rectify the situation which I am about to explain.

On April 12, 1938 I asked the Foreign Minister for assurances that the Japanese Government would not countenance financial measures discriminating against American trade in North China; although the Foreign Minister stated that the Japanese Government would continue to support the principle of the Open Door, no specific reply has yet been made to my representations.

The American Government now learns that the Japanese authorities have in effect established an exchange control at Tsingtao, exercising discretionary authority to prohibit exports unless export bills are sold to the Yokohama Specie Bank, the Bank refusing to purchase these export bills except at a rate far lower than the open market rate at Tientsin and Shanghai.

A somewhat similar situation prevails at Chefoo.

Reports continue to reach the American Government that a comprehensive system of exchange control will soon be established throughout North China.

The exacting, either directly or indirectly, by the Japanese authorities of control of exchange in North China would place those authorities in a position to thwart equality of opportunity or free competition between Japan and the United States in that area, in view of the fact that control of foreign exchange transactions gives control of trade and commercial enterprises.

In such a situation imports from and exports to the United States, as well as the choice of dealers in North China, would be entirely subjected to the dispensation of the Japanese authorities.

The American Government has already pointed out to the Japanese Government that alterations of the Chinese customs tariff by the régimes functioning in those portions of China occupied by the Japanese and for which the Japanese Government has formally assured its support are arbitrary and illegal assumptions of authority, the responsibility for which the Japanese Government cannot escape.

It is hardly necessary to state that there can be no Open Door in China so long as the ultimate authority to regulate, tax, or prohibit trade is exercised, directly or indirectly, by the authorities of one "foreign" power in furtherance of the interests of that power.

It would appear to be self-evident that a fundamental prerequisite of a condition of equality of opportunity or Open Door in China is the absence in the economic life of that country of preferences or monopolistic rights operating directly or indirectly in favor of any foreign country or its nationals.

On July 4 I spoke to the Foreign Minister of the desire of the American Government that there be avoided such restrictions and obstacles to American trade as might result from the setting up of special companies and monopolies in China. The Minister was so good as to state that the Open Door in China would be maintained and that the American Government might rest assured that the Japanese Government would fully respect the principle of equal opportunity.

American nationals and their interests have suffered serious losses in the Far East arising from causes directly attributable to the pres-

ent conflict between Japan and China, and even under the most favorable conditions an early rehabilitation of American trade with China cannot be expected.

The American Government therefore finds it all the more difficult to reconcile itself to a situation in which American nationals must contend with continuing unwarranted interference with their rights at the hands of the Japanese authorities in China and with Japanese actions and policies which operate to deprive American trade of equality of opportunity in China.

In its treatment of Japanese nationals and their trade and enterprise the American Government has been guided not only by the letter and spirit of the Japanese-American Commercial Treaty of 1911,²⁴ but by those fundamental principles of international law and order which have formed the basis of its policy in regard to all peoples and their interests; and Japanese commerce and enterprise have continued to enjoy in the United States equality of opportunity.

Your Excellency cannot fail to recognize the existence of a great and growing disparity between the treatment accorded American nationals and their trade and enterprise by Japanese authorities in China and Japan and the treatment accorded Japanese nationals and their trade and enterprise by the Government of the United States in areas within its jurisdiction.

In the light of the situation herein reviewed, the President asks that the Japanese Government implement certain assurances which it has already given. It is requested by the President that, with a view to the maintenance of the Open Door and to non-interference with American rights the Japanese Government take prompt and effective measures to cause:

(1) the discontinuance of discriminatory exchange control and of other measures imposed in areas in China under Japanese control which operate either directly or indirectly to discriminate against American trade and enterprise;

(2) the discontinuance of any monopoly or of any preference which would deprive American nationals of the right of undertaking any legitimate trade or industry in China or of any arrangement which might purport to establish in favor of Japanese interests any general superiority of rights with regard to commercial or economic development in any region of China; and

(3) the discontinuance of interference by Japanese authorities in China with American property and other rights including such forms of interference as censorship of American mail and telegrams and restrictions upon residence and travel by Americans and upon American trade and shipping.

There are many other cases involving restrictions or violations of American rights in China which I do not have the time today to go

²⁴ *Foreign Relations*, 1911, p. 315.

into. However I desire specifically to mention such cases as obstructions which are being placed by the Japanese military authorities in the way of the travel of American citizens in the interior of China; of the censorship of and interference with American mail and telegrams at Shanghai; the establishment of the Central China Telecommunications for the avowed purpose of controlling communications in Central China; and the organization of a Japanese controlled steamship company to monopolize water transportation in the Shanghai area.

I earnestly appeal to Your Excellency to bring your important influence to bear towards the solution of these many problems in the interests of Japanese-American relations which must depend in large measure upon the faithful observance by Japan of the assurances frequently and categorically expressed.

693.001/380

The American Ambassador in Japan (Grew) to the Japanese Prime Minister and Minister for Foreign Affairs (Prince Konoye)

No. 1076

TOKYO, October 6, 1938.

EXCELLENCY: On the occasion of the interview which Your Excellency accorded me on October 3, when I had the honor to convey orally the views and desires of my Government with regard to conditions in China being brought about by agencies or representatives of the Japanese Government, which are violative of or prejudicial to American rights and interests in China, I undertook to set forth and to extend those views and desires in a note to be presented shortly thereafter. In fulfilment of that undertaking and under instruction from my Government, I now have the honor to address Your Excellency as follows:

The Government of the United States has had frequent occasion to make representations to Your Excellency's Government in regard to action taken and policies carried out in China under Japanese to which the Government of the United States takes exception as being, in its opinion, in contravention of the principle and the condition of equality of opportunity or the "open door" in China. In response to these representations, and in other connections, both public and private, the Japanese Government has given categorical assurances that equality of opportunity or the open door in China will be maintained. The Government of the United States is constrained to observe, however, that notwithstanding the assurances of the Japanese Government in this regard violation by Japanese agencies of American rights and interests has persisted.

As having by way of illustration a bearing on the situation to which the Government of the United States desires to invite the attention

of the Japanese Government, it is recalled that at the time of the Japanese occupation of Manchuria the Japanese Government gave assurances that the open door in Manchuria would be maintained. However, the principal economic activities in that area have been taken over by special companies which are controlled by Japanese nationals and which are established under special charters according them a preferred or exclusive position. A large part of American enterprise which formerly operated in Manchuria has been forced to withdraw from that territory as a result of the preferences in force there. Arrangements between Japan and the regime now functioning in Manchuria allow the free movement of goods and funds between Manchuria and Japan while restricting rigidly the movement of goods and funds between Manchuria and countries other than Japan.

This channeling of the movement of goods is effected primarily by means of exchange control exercised under the authority of regulations issued under an enabling law which provide expressly that for the purposes of the law Japan shall not be considered a foreign country nor the Japanese yen a foreign currency. In the opinion of my Government equality of opportunity or open door has virtually ceased to exist in Manchuria notwithstanding the assurances of the Japanese Government that it would be maintained in that area.

The Government of the United States is now apprehensive lest there develop in other areas of China which have been occupied by Japanese military forces since the beginning of the present hostilities a situation similar in its adverse effect upon the competitive position of American business to that which now exists in Manchuria.

On April 12, 1938 I had occasion to invite the attention of Your Excellency's predecessor to reports which had reached the Government of the United States indicating that discrimination in favor of Japanese trade with North China was likewise to be by means of exchange control and to ask for assurances that the Japanese Government would not support or countenance financial measures discriminating against American interests. Although the Minister for Foreign Affairs stated then that the Japanese Government would continue to support the principle of equal opportunity or open door in China no specific reply has yet been made by the Japanese Government on the subject of these representations.

The Government of the United States now learns that the Japanese authorities at Tsingtao have in effect established an exchange control, that they are exercising a discretionary authority to prohibit exports unless export bills are sold to the Yokohama Specie Bank, and that the Bank refuses to purchase export bills except at an arbitrary rate far lower than the open market rate prevailing at Tientsin and Shanghai. A somewhat similar situation apparently prevails at Chefoo. Furthermore, reports continue to reach the

American Government that a comprehensive system of exchange control will soon be established throughout North China. Control of foreign exchange transactions gives control of trade and commercial enterprise, and the exacting, either directly or indirectly, by the Japanese authorities of control of exchange in North China would place those authorities in position to thwart equality of opportunity or free competition between Japan and the United States in that area. In such a situation, imports from and exports to the United States, as well as the choice of dealers in North China, would be entirely subjected to the dispensation of the Japanese authorities. Notwithstanding the short time that exchange control has been enforced in Tsingtao, two cases of discrimination have already been brought to the attention of the Government of the United States. In one instance an American dealer in a staple commodity has been unable to export to the United States because Japanese authorities there have insisted that his export bills be sold to a Japanese bank at a price so far below the current rate of exchange of the Chinese currency in the open market that such transaction would involve a loss rather than a profit; but a Japanese competitor recently completed a large shipment invoiced at a price in United States dollars which was equivalent to the local market price calculated at the current open market rate. In the other instance, an American firm was prevented from purchasing tobacco in Shantung unless it should purchase so-called Federal Reserve notes or yen currency with foreign money and at an arbitrary and low rate of exchange, conditions not imposed upon the company's Japanese or Chinese competitors.

The Government of the United States has already pointed out to the Japanese Government that alterations of the Chinese customs tariff by the regimes functioning in those portions of China occupied by Japanese armed forces and for which the Japanese Government has formally assured its support are arbitrary and illegal assumptions of authority for which the Japanese Government has an inescapable responsibility. It is hardly necessary to add that there can be no equality of opportunity or open door in China so long as the ultimate authority to regulate, tax, or prohibit trade is exercised, whether directly or indirectly, by the authorities of one "foreign" power in furtherance of the interests of that power. It would appear to be self-evident that a fundamental prerequisite of a condition of equality of opportunity or open door in China is the absence in the economic life of that country of preferences or monopolistic rights operating directly or indirectly in favor of any foreign country or its nationals. On July 4 I spoke to General Ugaki of the desire of the American Government that there be avoided such restrictions and obstacles to American trade and other enterprises as might result from the setting up of special companies and monopolies in China. The Minister was

so good as to state that the open door in China would be maintained and that the Government of the United States might rest assured that the Japanese Government would fully respect the principle of equal opportunity.

Notwithstanding these assurances, the Provisional regime in Peiping announced on July 30th the inauguration as of the following day of the China Telephone and Telegraph Company, the reported purpose of this organization being to control and to have exclusive operation of telephone and telegraph communications in North China. There was organized in Shanghai on July 31st the Central China Telecommunications Company, and the Special Service Section of the Japanese army has informed foreign cable and telegraph companies that the new company proposes to control all the telecommunications in Central China. According to a semi-official Japanese press report, there was organized at Shanghai on July 28 the Shanghai Inland Navigation Steamship Company to be controlled by Japanese the reported object of which is to control water transportation in the Shanghai delta area. According to information which has reached my Government, a Japanese company has been organized to take over and operate the wharves at Tsingtao which have hitherto been publicly owned and operated. Should such a development occur, all shipping of whatever nationality would become dependent upon a Japanese agency for allotments of space and stevedoring facilities. The wool trade in North China is now reported to be a Japanese monopoly and a tobacco monopoly in that area is reported to be in process of formation. Moreover, according to numerous reports which have been reaching my Government, the Japanese Government is proceeding with the organization of two special promotion companies which it has chartered and which it will control with the object of investing in, unifying, and regulating the administration of certain large sectors of economic enterprise in China.

The developments of which I have made mention are illustrative of the apparent trend of Japanese policy in China and indicate clearly that the Japanese authorities are seeking to establish in areas which have come under Japanese military occupation general preferences for, and superiority of, Japanese interests, an inevitable effect of which will be to frustrate the practical application of the principle of the open door and deprive American nationals of equal opportunity.

I desire also to call Your Excellency's attention to the fact that unwarranted restrictions placed by the Japanese military authorities upon American nationals in China—notwithstanding the existence of American treaty rights in China and the repeated assurances of the Japanese Government that steps had been taken which would insure that American nationals, interests and property would not be subject

to unlawful interference by Japanese authorities—further subject American interests to continuing serious inconvenience and hardships. Reference is made especially to the restrictions placed by the Japanese military upon American nationals who desire to reenter and reoccupy properties from which they have been driven by the hostilities and of which the Japanese military have been or still are in occupation. Mention may also be made of the Japanese censorship of and interference with American mail and telegrams at Shanghai and of restrictions upon freedom of trade, residence and travel by Americans, including the use of railways, shipping, and other facilities. While Japanese merchant vessels are carrying Japanese merchandise between Shanghai and Nanking, those vessels decline to carry merchandise of other countries, and American and other non-Japanese shipping is excluded from the lower Yangtze on the grounds of military necessity. Applications by American nationals for passes which would allow them to return to certain areas in the lower Yangtze valley have been denied by the Japanese authorities on the ground that peace and order have not been sufficiently restored, although many Japanese merchants and their families are known to be in those areas.

American nationals and their interests have suffered serious losses in the Far East arising from causes directly attributable to the present conflict between Japan and China, and even under the most favorable conditions an early rehabilitation of American trade with China cannot be expected. The American Government, therefore, finds it all the more difficult to reconcile itself to a situation in which American nationals must contend with continuing unwarranted interference with their rights at the hands of the Japanese authorities in China and with Japanese actions and policies which operate to deprive American trade and enterprise of equality of opportunity in China. It is also pertinent to mention that in Japan, too, American trade and other interests are undergoing severe hardships as a result of the industrial, trade, exchange and other controls which the Japanese Government has imposed incident to its military operations in China.

While American interests in the Far East have been thus treated at the hands of the Japanese authorities, the Government of the United States has not sought either in its own territory or in the territory of third countries to establish or influence the establishment of embargoes, import prohibitions, exchange controls, preferential restrictions, monopolies or special companies—designed to eliminate or having the effect of eliminating Japanese trade and enterprise. In its treatment of Japanese nationals and their trade and enterprise, the American Government has been guided not only by the letter and spirit of the Japanese-American Commercial Treaty of 1911 but by those fundamental principles of international law and order which have formed

the basis of its policy in regard to all peoples and their interests; and Japanese commerce and enterprise have continued to enjoy in the United States equality of opportunity.

Your Excellency cannot fail to recognize the existence of a great and growing disparity between the treatment accorded American nationals and their trade and enterprise by Japanese authorities in China and Japan and the treatment accorded Japanese nationals and their trade and enterprise by the Government of the United States in areas within its jurisdiction.

In the light of the situation herein reviewed the Government of the United States asks that the Japanese Government implement its assurances already given with regard to the maintenance of the open door and to non-interference with American rights by taking prompt and effective measures to cause,

(1) The discontinuance of discriminatory exchange control and of other measures imposed in areas in China under Japanese control which operate either directly or indirectly to discriminate against American trade and enterprise;

(2) The discontinuance of any monopoly or of any preference which would deprive American nationals of the right of undertaking any legitimate trade or industry in China or of any arrangement which might purport to establish in favor of Japanese interests any general superiority of rights with regard to commercial or economic development in any region of China; and

(3) The discontinuance of interference by Japanese authorities in China with American property and other rights including such forms of interference as censorship of American mail and telegrams and restrictions upon residence and travel by Americans and upon American trade and shipping.

The Government of the United States believes that in the interest of relations between the United States and Japan an early reply would be helpful.

I avail myself [etc.]

JOSEPH C. GREW

693.001/402

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] October 26, 1938.

This afternoon I made my courtesy call on Mr. Renzo Sawada, newly appointed Vice Minister for Foreign Affairs, to return his call on me. I told him that I did not wish in this first talk to bother him with individual cases, knowing how extremely busy he must be in getting into harness, especially as Prince Konoye as Minister for Foreign Affairs is able to come to the Gaimusho only once or twice a week. I told Mr. Sawada that we are daily sending in a great number of notes to the Foreign Office with regard to Japan's depredations against American property in China and that all of these notes,

which must now amount to several hundred, can be found on file in the Foreign Office. I told Mr. Sawada however, that in my talk with General Ugaki on July 4 last, and in a note which I addressed to the Foreign Office after my first conversation with Prince Konoye as Minister for Foreign Affairs, dated October 6, I had presented a general picture of the troubles experienced by Americans and American interests in China at the hands of Japanese forces and other authorities, and that if he would be good enough to read through the record of my conversation of July 4 and our note of October 6, it would give him the background which I felt was important in enabling him to give proper weight to such representations as I might be called upon to make in future. Mr. Sawada said that he would do so.

793.94/14276a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Substance]

WASHINGTON, November 2, 1938—4 p. m.

373. (The substance of this telegram is to be communicated to the commander in chief by the American Consul General in Shanghai.)

The question of freedom of navigation on the lower Yangtze River was mentioned in your open-door note to the Japanese Government of October 6. Believing that the moment has arrived for the American Government to raise the broad, entire question of Yangtze River freedom of navigation with the Government of Japan, the Department wishes you personally to take up this matter in a vigorous manner with the Foreign Minister at the earliest opportunity. It is suggested that in your discretion you postpone this action for a few days to find out whether or not the French and British Ambassadors in Tokyo are instructed to make separate approaches along similar lines. This suggestion is made in view of the fact that the French and British Governments are being notified through our appropriate diplomatic missions of these instructions to you. Your presentation may be oral or by formal note in your discretion, but if you decide on the former an informal memorandum to serve as a record of your remarks should be left with the Foreign Minister. You should press for a reply of a favorable nature which should include the setting of an early date subsequent to which the Government of Japan will not impede free navigation of the Yangtze from Hankow to its mouth. The American Government will not be satisfied with an indefinite reply.

Your approach should be along the following general lines: Armed forces of Japan having now moved up the river to Hankow there remains no large-scale fighting on or along the banks of the river below Hankow. These forces have had ample time since ar-

riding at Hankow to systematize movements on the river of national ships of Japan. Large numbers of Japanese vessels have gone up river to Hankow. According to information in possession of the American Government, on October 31 there were at Hankow about 600 small craft, 2 auxiliaries, 2 tankers, 2 mine layers, 2 mine sweepers, 3 torpedo boats, 3 gunboats, 1 hospital ship, 12 tugs, 20 supply ships, and 23 transports.

Inasmuch as we did not exercise our right to navigate the river freely during the period of active hostilities, we now regard it as only reasonable that the Government of Japan should from now on stop impeding the exercise of this American right and we can see no reasonable basis for the restriction by the Government of Japan of free navigation of the Yangtze River.

The Yangtze is a very important channel for the movement of vessels, goods, and persons; is Central China's principal communication artery; and it is wide enough to provide for the traffic needs of all concerned.

HULL

893.811/1080

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] November 7, 1938.

My initial interview today with the new Minister for Foreign Affairs was on his part of a negative and therefore of an unsatisfactory character. After the amenities as between two old friends I referred to the assurances expressed to me by Mr. Arita's three predecessors in turn to the effect that the foreign policy of the Japanese Government would undergo no change during their respective administrations and that American rights and interests in China would be respected and the open door and equal opportunity supported. I then inquired whether the new Minister would renew those assurances.

Mr. Arita replied that when he was formerly Foreign Minister the attitude of the Japanese people towards the United States was particularly friendly and that it is still friendly today, but that in the meantime the attitude of the United States towards Japan has considerably altered due to things that have occurred in China. He supposed that by reading recent comments in the Japanese press I must have gleaned some comprehension of the present attitude of the Japanese people in that connection. The Minister said that in estimating opinion in his own country he must proceed slowly and "with great prudence".

The Minister then referred to our note of October 6 which he said he understood conveyed the attitude of the American Government

towards the situation in China but added that he had not yet had time to read it. I urged him to do so forthwith because without familiarity with the contents of that note he could not appreciate the nature and extent of the difficulties between our two countries.

At this point the Minister referred to the public address of the Prime Minister on November 3 as an indication of Japanese policy.²⁵ I immediately replied that we had carefully studied that address but that portions of it required interpretation and I asked specifically whether he was in a position to interpret the following excerpt:

"Japan does not reject cooperation with other Powers, neither intends to damage the interests of third Powers. If such nations understand the true intention of Japan and adopt policies suitable for the new conditions, Japan does not hesitate to cooperate with them for the sake of peace in the Orient."

I asked what policies "suitable for the new conditions" the Prime Minister had in mind. Mr. Arita replied that he thought it important that we should have a long talk concerning all these matters and that he would be better prepared for such a talk after he had been a little longer in office. He repeated the view that he must proceed slowly and that the situation is "very difficult". I asked whether he would see me as soon as he returns from reporting at the national shrine at Ise whither he proceeds tonight. The Minister replied that he needed a little more time but hoped that we could have the talk some time next week.

On my stating that these matters are urgent and that they are so regarded by my Government, Mr. Arita counseled patience and added that if we should press for an immediate reply to our note of October 6 he was afraid that the Japanese reply would not be satisfactory. He repeated and emphasized the word "patience".

I thereupon informed the Minister that I must bring specifically and urgently to his attention one phase of the situation dealt with in our note of October 6, namely the question of free navigation on the Yangtze River between Shanghai and Hankow and after vigorous oral representations along the lines of the Department's 373, November 2, 2 [4] p. m., I left with him my note number 1111 of today's date.²⁶ I told the Minister that my Government would not be satisfied with an indefinite reply and I pressed him for a favorable answer including the naming of an early date for the withdrawal of restrictions on freedom of navigation on the Yangtze River below Hankow. The Minister was non-committal.

The interview thereupon terminated.

J[OSEPH] C. G[REW]

²⁵ *Ante*, p. 478.

²⁶ *Infra*.

893.811/1060

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Arita)*

No. 1111

Tokyo, November 7, 1938.

YOUR EXCELLENCY: In the note No. 1076 of October 6, 1938, which I had the honor to address to Your Excellency's distinguished predecessor, mention was made, among other points, of the exclusion from the lower reaches of the Yangtze River of American and other non-Japanese shipping although Japanese merchant vessels are carrying Japanese merchandise between Shanghai and Nanking, to the exclusion of merchandise of other countries. I pointed out to His Excellency Prince Konoye that this treatment of American shipping and commerce, as well as the treatment by Japanese authorities of other American interests in China, not only violates American rights but is in direct contravention of assurances repeatedly affirmed by the Japanese Government to the American Government that the principle of the open door and equal opportunity in China would be supported by the Japanese Government. In the aforementioned note, request was made on behalf of the Government of the United States that the Japanese Government implement its assurances already given with regard to the maintenance of the open door and to non-interference with American rights by taking prompt measures to cause the discontinuance, among other forms of interference with American interests in China, of the restrictions placed upon American trade and shipping.

Acting under instructions from my Government I now have the honor to point out to Your Excellency that the armed forces of Japan have now advanced up the Yangtze River as far as Hankow and that below Hankow there are no longer major hostilities on the river or along the banks of the river. A large number of Japanese ships in the meantime have proceeded up the river to Hankow. Japanese armed forces, furthermore, following their arrival at Hankow, have had ample time in which to systematize the movement of Japanese vessels on the river.

During the period when active hostilities were taking place on certain reaches of the Yangtze River below Hankow, American shipping refrained from exercising its right to freedom of navigation on the river. That the Japanese Government should no longer place obstacles in the way of the exercise of this American right, my Government considers only reasonable. The Yangtze River as the main artery of transportation in Central China is a highly important channel for the movement of vessels, persons and merchandise and the width of the river is amply sufficient to take care of the traffic needs of all concerned. No reasonable basis to account for the re-

striction by the Japanese Government of the free use of this river under the circumstances existing at present is perceived by the Government of the United States.

Under the circumstances set forth above I have the honor on behalf of my Government once again to request that the Japanese Government forthwith implement its repeated assurances with regard to American navigation rights on the Yangtze River by promptly discontinuing the restrictions on American trade and shipping thereon between Shanghai and Hankow.

I avail myself [etc.]

JOSEPH C. GREW

893.811/1060

The Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew)

[Translation]

No. 101, Asia I

[Tokyo,] November 14, 1938.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note no. 1111 dated November 7, 1938, regarding the restoration of navigation and commerce of Your Excellency's country between Shanghai and Hankow. In this note and in Your Excellency's note no. 1076 of October 6, 1938, it was pointed out that notwithstanding the fact that the navigation of American and other third countries' vessels and the shipping of their goods were excluded, Japanese vessels only were engaged in commercial traffic. In this relation I desire to invite Your Excellency's attention to the fact that all Japanese ships which are at the present time allowed to navigate the Yangtze River are engaged in the transportation of military supplies and are vessels in the Government service, the navigation of Japanese vessels engaged solely in the transportation of passengers and cargo being prohibited. Further, among these vessels used for military purposes there are those which must because of military necessity maintain a definite schedule between Shanghai and the upper reaches of the river, and it is impracticable to complete a full cargo on every voyage with military supplies. Since it would be uneconomical in such instances to operate the vessel in a partially empty condition, the practice is followed when such ships have loaded the military supplies and there is still space in the hold, to utilize such available space to ship goods which are not military supplies. However, these instances are exceedingly few and are of an exceptional character. Accordingly, I request Your Excellency to understand that the Imperial Government is not at all deliberately discriminating against vessels of third countries.

Secondly, Your Excellency concludes that since there are no major hostilities on the reaches of the river below Hankow there is no war-

rantable basis whatsoever for restricting the free use of that river. I regret that I must state that the Imperial Government holds a contrary view. For example, the barrier at Kiang-Yin is now and continues to be not open to an extent beyond that necessary for military purposes, and therefore it is barely adequate for navigation by Japanese gunboats and vessels used for military purposes. Furthermore, on the upper reaches of the river above Hankow the Imperial armed forces are engaged in continuing military activities on a large scale and the necessity for the utilization of the Yangtze river is greater than ever. Accordingly, that part of the river above Shanghai is even today a vitally important line of communications for the supply of munitions and other supplies, foodstuffs, etc. In this situation navigation on this very important line of communications by foreign vessels which are not subject to the direction of the appropriate authorities of the Imperial armed forces would be a very severe obstacle to military movements, and also from the standpoint of the preservation of Japanese military secrets it is very difficult forthwith to assent to that proposition. Furthermore, the actual conditions even now are that along the banks of the Yangtze river Chinese guerrillas, appearing and disappearing, are not only frequently attacking Japanese gunboats, but also, evading the precautionary measures of the Japanese army, are setting afloat large numbers of mines. Although the Imperial armed forces are at the present time exerting every effort to deal with and dispose of these floating mines along with mines set by the Chinese armed forces, a further reasonable length of time is necessary to complete these mine sweeping operations and to lay down necessary channel markers. These mines occasionally float down to the lower reaches of the river and under the present conditions navigation by vessels at large is exceedingly dangerous. The conditions are such that, very recently, one Japanese vessel used for military purposes was sunk. In the event vessels of Your Excellency's country should meet with such a disaster and immediately obstruct the channel, the very necessary line of communications of the Imperial armed forces would be blocked. In view of the various conditions which have been stated above the Imperial Government does not consider that the time has yet been reached at which recognition of freedom of navigation on the Yangtze river can be immediately given.

I earnestly hope that Your Excellency will appreciate the fact that the Imperial Government does not in the least intend to hinder wilfully the navigation and commerce of Your Excellency's country on the Yangtze river, and that it is now engaged in particular efforts in order to bring about at the earliest possible moment a return of normal conditions.

I avail myself [etc.]

HACHIRO ARITA

693.001/428

The Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew)[Translation ²⁸]

No. 102, American I

[Tokyo,] November 18, 1938.

EXCELLENCY: I have the honor to inform Your Excellency that I have carefully perused the contents of Your Excellency's note no. 1076, dated October 6th, addressed to the then Minister for Foreign Affairs Prince Konoye, concerning the rights and interests of the United States in China.

In this note, Your Excellency sets forth, on the basis of information in the possession of the Government of the United States, various instances in which Japanese authorities are subjecting American citizens in China to discriminatory treatment and are violating the rights and interests of the United States.

The views held by the Japanese Government with regard to these instances may be stated as follows:

1. According to the information in the possession of the Imperial Government, the circumstances which led to the adoption of such measures as those at present enforced in Tsingtao concerning export exchange, and the present situation being as set forth below, it is believed that those measures cannot be construed as constituting any discrimination against American citizens.

A short time ago the Federal Reserve Bank of China was established in North China. This bank's notes, with foreign exchange value fixed at one shilling and two pence to one yuan, already have been issued to an amount of more than one hundred million yuan, and are being widely circulated. These bank notes being the legal currency required by the Provisional Government, the maintenance of their value and their smooth circulation is regarded as an indispensable basis for the conduct and development of economic activities in North China. Since the Japanese Government has, therefore, taken a co-operative attitude, all Japanese subjects are using those notes, and accordingly, even in their export trade are exchanging them at the rate of one shilling and two pence. On the other hand, the former legal currency still circulating in these areas has depreciated in exchange value to about eight pence per yuan. Consequently those who are engaged in export trade and are using this currency, are enjoying improper and excessive profits, as compared with those who are using Federal Reserve notes and carrying on legitimate transactions at the legally established rate of exchange. Japanese subjects and others

²⁸ Translation as prepared by the American Embassy in Japan; it contains corrections and additions to the translation furnished by the Japanese Foreign Office. For the translation furnished by the Japanese Foreign Office, see Department of State, *Press Releases*, November 19, 1938 (vol. xix, No. 477), p. 350.

who are using Federal Reserve notes have been suffering unreasonable and excessive losses as compared with those persons who use exclusively the former legal currency although residing and carrying on their businesses in the areas under the jurisdiction of the Provisional Government of North China. Furthermore, the existence of the above mentioned disparity between the foreign exchange value of the Federal Reserve notes and that of the former legal currency, which currency the Federal Reserve Bank has been and is exchanging at a rate almost on a par with its own notes, is bound to exert an unfavourable effect upon the exchange value of the Federal Reserve notes, and eventually also upon the exchange value of the Japanese yen. The Japanese Government therefore can not remain indifferent to such a situation.

In order to place the users of the former legal currency who have been obtaining improper and excessive profits on an equal footing with those using the Federal Reserve notes and at the same time to assist in the maintenance of the exchange value of the Federal Reserve Bank notes, represents an objective of those export exchange measures adopted at Tsingtao. Inasmuch as the application of the measures makes no differentiation according to nationality they are not at all discriminatory. As a matter of fact, it is through these measures that those users of the Federal Reserve notes who had in a sense been discriminated against have been placed on an equal footing with the others, and thus, for the first time on equal footing, are enabled to compete on an entirely equitable basis.

2. Some time ago the new regimes in North and Central China revised the Customs tariff rates seeking to secure a rational modification of the former tariff rates enforced by the Nationalist Government, because those rates were unduly high and not suitable for the promotion of the economic recovery and general welfare of the Chinese people. In any case, the schedule adopted is the one that was readily approved by the Powers in 1931, and was not calculated to inure to the benefit of any particular country. Accordingly no complaint has been heard from foreign residents of any nationality in China. The Japanese Government is, of course, in favour of the purpose of this revision, and believes that it will serve to promote effectively the trade of all countries with China.

3. As for the organization of certain promotion companies in China, the restoration and development of China's economic, financial and industrial activities following the present incident is a matter of the most urgent necessity for the welfare of the Chinese people. Moreover, the Japanese Government, for the sake of the realization of a new order in East Asia, is exceedingly anxious for the prompt inauguration and progress of undertakings looking toward such restoration and development, and is devoting every constructive effort to

realize this objective. The fact that the North China Development Company and the Central China Promotion Company were established represents nothing other than an offer to China of the necessary assistance for this restoration, and at the same time, an attempt to contribute to the development of the natural resources of China. It does not in any way impair the rights and interests of nationals of Your Excellency's country or in any way discriminate against their enterprises. The Japanese Government therefore, of course, has no intention of opposing, but rather welcomes heartily, the participation of third Powers which intend to cooperate on the basis of the new conditions.

The telecommunication companies in North and Central China, the inland navigation steamship company at Shanghai and the wharfage company at Tsingtao have also been established to meet the imperative need of an early restoration of communications, transportation, and harbor facilities which were destroyed as a result of the incident. It is proper that the telecommunications enterprise, not only because of its nature as a public utility but also in view of its relation to the maintenance of peace and order and to national defense, should be undertaken by special companies. However, all other enterprises being ordinary Chinese or Japanese juridical persons, do not have the objectives of discrimination against Your Excellency's country or third powers or of the gaining of monopolistic profits. As regards the wool trade, while the control of purchasing agencies was enforced in the Mongolian region, it now has been discontinued. There is at present no plan of any sort for the establishment of a tobacco monopoly.

4. Concerning the return of American citizens to the occupied areas, in North China there is no restriction on their returning, except in special cases where the personal safety of those who return would be endangered. Your Excellency is aware that in the Yangtze Valley large numbers of Americans have already returned. The fact that permission to return has not yet been made general is, as has been repeatedly communicated to Your Excellency, owing to considerations of the danger involved on account of order not yet being restored, or because of the impossibility of admitting nationals of third Powers on account of strategic necessities such as the preservation of military secrets. Further, the various restrictions enforced in the occupied areas concerning the residence, travel, enterprise and trade of American citizens, constitute the minimum regulations possible consistent with military necessities and the local conditions of peace and order. It is the intention of the Japanese Government to restore normal conditions as soon as circumstances permit.

5. The Japanese Government is surprised at the allegation that there exists a fundamental difference between the treatment accorded to Japanese in America and the treatment accorded to Americans in Japan. While it is true that in this period of emergency, Americans residing in this country are subject to various economic restrictions, these restrictions are, needless to say, imposed not upon Americans alone but also equally upon all foreigners as well as upon Japanese subjects. A statement of the views of the Japanese Government concerning the opinion as set forth in Your Excellency's note, regarding the treatment of Japanese subjects in American territory, is reserved for another occasion.

While the Japanese Government with the intention of fully respecting American rights and interests in China, as has been frequently stated above, has been making every effort in that direction, in view of the fact that military operations on a scale unprecedented in our history are now being carried out in East Asia, I am of the opinion that the Government of Your Excellency's country also should recognize the fact that occasionally obstacles arise hindering the effecting of the intention of respecting the rights and interests of Your Excellency's country.

At present Japan, devoting its entire energy to the establishment of a new order based on genuine international justice throughout East Asia, is making rapid strides toward the attainment of this objective. The successful accomplishment of this purpose is not only indispensable to the existence of Japan, but also constitutes the very foundation of the enduring peace and stability of East Asia.

It is the firm conviction of the Japanese Government that now, at a time of the continuing development of new conditions in East Asia, an attempt to apply to present and future conditions without any changes concepts and principles which were applicable to conditions prevailing before the present incident does not in any way contribute to the solution of immediate issues and further does not in the least promote the firm establishment of enduring peace in East Asia.

The Imperial Government, however, does not have any intention of objecting to the participation in the great work of the reconstruction of East Asia by Your Excellency's country or by other Powers, in all fields of trade and industry, when such participation is undertaken with an understanding of the purport of the above stated remarks; and further, I believe that the regimes now being formed in China are also prepared to welcome such participation.

I avail myself [etc.]

HACHIRO ARITA

693.001/428

Memorandum by the Counselor of Embassy in Japan (Dooman)

[Tokyo,] November 19, 1938.

At a luncheon on November 16 at the official residence of the Minister for Foreign Affairs, I congratulated Mr. Arita on his recent appointment and expressed pleasure that an old friend was again occupying a position of honor and responsibility. Mr. Arita said that he was glad to see me again and that he hoped that he could have an opportunity to discuss with me certain matters which he subsequently would take up with the Ambassador. Later during the luncheon, he suggested that I call on him today at two o'clock. The Ambassador having approved the arrangement, I called this afternoon on Mr. Arita at the appointed time at his official residence.

After an exchange of amenities, Mr. Arita asked me at the outset how the Ambassador had reacted to the note which was handed to me last evening at the Foreign Office. I replied that the Ambassador had examined the note with the best of good will but that he was unable to find in it any statement which was substantially responsive to the desires of the American Government. Mr. Arita said, "Well I suppose not."

Mr. Arita remarked that we were meeting, of course, informally and as old friends, and that he felt that he could express himself freely to me not only because he could use the medium of his own language, but he need not be unduly reserved.

There were two important features which inhered in the present position of Japan which, Mr. Arita thought, it was extremely important that the United States and other interested countries should understand. He wondered whether the principle of the open door and equality of opportunity was being applied by international agreement in any part of the world other than China. I here interjected the remark that it was, but Mr. Arita asked me to allow him an opportunity to express his thoughts uninterruptedly. He admitted that here and there, notably in the Congo Basin, the principle of the open door had been established by international agreement, but China, by reasons of its political status, its territorial extent, and its population, was an exception. He then went into an extended account of the origin and development of the application of the principle of the open door to China. He dwelt on the fact that toward the end of the last century the tendency was becoming more clearly defined for certain of the European powers to establish spheres of influence in China and otherwise to endeavor to set up privileged economic and perhaps political positions in China; and he referred to the fact that Japan at that time was a weak country and was incapable of itself setting

up any sphere of influence in China, and that Japan had associated itself with the United States in efforts to have that principle accepted as a rule of conduct in China. He, however, emphasized that the principle of the open door was at first applied only to matters of relatively small importance, such as equality of treatment with regard to transportation, customs duties, and so on. It became apparent after the Washington treaty was concluded that the motive of most of the powers in supporting the principle of the open door was to exploit China largely as they had been exploiting Africa.

He then proceeded to his next point. The United States and the British Empire, he said, were important and large territorial, political, and economic entities. They possessed great wealth, they were rich in all the important primary commodities, and there existed in each a rich domestic market. They were, for all practical purposes, largely self-contained, to say nothing of having the resources of wealth and man power necessary to maintain effective systems of national defense. They could look with almost complete indifference on any attempt on the part of other powers to impose on them economic sanctions. Japan was, however, in an entirely different position. Although Japan had a fairly large population, its area is limited and it possesses few resources. The League of Nations some time ago, invoking Article 16 of the Covenant, had attempted to impose economic sanctions on Italy, which attempt was not successful, and it was his opinion that Japan need no longer be apprehensive of similar action being undertaken by the League against Japan. There were, however, outside of the League of Nations as well as within, several powerful nations whose peoples were predisposed to discuss the possibility of economic sanctions being imposed on Japan. Fortunately, no definite project along those lines has so far been formally brought forward, but the possibility that some serious and concerted effort along these lines might be made was a matter of concern to Japan. Mr. Arita went on to say that there are two ways by which one nation or a group of nations might force another nation to its knees. The first method was obviously the military, by which he meant warships, soldiers, munitions, and so on. The great powers were all supplied with military and naval establishments, and even the smaller nations were equipped with armies and navies consonant with their financial resources. Japan, like other nations, was maintaining military and naval forces adequate for national defense needs. However, there was another method by which pressure could be exerted on Japan, and that was by withholding from her foreign markets and raw materials necessary for her existence. Her army and navy would be useless against pressure applied in that form. It had, therefore, become necessary for Japan to place herself in a position to resist that method of applying pressure, and she was now in process of

putting herself in that position by acquiring certain access to necessary raw materials.

The word "bloc" was being frequently used in connection with the economic cooperation between Japan, China, and "Manchukuo", which is now under contemplation. He himself deplored the use of the word "bloc" as it was one which was capable of causing serious misunderstanding; and if he used the word in his conversation with me he did so only for the purposes of convenience and to describe a certain economic and commercial interrelation which would be evolved between the three countries. What is contemplated is to provide Japan with a market analogous to that which the United States and the British Empire each has internal to itself—a market which is one of the important factors in making that nation safe against pressure applied by other nations in the form of sanctions. He emphasized again that the economic linking together of the three countries would not be in any way comparable to the political linking up of the various elements within the British Empire. He could say definitely that Japan has no intention whatever of assimilating politically any part of China or of "Manchukuo", and he saw no inconsistency between that statement and the settled policy of economically linking together the three countries in order to provide for their common security. Such an arrangement would not necessarily be exclusive of American and other foreign enterprise and capital. What the Japanese Government has in mind is that the new bloc, while providing Japan a market and a source for raw materials, will offer other countries an opportunity for trade and for investments, just as the various parts of the United States or of the British Empire, while offering a large domestic market, trade with other parts of the world and offer opportunities for investment of foreign capital.

Mr. Arita went on to say that there prevails a widespread feeling that the Japanese Government has now adopted a new policy—one of closing the open door in China. There had, in fact, been no change in policy. His several predecessors had on several occasions given assurances to the American, British, and other representatives in Tokyo that Japan would respect the principle of the open door. As a matter of fact, those assurances were not intended to be unconditional, for the reason that the time had passed when Japan could give an unqualified undertaking to respect the open door in China. He was not implying that his predecessors had given the assurances in bad faith: on the contrary, he felt certain that they were acting in the best of faith, but what they were attempting to do was to reconcile the principle of the open door with Japan's actual needs and objectives, and that could not be done. As he had previously explained, those objectives are to provide Japan with a market secure against any possible threat of economic sanctions and to acquire safe sources of neces-

sary raw materials; but within those limits Japan was prepared to guarantee equality of opportunity. There would be given full consideration to those enterprises conducted by foreigners other than Japanese which would in no way conflict with or obstruct the carrying out of these primary objectives, and with respect to those enterprises, whether industrial, commercial, or financial, the Japanese Government was fully prepared to give unqualified guarantees. But with regard to other undertakings which overlapped the Japanese economic defense plans, it was no longer possible for Japan to extend any such guarantee. When he came into office, he decided that it would be mischievous as well as useless to attempt to reconcile the principle of the open door, as understood in the United States and elsewhere abroad, with the new situation which Japan was endeavoring to bring about. He therefore declined to repeat those assurances in the note which was yesterday sent to the American Government.

From that point Mr. Arita passed on to the Japanese note. Our note of October 6 had definitely raised the principle of the open door and equality of opportunity, and our Government would no doubt be surprised that the Japanese note did not address itself at length and more definitely to the issues raised by the American Government. The only position which he could have taken in any official note intended for publication would, in the light of the present state of public opinion in Japan, merely have opened up a dispute over principles which he was most anxious to avoid. There were, on the other hand, a number of things which he would like to have said in the note but which he could not. It was for these reasons that he looked forward to an opportunity to communicating privately to the Ambassador certain views which would enable the American Government to understand Japan's position.

He realized that there were extended historical and even sentimental associations in the United States with regard to that principle, for the establishment of which Mr. Hay deserved great credit; but it was his feeling that if the Japanese Government had entered into a discussion on the question of principle the possibility of making progress towards some final understanding would have to be abandoned. It was his sincere belief that, with the conversation which he would have on Monday with Mr. Grew, which he hoped would be followed by many others, it would be possible for the two Governments to acquaint each with the problems of the other and thus open the road for a solution on some practical basis by arriving at a new definition of the open door which would be mutually acceptable. He said that on the previous occasion when he was Minister for Foreign Affairs, which was about two years ago the relations between the United States and Japan had on the whole been satisfactory, and he had taken occasion in his annual address

to the Diet to express appreciation of the attitude of fairness which was being shown by the American people toward Japan. Since the outbreak of the present conflict with China, the Japanese people had consistently been appreciative of the openminded attitude of the American Government, and, although he was sorry to say that anger against and disapproval of Japan were universal in the United States, nevertheless the Japanese people still entertained good will toward the United States; but he was confident that by quiet discussion between the two governments and by refraining from engaging in disputes through exchanges of official notes which are later made public, substantial progress could be made toward an eventual satisfactory solution of the present difficulty.

The foregoing is a summary of the statements which Mr. Arita made without interruption over a period of about one hour. When he concluded, I said that there was very little I could say to him either, officially or unofficially. There was one thing I could say which it might perhaps be difficult for the Ambassador to say to him at their forthcoming interview, and it was this: The American Government has been showing, as Mr. Arita would readily recognize, extraordinary restraint in the face of the constant and widespread violations of the rights of American citizens in China. It was a striking commentary on that restraint when the American Government waited fifteen months to bring the question of the principle of the open door to a head. During that time, the instances of wilful and sinister attempts to injure American interests were innumerable—I thought they might well amount into the hundreds. Some of these cases had occurred, it is true, as a result of Japanese military operations, but I felt on safe ground in saying that the majority of these cases might well have been avoided if the Japanese military commanders in China and their civilian advisers, among the latter of which there appeared to be a large proportion of unscrupulous persons, had even an elementary sense of respect for the rights of others.

Mr. Arita said that he did not wish to be understood as contradicting my statement that cases of the sort I described had occurred, but he wondered whether we had taken into full account the conditions which attend large scale military operations. I replied that I had taken that fact into full account, and I recited several cases of interference with American rights which had recently occurred in Shanghai, which I pointed out was now several hundred miles away from any important theatre of hostilities.

After some further discussion on the point mentioned in the previous paragraph, Mr. Arita said that he was looking forward very keenly to his conversation with Mr. Grew on Monday, and that he hoped that I would report to Mr. Grew all that he (Mr. Arita) had said to me. He thought it unlikely that he would go over all the same ground

again with Mr. Grew but he thought it would be useful to Mr. Grew to know the fundamental position of the Japanese Government.

I expressed to Mr. Arita my thanks for his courtesy in receiving me, and I said that I would go at once to see Mr. Grew and report the terms of the conversation.

E[UGENE] H. D[OOMAN]

693.001/428

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] November 21, 1938.

In a long conversation this afternoon with the Minister for Foreign Affairs I began by stating that I was fully familiar with his informal remarks to Mr. Dooman on Saturday, November 19, and that we could therefore start from that premise. I then said that as the Minister at that time had set forth certain elements of the Japanese point of view regarding China I would now like to bring out various elements of the American point of view, at the same time making it clear that I was not now attempting to answer the Japanese note of November 18 which my Government would need time to study carefully and in detail and on which I expected to receive my Government's comments in due course thereafter.

I then talked for the better part of an hour without interruption by the Minister concerning the principles of policy and the broad objectives of the United States in the Far East, bringing out orally the substance of the final paragraph of the Department's 389, November 17, 1 p. m. and the entire substance of the Department's 393, November 20, 1 p. m.²⁹ as well as various points embodied in former instructions.

In the course of this presentation I said I felt sure that the Minister would agree with me that the historical record shows clearly that the United States has never attempted to "exploit" China or to acquire any sphere of influence whatever in that country. Our desire always has been and is today to avoid spheres of influence and exploitation. Our interpretation of the Open Door is totally contrary to those principles. With these remarks the Minister expressed agreement.

I then turned from questions of principle to matters of fact, pointing out that the Minister had asked for patience but that for our part the patience of the American people is not inexhaustible and that my Government must listen to public opinion in the United States. I said that there could be no doubt that owing to Japan's policies and actions in China there was good reason why the Minister and I should be disturbed with regard to the developing situation in Japanese-American relations and that I for my part was more disturbed than I had been

²⁹ Neither printed.

for a long time. I felt that it was of the utmost importance in stemming this tide that the Japanese Government should forthwith take some of the more obvious steps to show the American Government and people that there is no truth in the repeated allegations reaching us from various Japanese sources that all foreign interests are to be gradually turned out of China.

I said that one obvious step of prime importance would be the immediate cessation of the bombings of and other interference with American mission and other American property in areas far removed from military or naval operations; that such unwarrantable acts are taking place constantly, the reports of which are daily pouring into our Embassy; and that the plea that these outrages are accidental is obviously untenable in view of the volume and constancy of these depredations which recently have involved not only the loss of American property but the loss of American life and the desecration of our flag.

I also brought out an oral rejoinder to the Japanese note of November 14 concerning navigation on the Yangtze River as envisaged in our 742, November 19, 1 p. m., paragraph numbered one.³⁰

I furthermore again asked for an interpretation of Prince Konoye's observation in his broadcast of November 3³¹ that Japan will cooperate with foreign nations so long as they understand the true intention of Japan and adopt policies suitable for the new conditions. I said I would be glad to learn how this proposed cooperation is expected to work out in actual practice. For instance, Americans have continually been told in recent months by Japanese nationals in China that American trade with China will be tolerated only if American interests deal through Japanese middlemen. Does the Minister envisage such "co-operation" in that light? This practice is progressively being put into effect in China today.

The Minister, at the termination of my oral presentation, expressed his appreciation of my frankness. He agreed with me that complete frankness between us was most desirable even if unpalatable truths had to be expressed. With regard to the allegation that Americans would in future be expected to deal only through Japanese middlemen he authorized me to give the Secretary a categorical denial. He said that Japan desired and intended to assure for herself certain raw materials for the reasons stated to Mr. Dooman but that there would be a very large and probably increasing field for American trade and other enterprise which would be welcomed. He then went to his desk and brought and translated as a practical illustration a document indicating in round figures that the exports from Manchuria to the United States had risen from nine million yen in 1931 to fifteen million in the first nine months of 1937 and exports from

³⁰ Not printed.

³¹ *Ante*, p. 478.

the United States to Manchuria had risen from nineteen million yen in 1931 to forty-two million in the first nine months of 1937.

I once again appealed for immediate measures to meet our desiderata, again emphasizing their great importance in meeting American public opinion, and the formal part of our conversation there terminated.

I left with the Minister an informal record of my representations marked "oral"³² and said that this was in no respect a diplomatic document but merely to help him in accurately recording what I had said.

The Minister expressed appreciation of this procedure and said that he himself would follow it in his future talks with me. We agreed that it would be mutually helpful to meet often.

693.001/428

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita), November 21, 1938

I wish to say at the outset that I am very glad that Your Excellency was good enough to receive Mr. Dooman on Saturday and to explain at least part of Japan's point of view regarding the new situation created in China. I have been apprised of everything that Your Excellency said to Mr. Dooman, so, if Your Excellency wishes, we may proceed on the assumption that I am familiar with that conversation.

I was very glad to note Your Excellency's wish expressed to Mr. Dooman to have several future conversations with me with a view to smoothing out so far as possible the present discrepancies between the points of view of our respective Governments and I shall do my very best correctly to interpret to my Government Japan's point of view as it may be set forth to me from time to time.

On the other hand Your Excellency will realize that I must as clearly as possible set forth the point of view of my own Government because future adjustments cannot take place unless we understand each other with complete clarity.

I believe that our conversation today will be purely exploratory and I wish to make clear to Your Excellency the fact that I am not at this time attempting any reply to the Japanese note of November 18, because my Government will need time to study it carefully and in detail and I shall expect to receive my Government's observations in due course thereafter.

There are a few points however which I would like to bring up at once.

³² *Infra*.

Your Excellency has discussed the question of the "exploitation" of China and spheres of influence therein. I think Your Excellency will agree with me that the historical record shows clearly that the United States of America has never attempted to "exploit" China or to acquire any "sphere of influence" whatever in that country. Our desire always has been and is today to avoid spheres of influence and exploitation by or in any one country.

Our interpretation of the Open Door is totally contrary to those principles. The principle of equality of commercial opportunity has been a fundamental principle of the foreign policy of the United States ever since our country came into existence. The treaties relating to the Far East to which the United States is a party and in which provisions relating to that principle appear were in all instances concluded with a view to decreasing and avoiding frictions which had developed in or which might develop in international contacts in that area.

We feel that respect for an observance of those principles and provisions will make for peace and general prosperity whereas contrary courses would inevitably make for friction and consequences injurious to all countries including those which pursue such courses. The American Government and people believe with conviction that those principles and provisions are in the interests of all concerned.

My Government is anxious to take steps to arrest the present trend toward international anarchy and to contribute toward an improvement of international relations and restoration of international order. The adjustment of problems in international relations by peaceful negotiation and agreement and the faithful observance of international agreements are advocated by my Government.

My Government has pursued a trade policy whose object is to induce the removal and reduction of restrictions upon the exchange of goods in international trade in the belief that living standards would be raised and enriched and more harmonious relations promoted among nations as a result of a normal expansion of foreign commerce.

The principle of equality of commercial opportunity has always been the belief and guiding principle of the people and the Government of the United States, and American opinion believes it to be incompatible with the establishment and maintenance of American and world prosperity that any country should endeavor to establish a preferred position for itself in another country.

My Government also feels that no one Government can properly expect throughout an extensive and important area of the world to make its wishes and its will conclusive and exclusive, and that whatever may be the motives, the attempt on the part of any Government to do that will inevitably result in injuries to its own country and itself and to other countries.

In my last talk with Your Excellency I asked for an interpretation of Prince Konoye's observation on November 3 that Japan will *cooperate* with foreign nations so long as they understand the true intention of Japan and adopt policies suitable for the new conditions.

I would be very glad to learn how this proposed cooperation is expected to work out in actual practice. For instance, Americans have constantly been told in recent months by Japanese nationals in China that American trade with China will be tolerated only if American interests deal through Japanese middle men. Does Your Excellency envisage such "cooperation" in that light? This practice is progressively being put into effect in China today.

Your Excellency has asked for patience on the part of the American Government but it is obviously my duty to point out that whatever the attitude of the American Government the patience of the American people is not inexhaustible and my Government is obliged to listen to public opinion in the United States.

There can be no doubt that owing to Japan's actions and policies in China there is good reason why both Your Excellency and I should be disturbed with regard to the developing situation in Japanese-American relations. For my part I am more disturbed at present than I have been for a long time and it seems to me that whatever may result from our future conversations and negotiations Japan should now without further delay proceed to take the obvious steps to prevent those relations from steadily deteriorating.

One of the first steps would be to open up the lower stretches of the Yangtze River to American shipping and commerce. We know as a fact that quite apart from provisioning the Japanese forces Japanese trade is proceeding both up and down the river at the present time in regular and openly advertised commerce, so that we are totally unable to accept the reasons advanced by the Japanese Government for preventing such American trade.

My Government takes note of the recent assurance that the Japanese Government has no intention whatever to hinder wilfully navigation and commerce on the Yangtze River and that the Japanese Government is now engaged in particular efforts in order to bring about at the earliest possible moment a return of normal conditions; but at the same time the American Government is of opinion that with every day's delay in rectifying the present state of affairs the seriousness of this discrimination against foreign rights and interests is intensified.

Another obvious step of prime importance on the part of the Japanese authorities would be forthwith to cease the bombings of and other interference with American mission and other property in areas far removed from military or naval operations. Such unwarrantable acts are taking place constantly, the reports of which

are daily pouring into our Embassy. The plea that these outrages are accidental is obviously untenable in view of the volume and constancy of these depredations which recently have involved not only the loss of American property but the loss of American life and the desecration of our flag.

Other points brought forth in our note and in the Japanese reply of November 18 I shall reserve for future discussion.

611.9431/164

Memorandum by the Assistant Chief of the Division of Far Eastern Affairs (Ballantine) of a Conversation Between the Assistant Secretary of State (Sayre) and Mr. Shoji Arakawa of the Japanese Financial Commission Abroad

[WASHINGTON,] December 1, 1938.

Mr. Arakawa after making a few introductory observations in regard to his work introduced the topic of the Anglo-American trade agreement.^{32a}

Mr. Sayre said that the agreement was one to which our Government attached a great deal of importance as being in line with our general policy, which is to lower trade barriers and thus bring about a freer flow of goods. He expressed his conviction that this policy will contribute effectively to the promotion of world prosperity and world peace.

Mr. Arakawa said that there were many people in Japan who felt that the interest of Japan lay in increasing trade, as Japan is an insular country and needs access to foreign sources of raw material and foreign markets for her products. He noted, however, that as a result of the conclusion by Japan of the Anti-Comintern Pact with Germany and Italy^{32b} many people in Japan had been influenced in the direction of the German idea of bilateral balancing of trade.

Mr. Sayre affirmed our belief in the principle of triangular trade and felt that it was to Japan's interest also to favor such a principle rather than that of bilateral balancing.

Mr. Arakawa expressed assent to this view and asked what the prospects were for the conclusion of a reciprocal trade agreement between Japan and the United States.

Mr. Sayre observed that the most important items in Japanese-American trade were the exports of cotton from the United States to Japan and the exports of raw silk from Japan to the United States. These articles were on the free list and only about ten percent of the

^{32a} Signed at Washington, November 17, 1938; Department of State Executive Agreement Series No. 164.

^{32b} Vol. II, p. 159.

trade each way consisted of competitive goods. He said that he had discussed this subject a number of times with Ambassador Saito and that both had come to the conclusion that the ordinary type of trade agreement did not fit the needs of Japanese-American trade but that there should be arrangements which would prevent any dislocation of the markets by any sudden large influx of goods in competitive lines. Five years ago many questions arose between Mr. Saito and Mr. Sayre in connection with the trade between the two countries but fortunately adjustments were made so that during the last two years there has been little need for further discussion of vexatious trade problems between the Ambassador and himself. Mr. Sayre went on to say, however, that even though a trade agreement might be proposed such an agreement at this time was not politically feasible in view of the developments of Japanese policy in China. Mr. Sayre referred to the American note to the Japanese Government of October 6 and said that the conditions which were described in that note were a matter of serious concern to the American Government and people. He said also that the reply which the Japanese Government sent to that note was unsatisfactory and was not responsive to our grievances.

Mr. Arakawa cited the case of a London merchant who he said had told Arakawa that his firm was now able to do normal business in Tientsin and Mr. Arakawa asked Mr. Sayre if he would state more definitely the grounds on which he felt dissatisfied.

Mr. Sayre mentioned as an example Japanese restrictions upon the freedom of navigation on the Yangtze which was being taken advantage of to allow Japanese goods to be transported while goods of American and other nationals were prevented from being shipped along the river. He said that complaints are being received constantly from many quarters concerning the hampering of the activities of American businessmen and concerning the advantages being afforded to Japanese business.

Mr. Arakawa said that Japanese are now engaged in the most serious military conflict in which they have ever taken part, that they are determined to crush the government of Chiang Kai-shek,^{32c} and that during the period of hostilities various restrictions upon trade incidental to the conduct of the hostilities have been made necessary. He felt sure that it was the intention of the Japanese Government to permit trade of all countries to be carried on without discrimination and on an equal footing. He said that Ambassador Horinouchi will soon arrive in Washington and will be able to clear away any misunderstandings that the American Government might have in regard to Japanese intentions.

^{32c} Chinese Generalissimo; premier, December 1935 to January 1, 1938, and again November 1939 -.

Mr. Sayre emphasized that what was needed was not any explanation of Japanese intentions but action on the part of the Japanese Government to do away with the causes of our complaints. He reiterated that our complaints were not based upon isolated instances but upon cumulative evidence of widespread practices which have been made the subject of continuing complaints by our businessmen and demands that something be done. Mr. Sayre said that he took a rather serious view of this situation but he could not say what further action we would take in regard to these matters. He thought that it would be a short-sighted policy on the part of Japan to disregard our rights in China or discriminate against our trade, as such a policy would be bound to shut off the possibility of future assistance to Japan, which Japan would very much need for rehabilitation after the termination of hostilities. In conclusion, he said that this Government is of course taking up these matters with the Japanese Government through regular channels and that he had only wished to give Mr. Arakawa in a personal way a frank indication of how he felt. He expressed his conviction that Mr. Arakawa would not have wished that he be otherwise than completely frank in regard to this subject.

Mr. Arakawa thanked Mr. Sayre for having given him the benefit of his candid views which he considered essential to a good understanding and the interview there terminated.

693.001/474

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] December 8, 1938.

At the request of the Minister for Foreign Affairs I called on him this morning. The Minister said that with the thought in mind that it would be helpful for us to have frequent conversations he desired to reply to some of the representations which I had made to him in our conversation of November 21. He said that following my own procedure and in view of the somewhat complicated nature of the subject under reference he had set down his oral comments in an unofficial paper which he thereupon read aloud and handed to me. (Appendix one).³³

The Minister then said that he proposed to see the British Ambassador this afternoon and to reply to the British memorandum wherein Sir Robert Craigie had aimed to refute the suggestion that the British Empire could be regarded as an economic bloc in which Japan suffered trade discrimination. The Minister then read aloud to me his reply to the British Ambassador and sent me a copy of the document after his

³³ *Infra.*

conversation with Sir Robert Craigie this afternoon. (Appendix two.)³⁴

In subsequent conversation I said that I would refer the Minister's observations to my Government whose position with regard to the general issues under reference had already been made perfectly clear and that this position had not changed.

The Foreign Minister made the statement "off the record" that one could hardly expect an improvement in the general situation until General Chiang Kai-shek had been completely eliminated. He made mention with great bitterness of the alleged support by Great Britain of the Generalissimo. He went on to say that the nature of the recent public comments in Parliament had rendered the British situation in East Asia much more difficult, the implication being that the military people here had been angered by this publicity. He made a favorable comment on the absence in the United States recently of official publicity.

I found, as regards atmosphere, a stiffer attitude and phraseology on the part of the Minister who seemed more determined than in our last conversation. The Minister did not hesitate in talking today, although in general terms, about what we would be permitted to do or not to do in China. In conclusion he observed that much more could be accomplished by frequent conversations than by writing notes.

J[OSEPH] C. G[REW]

693.001/474

Memorandum Handed by the Japanese Minister for Foreign Affairs (Arita) to the American Ambassador in Japan (Grew) on December 8, 1938

1. Your Excellency stated in part the other day:

"The treaties relating to the Far East to which the United States is a party and in which provisions relating to that principle appear were in all instances concluded with a view to decreasing and avoiding frictions which had developed in or which might develop in international contacts in that area. We feel that respect for an observance of those principles and provisions will make for peace and general prosperity whereas contrary courses would inevitably make for friction and consequences injurious to all countries . . ." ³⁵

Granting that these treaties, in the days when they were made, were calculated to prevent international friction, would the literal application of the same treaties to the altered conditions of the world today and to the new situation now developing in East Asia really make, as Your Excellency states, for peace and general prosperity? I do not believe so.

³⁴ Not printed.

³⁵ Omission indicated in the original memorandum.

2. Equality of commercial opportunity is what Japan has been advocating all these years, though, unfortunately, things have not turned the way she wanted, and Japanese merchandise of good quality and low price is subjected to discriminatory treatment almost everywhere abroad. Japan, however, even now shares in principle the views of the United States that commercial equal opportunity is conducive to world prosperity and desires to uphold that principle among all nations.

However, what I wish to point out in this connection is the existence, in a great country like the British Empire, of a special system of preference between the mother state and the colonies and possessions or among the colonies and possessions themselves. Your Excellency says that the establishment by any country of a preferred position for itself in another country is incompatible with American and world prosperity. What does Your Excellency think of the above mentioned relationships between Great Britain and the British dominions and colonies or among the British dominions and colonies themselves? Is it the opinion of Your Excellency that the case of the British Empire, which forms a single political unit, is different, and that Japan, Manchoukuo and China, not being one politically, cannot be permitted to establish among themselves mutual economic relationships such as exist within the British Empire?

3. In view of the fact that there exist in the world today such vast economic units as Great Britain, Soviet Russia and the United States of America on the one hand and such a small economic unit as Japan on the other, it is our firm conviction that little contribution can be made towards bringing about world peace.

Laying aside the question of whether it is right or wrong to call the economic relationship of mutual co-operation between Japan, Manchoukuo and China as an "economic bloc", this special relationship is based on the above conviction. Indeed, it is our belief that this is the means whereby world peace can be achieved, and not, by any means, one that is in conflict with the idea of world prosperity. The misgivings prevailing abroad concerning the establishment of economic co-operation between Japan, Manchoukuo and China is based on the misunderstanding that Japan may eventually obtain an economic monopoly of China. In this connection the information received by Your Excellency to the effect that "American trade with China will be tolerated only if American interests deal through Japanese middle-men" is entirely groundless.

The purpose of closer economic relations between Japan, Manchoukuo and China is, in the field of business, to assure the supply of necessary products which are essential to the up-keep of our

national existence. In order to achieve this end it might become necessary to grant to certain industries monopolistic privileges as measures of protection. In such cases, while foreigners will not be allowed to establish competitive business, they may participate in those industries (with their capital, technique, and materials), within the scope of the established plans. With the exception of these special enterprises, a large field of business will be open to the nationals of third countries whose economic activities will not at all be restricted but rather welcomed. To cite an example, when an enquiry was made by a certain American businessman concerning the production of eggs in China, we replied to the said person, through our Consulate-General in New York, that American participation would be welcome.

In the field of trade there will not be established, as a rule, any special discrimination against third countries either in customs duty or in other systems of trade barrier. Under normal conditions, therefore, it is unimaginable that the trade of third countries should be prohibited or subjected to undue discrimination.

693.001/464

*Statement by the Japanese Minister for Foreign Affairs (Arita) on
December 19, 1938*³⁶

As has been made clear by the statement of November 3rd made by the Japanese Government,³⁷ what Japan desires is the establishment of a new order which will ensure the permanent stability of East Asia; or in other words, the establishment of a relationship of mutual helpfulness and co-ordination between Japan, Manchoukuo and China in political, economic and cultural fields.

That the formation of a closely co-operative relationship between the three countries is an imperious necessity is explained by the fact that it is, in its political aspect, a measure of self-defence against the Communist menace and of safeguarding the civilization and culture of the Orient, and in its economic aspect, a measure of self-preservation in presence of the world-wide tendency to erect high Customs barriers and to employ economic measures for political ends.

It is not only of benefit to the Chinese people themselves but to the whole of East Asia, to lift China from its present semi-colonial status to the position of a modern State. The establishment of the new order, that is, of a relationship of mutual aid and co-ordination between Japan, Manchoukuo and China, simply signifies the creation of solidarity between these three countries for the common purpose

³⁶ Released by the Japanese Foreign Office to foreign press correspondents at Tokyo on December 19, 1938.

³⁷ *Ante*, p. 477.

of preserving the integrity of East Asia, while enabling each nation to maintain its independence and fully to develop its individuality.

It is the firm conviction of Japan that the establishment of such a new order will be perfectly in consonance with international justice and will contribute toward the peace and tranquillity of East Asia, and it is her inflexible resolution to carry out her policy in this regard.

Leaving for a later occasion the political and cultural phases of the proposed tripartite relationship, I wish today to offer a few remarks on its economic aspect.

The new order envisages a certain degree of economic cohesion and coordination between Japan, Manchoukuo and China, and the formation of a single economic unit in presence of the similar units which already exist elsewhere and which are both powerful and self-sufficing. Although the term "bloc economy" is frequently applied to such an arrangement, the proposed unit in East Asia is by no means to be a system of closed trade. If by "bloc economy" is meant the exclusion of all interests other than those of the parties directly concerned, the employment of the term is wholly improper in the present case.

At the moment, not a few observers seem inclined to feel as though Japan, by the inauguration of the so-called "Japan-Manchoukuo-China Economic Bloc" were aiming at the exclusion from East Asia of all enterprises, capital investments, trade and other economic activities on the part of foreigners. It is quite regrettable that some such idea is to be seen reflected in the comments of various newspapers and magazines published in Europe and America. Japan has long stoutly upheld before all the world the principle of equality of commercial opportunity—though as a matter of fact, that principle has received scant regard elsewhere, and Japanese products of good quality and moderate price have everywhere been subjected to discriminatory treatment. Japan, nevertheless, still believes that the way to bring about the prosperity of each and every nation is to give effect to the principle of equality of commercial opportunity, and she upholds the freedom of economic activity in all parts of the world as a matter of principle. It is far from Japan's thought to aim at excluding European and American economic activities from East Asia.

However, it is most natural and proper that the two neighbour nations closely bound together by the ties of race and culture—Japan, poor in natural resources and without a large domestic market, and China, still economically weak—should work together in order to ensure their independence as regards vital supplies as well as their markets in times of emergency. Within those limits it must be admitted that the economic activities of the countries which lie

outside the limits of East Asia would have to be regulated. In other words, it is imperative that the economic activities of other Powers should be subject to certain restrictions dictated by the requirements of the national defence and economic security of the countries grouped under the new order, and that no political privileges should be attached to those activities. The necessity of such restrictions is recognized by "all modern states," including, I am sure, the British Empire and the United States. But even if these restrictions are put in force, there will remain vast fields of commercial and economic activity open to the people of other Powers.

The formation and existence of an economic co-partnership of nations, such as is contemplated for Japan, Manchoukuo and China, would by no means entail any diminution of the trade between that group and other countries. In this connection I might add a few words regarding Manchoukuo. To say that the new state has been closed to Powers other than Japan is a gross mis-statement. Statistics show plainly the progressive increase that has characterized the foreign trade of Manchoukuo during the past few years. The total value of the foreign trade of that country, which was 1,060,000,000 yuan in 1930, the year before her independence, leaped to 1,530,000,000 yuan in 1937. As for the imports from other countries during the same period, they witnessed an increase of 35.3% for Great Britain, 98.9% for the United States, and 332.2% for France. Especially conspicuous was the increase in the importation of machinery, tools, vehicles, hardware and timber, the demand for which is expected to expand further, with the progress of the work of economic construction in Manchoukuo. We should also take into consideration the imports from Western countries via Japan, though these are not indicated in the statistics. Again, we should take note of the trade of Manchoukuo with the British and French colonies, which is fast developing with the years.

In brief, the proposed new order for East Asia, when established, will not only bring permanent stability to this part of the globe but will also serve, I am firmly convinced, to put the economic activities of Occidental Powers in East Asia upon a far more solid foundation than at present.

693.001/475

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] December 26, 1938.

In my conversation today with the Minister for Foreign Affairs which lasted for an hour, he said that he had no concrete questions to discuss but thought that periodical talks might be helpful and that he had therefore asked me to come to see him before the holidays.

The Minister expressed his regret that the American press apparently failed to understand the assurances he had given me that Japan has no intention of closing the door to foreign trade in China. I replied that while, as the Minister well knew, the American press is not controlled by the American Government, I believed that I could accurately explain to him why the American Government and press and public and I myself found it very difficult to appraise the assurances which he mentioned. This difficulty arose from the fact that every official utterance of the Japanese Government since the Prime Minister's statement of November 3 had been so circumscribed by qualifying phrases as to leave the real intentions of the Japanese Government quite nebulous. I said that at least in this respect Japan had left the door wide open for her own interpretations and to suit her own convenience as occasion might arise. As a concrete illustration I referred to the last two paragraphs of the informal memorandum which he had handed to me on December 8 (our 773, December 8, 7 p. m. Appendix One)³⁹ in which there occurred at least five qualifying words or phrases such as "certain industries", "within the scope of the established plans", "as a rule", "any special discrimination", "undue discrimination", et cetera. I said that we were naturally more interested in results than in expressions of intention especially when these expressions were so hemmed around with qualifications as to afford complete latitude in the Japanese interpretation thereof. The Minister apparently saw the absurdity of this situation and asked if he might copy down these phrases underlined by me which he thereupon did.

I then said that I had repeatedly made the position of my Government abundantly clear both orally and in writing and that this position had not changed. The position of the Japanese Government, however, was very far from clear. In this connection I read to the Minister my memorandum of the specific assurances given me by the Prime Minister acting as Foreign Minister in our conversation of October 3, repeating and confirming the assurances with regard to the Open Door and equal opportunity which had been given me by all of his predecessors since the current hostilities began, and I observed that it was very difficult for my Government and the American public and press to understand the sudden withdrawal of those assurances as announced by the Prime Minister on November 3 and by Mr. Arita himself to me.

The Minister said that as he had pointed out to Mr. Dooman in their conversation on November 19 his predecessors had not given these assurances in bad faith. They had simply tried without success to reconcile principle with actualities. He himself had therefore

³⁹ Telegram No. 773 not printed; for text of the informal memorandum of December 8 (referred to as Appendix One), see p. 814.

decided to avoid trying to reconcile the irreconcilable and had declined to confirm those assurances. Nevertheless Japan has no intention whatever of closing the open door.

I replied that as regards principle, our two Governments are in radical disagreement. As regards actualities, Japan cannot expect the American Government or public or press to appraise his statements of intention until they become patent in practise. I thereupon itemized the outstanding points of Japanese discrimination against American interests in China in favor of her own interests, especially stressing trade and navigation interests on the Yangtze River, and once again urged in emphatic terms that steps be taken to meet our desiderata forthwith.

The Minister said that he was doing his best to bring about results to meet our wishes and authorized me to tell my Government that he will continue to do his best. He said that the new "China Board" is now considering these matters. Before the creation of the "China Board" progress was difficult on account of the considerable number of different authorities involved. He thought that the Board as a unit would overcome this handicap and that favorable results would soon transpire.

The Minister did not directly refer to the recent American credit to the National Government of China^{39a} but did so indirectly by observing that he understood that Mr. Chen was still in the United States and that Chen was in close touch with our Secretary of the Treasury. He then said that according to his information Chiang Kai-shek would collapse very soon. He made no statement to which I could take exception. I said that I had no information to substantiate any of these observations.

The atmosphere and tone of this conversation were noticeably more conciliatory and resilient than in our former talks.

J[OSEPH] C. G[REW]

693.001/510

*The American Ambassador in Japan (Grew) to the Japanese
Minister for Foreign Affairs (Arita)*

No. 1153

TOKYO, December 30, 1938.

EXCELLENCY: Acting under the instructions of my Government I have the honor to address to Your Excellency the following note:

The Government of the United States has received and has given full consideration to the reply of the Japanese Government of November 18 to this Government's note of October 6 on the subject of American rights and interests in China.

^{39a} Credit of \$25,000,000 announced December 15, 1938, by the Reconstruction Finance Corporation; press release No. P-1463.

In the light of facts and experience the Government of the United States is impelled to reaffirm its previously expressed opinion that imposition of restrictions upon the movements and activities of American nationals who are engaged in philanthropic, educational and commercial endeavors in China has placed and will, if continued, increasingly place Japanese interests in a preferred position and is, therefore, unquestionably discriminatory in its effect against legitimate American interests. Further, with reference to such matters as exchange control, compulsory currency circulation, tariff revision, and monopolistic promotion in certain areas of China the plans and practices of the Japanese authorities imply an assumption on the part of those authorities that the Japanese Government or the regimes established and maintained in China by Japanese armed forces are entitled to act in China in a capacity such as flows from rights of sovereignty and further in so acting to disregard and even to declare nonexistent or abrogated the established rights and interests of other countries including the United States.

The Government of the United States expresses its conviction that the restrictions and measures under reference not only are unjust and unwarranted but are counter to the provisions of several binding international agreements, voluntarily entered into, to which both Japan and the United States, and in some cases other countries, are parties.

In the concluding portion of its note under reference, the Japanese Government states that it is firmly convinced that "in the face of the new situation, fast developing in Asia, any attempt to apply to the conditions of today and tomorrow inapplicable ideas and principles of the past neither would contribute toward the establishment of a real peace in East Asia nor solve the immediate issues" and that "as long as these points are understood Japan has not the slightest inclination to oppose the participation of the United States and other Powers in the great work of reconstructing East Asia along all lines of industry and trade."

The Government of the United States in its note of October 6 requested, in view of the oft reiterated assurances proffered by the Government of Japan of its intention to observe the principles of equality of opportunity in its relations with China and in view of Japan's treaty obligations so to do, that the Government of Japan abide by these obligations and carry out these assurances in practice. The Japanese Government in its reply appears to affirm that it is its intention to make its observance of that principle conditional upon an understanding by the American Government and by other governments of a "new situation" and a "new order" in the Far East as envisaged and fostered by Japanese authorities.

Treaties which bear upon the situation in the Far East have within them provisions relating to a number of subjects. In the making of those treaties, there was a process among the parties to them of give and take. Toward making possible the carrying out of some of their provisions, others among their provisions were formulated and agreed upon: toward gaining for itself the advantage of security in regard to certain matters, each of the parties committed itself to pledges of self-denial in regard to certain other matters. The various provisions agreed upon may be said to have constituted collectively an arrangement for safeguarding, for the benefit of all, the correlated principles on the one hand of national integrity and on the other hand of equality of economic opportunity. Experience has shown that impairment of the former of these principles is followed almost invariably by disregard of the latter. Whenever any government begins to exercise political authority in areas beyond the limits of its lawful jurisdiction there develops inevitably a situation in which the nationals of that government demand and are accorded, at the hands of their government, preferred treatment, whereupon equality of opportunity ceases to exist and discriminatory practices, productive of friction, prevail.

The admonition that enjoyment by the nationals of the United States of non-discriminatory treatment in China—a general and well established right—is henceforth to be contingent upon an admission by the Government of the United States of the validity of the conception of Japanese authorities of a “new situation” and a “new order” in East Asia, is, in the opinion of this Government, highly paradoxical.

This country's adherence to and its advocacy of the principle of equality of opportunity do not flow solely from a desire to obtain the commercial benefits which naturally result from the provisions of that principle. They flow from a firm conviction that observance of that principle leads to economic and political stability, which are conducive both to the internal well-being of nations and to mutually beneficial and peaceful relationships between and among nations; from a firm conviction that failure to observe that principle breeds international friction and ill-will, with consequences injurious to all countries, including in particular those countries which fail to observe it; and from an equally firm conviction that observance of that principle promotes the opening of trade channels thereby making available the markets, the raw materials and the manufactured products of the community of nations on a mutually and reciprocally beneficial basis.

The principle of equality of economic opportunity is, moreover, one to which over a long period and on many occasions the Japanese

Government has given definite approval. It is one to the observance of which the Japanese Government has committed itself in various international agreements and understandings. It is one upon observance of which by other nations the Japanese Government has of its own accord and upon its own initiative frequently insisted. It is one to which the Japanese Government has repeatedly during recent months declared itself committed.

The people and the Government of the United States could not assent to the establishment at the instance of and for the special purposes of any third country of a regime which would arbitrarily deprive them of the long established rights of equal opportunity and fair treatment which are legally and justly theirs along with those of other nationals.

Fundamental principles such as the principle of equality of opportunity which have long been regarded as inherently wise and just which have been widely adopted and adhered to, and which are general in their application are not subject to nullification by a unilateral affirmation.

With regard to the implication in the Japanese Government's note that the "conditions of today and tomorrow" in the Far East call for a revision of the ideas and principles of the past, this Government desires to recall to the Japanese Government its position on the subject of revision of agreements.

This Government had occasion in the course of a communication delivered to the Japanese Government on April 29, 1934, to express its opinion that "treaties can lawfully be modified or be terminated,—but only by processes prescribed or recognized or agreed upon by the parties to them".⁴⁰

In the same communication this Government also said, "In the opinion of the American people and the American Government, no nation can, without the assent of the other nations concerned, rightfully endeavor to make conclusive its will in situations where there are involved the rights, the obligations and the legitimate interests of other sovereign states". In an official and public statement on July 16, 1937, the Secretary of State of the United States declared that this Government advocates "adjustment of problems in international relations by processes of peaceful negotiation and agreement".⁴¹

At various times during recent decades various powers, among which have been Japan and the United States, have had occasion to communicate and to confer with regard to situations and problems in the Far East. In the conducting of correspondence and of confer-

⁴⁰ See telegram No. 59, Apr. 28, 1934, to the Ambassador in Japan, p. 231.

⁴¹ *Ante*, p. 325.

ences relating to these matters, the parties involved have invariably taken into consideration past and present facts and they have not failed to perceive the possibility and the desirability of changes in the situation. In the making of treaties they have drawn up and have agreed upon provisions intended to facilitate advantageous developments and at the same time to obviate and avert the arising of friction between and among the various powers which, having interests in the region or regions under reference, were and would be concerned.

In the light of these facts, and with reference especially to the purpose and the character of the treaty provisions from time to time solemnly agreed upon for the very definite purposes indicated, the Government of the United States deprecates the fact that one of the parties to these agreements has chosen to embark—as indicated both by action of its agents and by official statements of its authorities—upon a course directed toward the arbitrary creation by that power by methods of its own selection, regardless of treaty pledges and the established rights of other powers concerned, of a “new order” in the Far East. Whatever may be the changes which have taken place in the situation in the Far East and whatever may be the situation now, these matters are of no less interest and concern to the American Government than have been the situations which have prevailed there in the past, and such changes as may henceforth take place there, changes which may enter into the producing of a “new situation” and a “new order”, are and will be of like concern to this Government. This Government is well aware that the situation has changed. This Government is also well aware that many of the changes have been brought about by the action of Japan. This Government does not admit, however, that there is need or warrant for any one Power to take upon itself to prescribe what shall be the terms and conditions of a “new order” in areas not under its sovereignty and to constitute itself the repository of authority and the agent of destiny in regard thereto.

It is known to all the world that various of the parties to treaties concluded for the purpose of regulating contacts in the Far East and avoiding friction therein and therefrom—which treaties contained, for those purposes, various restrictive provisions—have from time to time and by processes of negotiation and agreement contributed in the light of changed situations toward the removal of restrictions and toward the bringing about of further developments which would warrant in the light of further changes in the situation, further removals of restrictions. By such methods and processes, early restrictions upon the tariff autonomy of all countries in the Far East were removed. By such methods and processes the rights of extraterritorial jurisdiction once enjoyed by Occidental countries in relations

with countries in the Far East have been given up in relations with all of those countries except China; and in the years immediately preceding and including the year 1931, countries which still possessed those rights in China including the United States were actively engaged in negotiations—far advanced—looking toward surrender of those rights. All discerning and impartial observers have realized that the United States and others of the “treaty powers” have not during recent decades clung tenaciously to their so-called “special” rights and privileges in countries of the Far East but on the contrary have steadily encouraged the development in those countries of institutions and practices in the presence of which such rights and privileges may safely and readily be given up; and all observers have seen those rights and privileges gradually being surrendered voluntarily through agreement by the Powers which have possessed them. On one point only has the Government of the United States, along with several other governments, insisted: namely, that new situations must have developed to a point warranting the removal of “special” safeguarding restrictions and that the removals be effected by orderly processes.

The Government of the United States has at all times regarded agreements as susceptible of alteration, but it has always insisted that alterations can rightfully be made only by orderly processes of negotiation and agreement among the parties thereto.

The Japanese Government has upon numerous occasions expressed itself as holding similar views.

The United States has in its international relations rights and obligations which derive from international law and rights and obligations which rest upon treaty provisions. Of those which rest on treaty provisions, its rights and obligations in and with regard to China rest in part upon provisions in treaties between the United States and China and in part on provisions in treaties between the United States and several other powers including both China and Japan. These treaties were concluded in good faith for the purpose of safeguarding and promoting the interests not of one only but of all of their signatories. The people and the Government of the United States cannot assent to the abrogation of any of this country's rights or obligations by the arbitrary action of agents or authorities of any other country.

The Government of the United States has, however, always been prepared and is now prepared to give due and ample consideration to any proposals based on justice and reason which envisage the resolving of problems in a manner duly considerate of the rights and obligations of all parties directly concerned by processes of free negotiation and new commitment by and among all of the parties

so concerned. There has been and there continues to be opportunity for the Japanese Government to put forward such proposals. This Government has been and it continues to be willing to discuss such proposals, if and when put forward, with representatives of the other powers, including Japan and China, whose rights and interests are involved, at whatever time and in whatever place may be commonly agreed upon.

Meanwhile, this Government reserves all rights of the United States as they exist and does not give assent to any impairment of any of those rights.

I avail myself [etc.]

JOSEPH C. GREW

1939

611.9431/170

Memorandum by the Secretary of State

[WASHINGTON,] January 12, 1939.

The Japanese Ambassador made his first call since my return from Lima. After a preliminary exchange of courtesies, in which he expressed a desire to promote friendlier relations and to which I responded in suitable terms, he proceeded to congratulate me on the accomplishments at Lima. In thanking him, I said that he, of course, had observed I was preaching a broad basic program applicable alike to every nation in the world and that the Lima Conference adopted such a program; that an outstanding feature was the reaffirmation of the doctrine of equality of commercial and industrial rights and opportunities for every nation alike; that the United States Government naturally asserts and will in the future continue to assert this principle, its soundness and its application to every part and area of the world alike; that this is upon the deep-seated view that it affords the only basis for real commercial progress.

The Ambassador then said he had always entertained the belief that the progress of the Pacific area logically rested on friendship between Japan and the United States. I replied that this, of course, was a most important and wholesome view, and added that during the spring of last year when the Japanese Counselor was leaving for Tokyo I had said to him that I wished he would take back from me a message to his statesmen to the effect that some of these days his country and my country and other important countries would realize that there is room enough on this planet for 15 or 18 great nations like his nation and mine, and, when that realization occurred, the human race in the future would be ten times better off in every desirable way than it would otherwise be, and, of course, that the people of our two countries would be in a large sense correspondingly affected. The Ambassador nodded his head but did not comment to any substantial extent on this.

He then said he would like to see our two governments enter into definite understanding about the protection of all American rights and interests, in order that our two countries might go forward in the financial and economic development of China. I said that that was a very interesting suggestion; of course, that my Government pursues the broad and unrestricted policy of conducting its financial

and economic activities in accordance with the principle of equality of industrial and commercial rights and treatment. I added that, of course, we are glad at any time to discuss questions arising, as a number have already arisen, pertaining to American rights and interests in China, and any other questions pertaining to the present industrial and trade relations between our two countries.

The Ambassador said that there was some question about the Japanese export situation to this country as it related to textiles in particular. I replied that I was under the impression that the present gentleman's agreement entered into between representatives of the textile industries of our two countries constituted a fairly satisfactory adjustment of the cotton textile import question; and that as to one or two other Japanese imports, such as lead pencils, I was also under the impression that a sort of gentleman's agreement still existed between our two countries without objection by either as to its workability. He then said that he was not yet sufficiently familiar with these matters to discuss them as he would like. I promptly replied that we would be glad to discuss this and any other points relating to the trade situation with him at any time.

C[ORDELL] H[ULL]

*Extract from Address Delivered by the Under Secretary of State on "Some Aspects of Our Foreign Relations" at New York on January 27, 1939*⁴²

In our relations with the countries of the Far East the policy of this country is in no way different from our foreign policy in general. We have the same objectives there and we apply the same principles as elsewhere. The situation, however, and the problems that arise in our relations in the Far East have their individual peculiarities. Thus, for instance, in their relations with other powers, practically all Far Eastern countries at one time accorded to the former, rights of extraterritorial jurisdiction; also, the Far Eastern countries agreed to and applied certain restrictions in the making and the administering of their tariffs. In many treaties to which countries of the Far East, especially China, have been parties—treaties, most of which have been bilateral but some of which have been multilateral—there have been special provisions which were formulated and adopted in special reference to special situations and problems.

As the situations in those countries have changed, the United States has, by processes of negotiation and agreement, voluntarily agreed, to the alteration or the removal of these special features. It did this

⁴² Before the annual meeting of the New York Bar Association; reprinted from Department of State, *Press Releases*, January 28, 1939 (vol. xx, No. 487), pp. 45, 49.

in the case of its relations with Japan. It has done this in the case of its relations with Siam. It had gone far with the process of doing this in the case of its relations with China before, in 1931, there developed a conflict between China and Japan one result of which has been to divert the attention of the Chinese Government from such matters to more urgent and vital problems.

Under the aegis of the general principles and rules of international law and of treaty provisions, nationals of the United States have gone to countries of the Far East, have developed trade with the nationals of those countries, have made investments there, and have engaged in a variety of legitimate activities beneficial and profitable both to themselves and to the peoples of the Far East with whom they have carried on these activities. As is well known, many American citizens have gone to China and to other parts of the Far East solely to engage in philanthropic and educational work.

In 1921 the nine powers most interested in the problems of the Far East, including the United States, Japan and China, met in conference at Washington. After 3 months of full consideration of the various rights and interests and problems involved, treaties were signed, and subsequently ratified, which provided for the resolution of existing controversies and the regulation of the situation in the future in such a manner as to diminish existing friction and to prevent the arising in later years of even more serious issues. These treaties were negotiated in a spirit of give and take. Certainly the United States would not have agreed to certain provisions in those treaties which represented concessions and commitments on its own part without the inclusion of equivalent concessions and similar commitments on the part of the other nations involved.

Among the principles agreed upon in the treaties then concluded was the principle of equality of commercial opportunity in China. This is a principle for which the American people and their Government have contended not only in China but equally in every other portion of the world throughout this country's history, a principle which has been widely, almost universally, accepted throughout the world. It is a principle, respect for which, no matter where, makes for amicable relationships and peace. It is a principle, disregard for which makes for controversy, irritation, a sense of injustice, and conflict. It is a fixed and fundamental principle of American foreign policy, not only in the Far East but in all parts of the world as well.

Treaties, like contracts in municipal law, are not subject to amendment or termination simply at the will of one of the individual parties thereto. If principles embodied in treaties and agreements are to have effect, and if law and order are to prevail, treaties must be respected. Neither the American people nor their Government can assent to acts by other countries in disregard of this principle.

In this country's relations in the Far East we are confronted today with a difficult situation and a perplexing problem. One country is endeavoring by armed force to impose its will on a neighboring country. In extenuation of these aspects of its efforts, it has declared that there exists a "new situation" and that it intends to produce or to bring about the production of a "new order." It has to all intents and purposes given notice that it will henceforth be bound by treaty provisions only insofar as it may find it convenient to it to be so bound. It has indicated that it alone will determine what constitutes equality of commercial opportunity in China. It has made it clear that it intends that it alone shall decide whether the historic interests and the treaty rights of American citizens in China are to be observed.

The Government of the United States does not admit that any other country has the right arbitrarily to abrogate the treaty rights of the United States. The principles to which we are committed are the principles of law, order, and justice—for ourselves and for those with whom we have relations. Our policy is to safeguard by appropriate measures, methods, and means the legitimate rights and interests of the people of the United States, including our interest in the objectives and principles which I have just mentioned.

We have informed the Government of Japan, as we have informed in other situations the Government of China, of the position of this Nation, and at the same time we have made it clear that this Government always has been, and is now, disposed to discuss with all of the nations who have a direct interest in the Far East, including the Governments of Japan and China, any proposal based on reason and justice which may be advanced for a modification or an elimination of existing treaty provisions. This Nation, when difficulties arise and conflicts of interest occur, prefers as a means of solution methods of conciliation and negotiation. But that as a people we will continue to stand by our principles and persist in our policies I, for one, am convinced.

793.94/14859

*Memorandum by the American Ambassador in Japan (Grew) of a
Conversation With the Japanese Minister for Foreign Affairs
(Arita)*

[Tokyo,] February 17, 1939.

In accordance with instructions contained in the Department's telegram no. 40, February 15, 7 [8] p. m.,⁴³ I called this afternoon at 5:30 on the Minister for Foreign Affairs at his official residence and made

⁴³ Not printed.

to him the following oral statement, leaving the text with him as an unofficial document:

The statements which the Government of Japan has made from time to time to the effect that Japan has no territorial ambitions in China, have been carefully noted by the Government of the United States. In view of the recent announcement of the occupation of the Island of Hainan by Japanese forces attention is invited to the fact that there are numerous American residents chiefly missionaries as well as substantial American missionary and educational interests in the Island and that the United States maintains no consular representative in Hainan. In the light of the foregoing and also having in mind the general question of the relationships among the Powers including the United States which have important interest in and with reference to the Pacific area, the Government of the United States in view of the fact that these relationships have formed the basis of various international agreements, would be glad to be informed as to the intentions of the Japanese Government in connection with the occupation of Hainan Island.

The Minister said that the purpose of the occupation of Hainan Island is to strengthen the blockade of the South China coast and to hasten the suppression of the Chiang Kai-shek "regime". Mr. Arita repeated the former statements of the Japanese Government that Japan has no territorial ambitions in China and added that the occupation "will not go beyond military necessity".

J[OSEPH] C. G[REW]

693.001/533

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita)

No. 1207

TOKYO, March 11, 1939.

EXCELLENCY: The renewed attention of Your Excellency is invited to my note No. 1178, dated February 6, 1939,⁴⁵ relating to the imposition by the Japanese naval authorities at Chefoo of various restrictions on the shipment of merchandise, to the informal memorandum relating to unwarranted restrictions placed upon American personal and business interests in Tientsin which was left by the Counselor of the Embassy on [with] the Director of the American Bureau of the Foreign Office on February 6, 1939,⁴⁵ and to the *aide mémoire* which was left at the Foreign Office on March 8, 1939,⁴⁶ in which the hope was expressed that, in view of the continued imposition

⁴⁵ Chinese Generalissimo; premier (President of the Executive Yüan), December 1935-January 1, 1938, and again November 1939-.

⁴⁶ Not printed.

⁴⁶ *Ante*, p. 642.

of such restrictions at Tientsin, necessary steps would immediately be taken to alleviate those restrictions.

From various sources the Government of the United States has received further information to the effect that the Japanese sponsored régime in North China, with the support of the Japanese authorities, has brought about the imposition of drastic trade restrictions, including the requirement of export permits and controlled money exchange.

The Government of the United States regards these export restrictions as the most comprehensive discrimination against the United States and other foreign countries and in favor of Japan which has yet been established in North China by Japanese authorities and as a virtual nullification in that area of the principle of equal opportunity so far as import and export are concerned. The proposed measures will automatically increase the price of exports and probably have the effect of reducing markedly exports to foreign countries other than Japan and *pari passu* of reducing imports from those countries while leaving trade between that area and Japan virtually unrestricted. During the past year the exchange value of the currencies in circulation in North China has been considerably depreciated and prices in that area have become more or less adjusted to this depreciated value; if exports are quoted suddenly in terms of a new currency whose value is maintained by exchange controlled at an artificially high level in terms of foreign currencies, North China foreign trade will tend to suffer and imports to decline along with exports. Meanwhile, it is clear that Japanese trade will not only not be damaged by the proposed restrictions but will be benefited by the new measures to the prejudice of other foreign interests. These considerations give added force to the objection which the American Government has repeatedly advanced to the institution of trade or exchange control by Japanese authorities in North China, the basis of such objection being that all trade with North China would thereby become subject to Japanese discretion and that equality of opportunity would no longer be possible.

The Government of the United States, in fact, regards with deep concern the increasing evidence in Japanese-occupied areas in China of interference with the normal flow of trade between the United States and those areas, and expresses the hope that the Japanese authorities will not countenance these measures but, on the contrary, will remove existing restrictions which tend to prevent between the United States and North China the same normal and uninterrupted flow of trade that now, so far as action by the United States Government is concerned, prevails between the United States and Japan.

I avail myself [etc.]

JOSEPH C. GREW

693.001/548

*The Japanese Minister for Foreign Affairs (Arita) to the American
Ambassador in Japan (Grew)*

[Translation]

No. 34, Commercial III [Tokyo,] April 13, 1939.

EXCELLENCY: I have the honor to state that I have carefully perused Your Excellency's note No. 1207, March 11, 1939, relating to the new measures for the export and shipment of specified commodities which have been enforced in North China by the Provisional Government of the Chinese Republic since March 11, 1939. As Your Excellency is well aware from statements of the Chairman of the Administrative Committee of the Provisional Government of the Chinese Republic and of the President of the Federal Reserve Bank of China and from other sources, in order to have the convertible notes of the Federal Reserve Bank of China, the only legal currency in North China, function fully as a trade currency medium and in order to stabilize thereby the currency system of North China and to bring about a sound development of foreign trade in North China, these measures provide that the approval of the Federal Reserve Bank of China is required for customs clearance for 12 specified commodities of importance which are exported from, or shipped from one port to another within, North China. Contrary to the statement in Your Excellency's note, we understand that these measures are not drastic trade restrictions, including the requirement of export permits and controlled money exchange. It is our understanding also that the approval referred to above, when applied for by dealers in the manner prescribed, is obtainable fairly and without discrimination as to the nationality of applicants or as to the destination of commodities, and we firmly believe that there is no intention to favor Japan alone or to discriminate against the United States or the various other foreign countries by means of these measures.

In short the Imperial Government believes that the present measures of the Provisional Government of China have been enacted and enforced with strict impartiality in order to stabilize the legal currency of North China and to promote the sound development of the foreign trade of North China, and is firmly determined to support these measures without stint. Therefore, it is the hope of the Japanese Government that the Government of the United States will also understand the real intention of these measures and will support them, thereby promoting the sound development of the trade between Your Excellency's country and North China.

I avail myself [etc.]

HACHIRO ARITA

893.77/3211 : Telegram

The Counselor of Embassy in China (Lockhart) to the Secretary of State

PEIPING, April 18, 1939—2 p. m.

[Received 6:44 p. m.]

193. 1. The North China Transportation Company, a subsidiary of the North China Development Company, was formally inaugurated April 17. The new company will take over the work of the South Manchuria Railway in the administration of railways and other means of transportation and communication in North China (including motor car services, waterway transportation, and allied enterprises) as well as in Meng Chiang.^{46a} A recent article in the vernacular press stated that the capital of the new company would be 300 million dollars of which 150 million would come from the North China Development Company, 120 million from the South Manchuria Railway, and 30 million from the Provisional Government.

2. The importance of the new company cannot be overestimated as it will consolidate under one management, primarily Japanese, the transportation facilities in North China and Meng Chiang. Of additional importance will be the attitude of the company towards the debts of the various railways to American concerns. The bylaws of the company, which are now being translated, will be forwarded in next pouch.

Repeated to Chungking. Text by air mail to Tokyo.

LOCKHART

393.115/624

Memorandum by the Under Secretary of State

[WASHINGTON,] April 20, 1939.

The Japanese Ambassador called to see me this morning at my request. The Ambassador told me that he was leaving today in order to visit the San Francisco Exposition and that on his trip west as well as on his return trip to Washington he would visit Japanese consular officers. I told the Ambassador I hoped that he would have a pleasant and agreeable journey.

I also took occasion to express to him my appreciation of the courtesies shown by the Japanese Government to the American officers and men on the U. S. S. *Astoria*. The Ambassador replied that his Government considered it a great privilege to receive the officers and men and that he had rarely known of any courtesies shown by one government to another which had created a more pro-

^{46a} Inner Mongolian provinces of Chahar, Suiyuan, and Ninghsia.

found effect on public opinion than had the sending of the U. S. S. *Astoria* to Japan created in the minds of the Japanese people.⁴⁷

I then told the Ambassador that I desired to read to him as in the nature of an oral conversation a relation of certain facts involving the interference with the legitimate movements of American citizens in China on the part of the Japanese military and other authorities. I said to the Ambassador that the United States Government could not agree to such entirely unwarranted interference with the legitimate and recognized rights of American nationals residing in China by any third power and that I felt sure that he was as anxious as I to remove causes of misunderstanding between the two countries. The Ambassador said he would be glad to undertake to do what he could to solve the various matters which I would present to him. I then read to him the following statement:

"American naval vessels were scheduled to leave Shanghai on April 15 for Hankow and because of long continued interruption to normal commercial shipping on the Yangtze, arrangements were made for the transportation on these American naval vessels of four American citizens. One was an employee of the American firm of Andersen, Meyer and Company who desired to proceed from Shanghai to Kiukiang for the purpose of residing at and looking after a manufacturing plant of his firm which is located there. In the absence there of an American employee Andersen, Meyer and Company is unable to obtain insurance for the plant in question. The three other Americans desired to proceed to Hankow. One of the Americans desiring to go to Hankow is the head of an American mission station there. The remaining two Americans are the wife and son of an American businessman at Hankow. Their home is at Hankow.

"The American Consul General at Shanghai called on his Japanese colleague on April 13, explained the situation and requested that passes be issued to the four Americans to enable them to land at their destinations.

"The Japanese Consul General was either unwilling or unable to discuss the request for a pass to enable the American citizen who desired to go to Kiukiang to land there and would offer no comment other than that passes could not be issued for Kiukiang and that no discrimination amongst nationalities was involved. In regard to the three Americans who desired to land at Hankow, the Japanese Consul General refused to issue landing permits for them but gave no reason for such refusal. A member of his staff, however, stated that Japanese naval and military officers refused to sanction the return of these Americans to Hankow because they had, when they departed from Hankow several months ago, signed declarations that they would not return.

"American officials and citizens have been very patient in regard to interference by Japanese officials with the movements of American citizens in areas in China where actual hostilities were in progress,

⁴⁷ The *Astoria* carried back to Japan the body of the late Japanese Ambassador to the United States, Hiroshi Saito.

but the Government of the United States recognizes no right on the part of the Japanese to interfere with the movement of American citizens in China. The cases of interference under discussion indicate a lack of consideration for American interests which is especially objectionable in that American officials had extended their assistance in connection with the journey and in that transportation on American naval vessels had been made available. No hostilities are in progress at Kiukiang or at Hankow. There is a large foreign community and a considerable number of American citizens at Hankow. In this connection it may be observed that an investigation at Hankow by an American consular officer has disclosed that these Americans did not, prior to their departure from Hankow several months ago, sign declarations that they would not return. This, of course, is entirely aside from the question of whether such a declaration, if it in fact existed, would have any validity or relevancy.

"The Department of State requests that instructions be issued immediately to the concerned Japanese officials and forces in China to cease interference with the movements of the four Americans in question, as well as with the movements of other Americans.

"The Department of State has received the impression that the attitude of the present Japanese Consul General at Shanghai toward the adjustment of cases affecting American interests is distinctly one of lack of interest and lack of helpfulness. In the cases described above and also in other cases taken up at the same time, involving the China Foreign Trading Corporation, the Palmetto Presbyterian Mission and attacks by Japanese soldiers on Miss Avett and Mr. J. E. Jackson, the attitude of the Japanese Consul General was unresponsive to a point bordering on discourtesy. All of the above-named cases had been outlined by a member of the staff of the American Consulate General at Shanghai to a member of the staff of the Japanese Consulate General at Shanghai specifically in preparation for the call of the American Consul General. Yet, upon the occasion of that call the Japanese Consul General was obviously totally unfamiliar with all the cases except the one involving the application for a permit to land at Kiukiang. The Japanese Consul General was apparently not inclined to interest himself in the cases or to be helpful in any way.

"The attitude of the Japanese Consul General at Shanghai is mentioned because the situation at Shanghai requires frequent communication between American and Japanese consular officers there and because the Department of State is confident that the Japanese Foreign Office will not condone the attitude of the Japanese Consul General at Shanghai as outlined herein.

"The cases mentioned herein are illustrative of interferences to which American citizens and their interests generally are being subjected in areas in China where there are Japanese armed forces. The cases of the American citizens seeking passage on American naval vessels especially emphasize the long continued interruption, referred to above, of the normal movement of commercial traffic on the Yangtze, although it is well known that Japanese commercial vessels move freely up and down the Yangtze between Hankow and Shanghai and transport commercial cargo. The urgency of a prompt rectification of the situation on the Yangtze is indicated by the fact that there are now at Hankow awaiting passage to Shanghai twenty Americans, some of whom have been trying for two months to obtain passage. With the

exception of three consular officers, only one American has been able to proceed from Hankow to Shanghai since February 22 of this year. Since approximately the middle of February no American has been able to proceed from Shanghai to Hankow. In this general connection it is to be noted that the normal movement of commercial and passenger traffic is interrupted not only on the Yangtze but also in other parts of China.

"It is earnestly hoped that the Japanese Government will immediately take such steps as may be necessary to rectify the conditions outlined herein."

The Ambassador listened attentively to what I had to say and asked if I would send him a written confirmation in the form of an *aide memoire* so that he might be sure he had the details fully in mind before he communicated with his Government. I told him I would be glad to do so. The Ambassador said that I could be sure that he would make urgent representations to his Government in the sense desired, and that while he realized that so long as military activities were in progress it was impossible for the Japanese military authorities to permit the nationals of the other countries to move freely as they desired, nevertheless, in the light of the facts as I had stated them he could not see any ground for the restriction of the movements of Americans in the manner described.

The Ambassador then asked if he might stay for a few minutes to talk to me about some other matters, and inquired first how I viewed the present situation in Europe. I said that I could not venture to form any opinion as to what was going to take place in Europe but that naturally when one saw every day reported in the press greater activity, both naval and military, on the part of so many powers in Europe and when one read daily that more men were being called to the colors in this, that, or the other country, one could not help but be impressed with the profound gravity of the present situation. The Ambassador asked if we had received as yet any official reaction from Italy and Germany to the President's message.⁴⁸ I said we had none as yet. He asked what reaction we had received from other countries and I told him that while we had not attempted to obtain any specific reaction, a very great number of governments had voluntarily expressed their deep gratitude and their complete support for the constructive step undertaken by the President. Rather to my surprise, the Ambassador then said that he himself had the greatest admiration for the move made by the President, that he believed it offered a just and dignified way for the settlement of the existing controversy, and that he trusted

⁴⁸ On April 14, 1939, President Roosevelt addressed a communication to Chancellor Hitler proposing a 10-year guarantee of peace; at the same time the Secretary of State addressed an identical cablegram to Premier Mussolini.—Department of State, *Press Releases*, April 15, 1939 (vol. xx, No. 498), p. 291.

very much that it would meet with the success which it deserved. He asked me if I would clarify for his benefit the type of conference which the President had in mind provided the peaceful atmosphere which was essential as a prerequisite were obtained. I explained to him the President's thoughts in this regard in some detail, emphasizing the fact that this Government would not participate in purely political discussions between European countries. The Ambassador inquired whether we had consulted with any government prior to sending this message and I told him that I could inform him positively that not only had no other government been consulted, but that no other government had even been apprised of the message before it had been sent.

The Ambassador expressed the opinion that no major hostilities were imminent. I told him that I trusted that his point of view was accurate but that it seemed to me when so many countries could be compared at this moment to arsenals filled with explosives, there was always the possibility that some spark would set off the conflagration. I said it seemed to me imperative in the interest of modern civilization that the specific solution of the problems referred to in the President's message must be undertaken in order that the danger to humanity which these arsenals created might be eliminated or at least reduced.

S[UMNER] W[ELLES]

893.102S/1823

The Japanese Ministry for Foreign Affairs to the American Embassy in Japan^{48a}

AIDE MÉMOIRE

1. His Excellency the American Ambassador in Tokyo, on February 27th last, orally communicated his views to the Vice-Minister for Foreign Affairs with regard to the affairs of the International Settlement in Shanghai.^{48b} In his remarks the American Ambassador referred to the negotiations between the Japanese Consul-General in Shanghai and the authorities of the Shanghai Municipal Council concerning co-operation for the suppression of terrorism within the Settlement. These negotiations have since made good progress, and have reached an amicable agreement in substance, with the exception of the proposal for increasing the Japanese staff of the Municipal Police, which remains pending.

2. The American Ambassador also referred to the question of changes in the Council, the Municipal staff, administrative practices

^{48a} Handed to the American Ambassador in Japan (Grew) by the Japanese Vice Minister for Foreign Affairs (Sawada) on May 3, 1939.

^{48b} Not printed.

and etc. In this connection, His Excellency's attention may be drawn to the following points:

(a) It is generally admitted that the administrative structure and systems of the Settlement, the history of which dates back for so long, contain many defects which make them incongruous with the new situation of today. A case in point is afforded by the Land Regulations, on which is based the administration of the Settlement. The provisions of the Land Regulations now in force, save on a few minor points, remain exactly the same as those of the Land Regulations which were passed by the ratepayers in 1866 and approved by the Ministers in Peking in 1869. In other words, the Settlement is still governed by a basic set of regulations enacted as long ago as 1866. In those days, the Settlement was in area less than one-third of the present Settlement, while foreigners residing there numbered no more than 2,200 and there were only about 90,000 Chinese residents. It is no wonder that the existing administrative structure and systems of the Settlement should in many respects be ill-adapted for dealing with things in the new situation which has been steadily evolving during the ensuing 70 odd years and which has undergone a radical change in more recent times.

(b) Apart from the question as to how the fundamental problem of the future of the Settlement should be handled in the light of the new situation now assuming shape in East Asia, it is recognized that, in order to enable the Settlement to adapt itself to the actual conditions now obtaining and really to discharge its functions with propriety, not a few improvements and innovations should be introduced into its administrative machinery and into the working of this machinery. It may be recalled that several years ago the question of the reform of the Municipal Council came in for much discussion in the Press of Shanghai. At that time, it was pointed out that the system of election for the Councillors remained as undemocratic as of old; that the British almost monopolized the more important of offices in the Municipal Council, held an overwhelming majority in its other offices and tended to be oligarchical in administering its affairs; that administrative expenses were excessive, particularly because of high salaries, a considerable retrenchment of expenditure being required in regard to the Volunteer Corps, the Orchestra and education, and in other respects; and that the budgeted expenditure of the Municipal Council, especially that relating to education, was not fairly distributed to the different national communities. All these assertions were generally taken to be justified. Public opinion lent powerful support to the view that the Land Regulations should be so revised as to meet the requirements of modern times.

(c) In order to make smooth the working of the administrative machinery of the Settlement, it is necessary that the structure of the

Municipal Council should be remodelled with a view to fulfilling the requirements of the present day. It is also necessary that the nationals of all the countries interested should have a fair and just voice in the affairs of the Municipal Council. The voice of the Japanese community, however, does not, in many respects, find full and fair expression in the administration of the Settlement, considering the magnitude of the Japanese interests affected. This is evident from the number of the Japanese Councillors, from the position of Japanese officers in the Police Department of the Municipal Council, or from how Japanese officials stand in the other departments of general administration. A reasonable adjustment of the present conditions, which are so unsatisfactory as above stated, is, therefore, imperatively necessary, in order to render possible Japan's active cooperation in the administration of the Settlement and to ensure a smooth working of its administrative machinery.

(d) A momentous fact which should not be overlooked in considering the status and administration of the Settlement is the change that has come over the general situation in China since the outbreak of the Japanese-Chinese Affair, especially the complete change that has occurred in the actual situation prevailing in Shanghai and its neighbourhood. New régimes, distinct and separate from the Chiang Kai-shek Régime, have come into existence and are functioning—the Special City Government in Shanghai and the Weihsin Government in Central China. It should in particular be noted that the Special City Government of Shanghai has in fact assumed the responsibilities of administration as the actual Governing Body in the areas adjoining the Settlement. It is most desirable, therefore, that the Settlement authorities should enter into close cooperation with the Special City Government for the maintenance of peace and order, and for the safeguarding of general public welfare, in Shanghai and its vicinity. From this point of view, there are some measures calling for immediate attention. For instance, practical consideration in the light of the new situation should be given to the position of the Chinese Court of Justice existing within the Settlement, and a speedy solution is required for the question of restitution of the old City Government's Land Registers held in custody by the Municipal Council.

(e) Another momentous fact which cannot be passed unnoticed is the rampancy of anti-Japanese elements or elements hostile to the new régimes in China, who are taking advantage of the special status of the Settlement for the purpose of carrying on their malevolent activities. To leave these elements unchecked is not advisable if only for the sake of the existence and well-being of the Settlement itself. It is incumbent upon the Settlement authorities and upon all the interested countries to accord serious consideration of the necessity of effecting a thorough control of the terrorism, anti-Japanese propa-

ganda and all other malignant acts of these elements, and to take the requisite steps accordingly. The Japanese Government is watching with grave concern the utilization of the Settlement by the lawless elements as a base of their nefarious operations.

893.102S/1834

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] May 13, 1939.

In accordance with the Department's rush telegram 125 of May 12, 6 p. m.,^{48c} I called this morning on the Foreign Minister and made oral representations concerning the International Settlement at Shanghai, reading to the Minister the following oral statement:

Acting under instructions from my Government I have the honor orally to inform Your Excellency that a Japanese spokesman in Shanghai, according to a press despatch received in Washington, is reported to have made observations yesterday indicating that the International Settlement in Shanghai might be occupied by Japan. It is of course possible that the remarks of the Japanese spokesman at Shanghai may have been inaccurately reported. In fact my Government cannot believe that the official views of the Japanese Government are correctly represented by the views attributed to the spokesman.

The American Government feels that any problems which have arisen in connection with the International Settlement at Shanghai can and should be adjusted by orderly discussion by and among the parties concerned. Any usurpation by any Power of the rights and duties of the duly constituted authorities of the International Settlement at Shanghai would be regarded by the American Government as unlawful, and unwarranted and as a deliberate impairment of the rights and interests of the United States.

The recent communication by the Japanese Government in regard to matters affecting the International Settlement at Shanghai is being given full consideration by the American Government which expects shortly to have completed a reply to that communication.

Mr. Arita said that he had been unaware of the reported statement of a Japanese spokesman in Shanghai but he asked me to inform the Secretary of State categorically that Japan has no intention whatever of occupying the International Settlement in Shanghai.

At the information that full consideration is being given by the American Government to the Japanese Government's recent communication in regard to matters relating to the International Settlement in Shanghai and that the American Government expects shortly to have completed a reply thereto, the Minister expressed particular pleasure and satisfaction.

J[OSEPH] C. G[REW]

^{48c} Not printed.

893.102S/1834

*The American Embassy in Japan to the Japanese Ministry for
Foreign Affairs*

AIDE MÉMOIRE

Reference is made to the *aide mémoire* which the Japanese Vice Minister for Foreign Affairs handed to the American Ambassador at Tokyo on May 3 in regard to the question of revision of the land regulations of the International Settlement at Shanghai and likewise the question of modifying and improving the administrative machinery of the International Settlement.

The *aide mémoire* contains reference to the date on which the land regulations now in force in the International Settlement at Shanghai became effective and contains the affirmation that the existing administrative structure is in many respects ill adapted for dealing with factors in the situation which has been steadily evolving during the past seventy and more years and which has undergone a radical change in more recent times.

The Government of the United States would be ready, as it has been in the past, to become a party to friendly and orderly negotiations properly instituted and conducted regarding any needed revision in the land regulations of the International Settlement at Shanghai. The Government of the United States is constrained to point out, however, that conditions in the Shanghai area are, from its viewpoint, so far from normal at the present time that there is totally lacking a basis for a discussion looking toward an orderly settlement of the complicated problems involved which would be reasonably fair to all concerned.

With reference to the question of the Chinese courts which function in the International Settlement, it may be pointed out that those courts were established and their status fixed under a multilateral agreement to which the United States was a party and that the observations made in regard to the possible revision of the land regulations apply also to the question of these courts.

With regard to the system of voting in force in the Municipal elections and public meetings of the International Settlement, it may be observed that under the land regulations there is no discrimination amongst the various foreign rate payers, the minimum requirement for voting qualification being the payment of Municipal rates on the basis of an assessed rental of five hundred taels (approximately seven hundred dollars Chinese currency) per annum. Under this system the Japanese community enjoys a large and increasingly important vote, a vote in fact far greater in proportion to the total vote than the proportion which the general municipal rates and land taxes paid by

the Japanese community bear to the total of the municipal rates and land taxes paid in the International Settlement. Japanese nationals are represented on the Municipal Council and are employed in the various departments of the Municipal Government.

With regard to the question of modifying and improving the administrative machinery of the International Settlement, the Government of the United States believes that the Japanese Government will recognize that those concerned with the administration of the International Settlement have, throughout the Settlement's history, effected many adjustments to meet changing conditions and the Government of the United States is confident that the authorities of the Settlement will continue to make every effort to adjust the administrative machinery of the Settlement and the practices thereof to meet fair and reasonable desires on the part of Japan and Japanese interests.

With reference to the statement in the Japanese *aide mémoire* in regard to the need for closer cooperation between the Settlement authorities and the régimes which exist in the lower Yangtze valley with Japanese military support, it may be observed that, in the absence of the duly constituted and recognized government of that area, the Settlement authorities have made and are making every effort to deal with the realities of the very difficult situation confronting them, and the Government of the United States feels that those authorities are entitled to expect every consideration from Japanese civil and military agencies. It is pertinent to point out in this connection that since the earliest days of the International Settlement it has necessarily been the policy of the Settlement authorities during periods of disturbance in the surrounding areas to avoid involvement in controversial matters arising from causes beyond the Settlement boundaries. This aloofness is inherent in the very international character of the Settlement. And logically following therefrom is the premise that no one power having interests in the Settlement however extensive they may be should take advantage of developments which have their origin elsewhere to prejudice the international character of the Settlement.

The Government of the United States has been impressed with the efficiency and energy with which the Settlement authorities have, notwithstanding the extreme bitterness and tense atmosphere prevailing at Shanghai, kept disorder and lawlessness to a minimum within that part of the International Settlement which is under their effective control.

The Government of the United States refers again to the efforts which the authorities of the International Settlement have been making and are continuing to make to perform their normal functions—efforts which have obviously been seriously handicapped and rendered more difficult by lawless activities in areas contiguous to the Inter-

national Settlement and by refusal on the part of the Japanese military forces to return the Settlement area lying north of Soochow Creek to the effective control of the authorities of the International Settlement.

The Government of the United States urges upon the Japanese Government that a smooth working of the administrative machinery of the Settlement would be promoted by a frank recognition on the part of the Japanese Government of the excellent work which has been and is being done by the Settlement authorities and by the prompt restoration to those authorities of complete control over the Settlement area extending north of Soochow Creek.

In conclusion, the Government of the United States observes that the great cosmopolitan center of Shanghai has been developed by the nationals of many countries, to the mutual advantage of all. In this development the International Settlement has played a very important part and any question affecting the welfare or status of the Settlement is of inevitable concern to many countries, including the United States. With regard to the revision of the land regulations, the Government of the United States is as indicated above of the opinion that this is a question which should await the development of more stable conditions. But with regard to administrative practice in the Settlement many adjustments have been made to meet the requirements of changing conditions, and the Government of the United States is confident that the Settlement authorities are prepared to continue their best efforts toward meeting any reasonable requests for further adjustments.

TOKYO, May 17, 1939.

893.102S/1834

*Oral Statement by the Counselor of Embassy in Japan (Dooman),
Accompanying Aide-mémoire of May 17, 1939*

The Chinese courts in the International Settlement do not now try anti-Japanese terrorists. In other criminal cases where Japanese are complainants, these courts have invariably rendered decisions without prejudice and no complaint has been heard in regard to decisions in Sino-Japanese civil cases.

The American Government contemplates releasing immediately to the press the text of this *aide mémoire*.

TOKYO, May 17, 1939.

*Press Release Issued by the Department of State on May 17, 1939*⁴⁹

On May 15 the American consul at Amoy, Karl de G. MacVitty, reported that the consular body at Amoy had protested to the Japanese against recent Japanese activities affecting the International Settlement at Kulangsu, Amoy.

On May 16 the American consul reported that the Japanese had withdrawn from the International Settlement at Kulangsu all of their marines except 30. The consul reported also that the Municipal Council of the International Settlement had made a request of the consular body that naval units be landed and that, following the request, a small patrol had been landed from the American naval vessel in port for the purpose of familiarizing itself with the location of American property.

On May 17 the consul reported further that he had been informed by the Japanese consul general that the number of Japanese troops remaining in the International Settlement was 42. The consul reported also that there are now at Amoy the American cruiser *Marblehead* and destroyer *Bulmer*, and the British cruiser *Birmingham* and three British destroyers.

On May 17 the consul telegraphed that following a meeting between the American and British consular and naval representatives it had been decided to land small American and British naval parties at six p. m. today.

The records of the Department indicate that there are approximately 56 American citizens residing at or near Amoy.

The action in landing a small American naval detachment temporarily in the International Settlement at Amoy has been taken pursuant to general standing instructions and is for the purpose of protecting American citizens residing in the International Settlement from individual acts of lawlessness and dangers generally incident to serious disorders beyond the control of the Settlement authorities.

894.00 P. R./138

Extract From the Report of the American Embassy in Japan for May 1939

On May 24 the spokesman of the Foreign Office in a statement made concerning Japanese rights in relation to the concessions in China was reported to have declared that although the administration of the foreign settlements was in foreign hands, Chinese sov-

⁴⁹ Reprinted from Department of State, *Press Releases*, May 20, 1939 (vol. xx, No. 503), p. 423.

ereignty still extended over these settlements; that as it was the Japanese aim in China to control Chinese sovereignty, this sovereignty might also be controlled in the settlements; that Japan had rights in the administration of the International Settlements and that she might therefore resort to force to safeguard these rights, which should be legally recognized; and that the present hostilities in China should not be permitted to constitute a reason for delay in Japan's initiating administrative reforms in those areas.

893.102/77 : Telegram

The Secretary of State to the Chargé in Japan (Dooman)

WASHINGTON, June 2, 1939—7 p. m.

149. Your 246, May 28, 3 p. m.,⁵⁰ reporting press version of oral statement issued by a spokesman of the Japanese Foreign Office in regard to the status of the International Settlements in China,⁵¹ and Shanghai's 440, May 29, 2 p. m.,⁵⁰ reporting a press version of a statement by the Japanese Consul General at Shanghai in regard to the International Settlement there.

1. [Paraphrase.] The question is raised by the Department as to whether an unqualified formal question (such as you suggest in the second paragraph of the telegram cited) might impel the taking of a definitively proclaimed position by the Japanese Government from which position it might find it difficult to recede if it so wished. It is believed by the Department, however, as apparently also by you, that the statements reportedly made by Japanese officials should not be passed over without notice, and the Department is considering an oral approach to the Japanese Foreign Office by you, with a supporting memorandum of an informal nature along the following lines: [End paraphrase.]

(a) The Government of the United States is informed that Japanese press reports attribute to a spokesman of the Japanese Foreign Office a statement made on May 24, 1939, to the effect that China's sovereignty still extends over the foreign settlements in China and that, as the purpose of the present Japanese military activity in China is to control Chinese sovereignty, Japan may control that sovereignty in the settlements as in the parts of China under Japanese occupation. The spokesman is reported to have added that there is no ground for admission of foreign interference in the elimination of anti-Japanese activities in the occupied areas, and that the hostilities in China should not be permitted to constitute a reason for delay in initiating reforms in the International Settlements. There have also come to the attention of the Government of the United States press

⁵⁰ Not printed.

⁵¹ For report of statement of May 24, 1939, see *supra*.

reports attributing *inter alia* to the Japanese Consul General at Shanghai a statement, reported to have been made on May 27, to the effect that he believes that his American, British and French colleagues are well aware that a refusal to negotiate with him in regard to revision of the Shanghai Land Regulations would mean the loss of "a safety value [*valve?*] for the settlement".

(b) While the Government of the United States is loath to believe that these reported statements by officials of the Government of Japan portray accurately the considered attitude of that Government, the following observations are made specifically in regard to the International Settlement at Shanghai in further clarification of the views of the Government of the United States:

(c) The United States, in common with Japan and other interested Treaty Powers, has rights and obligations in and with respect to the International Settlement at Shanghai. The Government of China has no part in the policing of the International Settlement at Shanghai. The Settlement is administered by the duly constituted Settlement authorities under the Land Regulations. All of the principal Treaty Powers, including the United States and Japan, have subscribed to these Regulations.

(d) The Government of the United States accordingly is confident that the Government of Japan recognizes that neither the Government of China nor any other Government has any right unilaterally to interfere with the administration of the International Settlement in accordance with the regulations which have been approved by all the Powers concerned.

(e) The attitude of the United States Government toward the question of the revision of the Land Regulations of the International Settlement and its views in regard to the efforts which the Settlement authorities have been and are continuing to make toward meeting reasonable requests from the Japanese authorities by means of adjustments in administrative practice were expressed in the *aide-mémoire* presented to the Japanese Ministry of Foreign Affairs by the American Ambassador to Japan on May 17, 1939.

(f) The observations made above specifically in regard to the International Settlement at Shanghai apply with equal force in principle to the International Settlement on the Island of Kulangsu at Amoy.

2. [Paraphrase.] It is assumed by the Department that the British, French, and possibly other interested Governments may desire to take cognizance of statements above in paragraph 1 (a), and therefore both you and the Consul General at Shanghai are authorized to confer in your discretion with your interested colleagues concerning the matter.

3. Comments and suggestions from either of you will be welcomed by the Department regarding the approach outlined tentatively in the foregoing. Before making an approach, you are instructed to await further specific directions from the Department.

Telegram repeated to Peiping and Chungking. [End paraphrase.]

HULL

893.102/77: Telegram

The Secretary of State to the Chargé in Japan (Dooman)

[Paraphrase]

WASHINGTON, June 9, 1939—5 p. m.

157. Referring to Department's 149, June 2, 7 p. m., and telegrams from you and the Consul General at Shanghai relating to the International Settlement at Shanghai.

You are now authorized to make the approach outlined by the Department in its telegram 149, with the following amendment in substitution for subparagraph (a), first two sentences:⁵²

"(a) The Government of the United States is informed that Japanese press reports attribute to a spokesman of the Japanese Foreign Office a statement made on May 24, 1939, to the effect that a settlement or concession does not constitute a territory but simply an area where a foreign country or countries exercise administrative rights, so that only to that extent China's territorial sovereignty is temporarily limited or suspended there; that in the areas under Japanese occupation Japan aims, as long as hostilities are being carried out, at expelling China's sovereignty from the areas and placing those areas under Japan's military control; and that as the anti-Japanese terrorism in the Settlement is a disturbance under the direct order from the Chinese Government, it is to be regarded as a part or extension of China's military operations. The spokesman is reported to have added that Japan is therefore justified in the attempt to clean anti-Japanese elements out of the settlements."

Unless you are informed by the Consulate General at Shanghai of definite objection, the Department is of the opinion that the Embassy should include in its approach the statement attributed to the Japanese Consul General at Shanghai (mentioned by telegram 464, June 5, 3 p. m., from Shanghai⁵³). You are authorized, in case of objection from Shanghai, to omit this statement, and in such event you should omit also subparagraph (e) and amend suitably subparagraph (b) of the telegram 149 of June 2d.

Telegram repeated to Peiping and Chungking.

HULL

693.001/557

The American Chargé in Japan (Dooman) to the Japanese Minister for Foreign Affairs (Arita)

No. 1298

Tokyo, June 12, 1939.

EXCELLENCY: Acting under the instructions of my Government, I have the honor to refer to Your Excellency's note No. 34, Commercial III, of April 13, 1939, in reply to my note No. 1207 of March

⁵² Quotation not paraphrased.

⁵³ Not printed.

11, 1939, relating to the drastic trade restrictions, including the requirement of export permits and controlled money exchange, imposed by the Japanese-sponsored régime in North China with the support of the Japanese authorities.

My Government now desires me to point out to Your Excellency that there has been little or no alleviation in the conditions complained of in my note under reference and that the measures still in force continue to work considerable hardship on and discrimination against American interests and seriously to interfere with the normal flow of trade between the United States and Japanese-occupied areas in China.

In Your Excellency's note of April 13, 1939, under reference, certain objectives were set forth with the view to promoting the sound development of trade in North China and the determination was expressed to support the measures in force. In this relation I desire to point out that the conditions brought about by these measures and which have been the subject of our complaint cannot be reconciled with the objectives set out in Your Excellency's note of April 13; and, accordingly, I must again express the hope that the Japanese authorities will not continue to stand behind the enforcement of these measures and will remove existing restrictions which so seriously interfere with the normal flow of trade between the United States and North China.

I avail myself [etc.]

EUGENE H. DOOMAN

893.51 Con-Ob/46

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

No. 1357

The American Embassy presents its compliments to the Japanese Ministry of Foreign Affairs and, acting under instructions from its Government, has the honor again to bring to the attention of the Ministry the claims of certain American concerns against the Peiping-Suiyuan Railway, as well as other claims of American concerns against the same Railway which were presented to Japanese officials in China in the past.

For ready reference the American Embassy gives below data relating to the various claims referred to and the dates on which they were presented to the Japanese authorities:

American Locomotive Sales Corporation, 30 Church Street, New York;

In notes dated November 7, 1936 [1938], and July 27, 1939, numbered 1112 and 1340, respectively,⁵⁴ the claim of the above-named Company was brought to the attention of the Japanese

⁵⁴ Neither printed.

Ministry of Foreign Affairs. This matter was also taken up by the American Embassy in Peiping with the Japanese Embassy in that city in communications dated April 15, 1939, and August 7, 1939.⁵⁶
Chinese Engineering and Development Company, Incorporated, Tientsin;

The claim of this Company was brought to the attention of the Japanese Ministry of Foreign Affairs in Tokyo, in a note dated November 7, 1938, no. 1113.⁵⁷

General American Car Company—W. W. Fowler;

Written representations were made by the American Embassy at Peiping to the Japanese Embassy in the same city under date of September 22, 1938, and December 30, 1938.⁵⁶

Robert W. Hunt and Company, Engineers;

In a note dated November 7, 1938, no. 1114,⁵⁷ the claim of the above Company was presented to the Japanese Ministry of Foreign Affairs, Tokyo.

United States Steel Products Company;

In a note dated March 15, 1939, no. 1215,⁵⁷ the claim of the above Company was presented to the Japanese Ministry of Foreign Affairs in Tokyo.

Standard Vacuum Oil Company;

Written representations were made by the American Embassy in Peiping to the Japanese Embassy in that city in a communication dated February 17, 1938.⁵⁷

Andersen, Meyer and Co. Ltd.;

Written representations were made by the American Embassy in Peiping to the Japanese Embassy in that city in a communication dated April 13, 1938.⁵⁷

Up to the present the American Embassy has not received any indication that the Japanese authorities contemplate settlement of these indebtednesses, although the American Embassy in Peiping has received from the Japanese Embassy in that city a note dated March 7, 1939,⁵⁷ to the effect that the matter had already been brought to the attention of the appropriate Japanese authorities and that a further request would be made to the same authorities for favorable consideration of the question of this indebtedness.

In accordance with its instructions, the American Embassy expresses the hope that the appropriate Japanese authorities will, in compliance with the request of the Japanese Embassy in Peiping, immediately give such favorable consideration to the question of these claims as will result in the prompt resumption of the payments due monthly to these American firms. At the same time the American Embassy desires to record on behalf of the American Government a general reservation of all of the rights of the American firms concerned arising out of the action of Japanese agencies in China or of a Japanese Government-controlled and directed Company operating

⁵⁶ Neither printed.

⁵⁷ Not printed.

in China in assuming control of and operating the Peiping-Suiyuan Railway.

Furthermore, in view of the reports now circulating to the effect that the North China Transportation Company, another Company controlled and directed by the Japanese Government, intends to "take over the work of the South Manchuria Railway in the administration of railways and other means of transportation and communication in North China", the American Embassy is also constrained to record on behalf of its Government a similar reservation of rights of American creditors of any of the railways which may be taken over, administered, or operated by the North China Transportation Company, or any other agency owned, controlled, or directed by the Japanese Government.

Tokyo, August 17, 1939.

393.112/64

Memorandum by the Secretary of State

[WASHINGTON,] August 26, 1939.

The Ambassador of Japan called at his own request. He proceeded to refer to the reports, already published in the American press, to the effect that American officials were incorrectly attributing anti-American movements and demonstrations in China to Japanese officials or to their influence in thus instigating the Chinese. The Ambassador handed me the attached paper,⁵⁸ which I proceeded to read. I thanked him for the attention his Government had given to this matter and the spirit seemingly prompting his Government to seek to clear it up.

I then said that, having seen in the American press the purpose and nature of his contemplated call on me, I had requested the Far Eastern Division to jot down a list of instances of transgressions by Japanese or due to Japanese influence in China to the detriment and injury of Americans and of American interests. I added that this list of incidents had not been elaborated but that I would proceed to read them. I then read the memorandum prepared by the Far Eastern Division, attached hereto and marked "A".⁵⁹ The Ambassador appeared somewhat surprised and at a loss for further comment with regard to this paper. He said he would be pleased to have a copy of it. I replied that I would be glad to request the Far Eastern Division to put it in more elaborate form if possible and to send a copy to him at the Japanese Embassy.

The Ambassador then said that, speaking personally, he might say his Government on yesterday had decided to abandon any further

⁵⁸ *Infra.*

⁵⁹ See memorandum of September 5, 1939, to the Japanese Embassy, p. 854.

negotiations with Germany and Italy relative to closer relations under the anti-Comintern Pact to which they have been parties for some time. He added that the change in affairs in Europe made this course manifest, and, furthermore, it was plain that his Government would find it important to adopt new foreign policy in more or less respects. I might say that he prefaced this general reference to his country by reiterating his personal desire to clear up any misunderstandings or differences between our two countries and to restore the friendly relations heretofore existing. The Ambassador remarked that he hoped there might come about an adjustment of the Japanese-Chinese situation. He just made this general observation and then he passed on to inquire what I knew or thought about the European situation.

I replied that it was very kaleidoscopic; that just now no one could with any satisfaction predict about developments from day to day; that at this time today the British Cabinet was considering the conversation between Mr. Hitler and the British Ambassador at Berlin on yesterday; that no one knows what their decision may be.

I then referred to his comment about Japan and her purpose to adopt a new foreign policy, and I made observations substantially as follows:

The principles and practices of American policy in regard to the world in general and the Far East in particular are well known to all governments everywhere.

During recent years Japanese authorities and/or agencies have been pursuing courses which come into direct conflict with those principles and policies and which involve disregard of principles of international law and of treaties between the United States and Japan and also multilateral treaties to which the United States and Japan are parties.

The United States has made representations over and over and over again in objection to or protest against overt acts of these types. The Japanese Government has given assurances over and over again that it has regard for the principles and the rules and the provisions involved and that it will show its regard for them,—and over and over Japanese authorities have immediately committed other acts in disregard thereof.

We have clear evidence of inspiration by Japanese authorities of action by agencies thereof hostile not only to occidental nationals and interests in general but to American nationals and interests in particular. These courses of action by Japanese have resulted in arousing against Japan feelings of suspicion and attitudes of opposition on the part of almost all of the other powers which have interests in the Far East, especially in China, including the United States.

It should be evident to Japan that there is something wrong with policies and practices on the part of one nation which arouse an-

tagonism on the part of almost all other nations in contact with that nation.

The United States wishes to have amicable relations with every other country in the world. We have in the past had very friendly relations with every country in the Far East, including Japan. Our policy is a policy of "Live and let live". We seek nowhere any special position; but we seek everywhere equality of opportunity under conditions of fair treatment and security.

The world is being given today new object lessons with regard to the futility of policies wherein nations plan to take advantage of other nations by use of armed force in disregard of moral principles and legal principles and generally accepted axioms of friendly and profitable general international intercourse.

The future of American-Japanese relations lies largely in the hands of Japan. American policy is a policy of friendliness and fair dealing toward all nations. It will not change.

The Ambassador seemed appreciative and this ended the conversation.

C[ORDELL] H[ULL]

393.112/64

The Japanese Ambassador (Horinouchi) to the Secretary of State

[WASHINGTON,] August 26, 1939.

With reference to reports which have recently been circulated to the effect that anti-American demonstrations have been taking form in North China and other parts of China under Japanese control, the Japanese Embassy is in receipt of the following communications.

On August 9 Mr. Frank P. Lockhart, Counselor of the American Embassy in Peking, called on our Consul-General to make an inquiry into a reported detention of American nationals in Kaifeng, Honan Province. Two days previously Mr. Eugene H. Dooman, Charge d'Affaires of the American Embassy in Tokyo, referred to the same subject in the course of his conversation with Mr. S. Yoshizawa, Director of the Bureau of American Affairs of our Foreign Office.

On August 11 the Japanese military authorities at Kaifeng investigated the matter and transmitted to the Army headquarters in Peking words of Reverend Francis Clougherty, formerly professor at the Pujen University in Peking, expressing his appreciation of the efforts of the Japanese Army in protecting the lives and property of American citizens in this locality.

In view of the persistence of the above rumor concerning the safety of American residents in Kaifeng, Mr. R. Yuguchi, Third Secretary of the Japanese Embassy in Peking was dispatched to that city to make further investigations. At Kaifeng Mr. Yuguchi interviewed, among others, Reverend Hendon Harris, Reverend Arthur Samuel

Gillespie and Reverend Francis Clougherty, all of American nationality.

Their joint statement was that thirty Americans residing in Kaifeng had been safe, had in no way been molested, and were carrying on their respective occupations in perfect peace. Despite the fact that Kaifeng was situated so near the first line of hostilities, order has been well maintained and American residents had no complaint with the protection rendered by the Japanese Army. They also mentioned that they were much disturbed by unfounded rumors emanating therefrom and had already telegraphed to the American Consul at Hankow and to the United Press correspondent at Peking denying their veracity.

Similar reports alleging anti-American demonstrations at Hwohsien in Shansi Province and at Shihchiachwang in Hopeh Province have also been found entirely groundless.

It is true that there have been a few isolated incidents in which American citizens were involved and by which they were inconvenienced. Such incidents, however, were mostly cases arising from misunderstanding, exigencies of the situation or the difference of customs. It is strongly pointed out that not a single incident occurred because the person concerned was an American.

The Japanese Government deplores that this kind of rumor was circulated and that premature publicity was given by the United States authorities in China, as was the case indicated by a wireless dispatch from Chungking to the *New York Times*, dated August 9, and a United Press news dispatch from Shanghai, dated August 11.

In its firm belief that widespread circulation of such unfounded rumors does nothing but harm to good relations between Japan and the United States, the Japanese Government sincerely hopes that necessary steps may be taken to eradicate any suspicion of anti-Americanism that may have been left by the said false reports in the mind of the American public. The case of the American missionaries at Kaifeng is cited as an apt example for the above purpose.

393.112/64

*The Department of State to the Japanese Embassy*⁶⁰

[WASHINGTON, September 5, 1939.]

Long before the recent development of concerted anti-British agitation in areas of China under Japanese control, there was evidence that Japanese agencies in those areas were undertaking a propaganda cam-

⁶⁰ Attached notation by Laurence E. Salisbury of the Division of Far Eastern Affairs dated September 5, 1939, states: "I handed today to Mr. Yoshida, Attaché of the Japanese Embassy, the memorandum on the subject of the effects of anti-foreign propaganda. . . . I told Mr. Yoshida that the paper was being given informally in response to the Japanese Ambassador's request."

paign against western nations, including the United States. In some instances the United States was specifically singled out for abuse. This evidence appeared from time to time during 1938 in pronouncements and manifestoes of the "Provisional Government" at Peiping and "Reformed Government" at Nanking. These pronouncements sought to persuade the Chinese people in the areas over which those regimes claimed jurisdiction that the difficulties and burdens which the hostilities had brought upon the native population should be blamed upon the western nations, including the United States.

Recently the wide-spread and expanding anti-foreign agitation sponsored by Japanese agents, particularly in north China, became so potentially serious that this Government could not ignore it, as past experience has taught that the Chinese masses, when aroused to anti-foreign feeling, have frequently shown an inability to distinguish between and among certain nationals and that consequently ill feeling directed against one nationality spreads to include other nationalities with adverse effects upon the rights and interests of foreigners who are not originally and specifically singled out for abuse of this nature.

Early in August the American authorities in China received a report from a reliable American source that strong anti-American feeling had been fostered at Kaifeng and that communications were not permitted from Kaifeng. About the same time an American passing through Shihchiachwang was informed by local residents that an anti-American parade had been held there during the previous week and that, although the parade was not large, anti-American banners had been carried. Other reliable sources reported that a number of anti-American posters had been displayed at Shihchiachwang and that an American missionary in Taiyuan had frequently received warnings or intimations that if he did not leave the city it would go hard there with Chinese Christians. American officials in China reported in the second week of August information to the effect that Mr. and Mrs. Scoville, American citizens connected with the China Inland Mission at Hwohsien, Shansi, had been forced to leave their mission and that Mr. Scoville had been called a month before to the Japanese military headquarters and given a grueling examination which lasted three hours. Furthermore a reliable source reported that agitation in a number of places in Shansi Province was in varying degree anti-British, anti-church and anti-foreign with anti-foreign agitation predominating. The most recent reports from American missionaries at Kaifeng have varied; some reports have indicated that there had been no anti-American demonstrations there while others indicated that some agitation had been apparent but that it had been suppressed. The difficulty of ascertaining the facts in regard to the situation at Kaifeng was due in part to the lack of free communication

facilities with that city. At Tsingtao some American property was slightly damaged during the course of an anti-British demonstration.

At Amoy the Chinese press has from time to time since early July published abusive attacks upon the Municipal Council of the International Settlement. The United States is one of ten countries which has direct interest in the International Settlement at Amoy and the Municipal Council of the Settlement includes an American councilor. The press attacks upon the Municipal Council evidenced a concerted attempt to stir up Formosan and Chinese residents of the Settlement against the Council and against non-Japanese foreigners at Kulangsu. On July 22 a particularly violent circular was distributed in the Settlement demanding that, unless the Council was "liquidated", Chinese laborers and shopkeepers should call a general strike and trade on both land and sea should be suspended. (The press in Amoy is controlled by the Japanese Navy.)

As a result of an incident which occurred at Shanghai on August 19, the Japanese-sponsored municipal regime has made strong demands upon the authorities of the International Settlement and on August 22 a statement was issued by the Japanese military authorities at Shanghai which could scarcely be interpreted as other than a threat that the Japanese military were contemplating taking strong coercive measures against the International Settlement.

The above factual account relates chiefly to developments as they have specifically affected Americans; the importance of those developments to American rights and interests in general obviously cannot be gauged by a mere recital of seemingly isolated instances. The Japanese fostered and sponsored anti-foreign propaganda and related anti-foreign acts in areas of China under Japanese control cannot but be detrimental in general to the interests of third powers and third power nationals and are accordingly working injury upon American nationals. The continuance of such anti-foreign agitation, even though it may not be specifically directed against American nationals, is being regarded in the United States, first, as an indirect onset against American nationals and interests in China by Japanese agencies and, second, as an indication of the methods which those agencies might in due course employ directly against American nationals and interests. The undesirable and dangerous potentialities in this situation make it necessary to regard as a very serious development in relation to American interests the evidently deliberate effort on the part of Japanese agencies and Japanese-controlled agencies to arouse anti-foreign feeling among the Chinese. The continuance of the present abusive and violent propaganda and related acts must inevitably result in concrete harm to American interests and danger to American nationals. It is indicative of the trend of events that the American nationals so far chiefly affected have been missionaries in the interior and that the

effect upon them results from agitation against one nationality of the brotherhood of Christian missions and Chinese mission workers and converts.

The foregoing statement is addressed specifically to the subject brought up by the Japanese Ambassador in connection with his talk with the Secretary of State on August 26. The statement therefore deals only with the campaign of propaganda directed against the nationals of a particular country by Japanese agents and Japanese-controlled agencies in China and with incidents attributable to that campaign of propaganda. The statement does not relate to matters which involve the broader question of violation and interference with American rights by Japanese authorities and agents in China.

Press Release Issued by the Department of State on October 18, 1939^{60a}

The American consul at Amoy, China, Mr. Karl deG. MacVitty, telegraphed the Department of State on October 17 that late that afternoon the Chairman of the Municipal Council and the Japanese Consul General signed a final agreement settling the Kulangsu incident. The settlement has the approval of the consular body.

Consul MacVitty further telegraphed on October 18 that the American and Japanese landing forces will simultaneously withdraw from the International Settlement at 2:00 p. m. today.

For background information on the landing of the military forces of the interested governments at Kulangsu see *Press Releases* of May 20, 1939 (Vol. XX, No. 503), pp. 423-424.

711.94/1354

*Memorandum by the Chief of the Division of Far Eastern Affairs
(Hamilton)*

[WASHINGTON,] November 14, 1939.

During a call by Mr. Morishima, Counselor of the Japanese Embassy, Mr. Morishima brought up the subject of the situation in China. He referred to the fact that the Japanese authorities were putting forth special efforts to adjust cases in which Americans were involved. He said also that he thought that the Japanese Minister for Foreign Affairs in his subsequent conversations with Mr. Grew would explain to Mr. Grew the Japanese point of view. Mr. Morishima expressed the opinion that the conversations between Ambassador Grew and the Japanese Minister for Foreign Affairs would prove very helpful. I said that I thought the conversations would enable each of the parties

^{60a} Reprinted from Department of State, *Bulletin*, October 21, 1939 (vol. 1, No. 17), p. 407.

thereto to obtain a clearer understanding of the viewpoint of the other and of his Government.^{60b}

During the course of the interchange of comment, I remarked that the types of cases which the Japanese authorities had recently adjusted involved more or less surface sources of friction between the United States and Japan and did not touch some of the more fundamental causes of difficulties. Mr. Morishima inquired what I meant by fundamental causes. I said that I had in mind as one illustration the situation which was created when the armed forces of one country went into another country, drove out the established authority, set up a new currency designed to supplant the established currency which was used in the conduct of trade, set up monopolies and promotional and development companies, instituted exchange control and import and export control, etc., the net effect of all of which was that citizens of that country were accorded a preferred status. When Mr. Morishima said that under the arrangements which had been set up in north China everyone was treated alike and there was equality of opportunity, I said that perhaps everyone other than the Japanese were on an equal footing but that we could not regard a system under which the Japanese were given a preferred status as compared with Americans and other foreigners as affording real equality of opportunity. I commented at some length on this matter. Mr. Morishima finally asked whether I would regard as effective equality the placing of Japanese on the same status as Americans and other foreigners. I indicated assent. I added that we could not regard what was going on in north China, in central China and in south China as giving American nationals equality of opportunity.

During the course of the conversation Mr. Morishima stated several times that large-scale hostilities were going on in China and many of the restrictions which had been put into effect by the Japanese military were of a temporary character necessitated by military needs. I commented that if Mr. Morishima had told me that a major battle was going on in a particular locality in China and had said that the Japanese military had imposed special restrictions on travel by American citizens in the area in which the battle was actually taking place, I thought that, leaving aside the question of any opinion we might have as to the hostilities and matters of legal rights, we would endeavor to apply to such a situation the rule of reason in so far as the movement of American nationals and the carrying on by them of their legitimate activities were concerned. I observed that the hypothetical situation which I had described did not exist in most of the large centers in China under Japanese military control. I

^{60b} For conversations of November 4 and December 4, 1939, see vol. II, pp. 31 and 40.

pointed out that Japanese civilians had returned to these areas in numbers much larger than the numbers living at those points prior to the hostilities. I said that for months Japanese officials had been affirming that the restrictions were of a temporary nature; and that the restrictions continued.

Mr. Morishima observed that as I was aware officials of the Japanese Government had announced that they advocated the establishment of close economic relationships among Japan, "Manchukuo" and China. I said that if Japan and China could work out a commercial agreement based upon the most-favored-nation principle they would be doing something in line with one of the fundamental principles of this Government's foreign policy. I said that this Government and this country believed in establishing trade relations among countries on a general most-favored-nation basis and that we believed that extension of such a basis in relations among nations would contribute substantially to general prosperity and healthy relationships among nations.

Mr. Morishima said that of course countries sometimes had special needs from point of view of national security. He said that from this point of view Japan might find it necessary to make arrangements whereunder Japan might station troops at certain points in China. I commented that Mr. Morishima was aware of the attitude of this Government with regard to one country interfering in the internal affairs of another country and taking action in another country which represented impairment of that country's sovereignty and freedom of action.

M[AXWELL] M. H[AMILTON]

1940

393.115/912

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Arita)*

No. 1498

The American Ambassador presents his compliments to His Excellency the Japanese Minister for Foreign Affairs and has the honor to inform Mr. Arita that the Japanese naval authorities in South China refuse to permit American oil companies to ship kerosene to the Namhoi District, near Canton, which contains the important city of Fatshan. According to reports received by the American Consul General at Canton, the sole right of distributing kerosene in Fatshan has been granted to a firm of Chinese who are said to be closely connected with the local magistrate. Additional monopolies have already been established in the important cities of Nagou, Tungkun, and Tsengshing, and it is understood that the formation of several others is planned.

The American Consul General at Canton has protested orally and in writing on several occasions to his Japanese colleague against interference on the part of the Japanese Navy with the lawful activities of American oil companies, but he has yet to receive an informative reply. The fact that the business of the American oil companies in the districts above-mentioned have been brought to a standstill in the meantime, when viewed in the light of the unresponsive attitude of the Japanese authorities in Canton, cannot but give added basis to the belief that the exclusion of American enterprise from the districts mentioned is under contemplation.

Mr. Grew is desired by his Government to emphasize to Mr. Arita that the restrictions imposed by the Japanese Navy on the oil companies not only constitute an unwarrantable interference with the legitimate activities of American citizens but prejudice the repeated assurances of the Japanese Government that American rights and interests in China will be respected. Mr. Grew requests, under official instructions, that the Japanese Government direct its representatives in South China to withdraw as soon as possible these restrictions along with other measures calculated to prevent American oil companies from freely operating in the Chinese areas under Japanese occupation.

TOKYO, March 20, 1940.

693.006 Manchuria/47

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

The Japanese Government will recall the repeated representations of the Government of the United States in regard to the discriminatory treatment accorded American trade in North China as compared with treatment accorded Japanese trade as result of the control exercised by the Japanese-sponsored authorities there over the exchange accrued from exports and thus indirectly over imports. The Government of the United States is not aware that there has been any amelioration of the situation thus complained of. It is now learned that the Japanese Government-controlled authorities in North China have established full exchange control over imports as well as over shipments from Central and South China thus completing their control over the trade of the area.

Under new regulations which have been issued, a merchant desirous of importing into North China cereals from any country or region other than Japan or Manchuria must obtain from a local bank an "application for buying exchange" confirmed by the "Federal Reserve Bank". An importer of any other commodity from any other country or region other than Japan or Manchuria must, unless he is able to obtain a permit for import "without exchange", obtain approval from the so-called Federal Reserve Bank of an "application for indent" even as a prerequisite of "linking" his imports with corresponding exports if he is able to arrange such a transaction. Moreover, no provision whatever has been made in the new regulations for imports on consignment, the method used by large distributors of petroleum products, dyes, chemicals and other lines. American business men in North China gravely apprehend that the new regulations will result in an enforced sharp decline in trade with the United States. The additional disabilities imposed on non-Japanese trade with North China are oppressive. Meanwhile, under the trade and currency system which has been set up by the Japanese-controlled authorities in North China, Japan's trade with North China is allowed to continue practically on the same basis as domestic trade.

The Japanese Government has heretofore declared its intention to uphold the principle of equality of treatment in China. The notice issued by the Superintendent of Customs at Tientsin in connection with the new regulations specifically exempts imports from Japan or Manchuria from the application of those regulations and thus publicly advertises that the regulations are discriminatory.

The Government of the United States makes full reservation of rights in regard to these discriminations and emphatically requests that they be removed. An early reply is requested in regard to the intentions of the Japanese Government in regard to this matter.

TOKYO, July 15, 1940.

711.94/1649b : Telegram

The Acting Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, August 9, 1940—8 p. m.

297. During a call today by the Japanese Ambassador, who came at my request, I made to him and handed to him a transcript of an oral statement as follows:

"At the end of June and during July of this year Japanese-sponsored authorities introduced in portions of China new economic measures and restrictions detrimental to American interests, and there occurred a series of incidents involving Japanese and American nationals. During this period there has been carried on intermittently agitation directed against American interests which has taken the form of mass meetings and demonstrations by Japanese residents and an inflammatory press campaign in the Japanese-controlled press. There were also developments in Japan which have raised questions as to the welfare and security of American nationals residing in that country.

Developments at Shanghai have been of an especially serious character.

At that place, acts of terrorism have been committed against reputable American citizens and established American interests, as well as against other nationals and other interests, and a judge of one of the courts established by international agreement, to which the Government of the United States is a party, has been assassinated. Newspapers subject to Japanese control have been conducting an anti-American and anti-foreign campaign, the inflammatory character of which could not but affect prejudicially peace and order.

The authorities of the International Settlement have made every effort to deal with the realities of the difficult situation confronting them. There is, however, no indication that Japanese officials have used their undoubted influence in a way which would contribute to allay the agitation.

The United States has, by reason of international agreement to which it is a party and by reason of the large number of its nationals residing in the International Settlement and the considerable property and other interests possessed by its nationals there, an important concern in any development relating to questions of peace and order in the Settlement and to questions affecting the administration of the Settlement and of the duly constituted establishments of government, including courts, situated there. The United States has, of course, an especial concern for the welfare and security of American nationals.

The Government of the United States is deeply concerned over the various actions to which certain Japanese agencies and instrumentali-

ties in China appear to be resorting as a means of exerting pressure upon the duly constituted authorities of the foreign administered areas at Shanghai and upon the nationals of third powers. The Government of the United States is loath to believe that the Government of Japan condones these acts.

The Government of the United States has made due note of and is taking due account of those acts and developments which affect adversely interests of the United States and its nationals.

An illustrative list of recent restrictions and incidents is appended."

The summary of recent illustrative developments and incidents affecting adversely interests of the United States and of its nationals, which I also handed to him, included the following:

Establishment in North China on June 28 of full import exchange control;

Assault on July 4 at Chefoo on members of the American Presbyterian Mission by Japanese armed soldiers;

July 7 incident at Shanghai involving American Marines and Japanese gendarmes,⁶¹ including reference to restraint and good will shown by American authorities in attempting to effect reasonable adjustment and to the intemperate tone and language of communications from the concerned Japanese authorities;

The refusal since about July 8 of Japanese military authorities at Shanghai to issue permits for shipments by American firms to the hinterland and Yangtze Valley;

Mass meeting on July 10 in Hongkew in connection with the July 7 incident, reported intemperate statements by the commander of the Japanese naval landing party, and sensational and inciting articles published in Japanese-controlled newspapers;

The demand of the Nanking regime for the deportation from Shanghai of six Americans and one British subject, the throwing of bombs at a Chinese language newspaper in which an American claims an interest, and the assassination of Samuel Chang;

Tang Liang-li's reputed letter in the *North China Daily News* of July 16 and a foreign newspaper commentator's interpretation thereof as a threat to kidnap if not to murder the Americans and Briton concerned;

A report of July 19 from Shanghai that an American missionary woman at Soochow had been searched in a humiliating and insulting manner by a Japanese sentry;

An anti-American demonstration on July 19 at Hangchow by Japanese in uniform riding in Japanese military trucks;

Attack on July 20 at Shanghai on Hallett Abend;^{61a}

The appeal on July 20 of the Chairman of the Shanghai Municipal Council to the Consular Body, the public criticism of the appeal by the Japanese Consul General, and the attempt of the Japanese Consul General to cause the Consular Body to indicate in a resolution that "Chungking elements" were responsible for all terrorism in Shanghai;

⁶¹ See telegram No. 671, July 22, 1940, from the Consul at Shanghai, vol. II, p. 101.

^{61a} Far Eastern correspondent of the *New York Times*.

The receipt on July 23 by the American Consul at Shanghai of a telegram from Amagasaki demanding apologies and withdrawal of American forces from China;

The demand of the Nanking regime, reported July 23, for the arrest of a large number of Chinese in the Settlement, deportation of certain foreigners, and closing down of foreign newspapers published in the Settlement and newspaper threats that the regime will take over Settlement police rights;

The arrest on July 27 in Tokyo of a number of British subjects, the death of Cox,^{61b} the arrest and detention of Morin,^{61c} and the subsequent press warning to foreign correspondents;

The assassination of Judge Chien on July 29 in Shanghai;

A report of July 31 that instructions had been issued to Shanghai representatives of Japanese newspapers to look for stories on which anti-American articles might be based;

The assassination on August 2 of a White Russian employed by an American firm, the kidnaping of a Chinese coal dealer on the same day, and the publication of anti-American articles in a Japanese controlled paper.

In a note to the list it was observed that, in connection with certain incidents, the local American authorities moved rapidly in instances in which there was evidence of some fault on the American side to make appropriate amends, but that in connection with other incidents in which the evidence indicated chief fault on the Japanese side the fair and reasonable attitude of the local American authorities did not meet with a similar response on the part of the local Japanese authorities. It was observed also that in some instances, following the settlement of the incidents, the local Japanese authorities gave to the press distorted versions of the terms of settlement as well as the circumstances surrounding the incidents.

Sent to Tokyo via Shanghai. Repeated to Peiping and Chungking.

WELLES

711.94/1795

Memorandum by the Under Secretary of State (Welles)

[WASHINGTON,] August 23, 1940.

The Japanese Ambassador called this afternoon at his request. I asked the Ambassador if he had formed any conclusions with regard to the memorandum listing incidents affecting American nationals in China which I had handed to him on August 9.⁶² The Ambassador said that he had and pulled out a very bulky envelope, which he opened, and then presented me with a memorandum, a copy of which is attached herewith,⁶³ containing what the Ambassador termed were his observa-

^{61b} Reuter's representative (British) in Tokyo.

^{61c} Associated Press representative in Tokyo.

⁶² See telegram No. 297, August 9, 1940, to the Ambassador in Japan, *supra*.

⁶³ *Infra*.

tions concerning my memorandum of August 9. After a glance at the memorandum I said that it was evident that this was a very detailed document which would require careful study and that I would be glad to comment upon his observations in our next interview.

I then stated that I was sorry to have to tell the Ambassador that other additional incidents affecting American nationals and American interests in China had arisen since the preparation of my other memorandum on the subject, and I thereupon handed the Ambassador a memorandum entitled "Supplementary Summary of Incidents Affecting Adversely the Interests of the United States and its Nationals", a copy of which is attached herewith.⁶⁴

The Ambassador read this supplementary list very attentively and then stated that it was the view of his Government, and his own view, that it was very difficult for such incidents to be discussed by the two Governments concerned, in as much as the high officials of both Governments were so far removed from the scene where these incidents had occurred, and that his Government believed that they should be settled by the local authorities.

I replied that, as the Ambassador well knew, this Government has frequently stated that it hoped and believed that local incidents could be settled in a friendly and equitable manner by the local American and Japanese officials, but that I was sure the Ambassador would admit, as must his Government, that in the event that negotiations between the local authorities did not result in settlements which were fair and equitable to the American interests or the American nationals involved there was no recourse other than for the two Governments to confront the task of adjusting them in a satisfactory manner to both sides. I said that as a practical matter I was entirely confident that there would be no further incidents of this character which could not be promptly and satisfactorily settled and that, moreover, very few incidents of this character would arise if the Japanese Government informed its military and naval authorities in China that it desired that under no conditions should such incidents adversely affecting American interests and nationals occur.

At this stage the Ambassador said that it was, of course, the desire of his Government that no unfair treatment be accorded American interests or American nationals in China. I added if that was the case I felt sure that the conversations between the Ambassador and myself regarding these questions would be productive of beneficial results and that I therefore trusted that at our next meeting no new incidents would have arisen in the meantime and that with regard to the outstanding incidents of which I had complained a prompt and satisfactory adjustment could be made.

⁶⁴ No copy attached to this file.

The Ambassador then remarked that he felt confident that in practically all cases satisfactory adjustments could be made provided the local American authorities were permitted to settle them directly with the corresponding Japanese authorities. He went on to say that at the time of the so-called Marines incident a satisfactory adjustment had been found by the local American authorities but that they were impeded from making such adjustment effective on account of orders received from the State Department. I stated that my understanding of that situation was entirely counter to the Ambassador's impression but that in this case, as in all other cases listed, I would be glad to discuss the full details with the Ambassador in our next session.

S[UMNER] W[ELLES]

711.94/1795

*The Japanese Embassy to the Department of State*⁶⁵

With reference to the memorandum of the Department of State under date of August 9, 1940,⁶⁶ dealing generally with developments in China and specifically to a series of incidents occurring in the Japanese occupied areas there during June and July of this year, involving American nationals and interests, observations are made as follows:

I

The economic measures and restrictions now being enforced in portions of China under Japanese occupation are intended solely to establish economic integrity in the regions concerned and have been necessitated by the requirements of military operations. No discrimination whatever has been intended toward the United States or toward any third power.

The difficulties in obtaining permits for shipments by American firms out of Shanghai to the hinterland and the Yangtze Valley (either by rail or by boat) are attributable to the fact that the preparations for the opening of the Yangtze River to general traffic are not yet completed and that, owing to the conditions prevailing along the route, railway facilities are not available to meet all demands. The further fact that military operations had to be launched as recently as July of this year in the upper Yangtze region may account for the difficulties.

In North China, exchange drawn on all exports and interport exports from that area are purchased by the Federal Reserve Bank of China, which makes 90% of the export exchange available to banks as "cover" for imports and interport imports. Thus a sys-

⁶⁵ Handed, on August 23, 1940, to the Under Secretary of State (Welles) by the Japanese Ambassador (Horinouchi).

⁶⁶ See telegram No. 297, Aug. 9, 1940, to the Ambassador in Japan, p. 862.

tem of "linking" has been worked out between 90% of the export values and the total of import values. However, due to the recent introduction of non-exchange import measures, and the necessity of adjusting the distribution of the concentrated exchange of the Federal Reserve Bank of China among the exchange banks, it was made obligatory to obtain the prior approval of the Federal Reserve Bank of China for import and interport import shipments of all commodities, except food stuffs, within the limits of the above-mentioned export-import linking system. The reasons for the adoption of the new measures may be summarized as follows:

(1) In order to prevent a food shortage such as occurred in North China last year, the North China authorities have found it necessary to appropriate for the importation of food stuffs the limited amount of available exchange. However, in order that the actual application of the measures should not obstruct the normal transaction of business, due consideration has been given to shipments already under contract. Essential commodities other than food stuffs are also accorded preferential treatment.

(2) Recently the trade of North China has shown an excess of imports over exports. This undesirable situation has been due in part to non-exchange imports effected by the illegal use of *fapi*, circulation of which is prohibited in North China. The authorities have had to adopt corrective measures for the stabilization of the financial and currency system.

The above-mentioned measures are not applicable to imports from Japan and Manchoukuo. These exceptions, however, have not been made exclusively to benefit Japanese and Manchoukuoan concerns at the expense of nationals of third powers. The reasons why imports from Japan and Manchoukuo are not subject to these controls will be clear from the following facts:

(1) A common currency system prevails throughout Japan, Manchoukuo, and North China on the basis of parity between the yen and yuan. It is therefore only natural that there is a difference between the treatment accorded to Japan and Manchoukuo and that applied to third powers with a currency basis different from that of North China.

(2) Japan holds herself responsible for the maintenance of the value of bank notes issued by the Federal Reserve Bank of China. Therefore, in order to keep a sufficient supply of essential commodities and to maintain the value of Federal Reserve bank notes, the import of an enormous amount of such commodities into North China is necessary. Such importation, however, has to be made without impairing the exchange situation of North China. On account of the parity of currencies, imports from Japan and Manchoukuo do not affect the exchange situation, but imports from third powers must be placed under control.

In short, the trade and exchange restrictions have been adopted by the North China authorities only as an indispensable aid to

establishment of economic integrity and of a sound currency system. As long as foreign exchange banks and foreign trade merchants operating in North China adjust themselves to the policies of the authorities in a true spirit of understanding and cooperation, there will be no difficulty in their obtaining the necessary permits, or in their conduct of business. It is therefore desired that the Government of the United States advise American business men in North China that to conduct their business in a manner suited to the special conditions of the region will best serve their own interests in the long run.

II

It is noted that the Department of State asserts that there have been "agitation directed against American interests which has taken the form of mass meetings and demonstrations by Japanese residents and an inflammatory press campaign in the Japanese-controlled press" in the Japanese occupied territories in China and similar developments in Japan "which have raised questions as to the welfare and security of American nationals residing in that country."

Investigations by Japanese authorities show that most of these incidents may be regarded as an aftermath of the arrest and rough treatment of Japanese gendarmes by United States marines.⁶⁷ These incidents will automatically be solved when the gendarmes incident is brought to an amicable settlement. Others are of a sporadic nature occurring under circumstances peculiar to themselves. Incidents during the past months are either cases associated with the gendarmes incident or non-connected cases occurring at short intervals, but they should not be construed as manifestations of a general anti-American movement under official Japanese auspices.

In connection with the case of the arrest and rough treatment of Japanese gendarmes by United States marines, it has been reported that the Japanese authorities have intentionally tried to capitalize the incident in order to stimulate anti-Americanism. This is an utterly false accusation. It is true that the Japanese press in Shanghai voiced a strong protest against the arrest and that Japanese civilian groups held mass meetings and denounced the action of the United States marines. However, such actions were entirely spontaneous and should not be taken as an attempt to create anti-American feeling. Natural resentment against maltreatment of members of the regular forces of the Army and a desire to obtain a speedy settlement of the incident were primarily responsible for those popular manifestations of feeling. Needless to say, neither newspaper editorials nor mass meetings have anything to do with the Japanese authori-

⁶⁷ See telegram No. 671, July 22, 1940. from the Consul at Shanghai, vol. II, p. 101.

ties in Shanghai, who, in keeping with their established policy, maintained strict supervision over the activities of Japanese nationals.

It is essential that the gendarmes incident should be settled at the earliest possible moment. The State Department is understood to have sent instructions to the American authorities in China, vetoing the local settlement which had tentatively been reached. That step is much to be regretted, especially in that the instructions apparently failed to evaluate properly the circumstances under which the incident took place and disregarded a practical proposal by which the incident was about to be brought to an amicable settlement by the parties directly concerned. It is sincerely hoped that in situations of this kind the Department of State will follow a policy of recognizing local settlements reached on the spot by the highest military authorities of the two countries.

The order of expulsion from Shanghai of foreign press correspondents was aimed solely at those correspondents who, under the cloak of Chinese language newspapers, have engaged in offensive propaganda against the Nanking regime, including some who have been in secret league with rebels and have been aiding them in conspiracies to overthrow the new regime. It was under such circumstances that Mayor Fu of Shanghai, presumably following the Nanking Government's instructions, sent a letter to the British and American consuls requesting them to see to it that these correspondents would leave Shanghai. The above step may be construed as a mere measure of self-protection.

III

"Terrorism" in Shanghai is no new phenomenon. At the outset of the present Sino-Japanese incident, Japanese were the victims of such terrorism, but since last year, violence has been directed largely against the followers of Wang Ching-wei.^{67a} Terroristic violence was first resorted to by special agents of the Chungking regime, and statistics show that the victims among adherents of the Wang Ching-wei regime out-number by far those of the Chungking elements. The inability on the part of the police authorities of the Settlement to counteract the terrorism of the Chungking agents in turn left room for retaliations by the adherents of Wang Ching-wei, who sought therein a form of self-protection.

Notwithstanding this obvious fact, the Settlement authorities and third power nationals, influenced by preconceived opinions, have closed their eyes to the violent measures of the Chungking agents, but have singled out for censure the reacting measures taken by supporters of Wang Ching-wei. It is interesting to note that while the

^{67a} Head of the Nanking regime and former member of the Chinese Government.

assassination of Mo Shih-ying, publicity agent for Wang Ching-wei, on June 28, 1940, received little notice by the Settlement authorities or the Consular Body, the assassination three weeks later of Samuel H. Chang, publisher of "The Shanghai Evening Post and Mercury," and the issuance of an order for the arrest of an enemy of the Wang Ching-wei regime last July, suddenly attracted their attention to the extent of "terrorism" in Shanghai and caused them to clamor for measures to combat it. Be that as it may, one must recognize the fact that the Chungking regime is no longer in a position to maintain peace and order in the International Settlement and its vicinity and that the Nanking Government, with the support of the Japanese Army, is the only authority that can be responsible for the maintenance of order there. Nothing but candid recognition of the realities of the changed situation and support of a genuinely practicable system will be conducive to the firm establishment of peace and order in the Settlement.

Consul-General Miura's statement with reference to a resolution introduced before the meeting of the Shanghai Consular Body on July 25 in regard to terrorism is considered appropriate in the light of the actualities referred to above. He asserted that in order to maintain peace and order in Shanghai it is primarily imperative that all acts of terrorism committed by Chungking elements be terminated. He further stated that any resolution or discussion dealing with terrorism which overlooks this basic point would be useless.

It is obvious that the Nanking Government cannot afford to tolerate acts of violence against its leaders, or any speech or discussion which seeks to repudiate the Government within its own jurisdiction. It must therefore be conceded that measures for the suppression of such seditious activities are within the purview of its right to defend itself against its enemies. So far as the Nanking Government is concerned, it is needless to add that seditious activities committed under the guise of an alien status or of the extra-territoriality of the Settlement cannot be tolerated.

IV

With regard to the case of breaking into the apartment of Mr. Hallett Abend, Shanghai correspondent of the *New York Times*, by two hoodlums on July 20, and their seizure of Mr. Abend's manuscript, it seems that certain foreign residents of that city entertain the idea that Japanese officials were behind this incident. However, investigation up to date has failed to establish any ground for the suspicion. Therefore, this incident, which is still under close investigation by the consular police, the Japanese military police, and the municipal police authorities, should be treated as an ordinary criminal case.

The taking of Mr. Relman Morin, Tokyo correspondent for the Associated Press, to the Tokyo *gendarmérie* headquarters on July 31

was for the investigation of the circumstances of his sending a press dispatch which glaringly contrasted with the official findings. It has transpired that his dispatch was based on information supplied by a member of the British Embassy in Tokyo which distorted the facts connected with the farewell note of Mr. Melville James Cox, correspondent in Tokyo for Reuters, who committed suicide on July 29. Mr. Morin's report asserted that Mr. Cox's farewell note was a forgery, a statement contrary to fact. On August 3, the *gendarmérie* authorities presented the note to the British Consul-General and to the Chief of the Far Eastern Bureau of Reuters, at their request. They both agreed that the note was unmistakably in Mr. Cox's own handwriting.

V

The foregoing statements will make clear :

(1) That the recent economic measures introduced by the North China authorities are designed to maintain economic integrity and to stabilize currency; they are not intended as a discrimination against the nationals of third powers; they are essential for the financial and economic welfare of the region, and as such deserve the compliance and cooperation of foreign business men.

(2) That difficulties involved in freight shipments to the hinterland and the Yangtze Valley are due to actual conditions in that area and the necessity for military operations.

(3) That recent series of incidents in Shanghai involving American nationals and interests are spontaneous and natural manifestations, for the most part caused by the mistreatment of Japanese gendarmes by United States marines. These and similar incidents are sporadic and disconnected; it is erroneous to consider them as a systematic or supervised anti-American movement. Settlement of the gendarmes incident should be made by a compromise appropriate in the light of the actual circumstances, as suggested by the local authorities.

(4) That in view of the fact that terrorism in Shanghai originates in most cases in the acts of Chungking agents, it is essential for the maintenance of peace and order that they be removed from the city. It is also necessary to recognize that the Japanese army and the Nanking Government are conjointly the only power capable of maintaining order in Shanghai.

(5) That settlement of local incidents occurring in Japanese occupied areas in China will be possible only through negotiations with the local authorities, regardless of whether or not legal recognition is extended to the central government.

In the light of the above-mentioned views and observations, it is ardently hoped that the Government of the United States will endeavor to solve its problems involving American interests in China by practical methods in keeping with actual realities in that part of the world.

[WASHINGTON,] August 23, 1940.

393.115/1002

*The American Ambassador in Japan (Grew) to the Japanese Minister
for Foreign Affairs (Matsuoka)*

No. 1636

[Tokyo,] September 18, 1940.

EXCELLENCY: I have the honor to recall to Your Excellency the fact that my Government has frequently found it necessary in recent years to make representations to the Japanese Government in regard to interference with American trade in China by Japanese military authorities or by local organizations under their control. Not only have representations been made in connection with general trade and exchange measures enforced by Japanese-controlled authorities in north China, but also in connection with especially destructive interferences with American trade in individual commodities, notably hides and skins, furs, wool, radios, egg products, and embroideries. It is now necessary to bring to the attention of the Japanese Government widespread interference with American trade in petroleum products.

In accordance with the desire of Your Excellency's Government that questions of interference with American rights and interests in China be taken up and settled, if possible, with local Japanese authorities, American diplomatic and consular officers in China during the past twenty-one months have made earnest and continuous efforts to protect American trade in China in petroleum products from the multiplicity of interferences which have been instituted by the Japanese military authorities in China or local organizations under their control by taking up these matters with their Japanese colleagues on the spot. Unfortunately, those efforts have for the most part been unsuccessful. From Kalgan to Canton, in coastal cities and in the interior, American trade in petroleum products, chiefly kerosene and candles, continues to be subjected, notwithstanding repeated representations to the local authorities by American diplomatic and consular officers, to arbitrary and unwarranted interferences. Certain restrictions at certain points in China have, in response to those representations, been removed, but new restrictions in still other areas have been imposed, resulting in a net extension of interference rather than a contraction. The pattern of interference is so complete and the combined effects of the interferences upon American trade in petroleum products is so damaging that, especially in view of the rapid expansion of the Japanese petroleum products trade in China, it would appear that a comprehensive effort is being made to undermine American trade in petroleum products in China and to establish Japanese trade there in a preferred position.

Upon twenty-one occasions since January 1939 the American Embassy in Peiping has made written representations to the Japanese

Embassy there in regard to interferences with American trade in petroleum products over extensive areas in Inner Mongolia and north China. These representations were made for the most part after efforts on the part of American diplomatic and consular officers in north China to effect the removal of the interferences in question through discussion with their local Japanese colleagues had proved fruitless. There follows a list of dates on which representations were made by the American Embassy at Peiping to the Japanese Embassy there in regard to interferences with American trade in petroleum products, together with an indication of the cities or areas where unwarranted interferences were reported as taking place:

<i>Date of Representations</i> ⁶⁸	<i>Cities or Areas Where Interferences Were Reported as Taking Place</i>
1. January 5, 1939	Shihkiachwang, Hopei, and other places in Hopei along the Peking-Hankow Railway; Cities in Shansi along the Chengtai Railway.
2. March 7, 1939	Kaifeng, Honan.
3. March 13, 1939	Shihkiachwang, Chengting, Paoting, and Tingsien in Hopei; Yutze and Taiyuan in Shansi.
4. April 27, 1939	Shihkiachwang and other places in North China.
5. September 25, 1939	27 places in Honan, Hopei, Shansi and Inner Mongolia.
6. October 3, 1939	Tientsin—trade throughout north China affected.
7. October 7, 1939	Sinsiang, Honan.
8. October 27, 1939	Taiyuan, Shansi.
9. November 6, 1939	Taiyuan, Shansi.
10. November 18, 1939	Tientsin—trade throughout north China affected.
11. December 12, 1939	Hsingtaihsien, Chengting, Tingsien, and Wangtu in Hopei Province; Yangchuan in Shansi Province; and Anyang and Tsinghwachen and Honan Province.
12. December 14, 1939	Tatung, Shansi.
13. January 18, 1940	Fengchen, Suiyuan; Kalgan, Chahar; and Paoting, Hopei.
14. January 30, 1940	Shacheng, Chahar.
15. February 3, 1940	Paoting, Hopei; Fushan, Shantung; and various towns along the Peiping-Hankow Railway in Hopei Province.
16. February 6, 1940	Shihkiachwang, Hopei.
17. March 9, 1940	Kalgan, Chahar.

⁶⁸ Representations not printed.

Date of Representations

18. April 2, 1940

19. April 29, 1940

20. April 29, 1940

21. May 2, 1940

Cities or Areas Where Interferences Were Reported as Taking Place

Kalgan, Chahar, and Shacheng in Inner Mongolia; Yangkao and Yutze in Shansi; Hsuehchow, Kiangsu; Paoting and Hantan in Hopei; and Kaifeng and Sinsiang in Honan.

Changte, Honan.

Shacheng, Chahar.

Tatung, Yutze, Pingyao, Yangchuan, Taiyuan, Taiku, and Showyang in Shansi Province; Paoting, Tzechow, Shihkiachwang, Shunteh, Chengting, and Hatan in Hopei Province; Tsinghwachen, Chiaotso, and Kweiteh in Honan Province; and Hsuehchow in Kiangsu Province.

The types of interference involved in the foregoing complaints are varied but some of the more common are as follows: (a) fixing of prices at which petroleum products may be sold, the price usually being below the price at which the American companies involved have felt that they could sell with the expectation of making a profit; (b) quantitative limitation upon or prohibition of the movement of petroleum products from railway centers to interior markets; (c) prohibition of shipments of petroleum products from Tientsin to the interior except with the permission of the Japanese military authorities or the Japanese Consul General in Tientsin; (d) the levying of a so-called "transit" tax and other illegal taxes upon the transportation of petroleum products in north China and Inner Mongolia; (e) the establishment of monopolistic organizations in certain markets for the distribution of petroleum products at fixed prices; (f) prohibitions against the purchase of petroleum products by any one not possessing a "purchase" certificate issued by the local magistrate or by certain Japanese military authorities; (g) currency restrictions on the freedom of agents of American oil companies to remit to such companies funds derived from the sale of the companies' products.

As indicated hereinabove, certain interferences at certain places have been removed in response to representations made by American Embassy and consular officers in China. For example, the general restrictions upon the movement of petroleum (and other) products from Tientsin to the interior except with permission of the local military authorities or the Japanese Consulate General in Tientsin were removed. Moreover, the American Embassy at Peiping has been informed that some of the restrictions at Fushan, Shantung; Fengchen, Suiyuan; Sinsiang, Honan; and Taiyuan, Shansi, have been

removed. However, it appears that most of the interferences which have been reported remain in effect and that those which have been removed have been replaced by other interferences at other places.

Interferences with American trade in petroleum products have not been confined to north China. According to information recently reaching my Government from the American Consul at Swatow, the Japanese military authorities at that port have refused an American company permission to import kerosene from Canton unless the company (1) produces a permit issued by the Japanese military authorities in Canton sanctioning the export of kerosene, (2) appoints a Japanese agent in Swatow to distribute the kerosene imported, and (3) pays to the Swatow civil authorities a tax of approximately ten yen for each ten-gallon unit.

The American Consul at Amoy has recently reported to my Government that the China Affairs Board has imposed quantitative restrictions on shipments into the interior of kerosene which would practically wipe out the business of foreign oil companies. Although the Japanese Consul at Amoy has informed the American Consul there that the purpose of the restrictions is to prevent kerosene from falling into the hands of the Chinese armies, that explanation is at variance with statements made by a local Japanese military authority.

In various districts in the Canton area kerosene monopolies have been established with the assistance of the Special Service Section of the Japanese Army which effectively preclude sales by American oil companies in those districts. On February 9, 1940, the American Consul General in Canton made representations⁶⁹ to his Japanese colleague there in regard to the inability of American oil companies to ship petroleum products to the Namhoi district, principally Fatshan city, by reason of the fact that the distributing of kerosene in Fatshan had been restricted to one company, thereby creating a situation in the nature of a monopoly. On March 4, 1940, the American Consul General in Canton addressed a further communication⁶⁹ to his Japanese colleague informing him that with the assistance of the Japanese authorities similar monopolies had been created in the Punyu, Tung-kun, and Tsengshing districts and that, according to his information, similar monopolies would be established in several other districts. The American Consul General protested against the establishment of these illegal monopolies and asked that they be removed. Similar representations regarding this matter were made in my note, no. 1498, to Your Excellency's distinguished predecessor on March 20, 1940.

At Shanghai, the Japanese military and naval authorities have imposed restrictions on American shipments from Shanghai to points

⁶⁹ Not printed.

in the interior and to South China coast ports. Shipments have been allowed only under permits approved by the Japanese authorities, and within the past two months, only in the name of Japanese agents of the American companies. Permits issued recently also bear the stamp of the Japanese Oil Association, which indicates that American oil shipments require the approval of Japanese oil merchants. The result of these restrictions is that the business of American companies in the Shanghai area is limited to the City of Shanghai, whereas Japanese importers of petroleum products who have purchased their supplies in free markets abroad have made large shipments from Shanghai to Yangtze Valley points. Repeated representations in this matter made by American consular officers in Shanghai to the Japanese authorities there have not led to any amelioration of the situation, nor is there any prospect that the Japanese authorities intend to permit American companies to regain direct participation in the trade in the Yangtze area.

Coincident with the development of an extensive pattern of interference in China with the sale of American petroleum products Japanese petroleum interests have been enjoying in recent years, according to reports reaching the Government of the United States, an increasing share in the petroleum trade of China for non-military consumption, a share which was markedly accentuated in 1939, and a large expansion of the distribution facilities in China of Japanese petroleum interests is reported to be taking place. The Government of the United States cannot regard these developments as unrelated to the afordescribed program of interference with American trade in petroleum products in China.

It seems hardly necessary to point out to Your Excellency's Government the extent of American financial interest in the petroleum trade of China, the extent of investments of American petroleum companies in storage and distribution facilities in China, and the value of the good will and trade contacts, which have been built up laboriously in China over a long period of years by American petroleum companies. These assets are now in danger of permanent impairment by acts of Japanese military authorities in China or by agents or local authorities under their control.

The Government of the United States protests emphatically against the foregoing interferences with American rights and interests in China, records a full reservation of rights in the matter, and, recalling the repeated assurances of the Japanese Government that American rights and interests in China would be respected, requests that the interferences complained of be removed and that effective steps be taken to prevent the establishment of new interferences.

I avail myself [etc.]

JOSEPH C. GREW

711.94/1795

Memorandum by the Under Secretary of State (Welles)

[WASHINGTON,] September 20, 1940.

The Japanese Ambassador called to see me this afternoon at my request. I handed the Ambassador the "oral statement"⁷⁰ which the Far Eastern Division had prepared as a reply to the memorandum which the Ambassador had left with me on August 23.

The Ambassador read the memorandum very attentively, but before he had an opportunity of commenting upon it, I told him that, as he would see from the last paragraph of the statement handed to him, I had found it necessary to express regret for the tone of the language used in the document which the Ambassador had left with me and I felt that it was necessary to emphasize the fact that I did not believe that the friendly and equitable solution which the Ambassador and I both desired of the questions at issue between the two Governments could be advanced by the employment of the kind of language employed by the Japanese Government in this recent communication.

The Ambassador immediately said that if the tone or the language employed seemed to me discourteous, this was far from the intention of his Government and that it should be attributed solely to the faulty vocabulary and knowledge of the English language of those responsible for the drafting of the document. I told the Ambassador that I was very glad to accept this explanation.

The Ambassador then said that he noted with great regret that no progress was made in the solution of the July 7 incident^{70a} or in the adjustment of the Sector question.^{70b} He stated that in his opinion both of these questions were of relatively minor importance and that he could not but feel that a satisfactory compromise could be found should the Government of the United States desire to find it. He stated that he was informed that in 1931 and 1934 the commanding officers of the International Settlement Forces had recommended that Sectors *D* and *B* be policed by the International Police Force with the temporary assistance from time to time of the Volunteer Force should these additional services be required. He urged that a compromise of this nature now be agreed upon.

I told the Ambassador that I was not prepared to make any comment upon this suggestion beyond saying that this suggestion had not been found acceptable by our authorities in the past because of

⁷⁰ *Infra*.^{70a} See telegram No. 671, July 22, 1940, 1 p. m., from the Consul at Shanghai, vol. II, p. 101.^{70b} See statement by the Secretary of State, September 4, 1940, vol. II, p. 111.

our belief that it was not a practical suggestion, but that I would convey the Ambassador's remarks to the appropriate authorities of the Navy Department.

The Ambassador then said with regard to the July 7 incident that it seemed to him that all that was required was an agreement on the language of some expression of regret on the part of the American authorities.

I called the Ambassador's attention to the fact that in the oral statement which I had just handed him, it had been made entirely clear that the United States did not believe that any apology from its officials was called for.

I then said that to my very great regret, the Ambassador's mission in Washington was soon to terminate and that I wanted to tell him again how sorry I was to see him leave because of my recognition of the constant efforts which he had made to work towards an improvement in the relations between our two countries.

I said that as he was now leaving, it was all the more regrettable to me to note that the divergences of opinion between the two Governments and the serious misunderstandings which had arisen between Japan and the United States were not only not diminished in scope, but appeared, unfortunately, to be increasing materially both in volume and character. I said it must be evident to him as it was to me that no matter how much men of good will in both countries might try to prevent it, if this situation continued no one could prophesy with any assurance that the result might not be of a very serious character.

I said that the Ambassador was undoubtedly aware of the information which had reached this Government that the Japanese military representative in French Indo China, General Nishihara, had been instructed yesterday to present an ultimatum to the French Governor General making demands which were tantamount to a demand for complete occupation of French Indo China, with the threat that if these demands were not accepted before ten p. m. Sunday, September 22, the Japanese military forces would at once invade Indo China.^{70c} I said the Ambassador was likewise in all probability further informed that the French Governor General had refused the demands in question. I said that therefore the civilized world was confronted with a spectacle which in all probability meant that in the immediate future the Government of Japan, in addition to the acts of aggression which it had committed against the Government of China during the past nine years, especially during the past three years, was now about to commit an act of aggression on a colonial possession of the Government of France.

^{70c} See telegram No. 357, September 19, 1940, 9 p. m., to the Ambassador in Japan, vol. II, p. 294.

I then read to the Ambassador from a memorandum which had been prepared by the Far Eastern Division ⁷¹ the various official utterances of Japanese statesmen and spokesmen during the past six months in which they had repeatedly reiterated as the official position of the Japanese Government the desire of the latter to maintain the *status quo* in the Far East and in the course of which statements they had upon repeated occasions indicated their entire concurrence with the United States in the expressed desire of the latter that the *status quo* be maintained. I said that here was once more presented a flagrant case where the official announcements of the Japanese Government were completely counter to the policies and acts of its military authorities, and I concluded by saying that I was, of course, fully aware that the Japanese Ambassador himself could be under no misapprehension as to the very serious disquiet and very open opposition which the action threatened by the Japanese Government would create in the minds of the members of the United States Government and on the part of public opinion in general in this country.

The Japanese Ambassador at first attempted to say that all that the latest demands made by General Nishihara amounted to was compliance with the agreement reached on August 30 between the Vichy Government of France and the Japanese Government. I immediately stated that this obviously was not the case since the demands had been rejected by the French Governor General of Indo China on the specific ground that they were entirely outside of the scope of the agreement of August 30. The Ambassador then said that he had not been informed of the exact terms of the ultimatum presented and that he had not been advised of the confirmation of this information which had been given to Ambassador Grew by Foreign Minister Matsuoka the night before.^{71a}

The Ambassador said that I should bear in mind the fact that there was a very great likelihood that Japan was undertaking the occupation of French Indo China not only as a means of expediting a conclusion of the hostilities in China and solely as a temporary measure with no thought of a permanent occupation of the colony, but also as a means of preventing the German Government, should Germany now prove victorious in her battle with Great Britain, from occupying the French, British, and Dutch possessions in the Far East.

To this I said that it would seem to me obvious that if the Japanese Government found it necessary, for reasons of which we were not aware, to consider taking precautionary measures as a means of preserving, rather than disrupting, the *status quo* in the Far East, this

⁷¹ Not printed.

^{71a} See memorandum by the Ambassador in Japan, September 20, 1940, vol. II, p. 295.

Government would not only have been willing, but glad, to discuss these possibilities with the Japanese Government since, as I had said before, it had repeatedly been stated by this Government as its considered policy that it would support the whole structure of international treaties and agreements covering the maintenance of the stability and the *status quo* in the Far East, except in so far as modifications thereto might be agreed upon through negotiation and peaceful processes. I said that I could hardly accept with any sincerity the argument that Japan was now occupying French Indo China solely in order to prevent Germany from undertaking such occupation.

The Ambassador then said that this Government only recently, as a means of insuring its own security, had obtained air and naval bases on British possessions in the Western Hemisphere.^{71b}

I said to the Ambassador that I was sorry to have to say that I could imagine no parallel less well chosen than that he mentioned for the action which the Japanese Government contemplated in French Indo China. On one side—the Anglo-American side, we had an agreement freely entered into on a basis of give and take, and reached because of the belief of the two Governments that the bargain so consummated enhanced the security of the two nations involved; whereas on the other hand, we had a demand presented by Japan to French Indo China stating that if the local authorities would not immediately pave the way for complete occupation of the entire territory by Japanese troops, the Japanese troops were going to walk in and take charge by force through acts of aggression. I said I could not for the moment accept any parallel between the two questions.

In conclusion I said that I felt it necessary for me to remind the Ambassador of the policy which this Government had publicly announced as the policy which it would pursue with regard to Great Britain, namely, a policy of furnishing to the utmost measure of its ability all material supplies, munitions, et cetera, to Great Britain in order to assist the latter nation to defend herself against the aggression of Germany and her allies. I said that in the Pacific region where this Government likewise desired in its own interest to see peace maintained, the United States was confronted by a series of acts of aggression committed by Japan against her neighbor China, and now in all probability, against the adjacent colony of Indo China. I said that I would be lacking in candor if I did not make it clear to the Ambassador that, consistent with its policy with regard to Great Britain, the United States would likewise feel it necessary to furnish such means of assistance in the way of supplies, munitions, et cetera, for these victims of aggression in the Pacific area as might be required. I said that in view of the violation by Japan of the structure of inter-

^{71b} See exchange of notes at Washington, September 2, 1940; Department of State, *Bulletin*, September 7, 1940 (vol. III, No. 63), p. 199.

national law in her dealings with her neighbors in the Far East and her infringement of the legitimate rights of the United States and of American nationals, the Government of Japan could certainly have no ground for complaint because the United States lent assistance of the character I had indicated to China, and to Indo China in the event that the latter was attacked.

S[UMNER] W[ELLES]

711.94/1795

*The Department of State to the Japanese Embassy*⁷²

ORAL STATEMENT

The Japanese Embassy's memorandum does not meet this Government's complaints in regard to economic measures and restrictions which adversely affect American interests enforced in portions of China under Japanese occupation. The views of this Government on this general subject were set forth in this Government's note of December 31 [30], 1938,⁷³ which the Japanese Government has not answered. In that note it was stated that, with reference to such matters as exchange control, compulsory currency circulation, tariff revision, and monopolistic promotion in certain areas of China, the plans and practices of the Japanese authorities imply an assumption on the part of those authorities that the Japanese Government or the regimes established and maintained in China by Japanese armed forces are entitled to act in China in a capacity such as flows from rights of sovereignty and, further, in so acting to disregard and even to declare nonexistent or abrogated the established rights and interests of other countries, including the United States. Furthermore, such measures in practice give Japanese interests a definite and wide preference to the corresponding definite and great detriment of the interests of third powers.

With regard to the question of terrorism, the statement that terrorism in Shanghai comprises "in most cases" acts of anti-Japanese agents is not a statement which, it is believed, is borne out by the facts. This Government unreservedly condemns terrorist acts by whomsoever committed and it is this Government's opinion, looking at the question of the maintenance of peace and order in the International Settlement from a purely practical point of view, that if the Japanese Government would take steps to cause a cessation of acts of terrorism in the International Settlement by Japanese agents or instrumentalities, a long step would have been taken toward enabling the authorities of the International Settlement to suppress acts of terrorism committed by anti-Japanese or other offenders.

⁷² Handed on September 20, 1940, to the Japanese Ambassador (Horinouchi) by the Under Secretary of State (Welles).

⁷³ *Ante*, p. 820.

As the Japanese Government is well aware, the authorities of the Settlement have exerted every effort within their power to maintain order in the Settlement and those authorities have every right to expect the fullest cooperation of the military and civil authorities of all nationalities, including the Japanese military and civil authorities, in that effort. This Government cannot, of course, accept the statement that "the Nanking Government, with the support of the Japanese Army, is the only authority" responsible for order in the International Settlement.

With reference to the statement in the Japanese Embassy's memorandum to the effect that recent incidents are a natural aftermath of the July 7 incident at Shanghai involving American marines and Japanese gendarmes, it should be pointed out that, apart from any question of accuracy, this statement does not take into account and explain the long series of incidents involving Japanese and American nationals which have occurred over a period of three years.

With regard to the July 7 incident, the statement that a local settlement of that incident had been tentatively reached is not correct. No instructions have been issued by the Department of State "vetoing" a local settlement. That a local settlement has not been reached is due to insistence by Japanese local authorities that an "apology" be made by the American authorities. At no time did the American authorities at Shanghai consider that the circumstances warranted the making by them of an apology.

With reference to the statement that settlement of Japanese-American incidents will be possible "only through negotiations with the local authorities", it may be observed that, while this Government ordinarily has no objection to the settlement of incidents locally and as a general rule prefers local adjustments, this Government of course reserves the right to present its views to the Japanese Government at any time in regard to any aspect of the relations between the two countries.

In this Government's opinion the question of the procedure to be followed in the settlement of incidents is of minor importance in comparison with the question of avoidance of incidents, and the fact that certain incidents are adjusted locally as individual cases does not dispose of the important larger question involved in the continued occurrence of incidents. This Government has on several occasions expressed the view, which it continues to hold, that anti-American agitation and instances of mistreatment of Americans by Japanese military and other agents would not occur if the Japanese Government undertook to issue to its military and other agencies and instrumentalities peremptory instructions that Americans should be treated with civility.

This Government is well aware of the "realities" in the Japanese-occupied portions of China. Included among these realities is the long-standing and wide-spread Japanese interference with American rights and interests.

Speaking frankly, the contents of the memorandum are, in our opinion, unresponsive to the complaints of this Government to which the memorandum was addressed.

In conclusion, this Government has noted with regret that the tone and language used in some parts of the Japanese Embassy's memorandum of August 23 are of a character tending to militate against a reasonable prospect of reaching an adjustment of some of the outstanding difficulties between the two countries. It is possible, of course, that the use of the tone and language under reference is due to language difficulties on the part of the drafting officers.

611.939/404

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

TOKYO, October 11, 1940.

MY DEAR MR. MINISTER: I venture to enclose with this letter a copy of my note number 1653 of today's date⁷⁴ relating to interference by Japanese authorities and by Japanese-controlled local regimes in China with American enterprise and trade there.

Having in mind Your Excellency's recent assurances to me of your intention to clear away the many causes of just complaint on the part of my Government arising from acts and measures on the part of Japanese authorities against American rights and long-established interests in China, I earnestly hope that the situation set forth in my present note will receive Your Excellency's personal attention and effective intercession.

With high regard, I am [etc.]

JOSEPH C. GREW

611.939/404

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

No. 1653

TOKYO, October 11, 1940.

EXCELLENCY: I have the honor to refer to representations made by my Government to the Japanese Government on frequent occasions during the last three years regarding interference with American enterprise and trade in China by the local Japanese authorities, as well as by local regimes under Japanese control. For the

⁷⁴ *Infra.*

most part, those representations, in which my Government has called attention with patience and persistence to the curtailment of American interests and rights, have received unsatisfactory replies from the Japanese Government. By virtue of a widespread system of exchange and trade controls in North China which culminated on June 28, 1940, in the institution of a complete and discriminatory control of exchange, American trade with that area has come to a virtual halt. Abundant indications have appeared in the course of recent weeks that the Japanese military authorities intend to institute similar controls over the very important trade of Shanghai. American firms have been practically shut out of the trade in egg and petroleum products [omission?] has been subjected, with constantly increasing vigor, to restrictions of an arbitrary nature, by the Japanese military—Japanese firms having at the same time been given commensurate advantages. My Government has now learned that at Shanghai the Japanese military authorities intend within the near future to impose restrictive measures, with widespread exchange and trade control, which will affect nearly one-third of the export commerce of Shanghai with countries outside of the yen bloc, among which measures will be the requirement that exchange produced by the export of specified commodities shall be disposed of to Japanese banks, thus at one stroke injuring American banking enterprise as well as the American export and import trade. American enterprise having been practically eliminated from Manchuria, and American enterprise and trade in the North China area having been reduced to insignificant proportions, it now appears to be the intent of the military authorities of Japan to force American enterprise and trade out of Shanghai, the most important commercial center in China.

My Government has duly noted the additions, recently imposed as well as those planned, to the long list of hindrances which have unjustifiably been placed in the way of American enterprise and trade by the authorities and agencies of Japan in China.

I avail myself [etc.]

JOSEPH C. GREW

693.006/102

The Japanese Ministry for Foreign Affairs to the American Embassy in Japan

[Translation]

No. 163, Asia I

NOTE VERBALE

The Imperial Ministry of Foreign Affairs presents its compliments to the American Embassy at Tokyo and, acknowledging the receipt of the Embassy's *Aide-mémoire* of July 15, 1940, concerning

the exchange control system in North China, has the honor to forward the following reply:

1. The first point mentioned in the *Aide-mémoire* of the American Embassy seems to be the alleged exertion of extremely severe pressure upon American business men in North China and upon the trade of North China with the United States by the import exchange allotment adjusting system and the system of import permits without exchange which have been enforced in North China since June 25. With regard to this point, the Imperial Ministry of Foreign Affairs wishes first to supply the American Embassy with information obtained by the ministry concerning the present measures taken by the North China authorities, in the hope that it may help the Embassy in understanding the matter.

(1) Under the so-called exchange concentration system which has hitherto been in force, although the concentration of export exchange has been effected by the Federal Reserve Bank, all of the foreign currency obtained thereunder, except a very small part utilized for unavoidable non-trade payments and other purposes, has been supplied to cover the import exchange. Under that system, no restriction whatever was exercised by the North China authorities with regard to import materials, so long as the materials in question were listed in the comprehensive table of articles desired to be imported. It is, therefore, natural that there was a tendency to import those articles most profitable in the calculation of each individual.

However, as to actual conditions in North China, it is a well known fact that a state of famine has existed due not only to a shortage of imported foodstuffs resulting from reduced import capacity but also to a decrease in local production and shipment to markets of foodstuffs. The causes for the situation were both internal and external, the former, damage from last year's floods and drought, etc., the latter, dull export trade due to the outbreak of hostilities in Europe.

In view of such circumstances, the North China authorities exerted every effort for the acquisition of foodstuffs, and the Imperial Government as well offered all facilities in endeavoring to increase food supplies to North China. For this purpose, the Imperial Government has taken even such measures as purchasing foodstuffs from third countries with its own foreign currency and supplying them to North China. In sympathy with distressed conditions in North China, Japanese commercial firms in that area also voluntarily took measures to concentrate their imports, which have to be linked with their exports, upon foodstuffs and other articles deemed necessities in the region. Thus, North China was able barely to survive the critical period between the old and new rice crops.

The condition of North China, however, has been such that self-sufficiency in foodstuffs is impossible. For the time being therefore

it is inevitable that a considerable increase in the amount of foodstuffs to be supplied from Japan and Manchuria should be expected and at the same time that foodstuffs, especially wheat, should be imported from the United States, Australia, etc., to the extent permitted by the limited import capacity of North China. It is for this purpose that regulations have been made so that the aforementioned imports, which hitherto had been left to the free calculation of profit by each individual, might be made to conform, as necessary, to measures taken by the authorities.

At the same time it is natural that, with regard to general imports as well, it is desired that the greatest possible emphasis be placed upon necessary goods.

(2) In the trade with third countries of six North China ports in 1939, there was an import excess amounting to over 100,000,000 Yen. Taking into consideration the actual amount of export exchange sold and purchased, this import excess reveals the large volume of imports made without exchange and not in accordance with the exchange concentration and allotment system of the Federal Reserve Bank. Accounts for a large portion of this have been provisionally settled in the legal tender which has its base in the British and French Concessions in Tientsin. Furthermore, there is no room for doubt that such accounts will eventually be settled by smuggling North China products out of the country and by other means. In order to prevent such irregular conditions, the North China authorities have recently enforced a general permit system for non-exchange imports as well.

It is conjectured, however, that, in view of the present shortage of materials in North China the authorities, in applying the said permit system, hope to permit the import of as large a quantity as possible when application for importation of goods necessary to North China is made and when the method employed in settling the account thereof is acceptable.

(3) In the recent measures taken by the North China authorities, no special exceptions are provided in the case of importation on consignment of articles to be sold. Even in the instance of importation of such articles, as far as the exchange question is concerned, in principle the matter will naturally be regulated by either (1) or (2) above. As a matter of actual fact, it is believed that the amount of imports permitted and other matters will be determined by the degree of necessity of consigned sales articles and the terms of settlement of the account.

In short the Imperial Government is convinced that the measures which have been taken by the North China authorities in the present circumstances are steps necessary for the protection of the welfare

and interest of the people of North China. For this purpose, the Governments and peoples of Japan and Manchoukuo have accorded every cooperation to the authorities of North China. We are confident that on the part of third countries as well, an understanding and cooperative attitude will be taken toward the measures of the North China authorities on the basis of judgement formed from a truly fair view of actual conditions in North China and that therefore it will be understood that the time is propitious for expanding and maintaining sound trade with North China and for participation in the reconstruction of North China.

Particularly in view of the importance and complementary nature of the trade between North China and the United States the positive cooperation of the United States Government and American merchants must be the special desire of the North China authorities.

2. The other important point indicated in the *Aide-mémoire* of the American Embassy is that the measures taken by the North China authorities permit a freedom of trade between North China and Japan on a basis different from that of trade with third countries, and that this step is discriminatory treatment contrary to the past promises of the Japanese Government. Regarding this point, the view of the Imperial Japanese Government is as follows:

(1) Since Japanese forces are now stationed in North China and the expenses of maintaining those forces are remitted from Japan proper, North China has an enormous excess of receipts apart from foreign trade. Therefore if North China does not maintain an import excess in relation to Japan, it is impossible to balance the revenues and expenditures or stabilize commodity prices. Under these circumstances, by its economic nature, the foreign trade of North China with Japan is obviously different from its trade with third countries.

(2) North China is receiving complete monetary assistance from Japan for the economic construction of the region. In this connection, there is a fundamental difference between Japan and those third countries adopting a non-cooperative attitude. If third countries extend assistance to North China in the form of investments, credits, or loans, etc., it must result that North China cannot help further increasing imports from such countries.

(3) It is recognized that the United States may take the view that North China trade with Japan is left as free as that within China itself despite various control measures applied to North China trade with third countries, and that Japan alone is monopolizing the benefits of this trade. It must be pointed out here that this is not true.

As is well known, since September, 1939, the volume of Japan's exports to China has not been left a matter of free transactions but has been restricted to a certain limited extent by the Government. Again,

since the start of this year, Japan's trade with China has been quantitatively controlled and planned with the object of accelerating economic development and maintaining the balance of international accounts as mentioned above.

As regards the export items, they have been restricted to those particularly necessary for economic development and maintenance of the value of the currency. Prices have also been placed under control. Naturally, North China also has decided to adopt various control measures in that region to cope with the situation.

The execution of this plan controlling trade with China aims at not permitting unrestricted freedom in the types, quantities, and prices of goods for export to China as would be dictated by considerations of profit on the part of individuals. It must be pointed out here that this is a necessary step to bring about a sound Japan-Manchoukuo-China economy, and at the same time that it is in no way acknowledged that Japan alone is monopolizing the benefits of the trade with China by utilizing the currency system in China, as is apparently feared by the United States.

(4) The situation is similar in the case of Manchurian trade with North China.

In short, the trade between North China on the one side and Japan and Manchoukuo on the other must be discussed on the basis of principles essentially different from those applicable to the North China trade with third countries. This is due to the relation of North China's international accounts to the special circumstances inevitable under the Incident situation. Another factor is the attitude of cooperation of various countries including Japan and Manchoukuo toward the currency system in North China and economic construction in that region. Therefore, to cope with this situation, the authorities of North China and the Governments of Japan and Manchoukuo have, within the sphere of their respective authorities, been devising necessary measures pertaining to the North China trade with Japan and Manchoukuo and also with third countries. It is not that the Japanese and Manchoukuo Governments are attempting to establish a system whereby those two countries alone, by being permitted freedom will monopolize exclusively the trade with North China.

3. Summarizing the foregoing statements, all present renovation measures in North China including the exchange allotment system, are steps indispensably necessary in view of the *status quo* of North China, and it is deemed natural that all foreign countries should cooperate in them as stated under 1. above.

At the same time, it is unnecessary further to elaborate on the various measures which have been taken with regard to trade with

Japan, as stated under 2. above, which refute the conclusion that Japanese and Manchurian trade with North China is free and monopolistic because of the formalistic reason that of the control measures, in the case of the exchange concentration and allotment system, application is waived for imports from Japan and Manchoukuo.

We are convinced that the North China authorities would welcome an understanding on the part of the United States of the aforementioned points, desiring on the one hand that, taking into consideration world trade conditions, especially the situation resulting from the outbreak of European hostilities, the free, unrestricted trade of individuals not be demanded, that on the other hand, an understanding cooperative attitude toward the actual situation in North China be taken. At the same time they would heartily welcome the proposal of concrete methods which would be of value in enabling American firms to carry on business activities on the basis of actual prevailing conditions.

The Imperial Japanese Government wishes to point out that only in such an atmosphere will the fair and just treatment of the rights and interests of third countries, ever desired by the Imperial Government, be most perfectly realized.

OCTOBER 15, 15th Year of Showa (1940).

611.939/402

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

No. 1665

TOKYO, October 24, 1940.

EXCELLENCY: I have the honor to inform Your Excellency that my Government has taken note that the Japanese military authorities in North China have since October 1 applied certain so-called "regulations governing the control of inspections and shipments of raw materials for light industries in North China." According to the press the regulations are applicable to cotton, hemp, jute, and other vegetable fibers, animal hair, leather, and furs. The regulations as published in the press specify that any movement, either locally or for exportation, of these materials shall be subject to permits signed by the Shimizu Unit of the Japanese Army; the Shimizu Unit is privileged to purchase at prices which it shall prescribe any of the aforementioned materials found upon inspection to be "suitable for military use"; the materials in question must, except in special circumstances, enter Tientsin only through the East Station; and the Shimizu Unit may demand the right to inspect any of the aforementioned materials which may be stored at any place in North China, irrespective of the nationality of the owner. According to an officer of the Japa-

nese Consulate General at Tientsin, the regulations apply to stocks now in exporters' warehouses awaiting shipment, goods bought in interior markets which have not yet reached Tientsin, and goods on which exporters have made commitments to overseas buyers, whether or not bought prior to October 1. The American firms which have thus far been principally damaged by the regulations which are being enforced by the Japanese military authorities are American firms engaged in the fur export trade. To these firms the new regulations have meant a virtual embargo on all fur exports from North China. The local military authorities have refused to inspect merchandise ready for export to the United States and attempts to obtain clarification of the new regulations have met with no success. The American Consul at Tsinan has reported that the local Japanese military authorities are offering for "rejected" skins prices far below the market value. Other information reaching the Government of the United States indicates that "inspection" will be refused at Tsinan unless merchants accept the arbitrary low price offered by the Japanese military authorities for skins already "rejected."

The American Consulate General in Tientsin made representations on October 2 and on October 5 to the Japanese Consulate General there against the refusal of the Shimizu Unit to permit the exportation of certain furs packed for shipment before October 1 but the reply which the Consulate General received was evasive and unsatisfactory.

American firms both in China and the United States are greatly exercised in regard to the afore-described actions of the Japanese military authorities in North China. They are especially concerned in regard to their inability to obtain any modification of the new restrictions, imposed suddenly and without notice, which would permit them to export goods on hand and goods for which exporters have outstanding commitments. Failing an early modification of the attitude of the military authorities in China, American firms, both in the United States and in North China, are destined (1) to suffer large financial losses on account of stocks held for exportation under already existing contracts and on account of large additional unfilled contracts, and (2) to be eliminated from trade in which they have participated for a long period.

My Government registers a protest against this addition to the long list of violations of American rights and interests in China. It is especially urged that consideration be given to the immediate exemption from the new regulations of furs and skins now covered by purchase contracts.

I avail myself [etc.]

JOSEPH C. GREW

611.939/402

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

[Tokyo,] October 25, 1940.

MY DEAR MR. MINISTER: Rather than bother you with a personal visit I take the liberty of sending to Your Excellency direct our note No. 1665 of October 24 with regard to measures taken by the Japanese military authorities in China against the long established American export trade, especially concerning the fur export trade. Regulations recently promulgated have meant a virtual embargo on all fur exports from North China and as explained in my note which is sent under my Government's instructions, American firms both in the United States and North China, failing an early modification of the attitude of the military authorities in China, are destined (1) to suffer large financial losses on account of stocks held for exportation under already existing contracts and on account of large additional unfilled contracts, and (2) to be eliminated from trade in which they have participated for a long period.

As this is a matter which falls within the extensive list of discriminatory measures taken by Japanese authorities against long established American interests in China in the removal of which measures Your Excellency has been good enough to take an interest and to assure me of your intention to take definite steps to obviate these difficulties, I venture to express the hope that the important difficulty set forth in detail in my accompanying note will be given Your Excellency's earnest and earliest consideration.

With high regard, I am [etc.]

JOSEPH C. GREW

611.939/431

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

In my note No. 1665 dated October 24, 1940, I made representations concerning the "regulations governing the control of inspections and shipments of raw materials for light industries in North China" imposed by the Japanese military authorities in North China since October 1, 1940. It was pointed out that the regulations as published in the press specified that any movement, either locally or for exportation, of certain materials including furs, should be subject to permits signed by the Shimizu Unit of the Japanese Army.

Since the date of that note the Embassy has been informed by the Association of Fur Exporters and Importers that the Shimizu Unit has not yet issued permits for the export of furs to members of that Association, even though the Shimizu Unit has inspected goods pur-

chased in Tsining which arrived under military passes in Tientsin. The Embassy has further been informed from authentic sources that the Shimizu Unit has, however, promptly issued permits in cases where Japanese financial interests were involved, and that goods bought by Japanese firms since October 1 for the account of foreign firms have already been exported. In view of the fact that for many weeks prior to October 1 goods belonging to the Tientsin Fur Exporters' and Importers' Association have been detained at Tsinanfu, Japanese goods are obviously receiving preferential treatment. The foregoing disproves the statements made by officers of the Shimizu Unit that the new regulations are being applied equally to nationals of all countries including the Japanese.

[Tokyo,] November 10, 1940.

893.102S/2379

The Ambassador in Japan (Grew) to the Secretary of State

No. 5158

Tokyo, November 20, 1940.

[Received December 16.]

SIR: In confirmation of our telegram 1152, November 15, 6. p. m.,^{74a} I have the honor to report that, in compliance with the Department's telegraphic instructions via Shanghai 455, November 7, 10 p. m.,^{74a} and 473, November 13, midnight,^{74a} relating to the Chinese courts in the French Concession at Shanghai, I instructed Mr. Crocker, First Secretary of the Embassy, to leave with Mr. Terazaki, Chief of the American Bureau of the Foreign Office, on November 15, 1940, a statement marked "oral" in the sense of the Department's instructions.

Mr. Crocker requested that the statement be regarded as coming from me to the Foreign Minister and Mr. Terazaki accepted it with that understanding and stated that he would see that it came promptly to the Minister's hands. Mr. Crocker pointed out that the original statement had been drafted to include an expression of hope on the part of the American Government that Japanese officials at Shanghai would be instructed by the Japanese Government to avoid any action which might result in altering, without the consent of the Chinese Government at Chungking, the status of the Chinese courts in the French Concession, but that before the statement could be prepared we were informed that unfortunately the status of the courts had in fact been altered; it had therefore been necessary to revise the statement to include an expression of regret and disappointment on the part of the American Government that the Government of Japan should have deemed it proper, without the permission of the Chinese Government at Chungking, to undertake to alter the status

^{74a} Not printed.

of the Chinese courts which operate in the French Concession at Shanghai. Mr. Terazaki made no comment.

A copy of the "oral" statement under reference is enclosed.

Respectfully yours,

JOSEPH C. GREW

[Enclosure]

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)

The United States Government has been apprised that French Concession authorities at Shanghai and officials of the Japanese Government there have come to an agreement for the transfer to the Nanking Regime, sponsored by the Japanese Government, of control over the Chinese courts situated in the French Concession in that city. The fact that a considerable portion of the American community at Shanghai resides in the Concession mentioned, as well as the necessity in which American citizens at Shanghai find themselves of having recourse to the Chinese courts in the French Concession in those legal activities which involve Chinese defendants residing in the French Concession, as well as the general interest taken by the United States Government in the institutions which serve the Shanghai area, give to that Government a concern of material character in any alteration of the status of the Chinese courts which function in the French Concession. The United States Government is of the opinion that, for any lawful changes in the status of the courts mentioned, the consent of the National Government of China at Chungking is requisite. Bearing in mind the considerations mentioned above, the United States Government expresses its regret and disappointment that the Government of Japan should have deemed it proper, without the permission of the Chinese Government at Chungking, to undertake to alter the status of the Chinese courts which operate in the French Concession in Shanghai. The Japanese Government will of course realize that the tendency of this action will be to increase the problems in the relations between Japan and the United States.

[Tokyo,] November 15, 1940.

893.102S/2389

The Japanese Ministry for Foreign Affairs to the American Embassy in Japan^{74b}

In considering any question in the French Concession, close attention should be drawn to a highly unnatural situation prevailing in

^{74b} Statement read and handed to a member of the American Embassy in Japan by an officer of the Japanese Foreign Office on December 18, 1940.

and around Shanghai, i. e., that while, with the advent of the National Government headed by Mr. Wang Ching-Wei at Nanking, the vast areas in the environs and hinterland of Shanghai have come under the influence of the said Government, the Chinese courts which are the Chungking organ are still allowed to maintain their existence in the International Settlement and French Concession. The existence of such Chungking organ in the Concession has given rise to the result of affording far-reaching encouragement and assistance to the terroristic activities by Chungking Régime in the Concession and has been considerably detrimental to the ceaseless effort of the National Government to ensure the order and security in and around Shanghai. Under such circumstances, therefore, it has been the earnest desire of the National Government to obtain the control over the Chinese Courts in the Concession and as the result of satisfactory conversation between the National Government and authorities of the French Concession, the control over the said Chinese Courts were transferred to the Nanking Government on the 8th ult. This procedure by the National Government meets the full approval of the Japanese Government which are seriously concerned in the maintenance of order in and around Shanghai.

As for the function of the new Court, no anxiety is necessary as to its fairness. Moreover, as the majority of the old Courts officials appear to remain in their posts, no trouble is likely to take place in conducting the necessary functions. The Japanese Government, therefore, are convinced that the present step taken with regard to the Chinese Courts by the new National Government will contribute to the maintenance of order and security in the French Concession and consequently prove beneficial to the American residents in the Concession, despite the apprehension the United States Government seem to entertain on this matter.

That the United States Government deem it proper for the Japanese Government to obtain the permission of the Chungking Régime for altering the status of the Chinese Courts is not regarded without surprise by the Japanese Government which are as well known in hostile relation accompanied by large scale battles with the Chungking Régime. It is hardly needed to make it clear that the Japanese Government, denying all authority of the Chungking Régime and having determined not to deal with the Régime, are not in a position to agree to the above argument set forth by the United States Government.

393.115/1067

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] December 17, 1940.

During my conversation with the Foreign Minister today he gave me an eleven-page typewritten "oral statement"⁷⁵ replying to our June 10 and September 15 notes and appended documents concerning infractions by Japanese authorities of American rights and interests in China.⁷⁶ The document fails to offer any redress and only expounds the usual explanations and excuses and accuses the United States of harping upon abstract legal points instead of accepting actualities. It further charges that the United States refuses to supply certain articles to Japan.

Upon receipt of this statement, I advised Mr. Matsuoka that I wished to withhold my Government's views on the matter but that there were two points upon which I desired to make immediate comment. To the Minister's charge that various points at issue might have been solved locally but for the Department's insistence upon legal principles, I said that American complaints sprang from concrete facts and realities, aside from the legal principles involved therein. I refuted the Minister's allegation that the American Government was refusing to supply Japan with certain articles by reading to him apt portions of Mr. Hull's remarks on October 8 to Ambassador Horinouchi⁷⁷ including the paragraph on the second page of enclosure one of Department's instruction No. 2065 dated November 4,⁷⁸ relative to the embargo on scrap iron and steel. The Foreign Minister replied that he would look up the Japanese Ambassador's report of this conversation in the Foreign Office file and familiarize himself with it.

J[OSEPH] C. G[REW]

393.115/1067

Oral Statement by the Japanese Minister for Foreign Affairs (Matsuoka) to the American Ambassador in Japan (Grew), December 17, 1940

1. The key to a fundamental solution of the pending issues between America and Japan is to be found in the consideration, in a constructive spirit, as to how the conflicting national policies of the two countries may be adjusted. If, however, there is, for the moment, little possibility of bringing about such adjustment, the only alternative for the two governments, I believe, would be to join in an endeavour to

⁷⁵ *Infra.*⁷⁶ Not printed.⁷⁷ Vol. II, p. 225.

dispose of these questions in a realistic manner, without prejudice to the question of principles.

I desire to invite the attention of Your Excellency to the tendency on the part of the American Government to mix the discussion of fundamental issues with the consideration of practical methods for solution. When your Government insist upon taking up abstract points of legality, we are perforce constrained to contend that there exists a state of war or military operations on an extensive scale, and/or that there has arisen an entirely new state of affairs. There will be then, as I shall explain, no room for a settlement of any case. If it is really the intention of the American Government to seek a realistic solution, I hope they would maintain consistently a realistic attitude and confine themselves to realistic considerations. There have been instances in the past (for instance, Universal Leaf Tobacco Co.; Incident between the Japanese *Gendarmerie* and the American Marine) where a practical settlement might have been arrived at on the spot but for the attitude of your State Department insisting upon principles.

2. I have studied carefully Your Excellency's notes and appended documents of June 10 and of September 15,⁷⁸ relating to the so-called "Infractions of American rights in China." Therein are listed all sorts of cases, large and small, including those that have been settled and those that are purely local in character. I presume that Your Excellency does not expect me to offer explanations severally regarding each of these cases. Such explanations, if required, will be given by the officials in charge of these matters. Today I can deal with them only in a general manner.

The cases enumerated in the documents seem to fall under two categories.

- A. Those of economic character, arising from or in connection with
 - 1. The coastal blockade.
 - 2. Control of transportation of goods.
 - 3. Closure of the Yangtse.
 - 4. Trade and exchange control in North China.
 - 5. The alleged "monopolies" in North China.
 - 6. Control of the transportation and shipment of light industry materials in North China.
 - 7. Control of money transmission in Mengchiang.
 - 8. Closure of Swatow harbour.
 - 9. Taxation.
 - 10. Tobacco control in Shangtung.
 - 11. Various control measures in Kwangtung.

⁷⁸ Not printed.

B. Those cases of damage resulting from military operation or arising in connection with various restrictions imposed for the maintenance of peace and order, such as:

1. Damages due to bombings and shellings.
2. Personal injuries; indignities and affronts.
3. Trespasses on, or occupation, removal or destruction of, private properties.
4. Restrictions of residence and movement.
5. Censoring of mails.
6. The so-called "Anti-American movement."
7. Alleged restrictions on American rights in Japan proper, Chosen and Taiwan.

I had the informal statements prepared for each item of the first category (A) and a general explanation regarding the cases of damage in the second category (B).

3. The claims and charges of the American Government appear to be as follows:

a. American citizens are, by treaty, legitimately entitled to engage in various economic activities in China, and Japan has no right to restrict or abridge them.

b. Japan intends to establish an economic structure in China, which is calculated to benefit Japanese alone, and she is according discriminatory treatment to third Powers.

c. Despite the assurances that American rights will be respected, Japan is wilfully destroying the said rights.

4. Regarding these three points, my views are as follows:

a. There have been going on in China for the past three years and a half war-like operations on an extensive scale. It is extremely unrealistic for the American Government to expect the economic activities of American citizens in China to go on undisturbed as though there were no hostilities.

b. America, while refusing to supply Japan with articles of certain kinds, objects also to Japan's attempt, in selfdefense, at insuring the supply of these articles in the spheres within her reach. Our people regard this attitude of the American Government as unreasonable, to say the least.

c. The American Government totally ignore both the sincere intention and the earnest endeavours of our military authorities to prevent the occurrence of untoward incidents. The allegation that damages are wilfully and maliciously inflicted upon Americans is altogether unfair as it is unfounded.

5. To put it briefly, the complaints of the American Government arise largely from their refusal to face the reality of the situation—to recognize the actual existence of hostilities of a huge scope, and the fact of a new Government being established in China.

a. As long as we are fighting with the armies of Chiang Kai-shek, we can tolerate nothing that will benefit our enemy while we must seek to insure the safety of our forces and the supply of military provisions. It is for this reason that the movement of goods to and from enemy territories is prohibited; travel in the interior is restricted, measures are taken to maintain the value of the military notes; or a system of inspection is instituted. Obviously, we cannot acquiesce in the demand of any Government to abandon all these measures. The best we can do, and are actually doing, is to minimize the inconvenience to the nationals of third Powers within the limits dictated by military necessity.

b. It is perfectly proper and legitimate for the new Government in China which are endeavouring to solidify their foundation [to?] have seen fit to inaugurate exchange control and control over the operation of principal industries as well as to establish a central bank for unifying their currency system. Such measures must be considered as legitimate. In fact under the prevailing conditions in the world practically every country has found it necessary to exercise exchange control in one way or another.

The new Government of China certainly will not abolish their control over currency, exchange and also certain branches of industry and trade, notwithstanding protests from third Powers.

The only means by which the complaints of third Powers could be met, it seems, would be to seek some practical and amicable adjustment within the scope of these controls.

c. As regards the various troubles with our sentries, the American Government seem to labour under an erroneous impression that no stringent orders from Tokyo to prevent the recurrence of these troubles have been issued; or that soldiers on the spot are lacking in discipline and do not abide by their orders. However, without a knowledge and correct appreciation of the actual backgrounds of these troubles, one cannot properly decide the merit of the disputes. As for our soldiers they are mostly simple men from the country-side who are discharging their duties as conscientiously as they know how. On the other hand, there are many Europeans and Americans in China, who have been accustomed to look down upon Chinese, and who will not cast aside their overbearing manners even in the presence of our sentry. They contend that they are under no obligation to obey regulations set by our army for the maintenance of peace and order. They refuse sometimes to show their passes or alight from their cars, when passing the sentry line. Modification of this attitude on the part of such foreigners will go a long way toward the prevention of most of the troubles such as have occurred. I need not add to say that our soldiers have been and will be strictly ordered to use the utmost restraint in their dealings with innocent third Power nationals.

d. As regards the bombing question, my predecessor had already made to Your Excellency a detailed statement as to the utmost precautions that are being taken against causing damage to third Power nationals.

e. I am not aware of the existence of an "Anti-American Movement" such as is mentioned in Your Excellency's note, although it must be admitted as a fact that certain measures adopted by the American

Government have aroused considerable feeling in this country. I may add that we have numerous reports of incidents that have occurred in the United States since the outbreak of the China Incident, in which Japanese subjects were subjected to pressure and indignities.

6. By way of supplementing the general statement I have made just now, I desire to transmit to Your Excellency informal documents that have been prepared as replies to some of the more recent representations from your Embassy.

a. Concerning the egg trade (Reply to No. 1639, Sept. 19)⁷⁹

b. Concerning the American trade in petroleum products⁸⁰ (Reply to No. 1636, Sept. 18)

c. Concerning the control of shipment of raw materials for light industries in North China⁸¹ (Reply to No. 1665, Oct. 24)

Furthermore, I have the honour to transmit to Your Excellency an informal statement giving a general explanation regarding the cases of damages caused by air raids and other military operations.⁸¹

393.115/1054

*Oral Statement by the Japanese Minister for Foreign Affairs (Matsuoka) to the American Ambassador in Japan (Grew)*⁸²

I have taken note of the communication of Your Excellency of September 18 with reference to American trade in petroleum products in China. The note covers a great number of cases in various parts of China, including those regarding which we have not been fully informed and are awaiting reports from the authorities on the spot. However, in the light of what we know, I can say this much for the present.

From a general examination of the cases mentioned in your note, the alleged interferences may be traced to: (1) restriction or prohibition of shipments into unoccupied areas; and (2) enforcement of price-fixing policy.

1. As regards the first category, I wish to point out that as long as Japan is engaged in war operations on a huge scale it is quite proper for our military authorities on the spot to prevent various supplies from reaching the armies of Chiang Kai-shek and guerrilla bands. If in order to prohibit the shipment of certain commodities into enemy territory or to prevent the passage of these goods from the occupied area into the unoccupied, restrictions on shipment, or systems of licence

⁷⁹ Neither printed.

⁸⁰ *Infra*.

⁸¹ Not printed.

⁸² The Ambassador in Japan commented on this statement in his despatch No. 5226, December 20, 1940, as follows: "It will be observed that the communication in question is completely unsatisfactory and unresponsive to the Embassy's representations on this subject."

or control are established, there should be no grounds for censure. And if it is true that in certain areas, under the control system only Japanese firms are permitted to make sales, it is simply because that the prevention of commodity leakage from such areas is so difficult that only Japanese firms fully subject to the control of our military authorities can be allowed to do business. I believe, when firms of third countries are willing to submit as fully to the same control, the alleged discrimination will be avoided.

2. As regards the question of price, it is scarcely necessary to dwell upon the imperative need of enforcing a suitable price policy as an unduly high cost of living is bound to affect adversely the welfare and stability of the people in occupied areas. Accordingly, prices are being regulated, not only for petroleum products alone but other commodities in general. It is a measure our army charged with the responsibility of maintenance of peace and order in the occupied areas is most properly entitled to take. All restrictions in this connection are applicable alike to Japanese subjects and the nationals of third countries, there being no intention on [of?] the authorities concerned to discriminate against the latter.

I should like to add that with regard to the individual cases mentioned in your Note, we have ordered, as I have just said, our authorities on the spot to conduct investigations. In the light of these investigations, we may discover something that we could do. At least, we shall be able, I believe, to reply in more precise and concrete terms.

[Tokyo,] December 17, 1940.

1941

393.115/1068

*Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Matsuoka)*⁸³

The statement marked "oral" which was handed to the American Ambassador on December 17, 1940, by His Excellency the Minister for Foreign Affairs, was referred to the American Government.

The American Government has now informed the Ambassador that it regrets that this statement cannot be considered as responsive to the representations made by the United States Government to the Government of Japan.

[Tokyo,] January 7, 1941.

393.115/1081

Memorandum by the American Ambassador in Japan (Grew) of a Conversation With the Director of the American Bureau of the Japanese Ministry for Foreign Affairs (Terasaki)

[Tokyo,] February 6, 1941.

Mr. Terasaki called on me by appointment this afternoon and said that he had come at the particular request of Mr. Matsuoka to report on his observations during his recent visit to China. He said that after several years abroad he had been very reluctant to leave home so soon again and that the travel, which had all been by air, was excessively strenuous, but that Mr. Matsuoka was determined to do everything in his power to settle, so far as possible, the outstanding difficulties in Japanese-American relations existing in China and he therefore desired a first-hand report from a member of his own staff.

Mr. Terasaki then said that he feared that what he would have to say might not be gratifying to me but that he could only report the situation as he had seen it. He had been in touch almost exclusively with Japanese authorities and had not made contact with our Embassy in Peiping, (the implication being that he had purposely avoided such contact.) He had, however, apparently been in touch with American officials in Shanghai, or at least was aware, as he said on

⁸³ Handed, on January 7, 1941, to the acting chief of the American Bureau of the Japanese Foreign Office by the first secretary of the American Embassy in Japan (Crocker).

his own initiative, that our Consulate General had been very helpful in its efforts to solve current difficulties. I spoke of the sympathetic attitude of his brother, Mr. Terasaki, in Peiping. Mr. Terasaki said that it might be a gauge of his earnest desire to improve Japanese-American relations that his brother was now going to Washington but he added that the transfer would be carried out with as little publicity as possible.

Mr. Terasaki then said that he was convinced of the desire of the Japanese military and other authorities in China to settle the various cases in which we had made complaint but he developed the usual thesis that these difficulties arose directly from the existence of hostilities in China and he emphasized particularly the currency and exchange difficulties due to the necessary circulation of military scrip. He touched only upon two individual cases, namely the case of the confiscation of the ship *Estelle L.* and the Universal Leaf Tobacco case. With regard to the *Estelle L.* he went into a long explanation concerning the alleged traffic in silk undertaken by that ship in contravention of the measures of blockade which had led to the trouble. As for the difficulties of the Universal Leaf Tobacco Company he said that the opinion of the authorities was that a settlement in this case would have been reached much sooner if it had been dealt with on the spot and if the negotiations had not been transferred to Tokyo. He added that this feeling on the part of the authorities in China applied to other cases as well.

Mr. Terasaki's statement was labored and somewhat devious and his remarks contained nothing more specific than that recorded above.

When Mr. Terasaki had finished his statement I thanked him for coming to communicate to me his observations and I asked him to convey my thanks also to the Minister. In reply I said that of the two cases which he had touched upon, that of the *Estelle L.* could hardly be considered as fairly representative of the difficulties which American interests were encountering in China at the hands of the Japanese authorities. As for the Universal Leaf Tobacco Company I said that the negotiations had been transferred to Tokyo simply because it had been found utterly impossible to make headway on the spot and I referred to a further note which we had recently addressed to the Foreign Minister on that subject.⁸⁴ I agreed with Mr. Terasaki that it was almost always preferable to solve these problems on the spot but experience had shown that in most cases progress towards such solutions was blocked by the intransigent attitude of the local authorities.

I then referred to his statement that the Japanese authorities in China desire to do everything possible to improve American-Japanese

⁸⁴ Not printed.

relations, yet the bombings of our missions were still continuing and from the concrete evidence which came to us there could not be the slightest doubt that many of these attacks on these missions were intentional. I said that I would be loath to characterize the Japanese aviators as so lacking in ordinary intelligence that they could by mistake swoop down on American missions, clearly marked by American flags and marked on maps submitted to the authorities and in the vicinity of no military objective, in perfect visibility, and not only to bomb these properties but then to return to observe the result and to machine gun them at an altitude of only a few hundred feet. I showed him another note which I was about to address to the Minister,⁸⁵ the second or third within a few days, describing the bombing of another American mission, this time in Poyang. I said that these dastardly attacks rendered it impossible for us to believe that the Japanese authorities in China were endeavoring to avoid new incidents.

I then said that the currency question of which he had spoken was only one phase of a patent intention to drive American business and other interests completely out of China and that this was being done not only by exchange restrictions but by monopolies, traffic restrictions and by many other measures which had already wrecked American business interests built up in China through generations. It was all very well I said to ascribe these various measures to the existence of hostilities but from the concrete evidence available to us there was no room left for doubt as to the intention of the Japanese authorities to dig in permanently and to turn all such interests permanently into Japanese hands. We had continually been informed that these interferences would cease as soon as the hostilities ceased but no sane man could accept such assurances on the basis of the concrete evidence presented.

At the termination of my remarks there was merely an exchange of mutual expressions of a desire on the part of Mr. Terasaki and myself to do everything possible for an improvement in the relations between our two countries.

I then referred to an article in the *Japan Times and Advertiser* of February 6, describing various provisions of the new Defense Bill presented in the Diet, containing a statement that "under the law diplomats and persons of upper classes may be arrested. . . ."⁸⁶ If illegal steps are taken, it may cause international trouble." I said that from the context of this statement several of my colleagues had expressed concern lest this provision should refer to foreign diplomats. Mr. Terasaki laughed loudly and said that of course it applied to Japanese diplomats only. I replied that it was then difficult to

⁸⁵ Not printed.

⁸⁶ Omission indicated in the original memorandum.

understand the inclusion of the phrase "if illegal steps are taken it may cause international trouble" and that I thought he would do well to examine this provision carefully and it was for that reason that I had brought it to his attention. He said that he would do so. The conversation thereupon terminated.

So far as American interests in China are concerned, little or nothing developed in the conversation which could be regarded as either helpful or hopeful.

J[OSEPH] C. G[REW]

393.115/1110

Memorandum by the Second Secretary of the American Embassy in Japan (Benninghoff) of a Conversation With the Director of the American Bureau of the Japanese Ministry for Foreign Affairs (Terasaki)

[Tokyo,] March 25, 1941.

I took up with Mr. Terasaki the question of interference with the petroleum trade in the Canton area, mentioning the monopolistic character it had assumed; I gave him the "oral statement" which had been prepared.^{86a} He said that he was not familiar with this particular aspect of trade in the Canton area, but he suggested that the restrictions might be connected with the use of military notes, and with the fact that they may have been instituted in connection with the Japanese effort to prevent supplies from being smuggled from occupied to unoccupied territory. I pointed out that my representations had to do only with trade in occupied territory, and that it seemed strange to the American company to see its customers supplied by a Japanese company without being able to compete in the trade at all. I mentioned the fact that in some instances the Hirakawa Yoko, a Japanese oil firm, had been designated as the agent, thereby creating the anomaly of an American firm being forced to work through a Japanese competitor.

In this connection, Mr. Terasaki said that he had for some time been trying to bring about an alleviation of the various restrictions on trade in occupied territory. He felt that perhaps he had made some progress, but results would be slow as in all these matters it was necessary to preserve the "face" of the military; furthermore, he was up against a growing anti-American feeling engendered by increased American aid to China. Many Japanese, especially those who have lost relatives, are not disposed to consider American protests because of the "enemy character" increasingly assumed by the United States. Mr. Terasaki did not necessarily imply that these were his own arguments, so I refrained from pointing out that Amer-

^{86a} *Infra*.

ican aid to China was brought on in the first place by Japanese actions.

Mr. Terasaki said that he would investigate the difficulties of the Standard Vacuum Oil Company and see what could be done. He felt that progress would be slow and that better results would be obtained by not pressing the matter too urgently at the present time.

393.115/1110

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

ORAL

Supplementing the information contained in the Embassy's representations of February 13⁸⁷ concerning the restrictions on the shipment of oil between Canton and other ports, including Kongmoon, Hongkong, and Shanghai, it has been learned that in addition to preventing such shipments to other ports, the Japanese military authorities appear to have fostered an organization in that area which gives to Japanese petroleum dealers what amounts to a monopoly.

According to information emanating from the Standard Vacuum Oil Company, many customers in districts near to Canton, who formerly were served by the Company, now purchase their stocks from Japanese firms because the American firm is unable to make deliveries to them. It appears that since about the middle of October, 1940, restrictions in force in the Canton area have operated in such a way as to obstruct American trade for the benefit of Japanese oil dealers.

Tokyo, March 25, 1941.

393.115/1150 : Telegram

The Counselor of Embassy in China (Butrick) to the Secretary of State

PEIPING, August 4, 1941—5 p. m.

[Received August 7—6:10 p. m.]

203. Following is memoranda which I left at the Japanese Embassy in connection with my oral representations on August 1 as mentioned in my 197, August 2, 1 p. m.⁸⁷

"Information received by the American Embassy at their suggestion from Consulates in China indicates that arbitrary action has recently been taken by the Japanese authorities against Americans and American interests in many parts of China.

⁸⁷ Not printed.

At Tsingtao the travel of Americans is being restricted by refusal of the Japanese authorities to issue travel permits or certificates, the mail of American citizens, including the official mail of the American Consulate, is apparently being held up and censored, American firms are being prohibited from moving their stocks and carrying on business, and they are not permitted to draw funds from Japanese banks to pay their staff salaries.

At Chefoo mail addressed to Americans is being held up and registered mail received by the American Consulate showed evidence of having been opened by censor, the stocks of the Standard Vacuum Oil Company and the Texas Company have been placed under the control of the Japanese special military mission and sales may only be made by permit and the proceeds must be handed over to the Japanese, and American firms cannot withdraw funds from the Yokohama Specie Bank to meet their pay rolls.

At Chinwangtao, Americans embarking for Shanghai are required not only to have a permit for rail travel to Chinwangtao but also a landing permit of the Japanese naval authorities which requires at least one week to obtain. (It is presumed that similar requirements are in effect Tientsin and Tsingtao.) At Peitaiho transportation of baggage or [of?] Americans to the station is forbidden and the railway refuses to receive baggage for checking.

At Tientsin American firms are unable to make rail shipments and the post office has in one instance refused to accept a registered letter addressed by an American firm to the United States.

At Swatow unwarranted interference by the Japanese with American firms engaged in the linen drawn-work trade has occurred and shipments have been obstructed."

Sent to the Department. Repeated to Chungking, Tokyo, Shanghai, Tientsin, Chefoo, Tsingtao, Swatow.

BUTTRICK

393.115/1187

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

No. 1871

The American Embassy presents its compliments to the Imperial Japanese Ministry of Foreign Affairs and has the honor to inform the Ministry that, according to reports received from the American Consul at Chefoo, armed guards, acting under orders from the Japanese military mission, were posted on July 28, 1941, at five American firms in Chefoo, including the Standard-Vacuum Oil Company and the Texas Company, detaining the foreign and Chinese staffs on the premises without communication with the American Consulate. The American Consul reported that on the following day the American firms had regained freedom of access to the business premises but that police guards remained stationed on the premises.

In drawing the attention of the Ministry to the foregoing report, the American Embassy requests that the Japanese authorities take

prompt steps to effect withdrawal of any military or police guards which may still be posted on American property in Chefoo, and to prevent further instances of the detention of Americans or the unwarranted detention of non-American employees of American firms. In this connection, the American Embassy, acting under instructions wishes to state that actions by the Japanese authorities, constituting further expansion of the already extensive Japanese interference with American rights and interests in China, are viewed with serious concern by the American Government.

Tokyo, August 6, 1941.

393.115/1187

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

No. 1873

The American Embassy presents its compliments to the Imperial Japanese Ministry of Foreign Affairs and has the honor to inform the Ministry that it has received a report from the American Consul at Tsingtao stating that on July 28, 1941, Japanese armed forces occupied properties of American firms in Tsingtao, including those of the Standard-Vacuum Oil Company, the Texas Company, and the Universal Leaf Tobacco Company, and prohibited the removal of stocks and property therefrom. A later report from the American Consul at Tsingtao stated that the Japanese occupation of properties of American firms in Tsingtao was still maintained on July 29.

In transmitting the foregoing report to the Ministry, the American Embassy has the honor to request that steps be taken to effect the immediate withdrawal of any forces which, under orders from the Japanese military authorities, may still be in occupation of American properties in Tsingtao, and that stringent instructions be issued with a view to preventing the recurrence of similar incidents in the future.

The American Embassy wishes again to invite the attention of the Ministry to the fact that the American Government views with serious concern actions constituting increased Japanese interference with American rights and interests in China.

Tokyo, August 7, 1941.

393.115/1161

Memorandum by the Secretary of State

[WASHINGTON,] August 13, 1941.

The Japanese Ambassador called at my request. After thanking him I handed him a statement of instances of mistreatment of Ameri-

cans and injury to American rights in places of Japanese jurisdiction, a copy of which instrument is herewith attached.⁸⁸

The Ambassador read it with some care and I then proceeded to comment by saying that, of course, the Government of Japan could permit this kind of misconduct and mistreatment in all sorts of petty ways but that I could not possibly fathom the view or purpose prompting such course. Therefore, I had felt that a summing up should be presented to the Government of Japan. The Ambassador agreed entirely with my views and said he would be quite glad to take the matter up with his Government.

I then said to the Ambassador that there may be some others that I might have assembled by Saturday⁸⁹ or Sunday and that I was desirous of knowing whether he would be here. He stated that he would be in Washington this coming Saturday and Sunday. I again repeated that I would probably want to see him.

I also brought up with the Ambassador the substance of the accompanying memorandum⁹⁰ relative to the alleged promise of the Japanese Government not to bomb Chungking after the bombing of the *Tutuila*. I brought out each point in the accompanying memorandum. The Ambassador very promptly replied that his Government only promised him to cease bombing the city area temporarily and not indefinitely, and that he thought he got that fact over to Mr. Welles but that he might have failed in his efforts to do so. At any rate he stood definitely on that contention and said that was the situation.

C[ORDELL] H[ULL]

393.115/1161

*The Department of State to the Japanese Embassy*⁹¹

RECENT CASES OF INTERFERENCE WITH AMERICAN RIGHTS AND INTERESTS IN JAPAN AND IN JAPANESE-OCCUPIED AREAS OF CHINA

Information received by the Department of State from American diplomatic and consular offices in Japan and in Japanese-occupied areas of China indicates that the Japanese authorities and Japanese-sponsored authorities have recently undertaken widespread and expanding activities of an arbitrary nature against American official establishments, American officials, and American rights and interests.

In north China the travel of Americans, including American consular officers, is being stopped, severely restricted, or delayed by a

⁸⁸ *Infra*.

⁸⁹ August 16, 1941.

⁹⁰ Dated August 12, 1941, p. 723.

⁹¹ Handed to the Japanese Ambassador (Nomura) by the Secretary of State, August 13, 1941.

system of travel permits set up by the Japanese military authorities and by refusal of permits or delay in their issuance. At Chinwangtao, Americans embarking for Shanghai are required not only to have a permit for rail travel to Chinwangtao but also a landing permit from the Japanese naval authorities which requires at least one week to obtain. (It is assumed that similar requirements are in force at Tientsin and Tsingtao.) At Peitaiho, where a large number of Americans and other foreigners pass the summer, transportation of baggage of Americans to the railway station is forbidden and the railway refuses to receive baggage for checking. Travel of American citizens in Japan has been restricted so that Americans desiring to proceed to Shanghai to obtain available accommodations for travel to the United States have been unable to proceed.

At Tsingtao the mail of American citizens, including the official mail of the American Consulate, is apparently being held up and censored, American firms are being prohibited from moving their stocks and carrying on business and are not permitted to draw funds from Japanese banks to pay their staff salaries. The premises of the Standard-Vacuum and Texas Oil Companies and of the Universal Leaf Tobacco Company have been occupied by Japanese gendarmes. Protests against the smoking of cigarettes by Japanese sentries in the oil installations of American companies have been without avail. Garages have been forbidden to furnish taxicabs to American citizens, including the American Consul, or to do automotive repair work for American citizens. It is reported on good authority that the restrictions imposed by the Japanese authorities on Americans there include, in addition to some of those listed above, a prohibition of coal deliveries to American citizens and the withholding of American Red Cross famine relief wheat from distribution to refugees by the International Relief Association. Chinese have been intimidated and instructed not to sell food products to or engage in other transactions with Americans if the products exceed in value, or the transactions involve more than, twenty local dollars, and orders have been issued for the cancellation of American insurance policies.

At Chefoo mail addressed to Americans is being held up and registered mail received by the American Consulate has shown evidence of having been opened by censors. The stocks of the Standard-Vacuum Oil Company and the Texas Company have been placed under the control of the Japanese special military mission; sales may only be made by permit and the proceeds must be handed over to the Japanese; and American firms cannot withdraw funds from the Yokohama Specie Bank to meet their payrolls.

At Hwanghsien, Shantung, the Baptist Mission is being picketed, no American is allowed to move his personal effects, the American

members of the mission are restricted to the immediate vicinity of the compound and are prohibited from using their automobiles, as well as being prevented from traveling to Chefoo.

At Tientsin, American firms are unable to make rail shipments and the post office has in one instance refused to accept a registered letter addressed by an American firm to the United States.

At Foochow, two policemen visited the Consulate stating that they had been instructed by the Japanese authorities to see that "nothing passed in or out" and asking to be given quarters in the Consulate. (The policemen departed upon being asked to do so by the Consul.) Similar activities were undertaken by the police with more success against American firms and missionary institutions.

At Tsinan, a virtual blockade of Cheeloo University (Anglo-American) and Cheeloo Hospital (American) has been established, no foodstuffs or other articles being allowed to enter those two missionary institutions.

At Kobe, the telephone service of the Standard Oil Company was cut off because the company was unable to draw funds to pay the telephone bill.

At Swatow, unwarranted interference by the Japanese with American firms engaged in the linen drawn work trade has occurred and shipments have been obstructed.

In Japan, by the restrictions on the use of the English language over the telephone, American diplomatic and consular offices are denied a facility which is essential to the proper functioning of those offices.

At Mukden, control over the movements and activities of Americans has been rigid. American Catholic mission sisters at Fushun were permitted by police to visit the Consulate for passport service only on the condition that they would guarantee to return to Fushun the same day. Long distance telephone calls have been restricted to the Japanese or Chinese languages and when the Consulate at Mukden attempted to telephone to the Consulate at Dairen it was informed that it "had better cancel the call."

At Dairen, consular officials are under police surveillance and are followed in all their movements, persons entering and leaving the Consulate are stopped by police and questioned, the Consulate's messengers are stopped by police and the mail and telegrams in their care taken for scrutiny, and in general the conduct of the Dairen authorities toward, and their interference with the legitimate activities of, the American Consulate seem to show a desire by those authorities to make the position of the Consul untenable.

393.115/1191

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] August 15, 1941.

Calling by urgent appointment on the Minister for Foreign Affairs at the official residence at three o'clock today, I carried out the instructions contained in paragraph numbered 3 of the Department's telegram no. 500, August 14, 11 a. m.⁹² I told the Minister that I was supporting the representations made by the Secretary of State to the Japanese Ambassador in Washington on August 13, with regard to recent cases of interference with American rights and interests in Japan and in Japanese occupied areas in China and I thereupon read to the Minister and left with him a copy of the Department's telegram with the exception of paragraph numbered three. I then discussed this situation at length, pointing out the fact that these cumulative interferences with American citizens and American interests were assuming a serious aspect both in Japan and in Japanese occupied areas in China and emphasizing the radical discrepancy between this treatment of American officials and citizens and their activities by the Japanese and our treatment of Japanese officials and subjects and their activities in the United States. I expressed the belief that relief from these interferences could be obtained only by the communication by the Japanese Government to Japanese authorities and Japanese sponsored authorities of categorical instructions to desist from the interferences and obstructions under complaint.

The Minister said that up to the moment of my presentation of the facts set forth in Mr. Hull's telegram he had been totally unaware of them and he expressed regret that they had not sooner been brought to his attention. I replied that in cases of the nature under complaint it was the practice of our consular officials to endeavor in the first instance to seek removal of such interferences and obstructions by approach to the local Japanese authorities and that only when such approaches proved futile did we as a rule make representations to the Foreign Office. In the cases under consideration however, since our consular officials had failed to secure satisfaction by local approach, we had already brought most of these cases to the attention of the Gaimusho and I was surprised at the Minister's unawareness of this fact. It was my practice, I said, to approach the Minister himself only in matters of prime importance or in situations such as the present one when no relief had been obtained in many individual cases the cumulative effect of which had taken on a serious aspect. The Minister said that he would immediately study

⁹² Not printed.

this whole question and would use his best efforts to obtain a satisfactory solution.

I then said in this general connection that another serious matter was the inability of a group of some twenty-two American officials, as well as a considerable number of private American citizens, to obtain passage to Shanghai on Japanese vessels so that they could eventually depart from Shanghai for the United States. I said that applications for passages on behalf of this official group had been made many weeks ago and in spite of the fact that other people had only recently been given accommodations on Japanese ships to Shanghai our own officials were still being informed that all such ships were solidly booked and that no accommodations were available. The evidence in our possession made clear that discrimination was being practiced to the detriment of these American officials. I said that Mr. Terasaki was handling this matter, that I had entire confidence in his efforts and was convinced that he was doing his best so that my purpose in approaching the Minister himself was merely to seek his support of Mr. Terasaki's efforts. The Minister replied that he was aware of the conversations between Mr. Terasaki and Mr. Dooman on this subject and he expressed the belief that our group of American officials would soon obtain accommodations.

The Minister then spoke of the *Coolidge* and his regret that it had not been found possible to arrange for her to come to Japan but he understood that we had wished her to come here only to take American officials and not private citizens. I expressed astonishment at the Minister's statement and emphatically pointed out to him that it had been our particular desire that the *Coolidge* should take both officials and private citizens and that the condition limiting the passengers exclusively to officials in case the *Coolidge* should call at Yokohama had been laid down by the Japanese Government and not by us, and it was that condition that had wrecked the whole project. The Minister then passed on to another subject so that I was unable to gather whether he has been radically misinformed with regard to the negotiations concerning the *Coolidge* or whether his remarks had been thoughtlessly made. In any case, he could hardly have failed to grasp the point as explained by me.

Before terminating the interview, the Minister again referred, as in a previous conversation, to the unfortunate psychological effect on the Japanese public which had been created by the American order freezing Japanese assets in the United States,^{92a} implying that the cases under complaint were due to the resentment in Japan caused by the American action. He said that the Japanese Government was doing its best to tone down the press and he hoped that we also would do what was possible to mitigate anti-Japanese sentiment in our country.

^{92a} For text of order dated July 26, 1941, see vol. II, p. 267.

In the meantime he repeated that he would make every effort to deal satisfactorily with the cases which I presented to him today. I said once again that I was merely supporting representations which had been made by Mr. Hull to Admiral Nomura. Admiral Toyoda thanked me for this attitude on my part which he said tended to simplify rather than to complicate the situation. I said that he could always depend upon me to endeavor to simplify rather than to complicate every situation and after some more friendly assurances on his part the interview terminated.

J[OSEPH] C. G[REW]

393.115/1191

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Toyoda)

TOKYO, August 16, 1941.

MY DEAR MINISTER: In our conversation yesterday Your Excellency spoke of the *Coolidge* and expressed regret that it had not been found possible to arrange for her to come to Japan but, according to my understanding of what you said, it was your belief that we ourselves had wished the *Coolidge* to come here exclusively to embark American officials and not private American citizens. In order that there may be no misunderstanding on this point, I beg respectfully to confirm what I said to Your Excellency yesterday, namely that it had been our particular desire that the *Coolidge* should embark both officials and private citizens and the condition limiting the passengers exclusively to officials, if the *Coolidge* should call at Yokohama, had been laid down by the Japanese Government and not by us, and it was that condition by the Japanese Government that had wrecked the whole project. I feel it to be important that there should be no misunderstanding on this point.

With high respect [etc.]

JOSEPH C. GREW

393.115/1208

Memorandum by the Ambassador in Japan (Grew)

[TOKYO,] September 13, 1941.

In the course of my conversation with the Foreign Minister today I read aloud and handed to him a letter (text appended)⁹³ covering a memorandum setting forth further facts received from American officials in Japan and Japanese-occupied areas in China of obstructions, interferences and inconveniences imposed on American citizens by Japanese authorities. The items in the memorandum were grouped under the headings "Police Action", "Travel", "Mail Deliveries", "Picketing and Similar Interferences."

⁹³ *Infra.*

The Minister asked me several questions on matters of detail and said that he would give his best efforts to removing these grounds for complaint.

J[OSEPH] C. G[REW]

393.115/1208

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Toyoda)

TOKYO, September 13, 1941.

MY DEAR MINISTER: Especially at this time, when our two Governments are giving their best thought and efforts toward a reconstruction of relations between the two countries,^{93a} I feel sure that Your Excellency must wish to avoid unnecessary and petty causes of friction which inevitably serve to irritate while conserving no basic principle or fundamental policy in international comity. When it is an undeniable fact that these causes of friction, through the imposition of non-essential and, if I may use the term, senseless obstructions, interferences and inconveniences imposed on American citizens within the Japanese Empire and Japanese-controlled areas, are absent in the treatment of Japanese nationals in the United States, I believe that Your Excellency will all the more wish to eliminate these most unfortunate proceedings on the part of Japanese authorities in various places under Japanese control.

When I first brought to Your Excellency's attention some of these obstructive activities on the part of Japanese officials, I received the impression that these facts were not then known to you, and you asked me to bring directly to your notice such further difficulties in this respect as might be encountered. These difficulties continue with very little indication, at least in some places, of any effort whatever on the part of the local authorities to obviate them. I therefore enclose, for Your Excellency's information, a partial list of these difficulties at the present time.

I venture the thought that reasonable reciprocity will never be established in Japan and in areas under Japanese control in line with the liberal and friendly treatment now accorded to Japanese nationals in the United States until the most explicit instructions go out from the Government in Tokyo to all branches and all ranks of Japanese officialdom, both military and civil. I do not believe that my Government will feel in a position to wait very much longer before taking what would appear to be wholly reasonable and logical steps to equalize the treatment of our respective nationals in our respective countries.

I am [etc.]

JOSEPH C. GREW

^{93a} See vol. II, pp. 387 ff.

[Enclosure]

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

MEMORANDUM

Referring to the document left with His Excellency, the Minister for Foreign Affairs, on August 15, 1941,⁹⁴ the following further information has been received from American diplomatic and consular offices in Japan and in Japanese-occupied areas in China of interference with American rights and interests.

Police Action:

Recently the police at Dairen twice searched the house of the local representative of the National City Bank; on the second occasion three policemen without any notice or warrant and in the absence of the owner entered his house, completely ransacked it, and left it in disorder. They also searched the residence of the British acting manager of the Texas Company, an American concern. He is in effect debarred from living at his residence as a result of the difficulties encountered when he visits the property and by the "advice" tendered to him. Recently a Chinese watchman at the Standard-Vacuum Oil Company's plant was tied up for several hours during the night and thus prevented from attending to his duties. Still more recently he was administered a severe beating while making his regular patrols. The inference is inescapable that an attempt is being made by the authorities in every way to make difficult and to obstruct the company's operations while avoiding any direct action against the officials of the company themselves.

The American Catholic Mission at Fushun, Manchuria, reports that it was ordered by the police authorities to close three stations near Fushun. The Mission complied with the order, but upon requesting a reason therefor was informed that no reasons would be given. More than a hundred Chinese students in a primary school operated by the Mission were intimidated into discontinuing attendance as a result of police action in calling at their homes; the suggestion was then made by the police that as it was obvious the Manchurians did not wish to attend the school, the Mission had better close it.

On September 11, 1941, an American national at Dairen was prevented by the action of the police from sailing upon a ship upon which he had a reservation and for which sailing he had obtained the necessary exit permit. It appears that a few hours prior to the sailing he was informed that without first obtaining a special permit therefor, he

⁹⁴ For text, see statement handed to the Japanese Ambassador on August 13, 1941, p. 723.

could take with him no personal effects in excess of a total value of twenty yen, including trunks, bags, and clothing; that he must specify in the application for the permit each class of article however small (handkerchiefs, for example) as well as the value and the number of each class; that he would not be permitted to take with him any article in excess of the number listed or not specifically listed if the permit were issued; that an application for a permit must be submitted giving in detail his estimated expenditures on the ship and that he could take only sufficient money to pay his expenses on the ship. He was of course unable to sail in view of the lack of time in which to comply with these requirements.

The American Consul at Mukden has been recently informed upon good authority that the police have received orders from Hsinking to treat Americans more severely.

The American Consul at Dairen has received a report from a reliable source that the local police have declared that "no Americans or British are going to leave Dairen with anything more than the clothes on their backs." It therefore appears obvious that the actions and decisions of the local authorities are not determined by the regulations or on the basis of reciprocal treatment of nationals, despite the recent improvements in certain aspects of the situation.

Travel:

Travel for American nationals has been made very difficult and in some cases Americans have been prevented from leaving their cities or towns of residence. As a result of restrictions placed upon certain consuls at Mukden our consul there reports that he would be required to obtain a permit even to visit the suburbs of the city. In at least four instances Americans living in Japan have been refused permission to proceed from their places of residence to Kobe from which port they intended to depart for the United States. In one case an American at Hiroshima who had informed the local authorities in advance of his intention to proceed by train to Kobe, and who boarded the train without objection after being interviewed by three officials, was removed from the train at Kure and forced to return to Hiroshima. Americans traveling between Tokyo, Yokohama, and Kobe have been required to obtain police permits for the journey. Reports from Manchuria indicate that Americans are permitted to travel on the railways only three times a month, on the first, eleventh, and twenty-first. Members of the American Catholic Mission at Fushun, Manchuria, have reported to the American Consul at Mukden that they are required to obtain permits to proceed from one section of the town to another section and that such permits are obtainable only upon the three days a month above-mentioned.

Mail Deliveries:

At Tsinan, Canton, Dairen, and many other places American official, personal, and business mail is subjected to delays amounting in some instances to one month; evidence is also at hand that official mail is tampered with.

Picketing and Similar Interference:

At Tsinan all American properties are picketed and nothing is allowed to be removed without special permission. Local agents of American firms have been instructed to discontinue sales and to prepare inventories of stocks on hand and estimates of the value of American property. The American Consulate was picketed on July 28, but the pickets were later withdrawn.

At Tsining the premises of the Southern Baptist and of the American Presbyterian missions are being picketed and the pickets demanding to be housed and fed. People are allowed to come and go, but nothing is allowed to be taken out, and detailed reports are demanded concerning all visitors. The godown property of the Texas Company (China) Ltd. is occupied, the firm's representatives being denied access.

At Tsingchowfu (Itu) and Chowtsun, the Standard-Vacuum Oil Company's installations are sealed by the Japanese *gendarmérie*.

Police surveillance of the American Consulate at Dairen continues. Although the police box which was originally set up at the entrance to the Consulate has been moved across the street, policemen continue to sit at the entrance and to question visitors.

TOKYO, September 13, 1941.

393.115/1207

The Japanese Ministry for Foreign Affairs to the American Embassy in Japan

[Translation]

No. 105, American I

NOTE VERBALE

The Imperial Ministry of Foreign Affairs presents its compliments to the American Embassy at Tokyo and, with regard to the cases enumerated in the statement (Recent interference with American rights and interests in Japan and areas in China under Japanese military occupation) handed by Secretary of State Hull to Ambassador Nomura at Washington on August 13, 1941, has the honor to state that these questions were promptly referred to the Japanese authorities concerned for investigations into the actual circumstances thereof, and that, moreover, those authorities have been advised to exercise particular care to prevent the various regulatory measures being applied unreasonably or unnecessarily. According to reports which have

been received to date, the matters mentioned in the statements in question can be divided in general into the following categories: (1) Those which arose through some misunderstanding and are without basis in fact; (2) those in which, although the condition described in the statement existed temporarily, due to special circumstances, the original condition was later restored; and (3) those in which the continuation of the condition described in the statement is still unavoidable because of the necessities of the current situation but in which consideration is being given to restoring promptly the original situation if those necessities cease to exist.

The details of those cases which have been clarified are reported to the American Embassy in Tokyo as follows, with the request that the information be transmitted to the American Secretary of State.

[Tokyo,] September 16, 1941.

ADDENDUM

1. Question of travel restriction in North China.

Because of military necessity, travel permits issued by the Japanese Army are necessary in North China for travel of third power nationals including Americans. When Japan and China took counter-measures in connection with the application by the American Government at the end of July of the freezing regulations to Japanese and Chinese assets, there were, by mistake, some instances in certain areas in North China of the issuance of travel permits to British and American nationals being suspended temporarily. This condition, however, was corrected immediately under instructions from the central authorities.

2. Question of the prohibition against transportation of hand baggage at Peitaiho.

It is not a fact that the transportation of hand baggage of Americans to railway stations is prohibited at Peitaiho. With regard to the matter of the refusal to receive hand baggage for checking at railway stations, checking service was suspended for several days as an emergency measure, but later checking service is understood to have been resumed in accordance with established procedure.

3. Question of restrictions on travel by American citizens within Japan.

The imposition of restrictions on the travel of foreigners within Japan is an unavoidable condition at present but as evidenced by the fact that facilities recently were accorded to twenty-four American officials for their travel to Shanghai, the authorities are giving consideration to means of eliminating such inconvenience so far as possible. With the exception of one zone, there are generally speaking no restrictions at the moment on travel in Japan Proper.

4. Question of Seizure of Postal matter at Tsingtao.

It is reported as not a fact that postal matter was seized in Tsingtao.

5. Question of despatch of gendarmes to American oil companies at Tsingtao.

Although it is stated that the compounds of the Standard-Vacuum and Texas oil companies, and the Universal Leaf Tobacco Company at Tsingtao, are occupied by the Japanese *gendarmarie*, it is only to the compound of the Standard-Vacuum Oil Company that guards of the Japanese *gendarmarie* were despatched. On the basis of the information that communists and other disturbing elements were planning destruction of third power properties for the purpose of causing international controversy, the Japanese *gendarmarie*, with the object of protecting American property, sent a responsible person and an interpreter to the company on July 28 to consult with and establish liaison with Mr. T. D. Horps, the company's plant superintendent, and it was with the understanding of the company that the guard was despatched. Moreover, it is understood that the prohibition against smoking by guards within the company's establishment is being strictly observed.

6. Question of the prohibition against furnishing taxis and against repairing automobiles at Tsingtao.

It is not a fact that the furnishing of taxis to and the repairing of automobiles for Americans were prohibited. These are matters which chiefly concern Chinese concerns, but in Tsingtao at present it is generally extremely difficult to obtain taxis and it is surmised that this situation has arisen because of the problem of acquiring gasoline.

7. Question of the prohibition against distribution of coal at Tsingtao.

It is not a fact that such a prohibition was made.

8. Question of obstructing the distribution of wheat for famine relief by the American Red Cross at Tsingtao.

The wheat in question was received by the International Relief Association at the end of July and stored in the warehouse of a Chinese firm, Hehsingli. Under the asset freezing measures, however, permission became necessary for its disposition. Although it seems that this procedure entailed some delay, permission was granted during the middle of August and therefore it is not a fact that the distribution of the wheat was obstructed.

9. Question of restrictions on sale of foodstuffs and other articles by Chinese dealers to American nationals.

Permission is necessary, under the Temporary Special Transaction Control Law enforced by the North China Political Affairs Commission, for any transaction involving more than 100 yuan. It is re-

ported as not true, however, that instructions have been given prohibiting transactions involving more than 20 yuan.

10. Question of order for the cancellation of American insurance policies.

It is reported as not true that such an order for cancellation of policies was issued.

11. Question of seizure of postal matter at Chefoo.

It is also reported not a fact that postal matter was seized at Chefoo.

12. Question of American commercial firms at Tientsin being unable to transport goods by rail.

Railway transportation was suspended temporarily as an emergency measure, but it is reported that later transportation has been resumed in accordance with fixed procedure.

13. Question of refusal to accept registered mail matter of American commercial firms at Tientsin.

As for letters, it is not a fact, and as for parcels only those which violated the regulations were not accepted.

14. Question of blockade of Cheeloo University and Cheeloo Hospital at Tsinan.

Since the enforcement of the assets freezing measures, commodities brought in and out of Cheeloo University and Cheeloo Hospital by Chinese have been inspected by the Chinese police. The taking out or bringing in of foodstuffs, daily necessities, and other general goods, however, are said to be permitted.

15. Question of undue interference with embroidery and drawn work trade of American commercial firms at Swatow.

Although, owing to the shipping situation, loading on ships has been somewhat delayed, it is absolutely not a fact that the Japanese authorities unduly interfered with or exerted pressure to obstruct such shipments. It is reported, for instance, that 350 tons of drawn work and embroidery were shipped immediately after the enforcement of the assets freezing measures.

16. Question of restrictions on the use of English on the telephone in Japan.

There is no restriction on telephone conversations in foreign languages within the same city. Only in long distance calls is conversation restricted to the Japanese language. It was really necessary, however, from the standpoint of espionage prevention, for Japan to take this measure. This measure is applied equally to all languages, other than Japanese, and will be relaxed or withdrawn promptly when it is recognized that the necessity therefor has ceased to exist. The policy of immediately abolishing this restriction within Japan Proper has now been decided upon, and although revision of the

pertinent laws and ordinances will require some time, in practice telephone conversations in foreign languages will be permitted from the evening of September 13.

17. Question of restrictions on the travel of American nuns at Fushun.

These restrictions are based upon the requirement under Public Peace Department ordinance "Matters concerning Restriction of Entry, Sojourn, and Travel of Foreigners", enacted in Manchoukuo on August 1, that a certificate from the chief of the police station at place of residence be obtained in advance for the travel of third power nationals.

18. Question of surveillance of staff members of the American Consulate at Dairen.

Sentry boxes have been removed by the government offices concerned, and in other respects the situation is understood to have greatly improved.

393.115/1197 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Substance]

TOKYO, October 7, 1941—10 a. m.

[Received October 8—6:38 a. m.]

1577. Reference is made to the Embassy's note of August 6 on Japanese interference with American business firms at Chefoo.

Replying to these representations, the Japanese Foreign Office in a note of October 3, 1941, states that the safeguarding of American property from elements, including Communists, seeking to disturb relations, was the purpose of the measures instituted; that an understanding had been arrived at with the firms concerned in advance; that upon restoration of normal conditions the guards will be removed; and that there were no detentions of nationals of third Powers and their Chinese employees.

GREW

393.115/1203 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, October 21, 1941—9 a. m.

[Received 5:03 p. m.]

1663. Embassy's 1458, October 21 [*September 15*], 9 a. m. [*noon*],⁹⁵ interference with American interests.

A lengthy *note verbale* (No. 114, confidential, American I) dated October 10 has been received from the Foreign Office in reply to our

⁹⁵ Telegram not printed; see memorandum of September 13, 1941, p. 915.

representations of September 1⁹⁶ and previous "with regard to those cases concerning which the circumstances are known today."

Summary follows:

1. In Japan, no American is prevented from returning to his country, and there are now no restrictions on travel between Tokyo and Kobe.

2. In Manchuria, all persons except officials of recognized powers must have permits to travel outside the places of their residence. It is, therefore, natural to require the American Minister [*Consul General?*] at Mukden to have such a permit. Route and time of travel are Department's instructions, and to facilitate control it is said that travel is restricted to first, tenth and twenty-first of each month.

It is untrue that a Fushun missionary had to have a permit to proceed from one part of the city to another.

Manchukuo laws require all mission stations to obtain permission to operate and to submit periodic reports. The one mission at Fushun was asked to close certain stations August 26 because it did not submit such reports. There was no interference with the mission's primary schools.

The Hsinking authorities did not issue instructions that Americans should be severely dealt with.

3. In Dairen, house to house searches were legally conducted either as ordinary police check-ups or in connection with the ban on short wave radios. No improper violation of residences took place.

The Dairen police took urgent anti-espionage and economic measures when foreign assets were frozen, and the premises of the oil companies in the strategic[al]ly important harbor area were closely watched. Such few difficulties as developed were soon overcome and no watchmen were arrested or assaulted.

The Dairen steamship company refused to sell a return ticket to Jackson Lewis "because of the control of foreign passengers at Shanghai," and he voluntarily canceled his journey rather than risk not being able to return. He stated that he wished to avoid accepting the advice of American officials to return to the United States.

All foreigners including Germans and Italians have been refused passage on ships in and out of Dairen since July because of ineligibility. Prospective travellers to Manchukuo have not been permitted to leave without first having obtained Manchukuo permits. End summary.

It will be observed that the above communication from the Foreign Office is unsatisfactory, despite our repeated representations and the personal assurances to me of the former Foreign Minister (our telegram 1249, August 15, 10 a.m. [*p.m.?*])⁹⁷ that he would endeavor to deal satisfactorily with such cases as came to his attention. The note attempts to explain away a number of isolated cases, and no attempt whatever is made to discuss the general principles underlying our complaints. Although it is not believed that any useful purpose

⁹⁶ Not printed.

⁹⁷ See memorandum of August 15, 1941, p. 911.

would be served by bringing to the attention of the Foreign Office the [apparent omission] by its misstatements and half-truths in the communication under reference, the Embassy will continue to make such representations as seem appropriate if new cases of undue restraint and studied obstructionism come to its attention.

Sent to the Department via Peiping, Peiping please repeat pertinent portions to Mukden. Repeated to Dairen via airmail.

GREW

393.115/1220 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, October 28, 1941—10 p. m.

[Received November 3—10:58 a. m.]

1702. Embassy's 1663, October 21, 9 p. m. [*a. m.*], interference with American interests.

A note from the Foreign Office number 121 of October 22, 1941 in continuation of note number 114 of October 10 summarized in our 1663, October 21, 9 a. m. has been received. The present note purports to reply to our representations concerning interference with American interests in China. A summary of the pertinent portions follows:

1. In Tsinan. Discriminatory examination of American official, private, and commercial mail has never taken place and American mail is not singled out for delay. The Chinese authorities placed guards outside American and other designated properties in order to make effective temporary control laws. Although under those laws permission is necessary for the transport of commodities, the taking in or out of daily nondescript and general materials is not prohibited. Suspension of sales was never ordered. Although forms were distributed concerning the taking of inventories and evaluation of stocks, they were quickly withdrawn. Guards were stationed in the vicinity of the American Consulate prior to the receipt of orders from the central authorities; they were withdrawn after two days.

2. In Tsining. The Chinese police placed a guard at the American Church in Tsining; because the church is at a distance from the city the guard rents a room therein with the consent of the head of the church. Other points raised concerning the church could not be verified. The storehouse of the Texas Company was not occupied and the Company's representative was not denied access thereto.

3. Tsingchow and Chowtsun. There was no interference with the Standard Vacuum Oil Company. *Gendarmerie* did not seal the installation.

4. Canton. Mail has not been examined. Delay caused by unfavorable weather conditions has been somewhat ameliorated by the efforts of the authorities. End of summary.

The Embassy invites attention to the emphasis laid in the note on the alleged lack of discrimination in the handling of mails at Tsinan;

it is not denied however that mails are examined. Otherwise the note is similar in tone to the previous one, and the same general comment applies as that expressed in our previous report.

Sent to the Department via Shanghai; Shanghai please repeat Canton and Peiping; Peiping please mail to Tsinan.

GREW

393.115/1230 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, November 25, 1941—6 p. m.
[Received December 1—4:08 a. m.]

1846. Peiping's 347, November 11, 10 a. m.⁹⁸ Comments on Japanese replies to American representations.

On November 22, 1941, I addressed a personal letter to the Minister for Foreign Affairs informing him that the language in the replies of the Foreign Office to our representations was in some respects unusual. I said that the Secretary of State's and our representations were "carefully prepared from reports received from competent and experienced American officials" and that the abrupt denial from the Foreign Office "would seem to imply that the Japanese authorities placed no credence in the reports made by the American officials." In conclusion I asked the Foreign Minister to bring about a removal of the transportation interferences.

A few days ago the British Ambassador also addressed a similar letter to the Vice Minister for Foreign Affairs.

Copies to the Department and Peiping by mail.

Sent to the Department via Peiping. Repeated to Chungking.

GREW

⁹⁸ Not printed.

STATEMENTS BY THE SECRETARY OF STATE
OF THE POLICY OF THE UNITED STATES TO
RELINQUISH BY AGREEMENT EXTRATER-
RITORIAL RIGHTS IN CHINA

STATEMENTS BY THE SECRETARY OF STATE OF THE
POLICY OF THE UNITED STATES TO RELINQUISH BY
AGREEMENT EXTRATERRITORIAL RIGHTS IN CHINA

*Statement by the Acting Secretary of State, July 19, 1940*¹

In response to inquiries from press correspondents with regard to the British Prime Minister's comments upon the question of extra-territoriality in China included in his statement of July 18, the Acting Secretary of State, Mr. Sumner Welles, commented as follows:

"The most recent statement of this Government on this subject is contained in a note presented on December 31, 1938, to the Japanese Government,² which mentions *inter alia* the progress made toward the relinquishment of certain rights of a special character which the United States together with other countries has long possessed in China. In 1931 discussions of the subject between China and each of several other countries, including the United States, were suspended because of the occurrence of the Mukden incident and subsequent disrupting developments in 1932 and 1935 in the relations between China and Japan. In 1937 this Government was giving renewed favorable consideration to the question when there broke out the current Sino-Japanese hostilities, as a result of which the usual processes of government in large areas of China were widely disrupted.

"It has been this Government's traditional and declared policy and desire to move rapidly by process of orderly negotiation and agreement with the Chinese Government, whenever conditions warrant, toward the relinquishment of extraterritorial rights and of all other so-called 'special rights' possessed by this country as by other countries in China by virtue of international agreements. That policy remains unchanged."

711.93/471

*The Appointed Chinese Minister for Foreign Affairs (Quo Tai-chi)
to the Secretary of State*

SAN FRANCISCO, May 26, 1941.

MY DEAR MR. SECRETARY: I am shortly to depart from the United States for China and wish to send you a word of farewell and of thanks for the cordial hospitality extended to me during my brief stay in Washington.

¹ Reprinted from Department of State, *Bulletin*, July 20, 1940 (vol. III, No. 56), p. 36.

² Dated December 30, 1938; *ante*, p. 820.

It was very gratifying to me to receive in person during our conversations the extended account which you were so good as to give me of the attitude and policy of the United States in regard to problems, both economic and political, which are of concern to the whole world, and especially to your Government and mine, in this unhappy period of disturbance, violence and distress.

With the general principles of the foreign policy of the United States, which were set forth in your public statement of July 16, 1937,³ I have long been familiar. I could, therefore, readily appreciate the importance which, as you indicated in our conversations, your Government attaches to the principles of world order under law and of equality of treatment among nations, and to general recognition of the need for freer international trade and for broader cultural exchange. My government shares the desire and the hope of your Government that there may be brought about by processes of agreement conditions in world affairs in which those principles will be universally accepted and applied.

You will recall that on August 12, 1937, there was sent to you a communication from my Government⁴ endorsing the principles enumerated in your statement of July 16, 1937, and stating that China's policy was therefore in full harmony with the views of the Government of the United States. Such was the position of China then, and such is its position now.

My country has for nearly four years been fighting in self-defense. During this period the Government and people of the United States have shown great friendship and sympathy for the Government and people of China. The Chinese Government and people deeply appreciate the attitude, the policy, and the action of the Government of the United States. We feel, moreover, that our attitude, objectives and policies are constantly evolving along lines more and more completely in harmony with those of the United States.

My people are traditionally believers in non-discrimination in international commercial relations and in the broad principles of cooperation and fair-dealing among nations which are implicit in the faithful observance of international agreements and the adjustment of problems in international relations by processes of peaceful negotiation and agreement freely arrived at. We believe in and subscribe to the principle of equality of commercial opportunity and non-discriminatory treatment. Our Government gave clear indication of this nearly a century ago when there were being negotiated the first treaties between China and Occidental countries.

³ *Ante*, p. 325.

⁴ Department of State, *Press Releases*, August 21, 1937 (vol. xvii, No. 412), p. 123

Upon restoration of peace, the Chinese Government desires and expects to seek and to effect the fullest application of those principles in its own economy and in its political and economic relations with other countries.

With many pleasant recollections of my visit to Washington, and with my kindest personal regards, I am, my dear Mr. Secretary,

Yours sincerely,

QUO TAI-CHI

711.93/471

The Secretary of State to the Appointed Chinese Minister for Foreign Affairs (Quo Tai-chi)

WASHINGTON, May 31, 1941.

MY DEAR MR. MINISTER: I acknowledge the receipt of and thank you for your letter of May 26, 1941 in regard to your visit to Washington and to our conversations during your short sojourn here.

We greatly enjoyed your visit.

It is very gratifying to receive in your letter reaffirmation of the endorsement by the Chinese Government and people of the general and fundamental principles which this Government is convinced constitute the only practical foundation for an international order wherein independent nations may cooperate freely with each other to their mutual benefit.

As you know, the program in which the Government and people of the United States put their trust is based upon and revolves about the principle of equality of treatment among nations. This principle comprehends equality in international relations in a juridical sense, nondiscrimination and equality of opportunity in commercial relations, and reciprocal interchange in the field of cultural developments. Implicit in this principle is respect by each nation for the rights of other nations, performance by each nation of established obligations, alteration of agreements between nations by processes not of force but of orderly and free negotiation, and fair dealing in international economic relations essential to peaceful development of national life and the mutually profitable growth of international trade. One of the purposes of this program is to effect the removal of economic and other maladjustments which tend to lead to political conflicts.

As you are also aware, the Government and people of the United States have long had a profound interest in the welfare and progress of China. It goes without saying that the Government of the United States, in continuation of steps already taken toward meeting China's aspirations for readjustment of anomalies in its international relations, expects when conditions of peace again prevail to move rapidly,

by processes of orderly negotiation and agreement with the Chinese Government, toward relinquishment of the last of certain rights of a special character which this country, together with other countries, has long possessed in China by virtue of agreements providing for extraterritorial jurisdiction and related practices.

This Government welcomes and encourages every advance made by lawful and orderly processes by any country toward conditions of peace, security, stability, justice and general welfare. The assurances given in Your Excellency's letter under acknowledgment of China's support of the principle of equality of treatment and nondiscrimination in economic relations should have wholesome effect both during the present period of world conflict and when hostilities shall have ceased.

The Government of the United States is dedicated to support of the principles in which the people of this country believe. Without reservation, we are confident that the cause to which we are committed along with China and other countries—the cause of national security, of fair dealing among nations and of peace with justice—will prevail.

With kindest regards and best wishes, I am, my dear Mr. Minister,
Sincerely yours,

CORDELL HULL

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