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1932

Volume IV

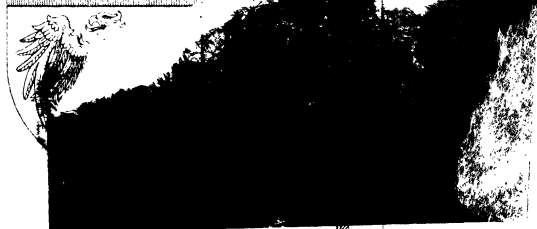
THE FAR EAST

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# Foreign Relations

of the

# United States

Diplomatic Papers

1932

(In Five Volumes)

Volume IV

The Far East



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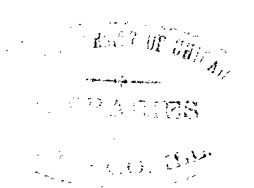
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June 24 (98)	<i>From the Minister in Switzerland (tel.)</i> Dispatch by Committee of Nineteen of a letter to the Chinese and Japanese Governments explaining necessity for delay in Assembly action until after receipt of Lytton report, and also expressing hope that previous agreements by both parties to take no action to aggravate the situation will be observed.	107
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June 25 (183)	<i>To the Ambassador in Great Britain (tel.)</i> Instructions to present to Foreign Office summary of situation relative to disruption of Chinese customs service and other administrative services in Manchuria and to request information as to attitude of Foreign Office in the matter.	110
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Dec. 24 (L-441)	<i>From the Consul General at Nanking to the Minister in China</i> Two divergent policies advocated by Chinese political leaders: (1) the use of immediate military action against Japan for the recovery of Manchuria, advocated by the Cantonese faction; (2) the organization and unification of the country politically before taking open opposition to Japan, urged by General Chiang Kai-shek.	457

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Dec. 28 (1392)	<i>From the Minister in China (tel.)</i> Reuter report from Nanking, December 27: Information that the Chinese Government is studying the situation in Outer Mongolia, with a view to establishment of a <i>rapprochement</i> between Nanking and Urga.	459
Dec. 28	<i>Memorandum by the First Secretary of the Embassy in Great Britain of a Conversation With the Japanese Ambassador</i> Discussion of the various proposals for a solution of the Sino-Japanese difficulties over Manchuria; Ambassador's opinion that the question could only be settled by the passage of time, and suggestion that the United States should hold the question of Manchuria open for the time being, just as Japan was leaving open its account with the United States in regard to the exclusion law.	459
Dec. 29	<i>From the Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation</i> Information contained in reports of General Tang Yu-lin revealing Japanese plans for occupation of Pei-Piao and other places in Jehol.	462
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Jan. 22 (110)	<i>From the Minister in China (tel.)</i> From Nanking, January 21: Representations to Foreign Office, in name of the Legation, requesting urgent action to learn whereabouts of Baker and to effect his release; Foreign Office's promise to send instructions to the provincial authorities in the matter.	466
Jan. 25 (16)	<i>From the Consul General at Hankow (tel.)</i> Information from bandits that Baker's ransom will be determined by Hupeh Soviet government and communicated by messenger at Pailochi on January 28; willingness of Yangtze Rapid Steamship Company to pay 10,000 silver dollars for Baker's release.	467
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Jan. 28 (17)	<i>From the Consul General at Hankow (tel.)</i> Text of message received from Baker; preliminary demands of bandits for release of 500 Communists held at Hankow and Shanghai and for money and merchandise totaling more than a million dollars.	467
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Feb. 9 (26)	<i>From the Consul General at Hankow (tel.)</i> Information that a further written appeal from Baker has been received, and that the Ichang agent of Yangtze Rapid Steamship Company is negotiating with Communists for his release.	474
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Feb. 21 (259)	<i>From the Minister in China (tel.)</i> From Hankow, February 20: Information that General Ho Chen Chun has refused request by Public Safety Bureau that British forces defend the bund of the ex-British concession in event of Communist attack.	478
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Feb. 23 (36)	<i>From the Consul General at Hankow (tel.)</i> Information from local representative of Lutheran United Mission that Kwangchow, Honan, is threatened by large Communist force; telegraphic request to Honan Government to protect Americans in Kwangchow.	479
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Feb. 25 (275)	<i>From the Minister in China (tel.)</i> From Hankow, February 24: General plan, agreed to by Admiral Williams, for defense to cover evacuation, and not for holding port, as previously suggested. Information that Legation has discussed plan with Military and Naval Attachés, who approved it.	480
Mar. 11	<i>From the Consul General at Canton (tel.)</i> Information from the military that Communists raised siege of Kwangchow at approach of Kwantung forces and that Americans there are believed safe.	480

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Mar. 28	<i>From the Minister in China (tel.)</i> Belief that payment of ransom by the Chinese Government is best means of securing Baker's release; intention, if it seems advisable, to instruct a Legation staff member and Captain Mayer to get in touch with officials concerned.	485
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Apr. 7 (1468)	<i>From the Minister in China</i> Transmittal of correspondence with Mukden Consulate General concerning question of issuance of consular proclamations for protection of American goods in possession of Chinese shops, and request for Department's instructions.	488
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Apr. 15	<i>From the Minister in China (tel.)</i> Representations on Baker's behalf, through Consul General at Nanking, to Soong; Soong's arrangements for T. C. Hsi, an official of National Flood Relief, to proceed to Hankow, with powers to use wheat for securing Baker's release.	490
Apr. 15	<i>From the Minister in China (tel.)</i> Letter dated March 27 from Baker to Hoyt's assistant (text printed), advising that his captors guarantee his release upon payment of \$40,000, and requesting immediate action, as alternative is death.	493
Apr. 16 (144)	<i>To the Consul General at Shanghai (tel.)</i> For the Minister: Instructions to proceed to Nanking and to make written communication to the Chinese Government (text printed) regarding importance of prompt and effective action in Baker case, and to send ranking officer of Legation staff for prosecution of the case to whatever place his presence would be most helpful.	493
Apr. 17	<i>From the Minister in China (tel.)</i> From Hankow, April 16: Arrival of Sir John Hope Simpson, British Director General of National Flood Relief, and G. Findlay Andrew, British field secretary of Chinese Famine Relief Committee, to discuss plans for securing Baker's release by offer of wheat.	495

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Apr. 20	<i>From the Minister in China (tel.)</i> From Hankow, April 19: Visit of Andrew's agent to Baker's captors; information that Andrew is proceeding carefully and developments in the case may be slow. To Hankow, April 19: Information that Chinese Government is instructing Ho Chen Chun and Hsia Tou Ying to increase their efforts in Baker case, and suggestion that they be advised that secret negotiations are under way.	496
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Apr. 23 (151)	<i>To the Consul General at Shanghai (tel.)</i> For the Minister: Gratification for efforts made at Nanking, and granting of requested authorization for delay in assigning of special officer to the case.	499
Apr. 23 (152)	<i>To the Consul General at Shanghai (tel.)</i> For the Minister: Receipt of request from Consul at Amoy for instructions as to defense of International Settlement and plans for evacuation of foreigners in event of attack by Communist troops. Request for recommendations of Minister and Commander in Chief, and if possible, views of representatives of other interested powers.	499
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Apr. 25 (154)	<i>To the Consul General at Shanghai (tel.)</i> For the Minister: Desire that Minister continue supervision of Baker case, but suggestion that Consul General at Nanking be instructed to give case his special attention and to keep matter constantly before Chinese officials at Nanking.	501
Apr. 25 (470)	<i>From the Minister in China (tel.)</i> To Nanking: Instructions to advise Foreign Minister of report from Amoy of capture of Changchow and looting of American mission property there by Communist troops, and also to request all possible measures for the protection of Americans at Amoy and Kulangsu.	502
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Apr. 29	<i>From the Minister in China (tel.)</i> From Hankow, April 28: Information regarding bandits' anxiety to deliver Baker, who they claim is seriously ill, and their negotiations with Yangtze Rapid agents for \$6,000 ransom; belief that claim of illness may be ruse to hasten payment, and that Andrew's negotiations are more likely to succeed; message to Yangtze Rapid agents at Ichang, suggesting that they drop their negotiations.	504
Apr. 30 (159)	<i>To the Consul General at Shanghai (tel.)</i> For the Minister: Caution against action based on assumption that claim of Baker's illness is untrue; hope that Andrew's negotiations will proceed without delay.	505

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May 2	<i>From the Minister in China (tel.)</i> To Amoy: Instructions sent by Commander in Chief to senior American naval officer at Amoy (text printed), authorizing cooperation with other naval forces in landing operation as preliminary to evacuation, but not as a continued operation; caution against involvement of American forces in permanent policing of Kulangsu.	506
May 3	<i>From the Consul at Amoy (tel.)</i> For the Minister: Information that other members of consular body have received individual instructions to cooperate in landing forces to assist in policing of International Settlement in order to avoid evacuation, and suggestion, if landing of American naval forces is authorized, that a time limit be set for their remaining on the island and Municipal Council be instructed within that time to arrange for adequate police protection for lives and property of Kulangsu residents; account of military situation in surrounding districts. (Repeated to Legation.)	507
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May 3	<i>From the Consul at Amoy (tel.)</i> For the Minister: Proclamation of assurance to be issued by Municipal Council of International Settlement at Kulangsu (text printed).	509
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May 9 (52)	<i>From the Consul General at Hankow (tel.)</i> Release of Father Sands, who reports that Baker is in good health.	511

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May 16 (533)	<i>From the Minister in China (tel.)</i> From Nanking: French Minister's inquiry as to whether American naval forces at Amoy are under instructions not to offer resistance in case of attack on Kulangsu, but to limit activities to evacuating American citizens. To Nanking: Information for French Legation that instructions to American naval forces at Amoy contemplate landing force in preparation for evacuation.	513
May 16 (125)	<i>To the Minister in China (tel.)</i> Desirability of avoiding appearance of noncooperation with other powers, and approval of American participation, if landing and temporary presence of foreign armed forces would tend to increase security of International Settlement and discourage impending attack.	513
May 19	<i>From the Consul at Amoy (tel.)</i> To the Legation: Excerpts from minutes of consular meeting (texts printed) at which colleagues were informed of American willingness to cooperate; decision of the consular body that situation now warrants the landing of forces in complete cooperation as soon as British Consul receives necessary authorization.	514
May 25	<i>From the Consul at Amoy (tel.)</i> To the Legation: Information from Chinese authorities regarding military situation; information that British Consul has not been given necessary authorization and that cooperative plan for landing of armed forces is not in operation.	515
May 27 (574)	<i>From the Minister in China (tel.)</i> From Hankow, May 26: Refusal of Communists to release Baker after receiving payment in full from Andrew; information that two Chinese engineers have gone to Chuho to act as hostages in fulfillment of captors' further demands, while Andrew negotiates with them on their additional demands for merchandise.	516
June 1 (61)	<i>From the Consul General at Hankow (tel.)</i> Information that Baker has now been released through Andrew's efforts, and that his ransom was the equivalent of 500 tons of wheat.	516
June 1 (138)	<i>To the Minister in China (tel.)</i> Instructions (requested on April 7) for issuance of proclamations for the protection of American-owned goods, either in possession of Americans or foreigners.	517

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1932 June 1 (439)	<i>From the American Minister in China to the Chinese Minister for Foreign Affairs</i> Representations in respect to ineffectiveness of general instructions previously issued relative to robbery incident near Kwangshan, Honan, and request that specific instructions be issued ordering chief of Kwangshan militia to Kaifeng for investigation.	517
June 9 (71)	<i>To the Ambassador in Great Britain</i> Instructions to express to Foreign Office U. S. appreciation for Andrew's assistance in effecting the release of Charles Baker.	518
June 10	<i>To the Chinese Chargé</i> Acknowledgment of notification concerning the release of Charles Baker, and expression of gratification for efforts of Chinese Government in the case.	518
June 28 (69)	<i>From the Consul General at Hankow (tel.)</i> Report of capture by Communists of 10 American missionaries, who were vacationing at Kikungshan, namely, Mr. and Mrs. Vikner and three children, Mrs. Sovik and son, and Mr. and Mrs. Nyhus and child; information that telegraphic representations were made to Honan Provincial Government, and request that Legation make representations to the National Government.	519
June 29 (740)	<i>From the Minister in China (tel.)</i> Legation's efforts in behalf of American missionaries captured at Kikungshan, all of whom were released except for Vikner and Nyhus; belief that mission boards and business organizations having representatives in the Yangtze Valley should be urged to withdraw their representatives from areas in which Chinese Communism has been established.	519
July 2 (76)	<i>From the Consul General at Hankow (tel.)</i> Information that Communists voluntarily released Vikner and Nyhus, stating that they belonged to poor missions and had done nothing harmful to Communism.	520
July 8 (784)	<i>From the Minister in China (tel.)</i> From Nanking, July 7: Memorandum from Foreign Office, July 6 (text printed), requesting that Americans be evacuated temporarily from a certain area in Honan Province during efforts to suppress Communist bandit activities there.	521
July 8 (805)	<i>To the Minister in China</i> Letters sent to National Catholic Welfare Conference, International Missionary Council, and National Lutheran Council regarding advisability of withdrawing their representatives from disturbed areas in China to safer places.	521

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1932 Aug. 3 (82)	<i>From the Consul General at Hankow (tel.)</i> Report by William Englund, an American missionary at Sianfu, that Henry Ekvall, an American citizen, and two companions, traveling by automobile from Kansu to Sianfu, have been missing since July 23 and may have met with foul play; information that Chairman of Shensi Provincial Government has been requested to investigate.	522
Aug. 4 (898)	<i>From the Minister in China (tel.)</i> Information that Counselor of Legation at Nanking has been instructed to make urgent representations to Foreign Office concerning disappearance of Henry Ekvall.	522
Aug. 7 (909)	<i>From the Minister in China (tel.)</i> Message from Hankow (excerpt printed), reporting Englund's unsuccessful efforts to secure official escort to search for bodies of Ekvall and party. Legation's representations to Shensi Provincial Chairman and dispatch of a representative to Sian.	522
Aug. 16 (960)	<i>From the Minister in China (tel.)</i> To Nanking: Information from Legation's special representative at Sian that evidence indicates death of Ekvall and party and that neither bodies, car, nor \$20,000 worth of gold dust and silver can be traced; further information that local soldiery may be involved in disappearance; instructions to make strong representations for action by Shensi authorities in locating bodies and punishing responsible parties, and information that Consul General at Hankow has been instructed to make similar representations.	523
Aug. 22 (933)	<i>From the Minister in China (tel.)</i> Results of investigation indicating that Chinese chauffeur and Sian soldiery were responsible for murder of Ekvall and party; information that Shensi Chairman has been requested to apprehend and punish the guilty parties. Recall of Legation's special representative in Sian.	524
Aug. 25 (285)	<i>To the Minister in China (tel.)</i> Approval of action taken by Legation in Ekvall case; request for recommendations, in view of implication of Chinese soldiers, as to whether representations should be made to the Chinese Government for payment of indemnity and/or for expression of regret and apology by Chinese military as well as civil authorities.	525
Aug. 26 (1009)	<i>From the Minister in China (tel.)</i> To Nanking: Information that further representations have been made to Shensi Provincial Chairman urging punishment of guilty parties and recovery of Ekvall's body; instructions to make similar representations to Nanking Government, emphasizing punishment of the guilty and avoiding question of restitution of property.	525

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1932 Aug. 30 (855)	<i>To the Minister in China</i> Department's attitude on the initiation of negotiations with Chinese authorities regarding rendition of the International Settlement at Kulangsu, in view of reported British plans to undertake such negotiations.	526
Sept. 15 (1744)	<i>From the Minister in China</i> Transmittal of copies of report of special investigator, Legation's correspondence with Shensi authorities, and other documents in the Ekvall case; substance of note for the Foreign Office which Legation is preparing in the matter.	527
Sept. 16 (87)	<i>From the Consul General at Hankow (tel.)</i> Information that National Flood Relief Commission engineers held as hostages by Communists in Baker case have been rescued and case may be considered closed.	530
Sept. 21 (1118)	<i>From the Minister in China (tel.)</i> Personal telegram addressed to General Chiang Kai-shek (text printed), requesting that Government forces which are now pressing forces holding captive Rev. Bert Nelson, be instructed to be on the lookout for Rev. Nelson and make every effort to rescue him.	530
Sept. 26	<i>From the Consul at Chefoo (tel.)</i> To the Legation: Report regarding heavy damage to American mission property occupied by General Liu's forces as defense works, and request that protest be made to Chinese Government.	531
Sept. 29 (1150)	<i>From the Minister in China (tel.)</i> From Chefoo: Suggestion that General Han Fu-chu be requested to take steps for protection of missionaries and mission properties at Tengchow and Hwanghsien. Information that Legation is requesting protection through the Consul at Tsinanfu.	531
Sept. 30 (1152)	<i>From the Minister in China (tel.)</i> From Tsinanfu: Receipt of verbal assurance from General Han that measures would be taken for protection of American life and property at Hwanghsien and Tengchow.	532
Oct. 1 (1153)	<i>From the Minister in China (tel.)</i> From Nanking, September 30: Discussion of Ekvall case with T. V. Soong, who later took up case with General Chiang Kai-shek and advised that General Chiang was sending a special emissary to Sianfu to try to close the case.	532
Oct. 6 (1170)	<i>From the Minister in China (tel.)</i> To Nanking: Instructions to inform Foreign Office that Legation desires to send a representative to Sian to assist in investigation of the Ekvall case and requests that General Chiang's representative be instructed to cooperate with Legation's representative.	533

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Oct. 12 (500)	<i>From the American Minister in China to the Chinese Minister for Foreign Affairs</i> Summary of report by Legation's special investigator in the Ekvall case, implicating Shensi soldiery; inability of U. S. Government to accept Shensi authorities' claim that their investigation has been fruitless; desire for action by Chinese Government, including sending of special investigators to Sian to investigate matter thoroughly, and intention to press case until it has been cleared up and guilty parties punished.	533
Oct. 25 (1211)	<i>From the Minister in China (tel.)</i> From Foochow, October 24: Official report of invasion of Western Fukien by Kiangsi Communists and capture of several towns; information that Americans have been advised to withdraw from the danger zone.	537
Oct. 28 (1217)	<i>From the Minister in China (tel.)</i> From Foochow, October 27: Information that Americans at Kienningfu and Yenping have been advised to withdraw to Foochow because of danger from Communist invasion.	537
Oct. 28 (1220)	<i>From the Minister in China (tel.)</i> Report from Legation's representatives at Sian that Nanking representatives have apparently been instructed to bring pressure on General Yang and not to make an independent investigation in Ekvall case, that Provincial Government wishes to settle case on basis of apology, indemnity, and assurance of protection; also that communication containing claim of China Inland Motors has been presented to Yang, and that time is now opportune to present any other claims.	537
Oct. 28 (1219)	<i>From the Minister in China (tel.)</i> Receipt of information from Hankow that Chinese messenger's claim of having found Nelson in good health was false, that Nelson was probably killed by the Communists about August 21.	538
Oct. 29 (1221)	<i>From the Minister in China (tel.)</i> Legation's opinion that punishment of guilty parties and recovery of Ekvall's body should be sought before anything else, and that further demands should be made for disciplinary action against Chen Tzu-chien, and other subordinate officials for obstructing the investigation of the case, and for an indemnity of 25,000 gold dollars for the Ekvall family.	538

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Nov. 2 (1225)	<i>From the Minister in China (tel.)</i> From Nanking, November 1: Information from Foreign Office that Chiang Kai-shek has instructed Chairman of Shensi Provincial Government to make immediate and thorough investigation of Ekvall case and to punish guilty parties.	541
Nov. 3	<i>Memorandum by the Minister in China</i> Discussion with Spanish, French, Japanese, and British colleagues of request of Senior Consul at Chefoo that Chinese authorities be urged not to permit the defeated troops of General Liu Chen-nien to return to Chefoo to embark for the south; text of joint telegram to Chinese Government adopted in the matter.	542
Nov. 4 (1231)	<i>From the Minister in China (tel.)</i> Telegram from Sian dated November 3 (text printed) regarding attempts of American representatives to obtain settlement of Ekvall case; opinion that it is doubtful if Shensi authorities will admit guilt of their soldiers and that demand for heavy indemnity appears to be the only means of securing punishment of guilty parties.	543
Nov. 4 (361)	<i>To the Minister in China (tel.)</i> Department's views as to demands to be made upon Chinese Government in Ekvall case, and suggestion that if Chinese authorities offer immediate payment of compensation for American property losses, it be accepted upon understanding that U. S. Government will insist on compliance with all demands.	545
Nov. 4	<i>From the Consul General at Nanking to the Minister in China</i> Conversation with Foreign Minister, who advised that he had sent Dr. Liu, of the Department of European and American Affairs, to Hankow with an urgent message for General Chiang Kai-shek, requesting an immediate and thorough settlement of the Ekvall case without regard to official responsibility for the incident which might be disclosed by investigation.	545
Nov. 5 (1234)	<i>From the Minister in China (tel.)</i> Proposed action with respect to presentation of demands set forth in Department's telegram No. 361 of November 4; Shensi Provincial Chairman's willingness to accept three of American demands. Opinion that demand for heavy indemnity as penalty for murder of Ekvall should not be jeopardized by acceptance at this time of payment of China Inland Motors claim.	546



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1932 Nov. 5 (362)	<i>To the Minister in China (tel.)</i> Instructions to present to local Chinese authorities at Sian full demands contained in Department's telegram No. 361, to inform representatives of Nanking Government at Sian, and also to file demands with Chinese Government at Nanking.	548
Nov. 17 (1254)	<i>From the Minister in China (tel.)</i> Telegraphic report from Stanton and Soule at Sian (text printed) regarding steps being taken by Provincial Government to apprehend culprits in Ekvall case, and their dissatisfaction with progress of case; information that authorities realize that all demands must be carried out. Instructions to Counselor Peck at Nanking (text printed) to make strong representations to Ministers Soong and Lo requesting general punishment of guilty without further delay.	548
Nov. 21 (372)	<i>To the Minister in China (tel.)</i> Information that Department has suggested to Chinese Legation that it inform Chinese Government that representations in the Ekvall case are being made by Department's specific instructions.	549
Nov. 22 (1271)	<i>From the Minister in China (tel.)</i> From Hankow, November 21: Chinese messengers' report regarding whereabouts of Nelson.	550
Nov. 27 (1275)	<i>From the Minister in China (tel.)</i> From Stanton: Substance of a communication from the Shensi Provincial Government advising that Liu Jun-hsui, a company commander, has confessed to the murder of Ekvall and companions, and that he has named his accomplices. To Stanton and Soule: Instructions regarding apprehension of others implicated in crime and the insuring of the punishment of the convicted man.	550
Nov. 29 (1280)	<i>From the Minister in China (tel.)</i> From Stanton and Soule: Account of the questioning of Liu at Sian, in presence of American and Nanking representatives; belief that apprehension of other criminals is only a remote possibility.	551
Dec. 2 (1285)	<i>From the Minister in China (tel.)</i> Telegraphic report from Stanton and Soule, November 30 (text printed), that Liu was sentenced and shot, and that an official of Provincial Government presented a formal reply to the U. S. Government's demands and made an oral expression of regret and apology. Comment regarding Shensi Government's reply and suggestion for further representations to secure more complete fulfillment of demands.	552
Dec. 3 (1290)	<i>From the Minister in China (tel.)</i> From Nanking, December 2: Admission by Chinese Government of its obligation to pay exemplary indemnity, but desire to point out certain objections to largeness of amount demanded. Request for Department's instructions.	554

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1932 Dec. 7 (390)	<i>To the Minister in China (tel.)</i> Instructions for further representations by Stanton to Shensi authorities in accordance with Legation's suggestions in telegram No. 1285, December 2, for insistence on full compliance with all demands; instructions to advise Foreign Minister that Department feels amount of indemnity is reasonable and should be paid.	554
Dec. 8 (1307)	<i>From the Minister in China (tel.)</i> From Chefoo: Information of orderly evacuation of General Liu Chen-nien and his forces from Chefoo.	555
Dec. 11 (1319)	<i>From the Minister in China (tel.)</i> Telegram from Stanton and Soule, December 9 (text printed), advising that so far authorities have no clues to whereabouts of other criminals; also requesting instructions regarding their departure from Sian. Information that Legation is endeavoring to ascertain whether Ekvall's relatives desire an effort made for recovery of Ekvall's body.	556
Dec. 15 (1336)	<i>From the Minister in China (tel.)</i> Telegram from Hankow, December 14 (text printed), advising that Ekvall's father would prefer that body not be recovered. Suggestion that Stanton and Soule be authorized to conclude mission in Sian after final attempt to secure more energetic action in search for murderers.	557
Dec. 19 (1360)	<i>From the Minister in China (tel.)</i> Opinion that Stanton and Soule should be allowed to return from Sian; information that Foreign Minister was advised of Department's views on question of reduction of exemplary damages.	558
Dec. 19 (397)	<i>To the Minister in China (tel.)</i> Request for information regarding attitude of Shensi Provincial authorities toward further representations made by Stanton, before giving consideration to recommendation that Stanton and Soule be authorized to depart from Sian.	558
Dec. 22 (1372)	<i>From the Minister in China (tel.)</i> Reports from Stanton (excerpts printed) indicating that Provincial Government is making a sincere effort to apprehend criminals but that task is extremely difficult owing to lack of clues; opinion that little can be accomplished by leaving Stanton and Soule in Sian.	558
Dec. 23 (404)	<i>To the Minister in China (tel.)</i> Authorization for Stanton and Soule to return to their posts, first advising Provincial authorities of U. S. intention to press its demands until they have been fulfilled; instructions to inform Foreign Minister of this action and to advise that U. S. Government does not consider action already taken as sufficient, and that it expects Chinese Government to continue its efforts to bring case to a satisfactory conclusion.	559

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1932 Aug. 1 (882)	<i>From the Minister in China (tel.)</i> Views and recommendations as to probable action by Diplomatic Body in Peiping in event of threat to neutrality and diplomatic immunity of Legation Quarter through Sino-Japanese hostilities.	561
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Aug. 6 (904)	<i>From the Minister in China (tel.)</i> Suggestion by Wellington Koo of possibility of neutralizing Peiping and Tientsin.	562
Aug. 6 (905)	<i>From the Minister in China (tel.)</i> Suggestion that recent sham attack by Japanese Legation guard upon Legation Quarter wall from point under Chinese jurisdiction offers opportunity for representations by all interested powers to the Japanese Government under terms of article 7 of the Boxer Protocol, by which the Legation Quarter was established.	562
Aug. 6 (241)	<i>To the Minister in China (tel.)</i> Suggestion, for Legation's consideration only, for a defense scheme by which Japanese would agree to undertake the defense of the Japanese Legation, leaving to the other Legation guards responsibility for defense of Legation Quarter in general.	563
Aug. 6 (242)	<i>To the Minister in China (tel.)</i> Instructions discreetly to advise diplomatic colleagues of conversation with Wellington Koo reported in telegram No. 904, August 6.	564
Aug. 6 (243)	<i>To the Minister in China (tel.)</i> Inquiry as to opinions of military staff and diplomatic colleagues regarding suggestion made in telegram No. 905 of August 6.	564

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1932 Aug. 8 (244)	<i>To the Minister in China (tel.)</i> Opinion that discussion of problem and formulation of recommendations by diplomatic representatives of principal non-disputant powers at Peiping would be desirable and practicable.	565
Aug. 9 (921)	<i>From the Minister in China (tel.)</i> Opinion of diplomatic colleagues concerning Wellington Koo's suggestion for neutralization of Peiping.	565
Aug. 9 (923)	<i>From the Minister in China (tel.)</i> Information that suggestion in telegram No. 905, August 6, was discussed with representatives of other interested Legations, and it was decided to suggest that the point regarding withdrawal of Japanese guard from Peiping be omitted from formal representations.	566
Aug. 9 (247)	<i>To the Minister in China (tel.)</i> Suggestion of certain points for discussion with colleagues, but advice that Department does not intend at present to make any representations to Tokyo or elsewhere.	566
Aug. 11 (209)	<i>From the Ambassador in Japan (tel.)</i> Receipt of information that Sir John Simon concurs with recommendation that no request should be made for withdrawal of Japanese Legation guard, but suggests, in event of hostilities in Peiping area, that combined representations be made to China and Japan that immunity of Legation Quarter be respected.	567
Aug. 16	<i>Memorandum by the Under Secretary of State of a Conversation With the British Chargé, August 11, 1932</i> British Government's disapproval of any representations to the Japanese Government for withdrawal of the Japanese Legation guard at Peiping, and similar attitude of U. S. Government; discussion of possible efforts for neutralization of Legation Quarter or of entire Peiping area.	568
Aug. 19 (271)	<i>To the Minister in China (tel.)</i> Opinion that neutralization of the Legation Quarter would have little practical value and that question of neutrality should include whole city of Peiping and surrounding territory.	569
Aug. 20 (983)	<i>From the Minister in China (tel.)</i> Information that on August 19 a detachment of soldiers from the Japanese Legation guard held maneuvers outside the Legation Quarter, that Chinese authorities were notified in advance, and that incident passed off quietly.	570

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1932 Aug. 20 (275)	<i>To the Minister in China (tel.)</i> Account of news despatch regarding Japanese military maneuvers on August 19 outside of Legation Quarter and possibility of combined foreign representations to Japan; authorization to participate in discussions of means of preventing such incidents, but to request instructions before joining in any representations.	570
Aug. 22 (985)	<i>From the Minister in China (tel.)</i> Information that no action was taken by Diplomatic Corps in connection with recent Japanese military maneuvers; emphasis on fact that Japanese Legation guard is under military control, not that of Japanese Legation.	571
Aug. 25 (1007)	<i>From the Minister in China (tel.)</i> Receipt of information that Japanese Legation guard will conduct maneuvers on August 26; intention to suggest to Colonel Gulick that he advise the Japanese commandant against such activities at this time.	571
Aug. 25 (283)	<i>To the Minister in China (tel.)</i> Assumption that fact that the Japanese Legation guard is subject to military control, need not prevent discussion by various Legations and recommendations to their Governments on problem of safeguarding Legation Quarter.	572
Aug. 25 (284)	<i>To the Minister in China (tel.)</i> Suggestion that if Colonel Gulick confers with Japanese commandant, he be accompanied by commanding officers of British and possibly other Legation guards.	572
Aug. 27 (1016)	<i>From the Minister in China (tel.)</i> Comment that recent cooperative attitude of Japanese Legation guard commandant offers a new means of approach which commandants will take advantage of.	573
Aug. 29	<i>Memorandum by the Under Secretary of State of a Conversation With the Italian Ambassador, August 25, 1932</i> Information that Ambassador read a telegram from his Government agreeing in principle to the neutralizing of Peiping if it could be done; report in final clause of telegram that head of Japanese Legation guard had made suggestion to various Military Attachés for neutralization of Peiping in event of trouble.	573
Sept. 2 (301)	<i>To the Minister in China (tel.)</i> Feeling, with reference to recent newspaper articles (excerpts printed) describing protest by Colonel Gulick against Japanese military maneuvers in Peiping, that special precaution should be taken to guard against appearance that U. S. Government or U. S. officials are acting alone in situation where there is a common interest and responsibility.	573

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Sept. 6 (1073)	<i>From the Minister in China (tel.)</i> Information that newspaper articles were incorrect, that Colonel Gulick made no protest to Japanese.	575
Sept. 8	<i>Memorandum by the Chief of the Division of Far Eastern Affairs of a Conversation With the Former Chinese Vice Minister for Foreign Affairs</i> Discussion of question of protection of art collections in Peiping in event of military operations in that area.	575
Sept. 19 (320)	<i>To the Minister in China (tel.)</i> Information that British Embassy has been given a memorandum on possibility of Sino-Japanese hostilities in Peiping-Tientsin area and Department's views as to steps which might be taken by interested powers, and that substance of memorandum was also telegraphed to American Embassy in London.	576
Sept. 28 (1148)	<i>From the Minister in China (tel.)</i> Combined views of U. S., French, and British representatives, and of Military Attachés, as to impracticability of proposing neutralization of Peiping and environs and suggestion, in event of imminent hostilities, that China and Japan be approached with a demand for protection of the Legation Quarter.	576
Oct. 4 (338)	<i>To the Minister in China (tel.)</i> Department's desire for further information regarding conclusions reached; instructions to submit an estimate as to probable reactions of Chinese authorities to a proposal for neutralizing Peiping area, and upon Neville's arrival in Peiping, to obtain his opinion as to probable Japanese reaction.	578
Oct. 13 (1185)	<i>From the Minister in China (tel.)</i> Information from Military Attaché that no proposal such as that mentioned in Department's memorandum of August 29 was made by head of Japanese Legation guard to any of the various Military Attachés. (Footnote: Copy of memorandum of August 29 transmitted to the Minister in China, September 2.)	578
Oct. 18 (1199)	<i>From the Minister in China (tel.)</i> Information requested by Department regarding basis of collective view that proposal for neutralization of Peiping is impracticable; report as to probable Chinese reaction to this proposal and views of Neville (text printed) as to Japanese reactions.	579

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## ATTITUDE OF THE DEPARTMENT OF STATE ON THE EXPORT TO CHINA OF ARMS OR MUNITIONS, INCLUDING MILITARY AIRCRAFT

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1932 Jan. 23 (114)	<i>From the Minister in China (tel.)</i> From Yunnanfu, January 18: Information that French Consul has told a representative of the Provincial Government that neither he nor the Tonkin authorities are disposed to permit transit through Indo-China of six American training planes now at Haiphong, which were purchased by Yunnan Government under terms whereby title remains with seller until delivery at Yunnanfu.	580
Jan. 25 (2539)	<i>From the Chargé in Great Britain</i> Foreign Office explanation that certain British manufactured planes which left Hong Kong for Canton in October did not have machine-gun mountings in place and were therefore commercial planes and that Governor of Hong Kong could not legally prevent their clearance.	581
Jan. 26 (27)	<i>To the Minister in China (tel.)</i> Desire that Consul at Yunnanfu report further developments and endeavor discreetly to confirm reported statement of French Consul; information that Consul at Saigon has been instructed to inquire informally whether shipment has been detained.	581
Feb. 9 (215)	<i>From the Minister in China (tel.)</i> From Yunnanfu: Confirmation of French Consul's statement. Information that Consul General at Nanking has been requested by Legation to endeavor to secure from Nanking authorities the necessary permits for importation into Yunnan which French authorities require for passage of planes through French Indo-China.	582
Feb. 16 (62)	<i>To the Ambassador in France (tel.)</i> Instructions to request expeditious action in regard to transit permits through Indo-China for six American commercial planes sold to Yunnan Government.	582
Feb. 27 (134)	<i>From the Ambassador in France (tel.)</i> Note from Foreign Office advising that transit permission will be granted subsequent to verification by French authorities of commercial character of the planes.	583
Mar. 26 (378)	<i>From the Minister in China (tel.)</i> From Yunnanfu, March 25: Information from Saigon that transit permit has been granted, and from Haiphong that planes are being shipped.	583
May 11 (418)	<i>From the Consul General at Hong Kong</i> Advice by an official of Colonial Secretary's Office, in regard to aircraft situation in Hong Kong and South China, that military airplanes intended for Canton may not be unpacked and assembled in the Colony unless accompanied by documents from the Nanking Government, while through shipments to Canton are permitted, under the Barcelona Convention, without such papers.	584

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1932 May 24 (425)	<i>From the Consul General at Hong Kong</i> Information, with respect to shipment of military supplies to Canton, that British policy seems to coincide with U. S. policy except in regard to question as to what constitutes a military plane.	585
Aug. 8 (511)	<i>From the Consul at Saigon</i> Inquiry from American Trade Commissioner at Hong Kong on behalf of an American concern which contemplates selling airplanes to Yunnan government, as to whether transit permits through French Indo-China will be granted; request for Department's instructions as to advisability of attempting to obtain decision from local government regarding its future policy.	586
Sept. 8	<i>Memorandum by the Counselor of Legation in China</i> Conversation with Mr. C. E. Schroeder, representative of the <i>Fabrique Nacional des Armes de Guerre</i> , on the subject of selling arms and munitions in China.	588
Oct. 25 (1212)	<i>From the Minister in China (tel.)</i> Information from Yunnanfu that American manufacturers may submit bids for a munitions order, on which French terms are reported to be 1,750,000 gold dollars.	590
Oct. 26	<i>To the Consul at Saigon (tel.)</i> Opinion that it is inopportune to raise question of transit of goods through Indo-China at present; request for report on French regulations and practices in regard to transit trade.	590
Oct. 27 (358)	<i>To the Minister in China (tel.)</i> Advice that since it is not the policy of the U. S. Government to promote, through its officers, sales to China of arms and munitions no action will be taken on telegram No. 1212, of October 25.	590
Dec. 17 (568)	<i>From the Consul General at Hong Kong</i> Information regarding difficulties experienced by American aircraft manufacturers in competing with British-made planes in South China market; hope that Department can ascertain British policy as to exportation of military aircraft to China so that practices of the two Governments may be brought more into accord and American manufacturers given a more favorable opportunity to compete with British aircraft.	591
Dec. 19	<i>From the Consul General at Hong Kong (tel.)</i> Desire to ascertain British attitude respecting shipment of military planes to China, particularly to Canton via Hong Kong, in view of desire of Cantonese to make large aircraft purchases in near future, and their preference for American planes but unwillingness to apply for export permits through Nanking Government.	592



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Dec. 29	<i>Memorandum by the Under Secretary of State of a Conversation With the British Ambassador</i> Ambassador's assurance that his Government is very strict about the shipment of any arms or munitions, including fighting planes, into China without permission of Nanking Government.	596

## EFFORTS OF THE UNITED STATES TO MEET SITUATION CREATED BY IMPOSITION IN CHINA OF TAXES CONSIDERED UNFAIR TO AMERICAN TRADE

1932 Feb. 19 (699)	<i>To the Minister in China</i> Department's unwillingness to accept revised foreshore regulations, promulgated by Municipality of Shanghai July 31, 1931, as applicable to American nationals, or to approve Legation's recommendation that American firms be advised that there is no objection to their paying the fees required under these regulations; instructions that no action should be taken unless Chinese authorities make request for payment, at which time Legation should address note to Foreign Ministry explaining U. S. attitude.	596
Mar. 30 (389)	<i>From the Minister in China (tel.)</i> Note from Foreign Ministry, March 21, requesting payment by American firms of dike surtax and wharfage dues in Hunan Province; opinion that request is not unreasonable, since tax revenues will be used for river works, and desire for instructions as to what American firms should do.	599
Apr. 21 (108)	<i>To the Minister in China (tel.)</i> Desire for definite information on five points concerning the wharfage dues and dike surtaxes before making decision; suggestion that American firms be advised to decide for themselves whether to pay these taxes under protest pending further consideration of question by the Department.	600

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1932 June 15 (659)	<i>From the Minister in China (tel.)</i> Information on points raised by Department concerning collection of wharf dues and dike surtax in Hunan.	601
Aug. 4 (1669)	<i>From the Minister in China</i> Information from Hankow of Chinese authorities' request that American merchants begin paying new business tax; expectation that urgent demands will be made by Chinese in view of present financial conditions, and request for Department's views regarding position to be taken in the matter.	602
Aug. 20 (273)	<i>To the Minister in China (tel.)</i> Opinion that no useful purpose would be served by further protests regarding Hunan dike and wharfage taxes if there is no evidence of discrimination against American nationals.	603
Sept. 13 (1061)	<i>From the Minister in China (tel.)</i> From Hankow, September 2: Information that American firms have received undated notices to register and begin paying business tax within 3 days; intention of Consul General to await actual attempt to collect tax before making further representations.	604
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Oct. 18 (1200)	<i>From the Minister in China (tel.)</i> From Hankow, October 15: Information that further demands for business tax payments have been received by American and other foreign firms at Hankow; decision of consular body to make no further representations at present, but agreement, in event of an attempt to enforce tax, to file individual protests with Chairman of the Provincial Government.	605
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Dec. 3	<i>From the Ambassador in Japan</i> Firm steps by Government to end assassination movements and to curb anti-American press campaign, indicating growing strength of moderate element; suppositions as to Japan's intended action at coming meeting of League Assembly; excerpt from Ambassador's speech in Osaka emphasizing position of U. S. Government and American people with respect to support of the peace treaties.	726

## AMENDS BY THE JAPANESE GOVERNMENT FOR ASSAULT AT MUKDEN UPON MR. CULVER B. CHAMBERLAIN, AMERICAN CONSUL AT HARBIN

1932 Jan. 4 (11)	<i>From the Minister in China (tel.)</i> From Mukden, January 3: Report of assault upon Consul Chamberlain by Japanese soldiers; information that matter was reported verbally to the Japanese Consulate General with request that severe penalty be meted out.	728
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## AMENDS BY THE JAPANESE GOVERNMENT FOR ASSAULT AT MUKDEN UPON MR. CULVER B. CHAMBERLAIN, AMERICAN CONSUL AT HARBIN—Continued

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1932 Jan. 4 (2)	<i>To the Ambassador in Japan (tel.)</i> Information that Japanese Ambassador was advised of Department's serious concern over assault on Consul Chamberlain at Mukden, and its desire for action by the Japanese Government; instructions to take no initiative in the matter.	729
Jan. 5	<i>From the Consul General at Mukden (tel.)</i> Assurance by Acting Japanese Consul General that adequate measures have been taken to prevent repetition of incident; opinion that Japanese are attempting to place blame for attack on discharged civilian army interpreter.	729
Jan. 5 (18)	<i>From the Minister in China (tel.)</i> From Mukden, January 4: Details of assault incident according to Chamberlain's statement; statement to the press by Japanese headquarters regarding incident; official visit of Japanese Consul General, who expressed regret for attack on Chamberlain and advised as to action already taken and to be taken in the matter, including apology to Consul Chamberlain, who is now in Harbin, by the Japanese military representative there.	730
Jan. 5 (22)	<i>From the Minister in China (tel.)</i> From Mukden, January 4: Japanese claim that only point of difference between Chamberlain's statement and that of Japanese offenders is that Chamberlain tried to pull one man into the car; opinion that offenders should receive serious punishment, and request for Department's instructions as to acceptable settlement. Information that Legation will make further inquiry from Chamberlain regarding details of incident.	731
Jan. 6 (5)	<i>To the Ambassador in Japan (tel.)</i> Expression of regret by Japanese Ambassador, under instructions from his Government, for assault on Consul Chamberlain.	732
Jan. 6	<i>Memorandum by the Secretary of State</i> Interview with the Japanese Ambassador, who was advised of Department's attitude as to necessity for adequate punishment of offenders in assault case, and presented with an <i>aide-mémoire (infra)</i> .	732
[Jan. 6?]	<i>To the Japanese Embassy</i> <i>Aide-mémoire</i> expressing gratification at Japanese Government's expression of regret for the assault upon Consul Chamberlain, and indicating desire that offenders be promptly and adequately punished.	733
Jan. 7 (7)	<i>To the Minister in China (tel.)</i> Instructions for the Consul at Mukden to take no action nor to make any commitment in regard to Chamberlain incident without further instructions.	734



## JAPAN

## AMENDS BY THE JAPANESE GOVERNMENT FOR ASSAULT AT MUKDEN UPON MR. CULVER B. CHAMBERLAIN, AMERICAN CONSUL AT HARBIN—Continued

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Jan. 7 (35)	<i>From the Minister in China (tel.)</i> From Harbin, January 6: Chamberlain's statement (text printed) on details of the incident; formal apology to Consul Chamberlain by chief of local Japanese military mission.	735
Jan. 7 (36)	<i>From the Minister in China (tel.)</i> Opinion that in view of amends which have been made by the Japanese, it would not be advisable to insist upon specific punishment of offenders as condition for closing case.	736
Jan. 10 (47)	<i>From the Minister in China (tel.)</i> From Mukden, January 9: Statement by Japanese Acting Consul General (text printed) expressing his Government's regret and informing of action to be taken by Japanese authorities on four points in reparation for assault on Consul Chamberlain.	736
Jan. 10 (9)	<i>To the Minister in China (tel.)</i> Instructions for Consul General at Mukden to call upon Japanese Acting Consul General and express U. S. Government's satisfaction with settlement offered by Japanese Government, and further to request that proposed disciplinary punishment of Major General Ninomiya and his subordinate officers be remitted.	737
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Jan. 14 (69)	<i>From the Minister in China (tel.)</i> From Harbin: Request by Japanese officials for information as to nature of injuries inflicted upon Chamberlain, for use in trial; suggestion to them that this information be obtained from Mukden physician who attended Chamberlain.	739
Jan. 21 (463)	<i>From the Ambassador in Japan</i> Receipt of note from Foreign Minister expressing pleasure at satisfactory settlement of Chamberlain incident, but explaining that punishment of Major General Ninomiya and subordinate officers is proper under Japanese Army rules and has been executed.	739
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## CONTROL OF ACTIVITIES OF JAPANESE VESSELS IN PHILIPPINE JURISDICTIONAL WATERS

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Aug. 19	<p><i>From the Consul at Taihoku to the Governor General of the Philippine Islands</i></p> <p>Information as to measures recently enacted by the Taiwan Government General for control of Japanese fishing vessels in seas south of 21° north latitude, by General Order No. 33 of July 2, in response to complaints of Philippine Government against unlawful incursions of Japanese and Taiwan registered fishing vessels into Philippine jurisdictional waters.</p>	742
Oct. 4	<p><i>From the Governor General of the Philippine Islands to the Chief of the Bureau of Insular Affairs, War Department</i></p> <p>Transmittal of copy of letter from Consul at Taihoku, Taiwan, of August 19, with request that steps be taken for correction of Taiwan Order No. 33, making it applicable to waters south of 21°25' north latitude, the northern boundary of the Philippine Islands.</p>	743
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1933 Feb. 21 (53)	<p><i>From the Consul at Taihoku</i></p> <p>Information that Taiwan Government General declined to consider requested amendment of General Order No. 33, but that a proposal was accepted that fishermen be notified that certain islands such as Yami and North Island, lying north of 21° north latitude, belong to the Philippine group; transmittal of copy of circular letter dated February 18 to all Provincial Governors of Taiwan (text printed) in regard to this point.</p>	745



# THE FAR EASTERN CRISIS

(Continued from Volume III)

## CHAPTER IX: MAY 6—JUNE 20, 1932

**Japanese Proposal of Round-Table Conference on Shanghai, May 13; American Consultations Respecting General Conference on All Outstanding Issues in Controversy Between China and Japan; Further Chinese Inquiries as to Obtaining American Military Supplies; Completion of Japanese Army's Withdrawal From Shanghai, May 31; Japanese Statement on Situation, June 3, and Chinese Response Thereto; Reply to Japanese Proposal of May 13 by Four Powers, June 8; Ending of State of Emergency in International Settlement at Shanghai as of June 13; Expression of American Concern to Japan Respecting Threat to Chinese Customs Administration in Manchuria; Resolution by Japanese House of Representatives in Favor of Recognition of "Manchoukuo"**

893.01 Manchuria/190 : Telegram

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

PEIPING, May 6, 1932—11 a.m.

[Received May 6—2:50 a.m.]

501. Following from American Consul General at Harbin:

"May 5, 1 p. m.

1. Heilungkiang troops, evidently acting in the interest of General Ma Chan-shan, are holding the Hu-Hai Railway from Hulan north and its rolling stock to prevent advance along railway of Japanese troops some of whom are entrenched near Sungpu and others located at points 2 and 5 miles north of Sungpu.

2. Japanese troops have reached, by the steamers, Tungho on the Sungari River, engaging small attacking forces in battle on the way.

3. Japanese troops have reached Mutan River just east of Hailin. Wang Te-lin's troops are holding railway line from river to Pogranichnaya.

4. Old Kirin troops have taken Pinghsien and are moving toward Harbin and Maoershan. Bridges and track along the Eastern line of the railway damaged in many places. Trains can only proceed as far as Maoershan."

For the Minister :

PERKINS

793.94/5161 : Telegram

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

WASHINGTON, May 6, 1932—11 a.m.

170. For the Minister. Your May 5, 9 p.m.

1. Department has had no report from official sources regarding incident on Settlement border to which you refer.

2. On basis of newspaper reports, it would seem inadvisable to Department to remove 31st Infantry immediately on the heels of that incident.

3. With regard to other factors, the Secretary of State is now on his way home;<sup>1</sup> the Department desires to discuss with him this question and its relation to other questions; therefore probably no action until after his arrival. Inform Commander-in-Chief of all of the above.

4. Can you inform Department how many (a) British and (b) American soldiers, marines, landable bluejackets and volunteers are now present at Shanghai?<sup>2</sup>

5. Please see that Department is informed immediately when state of emergency is lifted.

CASTLE

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793.94/5164 : Telegram

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

SHANGHAI, May 6, 1932—5 p.m.

[Received May 6—2:22 p.m.]

222. The Japanese are withdrawing today one infantry battalion from each of the following localities to Woosung for embarkation to Dairen: Nanziang, Lotien, Liuho, Kiating. Total about 24,000 men of the 3d Division. It is expected that the Nanziang-Liuho positions will be evacuated by May 9, when Chinese police force of 300 men now on the way from Nanking will take over the control of evacuated

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<sup>1</sup> Mr. Stimson was in Europe attending the General Disarmament Conference at Geneva.

<sup>2</sup> The Consul General replied in telegram No. 241, May 13, 1 p.m.:

"(a) Present British forces ashore: 3,049 plus 200 marines and bluejackets immediately landable if necessary.

(b) Present American forces ashore: 31st Infantry 1,279, marines 1,412, plus 200 American marines and bluejackets immediately landable if necessary. Shanghai volunteer corps, all nationalities, 2,239. Grand total, 8,379." (793.94/5218).

districts in accordance with the peace agreement concluded yesterday. Additional police are en route here from Peiping. Please inform War Department.

Repeated to the Legation, copy to the Minister.

CUNNINGHAM

793.94/5169 : Telegram

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

SHANGHAI, May 7, 1932—1 p.m.

[Received May 7—10:03 a.m.]

227. At meeting of Joint Commission today I was unanimously elected chairman. Japanese reported withdrawals of troops from certain areas to be effective before 9th. Chinese announced that Peiping police are due here about the 9th and will take over policing.

Repeated to the Legation and Nanking.

CUNNINGHAM

793.94/5251

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

No. 611

TOKYO, May 7, 1932.

[Received May 21.]

SIR: I have the honor to report that, judging from comment in the press, there is a strong opinion in Japan in favor of withdrawal from membership in the League of Nations. This opinion, it is true, has been apparent in some form since the first action taken by the League to settle the affair in Manchuria, but in recent weeks there has been a recrudescence of anti-League feeling brought on largely by the League's activities in the Shanghai affair. Particularly, the resolution of the Committee of 19<sup>3</sup> which the Japanese consider coercive and unjust, has created much indignation in Japan and occasioned much newspaper agitation for withdrawal from the League.

I have not attempted to translate for the Department any of these articles as most of them are prolix and repetitious. Their tone and attitude may be judged from the following quotations which are fairly representative. The Osaka *Asahi* stated editorially "What makes the paragraph in question (No. 11 of the Resolution) so seriously

<sup>3</sup> See telegram No. 165, April 30, 1932, 1 p.m., from the Consul at Geneva, vol. III, p. 735.

objectionable to this Empire as to make it determined even to secede from the League, should the worst come, is that the proposition amounts to an encroachment on the Imperial Prerogatives". The *Kokumin Shimbun* reported, on April 21st, that a certain group of Peers are advocating withdrawal from the League. This paper states "These Peers declare that Japan should sever connection with the League and attempt to reestablish Sino-Japanese friendship by frank and direct negotiations between the two countries. . . .<sup>4</sup> The behavior of the League is eloquent testimony of the fact that it is a league of European nations to all intents and purposes".

General Araki, in an astonishingly frank speech at Osaka on April 21st is reported as stating "If the League puts obstacles in the way of Japan's efforts to preserve peace in Manchuria, Japan should sharply ask it if it intends to bring that territory back into chaos. If the League persists, Japan should utter a vigorous warning that the League is working for the destruction, not the preservation, of world peace. The Japanese people will not deviate in the least from their considered course". The Osaka *Mainichi* reported, on April 24th, that at a meeting of military leaders, including General Araki, the Minister of War, the opinion prevailed that if the League does not alter its present attitude of curbing Japan's just cause, Japan should withdraw from membership. The *Jiji Shimpō* reports that the Premier recently discussed, with the Chief Secretary of the Seiyukai, the public agitation for withdrawal from the League. The same paper says that the Secretary described the situation in detail to the Premier, adding that if the League persists in its present attitude, circumstances may force Japan to leave it altogether.

According to the Osaka *Mainichi*, there is a steady growth of the view favoring Japan's withdrawal from the League in Government circles, in the Foreign Office as well as among the military authorities. In the opinion of these officials it would be better to sever connection with the League entirely than to take up a makeshift attitude of opposition to the resolution of the Committee of 19. Moreover, the secessionists think, so long as the League retains its present constitution, Japan's grave differences with the League will not end with the present dispute. Although the issue is of vital importance to Japan, the smaller states within the League treat it as an abstract question. Japan must decide, once for all, either to discontinue cooperation with the League, or else formally to withdraw. Incidentally, the Osaka *Mainichi* has been running a serial article in the morning issue, entitled, "Japan Should Withdraw from the League". The English edition of this paper stated editorially on April 27th: "Should the

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<sup>4</sup> Omission indicated in original despatch.

League persist in radically disappointing Japan's expectations and confidence in that body, Japan and the Japanese would never hesitate to withdraw from its membership".

Opposing the views of those who advocate secession from the League, there have appeared in the press opinions of influential people warning against the movement for withdrawal and pointing out advantages of retaining membership. The statement of Lord Lytton, interviewed in Mukden by Japanese reporters, advising against hasty withdrawal from the League, seems to have had a sobering effect on the agitators and caused favorable comment in several newspapers. I append hereto an editorial article from the *Osaka Asahi*<sup>5</sup> which commends Lord Lytton's view and warns against the movement for withdrawal. Incidentally, Lord Lytton's statement, as quoted locally, seems to have touched on a subject that has been studiously avoided heretofore by the press in discussing the question of League membership, that of disposition of the Mandate Islands. There is little doubt that this matter would weigh heavily among Japanese in any decision regarding membership in the League.

There is also appended hereto a translation of an article by Dr. Ashida,<sup>6</sup> formerly counselor of the Japanese Embassy in Belgium, written for the *Hochi Shimibun*. Dr. Ashida gives counsel of caution, and points out the serious consequences that would follow withdrawal from the League.

There is no lack of argument from either side of the case for withdrawal from the League. It may safely be stated that the matter is receiving close attention from both Government and public. There is no immediate prospect of withdrawal from the League, but it is easy to perceive, from the opinions appearing in the press, that continued irritation from the League might cause Japan to sever relations with that organization.

Respectfully yours,

EDWIN L. NEVILLE

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793.94/5174 : Telegram

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

PEIPING, May 9, 1932—noon.  
[Received May 9—6 :25 a.m.]

511. Following from Kuo Wen, Nanking, May 6th :

"Dr. Lo Wen-kan issued a statement this afternoon with regards to the Sino-Japanese peace agreement signed at Shanghai last Thursday.

Dr. Lo expressed his confidence that the Japanese troops will be

<sup>5</sup> Not reprinted.

<sup>6</sup> Not printed.



withdrawn to their defense position as before January 28 last, and that there will be no necessity for the Mixed Commission to exercise its function of reporting whether normal conditions have been re-established in Shanghai or not.

The Foreign Minister defined the peace agreement in a press interview at 10 o'clock tonight. He said that since the conference began, Japan had brought up many unreasonable demands, which were successfully resisted by the Chinese delegates. For example, the Japanese first proposed a round-table conference to settle the Shanghai question. Then they suggested the establishment of a free port in Shanghai and the extension of the Settlement. They also brought up the demand for the suppression of the anti-Japanese boycott. All these demands were eventually withdrawn as a result of the efforts of the Chinese delegates.

Referring to the question of Japanese withdrawal, Dr. Lo said that the Japanese originally demanded an extensive area for their troops to withdraw to, but as the result of a prolonged argument on the part of the Chinese delegates, they agreed to the area designated in the peace agreement. The Japanese also brought up the question of the stationing of Chinese troops along the southern bank of the Soochow Creek and at Pootung, but the demand was withdrawn upon the opposition of the Chinese. Dr. Lo added that although the present agreement fails to provide for the immediate withdrawal of all the Japanese troops from Shanghai, it represents the best bargain which China can get under the existing international situation as well as the circumstances prevailing in China today. With the Shanghai affair settled, the Ministry of Foreign Affairs will turn its attention to the Manchurian question, which is the root of the Sino-Japanese controversy.

Concerning the Sino-Russian situation, Dr. Lo said that the Chinese Government had long been considering the question of resuming diplomatic relations with Soviet Russia, but recent events such as the failure of the Soviet Government to accord adequate treatment to the Chinese delegation at the Sino-Russian conference, coupled with reports that the Soviet authorities were treating with the puppet government in Manchuria, are likely to hinder the speedy restoration of friendly relations between the two countries."

For the Minister :  
PERKINS

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793.94/5182 : Telegram

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

SHANGHAI, May 9, 1932—5 p.m.

[Received May 9—9:15 a.m.]

232. 1. Japanese delegate Joint Commission has informed me that complete unit Japanese troops have been withdrawn as from 1 o'clock today from Liuho, Kiating and Nanziang.

2. That unit at Lotien will be withdrawn as from noon May 10th. Notification of intention to withdraw was given to the Chinese on the 8th.

3. Chinese delegates advised that yesterday 400 special police left Nanking and are available today at Liuho, Kiating and Nanziang and tomorrow at Lotien.

4. Chinese delegates have notified appointments for civil administration at each of these places and state that competent interpreters accompany the officials entering upon their duties. The Chinese delegates no doubt had in mind the request of the Japanese for interpreters to accompany police and civil officials when about to take charge of evacuated areas. This request was made at the Joint Commission's meeting on the 7th.

5. Instructions from the Department and the Legation are solicited as to amount of detail desired to be reported during the carrying into effect of paragraphs 1, 2 and 3 of the Sino-Japanese agreement of the 5th.<sup>7</sup>

Repeated to the Legation and Nanking.

CUNNINGHAM

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793.94 Commission/211 : Telegram

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

GENEVA, May 10, 1932—9 a.m.

[Received May 10—8:15 a.m.]

180. The Secretariat has issued a communiqué giving text of correspondence between Drummond and Litvinoff regarding the Lytton Commission. This action was taken on receipt of word from the Soviet Government that these documents would be published in Moscow in order to rectify incorrect information published in the press of various countries.

Drummond's letter of April 20 to Litvinoff reads as follows:

"I have been confidentially informed by Lord Lytton, President of the Commission which is now in the Far East for the purpose of making a report to the Council on the questions at issue between China and Japan, that the Commission feels that during its stay in Manchuria it might be of great help for it to be able to receive any information or evidence which officials of the Soviet Government in

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<sup>7</sup> The Department replied in telegram No. 179, May 11, 9 p.m.: "Report on important developments, giving the essential facts. In cases where you think they will be helpful, add details."

For text of the Sino-Japanese agreement of May 5, see *Foreign Relations, Japan, 1931-1941*, vol. 1, p. 217.

Manchuria might be authorized to furnish to it. Lord Lytton inquires whether a request to this end would meet with any objection on the part of the Soviet Government. I should be very grateful for any help or advice which you might give us in this matter."

Litvinoff's reply follows:

"Pursuant to the request which you were so good as to transmit to me by your letter of the 20th instant I have the honor to communicate to you the following reply from the Government of the U. S. S. R.:

The Soviet Government would be disposed to give all possible aid to the work of any commission that would be sincerely actuated by a desire to make clear the actual state of affairs in Manchuria and which would really desire to put an end to the armed conflicts which are taking place in China. The Soviet Government however, which is not a member of the League of Nations, has participated neither in the examination of present events in China nor in the formation of Lord Lytton's Commission and has no representative on that Commission; it is not, therefore, in a position to assure itself that the information that its representative might furnish would receive appropriate treatment and cannot, therefore, assume any responsibility for the conclusions that the Commission of the League of Nations might reach[;] in these circumstances, the Soviet Government feels obliged to reply to your request in the negative."

GILBERT

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793.94/5195 : Telegram

*The Consul at Tientsin (Atcheson) to the Acting Secretary of State*

TIENTSIN, May 10, 1932—1 p.m.

[Received May 10—5:30 a.m.]

The following has been sent to the Legation today:

"May 10, noon. Local Japanese officials state that press reports of Japanese military activities at Shanhaikuan are due to minor maneuvers and a request made to the Chinese military that the latter investigate activities of Chinese reported arrival in the vicinity. According to reliable independent source, Japanese garrison of 200 has not been increased and has engaged in demonstrations probably with a view to impressing the Chinese. From this source it is also learned that the Japanese commander on May 4 asked the Chinese commander to sign a statement admitting inability to maintain peace and order and that following his refusal 100 Manchoukuo civil police in uniform under a Japanese officer came inside the Wall and occupied the railway station but withdrew 24 hours later due to the protests of British railway official on duty there.

Repeated to Department and Nanking."

ATCHESON

793.94 Commission/212 : Telegram

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

GENEVA, May 10, 1932—2 p.m.  
 [Received May 10—11:30 a.m.]

183. Consulate's 167, May 3, 11 a.m. [*noon?*]<sup>8</sup> The Council (Matos, Guatemala, presiding for this session) this morning received and transmitted to the Assembly the Lytton Report dated April 30:<sup>9</sup> The representative of Japan made an oral reservation maintaining Japan's position respecting the nonapplicability of article 15.<sup>10</sup>

GILBERT

793.94/5192 : Telegram

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

SHANGHAI, May 10, 1932—4 p.m.  
 [Received May 10—10:30 a.m.]

234. Your 170, May 6, 11 a. m. for the Minister was repeated to Nanking.

1. Official report and protest from Shanghai Municipal Council regarding incident involving 31st Infantry was received yesterday and I expect further information today after which I will telegraph full report.

2. Regarding the lifting of state of emergency I have no official information regarding when this will be done and have left this matter entirely to the discretion of Shanghai Municipal Council. From conversations with Shanghai Municipal Council officials I understand they believe that state of emergency should not be lifted until withdrawal of Japanese troops contemplated in article 3 and annex 2 of Sino-Japanese agreement of May 5th has been completed and incoming Chinese police functions have been established.

Repeated to the Legation, copy to commander in chief.

CUNNINGHAM

<sup>8</sup> Not printed.

<sup>9</sup> League of Nations, *Official Journal*, Special Supplement No. 102, pp. 30-32.

<sup>10</sup> Of the Covenant of the League of Nations, *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923), vol. III, p. 3336.

593.9412/259 : Telegram

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

PEIPING, May 10, 1932—5 p.m.

[Received May 10—5:30 a.m.]

518. On May 5th press reports stated that instructions had been issued at Nanking instructing the various principal municipalities to dissolve all anti-Japanese boycott associations and to refrain from inspecting Japanese goods. Inquiries made of local officials failed to confirm these reports and the Legation telegraphed the American Consul General at Nanking, who replied as follows:

“May 9, 3 p.m. Your May 6, 5 p.m. All I can ascertain is that secret instructions were issued probably about May 2 to authorities in the provinces to put a curb on anti-Japanese demonstrations. It does not seem likely that these instructions related directly or even indirectly to activities in pursuance of the boycott. In Nanking anti-Japanese boycott activities are again in progress after having been in abeyance during the Shanghai negotiations.”

The foregoing suggests, however, that the authorities at Nanking are adopting, at least for the present, a conciliatory attitude toward Japan.

For the Minister:  
PERKINS

793.94/5193 : Telegram

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

SHANGHAI, May 10, 1932—5 p.m.

[Received May 10—10:35 a.m.]

235. Colonel Drysdale has personally observed Japanese evacuation and resumption of control of evacuated area by the Chinese to date. Lotien was evacuated today and entered by the Chinese police without incident in accordance with prearranged schedule. This completes first phase of the evacuation. The date of evacuation from Yanghing-Tazang-Chenju position, presumably the next area to be evacuated, has not been announced. The Japanese say that further evacuation depends on developments. Transmit to War Department. Repeated to the Legation.

CUNNINGHAM

793.94/5206 : Telegram

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

SHANGHAI, May 11, 1932—9 a.m.

[Received May 11—6:40 a.m.]

236. My telegram No. 234, May 10, 4 p.m. Incident evening May 3rd as reported by commanding officer 15th [31st] Infantry and municipal police was substantially as follows: Japanese sentries stationed on Wu Chen Road bridge alleged that stones had been thrown at them by Chinese coolies whereupon a Japanese patrol of about 60 men commanded by an officer crossed bridge to the southern side of Soochow Creek which is in the 31st Infantry sector. Chinese civilians were clubbed and bayoneted both on the street and in houses. Several Chinese were seized by the Japanese who endeavored to take them across the bridge. Assistance was requested from 31st Infantry and a detachment under command of Major Gerow proceeded there, also a number of senior European officered police. After much arguing the Japanese officer in charge of the detachment was persuaded to withdraw his men back across the creek. The Chinese who had been seized were released to the police. Altogether 10 Chinese received injuries.

Chamber [*Chairman*] of the Council reporting incident to Senior Consul May 9th states *inter alia*,

“Without going into the history of other instances of objectionable conduct on the part of Japanese marines in the Settlement, I feel constrained to represent to the consular body that this force has repeatedly interfered with and obstructed municipal administration without any reasonable justification whatever and has been, and still is, a source of much anxiety to the Council.

It is almost incredible that the responsible officers of the supposedly highly disciplined troops of modern first-class power like Japan could seriously contend, as in the Wu Chen Road incident, that the throwing of stones and the shouting of objectionable epithets by a comparatively small number of the lower classes of Chinese affords a reasonable pretext for the forcible invasion of the Settlement by those troops and the indiscriminate bayoneting and wounding of Chinese pedestrians who were in no way responsible, to say nothing of the provocative threatening of the municipal police and armed forces of a friendly foreign power who were engaged solely in trying to maintain peace and order in the Settlement.

At present there appears to be little prospect that the recently concluded Sino-Japanese agreement will result in the complete withdrawal from the Settlement of Japanese marines and I, therefore, venture to express the hope that the consular body will exercise its utmost influence with the Japanese authorities to put a definite end

to the interference of the Japanese forces with the municipal administration of the Settlement.”

Department's telegram of May 9, 5 p.m.<sup>12</sup> Subsequent to this incident all troops have been withdrawn from Settlement border from Soochow Creek, Markham Road bridge around to North Honan Road, and the border guarded by police only. The troops are in billets and available in case of emergency.

Repeated to the Legation, copy to commander in chief.

CUNNINGHAM

793.94 Commission/213 : Telegram

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

PEIPING, May 11, 1932—noon.

[Received May 11—2:10 a.m.]

519. Following from American Consul General at Harbin :

“May 10, 11 a.m. League Commission arrived here yesterday.”

For the Minister :

PERKINS

793.94/5215 : Telegram

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

SHANGHAI, May 12, 1932—noon.

[Received May 12—9:50 a.m.]

239. The Japanese Joint Commissioner has advised me of the following which I have transmitted to the Chinese Joint Commissioner :

“The Japanese naval landing party plans to withdraw its defense guards from Chapei, commencing on May 16th, with the area south of the railway. Beginning on May 14th Chinese authorities will be enabled to inspect the latter area.

To that end it is necessary that the Chinese delegates will make concrete arrangements with the Japanese delegates and the headquarters of the Japanese landing party. It is hoped that the former will confer with the latter on the transfer at an early date.”

In transmitting this information to Chinese delegates I have tendered any assistance which seems to be desirable as well as offered each

<sup>12</sup> Not printed ; it requested information.

party the use of the committee room for conferences and carrying out the suggested arrangements.

Repeated to the Legation.

CUNNINGHAM

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793.94/5219 : Telegram

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

SHANGHAI, May 13, 1932—noon.

[Received May 13—3:25 a.m.]

240. Referring to my telegram No. 239, May 12, noon. At a meeting of the Chinese and Japanese delegations of the Joint Commission held yesterday afternoon at this Consulate General the Japanese delegation officially but orally informed the Chinese delegation that the entire Japanese Army in Shanghai area would be withdrawn in about a month's time, at the latest about June 10th. The Commission [*delegation?*] stated that the Commission would be officially informed very shortly.

Repeated to the Legation.

CUNNINGHAM

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793.94 Shanghai Round Table/2 : Telegram

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

TOKYO, May 13, 1932—10 p.m.

[Received May 13—2:15 p.m.]

125. The Minister for Foreign Affairs asked the Italian, French, and British Ambassadors and myself to visit him this afternoon. He said that the fighting in Shanghai was now, he hoped, finished and he wished to thank the representatives of the friendly powers, particularly the British Minister in Shanghai, for the great part they had taken in arranging the settlement.

The settlement arrived at was a preliminary truce and it would now be necessary to provide for establishment of permanent peace in the Shanghai region. The Japanese desire this because of the entire withdrawal of their troops from Shanghai, which began on the 10th from the front line and would be continued until all of the soldiers were gone. He could not say definitely when the evacuation would be completed because that depended upon conditions of transport and embarkment with which he was not familiar. The 14th Division has



already gone to Manchuria. The others will return to Japan and a small force of gendarmes will be the only Japanese force remaining.

In view of this situation the maintenance of peace will not depend on the Japanese Army, and as conditions there concern not only the Japanese but all foreign interests as well it is necessary to make arrangements to remove any menace of a similar incident in the future and to protect the International Settlement and French Concession.

The idea of a round-table conference was taken up in a resolution of the Council of the League of Nations on February 29th.<sup>13</sup> Considering the political situation in Shanghai there is no assurance that there will be peace there. Reports, he said, had come to him that the Chinese politicians anticipated another civil war after the Japanese withdrawal. So long as the Japanese remain the Cantonese will not attack Chiang Kai-shek as they may be criticized as not being patriotic, but after the Japanese withdraw it seems that the Canton attitude may change. He said that of course Chinese internal politics were not a matter with which the powers should concern themselves but it is necessary to take some sort of measures for the protection of interests of foreign lives and property. An especial danger is that of the communist movement. The areas of communistic control in Central and South China are growing and conditions in the Province of Fukien are so bad that the Japanese are preparing to evacuate Amoy. Consequently they desire to hasten the assurance of peace and order around Shanghai in consulting with the powers chiefly interested, particularly those who assisted in bringing about the present arrangement.

He said that if we were to talk over this matter at a round-table conference at which the Chinese were present from the outset it would be listless [*fruitless?*] as the Chinese will be certain to take domestic politics into account and there would be endless delays and discussions. He said that he thought that it would be better to talk the situation over among the five powers and if they reach any agreement in outline they may then ask the Chinese to join and make arrangements for giving effect to any plans that may be worked out. He suggested that the subjects to be considered were the maintenance of peace and order in and around Shanghai and the prohibition of reestablishment of armed positions or military preparations or works in the Shanghai region. The Japanese intend to ask for the confirmation and fulfillment of the terms of the note of the Mayor of Shanghai of January 28. They do not intend to make this last point the *sine qua non* of a round-table conference though they consider it extremely important. He then

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<sup>13</sup> For text of "proposal," see telegram No. 92, February 29, 7 p.m., from the Consul at Geneva, vol. III, p. 479.

asked for expressions of opinion on the subject. I made no comment but the French Ambassador stated that in his judgment it would be difficult to get the Chinese into a meeting at the present time. He said that there had been a great deal of difficulty in Shanghai and concerted action had in the past seemed necessary and perhaps would be necessary again. In reply to a question by the British Ambassador as to the place of meeting for the preliminary discussions the Foreign Minister suggested that it might be easier to talk in Tokyo but he was not prepared to insist on that point although he thought it would be simpler to do so as the Chinese would not take offense nor would so much publicity arise out of international discussions here as would be the case in China. He said that of course the final discussions at which the Chinese were present would have to be in China because the details of settlement and positions could only be worked out on the spot or sufficiently near it to enable the conference to be a success. In reply to a further question by the British Ambassador he said that naturally his own feeling was that the conference should take place as soon as possible and that that would be easy as the Japanese troops were leaving as fast as possible. We all said that we would report the conversation to our Governments and ask for instructions in the premises.

After the conversation the four Ambassadors came to the Embassy. We agreed that we could not well refuse to accept the Foreign Minister's proposal but that in view of the attitude which had been adopted by our Governments no conference should take place until after the withdrawal of the Japanese troops. I respectfully request the Department's instructions.

Repeated to Peiping.

NEVILLE

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893.01 Manchuria/207 : Telegram

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

PEIPING, May 14, 1932—2 p.m.

[Received May 14—3:14 a.m.]

531. Following from American Consul General at Harbin :

“May 13, noon.

1. Japanese troops from the south still continue to arrive at Harbin. Difficult to ascertain numbers. They are being sent east along the Chinese Eastern Railway and down the Sungari River towards Sansing engaging old Kirin forces and brigands en route.

2. There is danger that the west line of the railway might soon be cut near Anda Station in the vicinity of which are concentrated breastworks and troops of General Ma Chan-shan, who appears definitely

to be opposing with force Japanese military advances in Heilungkiang."

JOHNSON

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793.94/5226 : Telegram

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

SHANGHAI, May 14, 1932—2 p.m.

[Received May 14—4:50 a.m.]

244. Sector referred to in final paragraph of my 236, May 10 [11], 9 a.m., has been guarded alternatively by British and American forces. Both these forces have been withdrawn to billets as previously stated. British forces in sector outside Settlement boundary have not been withdrawn from perimeter of the defense area apparently because Settlement police do not function there.

2. One battalion of the British troops, approximately 700 men, left for Hong Kong about April 18th. Italians have just reduced their forces ashore by 100 and have now 100 men on shore.

Repeated to the Legation.

CUNNINGHAM

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793.94 Shanghai Round Table/9

*Memorandum by the Under Secretary of State (Castle)*

[WASHINGTON,] May 14, 1932.

The Japanese Ambassador came in to tell me of Mr. Yoshizawa's talk with Neville and other representatives of the Great Powers in Tokyo, particularly to express the great gratitude of the Japanese Government for the assistance Mr. Johnson had given in bringing about the agreement for a withdrawal of troops in Shanghai. The Ambassador asked whether we had already heard from Mr. Neville and I said we had. He said he had no instructions to inquire as to what our attitude would be toward a round table conference, but that he hoped very much that it would be a friendly attitude. His idea evidently was that here was a chance to make a pleasant gesture toward Japan. I told him that, of course, I could not discuss the matter at all, that the telegram had just come in and neither I nor anyone else had given it any consideration. I told him, however, speaking personally, that at first reading it seemed to me that there was a doubt as to whether such a round table conference should or would be held at

all, that it was obvious, if it was intended to discuss Chinese questions, such a conference should be held with the full sympathy of the Chinese. I said another thing which struck me was that it would seem most emphatically to make a bad impression in China if this round table conference should hold its first meeting in Tokyo or even if a meeting preceding the formal meeting should be held with the Chinese omitted. He said the only idea his Government had was to make the International Settlement in Shanghai safer at times of great political unrest in China. I said that for several years the International Settlement had apparently been perfectly safe until it was endangered by the Japanese themselves a few months ago. Mr. Debuchi had nothing to say to this.

He asked about the Secretary's return<sup>14</sup> and would have liked to have me tell him what discussions the Secretary had had with others abroad. This, of course, he did not ask directly and I did not even tell him the Secretary had mentioned the matter of the Far East.

W. R. CASTLE, JR.

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861.01/1759

*The Ambassador in Turkey (Sherrill) to the Acting Secretary of State*

No. 1

ANKARA, May 14, 1932.

[Received June 4.]

SIR: Today, during my first reception by the Minister for Foreign Affairs, Tevfik Rüstü Bey, he made two statements which seem of interest because of the source.

He returned yesterday from an extensive visit to the Soviet Government in Moscow. He said they told him that peace would not finally be secured in the Pacific until the United States recognized the Soviet Government!

He also said the Soviet Government told him that, although they were massing troops on the Manchurian frontier, they had no hostile intentions against Japan, and believed that the Japanese had none against them, although also massing troops. When I asked him what he thought Japan's point of view was on that subject it seemed a novel thought, and presently he replied "that is probably represented by an interrogation point". But evidently, until I asked the question, he had been letting the Soviet's peaceable statement stand for the intentions of both parties, without thinking that the Japanese army party might consider this a convenient time to attack the Soviets.

Respectfully yours,

CHARLES H. SHERRILL

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<sup>14</sup> Mr. Stimson returned to New York from Europe on May 14, 1932.

793.94/5227 : Telegram

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

SHANGHAI, May 16, 1932—noon.

[Received May 16—9:05 a.m.]

245. Colonel Drysdale this morning personally witnessed the withdrawal of Japanese bluejackets from that part of Chapei south of the railway and the resumption of control of the evacuated district without incident by 500 Chinese police from Peiping. Drysdale is leaving tomorrow morning for Peiping whereupon Lieutenant Robert H. Soule replaces him as member of the Joint Commission in accordance with instructions of the American Minister. Transmit to War Department.

Repeated to the Legation.

CUNNINGHAM

793.94/5228 : Telegram

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

SHANGHAI, May 16, 1932—5 p.m.

[Received May 16—10 a.m.]

246. Referring to my telegram No. 245, May 16, noon, and other telegrams regarding the evacuation by the Japanese and resumption of control of the area by the Chinese:

1. The Japanese have informed the Chinese that Tazang will be evacuated at 1 o'clock May 17th and requested the Chinese to establish contact today.

2. The personnel of the committee for the reestablishment of control of the evacuated area has been notified to the Japanese.

3. The Chinese have requested the Japanese to evacuate the railway lines concerned so that they may be repaired and operation resumed.

Repeated to the Legation.

CUNNINGHAM

793.94 Shanghai Round Table/4 : Telegram

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

PEIPING, May 17, 1932—4 p.m.

[Received May 17—7:15 a.m.]

535. Tokyo's 125, May 13, 10 a.m. [*p.m.*]

1. By way of comment upon proposal made by Japanese Minister

for Foreign Affairs to representatives four powers at Tokyo I desire to call Department's attention to my telegram of March 1, 9 p.m., from Shanghai<sup>15</sup> referring to the Department's No. 60, February 29, 4 p.m.,<sup>16</sup> to me.

Nothing has occurred since March 1st to persuade me to change the views which I then expressed.

2. I wish to invite the Department's attention to the fact that Tokyo informed press of interview between Minister of Foreign Affairs and representatives four powers. If discussions are continued in Tokyo as proposed, whether they result in a round-table conference or not, the fact that the publicity in regard to these discussions will be controlled from Tokyo is a matter of importance to us.

JOHNSON

793.94/5231 : Telegram

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

SHANGHAI, May 17, 1932—5 p.m.

[Received May 17—10 a.m.]

247. Lieutenant Soule today personally witnessed the withdrawal of one battalion of Japanese infantry from Tazang and immediate vicinity and the resumption of control of the evacuated district without incident by 150 Chinese police from Nanking. Repeat to War Department.

Repeated to the Legation.

CUNNINGHAM

500.A15a4/1048

*Memorandum by the Secretary of State*

[WASHINGTON,] May 17, 1932.

I sent for the British Ambassador. He told me that he had heard very little about my trip and was anxious to have me tell him all about it.

First, I reminded him of my letter to him a year and a half ago<sup>17</sup> when he approached me on the subject of an American vice chairman

<sup>15</sup> Vol. III, p. 488.

<sup>16</sup> *Ibid.*, p. 477.

<sup>17</sup> See telegram No. 11, January 13, 1931, 5 p.m., to the Ambassador in Great Britain, *Foreign Relations*, 1931, vol. I, p. 481.

for the Disarmament Conference;<sup>18</sup> of the position I had then taken as to the difference between this Conference and the previous naval disarmament conferences, and I also reminded him of my warning that political questions must be settled first before a successful disarmament was possible. In short, that this Disarmament Conference, unlike the others, was really a European peace conference with European political questions to be settled, and that the necessary preliminary work of settling them must be done by the leaders of Europe. He remembered it all. I told him that when I got over there I found that none of this had been done, either before or after the Conference met; that Mr. MacDonald, when he arrived, received the same impression that the meeting thus far had been futile, and I told him of the efforts which Mr. MacDonald and I had made to get it underway until we were stopped by the French election and Mr. MacDonald's second operation. I also told him of my talks with Mr. MacDonald and Sir John Simon on the Far Eastern question and of the agreement which Simon and I had made to go in step with each other and to each personally keep track of all major decisions. I told him for that reason I wanted to go over with him certain matters, although not very important, which were now before me relating to China and Japan.

*Second*, I took up the question of the removal of the 31st Infantry on the next transport, probably in about a month, telling him that some weeks ago when the question was first broached I thought it was premature but I knew no reason now why, provided there was no relapse, they couldn't be taken away, but I wished to let them know how my mind was working. The Ambassador told me that he talked with Mr. Castle about it; that thus far Sir Miles Lampson, the British Minister to China, had opposed removing the British units as premature, but that he, Lindsay, thought the time might now arrive. I told him that I had heard the British had already removed one battalion and that the 31st Infantry represented only two battalions.

*Third*, I brought up the question of the suggestion recently made at Tokyo by Yoshizawa to the British, French and Italian Ambassadors and our Chargé for a round table conference in Tokyo from which the Chinese should be, for the present, excluded on various political questions relating to China. We discussed this at some length, I reviewing the decisions which we had already taken on similar questions in the past. I had the memorandum of the Far Eastern Division of May sixteenth<sup>19</sup> in my hand and I told the Ambassador that it had been suggested that we might (1) express approval in principle of the whole of such conference; (2) raise the question of whether it would

<sup>18</sup> See memorandum by the Secretary of State, January 6, 1931, *Foreign Relations*, 1931, vol. I, p. 478; for correspondence on the General Disarmament Conference, see *ibid.*, 1932, vol. I, pp. 1 ff.

<sup>19</sup> Not printed.

not be preferable, if and when such conference was held, to include the Chinese, and (3) say that we would consider it essential as a condition of our participation to have it understood that no feature of the present Chinese problem, so far as it concerned foreign powers, should be excluded from the agenda. I told him also of the recommendation of the four powers in Tokyo that no conference should take place until the withdrawal of the Japanese troops and that I thought Tokyo was an objectionable place for the conference. I pointed out that our general policy from the beginning was based upon the proposition of being absolutely neutral between China and Japan and avoiding any steps which might seem to put pressure upon China. I also pointed out the danger of letting Japan draw these powers into a position where we would share with Japan the hostility of China. At different times during our conversation the Ambassador indicated that he agreed with each of these propositions. I asked him to let his Government know the way we were thinking and asked him in turn what they were thinking. I pointed out particularly that the four neutral powers had always been careful to avoid any attempt by Japan to segregate the question of Manchuria from the question of the rest of China and I pointed out that where any question relating to China is concerned, the Nine Power Treaty<sup>20</sup> provided an already agreed upon method by which such topics should be brought up and discussed and that that treaty seemed to preclude any exclusion of China herself from such a conference. I told the Ambassador that I had adhered pretty stiffly to these principles because I believed that if we all adhered to them faithfully sooner or later Japan would come to a conference for a solution of the whole question, including Manchuria.

*Fourth*, the Ambassador told me that he was in process of receiving by cable a report from London as to making a protest on the salt revenues in Manchuria which he would present to me in due time. I told him that I had discussed that matter with Sir John Simon in Geneva and he had promised to send it to me and that I would be very glad therefore to receive it from Sir Ronald when it had all come in.

H[ENRY] L. S[TIMSON]

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793.94/5235a : Telegram

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

WASHINGTON, May 17, 1932—5 p.m.

127. The three Departments concerned now have under consideration the question of withdrawing the 31st Infantry from Shanghai.

<sup>20</sup> *Foreign Relations*, 1922, vol. 1, p. 276.



This Department is informing the British Ambassador here informally and confidentially that we have in contemplation the withdrawal of the regiment by the next Army transport about 1 month hence. You should likewise inform British Minister.

This procedure will amount to advance notice, give opportunity for consultation if needed, and allow for change of plan if new developments call for such.

The Department desires that announcement of decision, if and when reached, shall emanate from Washington.

Inform Commander in Chief of essentials of above.

STIMSON

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793.94/5475

*Report by Lieutenant Willard G. Wyman, United States Army, to the Military Attaché in China (Drysdale)*<sup>21</sup>

[PEIPING,] May 17, 1932.

1. In a conversation with General Huang Hsin-sheng today several points were brought out which are submitted herewith as being of possible interest to this office.

2. General Huang, prior to the withdrawal of Chinese troops from the Three Eastern Provinces, was in charge of all police activities in the city of Mukden. Concurrently he commanded the 2nd Cavalry Brigade of Marshal Chang Hsueh-liang's army. He still retains command of the 2nd Cavalry Brigade which is stationed in Kalgan. In addition he is believed to be the controlling genius of the activities of the Volunteer Corps (anti-Manchoukuo troops) which are operating in Manchuria.

4. The Volunteer Army is made up largely of the old Peace Preservation Corps (Pao An Tui) of the Three Eastern Provinces. There are also many ex-soldiers who have augmented the strength of the Corps. The units are all small and cooperate with each other in unexpectedly striking isolated units and exposed points on the Japanese and Manchoukuo line of communications. The effort is coordinated where possible by radio. Where this is impossible a reliable network of pony expresses has been established. Operations are planned generally in areas too distant from Japanese air bases for the enemy to secure immediate air support. This is not always the case, however,

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<sup>21</sup> Copy transmitted to the Department by the War Department about July 1, 1932.

for sudden night attacks followed by a rapid withdrawal have proven successful even when close to strong enemy positions.

5. Supply, with the exception of ammunition and arms, is not a problem to the volunteers. They are largely mounted and can carry a month's supply of rice or grain on the saddle. Meat [*Meal?*] and forage for the ponies is obtained from the country. Water is plentiful.

6. It is hoped that Japanese troops will be constantly increased in Manchuria. If the volunteers accomplish this due to their activities it is believed that a blow will have been struck at the heart of Japan's present economic structure.

7. Chinese troops can not at present be used in Manchuria due to the present efforts of the League of Nations. If, however, after the return of the Commission it is found that the League cannot help, there will be no further use for Chinese delay. Military activities will be commenced.

8. Military assistance is not desired from the south. It is believed that Northern and Southern troops would not work well together. Financial assistance is quite acceptable, however. At present the southern financial sources that were so generous with the 19th Route Army have commenced supporting the activities of the volunteers.

9. If war between Russia and Japan develops in earnest the Chinese believe that the Three Eastern Provinces would be completely recovered within a very short time.

No. 8295

W. G. WYMAN  
*First Lieutenant, Cavalry*

761.94/519 : Telegram

*The Minister in Latvia (Skinner) to the Secretary of State*

RIGA, May 18, 1932—2 p.m.  
[Received 2:45 p.m.]

47. Tass in *Izvestia* May 16th denies *New York Times* report May 14th from Washington concerning Trans-Siberian Railway and troop concentrations. Soviets are not and do not intend transferring troops to Eastern Siberia, are pursuing unswerving peace policy towards Japan and Manchuria.

SKINNER

793.94/5235 : Telegram

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

SHANGHAI, May 18, 1932—4 p.m.

[Received May 18—9:30 a.m.]

250. My telegram No. 236, May 12 [11], 9 a.m., regarding Japanese incident of May 3.

As Senior Consul I recently called on the Japanese Consul in charge and showed him protest from Municipal Council, a part of which was quoted in that telegram. He admitted that Japanese military had exceeded proper bounds and stated that he would bring protest to their attention. I then stated that it would be beneficial if an agreement could be reached which would define the limitation and objects of military activities within or on behalf of the Settlement; that I had no definite plan in mind but inquired whether he would be willing to discuss the matter with me and the proper officials of the International Settlement. He seemed sympathetically inclined but as he is merely temporarily in charge of the Consulate General I do not know whether anything will eventuate. I have also spoken to the Secretary General of the Municipal Council and he is considering the matter.

2. The foregoing is merely tentative but before proceeding further I desire to know whether there is any objection to my initiating informal discussions which would have for their object the devising of a plan or agreement which would prevent the usurpation of the Council's authority in the International Settlement by military forces of any foreign power.

Repeated to the Legation.

CUNNINGHAM

893.01 Manchuria/214 : Telegram

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

PEIPING, May 19, 1932—5 p.m.

[Received May 19—6:50 a.m.]

545. Following from American Consul General at Harbin:

"May 16, 3 p.m. A detachment of Ma's troops of about 1,000 attacked Japanese positions just northeast Sungpu yesterday. Fighting continued until evening with Japanese giving way. Japanese reinforcements were sent from Harbin across the Sungari River this morning and the Japanese military mission has stated that the Chinese troops are now retreating."

JOHNSON

793.94/5235 : Telegram

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

WASHINGTON, May 19, 1932—6 p.m.

185. Your 250, May 18, 4 p.m., paragraph 2, in regard to devising a plan or agreement to prevent the usurpation of the Council's authority in the International Settlement by military forces of any foreign power.

In view of the existing general situation, Department believes that it would be inadvisable to initiate at this time discussion in regard to a difficult question of this nature.

Repeat to Legation.

STIMSON

793.94/5239 : Telegram

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

SHANGHAI, May 20, 1932—9 a.m.

[Received May 20—1:55 a.m.]

251. Lieutenant Soule yesterday morning personally witnessed the withdrawal of one battalion of Japanese infantry from Kiangwan and immediate vicinity, and the resumption of control of the evacuated district without incident by 100 Peiping police. The Japanese Military Attaché has informed Lieutenant Soule that the Japanese defense unit at Chenju will be discontinued on 23rd at 11 a. m., and the Japanese naval landing party will be withdrawn from Chapei at 2 p. m., on the same day.

Repeat to War Department. Repeated to the Legation.

CUNNINGHAM

793.94 Shanghai Round Table/2 : Telegram

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

WASHINGTON, May 20, 1932—6 p.m.

149. 1. The Department has been informed by our Chargé at Tokyo that the Japanese Minister for Foreign Affairs, on May 13 invited the British, French and Italian Ambassadors and our Chargé, to a joint interview. There the Minister presented a proposal that there be held, preferably in Tokyo, a round table conference of the representatives of the five powers principally interested in China,

without the presence at the outset of a Chinese representative, but with the intention that the final discussions be held in China with Chinese representatives present. The Minister suggested that the subjects to be considered were the "maintenance of peace and order in and around Shanghai and the prohibition of the reestablishment of armed positions or military preparations or works in the Shanghai region". Apparently the principal reason advanced by the Minister for the holding of such a conference was the fear of further civil war in China and of the communist movement.

2. The Chargé states that after this interview he and the Ambassadors proceeded to the American Embassy where they were all of the opinion that the proposal could not well be refused but that in view of the attitude which had been adopted by their Governments no conference should take place until after the withdrawal of the Japanese troops. The Chargé requested instructions.

3. The Department's tentative views in regard to this proposal are substantially as follows:

(a) It is realized that there may be basis for the apprehension expressed by the Minister for Foreign Affairs that there may be further civil war in China and possible increase in the communist movement and that it is desirable that there be frank exchanges of views between the governments concerned in relation to the question of security. It is doubted, however, whether such developments in China, if and when, will require changes in the defense plan for Shanghai which has been in force since the spring of 1927 and for the purposes of which the interested powers have since that time maintained military contingents at Shanghai. Moreover, an effort along the line now proposed by the Japanese, to hold a conference of five powers with the Chinese excluded to make plans and possibly an agreement with regard to Shanghai, would increase the danger at Shanghai to the foreign settlements and foreign interests, including Japanese, as it would intensify the present bitterness of the Chinese and cause it to become generally anti-foreign.

(b) The question arises whether, if and when a conference is held, it would not be preferable and even essential that China be represented. Would not exclusion of China lead to suspicion and repercussions in China against foreign powers?

(c) The question also arises whether, in view of recent developments in Tokyo, it would be advisable, with whatever composition, to hold a conference there. Would not some city neither in Japan nor in China be preferable?

(d) Assuming that these questions be disposed of satisfactorily, would it not be desirable, as to agenda, that the conference be prepared to consider all outstanding issues in the present Sino-Japanese controversy wherein there are involved or affected multilateral rights and interests?

4. The best course of action for the present in regard to this pro-

posal would seem to be a further sounding out of the Minister for Foreign Affairs along the above lines through the diplomatic representatives of the interested powers in Tokyo. As the proposal was presented at a joint interview, it would also seem best that such sounding out be done in another joint interview with the Minister for Foreign Affairs.

5. The Department is inclined to instruct the American Chargé in Tokyo along the above lines but, before doing so, desires to be informed in regard to the views of the British Foreign Office and any contemplated action which the Foreign Office may have in mind.

6. On my recent visit to Geneva, I reached a working understanding with Sir John Simon that we would each endeavor to give our personal attention to all major matters arising in the Sino-Japanese controversy, in an attempt to have the policies of our respective countries follow harmonious lines. I believe that this proposal of the Japanese Minister for Foreign Affairs involves matters of major importance and I desire that, if possible, you see the Secretary for Foreign Affairs personally and discuss this matter with him, reporting promptly to the Department the results of such discussion.

7. Since the foregoing was dictated, I have received a visit from the Chinese Chargé here who brought up the subject of this proposal stating that he had been informed by his Government that the Japanese Minister for Foreign Affairs on May 13 had called a meeting in Tokyo of the representatives of four powers with whom the Minister for Foreign Affairs had brought up the three following points: first, he had explained the reasons for withdrawing the Japanese troops from Shanghai; second, he proposed a round table conference; and third, he told them that this conference was to discuss the making of Shanghai a free city. The Chargé added that, according to his instructions, his Government was not interested in the reasons for the withdrawal of the Japanese troops from Shanghai if that withdrawal was effected; that China does not agree to the holding of a round table conference, feeling that there is no necessity for such a conference; and that public opinion in China would not agree to the establishment of a free city at Shanghai. I then asked him if his country would be opposed to a round table conference with an agenda which would cover all questions between China and Japan. He asked whether I meant that that would include Manchuria. I said I thought it should include all questions. He said he had no instructions from his Government on that point. He then asked whether there is any change in the policy of the United States as to Manchuria. I said that there was not.

This statement by the Chinese Chargé confirms our view as to the importance of going slowly in relation to this Japanese proposal, at least in the form in which it was presented, but should not, however,

deter us from exploring any possibility of using the fact that such a proposal has been made as another step toward the goal of bringing about a settlement by peaceful means of the outstanding questions at issue between China and Japan. As to tactics, it would seem that for the moment we should commit ourselves neither to acceptance nor to rejection of the proposal.

STIMSON

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811.51693/62 : Telegram

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

PEIPING, May 21, 1932—noon.

[Received May 21—8 a.m.]

551. Legation's 324, March 10, 5 p. m.,<sup>22</sup> and Department's reply 84, March 12, 3 p. m.<sup>23</sup>

American Consul General at Harbin reports that National City Bank has now informed the recently appointed administration of the Northeastern Steamship Company that the bank cannot unless otherwise instructed by the American Consul General make payment of the company's funds, approximating 16,000 local currency, against any signature other than that of Wang Shih-tse, former manager, who fled taking with him seals with which checks are to be validated. This measure taken by the bank in an effort to show that payment of company's funds beyond bank's immediate control.

2. Legation considers action of the bank in thus seeking to place responsibility upon American Consul General is entirely unwarranted and that it should be instructed to correct statement made to Steamship Company since matter is one entirely within the bank's control and for its decision.

3. The Department's instructions are requested.<sup>24</sup>

JOHNSON

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893.01 Manchuria/219 : Telegram

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

PEIPING, May 21, 1932—4 p.m.

[Received May 21—8 a.m.]

555. Following from American Consul General at Harbin:

"May 20, noon. 1. Japanese Consulate General states that Japanese

<sup>22</sup> Vol. III, p. 549.

<sup>23</sup> See *ibid.*, footnote 77.

<sup>24</sup> Telegram No. 132, May 25, 6 p.m., instructed that "Department agrees with attitude of Legation and approves of action suggested."

military entered Sansing on May 16; that Generals Li and Ting fled to Fuchin; and that two Japanese travellers were taken from yesterday morning's train at Metaitze, second station west of Harbin, by 90 soldiers presumably under Ma's command.

2. Railway administration stated that some one on yesterday's 3 o'clock p.m. train which connects with Trans-Siberian express fired a shot at the same body of troops which have been searching trains at Metaitze and that the latter fired 100 shots along the train breaking all windows and wounding a Russian brakeman in the hand. Train was searched and permitted to proceed.

3. Trains can proceed from Harbin to Hengtaohotze and from Motaoshih to Suifenho. Russian railway employees on Eastern line are suffering from lack of food.

4. It is feared that there will soon be a break at Anta on Western line along which League Commission which plans to leave on the 21st must proceed en route to Tsitsihar.

5. It is believed advisable for League Commission to leave a representative at Harbin after it departs in order that it might keep in touch with people and events here. It is expected that the Japanese military will resort to drastic measures after Commission's departure."

JOHNSON

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893.00/11974 : Telegram

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

PEIPING, May 21, 1932—6 p.m.

[Received 11:10 p.m.]

557. 1. The signing of the Shanghai agreement has, on the whole, strengthened the position of Wang Ching-wei. The decision of Japan to make an almost immediate withdrawal of its forces from the Shanghai area has done much to take the teeth from the Cantonese criticism of that agreement as an unpatriotic surrender of national rights; the result has been to disconcert the Cantonese and to cause them to hesitate in their choice as to their next move vis-à-vis Nanking. Reports from Kwangtung and Kwangsi state their confusion and betray no definite line of action.

2. The inclination at Nanking under the continuing influence of Wang Ching-wei apparently lies in the direction of giving a very free reign to the provinces and the abandonment, at least for the time being, of any attempt to centralize authority by force. Han Fu-chu has been appointed to restore the national revenues of Shantung; and an emissary of Nanking is now visiting Peiping and Taiyüanfu doubtless on a mission of promoting generally a good understanding with the leaders in North China. Whether or not appearance of such a



policy is the result of conviction or is necessitated by the present emergencies in China's foreign relations is a matter for speculation.

3. Reports of Sino-Japanese incidents at Shanhaikuan have been greatly exaggerated. It would seem highly unlikely that Japan, simultaneously with its withdrawal from Shanghai, would provoke disturbances whereby whatever merit may have been acquired through the Shanghai policy would be speedily dissipated by an adventure along similar lines in North China.

4. It should not be forgotten that the activities of communist bandits continue to give grave concern to the constituted Chinese authorities in many important areas.

JOHNSON

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893.01 Manchuria/221 : Telegram

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

PEIPING, May 23, 1932—3 p.m.  
[Received May 23—8:30 a.m.<sup>25</sup>]

558. Following from American Consul General at Harbin:

"May 20, 4 p.m. The local Japanese Consulate General has stated that sporadic fighting between the Japanese defence forces near Sungpu and about 1200 of General Ma's troops is still continuing; that there is fear that some of General Ma's soldiers disguised as civilians have made their way into Fuchiatien with refugees who have fled across the river to Harbin; that Japanese troops are coming from Sansing and possibly from Changchun to reenforce the islands near Sungpu; that old Kirin troops have arrived at Pinghsien with the object of making an advance on Harbin; and that Japanese patrols had been increased at Harbin and Fuchiatien to avoid local disturbances."

"May 21, noon. League Commission left Harbin by special train for Mukden at 7:10 this morning, leaving behind Biddle, Moss, Kotze and Astor who are to proceed tomorrow to Tsitsihar by aeroplane, thence by train via Taonan to Nanking.

Commission abandoned idea of proceeding to Tsitsihar because Japanese military stated that they could not afford protection.

2. Manchukuo refused to assist Commission to meet General Ma who was accused of being an enemy of the new state. Soviet Government refused permission to enter Siberia to four persons mentioned above who were desirous of meeting Ma at Taheiho on the ground that

<sup>25</sup> Telegram in three sections.

granting such permission would be departure from the neutral position which Soviet Russia has consistently maintained throughout the present conflict.

4. Harbin is closely surrounded on all sides by anti-Japanese and anti-Manchukuo troops. Chinese forces estimated to be about 10,000 at Pinghsien have stopped their advance south according to a Japanese report. Japanese troops are being withdrawn from Sansing on steamers, which are constantly being fired upon, to reinforce those now engaged in fighting Ma's forces near Sungpu.

It is not believed danger threatens Harbin but the situation is annoying to Japanese military who are obliged to scatter their limited forces on so many fronts. Anti-Manchukuo forces continue to make raids along the railway east of Imienpo. It is reliably reported that Sansing was evacuated by Chinese troops before arrival of Japanese forces there. Chinese tactics appear to be to refuse to engage large bodies of Japanese troops but to attack isolated groups. New Kirin troops continually going over to other side. Chinese crews of gunboats allegedly assisting Japanese operations on Sungari River reported unwilling to fire on own people."

JOHNSON

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793.94/5263 : Telegram

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

SHANGHAI, May 23, 1932—4 p.m.

[Received May 23—10:30 a.m.]

258. Lieutenant Soule this date personally witnessed the withdrawal by the Japanese Army of the defense force from Chenju and the vicinity of Chenju Station; and the withdrawal by the Japanese naval landing party from sector of Chapei including "North Station" to area in "Chapei" assigned by Sino-Japanese peace agreement, article 3, annex 2, as area 4, a locality Japanese troops may temporarily be stationed in. Both areas were taken over without incident and control assumed by the Peiping police. One section (25 men) Japanese landing party still occupying Toyoda cotton mill and one section occupying Siccawei school west of Settlement area.

Repeat to War Department. Repeated to the Legation.

CUNNINGHAM

793.94 Shanghai Round Table/16 : Telegram

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

LONDON, May 23, 1932—6 p.m.

[Received May 23—3:30 p.m.]

182. I read your telegram 149, May 20, 6 p.m., to Simon this afternoon. He informed me advices from Tokyo to the Foreign Office were nearly identical with yours, except that Ambassador Lindsay [*Lindley*] stated Japanese Government was prepared to hold its proposed conference in Shanghai if Tokyo unacceptable to interested powers.

Simon stated he was in complete accord with your views. He pointed out that any conference of the five powers without China at Tokyo or elsewhere to discuss Shanghai was merely an endeavor on the part of the Japanese Government to obtain a united front among the five powers on certain agreed proposals which would then be presented to China. The very convocation of such a conference would arouse the utmost suspicion in China and tend toward a general antiforeign agitation; furthermore, Simon added, no deliberations of such a conference would be private. While it was impossible to accept this proposal of the Japanese Foreign Minister, it was obviously difficult to refuse it since such an action would give Japan an opening to allege that cooperation had been sought but refused. Simon stated instructions had been sent to Lindsay [*Lindley*] pointing out the proposed conference would arouse the Chinese and that in the opinion of the Foreign Office the United States would not agree to any conference excluding China nor agenda which did not include the Manchurian situation (in this particular subparagraph D of your telegram gave great satisfaction to the Foreign Secretary). In view of conversation this afternoon, Simon added, Tokyo would be instructed to keep in close touch with the American Embassy there pending decision as to how the proposal of the Japanese Foreign Minister might be kept alive while refusing to hold the conference in its proposed form.

Simon said to avoid refusal of the proposal of the Japanese Foreign Minister he contemplated instructions to Lindsay [*Lindley*] after the new Japanese Cabinet had been formed,<sup>26</sup> directing him to approach the new Foreign Minister and suggesting that any contemplated conversations which excluded China might well be carried on by the Japanese Ambassador in London with the Foreign Office here, and presumably likewise in other four countries; or else between Tokyo Foreign Office with interested chiefs of mission. In conclusion Simon repeated he was completely in accord with you but desired your views on above procedure and obviously contemplated that, if agreed upon, no joint reply to the meeting of May 13th in Tokyo should be made.

<sup>26</sup> Prime Minister Inukai was assassinated on May 15.

Simon added he was not suggesting the offices of the League of Nations Commission be sought in this instance since he did not want to adopt any policy that could not be followed by the United States.

MELLON

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793.94 Commission/257

*The Consul General at Harbin (Hanson) to the Minister  
in China (Johnson)*<sup>27</sup>

No. 2386

HARBIN, May 23, 1932.

SIR: I have the honor to quote below a copy of a memorandum which I drafted at the request of General McCoy of the League of Nations' Commission, who desired me to give him my personal opinion in regard to how the Manchurian question might be settled.

In the first place, it must be recognized that the Japanese military are in Manchuria to stay until they have made conditions here satisfactory to them. Nothing but financial disaster in Japan or perhaps great military force or economic pressure exerted upon Japan, can stop their forward policy in this country. They are determined that the old military regime of Chang Hsueh Liang, Chang Tso Hsiang (former Kirin military governor) and Wan Fu Lin (former Heilungchiang military governor) shall not be re-established. It would appear that they do not desire, at least for the present, the annexation of Manchuria to Japan, so have established an independent state, Manchoukuo, to cut Manchuria off from the direct influence of the old Chinese rulers and Nanking. By this fiction, they thus apparently avoid the responsibility of having separated Manchuria from China, whose sovereign rights over Manchuria Japan has by treaty stated she would respect.

It also can be concluded that the majority of the population of Manchuria, although desirous of peace and order and of the elimination of the Chang Hsueh Liang regime, do not desire to be separated as an independent nation, supported by Japanese bayonets, from China proper. In time, the more ignorant portion of the population, which is the large majority, might become reconciled to Japanese control if prosperity were brought to them, but there would always be a small body of local Chinese intelligentsia who would agitate for union with China proper. They would be supported in this agitation by the intelligent Chinese in China proper.

Some plan should be suggested whereby the determination of the Japanese military to control, directly or indirectly, Manchuria and to

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<sup>27</sup> Copy transmitted to the Department by the Consul General at Harbin in his despatch No. 5430, May 23, 1932; received June 18.

preserve and increase Japan's economic interests in Manchuria and the desire of the intelligent Chinese people in Manchuria and China to have Manchuria remain a part of China could be reconciled and whereby the territorial integrity of China, including Manchuria, would remain intact. The political sovereignty of any so-called Central Government in China over Manchuria is not mentioned because since the advent to power as master of Manchuria by Chang Tso Lin ten years ago, Manchuria to all intents and purposes has been an independent state.

Outer Mongolia is theoretically a part of the territory of China, and is so recognized by the foreign powers, including Soviet Russia, which maintains indirectly political control over this territory and which even recognizes theoretically China's sovereignty over Outer Mongolia.

In order to satisfy the wishes of Japan and the hopes of the majority of the local inhabitants, to save the "face" of whatever so-called Central Government is in existence in China proper and to maintain, theoretically at least, the treaties in regard to the sovereignty and territorial integrity of China, including Manchuria, a plan should be evolved that would give Manchuria a status similar to that of Outer Mongolia. In other words, Manchuria should become an autonomous state (it already was when under the control of Chang Tso Lin), which would acknowledge itself as under China's sovereignty and as a territorial part of China.

Japan could continue to make directly or indirectly the principal appointments in the autonomous state, such appointments to be approved automatically by whatever Central Government China happened to possess. There should be advisers or executive officials of foreign nationality, besides Japanese, attached to the Manchuria government, in order that other than Japanese talent could be used in operating the same and to see that the policy of the "open door" was maintained.

In the course of twenty years or so, a plebiscite might be taken in Manchuria to decide whether or not the inhabitants desired Manchuria to remain autonomous or to become a real part of China.

Owing to the limited time at the writer's disposal, it is impossible to elaborate on this scheme, which is set down roughly as a suggestion of a possible way out of the present dilemma.

It might be remarked that Outer Mongolia, which was only lightly bound to China, was separated from China proper, first, by the driving away of Chinese troops at Urga by the "white" forces of Baron Ungern, who in turn was driven out by Soviet Russian troops and, second, by an internal communistic revolution brought about by Soviet Russian intrigues. The Mongols intensely dislike the Chinese. On

the other hand, Manchuria has been separated from China proper by Japanese force and the vast majority of the inhabitants of Manchuria are Chinese who are united by clan or family ties with the Chinese of North China. The Chinese of Manchuria do not consider themselves different from the Chinese of North China, or of South China for that matter, except in a provincial sense and vice versa. By a provincial sense is meant that a Chinese calls himself a Shantung man, a Chihli man, a Kirin man or a Heilungchiang man, etc. The ancestors or the existing members of the vast bulk of the Manchurian Chinese population came from North China. Near Tsitsihar are descendants of Yunnanese, who were exiled into North Manchuria years ago for political reasons.

Respectfully yours,

G. C. HANSON

793.94/5273 : Telegram

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

SHANGHAI, May 24, 1932—3 p.m.

[Received May 24—9:05 a.m.]

261. Lieutenant Soule this morning personally witnessed the withdrawal of the Japanese defence force from the vicinity of Yangkahong (Yanghang) and Szetseling and the resumption of control in these areas without incident by the Chinese special police. Colonel Harata notified the Chinese delegate that the control and police of the area lying east of the Shanghai-Woosung Railroad and between the areas designated by the Commission as areas numbers 1, 2, 3 and 4 for the temporary station of Japanese troops, except the area due east of area 4 to Hongkew Creek inclusive, could be taken over by the Chinese upon notifying him of their readiness to do so.

Repeat to War Department, repeated to the Legation.

CUNNINGHAM

793.94/5280a : Telegram

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

WASHINGTON, May 24, 1932—6 p.m.

189. The Department conceives that, on the occasion of the withdrawal of Japanese forces from the Shanghai area, the issuance of a statement in a congratulatory vein by the members other than Chinese or Japanese of the Joint Commission might have a good psychological

and diplomatic effect in relation to the entire Sino-Japanese controversy.

Such a statement, if made, should only be made after the complete evacuation, in accordance with the Agreement of May 5, of the entire area occupied by Japanese troops since January 28. It would need to be so formulated as to avoid any implication or inference of departure from or surrender of the view that the situation as between China and Japan must be considered and ultimately be dealt with in its entirety.

In their efforts in relation to the problems which have developed since last September, the American Government and the League have throughout striven to suggest methods of settlement which would take into equitable account the grievances both of the Chinese and of the Japanese Governments. As further evidence of the view and position that the problems in question should be settled by processes of mediation and conciliation as distinguished from processes based on armed force, it would seem desirable, by way of encouragement, that an express commendation be made of the efforts which the Governments of the disputant countries are now making to follow that policy. At least it is our hope that the steps which are being taken at Shanghai will prove a preface to a successful, comprehensive settlement of the entire Sino-Japanese controversy by similar processes of negotiation and adjustment.

The Department therefore suggests that, when the withdrawal of the Japanese troops becomes an established fact, the members other than Chinese or Japanese of the Joint Commission might congratulate the Japanese and Chinese Governments on this evidence of their desire for peace; and that the said members might, through the Japanese and Chinese members, induce the Japanese and the Chinese Governments to make statements which would be reassuring both to each other and to the world, the former with regard to reluctance on its part to use force and the latter in affirmation of its intention to give adequate protection to foreign nationals and interests.

The Department suggests that you, on opportune occasions, discreetly discuss this with your colleagues on the Joint Commission and inform the Department of your views and theirs.

STIMSON

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032 Kung, H. H./2

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

No. 1546

PEIPING, May 24, 1932.

[Received June 18.]

SIR: I have the honor to transmit herewith a memorandum of conversations Lieutenant-Colonel Drysdale, American Military Attaché,

had in Nanking on May 18, 1932, with Dr. H. H. Kung and with General Chiang Kai-shek.

It appears from these conversations that Dr. Kung is about to proceed to the United States on a special mission, ostensibly of an economic nature but in reality with a political object in view. Dr. Kung was of the opinion that sooner or later the United States would be compelled to make war on Japan, whether they desired to do so or not. He therefore felt that steps should be taken towards an understanding between China and the United States regarding military assistance during the present and future emergencies. In this connection Dr. Kung suggested, as he had done before, that the American Government furnish to China military supplies on credit.

General Chiang Kai-shek asked Lieutenant-Colonel Drysdale whether he had any suggestions for the improvement of the Chinese national defense. After the Military Attaché had replied in a more or less general way, that it was necessary to strengthen in the Chinese people the will to defend their country, and that the development of an efficient air force would perhaps be the simplest and least expensive form of defense, General Chiang Kai-shek—evidently having in mind the conversation Dr. Kung had had with Lieutenant-Colonel Drysdale—requested the latter to tell me that he (General Chiang) would be glad to come to Peiping to discuss the matter further with me if I so desired.

In this connection I have the honor to refer the Department to the first enclosure in my un-numbered despatch from Shanghai of March 23, 1932, consisting of a memorandum of a conversation I myself have had with Dr. Kung on February 29th,<sup>28</sup> and I enclose my own observations, in the form of a memorandum dated May 24, 1932, regarding the above mentioned conversations. I feel that many Chinese officials believe that war between the United States and Japan is inevitable and that China and the United States are therefore natural allies.

Respectfully yours,

NELSON TRUSLER JOHNSON

[Enclosure 1]

*Memorandum by the Consul General at Nanking (Peck)*

[NANKING,] May 18, 1932.

Colonel Drysdale, U.S.A., American Military Attaché, called on Dr. H. H. Kung at 3:30. This call was made in compliance with a suggestion from Mr. T. V. Soong, Minister of Finance, given to Colonel Drysdale before the latter left Shanghai.

<sup>28</sup> Neither printed.



The background of the conversation was dominated by the fact that General Chiang Kai-shek and Mr. T. V. Soong are urging Dr. H. H. Kung to proceed at once to the United States on a special mission. Ostensibly this mission will be of an economic nature, but the actual object seems to be to promote an entente between China and the United States with a view to obtaining for China assistance in military matters, particularly supplies, during the present and future similar emergencies. On May 14 Dr. Kung had called upon Mr. Peck to discuss this projected journey to the United States and had expressed the opinion that in view of the approaching summer holidays and the Presidential campaign in the United States, it would be well for him to defer his departure until November.

In conversing with Colonel Drysdale, Dr. Kung expressed the opinion in plain terms that the United States would have to fight Japan in the not distant future. When Colonel Drysdale pointed out various compelling reasons tending to show that such a war is very improbable, Dr. Kung insisted that Japan, in her present mental state, would force war upon the United States, even though the latter might desire to avoid it.

With this opinion as a premise Dr. Kung inquired whether there were not among official leaders in the United States persons who would see the advantage of assisting China in a practical way to resist Japan at the present moment. Dr. Kung reverted to the idea which he had expressed to Mr. Peck at an earlier interview, namely that it would be a wise step for the American Government to furnish military supplies to China on credit. Colonel Drysdale explained some of the difficulties, pertaining to law and policy, which would prevent this.

Dr. Kung did not seem to be noticeably dissuaded from his view that the United States must soon fight Japan and that the United States would be well advised to strengthen China's power of resistance to Japan, as a preliminary to that conflict.

At 5:30 p. m. Colonel Drysdale had a conversation with General Chiang Kai-shek, Chairman of the Military Affairs Committee. During part of the conversation Madam Chiang Kai-shek was present and interpreted. Mrs. Peck, likewise, was present. During the latter part of the conversation Dr. Kung was present and interpreted.

Following his usual practice, General Chiang made very few statements, but he did ask questions which showed the direction in which his mind was working. At the very outset he asked Colonel Drysdale, rather abruptly, whether Colonel Drysdale could make any contribution, in the shape of advice, to the improvement of the National Defence of China. The Military Attaché, somewhat taken aback by the suddenness and wide scope of this question, generalized on the

necessity of inculcating and strengthening in the Chinese people the will to defend the country against armed aggression. He observed that the Chinese Army had already demonstrated that under pressure of necessity it had the will to fight. The only suggestion relating to an improvement in the armed forces of China which Colonel Drysdale made consisted of his expressing the opinion that China could develop the maximum defense with the minimum expenditure of time and money by developing an air force. He said that he believed that it would be more feasible for China to create an air force which would be capable of coping with any air force in Asia, than it would be to achieve equality in Naval or land forces. He suggested that it would be advisable for the Government's defense plans to be based on this idea.

Referring to the advantage which China must derive from the favorable opinion of foreign nations, Colonel Drysdale suggested that it would be advantageous if China were to formulate and announce its determination to take such measures in Manchuria, after that area should have been returned to Chinese administration, as would guarantee to Japan the fullest enjoyment of all her actual Treaty rights in that area; but the statement might well announce, simultaneously, that China is determined to resist any encroachment on her sovereignty in violation of international agreements, such as the Nine Power Treaty. Colonel Drysdale pointed out that the League of Nations Commission would in all probability submit a report requiring that China should ensure to Japan the enjoyment of all her legally acquired rights in Manchuria, and that a policy and an announcement such as he had just suggested would strike a favorable chord throughout the world.

General Chiang ended the conversation by a statement almost as startling as that with which he had begun it. He asked Colonel Drysdale, after he arrived in Peiping, to inform the American Minister of the substance of the conversation which had just taken place and to tell the American Minister, further, that he, General Chiang Kai-shek, would be glad to come to Peiping to discuss the same subject with the American Minister, if Mr. Johnson so desired.

[Enclosure 2]

*Memorandum by the Minister in China (Johnson)*

PEIPING, May 24, 1932.

In connection with these conversations which Colonel Drysdale had with Dr. H. H. Kung and General Chiang Kai-shek, I wish to call

attention to my conversation with Dr. H. H. Kung of February 29th of which a memorandum is in the file.<sup>29</sup>

It will be noted that at that time Dr. Kung was much interested in the idea of a war between the United States and Japan, in which China would supply the man power. On that and all other occasions I did what I could to discourage this idea among the Chinese. I am convinced that there is reason to believe that this idea of war between Japan and the United States in which the United States will figure as the champion and savior of China is current among many other Chinese occupying official positions, and I believe that this idea is fostered by the writings and arguments of Mr. Thomas Millard.

NELSON TRUSLER JOHNSON

793.94/5280 : Telegram

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

SHANGHAI, May 25, 1932—3 p.m.

[Received May 25—9:45 a.m.]

266. Lieutenant Soule this morning personally witnessed the withdrawal by the Japanese Army of the 6th Brigade from the walled city of Paoshan, Woosung forts, and that part of Woosungchen east of the railway line and resumption of control in these areas by the Chinese special police without incident. Colonel Harata states last of Japanese Army units will embark for Japan early next month and control of areas number 1, 2 and 3, annex 2 Sino-Japanese Peace Agreement, will revert to the Chinese by that time.

Repeat to War Department; repeated to the Legation.

CUNNINGHAM

793.94 Shanghai Round Table/2 : Telegram

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

WASHINGTON, May 25, 1932—5 p.m.

119. Your 125, March [May] 13, 10 p.m., and Department's 114, May 20, 6 p.m.<sup>30</sup>

1. The Department realizes that there may be basis for the apprehension expressed by the Minister for Foreign Affairs that there may be further civil war in China and possible increase in the Communist movement; and Department realizes that it is desirable that there be

<sup>29</sup> Memorandum not printed.

<sup>30</sup> Latter not printed.

frank exchanges of views between the governments concerned in relation to the question of security.

The Department doubts, however, whether such developments in China, if and when, will require changes in the defense plan for Shanghai which has been in force since the spring of 1927 and for the purposes of which the interested powers have since that time maintained military contingents at Shanghai. Moreover, the Department feels that an effort along the line now proposed by the Japanese, to hold a conference of five powers with the Chinese excluded to make plans and possibly an agreement with regard to Shanghai, would increase the danger at Shanghai to the foreign settlements and foreign interests, including Japanese, and would intensify the present bitterness of the Chinese and cause it to become generally anti-foreign.

2. The Department is of the opinion that if and when a conference is held, it would be essential that China be represented. Exclusion of China might lead to suspicion and repercussions in China against foreign powers.

3. Department doubts whether it would be advisable with whatever composition to hold conference in Tokyo.

4. Assuming that these questions be disposed of satisfactorily, the Department is of the opinion that, as to agenda, the conference should be prepared to consider all outstanding issues in the present Sino-Japanese controversy wherein there are involved or affected multi-lateral rights and interests.

5. The above is for your information. The Department understands that the British Foreign Office is in agreement with its views as expressed above and that the British Ambassador has received or will receive instructions along the same general lines. You should keep in touch with your British colleague but should make no reply as yet to the Japanese Foreign Minister pending the receipt of further instructions as to the time and form of the reply.

STIMSON

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793.94 Shanghai Round Table/16 : Telegram

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

WASHINGTON, May 25, 1932—5 p.m.

153. Your 182, May 23, 6 p.m.

1. I am gratified that Simon is in accord with our views.

2. While I still feel that as the Japanese proposal was presented at a joint interview, there are certain advantages in taking the matter up further with the Japanese Minister for Foreign Affairs in another joint interview, I am willing, if Simon feels that course preferable,

to follow the procedure of having our diplomatic representatives at Tokyo approach the Minister for Foreign Affairs individually rather than jointly. I suggest, for his consideration, that we might leave it to our representatives at Tokyo to decide whether they will see the Japanese Foreign Minister jointly (perhaps also with the French and Italian Ambassadors) or individually.

3. As I understand the situation, Simon has already instructed the British Ambassador at Tokyo to keep in close touch with our Embassy there. I shall instruct our Embassy likewise to keep in touch with the British Ambassador. I understand further that Simon contemplates awaiting the formation of the new Japanese cabinet, after which he will direct the British Ambassador at Tokyo to approach the new Foreign Minister along the lines outlined in the Department's telegram 149, May 20, 6 p.m., paragraph 3, at the same time suggesting that any contemplated conversations which excluded China might be carried on in the various foreign capitals or at Tokyo with the interested heads of mission. It seems to me that, of the two, conversations in the foreign capitals would be the preferable course, as less likely to have unfortunate publicity and to arouse Chinese susceptibilities.

4. Please see Simon and telegraph whether his views and understanding of the situation coincide with mine, as set forth above. If the reply be in the affirmative, I shall then issue appropriate instructions to our Embassy at Tokyo. I have already informed our Embassy at Tokyo of our general accord in attitude but have directed that no reply be made to the Japanese Foreign Minister pending further instructions.

STIMSON

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761.94/526

*Memorandum by the Secretary of State*

[WASHINGTON,] May 26, 1932.

During the call of the Japanese Ambassador he referred to the rumors of impending hostilities between Russia and Japan. I told him that I had heard them while I was at Geneva. The Ambassador suggested that they were spread there by the Russians because they wished to get me to recognize their Government; that such rumors were nonsense and that he could assure me, on behalf of his Government, that the Government had issued instructions now against sending further troops north into proximity with the Russian frontier.

H[ENRY] L. S[TIMSON]

793.94 Shanghai Round Table/20 : Telegram

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

TOKYO, May 27, 1932—noon.  
[Received May 27—1:56 a.m.]

144. Department's 119, May 25, 5 p.m.

1. I have seen the British Ambassador who has received instructions along the same general lines as those of the Department. Neither of us has approached the Foreign Office here.

2. For the time being I doubt the advisability of making formal reply to the Japanese Government. I do not know how far the new Cabinet<sup>31</sup> is in accord with the ideas advanced by Yoshizawa, and until some indication on this point is given I feel that the matter might be allowed to rest. There will be a session of the Diet in all probability early next week and it appears improbable that Viscount Saito would be able to give this question adequate attention until his domestic political program is in hand.

3. It seems to me that the question of a general conference as envisaged in the Department's telegram, paragraph[s] 2, 3 and 4 should be very carefully studied before being broached. The Japanese in their present temper will not talk about Manchuria with anyone, and the Chinese apparently calls [*call?*] for talk about nothing else. The prospect of any satisfactory conference being arranged therefore seems remote.

NEVILLE

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793.94 Shanghai Round Table/2 : Telegram

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

WASHINGTON, May 27, 1932—3 p.m.

120. Department's 119, May 25, 5 p.m., in regard to proposed round table conference. Department desires that you keep in touch also with your French and Italian colleagues. In the course of conversation on May 26 with the French and Italian Ambassadors here, I explained my views on the subject as set forth in the telegram under reference.

STIMSON

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<sup>31</sup> Headed by Admiral Viscount Makoto Saito as Prime Minister and concurrent Minister for Foreign Affairs.

893.01 Manchuria/232a

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

WASHINGTON, May 27, 1932.

MY DEAR MR. AMBASSADOR: During my conversations with the British representatives in Geneva, including the Prime Minister and Sir John Simon, some doubt was expressed by them as to whether the evidence that Japan was responsible for the establishment of the so-called "Independent State of Manchoukuo" existed in tangible and convincing form. They raised the point that in case protests should be directed to Japan in respect to particular acts of the Manchoukuo Government in derogation of China's sovereignty, Japan would have a good answer by disclaiming any responsibility for the Manchoukuo Government. I understand that the various members of the British Foreign Office in talking with Hugh Gibson and Norman Davis made a similar point. I told the Prime Minister and Sir John at the time that I felt that the evidence was so clear that no such reply on the part of Japan would have the slightest validity.

I have had prepared in the Department from the facts in our possession the enclosed document<sup>32</sup> setting forth various items of evidence of Japan's initiative in the creation and practical control of the new administration of the "Independent State of Manchoukuo". I should be glad if you would deliver this to Sir John Simon personally with the suggestion that he may find in it facts which may possibly have not come to the attention of the British Foreign Office and in the hope that it might be of interest to him and the Foreign Office.

Yours very sincerely,

HENRY L. STIMSON

P.S. In handing this document to Sir John Simon, please request him to keep in confidence the fact that the Department has furnished him and the British Foreign Office with this information.

H. L. S.

793.94/5283 : Telegram

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

SHANGHAI, May 28, 1932—2 p.m.

[Received May 28—6:46 a.m.]

272. Referring to the Department's 189, May 24, 6 p. m., I have discussed questions therein raised with British colleague and will

<sup>32</sup> Not printed: it was entitled "Evidence of Japanese initiative in the creation and practical control of the new administration of the 'Independent State of Manchoukuo'" and was based upon reports in the Department files. Similar material is printed separately in *Foreign Relations* for the period.

discreetly approach those of other nationalities. I venture to express the opinion that if entire evacuation is completed prior to June 10th an expression of congratulation should be made which would indicate to those concerned a desire to commend when justified. This would do much to counteract any feeling of resentment which might exist due to the frequent protests lodged since January 28. I do not consider that any effort, to induce through Japanese or Chinese representatives a pronouncement by Japanese or Chinese Governments, is desirable as there is too much risk in having the motives questioned. No amount of tact we might exert would insure that the motive would not be questioned but embarrassment might follow.

2. It is possibly not known that while it has been definitely stated in the press, and the Japanese military member of the Joint Commission has stated informally, that the Japanese Army will evacuate all of the areas referred to annex 2 before June 10, the Japanese Navy has given no such assurance and it is believed that the Navy will [continue?] to occupy area 4, in annex 2, and probably to maintain a barracks in area 2 for some time to come.

CUNNINGHAM

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793.94/5293

*Memorandum by the Under Secretary of State (Castle) of a  
Conversation With the Chinese Chargé (Yen)*

[WASHINGTON,] May 28, 1932.

Dr. Yen called, on instructions from his Government, to thank the American Government for the very helpful part Mr. Johnson played in the negotiations in Shanghai which led to the agreement for the withdrawal of the Japanese troops. Dr. Yen said that his Government not only wished to convey this expression of its appreciation of Mr. Johnson's personal share in the conference, but wished also to thank the American Government for allowing him to participate and for the helpful instructions which must from time to time have been sent him.

I told Dr. Yen that we were very grateful for this expression of the Chinese Government's appreciation and that we were also very glad that Mr. Johnson had been able to be of assistance.

W. R. CASTLE, JR.



893.51 Salt Funds/118

*Memorandum by the Under Secretary of State (Castle)*

[WASHINGTON,] May 28, 1932.

The British Ambassador said that, in talking with the Secretary the other day about possible representations in connection with the infringement of the administrative integrity of Manchuria, he had stated that he thought the matter was progressing, especially in relation to a protest concerning the salt gabelle. He said that perhaps he had given undue emphasis to this because he had just received a telegram saying that Sir John Simon was waiting for a message from the Secretary on the subject. He said that, at the end of Sir John's letter to the Secretary, Sir John had remarked that he would wait for further information from Washington. I said there was evidently some misunderstanding about this because we had the impression that the British were going to tell us in detail what they thought might be done in connection with the salt gabelle. I said that we had been waiting for that because we felt that probably when a move was made, even though the salt gabelle might be the best single issue on which to move, it might be well to include other matters, such as the customs or the post office situation, but that we wanted British arguments as to why this might be unwise. I told the Ambassador also that the Secretary yesterday sent a telegram to Mr. Mellon,<sup>33</sup> instructing him to take the matter up with Sir John Simon. The Ambassador was delighted at this because he said that would break the jam and would enable us more quickly to discuss the whole matter.

W. R. CASTLE, JR.

793.94/5287 : Telegram

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

SHANGHAI, May 31, 1932—11 a.m.

[Received May 31—5:30 a.m.]

273. 1. Japanese Army completed evacuation area number 2 Kiangwan and Chinese resumed complete control of this entire area May 29th.

2. Last units of Japanese Army troops embark for Japan today May 31st.

3. Japanese naval landing party take over and occupy barracks west of railroad area number 1 Woosung with 100 gendarmes; area

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<sup>33</sup> Not printed.

number 3 Yinghsiang with 200 gendarmes and continue to hold area number 4 Chapei with 2,000 marines.

4. Chinese reoccupy Lunghwa with 200 gendarmes of 6th Regiment. Repeat to War Department. Repeated to the Legation.

CUNNINGHAM

893.51 Salt Funds/116 : Telegram

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

LONDON, May 31, 1932—11 a.m.

[Received May 31—8:45 a.m.]

189. I discussed Department's 156 of May 27, 4 p. m.,<sup>34</sup> with Foreign Secretary who stated that he would immediately ask Foreign Office to prepare a statement of views for transmission to you through this Embassy. Sir John stated Foreign Office understood that United States missions in Peiping and Tokyo were against representations in respect to the Salt Administration as a weak case specifically in that United States and England had a very limited interest therein. Sir John pointed out that China itself in the past had violated the Salt Agreement.

The Foreign Secretary queried as to why not leave this particular question to be reported on by the Lytton Commission on which there was a United States member. Sir John felt such a procedure would permit Anglo-American cooperation, which he stressed is of the utmost importance, and also United States League cooperation, and leave England in a position of full cooperation with both the United States and the League in the matter.

I gather the above views may be shared by the Foreign Office generally.

MELLON

793.94 Shanghai Round Table/25 : Telegram

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

LONDON, May 31, 1932—5 p.m.

[Received May 31—12:25 p.m.]

191. In discussing your 153, May 25, 5 p.m., and 149, May 20, 6 p.m., with the Foreign Secretary last evening for purposes of confirmation he outlined his views and understandings upon which would be based his instructions to the British Embassy at Tokyo.

<sup>34</sup> Not printed.

1. He agrees it was impossible to turn down definitely the Japanese Foreign Secretary's proposal of May 13.

2. He agrees that no conference should be called without China.

3. Assuming any conference is called he agrees it should not be held in Tokyo.

4. He understands that both United States Chargé d'Affaires and British Ambassador in Tokyo do not recommend the holding at present of a general conference under the Nine-Power Treaty.

5. Since Foreign Secretary's proposals only deal with Shanghai situation, excluding Chinese participation, Sir John agrees that further conversations had best be carried on by Japanese Ambassadors in the four foreign capitals concerned thereby avoiding Chinese sensibilities and further agrees that representatives at Tokyo shall decide whether they will see the Japanese Foreign Minister jointly together with French and Italian Ambassadors or on the other hand make reply individually.

6. Sir John deems it advisable that he inform French and Italian Ambassadors of the above Anglo-American deliberations.<sup>35</sup>

I have given copy of text to Simon.

MELLON

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793.94 Shanghai Round Table/20 : Telegram

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

WASHINGTON, June 1, 1932—6 p.m.

122. Department's 119, May 25, 5 p.m., and your 144, May 27, noon. The Department believes that unless you and your interested colleagues should ascertain informally that the present Japanese Foreign Office is no longer interested in the proposal made on May 13th by the Japanese Foreign Minister and that a reply is now unnecessary, a reply will have to be made to this proposal. (See your 144, May 27, noon, paragraph 2.) In this connection you should bear in mind that while it would be desirable not to have the issue raised again in view of the Department's inability to accept the Japanese proposal in its present form, nevertheless it is equally important that the governments to which the proposal was made should not appear neglectful of the proposal if a reply is still expected.

Unless it be ascertained that a reply is unnecessary, you are authorized to reply, informally and orally, along the lines set forth in Department's 119, May 25, 5 p.m. The Department leaves to your discretion and that of your colleagues the time and occasion for making reply. In making reply please keep in mind the following points:

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<sup>35</sup> The Secretary of State explained his views to the French and Italian Ambassadors on May 26; memoranda of conversations not printed.

1. As the Japanese proposal was presented at a joint interview there would appear to be certain advantages in taking the matter up further with the Japanese Ministry for Foreign Affairs in another general interview. However, the Department authorizes you, in consultation with your interested colleagues, to decide whether a reply should be made jointly or individually.

2. In making reply it may seem desirable to suggest that any further conversations, which exclude Chinese participation, might preferably be carried on by the Japanese Ambassadors in the four capitals concerned. Such conversations, of course, would be less likely to have unfortunate publicity and to arouse Chinese susceptibilities.

3. With regard to the Department's telegram 119, May 25, 5 p.m., paragraph 4, the Department advisedly adopted the phraseology used in that paragraph which you will note makes no direct reference to Manchuria but refers to "all outstanding issues in the present Sino-Japanese controversy wherein there are involved or affected multi-lateral rights and interests". Although there should be no misunderstanding of the fact that by this phraseology the Department includes matters affecting Manchuria, it was felt that this phraseology covers the general situation of which Manchuria is only a part.

4. The Department understands that the British Foreign Office is in general accord with the views of the Department as expressed above. The Department has also informed the French and Italian Ambassadors here of its views. The Department therefore understands that your reply and that of the British Ambassador will follow the same general lines and it is hoped that the French and Italian Ambassadors will be authorized to make similar replies.

Please repeat to Peiping this telegram together with the Department's 119, May 25, 5 p.m., keeping the Department fully informed of developments.

STIMSON

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793.94 Commission/232 : Telegram

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

PEIPING, June 2, 1932—4 p.m.

[Received June 2—7:35 a.m.]

596. Following from Mukden :

"League Commission will leave Mukden on the morning of June 4th and arrive at Peiping the evening of the following day."

JOHNSON

793.94/5296

*Press Release Issued by the Japanese Embassy, June 2, 1932*<sup>86</sup>

ADDRESS OF THE MINISTER FOR FOREIGN AFFAIRS OF JAPAN, VISCOUNT  
MAKOTO SAITO, AT THE OPENING OF THE DIET, MARCH [June] 3,  
1932

I have the privilege of reviewing, on this occasion, the latest developments in the foreign relations of this country.

We are all gratified to watch the rapid restoration of peaceful conditions in the Shanghai area following the conclusion on May 5th of the Sino-Japanese agreement for the cessation of hostilities. I may say that in the course of negotiations leading up to this agreement, we encountered not a few difficulties and that the earnest labors of the British Minister to China and the representatives of other friendly powers on the spot as well as our own attitude of fairness and rectitude largely contributed to the final happy outcome. And I desire to avail myself of this opportunity to express my sincere gratitude to the officers and men of our army and navy who fought in the Shanghai area and rendered signal service to our fatherland. I also desire to express my profound sympathy with the victims of the bombing incident of April 29th and, particularly, my infinite grief at the death of General Shirakawa, Commander-in-Chief of the expeditionary force.

According to the terms of the agreement, Chinese troops are to remain at a prescribed distance from Shanghai and Chinese forces are to cease as far as it lies within their power all hostile actions in Shanghai and its vicinity. Should action of the Chinese army give occasion for apprehension, the representatives of the four powers, Great Britain, the United States of America, France and Italy, are to ascertain the situation. As long as these terms of the agreement are observed, there is little likelihood, for the present at least, that any fresh disturbances will be caused by Chinese soldiers in the Shanghai district. In these circumstances, it has been decided to call home the whole of our military forces, relying as stated in the declaration of the Minister of War published May 11 upon operation of the agreement and upon such action as friendly powers shall take in order to insure permanent peace in Shanghai. I am sure that the complete withdrawal of our troops will demonstrate, as nothing else could, the truth of the repeated declarations of our Government as to the absence of any political design in our recent expeditions. However, it is the only terms for ending hostilities between the Chinese and Japanese forces that have so far been arranged. No measures have yet been taken to establish

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<sup>86</sup> Handed to the Secretary of State by the Japanese Ambassador on June 2.

permanent peace in the Shanghai district. It is absolutely necessary to take further steps in order to establish such conditions as will enable both Chinese and foreigners in Shanghai to live in safety and pursue their business in peace if the prosperity of this great international metropolis built up by their peaceful labors for many decades is to be maintained. Indeed, if that city could be freed from the menace of such sporadic disturbances of various kinds as have occurred time and again in the past, it would prove a boon not only to its residents, Chinese and foreign, but also to China and all the powers interested in China. I cannot therefore but look eagerly forward to the early opening and complete success of the round table conference which is desired by the Japanese Government and which was contemplated in the resolution of the Council of the League of Nations adopted with the concurrence of China on February 29th.

In Manchuria we note that the new state is making steady progress with fresh zeal and resolute will. I am well aware of the great interest which is naturally manifested by our people in the future of Manchukuo and I believe that it is no longer possible to ignore the existence of that state in any international readjustments which may be made with reference to the Manchurian incident. I believe that it is of the utmost importance for the tranquillity of the Far East as well as for the restoration of the peace and prosperity in Manchuria that the new state should attain healthy growth. Only the new government has not yet reached the stage at which it can command sufficient resources for the restoration of order while the activities of soldier bandits and other lawless elements often instigated from outside are extremely difficult to suppress. Consequently, our troops in Manchuria are compelled to extend their necessary cooperation to the protective functions of the new Government and to guard against any eventualities that might endanger the lives and property of our countrymen or eventuate, in general, disturbances on a major scale. Our profound thanks are due the military and police forces serving in Manchuria in the face of constant danger day and night and at the risk of their lives.

Precedents can easily be drawn from the history of other countries to show that political changes such as have taken place in Manchuria are bound to be accompanied by activities on the part of malcontents and lawless elements even where no external institution comes into play and it takes some time in such cases before governmental machinery of a new state can be fully set in order. I am strongly opposed to any impatient and impetuous attitude toward the progress of events in Manchuria. It is essential to give it time and to address oneself to effecting a sure solution of problems with which we are confronted.

In the course of the present affair, it became necessary for the Japanese army to operate against soldier bandits in North Manchuria for the protection of the Japanese residents there. That we have always paid due respect to the legitimate rights and interests of the Soviet Union in that region and have taken scrupulous care not to infringe or injure them is clearly proved by the conduct of our army. Moreover, the Japanese Government have repeatedly assured the Soviet Government as to the true motive of our advance to the North which does not extend beyond the protection of Japanese life and property. I am certain that the Moscow Government fully appreciates our position. Nevertheless there are some who talk as though there were danger of war between Japan and Russia as a sequel to the Manchuria incident. I am sure I can appeal to the good sense and discernment of our people not to be misled by such rumors.

The League of Nations, as you know, maintained a close watch over developments in Shanghai. During a temporary deadlock in negotiations for the cessation of hostilities, the action of China who laid the matter before the League produced various complications. Nevertheless as the success of the negotiations became practically assured, the League decided to tide over the crisis by relying upon the progress of affairs on the spot. On April 30 the extraordinary session of the Assembly was convoked at which a resolution inviting speedy settlement of the Shanghai negotiations was adopted and the matter was brought to a close. The Japanese Government, as they had previously entered a protest with regard to the application to the Sino-Japanese disputes of Article 15 of the Covenant, expounded the stand thus taken and abstained from voting on the resolution.

As regards the Commission of the League which is engaged in conducting an investigation on the spot, we are extending to it all possible facilities at our disposal in order to help its members to fulfil their mission. I sincerely hope that the Commissioners will form a correct and fair conception of the actual conditions in China and Manchuria.

[The remainder of the address does not deal with Sino-Japanese affairs.]

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793.94/5297

*Memorandum by the Secretary of State*

[WASHINGTON,] June 2, 1932.

The Chinese Chargé, Dr. Hawking Yen, brought in Mr. Frank W. Chinglun Lee. Dr. Lee started out by thanking me for the part which I had taken in the Manchurian controversy which, he said, was appre-

ciated and understood throughout China. He said that the Chinese people were getting very restless over the situation and anxious that a further step should be taken by their country; that they would never acquiesce in what Japan had done to Manchuria and would resist it. I asked Mr. Lee what news they had from the Manchurian Commission of the League of Nations. He said that he had been following it closely and he thought that the Commission was finding that the present state in Manchuria was a mere puppet state which could not exist a moment without the military support which Japan was according it and he said that much pressure was being brought in China for further action, probably under the Nine Power Treaty. I told him that, while the outside nations were deeply interested in this controversy by reason of their interest in the various treaties which were affected and in the general cause of peace which was affected, as was always the case in human affairs the chief part in the solution of the problem must be performed by the nation which was primarily affected, namely, China. I said that the success of the defense of these treaties and of Manchuria must rest primarily in China herself and that it was more important for China to take a constructive than a merely destructive or combative position. By that, I meant that she must show the elements of national unity and self-control constructively and evidence an ability to subordinate faction to national unity and self-control; that so long as the outside world received only a picture of various Chinese factions cutting each others throats and tearing each other to pieces, there was great danger that eventually these outer nations might, in despair, adopt the thesis which Japan had put forth, namely, that China was not capable of national unity and that there was, therefore, no basis for the Nine Power Treaty. Dr. Lee replied that there was already a very strong movement in China to subordinate faction and that word was being spread around, even among the Chinese here, to stop their disputes and to support national union. He said that that was the reason for the recent union of Canton and Nanking.

I said that I had admired President Chiang Kai-shek's restraint throughout the Manchurian controversy and had regarded his refusal to allow his Government to be drawn into war as an evidence of high statesmanship. Dr. Lee said that he agreed, but that great pressure was being brought now by people who thought that some further step was necessary and who were afraid that the League of Nations might let the matter drop. I cautioned him against any such attitude and said that it would be a great misfortune and mistake for China to kick over the support of the Assembly of the League of Nations where the views and interests of such a large group of nations, principally the small nations, ran so parallel to the interests of China. I said



that the action taken by the League was of inestimable value, even if merely as a preliminary, to any action under the Nine Power Treaty which Dr. Lee had suggested, and that the action of the Assembly could not be concluded until the report of the Manchurian Commission and action thereon. I therefore begged him to use all his influence with China to be patient and have self-control.

H[ENRY] L. S[TIMSON]

893.01 Manchuria/233 : Telegram

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

PEIPING, June 3, 1932—3 p.m.

[Received June 3—6:40 a.m.]

599. Following from American Consul General at Harbin:

“June 2, 3 p.m.

1. Japanese troops entered Hailun yesterday without opposition from Ma's troops, which retreated north. Thus the Japanese military control of the Hu-hai Railway.

2. Japanese forces are attacking irregulars who started to loot Anda city yesterday.

3. Yesterday afternoon 60 Russian guards of Ashiho sugar factory, which is practically owned by the National City Bank but is operated under a lease by a Russian, beat off an attack of about 100 brigands, 2 of whom were killed. Ashiho suffered severely from looting 2 days ago after revolt of new Kirin troops. Japanese troops reached Ashiho this morning.”

JOHNSON

793.94 Shanghai Round Table/30 : Telegram

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

TOKYO, June 3, 1932—5 p.m.

[Received June 3—7:47 a.m.]

146. Department's 122, June 1, 6 p.m.

1. I met with the British, French and Italian Ambassadors today. The British Ambassador only had received definite instructions which were similar to mine. We decided to wait until the French and Italian Ambassadors had been instructed before taking action as we felt that as the proposal had been made to all of us together, a joint verbal reply would be desirable.

2. The Vice Minister told me this morning that the Prime Minister

hoped to induce Count Uchida<sup>37</sup> to take the post of Minister for Foreign Affairs; that while Viscount Saito would be prepared to receive an answer to Yoshizawa's proposals he would probably prefer to leave further action to Count Uchida's judgment, assuming that the latter would accept office. I gather from the Vice Minister's conversation that he was not prepared himself to discuss the matter.

NEVILLE

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793.94/5316

*Memorandum by the Assistant Chief of the Division of Far Eastern Affairs (Hamilton)*

[WASHINGTON,] June 3, 1932.

Dr. Frank W. Chinglun Lee called. He referred to his interview on June 2 with the Secretary and stated that the Secretary had given him some very good advice, pointing out that China must show the elements of national unity and self-control constructively and evidence an ability to achieve national unity and self-control. Dr. Lee stated that he had called to express frankly the present views of the Chinese Government and the Chinese people toward the Sino-Japanese trouble. He stated that he was in the United States not only as a representative of the Chinese Government but also as a representative of the Chinese people. He stated that he had received recent telegrams from the Chinese Foreign Minister stating that China was opposed to the convening of any conference to set up a free city at Shanghai or demilitarized zones in any part of China but that China would be glad to take part in any conference which would consider the Manchuria situation and the general situation between China and Japan. He stated that in any such conference China would be ready to submit to any third party or to arbitration or to judicial determination any questions at issue between China and Japan. He stated that China would abide by any decision reached as a result of such a conference.

Referring to the presence of Japanese troops in Manchuria, Dr. Lee stated that the Chinese Government was committed to the principle of declining to negotiate directly with Japan so long as Japanese troops remained in Manchuria outside the Railway Zone. He stated that the Chinese Government held the opinion that if China should negotiate directly with Japan while Japanese troops were stationed throughout Manchuria, such action on China's part would be "letting down" the United States. Mr. Hamilton remarked that he did not understand that statement, as he did not think there was any objec-

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<sup>37</sup> Count Yasuya Uchida, president of the South Manchuria Railway Co. and a former Minister for Foreign Affairs.

tion on the part of the United States to China instituting direct negotiations with Japan; that so long as such direct negotiations did not result in any settlement contrary to the provisions of the Nine-Power Treaty or in a settlement dictated by military pressure, he did not see how China's taking part in direct negotiations with Japan could be construed as "letting down" the United States. Mr. Hamilton stated that he thought it important that China should face frankly the realities of the situation and endeavor to effect settlement on a practical and realistic rather than technical basis.

Dr. Lee referred to the present temper of the Chinese people. He stated that the people would insist that any further attacks in Chinese territory by Japanese troops be met by resistance; that the Chinese nation and people had no idea of waging war but that the country was united in the intention to offer defense against any further Japanese attacks. Dr. Lee stated that no government could exist in China today which was not committed to the principle of self-defense against further attack from Japan. The Government purposed to continue to place its case in the hands of the League of Nations in the hope that the League through the present Commission of Inquiry might bring about settlement of the present dispute. He spoke with great feeling and emphasis of the fact that the whole Chinese people was committed to the idea of self-defense.

Referring again to Manchuria, Dr. Lee mentioned press reports of the Japanese Premier's remarks to the effect that the situation in the Far East necessitated the giving of further support to the "state of Manchoukuo". Dr. Lee stated that the Manchuria régime was simply a Japanese puppet; that it could not exist for two weeks if Japanese military support were withdrawn; that there could never be peace between China and Japan so long as the puppet state remained; that China was determined that Manchuria should remain an integral part of China; that in the face of Chinese opposition it was impossible for Japan to make the new state in Manchuria profitable to Japan; that by means of guerrilla warfare China would resist the new state; that it might take two years or five years or ten years or longer for China to regain Manchuria but that China was determined to see that Manchuria was not alienated from China.

Dr. Lee referred again to the matter of establishing a free city at Shanghai and reaffirmed that China was opposed to any such project. Mr. Hamilton remarked that as Dr. Lee well knew there were many foreigners resident in Shanghai and other large ports in China who favored the extension of the areas under foreign control. Dr. Lee interposed that there were also many Chinese who favored that idea. Mr. Hamilton stated that he was glad Dr. Lee had made that remark and added that of course some of the foreign and Chinese advocates of

such an idea were motivated by selfish interests, such as people interested in real estate promotion, but that many of these people desired above all else the maintenance of peace and order and the assurance that life and property would be given adequate protection. Mr. Hamilton stated that the suggestions made by the Secretary yesterday were pertinent to this question and that if China could stop the civil wars and turmoil that had characterized China for the past twenty years and bring about stability and peace, the principal reason for the advocacy by certain groups in China of free cities or demilitarized zones would disappear. Dr. Lee stated that he realized the soundness of this view and he stated that recent developments in China pointed toward the discontinuance of civil war and the development of stability. He said that the merchant and industrial and banking classes had committed themselves to the proposition that there should be no more civil war in China; that this represented a nation-wide movement and feeling; and that it would be impossible for civil wars to be waged in the face of that movement. Mr. Hamilton expressed the hope that Dr. Lee's optimism in this respect would be justified.

Dr. Lee stated that in January of this year the Chinese Government received a report that the Japanese Government had proposed to the American Government that, in view of the present trouble between China and Japan, the United States prevent the export of arms and munitions of war both to China and to Japan. Dr. Lee stated that such a proposal, if carried out by the United States, would operate to the serious disadvantage of China, which was dependent upon foreign importation of arms and munitions, but would not seriously embarrass Japan, as Japan had its own arsenals and munition factories. Mr. Hamilton stated that he had never heard of any such Japanese proposal. He remarked that we were aware of the fact that many peace organizations in the United States had advocated the discontinuance of shipments of arms to China and Japan during the present trouble but that he had never seen or heard anything about Japan advocating such action. Dr. Lee stated that the Chinese Government was most anxious that the United States should not be closed to it as a source of supply of arms and munitions. Mr. Hamilton stated that Dr. Lee was of course familiar with the present law and procedure governing the export of arms and munitions of war from the United States to China. Dr. Lee stated that he was. Mr. Hamilton said that he was not aware that any change in that law and procedure was contemplated.

Dr. Lee stated that he was in the United States and would be here during June to explain to the Chinese community in the United States the present attitude and policy of the Chinese Government toward Sino-Japanese matters, to purchase arms and munitions for the Chinese

Government and to obtain technical assistance in this country. Mr. Hamilton remarked that Dr. Lee understood the situation in regard to the export of arms and munitions; that the Department was opposed, on grounds of policy, to American citizens going to China to fight with the Chinese armies and that American citizens who took such action might find that they had violated American laws. With regard to Dr. Lee obtaining technical assistance for the Chinese Government in this country, Mr. Hamilton stated that he understood that what Dr. Lee had in mind was to engage the services of private American citizens. Dr. Lee replied in the affirmative and Mr. Hamilton stated that the Department would consider such cases if and when they were presented to it. Dr. Lee remarked that since he had arrived in the United States a considerable number of American citizens had offered to go to China to fight with the Chinese armies but that he had consistently declined such offers. Dr. Lee emphasized that he did not wish to do anything that would run counter in any way to the policy or wishes of the Department of State and that if we ever heard that he was doing anything that we did not like, he would immediately stop such action upon being notified by us to that effect. Mr. Hamilton stated that we appreciated this attitude on the part of Dr. Lee.

Mr. Hamilton thanked Dr. Lee for calling and giving him such an interesting exposition of the present situation in China and the attitude of the Chinese Government toward the trouble with Japan.

M[AXWELL] M. H[AMILTON]

793.94/5373

*The Consul General at Mukden (Myers) to the Minister in China (Johnson)*<sup>38</sup>

No. 587

MUKDEN, June 3, 1932.

SIR: I have the honor to enclose herewith a copy of a memorandum containing some suggestions for a solution of the Manchurian question which I prepared at the request of Major-General Frank R. McCoy, American member of the Far Eastern Commission of Inquiry.

Respectfully yours,

M. S. MYERS

[Enclosure]

*Suggestions for a Solution of the Manchurian Question*

The antecedents of the present Manchurian question go back to 1895 and 1905, in which years the Sino-Japanese and Russo-Japanese

<sup>38</sup> Copy transmitted to the Department by the Consul General at Mukden in his despatch dated June 6, 1932; received June 28.

wars terminated and Japan gained valuable concessions in this territory. Japanese rights were further extended by the treaty and exchanges of notes relating to Manchuria dated May 25, 1915.<sup>39</sup> Psychological and physical factors gradually augmented an already complicated situation and naturally the Japanese occupation of Manchuria since September 18, 1931, and the establishment of the so-called independent government of Manchoukuo have well-nigh rendered impossible a practical solution or adjustment of this highly explosive and extremely complex question. However, extraneous factors may carry sufficient weight to permit of a solution or "liquidation", however temporary, being effected. The basis of any practical solution must be recognition of Chinese sovereignty and of extensive Japanese economic rights.

An agreement on general principles to be entered into directly by China and Japan would seem to be the primary and basic step in the attainment of this object. Such an agreement should be comprehensive but general in character in order to preclude as far as possible a breakdown of subsequent negotiations and a failure in the execution of the measures outlined herein. As is evident, the general stipulations of this agreement would be contained in the recommendations of the League Commission. As its main provisions the following are suggested:

(1) A declaration by Japan recognizing the territorial integrity of China and the principles of the "open door" and equal opportunity and by China recognizing the treaties and agreements which have been entered into between China and Japan and the special rights and interests in Manchuria accruing to Japan from these treaties and agreements.

(2) A declaration that Japan will withdraw its support from the Manchoukuo regime and use its influence to secure the functions of this regime being taken over within a stipulated period by a temporary Chinese administration headed by a Governor General, appointed by Nanking who is *persona grata* to Japan. The Governor General should have the assistance of six or seven prominent Chinese, preferably some of the leading officials of the existing regime, and foreign advisers whose appointments, if not recommended by the League of Nations, should be notified to it.

An amnesty should be granted all persons connected with the existing regime.

(3) The establishment, to be proceeded with immediately after the accomplishment of the above step, of a permanent Chinese administration headed by a Governor General and assisted by a Chinese staff and foreign advisers who shall organize and supervise the provincial and municipal governments. This administration shall also organize and maintain provincial and municipal police and constabulary, for the training and supervision of which qualified foreign advisers shall be used. It shall control Chinese financial and other economic insti-

<sup>39</sup> *Foreign Relations*, 1915, pp. 171, 197.

tutions and supervise the fiscal system of Manchuria, from which agreed upon contributions for the support of the Central Government and the servicing of Chinese government obligations shall be made. It shall be provided that the Chinese Customs, salt and postal services shall not be interfered with.

(4) The Japanese government agrees to the withdrawal of its military forces to the South Manchuria Railway zone as soon as adequate Chinese forces, police and constabulary, are available for the maintenance of peace and order and the protection of Japanese life and property, the completion of which withdrawal to be notified by both governments to the League of Nations for its information.

(5) The organization of two permanent joint commissions, namely Commission of Communications and Commission of Review. The former, consisting of ten members, four Chinese, four Japanese and two foreign (non-Japanese) advisers, would be charged with the duties of investigating and devising ways and means for the improvement, extension, and coordination of the communication facilities (railways, telegraphs, telephones, radio and motor roads) of Manchuria and make recommendations in regard to all matters relating thereto including rates which may be necessary and appropriate. The Commission of Review, consisting of five members, two Chinese, two Japanese and one foreign adviser, should be charged with the investigation of incidents and disagreements in regard to matters of fact which investigation is needed for the settlement of any controversy. Both commissions should have the right to call for the opinion or testimony of experts.

(6) An agreement to institute negotiations within a stated period of a comprehensive treaty in regard to Manchuria on the basis of the general principles and stipulations contained herein and to negotiate simultaneously a general treaty of commerce in which organized boycotting is declared illegal and a criminal offense (this treaty would necessarily include a settlement of the Shanghai affair).

It is suggested that the treaty relating to Manchuria provide that the Manchurian Administration in consultation with Japan create a joint commission composed of four Chinese, four Japanese and two foreign (non-Japanese) advisers—a larger commission may be advisable—for the purpose of preparing and recommending suitable regulations for implementing the rights and privileges granted to Japan by treaty or agreement, the preparation of which has not elsewhere been provided for, and of preparing special regulations for the development of the mineral, timber and other resources of Manchuria.

The advisers to be engaged by the Manchurian Administration shall either be recommended by the League of Nations or their names and qualifications shall be reported annually to that body.

Copies of all treaties and agreements entered into between Japan and China in regard to Manchuria shall be supplied to the League of Nations.

NOTE: At this time it seems expedient to treat the military problem by an exchange of notes rather than by stipulations in the treaty

itself. China's note might appropriately be to the effect that China has no intention of stationing part of the army or other branches of its regular military forces in Manchuria but shall maintain peace and order by well-trained police and constabulary forces under the direction and control of the Manchurian Administration. The Japanese reply should contain a commitment to the effect that the Japanese forces in Manchuria will be withdrawn to the Railway zone and reduced to normal strength as soon as peace and order have been restored and adequate protection is afforded to Japanese life and property by the forces of the local Administration and that when conditions warrant all Japanese regular army units will be withdrawn from the Railway zone. Russia's understanding and adherence should be obtained.

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793.94/5399

*The Consul General at Harbin (Hanson) to the Minister in  
China (Johnson)*<sup>40</sup>

No. 2399

HARBIN, June 3, 1932.

SIR: I have the honor to enclose herewith a translation of an article in the Harbin Russian newspaper *Zarya* for May 29, 1932,<sup>41</sup> reporting an interview with General Hirose, commander of the Japanese 10th division, on the previous day.

In conversation with Consul Coville on June 1, General Hirose confirmed the accuracy of the account of the interview as printed in Russian, and reiterated and dilated upon several of the points covered. The interview and conversation have interest as embodying carefully prepared statements for publication and for transmission to the American Consulate General, respectively, which may therefore be considered official pronouncements on the part of the Japanese military in Harbin. The following points were included:

1. The Mutan river near Hailin is named as the limit of Japanese military operations from Harbin along the line of the eastern branch of the Chinese Eastern Railway, and similarly Fuchin is name[d] as the limit of operations down the Sungari river. (Japanese troops have in fact occupied Echo which is just east of the Mutan river. As for any agreement between Japan and the Soviet Union fixing a boundary to the area of Japanese military operations, I am of the opinion that no such agreement exists.)

2. General Hirose relies on Japanese-Soviet cooperation in refusing supplies and provisions to Chinese bands in the area between the Japanese fronts and the Soviet border as an effective method of starving them out and bringing about their defeat without direct military

<sup>40</sup> Copy transmitted to the Department by the Consul General at Harbin in his despatch No. 5444, June 3, 1932; received July 5.

<sup>41</sup> Not printed.



action. (It is probable that the Japanese have an added motive to follow this policy in their desire that traffic on the Chinese Eastern Railway to Vladivostok continue to be interrupted.)

3. The Sungari river from Harbin to Fuchin is claimed to be already entirely clear for commercial river traffic. (This claim is not true to the facts. River traffic is safe only for the Kokusai Unyu, a large Japanese forwarding company which operates ships on the Sungari river this year for the first time. The ships of this company invariably carry a guard of Japanese troops. Shipping by other firms is entirely paralyzed.)

4. Rumors of the transfer to Harbin of the Kwantung army staff headquarters are asserted to be entirely without foundation.

5. The total number of Japanese troops in all Manchuria is stated to be 40,000 in four divisions, in addition to a brigade from a Korean division (size not disclosed). (My estimate of the number of Japanese troops in north Manchuria alone is 50,000, slightly more or slightly less. Soviet estimates of Japanese troops in north Manchuria range around 100,000.)

6. "The more troops the better" is mentioned incidentally as a general principle.

7. Guarded reference is made to fortifications near Echo in the construction of which Russian assistance has previously been charged by Japanese.

General Hirose acknowledged his very close personal relations with General Araki and expressed confidence that General Araki will continue indefinitely in control.

Respectfully yours,

G. C. HANSON

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793.04/5301 : Telegram

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

PEIPING, June 4, 1932—6 p.m.

[Received June 4—7:30 a.m.]

612. Upon signing of Sino-Japanese agreement at [*sic*] the Joint Commission consisting of British, American, French and Italian Consuls and British, American, French and Italian Military Attachés was appointed under article 4 of the agreement. Information from Shanghai indicates that main undertakings of Japanese under agreement of May 5 have been completed. Unless the Department desires to the contrary, I am withdrawing Lieutenant Soule who is my present military representative upon the Commission and I shall request Admiral Taylor to designate a marine officer stationed at Shanghai to take his place during remainder of work of Commission.<sup>42</sup>

JOHNSON

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<sup>42</sup> The proposed change was approved by the Department in its telegram No. 144, June 6, 3 p.m.

693.002 Manchuria/66 : Telegram

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

WASHINGTON, June 4, 1932—noon.

140. Your 600, June 3, 4 p.m.<sup>43</sup> Department desires that you keep in close touch with your British colleague in regard to developments connected with the customs, salt and postal services in Manchuria, concerning which the Department has been conferring with the British Foreign Office.

STIMSON

793.94/5302 : Telegram

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

PEIPING, June 6, 1932—noon.

[Received June 6—2:25 a.m.]

618. Following from Reuter, Nanking, June 5th :

“With reference to Viscount Saito’s speech yesterday<sup>44</sup> a spokesman of the Chinese Foreign Office today stated that the Shanghai agreement would not limit the movements of Chinese troops which have perfect freedom to move in Chinese territory. The Chinese troops are now remaining at their original posts instead of Viscount Saito’s allegation that they are the prescribed distance from Shanghai.

As regards Viscount Saito’s statement concerning the origin of the trouble at Shanghai the spokesman said he regarded the statement as unilateral saying that the causes of the Shanghai incident were due to Japanese aggression and if Japan did not adopt hostile action nothing untoward could happen at Shanghai.

The spokesman stated that China is willing to attend round-table conference if it is of the nature of the Washington Conference and aimed at the settlement of the Sino-Japan issue as a whole.

With reference to Manchukuo the spokesman declared that at first the Japanese Government denied any active support for Manchukuo but now Viscount Saito openly announced support for the new state. This fact is making the Chinese authorities more suspicious of Japanese sincerity in international dealings.”

JOHNSON

893.01 Manchuria/237 : Telegram

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

PEIPING, June 6, 1932—4 p.m.

[Received June 6—6:40 a.m.]

620. Following from American Consul General at Harbin :

<sup>43</sup> Not printed.<sup>44</sup> For text of speech, see press release issued by the Japanese Embassy, June 2, p. 50.

"June 4, 1 p.m.

1. Sugihara, former secretary local Japanese Consulate General, appointed assistant in local office of Commissioner of Foreign Affairs. This office has become branch of Foreign Office at Changchun, and Sugihara, who speaks Russian, holds same position here as Ohashi in Changchun. Ohashi directly and through Sugihara is negotiating with local Soviet Consul General in regard to recognition of Chinese Consulates and Consuls at Blagoveshchensk, Chita and Vladivostok as Manchukuo establishments and officials, and other questions. It appears to be Ohashi's aim to secure in some form or other Soviet recognition of Manchukuo.

2. Japanese military have definitely stated farthest limits they desire to despatch forces are Fuchin on Sungari and Mutan River[s]. They evidently desire to cooperate with Soviet authorities regarding eliminating undesirable elements near the border.

3. Yesterday eastbound passenger train held up and robbed about 50 miles from Harbin. Ninety-six persons were taken captive, including 6 Russians, who with 30 Chinese were again [*later?*] released. Train returned to Harbin.

4. Japanese troops inflicted great loss upon Li Hai-ching's forces near Chaotung.

5. On June 2nd Ling Sheng, son of Mongol Prince Kuei Fu, Fu Tu Tung of Hulun [*Hailar?*] special area, whose office is abolished, was instituted as Governor of Hsingan north sub-province at Hailar."

JOHNSON

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693.002 Manchuria/65 : Telegram

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

LONDON, June 6, 1932—5 p.m.

[Received June 6—12:25 p.m.]

197. Was informed at Foreign Office that information contained in Department's 169, June 4, 1 p.m.,<sup>45</sup> had been made available to Sir John Simon by Ambassador Lindley. Chief of Far Eastern Department also added that Ambassador Lindley on his own initiative had made representations (which subsequently received approval of Sir John Simon) to Tokyo Foreign Office regarding the anticipated violation of Maritime Customs, stating in particular that if this revenue seizure occurred it would bring a deluge of protests from foreign governments which up to the present had not happened. Tokyo Foreign Office replied that Ambassador Lindley's remarks would be conveyed to the appropriate authorities of the Manchurian regime.

MELLON

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<sup>45</sup> Not printed.

793.94 Commission/235 : Telegram

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

PEIPING, June 6, 1932—6 p.m.

[Received June 6—4:20 a.m.]

622. General McCoy and the other members of the League Commission arrived here last night. They expect to remain about 2 weeks before proceeding to Japan.

JOHNSON

793.94/5309 : Telegram

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

PEIPING, June 6, 1932—7 p.m.

[Received June 6—10:15 a.m.]

623. Your 119, May 25, 5 p. m. to Tokyo. Your reference to "defense plan for Shanghai" leads me to make the following comments:

1. While in Shanghai last March I was shown copy of secret defense scheme contents of which were apparently unknown to Consul General Cunningham although it was signed by Colonel Hooker of the 4th Marines. It was elaborated in December 1931 for the purpose of defending "International Settlement and its vicinity".

2. Defense committee was charged with responsibility of deciding when plan for combined action should come into operation but this was not to prevent independent action on the part of any garrison commander provided chairman of the defense committee was immediately informed.

3. Defense scheme described perimeter of the International Settlement and areas adjacent thereto through which line no persons "likely to threaten safety of foreign lives and property would be allowed to pass". As far as I am aware location of this line was never communicated to the Chinese although running through areas entirely under Chinese control.

4. The situation which therefore presented itself on January 28 was that a defense scheme was in force which had been agreed upon between the commanding officers of the foreign forces, Shanghai Volunteer Corps and the Municipal Council some 3 months [subsequent to] the Japanese invasion of Manchuria and with full knowledge of threatening danger due to tension arising from activities in China of one of the nations party to the defense scheme. This party notified the defense committee on January 28 of its intention to take drastic action whereupon the committee requested the Municipal Council to declare a state of emergency. This put the defense scheme into oper-

ation and enabled Japan as a member of the committee to proceed to the occupation of sector assigned to her which included purely Chinese territory, and to claim that the Japanese were acting on behalf of other foreign nations as well as their own in protecting the International Settlement. In reality the cooperation of the other foreign forces under the defense scheme merely served to cover action which was exclusively suited to Japan's interest. At no time were the interests of the other powers threatened or attacked. Further comment by mail.<sup>46</sup>

JOHNSON

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693.002 Manchuria/67 : Telegram

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

PEIPING, JUNE 7, 1932—9 a.m.

[Received June 7—5 a.m.]

626. Your 140, June 4, noon. Hanson telegraphs June 5, 3 p.m., that a member of the new government has stated privately that it is the intention of the government to appoint an inspector general of customs for Manchuria. My British colleague has similar information. When I inquired on June 1st of Hanson at Harbin he stated that in a conversation with Ohashi on June 1st the latter said that Changchun government was badly in need of funds and would have to take over the customs but did not say how soon.

Now that League Commission has completed its work in Manchuria I am told that all former Japanese advisers have resigned and are being reemployed as "employees" of the Manchukuo, the term "adviser" being considered to indicate too close a relationship between Japan and Manchukuo.

McCoy informs me that throughout stay of Commission in Manchuria every effort was made by Japanese to convey impression that Manchukuo was and is an independent government.

Both McCoy and Blakeslee have recounted to me a number of incidents evidently intended to convey this idea.

This fact must be taken into consideration in any action contemplated in connection with question in Manchuria on the subject of customs, post or salt.

Following facts as regards operation of Chinese customs in Manchuria are communicated to me from reliable source: as regards Antung, Newchwang and Harbin customs the authorities of Manchukuo have instructed the Bank of China not to remit revenue surplus to Shanghai although respective commissioners are authorized to retain

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<sup>46</sup> See despatch No. 1580, June 18, p. 85.

amount of cost of collection. With this exception inspector general's administrative authority remains unimpaired as regards Antung and Newchwang, Bank of China is reported to hold revenue concerned in a special suspense account it being understood that this fund will not be disposed of until the Manchurian question is definitely settled. In regard to Harbin, revenue is similarly retained in a special account in the Three Eastern Provinces Bank. Aigun and Lungchingsun are remitting normally when they have revenue to remit. No change in procedure has been made as Dairen is under a special agreement.

JOHNSON

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798.94/5315a : Telegram

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

WASHINGTON, June 7, 1932—4 p.m.

149. Department's 127, May 17, 5 p.m. In view of the improved situation at Shanghai, it has now been decided to send the 31st Infantry back to Manila by the next Army transport which calls at Shanghai during the last week of June. This decision should be kept confidential until announced from Washington.

The Department is informing the British, French and Italian Governments of this decision and you may likewise inform your British, French and Italian colleagues.

Please inform the Consul General at Shanghai and the Commander-in-Chief of the essentials of the above.

STIMSON

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861.77 Chinese Eastern (Loan) 1932/2 : Telegram

*The Secretary of State to the Chargé in France (Armour)*

WASHINGTON, June 7, 1932—6 p.m.

215. Your 314, May 13, 1 p.m.<sup>47</sup> Associated Press report from Tokyo under date June 6, states:

"French bankers are willing to lend several million francs to the newly constituted Manchurian state of Manchoukuo, it was learned today. Alfred Massenet, director of the Franco-Asiatic Bank, is here as representative of a group of French financial houses that would participate in the loan.

A requisite to the transaction, M. Massenet said, would be recognition by Soviet Russia and Manchoukuo of a certain portion of the claims of French investors who, through the Czarist government and the Russo-Asiatic Bank, supplied funds used to build the Chinese

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<sup>47</sup> Not printed.

Eastern Railway. He was willing to settle on a realistic basis, he said.

The new loan would be earmarked for renewing tracks and rolling stock of the Chinese Eastern, which has been jointly operated by China and Russia. Manchoukuo now claims the Chinese share of control."

Please bring this report to the attention of the appropriate French authorities and state that I should welcome their comments. You may point out that it is obvious that any foreign loan obtained by the present régime in Manchuria at this time would assist toward consolidation of the situation in Manchuria which this Government and the League have declared we would not recognize as valid.

STIMSON

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861.77 Chinese Eastern (Loan) 1932/3 : Telegram

*The Chargé in France (Armour) to the Secretary of State*

PARIS, June 8, 1932—5 p.m.

[Received June 8—2:30 p.m.]

366. Department's 215, June 7, 6 p.m. I took up the question of the Associated Press report with the Foreign Office this morning and was informed that this is a matter with regard to which an official denial has already been issued at Tokyo by the French Ambassador, at any rate of that portion of the report which would indicate official French support of any loan. The officials with whom I spoke said that while of course it was impossible to prevent private banks from sending their officers to Japan and even negotiating loans of a nature not requiring government approval the French Government from the beginning of the Sino-Japanese conflict has taken the position that no loan to either belligerent can have the French Government's approval adding that there would be even greater opposition on the part of the French Government to a loan to Manchoukuo. Officials at the Foreign Office with whom I spoke felt that the Franco-Asiatic Bank, which is a bank of very little importance, is not in a position to make a loan of any consequence from their own resources and that the only alternative, a public issue, would not be sanctioned by the French Government. They authorized me to assure you that they feel that no loan that could possibly be of any real value to Manchoukuo or that could in any way assist in the consolidation of the situation in Manchuria will be forthcoming from private French sources and that no financial assistance of any kind would secure official French approval.

I expect to have further information from reliable banking sources

with regard to the Franco-Asiatic Bank which took over, I understand, the interests of the Russo-Asiatic Bank and particularly with regard to Massenet himself. This will be forwarded in a separate telegram.

ARMOUR

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793.94 Shanghai Round Table/35 : Telegram

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

TOKYO, June 8, 1932—8 p.m.

[Received June 8—11:30 a.m.]

151. Embassy's 146, June 3, 5 p.m. As the French and Italian Ambassadors have received their instructions, I authorized Neville to join with them and the British Ambassador in calling on Viscount Saito this afternoon, in view of the fact that I have not yet presented my credentials. They held a preliminary meeting at our Embassy and agreed that the Italian Ambassador who is the senior of the group should act as spokesman.

The Italian Ambassador told the Foreign Minister that his Government appreciated the views of the Japanese Government and the celerity with which the Japanese troops had been withdrawn from Shanghai; that in view of the publicity regarding the meeting called by the former Foreign Minister it was felt that the Chinese had already been prejudiced against the suggestions then made and that further meetings in Tokyo at which the Chinese were not present would be unprofitable. At the same time it was desired to keep in close touch with the Japanese Government. Consequently, if the Japanese wished to follow up the suggestions along the line advocated by the previous Foreign Minister, it would be preferable to do so through the Japanese Ambassadors in the capitals of the powers concerned. This statement was concurred in by the French, British and American representatives.

Viscount Saito stated that he was glad to have this expression of views. His own idea was to have a round-table discussion in Shanghai with the Chinese present, the details of which could be discussed if and when the question should arise. It was his intention he said to have a Minister for Foreign Affairs appointed as soon as possible, he hoped within a week, and to turn the matter over to him to handle. He did not wish to tie the new Minister's hands by commitments and in the meantime he could, he supposed, communicate with the powers in regard to this matter if need should arise.

Viscount Saito was assured that the powers represented at today's meeting would be glad to take note of the views of the Japanese Gov-



ernment at all times, and that they desired to cooperate. The meeting then adjourned.

GREW

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761.93/1456 : Telegram

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

PEIPING, June 9, 1932—2 p. m.

[Received June 9—6:14 a. m.]

637. Following from American Consul at Nanking:

“June 8, 2 p. m. The following has been told me by an unofficial but generally reliable source: On June 6 Chiang Kai-shek and Wang Ching-wei held a long argument regarding the proposed resumption of diplomatic relations between China and Russia. Chiang has always opposed this step and Wang favors it. Chiang yielded and at the meeting of the Central Political Council held the same day five resolutions were passed including decisions as follows:

1. To make positive proposals to Moscow for the resumption of diplomatic relations.
2. To send full powers to Chinese diplomats at important capitals to explain to foreign governments confidentially that resumption of relations with Russia would not indicate any relaxation on the part of China of efforts to suppress communistic activities in China.
3. To issue an explanation of generally similar purport to the Chinese nation.
4. A resolution setting forth the object of the proposed resumption of relations as the hastening of war between Russia and Japan.

These resolutions were passed at a very secret meeting. It was explained to me that the object of the preliminary statements to foreign governments was to prevent foreign nations, especially France, from extending aid to Japan as an offset to the increase of Soviet influence in China.

My informant thought that probably representations had already been made to the more important foreign governments including the United States and that a public statement would be issued by the Chinese Government within a day or so. My informant agreed with me in thinking that one object of the Chinese Government in reopening diplomatic relations may be to make it possible to obtain munitions from Europe by a land route. My informant also said that secrecy was being observed by the Chinese Government in this connection in order to prevent a premature disclosure being utilized by Japan to enlist for herself the sympathy of Great Britain, the United States and other countries on the pretext of a threatened alliance between China and Soviet Russia. He explained that the Chinese Government did not have an alliance in mind but merely relations

with Soviet Russia such as that country has with other powers. My informant said that the departure of Chiang Kai-shek for Hankow June 7, 6 p.m., was intended to convince foreign governments that the Chinese Government still intends to suppress communistic activities in China.[7]

JOHNSON

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861.77 Chinese Eastern (Loan) 1932/5 : Telegram

*The Chargé in France (Armour) to the Secretary of State*

PARIS, June 9, 1932—5 p.m.

[Received June 9—1:45 p.m.]

368. Reference last paragraph Embassy's telegram 366, June 8, 5 p.m. Well-informed and reliable French and American banking authorities here express the opinion that the newly constituted state could not possibly secure any substantial financial aid from French bankers even if the Government were favorable which is not the case. It is pointed out that no reason political or otherwise is apparent why the French Government or French bankers should take such a serious risk. As concerns any possible public issue prevailing evident caution and hesitation of investors is emphasized even as concerns reasonably sound offers. As an instance a recent inconsequential issue although guaranteed by the French Government has found a very limited and narrow market here.

Massenet, director of the Franco-Asiatic Bank, has some personal wealth but the bank is weak (capital about 3 million francs) it is said. He has little or no influence in banking circles. He could not reasonably be expected to succeed in interesting or persuading bankers capable of furnishing any substantial capital to risk anything in the Far East under present circumstances. Bank's chief business appears to be the liquidation and management of concerns declared in bankruptcy. It has tried for years unsuccessfully to persuade French Government to intervene with the Chinese and Soviet Governments for return of its confiscated interest in Chinese Eastern Railway which is said to be considerable. Suggestion made here that to secure this end Massenet might have promised financial aid and also that he might be engaged in securing contracts for French firms for railway material. In this connection an article appears in today's *Agence Economique* stating that Massenet's essential mission in the Extreme Orient concerns the protection of French interests in the railway in question. In this respect this paper refers to provision of Washington Conference of 1922 "which holds the Chinese Govern-

ment responsible for the interests of the stock and bondholders of the Chinese Eastern Railway.”

ARMOUR

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793.94 Shanghai Round Table/37

*Memorandum by the Secretary of State*

[WASHINGTON,] June 9, 1932.

In a telegram to the Italian Ambassador from Signor Grandi, Signor Grandi thanked us for our message giving our exchange of views on the situation with regard to the Sino-Japanese conference, but thought that it might be well in some respects to have a preliminary conference for settling the agenda. He noted that the Japanese had suggested that the conference take up the question of Shanghai, and he rather suggested that there might be difficulty about trying to thrust in the question of Manchuria, although he saw equal difficulties about keeping Manchuria out. In the latter case he foresaw it would be played up by the Japanese politically. I replied to the Ambassador that I did not know what question they referred to in regard to Shanghai; that so far as I knew there were no international questions pending in regard to Shanghai, now that the Japanese troops had been withdrawn; that we had had no trouble in Shanghai until the Japanese troops came. I told him that I would not say that I would not consider any Shanghai question, simply that I did not know of the existence of any.

H[ENRY] L. S[TIMSON]

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793.94/5324 : Telegram

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

SHANGHAI, June 10, 1932—5 p.m.

[Received June 10—10:55 a.m.]

288. Referring to my telegram of January 28, noon, state of emergency has been withdrawn to become effective on the morning of June 13th. The withdrawal of the state of emergency will in my opinion facilitate the evacuation of Japanese troops from Hongkew district under agreement of May 5, 1932.

Repeated to the Legation.

CUNNINGHAM

793.94 Commission/289

*The Consul General at Mukden (Myers) to the Secretary of State*

No. 471

MUKDEN, June 10, 1932.

[Received July 5.]

SIR: I have the honor to submit the following report regarding the second and third visits made by the League of Nations Commission of Inquiry at Mukden following the completion of a nineteen day tour in the North.

Coming from Harbin by rail, the Commission reached Mukden at 10:00 p. m., May 21st, being welcomed in a similar though less elaborate manner than that which marked their first appearance here. Remaining for four days, they left in the evening of the 25th for a brief stay in the Kwantung Leased Territory and again returned to Mukden the evening of the 30th.

A detailed record of the Commission's activities while at Mukden is enclosed.<sup>48</sup> As will be noted therefrom, the formal inquiry activities of the Commission as a body consisted of three interviews with the Japanese Consular Authorities, visits to the Anshan Iron Works and Fushun Colliery, and interviews with Lieutenant-General Honjo, representatives of the Japanese Chamber of Commerce, and an interview with General Tsang Shih-yi, Governor of Fengtien Province. The news items in regard to these activities published in the *Manchuria Daily News* of Dairen are enclosed.<sup>49</sup>

It is interesting to note that during their last two visits here the members of the Commission, while very adequately "protected", were not subjected to the constant irritating surveillance previously accorded them as described in this office's despatch No. 464 of May 3, 1932. The change in this respect was very marked and, needless to say, greatly appreciated.

The Commission departed from Mukden on June 3rd, leaving by rail for Peiping at 6:30 a. m. In spite of this early hour, a large number of prominent officials saw them off, including incidentally the Soviet Consular Staff.

As previously this office did its utmost to be of every possible assistance to General McCoy, the American Commissioner, and both he and his American assistants, Dr. Blakeslee and Lieutenant Biddle, were frequent visitors at the Consulate General. They were my personal guests at several social functions given in their honor and were also entertained by members of my staff.

Respectfully yours,

M. S. MYERS

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<sup>48</sup> Not printed.<sup>49</sup> Not reprinted.

861.77 Chinese Eastern/1090

*The Consul General at Nanking (Peck) to the Secretary of State*

No. D-287

NANKING, June 10, 1932.

[Received July 18.]

SIR: I have the honor to enclose herewith a copy of a press release<sup>50</sup> in regard to Manchuria issued by the Chinese Government under date of June 7, but sent to me by the Foreign Office today.

The most important statement in the release seems to be that the National Government refuses to recognize as legal the appointment of officials of the Chinese Eastern Railway by the "Bogus Government" in Manchuria.

Respectfully yours,

WILLYS R. PECK

793.94/5283 : Telegram

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

WASHINGTON, June 11, 1932—1 p.m.

197. Department's 189, May 24, 6 p. m., and your 272, May 28, 2 p. m. Department appreciates the force of your arguments against endeavoring to induce, through the Japanese and Chinese members of the Joint Commission, the Japanese and Chinese Governments to make statements. Accordingly, Department desires that you drop this phase of the suggestion.

If, however, it should be decided that the issuance of a statement in a congratulatory vein by the members of the Joint Commission other than Japanese or Chinese would serve a useful purpose, the Department authorizes you to cooperate with your interested colleagues in this matter provided that such a statement is made after the complete evacuation, in accordance with the agreement of May 5, of the entire area occupied by Japanese military forces since January 28.

STIMSON

693.002 Manchuria/73 : Telegram

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

WASHINGTON, June 11, 1932—1 p.m.

176. Your 197, June 6, 5 p.m.

1. On June 10 I called informally to the attention of the Japanese

<sup>50</sup> Not printed.

Ambassador here<sup>51</sup> the recent reports received by the Department indicating that the present régime in Manchuria is contemplating taking over the Chinese customs administration in that area. I pointed out to the Ambassador that the maintenance of the integrity of this Chinese administrative service involves the rights and interests of various foreign governments in relation to certain fiscal obligations of the Chinese Government and is of concern to the powers signatory to the Nine-Power Treaty in view of their commitments under that Treaty. I informed him that the Department was very much concerned about these reports and that as Japanese subjects, over whom the Japanese Government alone can exercise control, are the principal advisers to the authorities of the new régime in Manchuria, I felt it necessary to bring this matter to his attention.

2. Under date June 10 the American Consul General at Harbin telegraphs that he has been informed by a local official that the appointment of an inspector general of customs for Manchuria has been postponed owing to fear of foreign complaints.

3. Please inform the British Foreign Office of the above.

STIMSON

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893.01 Manchuria/252 : Telegram

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

TOKYO, June 13, 1932—8 p.m.

[Received June 13—10:50 a.m.]

155. The movement for recognition of Manchukuo seems to be gaining headway in the past few days. Both major political parties are reported as preparing a joint resolution in favor of recognition, for presentation to the Diet tomorrow. Count Uchida, whose appointment as Foreign Minister seems to be imminent, is reported as strongly in favor of immediate recognition. According to several press interviews, General Araki, Minister for War, is, curiously, reported as opposed to immediate recognition because he desires the settlement of the question of Manchurian administration (Sanshomon-dai) before granting recognition.

The influential *Nichi Nichi* suggests that Chinese in Manchuria fear that the delay in recognition by Japan is due to Japan's desire to annex that country—a belief growing out of the present Japanese plan to combine the Japanese authorities in Manchuria under one head. The above paper, the *Chugai*, the *Yomiuri* and the *Osaka Mainichi*

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<sup>51</sup> See memorandum by the Secretary of State, June 10, 1932, *Foreign Relations, Japan, 1931-1941*, vol. 1, p. 89.

have all published editorials in the past 3 days advocating immediate recognition.

Replying to interpellations in the Diet the Government has stated that the time is still premature for recognition although the Government is prepared to grant recognition when the time arrives. Public opinion seems to be split, some advocating immediate recognition—others advising a watchful waiting policy. The press tonight reports that Uchida and Araki are meeting to discuss this question.

GREW

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793.94 Commission/286

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

No. 7

TOKYO, June 13, 1932.

[Received July 2.]

SIR: I have the honor to report that the people of Japan have so far shown little perturbation in regard to the investigations of the Far East Commission of the League of Nations in Manchuria. The vernacular press has kept the nation informed of the movements of the Commission, has reported the interviews, when they were not confidential, of members of the Commission with various Japanese, Chinese and Manchurian officials, and has, from time to time, published rumors of the probable recommendations of the Commission. Through it all, however, the Japanese people have remained calm and self-confident to a surprising degree. It is true that there was a small flurry of excitement in the press when it was reported that the Commission thought of recommending that Manchuria be placed under a mandate of the League of Nations, with Marshal Chang Hsueh-liang as chairman of the administrative commission, but this excitement quickly subsided on Lord Lytton's statement to the effect that the Commission had never considered such a mandate. The people are naturally keenly interested in the final report of the Commission, but appear to regard it more in the light of an academic problem than as a practical factor which will have concrete results affecting their progress in Manchuria. Likewise, the recently announced "Hoover Policy", indicating the possibility of an indefinite refusal to recognize any "situation, treaty or agreement" which Japan may enter into as a result of the military conquest of Manchuria, has aroused considerable interest in Japan as an abstract subject of discussion but has not created any excitement as a concrete barrier to their control of Manchuria.

This calm and self-confident attitude of the Japanese people, despite their general anticipation of a more or less adverse final report

from the Commission of the League of Nations, is due to the fact that they are entirely sure of themselves. There are two things which they may have to face—the official censure of the world (and the Japanese are unusually sensitive to adverse criticism) and concrete attempts to take from them the control of Manchuria which they have gained by military means.

The Japanese probably feel that they can ignore the censure of the world because they believe apparently that their actions in Manchuria are justified. Through constant reiteration in public speeches and in the press, the great mass of the people in Japan have become convinced that Manchuria is essential to their continued existence (although detailed facts to support this theory are never given), that the nation's interests in Manchuria were endangered by the government of Marshal Chang Hsueh-liang, and that military intervention was and is absolutely necessary to protect these interests. They have been told and believe that the opposition from other countries to their conquest of Manchuria is entirely based on a lack of knowledge of the actual conditions in China and Manchuria. They perhaps fail to understand or appreciate that the criticism abroad does not wholly arise from ignorance but is based largely on the belief that Japan, by its actions, obviously has disregarded certain international engagements into which the nation was supposed to have entered in good faith; that it has thereby done much to break down the peace structure over which the nations of the world have labored since the Great War. While the Japanese press has persistently expounded the alleged necessity of self-defensive measures in Manchuria, there has been almost no discussion of the harm done to the peace-preserving structure of the world by Japan's military operations. Apparently there is no official ban on the publication of such discussions, but the subject is avoided by common consent. In commercial circles the Japanese have long had the reputation of being unable to comprehend the nature of a contract or agreement, and it may be that this national peculiarity has caused the man on the street in Japan to ignore, as of little importance, the obligations of the nation under international agreements. However, the people as a whole stand firmly convinced that the action of the Japanese Army in Manchuria was justified by conditions and that the justice of their cause will become apparent to the world in the course of time. Consequently, for the present they can afford to ignore adverse criticism.

In regard to actual, concrete attempts to take away from the Japanese the control which they have gained over Manchuria, the people are also sure of their ground. The generally accepted idea is that they have obtained virtual control over a large part of Manchuria, that they intend to maintain that control against all opposition, and



that therefore there is no room for argument. Those of wider knowledge and more international experience realize the complications and dangers inherent in the situation, but they also apparently are sure of their ground. They realize the practical impossibility at present of compelling Japan by force of arms to relinquish its grip on Manchuria and the threat of an economic boycott does not frighten them. Contrary to the usually accepted opinion abroad that Japan could be starved into compliance within a short time, the fact is that Japan, in normal crop years, is entirely independent of imported supplies of foodstuffs. Japan is dependent upon other countries for essential industrial raw materials, such as cotton, wool, petroleum, and rubber, but there are sufficient supplies of such materials in the country to carry the nation for a considerable time, if manufacturing for exportation is stopped and if rationing within the country is adopted. While some distress would be caused by the stoppage of foreign trade, the nation as a whole can view with confidence the possibility of complete suppression of intercourse with foreign countries other than the nearby Asiatic coast for a period of years.

As a result of these factors the Japanese people, who are almost unanimously behind the Army in its Manchurian adventures, apparently feel no fear as to the eventual outcome of the investigations of the Commission of the League.

The above is a summary of Japanese public opinion as reflected in the press and represents the extreme nationalistic point of view, accentuated by what amounts at the present time to war psychology. The press has had little or nothing on the subject of the cost of the Manchuria and Shanghai campaigns and apparently the public as yet has given little thought to the question of the large funds necessary to conduct the military ventures on the mainland. Since the beginning of this year the public loans authorized to cover military expenditures in Manchuria amount to nearly Yen 330,000,000; it is probable that this sum can be raised within the country fairly easily, but the nation's ability to absorb public loans in the present depressed condition of finances is necessarily limited, while it appears improbable that Japan will be able to float loans abroad. The public attitude therefore may change after the funds available in Japan become exhausted and no funds are available from abroad. At the same time it must be remembered that a considerable section of the Japanese people under any circumstances would not regard the cessation of intercourse with foreign nations as a calamity.

Respectfully yours,

JOSEPH C. GREW

793.94 Commission/250 : Telegram

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

GENEVA, June 16, 1932—4 p.m.

[Received June 16—11:45 a.m.]

96. The following letter received from Drummond dated June 15.

"I received last night a telegram from Lytton Commission referring to the reports which have appeared in the press to the effect that there is a strong movement in certain circles in Japan for immediate recognition of the Manchukuo government. The Commission is clearly troubled by this possibility and asks me to ascertain (1) what information is being received from Tokyo by the principal members of the Council on this subject; (2) what action if any could be effective to induce Japan not to take such a step. The Commission observes that any such action by Japan would greatly reduce the prospect of an early friendly settlement of the Manchurian problem and would be difficult to reconcile with the engagement taken by Japan in December 'to avoid any further aggravation of the situation'.

I should be very glad of any information or advice which you could give on the two points specified by the Commission.<sup>52</sup>

It has asked me to consider its message as nonofficial and confidential. I am writing in a similar sense to the British, French, German and Italian delegations."

WILSON

893.51 Salt Funds/122 : Telegram

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

PEIPING, June 16, 1932—6 p.m.

[Received June 16—7:30 a.m.]

664. Following from Consul General at Nanking:

"June 15, 1 p.m. I was informed by Arthur Young June 14, 6 p.m., that the Manchukuo authorities since March have retained foreign loan salt quotas and surtaxes amounting to almost 1,000,000 silver dollars and the Chinese Maritime Customs revenue in Manchuria outside of Dairen have been detained by these authorities in customs banks for several months. He also said that the Chinese Government has apparently reliable information that the Japanese Government is threatening to seize the Dairen maritime customs contrary to the 1907 agreement.<sup>53</sup> Probably the Chinese Government will issue report on the statement in a day or so regarding salt and customs seizures in Manchuria and may also address notes to interested Gov-

<sup>52</sup> The Department's telegram No. 87, June 21, 1 p.m., informed the Minister in Switzerland of the contents of telegram No. 161, June 20, noon, from the Ambassador in Japan, p. 92.

<sup>53</sup> For text of agreement signed at Peking, May 30, 1907, see *Foreign Relations*, 1907, pt. 1, p. 133.

ernments on the same subjects. Young said that complete loss of the customs revenue from Manchuria including Dairen would reduce the net revenue of the Chinese Government by more than \$2,000,000 monthly.[<sup>27</sup>]

JOHNSON

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793.94/5337 : Telegram

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

SHANGHAI, June 17, 1932—3 p.m.

[Received June 17—9:25 a.m.]

297. At 10 a. m. June 17, area in Hongkew district east of Shanghai-Woosung Railway transferred to Chinese control with exception of extra-Settlement roads confined therein. Chief of Staff, Japanese naval landing party states his troops now in positions occupied before January 28th [with] following exceptions: Nikka cotton mills in Woosung, Tungwen College, Toyoda cotton mills, Kungdah mill and area (D). Lieutenant Boone and other neutral military observers witnessed evacuation.

Please inform War and Navy Departments at discretion.

Repeated to the Legation.

CUNNINGHAM

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893.01 Manchuria/267 : Telegram

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

TOKYO, June 17, 1932—7 p.m.

[Received June 17—12:13 p.m.]

158. Department's 129, June 16, 6 p. m.<sup>54</sup> Before adjournment the Lower House passed a resolution reading as follows (in translation) "The Government should immediately recognize Manchukuo". The House of Peers took no action. It is difficult to estimate the value of this resolution but it appears to have been little more than political ebullition to satisfy the public interest in Manchuria. I have no reason to suppose that it was engineered by the Government or that the Government will be influenced unduly thereby or use it as a pretext for action.

The Vice Minister for Foreign Affairs had a conversation with a member of my staff today, said that while the Government would

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<sup>54</sup> Not printed; it asked for information.

have to take note of this resolution the question of recognition of the Manchukuo regime was not up for consideration at the moment and that the Government would not consider it at all before Count Uchida assumes office as Minister for Foreign Affairs. This will not be before July, in all probability, as Uchida is returning to Dairen to settle up his affairs as President of the South Manchuria Railway. In any case, he added, even if Count Uchida were in favor of immediate recognition, he would feel bound to discuss the question with the League of Nations Commission before recommending action. The Vice Minister added that it was a mistake to assume that Count Uchida believed in immediate recognition, as the latter is a very careful man. He stated further that the Japanese Government would not act precipitately in this matter and in fact could not do so because of the many issues involved.

Repeated to Peiping.

GREW

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893.01 Manchuria/274½

*Memorandum by the Under Secretary of State (Castle)*

[WASHINGTON,] June 17, 1932.

The Chinese Chargé read me a telegram which he had just received from his Government. He said that he believed the same instructions had been sent to other missions. The telegram stated that the Chinese Government had repeatedly protested to Japan concerning the creation of the so-called state of Manchukuo, which state China believes is entirely the creature of Japan; China has also repeatedly told Japan that it would be held responsible for anything that happened in Manchukuo; the Japanese Diet has now recommended recognition of Manchukuo (as a matter of fact, no action has been taken by the House of Peers); the Chinese Government believes that recognition of Manchukuo would be contrary to the terms of the Nine Power Treaty and plans shortly to make a public statement giving its reasons for this belief.

I asked Dr. Yen in what manner this statement would be made, whether merely to the press or to foreign nations or to Japan, but Dr. Yen had no knowledge on this point. I asked him why the Chinese Government wished us to know the content of the telegram. He said it was because China believed that the vote in the Diet was intended to bring about an expression of world opinion on the subject of Japanese recognition of the new state; he said he thought that Japan would wait to see what the reaction of the world was likely to be and that, if strong representations should be made to Japan, it might save

the day. He asked me whether I thought we would make such representations. I reminded him that the Chinese Government had not asked us, in his instructions, to take this step although I agreed with him that the instructions perhaps implied such a request. I said that we were, of course, very much interested in developments in Japan along this line and that we were quite alive to the situation; I said that it was impossible for me to indicate in any way what action we should take, if any, but that we were studying the whole question of whether or not recognition on the part of one of the signatories would be a breach of the Nine Power Treaty; I told him also that it seemed to me nothing could be done precipitantly, since if the different nations should agree that the act would be in derogation of the treaty, it was clear that the only effective pressure to be brought would be a common pressure; I said the only thing he could say to his Government in answer was that we were glad to have the message and that this Government was fully alive to the whole situation.

W. R. CASTLE, JR.

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693.002 Manchuria/108

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

No. 159

LONDON, June 17, 1932.

[Received June 25.]

SIR: I have the honor to state that on June 13 the Parliamentary Under-Secretary for Foreign Affairs made the following statement in the House of Commons:

"The Japanese Government have informed us that they share our desire to see the integrity of the Chinese Maritime Customs maintained. Control of the Manchurian Customs by the Japanese Government would be entirely inconsistent with these assurances."

The Acting Chief of the Far Eastern Department in the Foreign Office informed the Embassy recently that the statement was based upon a telegraphic report dated April 15 from the British Ambassador at Tokyo, which, paraphrased, reads:

"The Foreign Minister reiterated today the firm intention of the Japanese Government to avoid interference with the Customs Administration."

Mr. MacKillop said that the Foreign Office had received no important communication from the British Ambassador at Tokyo since the message referred to in my telegram No. 197 of June 6, 5 p.m. However, it seemed to him that the Japanese Government is trying to extricate itself from a dilemma: in view of the statement made by

the Japanese Foreign Office that Manchuria would not be recognized until it had "all the attributes of sovereignty" it could not give way to the present popular clamor for recognition without either abandoning its previously declared position, and giving recognition before Manchuria had all the attributes of sovereignty, or acquiescing in the seizure of the Customs. Mr. MacKillop thought that the delay in making any declaration of policy in this regard by the present Japanese Government indicated its realization of the difficulties of the Japanese position, and he hoped that it would not choose to hang itself on the repudiation of the categorical engagement given to the British Ambassador.

Respectfully yours,

For the Ambassador:  
RAY ATHERTON  
*Counselor of Embassy*

693.002 Manchuria/83 : Telegram

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

PEIPING, June 18, 1932—5 p.m.

[Received June 18—8 a.m.]

676. I have just received the following message from Mr. Maze, Inspector General of Customs at Shanghai.

"In connection with the question of the integrity of the Manchurian customhouses I write to inform you that I have received the following telegram from the Dairen Commissioner for Customs which is self-explanatory.

'Received another despatch from Ministry of Finance dated 12th June ordering me to remit Dairen customs revenue to Tung San Sheng Kuan-yinhao<sup>65</sup> instead of to Shanghai, saying that Changchun government will consider my disobedience as expression of my hostile intentions and will take such measures as they deem suitable and effective.'

JOHNSON

803.01 Manchuria/267 : Telegram

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

WASHINGTON, June 18, 1932—1 p.m.

86. Your 96, June 16, 4 p.m. The Department has received information from the American Ambassador at Tokyo in regard to the movement in Japan favoring immediate recognition of Manchukuo as follows:

Under date June 13 the Ambassador telegraphed as follows:

<sup>65</sup> Three Eastern Provinces Bank.

[Here follows quotation of telegram No. 155, June 13, 8 p.m., printed on page 75.]

Under date June 17 the Ambassador telegraphed as follows:

[Here follows quotation of telegram No. 158, June 17, 7 p.m., printed on page 80.]

With regard to what action if any could be effective to induce Japan not to take such a step, the Department will inform you further if it has any suggestion after the Secretary, who has just returned from Chicago, has had a chance to consider the matter.

Please inform Drummond of the above for his discreet use, at the same time stating that the Department would be glad to receive any additional information that Drummond may receive and be in position to furnish.

STIMSON

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893.01 Manchuria/297

*Memorandum by the Assistant Chief of the Division of Far Eastern Affairs (Hamilton)*

[WASHINGTON,] June 18, 1932.

Dr. Hawking Yen called and referred to his conversation of June 17 with Mr. Castle on the subject of Japan's reported intent to recognize the regime in Manchuria. Dr. Yen stated that subsequent to his conversation with Mr. Castle he had received a telegram from Dr. W. W. Yen at Geneva stating that the League Assembly Committee of Nineteen would continue in existence for another six months; that the Committee of Nineteen would meet the coming week; that the Committee would probably consider the situation presented by reports that Japan intended to recognize the present regime in Manchuria; and that in Dr. Yen's opinion the hands of the Committee of Nineteen would be greatly strengthened if the American Government would make known to the Committee its attitude with regard to the question of Japan recognizing the Manchuria regime.

Dr. Hawking Yen stated that the Chinese Government felt that the passage of a resolution by the lower house of the Japanese Diet recommending immediate recognition by Japan constituted a trial balloon, that the Chinese Government thought that because of the passage of this resolution the time had come when it would be very opportune for the United States and the other interested powers to declare their attitude toward Japanese recognition of the Manchuria regime; that in the opinion of the Chinese Foreign Office recognition by Japan of the Manchuria regime would constitute a violation of the Nine Power Treaty, would be violative of Japan's commitments

to the League and to the United States, and would be inconsistent with the statements made by the American Government in its identic note of January 7 to China and Japan<sup>56</sup> and in the Secretary's letter of February 23 to Senator Borah.<sup>57</sup>

Mr. Hamilton stated that the passage of the resolution referred to by the Japanese House of Representatives presented the question of whether such a resolution would have any effect upon the Japanese Government's action in the matter and Mr. Hamilton stated that it was his understanding that such a resolution was not mandatory upon the Government. Mr. Hamilton stated that the Department was of course alive to the situation and was following developments with care. When Dr. Hawking Yen reiterated that in the opinion of the Chinese Government and of Dr. W. W. Yen it would be helpful for the American Government to make known its attitude in regard to this question, Mr. Hamilton stated that he could make no further comment. Mr. Hamilton suggested that the Chinese Chargé might care to speak to the Secretary about the matter and the Chargé left with the understanding that Mr. Hamilton would endeavor to ascertain whether the Secretary would see the Chargé or indicate to Mr. Hamilton what the Secretary desired that Mr. Hamilton say to the Chargé.

NOTE: In a telephone conversation with the Chinese Chargé on June 23, Mr. Hamilton informed the Chargé that while he had not seen the Secretary he had talked with the Under Secretary and that it was not felt that we could make any comment on this matter additional to that already made by the Under Secretary and Mr. Hamilton. Mr. Hamilton added that our reports do not indicate that the question of recognition is as imminent as it had appeared several days ago, to which the Chargé replied that his most recent information was to the effect that the question was still imminent.

M[AXWELL] M. H[AMILTON]

893.102 S/1217

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

No. 1580

PEIPING, June 18, 1932.

[Received July 16.]

SIR: Referring to the Legation's telegram No. 623 of June 6, 7 p.m., I have the honor to transmit herewith a memorandum dated

<sup>56</sup> See telegram No. 2, January 7, noon, to the Consul General at Nanking, and footnote 9, vol. III, p. 7.

<sup>57</sup> See telegram No. 50, February 24, 2 p.m., to the Consul General at Shanghai, *Foreign Relations, Japan, 1931-1941*, vol. I, p. 83.



April 20, 1932, regarding the so-called "Shanghai Defense Scheme" or, as it is officially known, "Terms of an Agreement for Combined Action in Times of Emergency by the Local Forces and the Armed Forces of Foreign Powers Stationed in Shanghai".

This agreement appears to have been signed in December 1931, by the commanding officers of all foreign forces stationed in the International Settlement and the French Concession, as well as by the Chairman of the Shanghai Municipal Council, the Commandant of the Shanghai Volunteer Corps, and the Commissioner of Police. Although the signatures were preceded by the statement "I agree, subject to the confirmation by superior authority", I am not aware that as far as the United States was concerned any "superior authority" was given an opportunity to express any views on the proposed scheme. The document was marked "Secret" and had never been seen by the American Consul General at Shanghai until he borrowed a copy of it at my request.

Considering the importance an international agreement of this nature may assume, and did assume in this instance, I feel very strongly that in future the officers commanding American forces in Chinese ports should receive definite instructions to submit a copy of any defense scheme which they may have occasion to sign to the nearest American consular officer, for reference to the Legation.

In this connection I also beg to enclose a memorandum<sup>58</sup> of a conversation I had on May 24, 1932, with Lieutenant Colonel Truesdell, United States Army, who is temporarily commanding the 15th Infantry at Tientsin, in which I brought this aspect of the situation to his attention.

Respectfully yours,

NELSON TRUSLER JOHNSON

[Enclosure]

*Memorandum by the Minister in China (Johnson)*

SHANGHAI, April 20, 1932.

Shortly after his arrival in Shanghai, Colonel Drysdale, the Military Attaché, gave me a memorandum covering certain statements made to him about the character of the defense scheme at Shanghai, and the use made thereof by the Japanese for legalizing the position of their landing force at Shanghai.

I discussed this matter with Mr. Cunningham, the American Consul General at Shanghai, and after a considerable period of time during which he told me that he was promised a copy of the defense

<sup>58</sup> Not printed.

scheme which he referred to as "secret", he gave to me to read a document entitled "Terms of an Agreement for Combined Action in Times of Emergency by the Local Forces and the Armed Forces of Foreign Powers Stationed in Shanghai", which he stated was the secret agreement for the defense of the Settlement under which the several forces of the Powers had acted on January 28th. Mr. Cunningham informed me that he had never seen this scheme before, and apparently he was under the necessity of returning it to the source from which he had borrowed it, for he asked me to return it to him as soon as I had finished reading it. From the character of the document and its cover I would say that the source from which he borrowed it was British, and probably it was from the Municipal Council itself or from the British military forces.

I made the following notes concerning this document in the course of my reading:

After setting forth the responsibility of the Municipal Council of the International Settlement at Shanghai for the maintenance of order within the Settlement by using the forces at its command, namely the police and the volunteers, the agreement proceeds, under the heading "Role of Foreign Garrisons", to state that the foreign garrisons, meaning by this term the foreign national forces landed and quartered within the Settlement, were stationed in Shanghai primarily for the protection of the lives and property of their own nationals when the situation got beyond the capacity of the local authorities to deal with.

The agreement then goes on to state that, owing to "the size of the Settlement and to the fact that foreign interests are interdependent, and foreign nationals and property are scattered over the whole area, any attempt to limit the action of individual foreign garrisons to the protection of their own nationals and property alone would lead to undue dispersion and loss of efficiency", and lays down the following as having been agreed to in order that there might be coordinated action between the foreign garrisons, and between them and the municipal forces, for the attainment of "a common object".

The common object of the foreign garrisons and the municipal forces is defined in the agreement in the following language:

"1. To protect foreign lives and property within the International Settlement and *its vicinity*, from internal disorders beyond the capacity of the local authorities, viz. the Shanghai municipal police and the Shanghai volunteer corps.

"2. As far as may be necessary to afford such protection, *to defend the International Settlement and the French Concession against external aggression.*[""]

The agreement then proceeds to divide the International Settle-

ment *and its vicinity* into sectors, the commanders of which shall be responsible for assisting the police of the municipality to maintain "law and order for the protection of foreign lives and property within the limits of their respective sectors".

Provision is made in this agreement, however, whereby all defense forces may be mobilized by the Chairman of the Defense Committee in any particular area specially threatened. The Defense Committee was composed as follows according to Appendix "A" of the agreement:

"Chairman: the senior Garrison Commander in Shanghai. Members: Chairman Shanghai Municipal Council, Commissioner Shanghai Municipal Police, Garrison Commanders, Commandant Shanghai Volunteer Corps."

The agreement provides further that the following may be invited to attend the meetings of the Defense Committee when concerned, and alternatively indicates that they possess the right to attend if they desire: Commandant French Forces, and a representative of each national naval force present. The Chief Staff Officer of the senior Garrison Commander is designated as Secretary to the Defense Committee.

This Defense Committee is charged by the agreement with the responsibility of deciding when the plan for combined action would come into force.

The scheme provides, however, that no proceedings of the Defense Committee shall prejudice the rights of any Garrison Commander to communicate and consult with his national counselor and naval authorities present, nor prevent his independent action should he consider such necessary to conform with orders from higher authority. In case of independent action, it is provided that such Garrison Commander will at once inform the Chairman of the Defense Committee.

The agreement provides that "for the purposes of tactical employment under the combined plan, the Shanghai Municipal Council have agreed to place the Shanghai Volunteer Corps under the orders of the officer commanding the British forces in Shanghai."

The scope of the agreement is described therein as:

a) The combined plan is primarily intended to deal with grave internal disturbances when the local authorities cannot without assistance give adequate protection to foreign lives and property.

b) Such a situation may arise by itself, or it may precede or combine with another from outside by:

- 1) Chinese Government troops involved clearly in an anti-foreign movement;
- 2) Chinese troops engaged in civil war;

- 3) Semi-organized mobs actuated by communistic or similarly lawless motives;
- 4) Organized infiltration of any of the above categories.

*Perimeter.*

The agreement then proceeds to describe the perimeter of the area in which the combined plan applies, in the following words:

“(Excl.) Central sewage treatment works; (incl.) Paoang Road, Dixewell Road to Settlement Boundary, eastward along Settlement boundary to Glenn Road—creek running northeast from end of Glenn Road to Chunkung Road—Chunkung Road—Settlement eastern boundary—Whangpoo River to junction International Settlement and French Concession—western boundary French Concession to junction of Avenue Haig and Avenue Joffre—Fahwah Road (new name Amherst Avenue)—Shanghai-Hankow Railway to Soochow Creek railway bridge—Soochow Creek to Tibet Road bridge—line of block houses and gates to junction of north Honan Road and Settlement boundary—north Honan Road to Woosung Railway—Woosung Railway to Hongkew Park—Hongkew Park.”

The agreement then proceeds to state that the “perimeter” “is the line through which no forces, mobs, or individuals likely to threaten the safety of foreign lives and property will be allowed to pass from the outside.”

The plan for describing the several sectors assigned to the different nationalities proceeds to describe cases of special protection outside the perimeter in the following words: “In addition to the sectors of responsibility given in Paragraph 4—(a) Officer commanding British sector will be responsible for the protection of the Toyoda Mill, situated 700 yards west of Jessefield Park; (b) *Pootung*. Special arrangements will be made by the Defense Committee should it become necessary at any time to employ garrison forces to protect foreign lives and property in Pootung.”

The agreement was signed by the commanding officers of the several national military forces landed in the International Settlement in Shanghai, and also by the Chairman of the Shanghai Municipal Council, the Commandant of the Shanghai Volunteer Corps, and the Commissioner of the Shanghai Municipal Police, with the following statement appended: “I agree, subject to the confirmation by superior authority, to the foregoing provisions for combined action in and around the International Settlement of Shanghai.” It was signed by the Colonel of the French forces in so far as the arrangement for cooperation between the forces of the French and the International Settlement was concerned.

It was noteworthy that the above agreement apparently had never been communicated to the American Consul General at Shanghai, who represents the American Government at Shanghai in so far as

concerns the policy of the American Government in relation to the International Settlement at Shanghai, although the agreement was signed by Colonel Hooker, Commandant of U. S. marines landed for the purpose of protecting American life and property at Shanghai.

It is further noteworthy that the policy of this agreement, namely, to arrange for the combined use of the forces landed by the several nations at Shanghai for the protection of lives and property within the International Settlement and "its vicinity", and the agreement's announced purpose "to defend the International Settlement and the French Concession against external aggression", and the defining of a perimeter "through which no forces, mobs, or individuals likely to threaten the safety of foreign lives and property will be allowed to pass from the outside", which included Chinese territory outside the boundary of the International Settlement, involved the obligation—at least morally—to use the national forces of the United States at Shanghai for purposes quite contrary to the announced policy of the United States Government in connection with the Settlement.

While it is true that the Commanding Officer of the American landing force at Shanghai signed the agreement subject to approval of higher authority, there was no indication to him that any attempt had been made to communicate this plan or its purpose to the American Consul General at Shanghai, or by him to the Department of State for its approval.

It is believed that this plan was drawn up after the beginning of difficulties between the Chinese and Japanese on September 18, 1931, when presumably the responsible authorities at Shanghai were aware of the possibility of difficulties between the Chinese and Japanese at Shanghai which might involve the Settlement, and yet this agreement announced that any attempt to limit the action of individual foreign garrisons to the protection of their own nationals alone would lead to undue dispersion and loss of efficiency; and it proceeded to divide the area which was to be defended under the scheme into sectors, and assigned the sectors to the different landing forces including the Japanese, the nationality most likely to be involved in any difficulty at Shanghai.

It will be recalled that, shortly after the middle of January, 1932, the Japanese made certain demands upon the Mayor of Shanghai and issued an ultimatum to the Mayor, that unless a satisfactory reply to those demands was forthcoming by the evening of January 28th, the Japanese would take such measures as seemed necessary to enforce their demands. On the night of January 27th the Japanese moved their flagship to the front of the Japanese Consulate, and on the morn-

ing of January 28th the Japanese Admiral informed the members of the Defense Committee that he proposed to take forceful action on the morning of January 29th.

The American Consul General who, it must be remembered, had no information as to the contents of the defense scheme which I have outlined above, informed me by telegram dated January 28th, 2 p.m., that he had learned on reliable authority that the Japanese military intended to take action on the morning of January 29th and that this information was confirmed by the Secretary of the Municipal Council (who presumably had knowledge of the defense scheme above outlined), who informed Mr. Cunningham that he had been asked by the Japanese staff officer "whether, in the event of prolonged Japanese occupation of Chinese territory contiguous to the Settlement, Settlement police would undertake policing thereof".

The Defense Committee described above in connection with the defense scheme at Shanghai met on the morning of January 28th with these facts in their possession, and with knowledge that the situation at Shanghai was tense because of the activities of the Japanese—one of the members of the Defense Committee—and requested the Municipal Council to declare a state of emergency as of 4 p.m. on January 28th. The effect of such a declaration on the part of the Municipal Council was to put the agreement above outlined into effect, and start the arrangements necessary to put the landing forces upon the defensive along the perimeter therein described.

At 3 p.m. on January 29th the Mayor of Shanghai communicated his complete acceptance of the Japanese demands to the Japanese Consul General, who communicated it to the foreign Consular Body. This communication was accepted by the Consular Body as an indication that all was well and that nothing further would happen. Nevertheless, at 4 p.m. a state of emergency was declared by the Municipal Council, and some time near midnight on the night of January 28th the Japanese landing forces, proceeding to occupy the sector assigned to them within the perimeter of the defense scheme, came into conflict with armed Chinese forces which had every right in the world to be in that area and who had no knowledge of the terms of the defense scheme which had described such a perimeter, and the Shanghai incident of January 28th was in full swing. The Japanese then and since have stated that they were engaged in fighting the battles of the other foreigners at Shanghai, in defending those foreigners against acts of aggression by the Chinese military, and that they should have received the support of the other foreign powers in what they did.

NELSON TRUSLER JOHNSON

893.01 Manchuria/272 : Telegram

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

GENEVA, June 19, 1932—6 p.m.

[Received June 19—1:50 p.m.]

97. Your 86, June 18, 6 [1] p.m. Substance of telegram delivered to Drummond under conditions you mention. Massigli informed me orally last night that in the event that the great powers decided to make representations to Tokyo, the French Government would be willing to cooperate.

WILSON

893.01 Manchuria/274 : Telegram

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

TOKYO, June 20, 1932—noon.

[Received June 20—9 a.m.]

161. In amplification of my telegrams 155, June 13, 8 p.m.; and 158, June 17, 7 p.m., and with reference to Department's 129, June 16, 6 p.m.,<sup>59</sup> I submit the following survey of the principal problems which are confusing and perplexing the Japanese Government in determining whether or not to extend early recognition to the Manchukuo regime. From the changing tone of his various published press interviews, and from other sources, I gather that Count Uchida is now, after his conferences in Tokyo, by no means so certain of the wisdom of that step as he was reported to be when he came.

1. Establishment of the united administration for Japan's interests in Manchuria.

At a meeting on June 18 attended by high officials of the Ministries of War, Foreign Affairs, Overseas Affairs and Finance, a general plan is reported to have been agreed upon. Points which were reportedly not settled are the name of the new body, the method of deriving revenues to support it, and the supervising authority (whether the Premier or the Overseas Ministry).

The chief of the new administration would probably be a military officer. (General Muto is the only man so far who has been prominently mentioned as possible appointee to this position). He would have directly under his authority the Kwantung army, the Kwantung government, the South Manchuria Railway and the Japanese consular representatives in Manchuria.

2. The degree of independence to be granted.

<sup>59</sup> Latter not printed; it requested information.

The principal conflicts here, as in the other problems enumerated in this summary, are between the Japanese connected with the Manchukuo regime, who reportedly favor a large degree of independence and freedom from any outside control, and the Japanese having interests in Manchukuo, commercial or otherwise, which the latter fear will be endangered by too great a degree of independence, particularly if the question of extraterritoriality is involved. Friction between General Honjo in Manchuria and General Araki is said to be partly due to this question and to be responsible for some of the delay in settling it.

(There are reasons to suspect that the unexpected plan of Count Uchida to return to Dairen is partly connected with an effort to settle the foregoing question).

### 3. Difficulties foreseen if Manchukuo is recognized by Japan.

#### (a) Criticism from foreign powers.

Japanese officials seem to vacillate between saying that foreign opinion is vitally connected with the problem and that it should not be taken into consideration at all.

#### (b) Necessity for a commercial treaty with Manchukuo.

The large Japanese commercial interests would favor a preferential tariff but the Foreign Office sees danger in possible interference with the "open door" policy.

The question as to whether or not the Nine-Power Treaty has been violated would be brought sharply to the fore.

### 4. Difficulties foreseen if Manchukuo is not recognized by Japan.

#### (a) The popular demand in Japan for recognition of Manchukuo.

The desire for eventual recognition of Manchukuo is widespread as evidenced by the Diet resolution.

Since September the Army has sold the idea of the Manchurian enterprise to the people on the basis of its being an idealistic and humanitarian venture looking to the recognition of a new state at the earliest possible date. Failure to recognize would be misunderstood, the people having been carefully guarded against any suspicion that the present regime in Changchun was in any sense a puppet government.

#### (b) Faith to be kept with the government officials at Changchun.

It is expected by some Japanese that recognition will remove suspicion of the motives of the Japanese from the minds of the local Chinese who were persuaded to cooperate with the Manchukuo by promises of recognition.

(c) The taking over of the customs by Manchukuo and a preferential tariff for Japan desired by some interests would be difficult if not impossible.

The customs office at Dairen, being based on a treaty with China, presents greater difficulties than those at other ports in Manchuria both on account of administration and volume of trade.

(d) The financial burden of the maintenance of an army in Manchuria.



Many Japanese connected with the Changchun regime, including Ohashi, the Manchukuo Vice Minister for Foreign Affairs, are reportedly in favor of the return to Japan of most of the Japanese troops following recognition and the granting of real independence. This it is felt would instill confidence in the Chinese members of the regime and discourage the opponents. The cost of the Japanese soldiers who were retained might be borne largely by the Manchukuo regime.

(e) The railway and land problems would, the Japanese feel, continue in their present unsatisfactory condition.

(In conclusion).

In this general connection the Department will no doubt see in the American press a long interview given by Ohashi to Don Brown, an American correspondent who has just returned to Japan from Manchuria, published yesterday in the *Japan Advertiser* in which Ohashi emphasizes the complete independence of Manchukuo from Japanese manipulation and is quoted as declaring "It is lack of confidence in the future of Manchukuo that makes the Tokyo officials look silly. They know nothing more about it than the blind critics in other countries".

Repeated to Peiping.

GREW

#### CHAPTER X: JUNE 21—JULY 31, 1932

**Japanese Warning Respecting Integrity of Chinese Customs Administration in Manchuria and Chinese Public Appeal to Powers for Its Preservation; Chinese Request for American Action in Support of Nine-Power Treaties of 1922, June 23; Reminder by League Assembly's Committee of Nineteen to Japan and China of Their Engagements Not To Aggravate Existing Situation, June 24; British Representations to Japan on Behalf of Integrity of Chinese Customs Administration in Manchuria, June 28; Similar Representations by United States, France, and Italy; British and French Counsel to Japan Against Recognizing "Manchoukuo"; Completion of Seizure by "Manchoukuo" of Chinese Customs Administration in Manchuria; Further British Representations to Japan Respecting Manchurian Situation; Final Visit of Lytton Commission of Inquiry at Tokyo and Japanese Determination to Recognize "Manchoukuo"; Restatement for China of American Views, July 17; American Disapproval of Japanese Policy in Manchuria, July 18; Extension of Japanese Military Influence to Border Area of Jehol**

693.002 Manchuria/85 : Telegram

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

PEIPING, June 21, 1932—8 a.m.

[Received June 21—2:42 a.m.]

680. 1. Mr. Yano, Japanese Chargé d'Affaires, has come to see me under instructions from his Government to say that it has information that Manchukuo authorities are prepared to enter into some kind of an arrangement with Chinese Government whereby and if possible cus-

toms collected in Manchuria including Dairen will be paid over to Manchukuo, remainder being remitted as before to Nationalist Government to cover foreign loans and Customs Administration cost. Japanese Chargé d'Affaires states that it is opinion of his Government that if Chinese Government will tacitly consent to such an arrangement integrity of customs will be preserved. He says that it is their belief that if Chinese Government refuse to acquiesce in such an arrangement Manchukuo authorities, who are now pressed for money and who consider that customs surplus is a burden upon people of Manchuria and is being used by Chinese Government to finance opposition against Manchukuo, will take drastic steps to take over entire Customs Administration. He points out that this will of course destroy integrity of customs although it is possible that Manchukuo may make arrangements with interested parties for service of loans. Japanese Government has instructed Chargé to ask British, French and American representatives to cooperate with him in exerting pressure upon Chinese Government to enter into arrangements with Manchukuo as above outlined. I have informed Japanese Chargé d'Affaires that I am without instructions, that I must refer the above to you and that as soon as I receive instructions I will communicate with him further in the matter.

2. Question of Dairen involves Sino-Japanese agreement of 1907 regarding functioning of Chinese customs in leased territory.

3. My British and French colleagues have been similarly approached by Yano and have referred matter to their Governments for instructions.

JOHNSON

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693.002 Manchuria/87 : Telegram

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

PEIPING, June 21, 1932—5 p.m.

[Received June 21—10:40 a.m.]

683. Mr. T. V. Soong has issued the following statement concerning the customs crisis in Manchuria :

“In previous statements the Ministry of Finance drew public attention to the fact that the Japanese Government in the guise of the so-called Manchukuo authorities was deliberately interfering with the Customs Administration in Manchuria. Remittances to the Inspector General of Customs from Harbin, Newchwang and Antung have been forcibly stopped since March 28, April 16 and April 19, respectively.

Latest developments have made the situation even more critical. Reports from the Commissioners of Customs in Manchuria show that the puppet government [is] now in the process of appropriating the

revenues detained in those ports and is extending its encroachment to Dairen by claiming the revenue of that port and instructing the Commissioner[s] of Customs and the depository banks—as the Bank of China and the Yokohama Specie Bank—to stop remittances to the Inspector General. The depository banks which are under the domination of the Japanese authorities have responded by refusing to make remittances since June 7.

This action is all the more grave and significant because the customs revenue collected at Dairen which so far has been intact forms more than half of the entire Manchurian collection because Dairen is Chinese territory leased to Japan; and because the customs is established there by an international agreement made between Chinese and Japanese in 1907. Few would take seriously the Japanese contention that the so-called Manchukuo authorities were acting independently of Japan when they interfered with the customs at Antung, Harbin and Newchwang. But at Dairen there cannot be even the shadow of an excuse for Japan to escape responsibility since that port is leased territory entirely under her control and interference with the customs constitutes a direct violation by Japan of a solemn international agreement.

The total customs revenue of the Manchurian ports comprises [on] the basis of the collections during the last 5 years and [sic] average 15 percent of the entire customs revenue. In 1931 the total Manchurian revenue was 26,078,000 Haikuan taels or 39,117,000 dollars.<sup>60</sup>

The flagrant breach of international agreements and undertakings by Japan and her puppets is of the gravest concern to the world. If it is allowed to go unchallenged it will establish a vicious precedent and will mean the beginning of the end of the Maritime Customs which has been the mainstay of Chinese credit at home and abroad. Not only are the principal domestic and foreign loans and indemnity secured on the customs but the Chinese Government has undertaken that the loans in arrears including many of the railway loans will be pledged on a portion of the customs surplus.

In addition the loss of the Manchurian customs revenue will throw the various obligations secured on the customs revenue entirely upon the other ports of China. In the present difficult economic situation the customs revenue averages about \$310,000,000 annually for all China including Manchuria and of this sum more than \$250,000,000 is required for payment of customs-secured obligations and for customs service charges. The appalling effect of a monetary loss of 49,000,000 [39,000,000?] from the total revenues is a calamity impossible to face.

The seizure of revenue will also have as an inevitable consequence the replacement of the entire customs in Manchuria by a puppet installation; the region will be economically severed from the rest of China and to all intents and purposes will become a part of Japan just as in the case of Korea.

The existing unfavorable balance of trade against China will be dangerously accentuated since Manchuria is about the only important region in China that has an export surplus.

<sup>60</sup> Telegram dated June 23 from the Minister in China stated: "Legation's 683 gave figures as published but apparently second figure should be 39,000,000 Mexican at rate of 1.50 Mexican to 1 Haikuan tael." (693.002 Manchuria/97)

In a formal despatch from the so-called Manchukuo Minister of Finance dated June 9 to the Dairen Commissioner of Customs it is foreshadowed that he will take self-protective measures such as may render the maintenance of the integrity and the international *status quo* of the Customs Administration out of the question.

By unparalleled sacrifices the National Government for the first time since the establishment of the Republic has succeeded in keeping expenditures within the bounds of income. The seizure of the customs revenue along with the already accomplished seizure of the entire salt revenue in Manchuria including the foreign loans quota constitutes a set-back the gravity of which cannot be overestimated.

If the customs which has been the mainstay of China's finances is broken up a financial catastrophe of the first magnitude will occur demoralizing the Chinese markets with consequent world-wide repercussions [*repercussions*].

The friendly powers are interested in the integrity of the Maritime Customs which is the one prop against financial chaos; they are interested in the customs as security for their loans and loss [*loans*] in arrears; and they have solemnly guaranteed the territorial and administrative [*administrative*] integrity of China. In a world already darkened by economic depression surely they cannot regard with indifference the callous destruction of solvency of 400,000,000 people."

JOHNSON

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693.002 Manchuria/90 : Telegram

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

PEIPING, June 22, 1932—4 p.m.

[Received June 22—7:32 a.m.]

689. Following from American Consul General at Mukden:

"June 21. Referring to my telegram of June 3, 5 p.m. and the published declaration by Manchukuo of June 18th<sup>61</sup> [in] which they propose the taking over [of] the customs in Manchuria and the disruption of the existing administration unless Nanking agrees to hand over the surplus revenue of all Manchurian customs stations, it is understood that the remittance of Dairen customs funds to Shanghai was stopped a few days ago. These funds are held in local banks as is the case at Antung and Newchwang."

JOHNSON

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793.94 Commission/267 : Telegram

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

PEIPING, June 22, 1932—6 p.m.

[Received June 22—9:07 a.m.]

691. Wang Ching-wei, President of Executive Yuan; T. V. Soong, Minister of Finance; Lo Wen-kan, Minister for Foreign Affairs; and

<sup>61</sup> For text of declaration, see telegram No. 704, June 24, 1 p.m., from the Minister in China, p. 104.

Wellington Koo arrived in Peiping by plane on the afternoon of June 18 for the purpose of seeing the members of the League Commission of Inquiry. I am informed that in the course of the long conferences which have taken place since the 18th the Government leaders, headed by Wang Ching-wei, have indicated to the Commission that the Chinese Government will be prepared to grant a considerable degree of autonomy (independence) to Manchuria using a considerable number of foreign advisers. They also informed the Commission that they were prepared to consider the demilitarization of Manchuria through the instrumentality of a nonaggression pact involving Russia, Japan and China. They informed the Commission that they would lay before it proposals along these lines shortly.

My information is that Wang Ching-wei informed the Commission that a Japanese military officer had suggested to Nationalist Government at Nanking the advisability of an alliance between China and Japan against Russia. My informant stated that Wang did not say whether this proposal had been made before or after September 18th.

Repeated to Tokyo.

JOHNSON

693.002 Manchuria/89 : Telegram

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

PEIPING, [June 22, 1932.]

[Received June 22—8:50 a.m.]

694. Following from American Consul General at Mukden :

“June 21, 5 p.m. Supplementing my June 21, 4 p.m., it is apparent that Changchun is in dire need of funds and that the interested authorities are making every effort to evolve a practicable plan to secure the customs revenue. It is thought that the settlement of the difficult problem presented by the Dairen customs may hasten recognition by Japan.”

JOHNSON

793.94 Commission/271 : Telegram

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

PEIPING, June 22, 1932—11 p.m.

[Received June 23—2:40 a.m.<sup>62</sup>]

696. Legation's 685, June 22, 11 a. m.,<sup>63</sup> informed the Department of delay in the plans of the League Commission of Inquiry. Their

<sup>62</sup> Telegram in two sections.

<sup>63</sup> Not printed.

original plan had been to occupy themselves here in the discussion of various ideas for the solution of Manchurian question between China and Japan. Originally there had been some hope in the Commission that it might be possible to bring about the preliminaries to negotiations for a settlement of the issues through the Chinese and Japanese assessors but I have been told that any hope of this disappeared because the Japanese assessor has at all times apparently been afraid to take any action in the presence of the truculent attitude of insurgent Japanese diplomatic and military authorities.

It is my understanding that Lord Lytton hopes when Commission visits Japan to be able to lay before Japanese for informal consideration a number of ideas which might be used as a basis for a suggested solution of the problem in Manchuria with a view to testing Japanese feeling.

Commission had intended to leave here today but was informed 1 or 2 days ago by the Japanese Government that it would be unwelcome in Tokyo until after July 7th. No explanation was given but I assume that Tokyo's 161, June 20, noon, explains the reason why Japanese Government did not desire Commission to visit Tokyo at this time.

I am of the opinion that it will be a mistake for the Commission to offer formally, in connection with its report to the League, any suggestion as to a settlement of the issues between China and Japan in Manchuria. It has been my feeling that the important question has been for the Commission to determine upon and include in its report the facts which produced the issues between the two countries. It is my belief that the Commission should state clearly for all to read the policies which have been adopted and pursued by China and Japan in dealing with these facts, showing wherein those policies have been contrary to or incompatible with international agreements setting up machinery for dealing with such situations. The character of the issues at stake, the facts relating thereto and the methods used by the parties to the issues are of most solemn importance to the peoples of the world who have been interested in the setting up of machinery for dealing amicably with such issues. It is my belief that these facts and issues will be forgotten in any controversy which will arise over any suggestions which the Commission may make for a settlement.

Repeated to Tokyo.

JOHNSON

693.002 Manchuria/96 : Telegram

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

PEIPING, June 23, 1932—1 p.m.

[Received June 23—3:15 a.m.]

699. Mr. T. V. Soong, Minister of Finance, has issued the following statement :

“Despite all protest and in violation of treaty arrangements Japanese officials and the so-called Manchukuo authorities have now actually seized the accumulated customs revenues of Newchwang and Antung, remittance of which to the Inspector General has been prohibited by them for nearly 2 months.

The following excerpts are from the telegrams sent by the Commissioners of Customs at Newchwang and Antung respectively :

‘Newchwang, June 20. All revenue held in Bank of China was removed under *force majeure* to Bank of Manchuria yesterday. I protested to Bank of China. Office allowance unaffected and pay is being drawn today. I have protested to Yokohama Specie Bank and demanded remittance. Manager wired his head office for instructions yesterday.’

‘Antung, June 20. Bank of China officially informed me today that they handed over revenue balances as of 19th June after receipt of threatening letter from Manchukuo Minister of Finance and after visit of local Chinese police who instructed revenue should not be touched.’”

JOHNSON

693.002 Manchuria/109

*Memorandum by the Secretary of State*

[WASHINGTON,] June 23, 1932.

During the call of the Japanese Ambassador this morning he brought up the question of Manchuria and said that he wanted me to know that his Government, while it was technically not responsible for the actions of the Manchukuo, in the exercise of its good offices was trying to bring about an arrangement by which the integrity of the Manchurian customs would be preserved—some arrangement similar to that which had been made in Canton; that there the Cantonese Government was allowed to retain the surplus after the amount necessary for the foreign loans and expenses had been turned over to China. He said he begged me to remember, however, that at the Port of Dairen, which was leased territory from China and which port was by far the largest port of Manchuria, the whole amount of the customs, including surplus, had been regularly paid out to China by Japan. I laughed and said that I hoped Japan, in the exercise of her good offices over this infant republic “over which it had no responsibility” would try to persuade that Government to be at least as regular and appropriate in its behavior as Japan itself had been in Dairen. As

the Ambassador went out I reminded him of the importance which he and I had given to the resolution of December 9<sup>64</sup> appointing the League of Nations Manchurian Commission; how important we both had thought that act had been. I told him I had a very high opinion of the personnel of the commission from what I had heard of it, and I suggested that it would be a good plan to leave this question of customs and the whole decision of the new state of Manchuria until the Manchurian Commission had reported. He said that was a very interesting situation; that he understood they wanted to leave matters in a *status quo* and that he supposed they might report that the infant should be killed or that it should be allowed to grow up. I said that while I had no idea of what they would report, I thought the most natural thing for them to report would be a middle-of-the-road plan preventing the state from becoming killed or becoming a bandit.

H[ENRY] L. S[TIMSON]

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893.01 Manchuria/284

*The Chinese Chargé (Yen) to the Secretary of State*

WASHINGTON, June 23, 1932.

SIR: I have the honor to inform you that I have just received a cablegram from the Ministry of Foreign Affairs, Nanking, relative to the question of the recognition of the so-called Manchukuo by Japan, which I, in accordance with the instructions, hasten to hand to you.

A translation of this cablegram is as follows:

After the occupation by force of the Chinese North-Eastern Provinces, commonly known as Manchuria, Japan has caused the setting up of the so-called Manchukuo Government in those Provinces. Now in accordance with reports from various sources the Japanese Government is proceeding to accord recognition to the organization which is its own creature as evidenced by the fact that a resolution to that effect has been passed by its legislative branch.

Such action on the part of Japan is clearly in violation of the Nine Power Treaty signed in Washington in 1922, in which respect for the sovereignty and territorial and administrative integrity of China was especially provided for.

As the United States of America is one of the signatories of this Treaty and in consideration of the special interest it has taken as the convener of the conference during which this treaty was signed, the Chinese Government, under the circumstances, is constrained to invite the immediate and earnest attention of the United States Government and request it to take steps so that Japan may realize the treaty obligations she has assumed especially in view of the reported recognition of

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<sup>64</sup> *Foreign Relations, Japan, 1931-1941, vol. I, p. 59.*



Manchukuo to the end that the sanctity of treaties may be upheld and peace in the Far East preserved.

Accept [etc.]

HAWKLING YEN

693.002 Manchuria/100 : Telegram

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

PEIPING, June 23, 1932—7 p.m.

[Received June 23—2:35 p.m.]

701. Following telegram in English has been received today from the Ministry of Foreign Affairs. It was apparently also addressed to all other interested powers except Japan.

"I have the honor to invite the attention of the Government of the United States of America to the serious situation arising from seizures and threats gravely affecting the position and interest of the Chinese Maritime Customs in Manchuria.

For about 2 months the so-called Manchukuo authorities have detained in the customs banks at Harbin, Antung and Newchwang the entire customs revenues of those ports. These authorities now even threaten to interfere also with the Dairen customs which was established in pursuance of the Sino-Japanese agreement of 1907. The custom revenues of Dairen and the other Manchurian ports in the past 5 years have amounted to about 15 percent of the total customs revenues of China.

The National Government is of the belief that the Government of the United States of America is interested in this development for a number of reasons. Interference with customs revenues seriously disturbs the security of payments in respect of the indemnity of 1901 and also in respect of Chinese foreign and domestic bonds held by the nationals of the United States of America. It also jeopardizes the application of part of the customs revenues to payments in respect of China's obligations in arrears and the increase of current payments for this purpose when economic and financial conditions so permit. Moreover a number of provisions of the Nine-Power Treaties of 1922 signed at Washington are involved. The treaty relating to the Chinese customs tariff<sup>65</sup> stipulates 'in all matters relating to customs duties there shall be effective equality of treatment and of opportunity for all the contracting powers' and also recognizes 'the principle of uniformity in the rates of customs duties levied at all land and maritime frontiers of China'. The Maritime Customs service is an impartial agency which if given unhampered exercise of its functions assures the effectiveness of these vital provisions. It is obvious that these provisions would be seriously compromised if the administration of the customs in any part of China were in the hands of officials responsible in effect to Japanese authorities rather than to the Inspector General

<sup>65</sup> *Foreign Relations*, 1922, vol. I, p. 282.

of Customs. Indeed the principle of uniformity of duties has already been violated by the action of the Japanese authorities in refusing to allow a recent alteration of the sugar duty to come into effect at Dairen.

The treaty relating to principles and policies concerning China<sup>66</sup> provides *inter alia* that the contracting powers shall respect the administration [*administrative?*] integrity of China. Clearly this provision also includes the full maintenance of the integrity of the Maritime Customs service in Manchuria.

That treaty likewise binds the contracting powers 'to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government'. It is obvious that such opportunity cannot exist if as the result of the action of one of the powers the National Government is deprived of revenues required to meet China's solemn obligations and to support the essential services of the Government.

The continued loss of these revenues would be a very serious matter for the National Government particularly when for the first time since the establishment of the Republic the Government through supreme efforts and sacrifices has succeeded in balancing its budget without having recourse to borrowing. The total gross customs revenue has fallen off in the present difficult economic situation and for the first 5 months of 1932 is running at the rate of about \$310,000,000 yearly for all of China (including Manchuria). More than \$250,000,000 of this sum is required for support of the customs services and for payment of customs-secured obligations. The revenue from the Manchurian ports including Dairen amounts to over \$35,000,000 yearly at the present rate. The serious effect of subtracting that amount from the free customs revenue is clearly apparent.

The persistence of the so-called Manchukuo authorities in seizing these revenues would thus deprive the National Government of essential revenues and throw upon the rest of China the entire burden of supporting the customs services and of the payment of customs-secured obligations. It could scarcely be suggested that such a situation would afford 'the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government'.

The so-called Manchukuo authorities have professed their willingness, if they accomplish their plan to take over the customs administration in Manchuria, to remit a contribution for the payment of foreign but not domestic customs-secured obligations. They made a similar intimation when taking over the revenues and offices of the chief inspector of salt revenue. But in fact they have not remitted any salt loan funds since they took possession of the salt inspectorate in Manchuria in April and total arrears of quota payments and surtax due since March in respect of foreign loans amount to almost \$1,000,000 to date. This action indicated that the service of the obligations secured on the customs and salt revenues cannot be assured if the arrangements for loan service as they existed prior to interference by the so-called Manchukuo authorities are disrupted.

I have the honor to request the Government of the United States of America to make appropriate representations of the Japanese Gov-

<sup>66</sup> *Foreign Relations*, 1922, vol. I, p. 276.

ernment in view of the critical situation and of the fact that the Government of the United States of America is party to the treaties having a bearing upon the matters described above."

JOHNSON

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893.01 Manchuria/281 : Telegram

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

GENEVA, June 24, 1932—noon.

[Received June 24—7:47 a.m.]

212. Consulate's 210, June 22, 11 a.m.<sup>67</sup> Under instructions from his Government Yen has transmitted to Drummond following letter dated June 23:

"In view of the serious situation created by the Japanese Diet passing resolution for recognition of the 'Manchukuo' please make an urgent appeal to the special Committee of Nineteen to take immediate steps calling upon the Japanese Government to observe obligations under the September and December resolutions of the League Council<sup>68</sup> to refrain from taking initiative which will further aggravate the situation and to desist from such recognition which is sure to render work of the Commission of Inquiry abortive and prepare way for grave conflict in the Far East."

GILBERT

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693.002 Manchuria/99 : Telegram

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

PEIPING, June 24, 1932—1 p.m.

[Received June 24—5:15 a.m.]

704. Department's 167, June 22, 6 p.m.<sup>67</sup> The following is the English text of the substance of the statement of June 18th made in the name of the Minister of Finance Hsi Hsia of the Manchurian regime as published in the *Manchuria Daily News*:

"Manchukuo government with a view to recovering all the customs in Manchuria including the Dairen customs immediately after the establishment of the new state of Manchukuo in the spirit of the declaration of independence and the notification to some of the powers apprising them of the same hoped to dispose of this question amicably and for the succeeding 3 months Manchukuo government refrained

<sup>67</sup> Not printed.

<sup>68</sup> Resolutions of September 30 and December 10, 1931, *Foreign Relations, Japan, 1931-1941*, vol. 1, pp. 13 and 59.

from disturbance of the integrity of the Chinese Maritime Customs service and from touching such portion of the customs receipts as was reserved as the security for the outstanding foreign loans.

For this purpose on March 11 Manchukuo government unofficially proposed:

1. To retain the existing import tariff together with the method of collection.
2. To recover all the customs with the branches in all Manchuria including the Dairen customs.
3. To be prepared to contribute out of the custom revenue the share due to the redemption of the foreign loans for which the customs revenue is held as security keeping and employing the remainder for use of Manchukuo government.
4. To keep the foreign and native customs staff on condition that as regards the appointment and release of the Customs Commissioners and other leading officials the understanding of Manchukuo government should first be obtained beforehand.

The above proposition was advanced in hopes of concluding a compromise.

Nanking Government must have thought our amicable propositions a sign of weakness and returned no response, pursuing a policy of procrastination. In the meantime it pressed all the customhouses with their branches in Manchuria to remit thereto the whole of their revenue.

Thereupon we served Nanking Government an unspoken warning by stopping the remittance of any of the customs receipts in Manchuria excepting the Dairen customs.

Still Nanking Government refused to take the hint and since the situation both internal and external in Manchuria brooked no further delay we were advised to come to a decision and to take up preparations for completely recovering receipts of which we had stopped from being remitted to Nanking Government.

In consequence under date of June 9 with the object of giving Chinese Government an opportunity to reconsider the matter Customs Commissioner Fukumoto of Dairen was notified of the following as a reminder to press you to accept our original proposition:

Manchukuo, pending the conclusion of an agreement on the basis of your proposition dated March 22, stopped the bank of custody from remitting any of the customs receipts in Manchuria excepting the Dairen customs in order to prevent the customs receipts from slipping away. The Inspectorate General of the Chinese Maritime Customs ignoring the unshakable fact that the Manchukuo government has the right to acquire the receipts of the Dairen customs in accordance with the notification addressed by Manchukuo government to the effect that the Dairen customs receipts belong to Manchukuo and in view of the undeniable fact that all the Dairen customs receipts are being collected at the expense of the Manchukuo people caused the Dairen Customs Commissioner to remit the whole of the receipts to Nanking Government thereby assisting Nanking Government in carrying out a hostile policy toward Manchukuo.

On the part of Manchukuo out of sheer necessity of its existence it

cannot possibly tolerate further continuation of any such a suicidal state of affairs.

Therefore while demanding of the Customs Commissioner at Dairen to fully consider these facts we requested the Dairen Commissioner to notify the Inspectorate General that according to how the Dairen Customs Commissioner acted on receipt of this notification Manchukuo government in spite of its previous bona fide overture might be forced to adopt such steps as to render the preservation of the Customs Administration and its international *status quo* impossible.

In case, however, Nanking Government and the Inspector General of the Customs ignore our reasonable overture or assume an antagonistic attitude Manchukuo government will be compelled to adopt a drastic course with all the customs in Manchuria.

In such event concerning the foreign loans for which the customs revenue is held as security Manchukuo government is prepared to contribute faithfully its share to be worked out rationally in deference to its obligations. With regard to the native and foreign officials now serving the customs in Manchuria we are prepared to engage them if so desired.

As set forth clearly above concerning the autonomy of the customs service Manchukuo government has exercised its best effort and utmost patience. If Nanking Government should still refuse to alter its attitude leading to a rupture Nanking Government should be held to answer for all."

JOHNSON

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693.002 Manchuria/106 : Telegram

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

WASHINGTON, June 24, 1932—2 p.m.

173. Your 680, June 21, 8 a.m. Department does not desire that you cooperate with your Japanese colleague in exerting pressure upon Chinese Government to enter into proposed arrangements with the Manchuria regime.

For your confidential guidance but not for discussion with your Japanese colleague please see Department's telegram 132, April 9, 5 p.m., to the American Consul at Shanghai, for the Minister.<sup>70</sup>

Please continue to keep Department fully informed of developments and of views of and action taken by your interested colleagues.

STIMSON

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<sup>70</sup> Telegram not printed; it reported the British Foreign Office memorandum of April 1, transmitted by the Chargé in Great Britain in his telegram No. 126, April 1, 5 p.m., vol. III, p. 656, and the Department's reply, telegram No. 113, April 7, 3 p.m., *ibid.*, p. 673.

793.94 Commission/271 : Telegram

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

WASHINGTON, June 24, 1932—6 p.m.

174. Your 696, June 22, 11 p.m. I appreciate your views, as set forth in the last paragraph of the telegram under reference, in regard to the report of the League Commission of Inquiry. However, as the whole situation is extremely complicated and in a state of flux, it is difficult to formulate any fixed view as to the best course of action for the Commission to follow at the time it actually makes its report. The content and form of the Commission's report must of course be left to decision by the Commission itself under its terms of reference, but if you feel so disposed, I perceive no objection to your making known your personal views on the subject informally to members of the Commission.

STIMSON

793.94 Commission/273 : Telegram

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

GENEVA, June 24, 1932—9 p.m.

[Received June 24—6:08 p.m.]

98. I am informed that at secret meeting of the Nineteen this afternoon it was decided to send a letter to the Japanese and Chinese which has now been despatched pointing out that as the report of the Lytton Commission, which is one of the essential elements for the Assembly report, will not be received before September 15th it will now be necessary to prolong the period of 6 months prescribed under article 12 of the Covenant. The letter points out that this is an exceptional measure due to the special circumstances and that it is not meant to unduly delay the Assembly's action. The Committee intends in any case to begin its examination of the report before the 1st of November.

The letter also expresses the hope that the engagement taken by both parties in the resolutions of September 30th and December 10th to take no action to aggravate the situation will be scrupulously observed.

The paragraph referred to immediately above was inserted because of a recent Chinese communication regarding the recognition of the Manchukuo government. The Committee felt that it would only run the danger of defeating its own purpose if it made a more specific reference to this matter which might inflame Japanese public opinion.

Both parties are asked to notify their acceptance of this prolongation and the acceptance of both has been informally ascertained in advance.

Should no difficulties intervene a plenary assembly will be held on Wednesday<sup>71</sup> to ratify this action.

WILSON

893.51 Salt Funds/127

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

No. 174

LONDON, June 24, 1932.

[Received July 2.]

SIR: I have the honor to forward herewith a copy of a statement of views, set forth in a letter to me from Sir John Simon, regarding the recent developments in the Manchurian Salt Gabelle, referred to in the Department's telegraphic instruction No. 156, May 27, 4 p.m.,<sup>72</sup> and my telegram No. 189, May 31, 11 a.m. I have been informally advised by Sir John that he has delayed forwarding me the enclosed statement until he had read the State Department's memorandum regarding evidence of Japanese initiative in the creation and practical control of the new administration of the State of Manchukuo<sup>73</sup> (See Department's confidential instruction No. 51, May 31, 1932<sup>72</sup>), the contents of which, however, he has stated, in his opinion, do not affect the conclusions he has formulated in his note to me.

Respectfully yours,

(For the Ambassador)

RAY ATHERTON

*Counselor of Embassy*

[Enclosure]

*The British Secretary of State for Foreign Affairs (Simon) to the American Ambassador (Mellon)*

GENEVA, 21 June, 1932.

DEAR MR. MELLON: In our interview on the 30th May I promised that I would send you a note containing my considered views on the question of recent developments in the Manchurian Salt Gabelle in relation to Japan's obligations under the Nine Power Treaty.

You will remember that on March 12th the United States Government raised the question of the integrity of the Chinese Customs Administration and proposed that we should join in filing objections and reservations based on Article 2 of the Nine Power Treaty which in their view would forbid the Japanese Government to institute or instigate an independent Customs Administration in Manchuria. On the

<sup>71</sup> June 29.

<sup>72</sup> Not printed.

<sup>73</sup> See footnote 32, p. 44.

4th April Mr. Atherton called at the Foreign Office and was informed of the reasons why His Majesty's Government deprecated taking the action suggested. These were briefly that Japan had not in fact instituted or instigated an independent Customs Administration in Manchuria and that if representations were made it seemed more logical that they should be made on the ground that Japan had instigated the establishment of an independent state of Manchuria.

When Mr. Stimson discussed this question again with me at Geneva at the end of April the position with regard to the Customs Administration remained unchanged but telegrams had just been received to the effect that the Salt Gabelle had in fact been disrupted and our information appeared directly to incriminate the Japanese Advisers attached to the Salt Transportation Office in Manchuria. I therefore suggested to Mr. Stimson in my letter to him of April 30th<sup>74</sup> that the action of the Manchurian authorities in regard to the Salt Gabelle might offer a better ground for representations and I promised that I would look very carefully into the possibility of making such representations when I got back to London.

The foreign interest in the Chinese Salt Gabelle dates from 1913 when the salt revenue was made the security for a large international loan under an agreement which placed a definite responsibility for the service of the loan on the foreign Associate Director General and which gave to the group of lending banks the custody of and a lien upon the whole salt revenue. In 1928, by the unilateral act of the Chinese Government, this agreement was abrogated, the functions and responsibilities of the group banks and of the Associate Director General were terminated and a new system of Provincial loan quotas were instituted. This led to a joint statement by the interested Governments protesting against the action of the National Government in varying by unilateral action the terms of international agreements and placing full responsibility on that Government for the liquidation of all loans secured on the salt revenue whether the new scheme should be successful or not. Since 1928 therefore there has no longer been such a foreign interest as would support a protest against interference with the Salt Gabelle. Any representations that might be made would have to be based solely on the ground that, as I stated in my letter to Mr. Stimson of April 30th, the disruption of the Salt Gabelle constituted such a breach of the administrative integrity of China as was contemplated in Article 1 of the Nine Power Treaty.

On consulting our Ambassador in Tokio and our Minister in Peking, I found that they had both independently formed the opinion that it would be unwise to raise the question of the Nine Power Treaty in con-

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<sup>74</sup> Vol. III, p. 738.



nection with a subsidiary question such as the Salt Gabelle. They considered that if any representations were made to Japan they should be in relation to the whole structure which has been set up under her auspices in Manchuria, but they doubted whether the present was the right moment for taking action. I gather that substantially the same views are held by the United States representative in Tokio.

In the face of these arguments, the force of which I recognise, I am more and more impressed by the objections to which I now see my earlier suggestion is open. I have come round to the view that if we are to make representations regarding Japan's obligations under the Nine Power Treaty it is desirable that the other signatories to the Treaty, particularly France and Italy, should be asked to join in our *démarche*. I feel sure that they would share the view that no advantage is to be gained by preliminary nibblings at subsidiary points such as the Salt Gabelle, but that the best course is at the proper moment to face the main issue from which these lesser issues all proceed, namely, the setting up of an independent state of Manchuria.

As for when, if at all, this should be done, a special difficulty that confronts those States that are also members of the League of Nations is that until the League's commission has reported it would be difficult to prejudge the issue. The Commission also includes an American member and this difficulty, though it perhaps does not affect your Government to the same extent, would seem to arise in your case also.

To sum up, everything seems to point to the conclusion that the wisest course would be to defer representations under the Nine Power Treaty until the Lytton Commission has presented its report. The report may contain material on which it would be wise to base representations and it would in that case also provide an admirable opportunity for coordinating the action of the League of Nations with that of the United States of America. This would be an impressive demonstration of the solidarity of world opinion and it would I think be a pity to spoil the effect by taking half measures before the time is ripe.

I hope that Mr. Stimson will feel able to share these views.

Believe me [etc.]

JOHN SIMON

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693.002 Manchuria/112 : Telegram

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

WASHINGTON, June 25, 1932—2 p.m.

183. Department's 169, June 4, 1 p.m.,<sup>75</sup> and 176, June 11, 1 p.m.

1. Under date June 21, Minister Johnson reported from Peiping that

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<sup>75</sup> Not printed.

the Japanese Government had instructed its Chargé to ask the American, British and French representatives to cooperate with the Japanese Chargé in exerting pressure upon the Chinese Government to enter into arrangements with the Manchuria régime with regard to the Chinese customs in Manchuria. Minister Johnson referred this matter to the Department for instructions and on June 24 I telegraphed Minister Johnson that I did not desire that he cooperate with his Japanese colleague in this matter. This was in line with the attitude expressed in the Department's telegram 113, April 7, 3 p.m., to you<sup>76</sup> stating that "Any assistance which foreign powers may give toward bringing about a compromise arrangement between the present Manchuria administration and the Nanking Government must in effect amount to a contribution to the cause of the Manchuria administration and thus to the cause of any and all who are endeavoring to make Manchuria a separate state. Acquisition by the Manchuria administration of an annual revenue in the amount of some 20 million dollars (sequestered from customs receipts which belong to China) would contribute substantially toward the success of the effort which is being made to sever Manchuria from China. That effort is in plain disregard of the declared views, policies, rights or interests of various governments and the recent resolutions of the League."

2. You will recall that in the Department's telegram No. 88, March 11, 1 p.m.,<sup>77</sup> the Department requested that you take up with the British Foreign Office the question of possible action that might be taken with regard to the disruption of the Chinese Customs service in Manchuria; that subsequent to that time views on the subject of the disruption of the customs and other Chinese administrative services in Manchuria have been exchanged between the Department and the British Foreign Office and between me and Sir John Simon (Department's 156, May 27, 4 p.m.<sup>78</sup>); that in your telegram 189, May 31, 11 a.m., you reported that the Foreign Secretary stated that he would immediately ask the Foreign Office to prepare a statement of its views for transmission to us; that in the Department's telegram 169, June 4, 1 p.m., I stated that I should be glad to receive the statement of the British Foreign Office. Up to the present I have not received that statement.

3. The most recent reports from China indicate that the question of the Chinese customs in Manchuria has become acute. The Chinese Minister for Finance has issued statements pointing out the gravity of the present situation. The Chinese Ministry of Foreign Affairs has sent us a note drawing attention to the serious situation arising from seizures and threats affecting the position and interest of the Chinese

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<sup>76</sup> Vol. III, p. 673.

<sup>77</sup> *Ibid.*, p. 562.

<sup>78</sup> Not printed.

Maritime Customs in Manchuria and requesting that the American Government make appropriate representations to the Japanese Government in view of the critical situation and of the fact that the American Government is party to the Washington Conference Nine-Power Treaties. I assume that the British Foreign Office has received information similar to that received by the Department and that the British Government has also been requested by the Chinese Government to make representations to Japan. On June 10, I expressed concern to the Japanese Ambassador here with regard to maintenance of the integrity of the Chinese Customs Administration in Manchuria. (See Department's 176, June 11, 1 p.m.) On Diplomatic Day, on June 23, the Japanese Ambassador, during his call, brought up the question of the customs in Manchuria and I took occasion to remind him of the importance which he and I had given to the League Resolution of December 10 appointing the Commission of Inquiry, and I suggested that it would be a good plan to leave this question of the customs until the Commission of Inquiry had made its report.

4. In view of the present gravity of the situation, I desire that you present this whole situation to the British Foreign Office and say that I should be very glad to receive as soon as practicable an indication of the attitude which the Foreign Office purposes to take.

STIMSON

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693.002 Manchuria/104 : Telegram

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

PEIPING, June 26, 1932—4 p.m.  
[Received June 26—6:45 a.m.]

714. Following from Reuter:

1. Shanghai, June 24: "It is officially announced that Sir Frederick Maze, with the approval of Mr. T. V. Soong, has dismissed Mr. Fukumoto; the Commissioner of Customs at Dairen, for his gross insubordination, he having refused to remit the customs funds to Shanghai".

2. Tokyo, June 25: "The Japanese Government has protested to Nanking at the dismissal of Mr. Fukumoto, Commissioner of Customs at Dairen, as contrary to article 3 of the 1907 agreement which stipulates that there shall be no dismissals or appointments of customs officials at Dairen without first consulting the Governor of Kwantung Peninsula.

Protesting that the arbitrary step taken in disregarding negotiations at present taking place in Peiping, aiming at an amicable solution, Japan holds the Chinese Government responsible for whatever developments are precipitated.

Official circles here are said to have been perturbed on learning that Manchukuo was definitely preparing to establish customs at Wafang-

tien on the border of the Kwantung leased territory if Dairen refuses to remit customs funds to Changchun as this would entail a double payment of customs.

Unofficial observers consider that the Nanking Government's dismissal of Mr. Fukumoto opens the way for Japan to negotiate with Manchukuo on the whole question of the Manchurian customs. Hence Japan's intimation to Nanking that China will be held responsible for whatever developments arise.

Although it is still asserted that Japan is unlikely to recognize Manchukuo before the Lytton report is published it is expected that one of Count Uchida's first acts after his installation as Foreign Minister probably on July 5 will be to issue a statement clarifying Japan's aims and intentions in Manchuria."

JOHNSON

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693.002 Manchuria/105 : Telegram

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

PEIPING, June 27, 1932—10 a.m.

[Received June 27—1 :21 a.m.]

716. Following from American Consul General at Mukden :

"June 25, 4 p.m. Trustworthy information has been received from Antung to the effect that the authorities of the new regime forced the Bank of China to hand over the customs revenues 1 week ago and ordered the Bank of Chosen, a Japanese Government institution which is also a depository, to hand over all customs funds in its keeping. The manager referred the matter to Tokyo and yesterday received instructions to hand them over. In other words, the Japanese Government appears to have cooperated in effecting the seizure.

The cessation of smuggling from Antung previously reported is confirmed.

It is believed that the customs funds at Newchwang have been seized also."

JOHNSON

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693.002 Manchuria/107 : Telegram

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

PEIPING, June 27, 1932—2 p.m.

[Received June 27—1 :24 a.m.]

720. Your 173, June 24, 2 p. m. My British colleague has received instructions similar to yours in paragraph 1. However, he is authorized privately and informally to continue in his conversations with

the Chinese to emphasize the importance of making every effort to prevent the disruption of the Maritime Customs Service.

JOHNSON

693.002 Manchuria/119 : Telegram

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

WASHINGTON, June 27, 1932—5 p.m.

211. The *New York Herald-Tribune* of June 25 carries an article by Victor Keen under Shanghai date line June 24 stating that the Japanese Commissioner of the Chinese Maritime Customs at Dairen justifies his action in refusing to remit local revenues to Shanghai by stating that he has been advised by the chief of the section of foreign affairs of the Kwantung government at Port Arthur that "remittances of revenue to Shanghai under present circumstances would be highly provocative, and he has good reasons to believe that countermeasures which the Manchoukuo authorities might adopt if remittances were sent would affect Japanese interests in the Kwantung leased territory."

Can you confirm?

STIMSON

493.11 Shanghai/29 : Telegram

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

SHANGHAI, June 27, 1932—8 p.m.

[Received June 28—9:05 a.m.]

309. Referring to Department's telegram of May 5, 6 p.m. to the Legation,<sup>79</sup> I am transmitting in today's pouch 31 claims of which 25 [24?] amounting to 288,000.62 are against Japanese, 4 amounting to 7,975.00 are against Chinese and 3 amounting to 3,076.00 do not state armed force responsible. All amounts in gold dollars.

Very little effort made to settle claims locally. Department's authorization is requested,<sup>80</sup> with a view to local settlement, to present to Japanese and Chinese severally claims definitely made against them, and to the Japanese and the Chinese jointly claims in which it has not been possible to place responsibility. All claims were carefully exam-

<sup>79</sup> Vol. III, p. 754.

<sup>80</sup> The Department replied in telegram of July 6, 2 p.m.: "Authorization granted. See Department's 169 of May 5, 6 p.m., for the Minister." (493.11 Shanghai/30)

ined upon presentation but no attempt was made to check *bona fides*. British are filing claims against Japanese and Chinese locally.

CUNNINGHAM

693.002 Manchuria/159

*Memorandum by the Counselor of the Embassy in Great Britain (Atherton) of a Trans-Atlantic Telephone Conversation With the Under Secretary of State (Castle) on June 27, 1932*<sup>81</sup>

I learn from the Foreign Office that following my call this morning the Foreign Secretary reviewed the position which the British Government has thus far taken, namely, that protests to the Japanese Government against the acts of the Manchurian regime with regard to the Customs and other administration would be countered with the reply that the British Government "was knocking at the wrong door." The Foreign Secretary today came to the conclusion that the refusal of the Japanese Commissioner of the Maritime Customs at Dairen to remit customs collections to Shanghai at the instigation of the Chief of the Foreign Section of the Kwantung Government, offered an occasion for representations at Tokyo which could not be met with a disavowal of knowledge or of responsibility. Sir John Simon was, therefore, instructing this afternoon the British Ambassador at Tokyo (1) to express the "surprise and concern" of the British Government over the alleged Dairen incident, and to ask whether or not the report were true. (2) Ambassador Lindley was further instructed to express the hope on behalf of his Government that the Japanese Government would not countenance any action which would violate treaty provisions or prejudice the integrity of the Customs Administration. (3) Lindley was also to point out that the Customs revenue was security for certain foreign obligations of the Chinese Government, and (4) to express the viewpoint that the action of the Japanese authorities at Dairen is not calculated to promote the solution of a problem which all the interested Powers are anxious to have settled.

The Foreign Office added that Sir John considered it desirable to have the collaboration of the French and the Italian Governments, and that the telegram to Lindley was being repeated to Paris and Rome. It was also being sent to Washington with instructions to bring it to the Department's immediate attention possibly to-night.<sup>82</sup>

<sup>81</sup> Copy transmitted to the Department by the Ambassador in Great Britain in his despatch No. 178, June 28, 1932; received July 7.

<sup>82</sup> A memorandum of June 28 by the Under Secretary of State records that the British Ambassador called but "added nothing whatever to what Atherton had said over the telephone except the further fact, which the Department already knew, that some time ago the Japanese Minister of Foreign Affairs had said vigorously to Lindley that Japan had no intention of interfering in any way with the customs administration in Manchuria." (693.002 Manchuria/150)

The Foreign Office explained that Sir John thought if anything was to be done it should be done without delay. The Chinese Government, according to a telegram received this afternoon from the British Chargé at Peking, had consistently refused to accept the Japanese proposal that the individual customs houses in Manchuria should remit to Shanghai a proportion for the servicing of the Chinese debt and pay the remainder to the Manchurian regime as that would contravene the Sino-Japanese Agreement of 1907. On the other hand the Chinese Government had made the counter-proposal that the Dairen Customs house should remit its entire collections to Shanghai, while the other Customs Houses should pay in their entire collections to the Manchurian regime. The Foreign Office thought that the Chinese plan would have the effect of dividing the total collections of Manchuria into about two equal halves, but was fearful that the proposal had been made too late.

LONDON, June 27, 1932.

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693.002 Manchuria/117 : Telegram

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

PEIPING, June 28, 1932—2 p.m.

[Received June 28—7:10 a.m.]

726. Following from American Consul General at Harbin:

1. "June 26, 2 p.m. Customhouse near to river seized last night by Manchukuo police under Japanese leader, customs office in New Town next to Commissioner's residence sealed and he cannot enter. Commissioner received no demand to hand over but a Japanese will call on him this afternoon. Japanese have approached customs staff urging them to come over to Manchukuo."

2. ["June 27, 10 a.m. Yesterday Commissioner of Customs was asked by Manchukuo to come over to them. Upon his refusal he was handed a formal despatch from Chinese superintendent stating that latter had taken over charge of customs. Manchukuo flag was then hoisted over customhouse. Staff are now being intimidated to make them come over."

3. "June 27, 5 p.m. (1) Customhouse New Town, Harbin, sealed and Commissioner of Customs refused entrance to his offices by Manchukuo police this morning.

(2) Reliable American just arrived from Moscow reported bad economic conditions in Russia, inefficient working of factories already established, poor quality of output of these factories and scarcity and inefficiency of mechanics prevent any idea of war with Japan to be entertained by the Soviet leaders or people, although the Government is storing large supplies of foodstuffs in preparation for a possible

defensive war. The latter measure is making shortage of foodstuffs still more acute in Russia and Siberia."

JOHNSON

693.002 Manchuria/115 : Telegram

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

TOKYO, June 28, 1932—3 p.m.

[Received June 28—4:50 a.m.]

173. My British colleague under instructions from his Government this morning expressed to Vice Minister for Foreign Affairs surprise and concern of British Government at reported taking over of Dairen customs by Manchukuo regime. He expressed earnest hope of British Government that Japanese Government would not countenance any action at variance with its treaty obligations since such action cannot fail to complicate a serious situation already very difficult. He furthermore pointed out that reported step was threat to integrity of customs service which Japanese Minister for Foreign Affairs has declared he favored and which is admittedly an important British interest, as well as threat to security of loans and apart from treaty obligations an added complication in solution of general problem.

French and Italian Ambassadors have not as yet received instructions.

Repeated by mail to Peiping.

GREW

693.002 Manchuria/118 : Telegram

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

PEIPING, June 28, 1932—3 p.m.

[Received June 28—10 a.m.]

727. 1. Following from Reuter, Shanghai, June 26th :

"Sir Frederick Maze, Inspector General of Customs, issued a reply this afternoon with reference to the reported declaration of the Japanese Government that the recent dismissal of Mr. Fukumoto, Commissioner of Customs at Dairen, was contrary to article 3 of the 1907 Dairen agreement.

Sir Frederick Maze's reply states that the action of the customs authorities in dismissing Mr. Fukumoto did not contravene the agreement. It did not necessitate consultation with the Kwantung Government. He quotes the three articles of the agreement, the first of which says that the Inspector General will come to an understanding with the Japanese Legation in Peiping in the case of appointing a new commissioner. The second says that staff members of the maritime



customs there must be Japanese, with the exception of a suddenly occurring vacancy when in the temporary requirements of the service other nationalities may provisionally be sent to Dairen. The third article says that the Inspector General will inform the Governor General of the leased territory beforehand about the change.

The Inspector General points out that prior to effecting the provisions of article 3 it is first necessary to execute the provisions of article 1.

He says that Mr. Fukumoto's successor has been duly nominated and when the Japanese Legation authorities concur with the nomination the Governor General of the leased territory will be informed.

He concludes by saying that Mr. Fukumoto's insubordination is without parallel in the annals of the customs service."

2. Following from Reuter, Changchun, June 26th :

"In spite of the 'stringent attitude' of the Nanking Government regarding the Dairen customs it is reported today from Japanese sources that the policy of Manchukuo remains unchanged and the chief of the Bureau of Taxation in the Finance Ministry, Mr. Matsuzo Genda, hurriedly left for Dairen today. In this connection it is reported that the Manchukuo government is adamant that in the event of failure to take over the Dairen customs it is prepared to establish a Manchukuo customs station outside on the border of the Kwantung leased territory as a final measure. The place for such a station has already been selected, namely, Wafangtien, and the necessary preparations have been completed to construct a new customs building for the sum of 20,000 yen."

JOHNSON

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693.002 Manchuria/123 : Telegram

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

WASHINGTON, June 28, 1932—5 p.m.

136. Your 173, June 28, 3 p.m.

1. On June 27 the American Embassy at London telephoned that the British Foreign Office was sending instructions to the British Ambassador at Tokyo in the sense of your telegram under reference, and that the British Foreign Office was sending to Washington, Paris and Rome a copy of its instructions to Tokyo with a view to the American, French and Italian Governments collaborating with the British Government. This afternoon the British Ambassador here informed the Department of the nature of the British Foreign Office's instructions to Lindley.

2. The Department desires that, unless there have been material changes in the situation with regard to the Dairen customs, you take up this matter with the Japanese Foreign Office along the lines mentioned in your telegram under reference and in the same manner as that

followed by your British colleague. However, as the Japanese Minister for Foreign Affairs has not made any statement to us in regard to maintenance of the integrity of the Chinese Maritime Customs, you should omit any reference to such a statement on his part.

3. Please inform Peiping, and report fully to the Department as to what you say.<sup>83</sup>

STIMSON

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893.01 Manchuria/282 : Telegram

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

WASHINGTON, June 28, 1932—5 p.m.

179. Your 708, June 24, 8 p.m.<sup>84</sup>

1. On June 23 the Chinese Chargé d'Affaires handed to the Secretary a note quoting substantially the same message in regard to Japan's recognition of the Manchoukuo régime as that quoted in your telegram under reference.

2. The Department is acknowledging the Chargé's note with a brief statement as follows:

"In reply I desire to inform you that the subject matter of your note under acknowledgment is being studied in connection with developments in the situation in Manchuria which are continuing to receive the attentive consideration of the American Government."<sup>85</sup>

3. You are authorized to so inform the Ministry of Foreign Affairs in reply to the note quoted in your telegram under reference.

4. Inform Tokyo.

STIMSON

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693.002 Manchuria/121 : Telegram

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

PEIPING, June 28, 1932—midnight.

[Received June 29—2:57 a.m.]

739. Your 173, June 24, 2 p.m.; and supplementing my 720, June 27, 2 p.m. My British colleague informs me that he had been instructed not to cooperate in joint action with Japanese but to continue his personal and unofficial efforts to persuade Chinese to do nothing that would destroy integrity of Customs Administration in Manchuria or at Dairen. Ingram suggested unofficially to Chinese that as total col-

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<sup>83</sup> The Ambassador in Japan reported action taken; see telegram No. 177, June 29, 8 p.m., *Foreign Relations, Japan, 1931-1941*, vol. 1, p. 92.

<sup>84</sup> Not printed.

lections Dairen would amount to Manchurian quota for service of foreign loans an arrangement might be reached with Japanese whereby Dairen collections be remitted to China leaving collections at other customhouses in Manchuria to be taken by Manchukuo, thus giving Manchukuo what it wishes and leaving integrity of Customs undisturbed. Ingram states that Soong indicated willingness to proceed along these lines but he feels it is too late in view of the dismissal of Customs Commissioner at Dairen. Ingram's information is that Fukumoto, Commissioner at Dairen, in the name of Manchukuo is setting up office at Wharf [*Wafangtien?*].

My French colleague was instructed not to cooperate in pressure at Nanking. He has taken unofficial steps to urge Chinese at Nanking to preserve integrity of Customs Administration. My Italian colleague has been instructed not to cooperate in pressure at Nanking. He also has made unofficial representations to Chinese authorities in favor of maintenance of integrity of customs.

JOHNSON

Foreign Relations

693.002 Manchuria/122 : Telegram

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

PEIPING, June 29, 1932—4 p. m.  
[Received June 29—7:40 a.m.]

741. Following from American Consul General at Mukden:

"June 28, 5 p.m. Foreign Minister Hsieh yesterday issued a second declaration regarding taking over customs the important points of which were:

1. The new state takes over customs and collection of all customs receipts, but in case it is impossible to collect at Dairen collection will be made at another place (presumably just outside leased territory).
2. New regime again accepts responsibility for payment of proportionate share of receipts required for service of the foreign loans.

It has been learned that all Japanese in Chinese customs at Antung have resigned, though customs is still functioning. It is probable that they will join service of the new regime. It is reported Antung customs was taken over at 10 a.m. today by intervention of Japanese troops."

"June 28, midnight. Newchwang customs yesterday was taken over forcibly by a new superintendent of customs (a Manchu), a Japanese adviser and considerable body of police. The reason for this action is said to be the dismissal of Fukumoto."

JOHNSON

693.002 Manchuria/125 : Telegram

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

TOKYO, June 29, 1932—11 p.m.

[Received June 29—1:10 p.m.]

17. Following telegram received from the Consul at Dairen:

“June 29, 4 p.m. Ex-commissioner Fukumoto relinquished custody of Dairen customhouse to British assistant. Former in new customhouse and depositing customs charges under his name Yokohama Specie Bank. Chinese that elected to work with new customhouse striking, disturbing traffic. In case goods pass through Dairen without duties payment at new customhouse, duties must be paid at Manchurian border or be detained.”

Repeated to Peiping.

GREW

693.002 Manchuria/130 : Telegram

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

PEIPING, June 30, 1932—2 p.m.

[Received June 30—9:10 a.m.]

748. My 680, June 21, 8 a.m.; Department's 173, June 24, 2 p.m.; my 720, June 27, 2 p.m.; and my 739, June 28, midnight. I communicated to my Japanese colleague Department's instructions in this matter. He now informs me that his Government has instructed him again to approach British, French and ourselves with the request that we urge the Chinese to restore the *status quo ante* at Dairen, that is, withdraw dislodging of Fukumoto. He states that it is the hope of the Japanese Government that Chinese can be persuaded to do this and at the same time tacitly consent to a plan whereby surplus collections at Dairen and other Chinese customhouses in Manchuria will be turned over for the use of Manchukuo, leaving balance to be applied to service of the foreign loans and cost of administration. By this means they hope to limit question to matter of disposal of the surplus and leave Customs Administration and its integrity undisturbed.

Japanese Government express fear that unless Chinese Government is prepared to consent tacitly to such an arrangement Manchukuo authorities will take matters into their own hands and Chinese Government will lose not only surplus but control over Customs Administration and integrity of customs will be destroyed.

I have informed my Japanese colleague that as my instructions now stand I am not in a position to cooperate in urging Chinese Government to accept such an arrangement with Manchukuo. At his request,

however, I am transmitting the above in order that the Department may give question consideration and instruct me further in the matter.

JOHNSON

893.01 Manchuria/299 : Telegram

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

PEIPING, June 30, 1932—3 p.m.

[Received June 30—7:33 a.m.]

749. Following from American Consul General at Harbin :

“June 29, 1 p.m. 1. Commissioner of Customs expressed desire speak to consular body regarding intimidation his staff by Manchukuo police and I called consular body meeting for this purpose yesterday. After relating incidents proving this intimidation and requesting some action by consular body he withdrew. Meeting then decided that each Minister would report to his government that some Chinese member[s] of staff desirous of being loyal to China were being threatened with violence if they did not declare loyalty to Manchukuo. Takigawa, Japanese Vice Consul present at meeting, volunteered on behalf of body to call attention of Japanese attached to police and local Foreign Office to the seriousness of Commissioner's charges. It was not though[t] advisable to approach local officials in reference to Chinese employees of customs [who?] were involved so far.

2. Meeting decided that identic notes should be sent local Commission[er] Foreign Affairs protesting application to respective nationals of regulations regarding filling out and signing forms half an hour before train leaves Harbin by persons that will be leaving Manchukuo.

3. Meeting decided to call attention of civil administration special area to the increase in banditry at Harbin and immediate vicinity which dangerous to foreigners. Takigawa promised to inform Japanese military unofficially consular body's wishes that some steps be taken to lessen this banditry danger.

4. Local train held up and passenger robbed by bandits yesterday near Ashiho.”

JOHNSON

793.94/5392 : Telegram

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

GENEVA, June 30, 1932—4 p.m.

[Received June 30—1:45 p.m.]

99. Meeting of Nineteen at 3 tomorrow, Assembly at 5:30. Lester, Irish representative, has just spoken to me saying that some of the smaller powers were anxious to insert in the President's declaration

to the Assembly a warning to Japan that recognition of the Manchurian Government would be considered by the League members as contrary to the undertaking not to prejudice the situation pending the Lytton report. He suggested that it would be of great importance if the view of the United States as to the advisability of such a step could be received.

In view of the shortness of time I told him that it was unlikely that you could get an answer back. If you care to have any advice given I suggest that I do it personally through Drummond.

In this connection Drummond has informed Davis that Drummond considers that such action would be dangerous and resented in Japan as an interference with their foreign policy and perhaps drive them to more important action than they were contemplating.

WILSON

693.002 Manchuria/128 : Telegram

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

PEIPING, June 30, 1932—5 p.m.

[Received June 30—8 a.m.]

751. Following from American Consul General at Mukden:

"June 29, 4 p.m. Referring to my telegram of June 28, noon [*midnight?*], a letter dated June 27 was received this morning from the new Superintendent of the Customs, Newchwang, stating that in accordance with instructions of the Ministry of Finance, Changchun, Ehara, a Japanese, formally took charge of the customhouse as Acting Commissioner on June 27. The letter also stated that the existing import and export tariff and customs procedure shall remain in force temporarily. It is understood that the new Commissioner was a customs assistant at that post."

JOHNSON

693.002 Manchuria/127 : Telegram

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

SHANGHAI, June 30, 1932—5 p.m.

[Received June 30—8 a.m.]

318. Referring to Department's telegram No. 211, June 27, 5 p.m., the Inspector General of Customs confirms absolutely the statement quoted. He also stated that the Commissioner of Dairen informed the Inspector General that the Commissioner had been warned by Kanai, chief of the section of Foreign Affairs of the Kwantung Government,

not to forward the funds to Shanghai and but for this warning the Commissioner would have forwarded them. The quotation is almost literally from a statement issued by the Inspector General on the 25th to the press.

CUNNINGHAM

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693.002 Manchuria/129 : Telegram

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

SHANGHAI, June 30, 1932—6 p.m.

[Received June 30—4:35 a.m.]

319. Supplementing my June 30, 5 p.m., the Inspector General ordered the Commissioner to come to Shanghai in order that he might be saved embarrassment but he refused presumably at the instance of the chief of the section of Foreign Affairs.

Not repeated to the Legation.

CUNNINGHAM

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693.002 Manchuria/136 : Telegram

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

TOKYO, July 1, 1932—noon.

[Received July 1—5:02 a.m.]

179. My 177, June 29, 8 p.m.<sup>85</sup> French Ambassador this morning received instructions to make to the Foreign Office the same *démarche* as was made by me concerning the Dairen customs.

Repeated to Peiping.

GREW

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693.002 Manchuria/138 : Telegram

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

PEIPING, July 1, 1932—2 p.m.

[Received July 1—7:40 a.m.]

755. Following from American Consul General at Harbin, June 30, 4 p.m.

“1. The customhouse at Manchouli where are about 100 Japanese gendarmes taken over by Manchukuo agents on June 28 and house of Norwegian assistant in charge searched.

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<sup>85</sup> *Foreign Relations, Japan, 1931-1941, vol. I, p. 92.*

2. The main customs office New Town, Harbin, still sealed but customs committee functioning at riverside day before yesterday under Manchukuo officials aided by seven of old staff and outsiders. Commissioner claims that the remainder of the staff are still being intimidated.

3. I believe unofficial protest by consular body to local police regarding intimidation would not produce practical results but that widespread publicity might.

4. Customhouses at Taheiho and Suifenho not seized because they are in territory beyond Manchukuo or Japanese military control."

JOHNSON

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893.71/146 : Telegram

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

PEIPING, July 1, 1932—3 p.m.

[Received July 1—7:40 a.m.]

756. Following from American Consul General at Harbin June 30, 1 p.m.:

"It is feared that if Manchukuo officials attempt to take over postal service as they did the customs, postal relations between Manchuria and China proper will be completely severed which would be detrimental Foreign Office, [to both foreign?] official and commercial interests, besides causing great disadvantage to the Chinese inhabitants. From a reliable source I have been informed Manchukuo at Berne applied for membership Postal Union but was informed that recognition of Manchukuo by three countries is necessary."

JOHNSON

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793.94/5393 : Telegram

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

TOKYO, July 1, 1932—5 p.m.

[Received July 1—7:12 a.m.]

180. The best information which our Military Attaché has been able to compile indicates that there are about 44,000 Japanese troops in Manchuria. In North China aside from Manchuria the Japanese troops are reported to be 2,000. The War Office admitted to the Military Attaché today that troops in North China are to be increased in the near future. The strength of this increase is still secret.

Repeated to Peiping.

GREW



693.002 Manchuria/148 : Telegram

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

WASHINGTON, July 1, 1932—5 p.m.

192. Your 701, June 23, 7 p.m. Department authorizes you to acknowledge the telegram from the Minister for Foreign Affairs in regard to the situation affecting the Chinese Maritime Customs in Manchuria, stating that you forwarded the text of the telegram to the Secretary of State and that you have been instructed to assure the Minister for Foreign Affairs that the points raised in the telegram are receiving the careful and solicitous consideration of the American Government which is attentively following developments in this situation and their bearing upon the rights and interests of the Chinese Government and of the other powers concerned.

STIMSON

693.002 Manchuria/146 : Telegram

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

PEIPING, July 2, 1932—1 p.m.

[Received July 2—6:20 a.m.]

761. Following from American Consul General at Mukden, July 1, 5 p.m.:

"This Consulate received today an official letter from the agency of the Commissioner of Customs, Antung, informing me 'that on June 28th the Manchukuo authorities, acting through the office of the Superintendent of Customs, communicated with him by former Mayor [apparently garbled] to hand over control of that part of the customs functioning outside the Japanese railway zone.'

It has been learned that the foreign and Chinese members of customs staff refused to join the new regime but that all Japanese agreed to do so. The Chinese customs service is still functioning in the railway zone where the rail-borne cargo is entered. This anomaly is believed attributed to hesitancy of Japanese to establish precedents involving encroaching on their jurisdiction."

JOHNSON

693.002 Manchuria/144 : Telegram

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

TOKYO, July 2, 1932—8 p.m.

[Received July 2—9:45 a.m.]

181. Italian Ambassador received instructions this afternoon to make representations concerning Dairen customs similar to those made

by Lindley, Martel and myself. He will do it Monday.<sup>86</sup>  
Repeated to Peiping.

GREW

793.94 Commission/284 : Telegram

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

GENEVA, July 2, 1932—9 p.m.

[Received July 2—10:10 a.m.]

214. Consulate's number 210, June 22, 11 a.m.<sup>87</sup> Private meeting of Committee of Nineteen was deferred until yesterday. It was followed late in the day by an extraordinary session of the Assembly in which the following transpired.

The President presented project for an extension of time limit for report of Lytton Commission (Consulate's number 209, June 20, 4 p.m.<sup>87</sup>). Yen accepted, but discussed in considerable detail the sacrifice of China's interests involved in the delay and reasserted Japan's violation of standing international obligations and more recent undertakings to the League with particular reference to Japan's support of Manchukuo regime, citing statements in the Secretary's letter to Senator Borah. Representatives of Sweden, Czechoslovakia and Spain supported the proposal for extension but stressed the exceptional nature of the circumstances and the grave questions of principle involved, particularly in that the settlement of questions of this nature as [*sic*] inevitably favored one party, and emphasized that this action was not to be regarded as a precedent. The representative of Mexico went further by presenting a formal reservation of his Government that acceptance of the extension measure should not create a precedent.

Without formal note [*vote?*], on basis of no objections being offered, the Assembly adopted a resolution the pertinent portions of which are as follows:

"Decides to prolong this time limit to the extent that may be strictly necessary and on the understanding that the said extension shall not constitute a precedent. After receiving the report of the Commission of Inquiry, the Assembly on the proposal of its Committee will fix the duration of the extension. The Assembly has no intention of unduly prolonging its work; it desires to conclude it as rapidly as circumstances will permit. It hopes in particular that its Committee will be in a position to begin its examination of the report of the Commission of Inquiry before November 1st."

GILBERT

<sup>86</sup> July 4.

<sup>87</sup> Not printed.

693.002 Manchuria/153 : Telegram

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

PEIPING, July 6, 1932—noon.

[Received July 6—9:40 a.m.]

773. Following from American Consul General at Harbin, July 5, 3 p.m.:

“1. Norwegian customs assistant in charge Manchouli arrested July 4, 10 a.m.

2. Both of foreign customs officials Manchouli now believed to be under detention.

3. Harbin Customs Commissioner anticipates attempts eject him from official residence.

4. Japanese police adviser threatens action against adviser customs employees who are allegedly ‘acting against Manchukuo interests’. Former Chinese customs assistant Manchouli, Yu Shao-wu, has been installed ‘Maritime Customs Chief’ in charge of Harbin customs.”

Repeated to Tokyo.

JOHNSON

893.01 Manchuria/308 : Telegram

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

Tokyo, July 6, 1932—2 p.m.

[Received July 6—5:50 a.m.]

186. I learned only yesterday that on June 23rd my British colleague, while discussing with Arita the arrival of the League of Nations Commission, left with him textually the following two paragraphs of an instruction from the Secretary of State for Foreign Affairs in London concerning Japanese recognition of Manchukuo, which Lindley asks me to regard as confidential. He is under the impression that he told me of this action at the time it took place but through what appears to have been a genuine oversight he did not do so.

“I agree that recognition by Japan would prove a most unfortunate and undesirable complication and should be glad if you would ascertain what are real intentions in the matter of the Government to which you are accredited. Please report fully with regard to resolution said to have been adopted by Diet on June 14th.

You should impress on Minister for Foreign Affairs that, while Nine-Power Pact may not forbid Manchuria to declare her independence, it does impose an obligation on the signatory powers to do nothing to encourage such action, and particular care is necessary if Japanese Government wish to avoid giving the impression that they are acting contrary to their treaty obligations.”

Arita replied that the Japanese Government would not extend rec-

ognition to Manchukuo at least until the departure from Tokyo of the League of Nations Commission.

My French colleague without instructions and in a personal conversation with Arita yesterday urged against precipitancy in recognizing Manchukuo on the ground that such action would complicate the whole situation. Arita promised to inform Uchida of Martel's advice. Martel is of the opinion that the public statements of Araki and others expressing a determination for early recognition are purely for home consumption and that the Government will not act hastily.

On the other hand, vernacular press today states that Arita told Lindley that Japan would not recognize Manchukuo at least until the League of Nations Commission had submitted its report to the League of Nations and characterizes Arita's statement as a careless slip of the tongue. Arita is reported to have explained that his statement was personal opinion. *Jiji* asserts that Arita flatly denies making such reply to Lindley. Press generally condemns Arita and expresses fear that League Commission will make use of his statements.

Repeated to Peiping.

GREW

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693.002 Manchuria/152 : Telegram

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

SHANGHAI, July 6, 1932—3 p.m.

[Received July 6—9:25 a.m.]

326. The Kuo Min news agency dated Shanghai, July 5th, carries the following statement from Sir Frederick Maze, Inspector General of Customs:

“Owing to the seizure of the customs revenue in Manchuria by the so-called Manchukuo authorities, customs revenue receipts for June have fallen sharply. Total payments for loans and indemnities during the month were Shanghai taels 12,935,384.62 and total remittances received were Shanghai taels 12,827,744.51, thus causing a deficit of Shanghai taels 107,640.11 instead of the usual surplus. A slight further falling off the revenue due to any one of a number of causes will thus affect the payment of customs commitment.”

“Pointing out the effect of the seizure of Manchurian customs as affecting customs commitments, the Inspector General stated that taking the average of the last 5 years (1927 to 1931) the total maritime customs collected was Haikwan taels 143,048,541. Collecting of Manchurian ports Haikwan taels 19,910,017. Total cost of loans and indemnity Haikwan taels 125,144,439. Manchurian proportion of loans and indemnities Haikwan taels 17,418,103.”

Repeated to the Legation.

CUNNINGHAM

693.002 Manchuria/178 : Telegram

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

WASHINGTON, July 6, 1932—3 p.m.

214. 1. *New York Times* of July 3 carries as a "special cable to the *Chicago Tribune*" an article under Shanghai date line July 2 stating that "Japanese police and Manchoukuo troops, led by a Japanese adviser, entered the private residence of Robert M. Talbot, the Commissioner in charge of the Chinese customs office at Antung, Manchuria, last Thursday, and at the point of a revolver compelled him to surrender his archives and documents".

2. Please endeavor to obtain from the Inspector General of Customs an authoritative account of the facts in regard to this incident. Inquire particularly whether:

- a. Japanese police and adviser participated;
- b. Talbot's residence is inside of or outside of the railway zone;
- c. Talbot was threatened with pistol or otherwise;
- d. Inspector General connects this incident in any way with efforts of the Japanese in relation to the customs situation at Dairen.

3. Report by naval radio and cable.

STIMSON

693.002 Manchuria/154 : Telegram

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

PEIPING, July 6, 1932—11 p.m.

[Received 11:25 p.m.]

776. My 748, June 30, 2 p.m. My British colleague informed me today that situation in regard to customs Manchukuo remains unchanged although he continues to urge compromise. He tells me that he has urged Yano, Japanese Chargé d'Affaires, who leaves within the next few days for Shanghai to discuss matter directly with Maze. Ingram says Maze and Soong prepared to go long way toward meeting Manchukuo desires, prepared in fact to accept suggestion that Dairen customs receipts be retained by China in lieu of other customs receipts provided such agreement does not in any way put in question China's right to receipts of other customhouses in Manchuria.

Repeated to Tokyo.

JOHNSON

893.102 S/1224

*Memorandum by the Minister in China (Johnson) of a Conversation With the Commander of the United States Army Forces at Tientsin (Burt)*<sup>89</sup>

PEIPING, July 6, 1932.

Lieutenant Soule brought Colonel Burt to call. Colonel Burt reported that he had arrived and had taken over the American armed forces at Tientsin in succession to Colonel Taylor who had recently departed. Colonel Burt was accompanied by Colonel Truesdell, second in command. He stated that he wished to call, to pay his respects and to receive any instructions which I might care to give him in connection with his duties at Tientsin.

I told Colonel Burt that the situation has been very ably handled by the 15th Infantry at Tientsin and that I did not think there was any necessity for me to give him any detailed instructions at this time. I thought that all the occasion required was for me to express the hope that he would carry on as in the past, cooperating closely with the American Consul General at Tientsin who in the final analysis was the one chiefly responsible for the carrying out of the policies of the American Government at Tientsin. I stated that this cooperation had been very well handled by Colonel Taylor and that I could suggest no way in which it could be improved.

I said, however, that I wished to use the opportunity offered by his visit to call his attention to the dangers which lurk in international cooperation for purposes of self defense at places like Shanghai and Tientsin at the present time when Japan and China are each seeking pretexts for attack one upon the other. I invited his attention to the situation which arose at Shanghai on January 28th of the present year.

It happened that I had on my desk a copy of the general defense plan which had been drawn up in secret at Shanghai on December 18, 1931. I invited Colonel Burt's attention to the fact that this plan had been drawn up by the military representatives of the Powers having forces at Shanghai, and that among those Powers was Japan between whom and China there had existed strained relations ever since September 18, 1931. I called his attention to the fact that it was well known to all who had participated in the drawing up of this defense

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<sup>89</sup> Copy transmitted to the Department by the Minister in China in his despatch No. 1631, July 15, 1932; received August 13.

scheme that Sino-Japanese relations were most tense, and that out of that tenseness it was feared might arise the kind of difficulty against which the defense scheme was intended to be used.

I pointed out that on January 28, 1932, there was no attack upon Shanghai by the Chinese; that the Japanese were intensifying the situation at Shanghai at that time by presenting an ultimatum, and by statements emanating from their military authorities to the effect that they intended to move against the Chinese unless the Japanese demands were met; that on January 28th the Japanese notified the municipal authorities and the defense committee responsible for the putting into effect of the defense plan of their intention to move; and that in the afternoon of January 28th, in spite of the fact that the Chinese had accepted the demands made by the Japanese, the Municipal Council proceeded to declare a state of emergency, the defense plan was put into effect, and under cover thereof the Japanese began an attack upon Chinese in Chapei which they later stated was carried out pursuant to a defense scheme participated in by the Powers.

I stated that the Consul General at Shanghai informed me that his first knowledge of this defense plan was obtained when he borrowed a copy to show me in April of this year, nearly four months after it had been signed by the commanding officer of the American landing forces at Shanghai, and some three months after the attacks upon the Chinese by the Japanese.

I told Colonel Burt that I was sure no incident of this kind would occur while he was in command at Tientsin. I said that I merely brought the matter up at this time because it was a good example of the kind of danger that lurked in such affairs; it illustrated so clearly the necessity for all of us to keep one another informed of what was going on in these matters of international cooperation, et cetera.

I again asked Colonel Burt at all times to keep the American Consul at Tientsin informed of his activities, and pointed out that the Consulate General was instructed to keep him likewise informed.

NELSON TRUSLER JOHNSON

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893.01 Manchuria/311 : Telegram

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

TOKYO, July 7, 1932—11 a.m.

[Received July 7—1:15 a.m.]

188. My 186, July 6, 2 p. m. The British Ambassador informs me that he had another talk on his own initiative with Arita yesterday and said that as a friend of Japan and in memory of the Anglo-Japanese Alliance he wished to point out the great harm which Japanese recog-

nition of Manchukuo would cause to Japan's best interests. The talk about self-determination in Manchuria, as the Japanese knew perfectly well, was sheer "humbug". Recognition would antagonize the United States as well as the member states of the League of Nations and in general would set the world against Japan whereas Japan could ultimately gain what she desires through negotiation and without antagonizing the world. Arita promised to report the conversation to Uchida.

From the point of view of purely practical results as distinguished from the legal aspect of the situation, representations by the United States at this moment would in my opinion be unwise. Any publicity with regard to such representations would tend to inflame public opinion which is at present in a very restive state and would therefore probably do more harm than good by possibly forcing the hand of the Government for immediate recognition.

Repeated to Peiping.

GREW

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893.01 Manchuria/313 : Telegram

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

PEIPING, July 7, 1932—5 p.m.

[Received July 7—10:30 a.m.]

. 778. Following from American Consul General at Harbin, July 6, 5 p. m.:

"1. Returned to Harbin 8 o'clock this morning. . . .

2. Travel by rail to Hailar, thence motor Hulun-Arshan near boundary Outer Mongolia 200 miles southwest of Hailar and return Hailar, thence by rail Manchouli and return Harbin.

3. Everywhere conditions quiet except Manchouli where 150 newly arrived Japanese gendarmes have made and are making trouble especially in regard to customs.

4. At Hailar leading Mongol princes still favorably disposed establishment new state but although new sub-province of Hsingan headed by Mongol prince has been created, the old office of Fututung with Prince Kuei Fu as head has not been abolished because of fear of possible misunderstanding on the part of ignorant Mongol masses.

5. Among Chinese with whom I talked found not one even among those in Manchukuo service who was favorable Manchukuo and who did not detest the Japanese.

6. Three hours before my arrival Manchouli, Schjoth, formerly charge customs there, although assured by Japanese Consul and Manchukuo police he could leave on short fishing trip was pulled from train by armed Manchukuo police, taken to office of Ono, Japanese in charge of Japanese *gendarmerie*, where he was questioned by Ono until 8 p. m. when allowed go home where I saw him. Ono urged him



send telegram Japanese press Harbin repudiating report that he had reported Japanese surrounded customhouse. He is not far from being physical and mental wreck and fears that Japanese will kill or imprison him. I asked Japanese Consul telephone Ono permit me as Senior Consul at 6 p. m. to see Schjoth and/or Ono but the latter refused permission. Chinese officials and merchants incensed at treatment meted out Schjoth who was ejected by force from office and residence but powerless to act against Japanese gendarmes. Please inform Norwegian Consul General.

7. Blumberg has been held at Manchukuo police station sleeping cement floor cellar 4 days. Wife says he has not eaten 3 days and wife claims medical assistance refused him. I am positive a Japanese visits him every day urging him enter service new customs which he refuses to do.["]

JOHNSON

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693.002 Manchuria/158 : Telegram

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

PEIPING, July 8, 1932—noon.

[Received July 8—2:35 a.m.]

781. Following from American Consul General at Mukden:

"July 7, 4 p.m. An official communication was received today from the Antung Commissioner of Customs stating that he had temporarily suspended as from July 5th the customs functioning in the railway zone, Antung, for reasons of the safety of his staff and that he had protested to the Japanese authorities against the irregular activities of the Manchukuo authorities against the customs in that area. It is reported in the newspapers that the Manchukuo customs is now functioning at the railway customs office."

Repeated to Tokyo.

JOHNSON

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693.002 Manchuria/157 : Telegram

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

PEIPING, July 8, 1932—1 p.m.

[Received July 8—3:55 a.m.]

782. Following from American Consul General at Harbin:

"July 7, 3 p.m. Ohrnberger, deputy commissioner, and Rozoff, assistant in the customs, arrested by the Manchukuo police early this afternoon and raid now taking place Commissioner's residence where some Chinese employees customs had taken refuge."

Repeated to Tokyo.

JOHNSON

693.002 Manchuria/180 : Telegram

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

WASHINGTON, July 8, 1932—6 p.m.

201. Your 748, June 30, 2 p.m.

1. Department suggests that such requests for instruction be accompanied by indication of Legation's views.

2. Department regards as appropriate the reply made by you as reported in last paragraph, first sentence.

Department desires that you refrain from making further reply, unless your Japanese colleague again approaches you on the subject. In that event, only, Department suggests that you should reply briefly in the same terms.

3. Do you regard the statement reported in penultimate paragraph of your telegram under reference as a serious threat and likely to be carried out?

STIMSON

693.002 Manchuria/174 : Telegram

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

PEIPING, July 9, 1932—2 p.m.

[Received July 9—2:30 a.m.]

788. Following from American Consul General at Harbin:

"July 8, 4 p.m. 1. In search Commissioner's house which was done with the consent British Consul General to whom form of search warrant was shown, some papers taken and Chinese employees customs arrested as alleged Communists. So far 18 Russian employees customs arrested.

2. On July 6th several thousand anti-Manchukuo forces attacked and captured Hengtaohotze defeating Russian self-defense guard. Japanese command was repeatedly warned town was threatened but made no effort to defend it or protect Russian and Chinese inhabitants."

JOHNSON

693.002 Manchuria/179 : Telegram

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

SHANGHAI, July 11, 1932—noon.

[Received July 11—5:20 a.m.]

331. Referring to Department's telegram No. 214, July 6, 3 p.m.

1. Talbot report dated July 1st. Japanese adviser with several

alleged Manchukuo police in plain clothes and armed entered Commissioner's house on June 30 and forced him to hand over archives. The Japanese adviser replying to Commissioner's protest stated that he has made every effort to carry out orders even ignoring the Japanese Consul and all other interests involved. The Japanese Consul to whom the authorities applied for assistance informed him that he had no authority to act favorably on Talbot's demand for protection. If further investigations justify the *Tribune's* statement regarding Japanese police will answer Department. Prior to June 27 Talbot removed archives from customhouse outside railway zone to residence in railway zone. Talbot was threatened with "display of arms". Talbot on July 2nd reported Japanese Consul assured him that there will be no repetition of the Manchukuo activities as occurred on June 30. Talbot also states that he is of the opinion the Japanese Consul was subject to *force majeure* on June 30th.

2. I have been favored by being able to read over all telegrams exchanged between Commissioner and Inspector General and foregoing is taken almost entirely from these telegrams.

3. The Inspector General states that there are two sides to Manchurian customs questions: (1) the Dairen customs which functions under a separate agreement between China and Japan, and (2) the treaty ports of Manchuria question, i.e., Dairen is not a the [*sic*] treaty port.

CUNNINGHAM

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693.002 Manchuria/181 : Telegram

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

PEIPING, July 12, 1932—3 p.m.

[Received July 12—6:46 a.m.]

796. Department's 201, July 8, 6 p.m. I consider statement in penultimate paragraph of my telegram 748, June 30, 2 p.m., as a serious threat and I believe it likely to be carried out.

All of the information coming from Mukden and other points in Manchuria of recent date which has been repeated from time to time to the Department indicates that the authorities there are consistently making every effort to take over into their hands the control of the customs.

The young Japanese who have joined the Manchurian government such as Ohashi and Komai apparently sincerely believe that they can establish a strong independent government in Manchuria, independent of Japan as well as of China but sympathetic with Japan

and capable under their leadership of doing Japan's work in that area and that they must have control over the customs if they are going to succeed. I believe that they will leave no stone unturned to gain this control.

The young Japanese mentioned above fear annexation of Manchuria by Japan as being dangerous to Japan on account of its sheer magnitude. They feel I think sincerely that annexation will mean Japan's ruin but I am personally convinced that the logic of events leads inevitably to annexation with all that it means.

Repeated to Tokyo by mail.

JOHNSON

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693.002 Manchuria/182 : Telegram

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

PEIPING, July 12, 1932—11 p.m.

[Received July 13—12:50 a.m.]

797. My 796, July 12, 3 p.m.

1. British Chargé d'Affaires has just shown me telegram which he sent to his Government on July 9 stating that he no longer considers it possible to accomplish anything with Chinese in connection with Manchurian customs questions as Manchukuo have practically accomplished seizure of customs.

2. Ingram told me that our French colleague told him this morning Admiral [*that?*] Padoux, an adviser to the Chinese Government, has been commissioned by Nanking to draft an appeal to the powers to come to China's aid financially to assist in combating bolshevism. I shall probably hear further from Wilden on this matter later.

3. In this connection I have just received a letter from Peck dated July 9 stating that he had just returned from a conversation with T. V. Soong in the course of which the latter said that he felt very deeply the need of friendly advice from the American Government in regard to the way in which he should meet the crisis which now confronts the Chinese Government. The following is Peck's summary of Soong's statements:

"Japanese seizure of Maritime Customs revenues in Manchuria has gravely reduced the unpledged income of the Chinese Government. In June there was no 'surplus' of customs revenue over and above charges upon it in the 'way' of foreign loans and indemnities and internal loans, but, on the contrary, a slight deficit. The most pressing financial problem is therefore the forming of a policy to be adopted in reference to the Manchurian customs. The financial credit of the Chinese Government has been dealt an almost fatal blow. The British Legation is advising the Chinese Government to come to an arrangement with Japan whereby the Dairen customs revenue shall be retained

by China and the revenue from other Manchurian offices abandoned by tacit agreement. Soong says that he has been unable to come to a tacit decision in his own mind what to do, except that he is determined to give the Japanese no admission, even a tacit one, that China relinquishes any of her rights over the 'customs' in Manchuria. Moreover, although China is now prevented by *force majeure* from collecting customs revenue elsewhere in Manchuria, in Dairen itself the Japanese Government is entirely free to carry out its treaty obligations in respect to the customs revenue and has no possible pretext for trying a bargain. Soong says the British Legation in tendering its advice ignores the importance of the Manchurian customs revenue to the maintenance of China's internal credit and the importance to the world at large of maintaining that credit. He points out that if the approximately 700,000,000 silver dollars worth of domestic bonds hypothecated on the customs are defaulted Chinese business will be ruined and foreign commerce with China will suffer the most serious consequences. Soong says that he is aware that the American Government has protested to the Japanese Government against interference with Chinese control of the customs in Manchuria but apparently without effect and he wonders whether the American Government cannot by another effort induce Japan to recognize Chinese rights in the matter.

The two remaining items of income upon which the Chinese Government mainly relies for operating expenses, i. e., the salt revenue and the consolidated tax, are being received in a fairly satisfactory manner in areas under immediate control but the loss of the Manchurian customs revenue added to the disastrous effects upon customhouse and revenues caused by floods, banditry and communist activities and the general unsettled political condition consequent upon the Japanese controversy have brought the Government's finances to a critical condition. Soong says that by the most obstinate opposition he has reduced proposed expenditures in the present communist suppression campaign from 5 millions to 1½ million per month. He derides the idea held by Chinese military men that by expending a huge sum in an intensive campaign of 2 or 3 months the communist menace can be wiped out and insists that this can be accomplished only by an extended and persistent effort. Other drastic economies have been effected but in spite of all, great masses of the population are in destitute circumstances and troops are unpaid, creating extraordinary ground for subversive propaganda. Thus an end is threatened not only to the internal credit of the Government but to the maintenance of the Government. He expressed the calculated opinion that the disappearance of the present Government would result in the speedy expansion of communist power, the setting up of regional dictatorships and the ruin of commerce. These results would be in addition to the sweeping losses which would be entailed upon the Chinese and foreign creditors of the Government by the Government's downfall.

I asked Soong what possible courses of action had suggested themselves to him in his effort to maintain the financial credit of the Chinese Government. Soong said that repudiation of its obligations by the Government would be worse than the disease and a unilateral moratorium would have practically the same fatal effect. One expedient

would be the imposition of compensating customs surtax on imports from Japan. This however might lead the Japanese to clear their imports through the customs by so-called 'consular clearance' which had been invoked in the past at the usual rate and thus provoke a revival of open hostilities with Japan. He said that he had not been able to divine any plan free from serious objections. The crux of the matter is that the loss of the Manchurian customs revenue deprives the Government of a monthly surplus which although small in amount (about \$3,000,000) is nevertheless a large part of July available assets and makes the difference between solvency and inability to operate. It is in regard to the Manchurian customs therefore that he earnestly solicits that timely advice of the Department of State.

Soong said that on July 14th he would go to Hankow for consultation with General Chiang Kai-shek and after a brief stay would return to Nanking for a few days before going to Shanghai. He said he would be very grateful if the American Government's informal friendly advice could reach him before he returned to Shanghai."

4. Maybe there is a chance note of despair in the above. The Chinese Government appears to be at its wit's end. There is no doubt in my mind that the Chinese Government relied upon the League of Nations, the Nine Power Treaty, and the Kellogg Pact<sup>90</sup> to extricate them from the Manchurian situation. They now despair of any solution from that quarter. Lacking the confidence and support of the people at large, faced with attacks from the Cantonese political leaders, while the whole central part of the country is in the grip of a destructive so-called communism which is destroying trade and national revenue, the Government is apparently considering, if Wilden's statement to Ingram is correct, an appeal to the powers for financial and other help on the ground that foreign interests will suffer if Government in China goes down before the spread of communism.

5. As stated in my 796, July 12, 3 p.m., I am convinced that the Japanese cannot retire from Manchuria. On the contrary events now point to the possibility that if the Japanese can connect guerrilla activities in Manchuria with the Chinese authorities south of the Wall they must strike at Tientsin and Peiping with a view to stopping those activities. Chinese and Japanese are in the current of events and are being carried on. They cannot await the outcome of League Commission investigations or conferences of the powers.

6. Personally I cannot see how the powers can keep the present Nationalist Government of China intact against the spread of revolt in the country, but I am convinced, as I stated in my telegram from Nanking of November 25, 3 p.m., 1931,<sup>91</sup> that if events continue in their present direction chaos must subvert China with attendant destruction to foreign interests. T. V. Soong deserves some kind of an answer

<sup>90</sup> Treaty for the Renunciation of War, *Foreign Relations*, 1923, vol. I, p. 153.

<sup>91</sup> *Ibid.*, 1931, vol. III, p. 562.

to the questions which he has sent through me to you. I hope that you will be able to give me something that I can send to him through Peck as he has requested.

JOHNSON

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693.002 Manchuria/191 : Telegram

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

PEIPING, July 13, 1932—5 p.m.  
[Received July 13—9:10 a.m.]

800. Legation's 796, July 12, 3 p.m. Mukden written despatch No. 618 of July 5th<sup>92</sup> just received states the long expected taking over of the Chinese Maritime Customs in Manchuria by the Manchukuo authorities was at last accomplished during the week just ended. In the week preceding they forced the depositary banks to hand over the funds that had been accumulated since April, when the banks were instructed to discontinue remittance to Shanghai.

It seems probable that the situation which developed at Dairen following the dismissal by the Inspector General of Customs of Mr. Fukumoto, the Commissioner at that port, hastened the taking over of the customs at other ports.

Customshouse at Antung was taken over by force on June 29th. Bank of Chosen, an official Japanese organization and customs depositary at Antung, handed over customs deposits to the Changchun authorities after the question had been referred to Tokyo. Customs at Newchwang was formally taken over on June 27th by force. Customshouses at Lungchingtsun and Hunchun in the Chientao area were taken over on June 29th by the Manchukuo authorities. Mukden reports that smuggling from Korea into Antung which had become an organized business after the incident of September 18th was effectively stopped in April of this year but states that it is significant that the Japanese authorities took steps to put an end to this illegal traffic at about the time the Manchurian authorities ordered the cessation of remittances of customs funds Shanghai.

JOHNSON

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693.002 Manchuria/192 : Telegram

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

PEIPING, July 13, 1932—8 p.m.  
[Received July 13—10:05 a.m.]

803. Following from American Consul General at Harbin:

"July 12, 5 p.m. 1. Blumberg, customs [at] Manchouli, released July 9th and with Schjoth arrived at Harbin yesterday morning.

\* Not printed.

2. Rozoff, customs Harbin, released early morning of July 8 and Ohrnberger released July 10th.

3. Despite Soviet Consul General's protest that they are Soviet property Sungari River, Harbin wharves, belonging to the Chinese Eastern Railway, taken over by Manchukuo, July 8th.

4. Yesterday afternoon, today crowd several hundred discharged employees gathered front Chinese Eastern Board Building demanding payment pensions, threatening lives of President Li Shao-ken, Vice President Kusnetsoff. Latter escorted yesterday from office by six heavily armed Russians furnished by Soviet Consulate General.

5. Japanese troops drove anti-Manchukuo forces from Hengtaohotze yesterday."

Text to Tokyo by mail.

JOHNSON

693.002 Manchuria/194 : Telegram

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

WASHINGTON, July 13, 1932—6 p.m.

211. Your 797, July 12, 11 p.m. Department is giving careful consideration to the difficult questions raised. I would find it helpful, in considering possible form and substance for possible reply, to have an expression of your views with regard to what would be possible and appropriate.

STIMSON

693.002 Manchuria/193 : Telegram

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

PEIPING, July 14, 1932—1 p.m.

[Received July 14—2:10 a.m.]

809. Following from American Consul General at Mukden:

"July 13, 2 p.m. Referring to my telegram July 9, noon, it has been learned that the Chinese customs staff Antung received verbal notice from Manchukuo authorities to vacate customs residences by July 12th; that the whole staff is going to Chefoo in three groups, the second group leaving today. The evacuation is being carried out in an orderly manner."

JOHNSON



693.002 Manchuria/196 : Telegram

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

PEIPING, July 15, 1932—8 p.m.  
[Received July 16—1:07 a.m.<sup>93</sup>]

813. Your 211, July 13, 6 p.m.

1. In this matter one must bear in mind a possible analogy with the situation in 1922 when Chinese perpetually sought help from United States and other countries and later turned to Russia. It is of course possible to consider Soong's request against known background of present preparations for resumption of relations with Soviet Russia.

2. We have refused to second Japanese intimations that Manchukuo would accept a compromise. Ingram has informed his Government that he believes it no longer possible for a compromise to be arranged, and my information is that Manchukuo has practically completed taking over of customs offices and administration.

3. It seems to me therefore that question of China's policy vis-à-vis Manchurian customs is now no longer a point at issue and that in considering question of any advice which we are to give Soong we must choose between informing him that Chinese sovereignty in Manchuria is lost and suggesting that China's only present course is to await the result of the investigations of the Commission sent out by the League of Nations.

4. I assume that the United States and the powers are not yet ready to accept the situation created in Manchuria by the Japanese and to advise the Chinese to accept Manchukuo and the loss of Chinese [sovereignty?] in Manchuria with all that that implies.

5. To advise the Chinese to await the results of the investigations of the Commission sent out by the League will of course imply support of the Commission's views and promise that something will be done about the matter in the future. Yet this is the only suggestion that occurs to me. We must go on with the procedure started at Geneva.

6. A Reuter telegram dated Tokyo, July 14th, text of which is being repeated to the Department today,<sup>94</sup> indicates a possibility that the way may still be open for negotiations in regard to Manchuria and that the Japanese may yet await action emanating from the League before taking the final step of recognizing Manchukuo, a step which so far as Japan is concerned would preclude any further discussion of the matter in any [apparent omission].

6 [bis]. In considering what advice we may give it is necessary to consider just how much hope properly may be held out to the

<sup>93</sup> Telegram in two sections.

<sup>94</sup> Not printed; it related to an interview between the new Japanese Minister for Foreign Affairs (Uchida) and the Lytton Commission of Inquiry.

Chinese for a further consideration of the question of Manchuria which may be of advantage to them.

7. If there is any foundation in the Reuter report above mentioned, and if there should develop any feeling on the part of the Japanese Government that the adventure in Manchuria is going to prove a more costly and a generally more difficult undertaking than Japan can bear, it is possible that there may yet arrive a moment at which the Japanese Government might be disposed to liquidate the adventure on terms which would at least restore nominal Chinese sovereignty and possibly somewhat more. In such circumstances it would seem likely that an arrangement might be executed with more facility by the mediation of friendly third parties. Such mediation however could only be made on the basis of the mediator possessing the complete confidence of both the Chinese and Japanese Governments. Uchida has emphasized the impossibility of reaching a settlement "so long as the question is encased in formalism and theory." It occurs to me that provided such a moment does arrive it might be possible for the United States to assist in a settlement. To this end however I believe that while maintaining strictly the entire legal position which we have held it would be of great assistance if we were to show the Japanese the appreciation which we actually do have of the principal difficulties which they have encountered in Manchuria and thus cause them to feel that we have a sympathetic understanding of the facts of the Manchurian question as they see it. It seems to me that only in this way would it be possible for us to be of practical assistance in the event that Japan may at some moment desire to conclude her present adventure on terms which if not satisfactory to the Chinese may eventually be accepted by them as the best way out of the present impasse.

JOHNSON

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893.01 Manchuria/367

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

No. 57

TOKYO, July 15, 1932.  
[Received August 1.]

SIR: The indications are that Japan will extend recognition to the "new government" of Manchukuo in the fairly near future. All organs of the Japanese Government concerned with the matter have stated that the recognition of Manchukuo is the settled policy of the nation and will be carried out despite the enmity of China and the possible opposition of the Powers and the League of Nations. As pointed out in my telegram No. 161 of June 20, 12 M., the Govern-

ment here regards this as the only method of regularizing their position vis-à-vis Manchuria and of placing their railway and land interests on a legal footing. There are various factors tending toward a delayed recognition—all, however, indicating an eventual recognition. These factors can best, for purposes of discussion, be divided into three classes: (1) the attitude of the Japanese Army, (2) the attitude of the Foreign Office, and (3) the attitude of the people.

1. *The Attitude of the Japanese Army.*

The attitude of the Japanese Army is that Manchukuo must be recognized in the near future. The Army instigated and conducted the military conquest of Manchuria and undoubtedly had much to do with the establishment of the "new government" of Manchukuo. They now wish to see their gains in Manchuria consolidated and established. They distrust the slow caution of the diplomatic leaders, fearing that the advantages which have been won through their efforts will be partly lost through delay and through diplomatic negotiations. They are anxious to present a great and accomplished fact to the Japanese nation in order to justify their own position and to prevent further popular demand for land disarmament. There are also idealistic elements in the Army which sincerely desire to establish in Manchuria an ideal government, free from corrupt influences of Tokyo, and in order to accomplish this purpose, wish to cut loose, as soon as possible and to as great a degree as possible, from Tokyo. This element in the Army is perfectly willing to defy the world, if necessary, in order to accomplish their end in Manchuria.

The opinion in the Army as to the time of the recognition of Manchukuo, however, is divided. The Army in Manchuria, as represented by General Honjo, together with the Japanese officials in the government of Manchukuo, is desirous of immediate recognition. The Army officials at home, as represented by Lieutenant-General Araki, the Minister for War, are more cautious. They are in touch with the elements in Japan having vested interests in Manchuria and have learned the dangers of recognition before Manchukuo has a constitution and codes of laws and before treaties governing Japan's rights and interests in Manchuria are arranged. Japan's rights in Manchuria are based upon treaties with China, which would be seriously jeopardized by the recognition of Manchuria as a state independent of China. The Army authorities at home also distrust to some extent the Japanese and Chinese in the Manchukuo "government" and have no desire to give up national rights already acquired for nebulous rights which might be obtained from the new state. In accordance with this view, Lieutenant-General Araki is reported to have stated, on various occasions within the last two weeks: "The Count's (Count Uchida's) attitude

on recognition of Manchuria is that Japan should not be in too great a hurry to extend recognition to the new regime. He believes that Japan should complete all necessary preparations for extending recognition. I share this view with him." "Recognition must be given as soon as possible, but it requires preparations." "It is naturally Japan's fixed policy to recognize Manchukuo just as soon as opportunity offers."

It appears, therefore, that the Army (which is the most powerful factor in the Japanese Government today) will endeavor to have Manchukuo recognized by Japan as soon as a treaty can be arranged. It seems probable that an attempt will be made to embody all the Japanese demands in this treaty. It is impossible, of course, to forecast the date or the contents of the treaty, but it seems certain that upon the conclusion of the treaty Manchukuo will be accepted by Japan as an independent state.

## 2. *The Attitude of the Foreign Office.*

The Japanese Foreign Office, until July 5, 1932, was entirely non-committal regarding the recognition of Manchukuo. Entrusted as it is with the task of keeping the peace in international relations, fully aware (which the Army is not) of the problems in regard to violations of existing treaties and agreements which the recognition of Manchukuo will inevitably bring to the surface, and being already in receipt of protests from European Powers against the recognition, the Foreign Office could hardly be expected to be enthusiastic over the matter. On June 15, 1932, however, Viscount Saito, then Foreign Minister as well as Premier, stated that "Recognition of Manchukuo must be made on an enduring basis. Preparations are necessary. This will be done no matter who becomes Foreign Minister." Later Mr. Arita, the Vice Minister for Foreign Affairs told Sir Francis Lindley, the British Ambassador at Tokyo, that recognition of Manchukuo would not be granted until after the League of Nations Commission of Inquiry had left the Far East. This was, however, later explained as the personal opinion of Mr. Arita and not an expression of the intention of the Japanese Government. It is, however, an indication of the feeling of the permanent staff of the Foreign Office, as opposed to the opinions which are forced upon them by the military.

On July 5, 1932, the spokesman of the Foreign Office, Mr. Shiratori, stated to newspaper representatives that Japan's policy regarding Manchuria was fixed and that nothing could alter the decision of the Government to recognize Manchukuo. This was the first expression of policy by the Foreign Office in this connection.

Count Uchida (now Minister for Foreign Affairs), while still President of the South Manchuria Railway, was frequently reported to be

in favor of immediate recognition of Manchukuo. He had at that time the viewpoint of the Japanese Army in Manchuria. In June he was called to Tokyo to consult with Viscount Saito regarding the post of Minister for Foreign Affairs. On his way to Tokyo he expressed his views as follows:

“Recognition of the Manchukuo regime is a question which requires early settlement under present conditions. Investment in Manchuria and establishment of various enterprises there cannot be made with complete satisfaction until recognition has been extended. Even from the standpoint of making the Japanese residents there feel secure, to say nothing of the Manchurian people themselves, recognition must be accorded at an early date. I believe it will do no good to consider this or that third country at this particular time.”

After consultation with the authorities in Tokyo, however, Count Uchida did not appear to be so eager for immediate recognition, undoubtedly having been informed of the attitude of the Powers toward the matter. Although he has made no public announcement regarding his policy toward the question of recognition since his induction in office on July 6, 1932, it is known that he adheres to the stand that the existence of the independent state of Manchukuo is an obvious, accomplished fact, that Japan has unalterably fixed its policy in regard to the new state, and that recognition will be granted at an appropriate time, despite the protests of the Powers. It may be possible that this attitude will be changed after consultation with the Commission of the League of Nations, now in Tokyo.

### 3. *The Attitude of the Japanese People.*

Manchuria in the past has not been a concrete factor in the daily lives of the people of Japan. To the great mass, Manchuria was a vague something in which they had a sentimental interest because their fathers had fought and died there in the war with Russia. They knew that the Army placed much importance on the control of Manchuria and that Japan had important railway and other interests there, but Manchuria itself was of no immediate interest to them. When, last September, the Army acquired control of Manchuria, the people became imbued with war fever and were almost unanimously behind the Army in its actions. This was, however, only an exhibition of the aggressive military spirit manifest among Japanese and implied no comprehension of the issues involved. Throughout the campaign they were told that the Army was taking control of Manchuria for the noble purpose of protecting Japanese interests and of freeing the 30,000,000 suffering inhabitants of Manchuria from the gross misrule of former governments. By means of strict press bans the facts of many of the Army's activities, especially the part played in the establishment of Manchukuo, were kept from the people. (See despatch

No. 48, July 9, 1932<sup>95</sup>). Although there were no press bans on the subject, there was little discussion in the press of alleged violations by Japan of international obligations or of the legal aspects of the occupation of Manchuria. The people were thus kept in ignorance of the controversial aspects of the situation and could not understand the objections of other nations to Japan's actions.

Like the unthinking people of all nations, the Japanese people are very susceptible to ideas conveyed by catch phrases or slogans. Some time in the spring of this year the idea that Manchuria was Japan's "life-line" was spread among the people, who seized upon the phrase with avidity, although probably not one in a thousand could explain in what respect, if any, Manchuria constituted a "life-line" for Japan.

Public opinion, which could be used later when the time for the recognition of Manchukuo arrived, was thus manufactured. In the extraordinary session of the Diet which ended on June 15th, a resolution was introduced to the effect that immediate recognition should be granted to Manchukuo by Japan. This resolution was passed unanimously by the Lower House but did not go to the House of Peers because of lack of time. It constituted the first expression of public opinion on the question (See telegram No. 155 of June 13, 8 P.M.).

General Araki is reported to have stated, on July 1st, that the Army authorities were concerned over the apparent lack of public interest in the Manchurian question and over the decreasing spirit of the people in agitating for the recognition of Manchukuo. Public opinion was therefore stimulated by the holding of mass meetings, which were addressed by Army officers, in various cities. On the day of the arrival in Tokyo of the Commission of Inquiry of the League of Nations and on the following day, the seven leading Japanese newspapers in Tokyo, the *Asahi*, *Nichi-Nichi*, *Yomiuri*, *Hochi*, *Chugai Shogyo*, *Yorodzu* and *Miyako*, published editorials to the effect that Japan's policy regarding Manchuria and the recognition of Manchukuo was fixed and that this fact must be made known to the Commission. As all of the editorials were of identical tenor, however, there can be little doubt that they were inspired and were not spontaneous expressions of public opinion.

During the past week there has been a noticeable tendency on the part of the authorities (perhaps caused by representations made by the League Commission) to "soft-pedal" the recognition question. Editorials, however, continue to appear advocating immediate recognition. Public opinion seems to have been really aroused, and once aroused, it refuses to be hushed. As an observer of conditions in Japan stated, "Public opinion in Japan usually is like a jack-in-the-box.

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<sup>95</sup> Not printed.

When the authorities want public opinion, they open the lid and the jack pops out. When they are finished with it, they push it back into the box and close the lid. But this time they cannot push the jack back into the box."

It would be a mistake, however, to assume that all of the people of Japan are advocating immediate recognition of Manchukuo. There are many thoughtful people who regard the proposed move with misgiving. It has been pointed out in previous despatches that there is much lack of discipline throughout the Government in Japan, and that it is almost always possible for a determined group of men in a few responsible positions to force the hand of the Government and to commit the country. This seems to have been done throughout the Manchurian venture. The situation is, so far as can be seen from the outside, in the hands of a few men, most of whom are military officers. They are determined to force the issue through in spite of any opposition at home or abroad. These men play upon the feelings of the masses to obtain support for their ventures, and it is this manufactured mass feeling which passes for public opinion in Japan.

A group of thoughtful but inarticulate (under present conditions) men feel that the leaders of the Manchurian venture are undoubtedly sincere but that they lack any knowledge of economics. They are convinced that Japan has no chance of recouping its expenditures on the Army in Manchuria. The region is not rich and the population, as in other parts of China, is mostly desperately poor. Even if the Japanese succeed in time in restoring order there, and the land becomes the "happy valley" so fondly predicted, the people who will benefit will be the Chinese inhabitants. The Japanese population can never become large, and the returns to Japan from investments cannot, even under the most favorable conditions, equal the money spent on the present venture.

These opinions are widely held by thoughtful Japanese, who are not, however, in control of the Government. One Japanese of high standing, in commenting on the situation, remarked, "Let us hope that these men (the leaders of the Manchurian venture) will get some sense before Japan is completely ruined."

Respectfully yours,

JOSEPH C. GREW

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693.002 Manchuria/198 : Telegram

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

PEIPING, July 16, 1932—4 p.m.  
[Received July 16—4:15 a.m.]

819. Following from American Consulate General at Mukden:

"July 15, 3 p.m. According to a reliable source majority of the

Chinese staff of Newchwang customs failed to report for duty on July 14th, allegedly in accordance with instructions from the Inspector General, and the police took immediate steps to [round?] them up."

JOHNSON

693.002 Manchuria/199 : Telegram

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

TOKYO, July 16, 1932—4 p.m.  
[Received July 16—5:07 a.m.]

189. My British colleague has received instructions to make further representations to the Japanese Government expressing the disappointment of the British Government at the customs situation in Dairen as well as at the announced impending recognition by Japan of the Manchukuo regime. His instructions invoke the Sino-Japanese treaty of 1907 as well as the Nine-Power Treaty and advance arguments similar to those already used against interference with the Chinese Customs Administration [in Manchuria?] which indirectly involves an interference with British trade, and against encouragement by Japan of a separatist movement in China. He took the matter up with Arita, who advanced the same time-worn replies, and will see Uchida next week.

Repeated to Peiping.

GREW

793.94 Commission/310

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

No. 60

TOKYO, July 16, 1932.  
[Received August 1.]

SIR: During the recent stay in Tokyo of the League of Nations Commission of Inquiry in the Far East, I have had a number of conferences with Major-General Frank R. McCoy, the American member of the Commission. Before proceeding with the conversations I informed General McCoy that I would report the gist of his remarks to the Department and asked him if his conversations with me would in the slightest degree embarrass him. He assured me that they would not embarrass him if kept in strict confidence; that it had been the practice throughout of the members of the Commission to maintain the closest contacts with the diplomatic and consular officers of their countries, and that they had obtained a large part of their information



from these officers. He felt, therefore, that there could be nothing embarrassing to him or incompatible with his position as a member of the Commission in discussing the general situation with me. He added that his colleagues on the Commission were by mutual consent talking freely with their respective Embassies in Tokyo.

I gather from his remarks that the Commission has reached some definite conclusions which may be summarized as follows: the blowing up of part of the South Manchuria Railway on September 18th was simply a pretext for action by the Japanese Army, as were later incidents, all carefully planned by the Japanese in advance; the Japanese have undoubtedly had some provocation for action in Manchuria, but their claim that the Japanese Army acted only in self-defence cannot be admitted; their claim that the establishment of Manchukuo is an instance of the self-determination of a people is unsound and cannot be admitted; Manchukuo was and is entirely dependent upon the Japanese Army for its establishment and continued existence and has received no real support from the Chinese population of this region; the claim that the Japanese in the Manchukuo Government are loyal to Manchukuo rather than to Japan is open to much doubt; the present status of Manchuria is apt to prove to be a source of future wars rather than a guarantee of peace in the Orient; Manchukuo will, in fact, become a festering sore and a case of Irredentism far worse than that of Alsace-Lorraine; the pacification of Manchuria is likely to be a long task which will require the presence of large bodies of Japanese troops for some years, as the Manchukuo troops are not loyal to the new government; Japan has not used, as it should have used, the machinery provided in the Covenant of the League of Nations and in the peace treaties for the keeping of the peace and has done much to destroy faith in the peace structure.

I do not know, and probably the Commission has not yet decided, what will be included in the Commission's final report, nor what concrete recommendations will be made. I have reason to believe, however, that some if not all of the foregoing points will be included in the final report or in the reports of the experts attached to the Commission.

The opinions of the members of the Commission were conveyed to the Japanese authorities (principally to Count Uchida, the Foreign Minister, and General Araki, the Minister of War) during the recent visit of the Commission to Tokyo. The replies of the Japanese officials consisted of restatements of the declared Japanese government policy, namely, that the Japanese policy toward Manchuria is unalterably fixed and that no discussion is possible.

I understand that the Commissioners have been unusually in accord

and that their findings and recommendations are likely to be unanimous.

I enclose herewith memoranda of my three conversations with General McCoy and copies of memoranda of interviews<sup>96</sup> between the Commission and various officials.

Respectfully yours,

JOSEPH C. GREW

[Enclosure 1]

*Memorandum of Conversation Between the Ambassador in Japan  
(Grew) and Major General Frank R. McCoy*

[Tokyo,] July 12, 1932.

Also present: Dr. G. H. Blakeslee, E. R. Dickover, and W. T. Turner.

GEN. MCCOY: Regarding the Open Door in Manchuria. The Young Marshal, when he was in power in Manchuria, was favorable to American business men, who therefore obtained a great deal of the government business. Now the Japanese firms are getting the business and the American firms, like Andersen, Meyer and Company, might as well shut up shop. American motors and oil firms, however, are exceptions. They like the Japanese to be in charge, because it means quick and sure payment for supplies which the Japanese must buy from them.

Our talks with General Araki were well summed up in the *Japan Advertiser* of July 11th. But there was one notable difference in Araki's attitude. On our previous visit to Japan, Araki was blithe, debonair, and self-confident. On our last visit to him he was different—he is now the responsible minister of state. He no longer talks freely, illustrating his talk with stories and fables. He now talks only from notes, supplied him by his assistants, and uses care in phrasing. All the spirit seems to have gone from him, and he looks care-worn. Things are apparently not going well. There was one difference in what Araki said, from the press reports. His attitude when we were here before was that Westerners cannot possibly understand the Far East. Now he says that he hopes that our visit will clarify our minds and that we will be able to realize the actualities of the situation; that however we report to the League, he begs us to realize Japan's difficulties. He now appears to be intimating that there is some chance of a compromise. Formerly, Araki gave no impression that any compromise was possible, but Yoshizawa (former Foreign Minister) did give that impression. He gave us, on our visit here in the middle of March, full and frank information. We

<sup>96</sup> Latter memoranda not printed.

explained to him that the Commission was not here to act as judges but to try to find some solution of the problem which would be satisfactory to both sides. So we asked Yoshizawa to tell us exactly what Japan wanted in Manchuria. He said that Japan wants the treaties with China, including the secret protocol, to be acknowledged by China. He also said that the most significant thing about Japan's attitude toward Manchuria is sentimental and historical. The Japanese people are sentimental about Manchuria. The present generation consists of the sons and daughters of men killed on the battlefields of Manchuria, and consequently sentiment enters into their thoughts. This factor must be considered and is most important. About the treaties, Yoshizawa said that there was no responsible government in China with which to negotiate. The central government was hopeless and the local men in Manchuria passed the buck back to Nanking. The red Kuomintang party was back of all the trouble. This party is anti-foreign, not only anti-Japanese.

**AMBASSADOR:** But could not Japan have referred its troubles to the other powers, under the Nine-Power Treaty?

**GEN. McCoy:** We asked Yoshizawa about that, but he said that things developed too quickly. The Foreign Office was caught unprepared by the Army's actions. The Foreign Office, according to the impression which we received, was out of sympathy with the War Department and did not know what it would do next. Yoshizawa made no direct reflection on the War Office but gave us the impression that the Foreign Office was caught by surprise. In this connection, I might tell you that George Bronson Rea and Kinney, the two propagandists for Japan, told me that Baron Shidehara had planned a conference last October on the China and Manchuria questions. He intended to bring in various men—the President of the South Manchuria Railway, the Governor of the Kwantung Leased Territory and various others making investigations in China and Manchuria, to confer with the object of putting the whole matter up to the League.

As the former Minister to China, Yoshizawa was in a position to speak with authority on China. He said that China was like a huge jelly-fish and was filled with communistic troubles. The Japanese Government, by the way, is now putting out pamphlets containing much of what Yoshizawa told us. There are several of them—one on the Chinese Central Government, one on the communist movements there, and one on the anti-Japanese boycott. I presume that the pamphlets are put out by the Japanese Government—they were handed to us by Yoshida, the Japanese Assessor to the Commission.

To return to Yoshizawa and the treaties. These have all been published except the secret protocol to the Treaty of 1905. You may re-

member that a copy of that protocol was given to Huntington Wilson, but the copy given him was not complete. Yoshizawa furnished us with a photostat copy of the protocol. Nanking also did this and we are having the two translated, checked, and studied.

AMBASSADOR: Did you ask about the 21 Points?

GEN. MCCOY: Yes. Yoshizawa said that the 21 demands were forced on Japan by conditions in China and were in reality engineered by Yuan Shi Kai, who worked behind the scenes, and who was trying to save face for the Government. The Nishihara Loans were the meat in the coconut there. Yoshizawa did not answer all of our questions when we were here; some he answered later in writing and we received the answers when we were in Harbin. In the meantime he had become very hard-boiled and concise, and answered most of our questions with a direct "No". For instance, we had asked him if Japan would withdraw its troops from Manchuria if sufficient security could be found by other means. His answer was "No". In regard to the establishment of Manchukuo, Yoshizawa seemed embarrassed. Once again the military seemed to be going ahead without informing the Foreign Office.

All indications throughout our stay in Manchuria pointed to a continued conflict between the two parties, the military and the Foreign Office.

We were in Shanghai during the armistice negotiations. Then we went to Nanking and conferred with all the ministers of the Chinese Government. We had seen them before, in Shanghai, but started our real conferences with them in Nanking. The Chinese throughout tried to link the Manchuria and Shanghai affairs, but Japan always tried to keep them separate. The general impression which we obtained in Nanking was that a real government was gradually emerging in China and that the reds would have been stamped out had not the Japanese disturbed matters by their Manchurian campaign.

All the Chinese Ministers of State were present at our conferences, but Wang Ching-wei, the Chief of the Executive Yuan, did all of the talking. Chiang Kai-shek stayed in the background and let the civil authorities talk. He even gave them precedence in leaving the room. There was evidently an endeavor to give the impression that the civil authorities, rather than the military, were in power in China.

Both the Japanese and Chinese presented beautiful, finished cases, each giving its side of the dispute, but the two briefs are incompatible. The Chinese case was absolutely perfect, as far as the façade was concerned.

In China everything in the Government seemed to be normal and the various ministries were all functioning. They did not seem to take the Manchurian affair very seriously; certainly not as seriously

as the Japanese, who always take things seriously. The Chinese seem to think that Manchuria is unalterably Chinese and that eventually, in a hundred or five hundred years, the matter would be straightened out, to China's advantage. Time, apparently, was no object in the dispute. In any argument, the Chinese always tend to go back and back in history, to the Han Dynasty. They are steeped in ancient history, and their thoughts consequently work in centuries. But the nationalist spirit in China is becoming very real, and the Manchurian and Shanghai affairs did much to assist this spirit.

AMBASSADOR: Does this nationalistic feeling embrace Canton?

GEN. MCCOY: Yes. There is a very strong party there that wants to present a united front to Japan. All factions in China are together against Japan on the Manchurian question. The Chinese officials are venal and inclined to compromise to avoid trouble. Small incidents make one pessimistic regarding China, but one should look for thirty years and observe the progress. The United States Government's policy in regard to China is correct. The treaties regarding China are good treaties and should be adhered to. Our policy of playing for time until the problem is worked out and a real government emerges is a good one.

Then we went to Peking and talked with the Young Marshal and the *émigrés*—Manchurians who went down to Peking and Tientsin after the Japanese occupation. The Young Marshal gave us the impression of being much more intelligent than we could have expected in so young a man. He talks more like an American than an Oriental. He told us of his efforts to give Manchuria a really good government, efforts which were frustrated by the old cliques. However, our impression was that the old governments in Manchuria, including those of Chang Tso-lin and Chang Hsueh-liang, were undoubtedly personal and corrupt. The Young Marshal was sick with typhoid in Peking last summer when the trouble broke out, and he feels that if he had been well he could have avoided the trouble. The immediate cause of the Japanese outbreak was the usual Chinese pin-pricking in Manchuria. Such as the Nakamura case. This was settled just prior to the outbreak, but the Young Marshal realized that the case, with other things, would give the Japanese a pretext, and he wanted to avoid giving them any pretext. Therefore from the hospital in Peking he gave orders that his subordinates were to be careful to give the Japanese no pretext on which to move, and, if the Japanese did move, they were to offer no resistance. The Young Marshal had been negotiating with the Japanese directly, not through Nanking, in August of 1931. He had been getting together with Shidehara and thinks that he had reached a perfect understanding with him, when the military took the bit in their teeth.

Chang told us about his father's funeral. Japan sent two envoys to the funeral, both named Hayashi, which confused us for a time. One was Baron Hayashi, of the Imperial Household Department, representing the Emperor, and the other was Mr. Hayashi, the Consul General at Mukden, representing the Japanese Government. Baron Hayashi told the Young Marshal that he should not fly the Nanking flag or have any closer relations with Nanking than did the Old Marshal. The other Hayashi repeated this advice but made it stronger. He stated that if the Young Marshal took Japan's advice, financial and other assistance would be given by Japan; if not, Japan would take appropriate measures—a phrase which we constantly encountered in our investigations.

DICKOVER: Did you ask Chang about the death of his father?

GEN. MCCOY: Yes. Chang started to tell us but became too nervous and had to stop. My investigations indicate that the assassination was a mixed Japanese-Chinese affair. The actual bombing was probably done by Chinese, but the affair was planned by Major Doihara, with his satellites, including Komai; Pao, the Mayor of Mukden; and the two Chinese generals later shot by the Young Marshal.

[Enclosure 2]

*Memorandum of Conversation Between the Ambassador in Japan (Grew) and Major General Frank R. McCoy*

[Tokyo,] July 14, 1932.

Also present: Dr. G. H. Blakeslee, E. L. Neville, E. R. Dickover, and W. T. Turner.

GEN. MCCOY: In regard to the rumor current among the foreigners living in China coast ports to the effect that the Chinese 19th Route Army was planning to attack Shanghai and was stopped by the Japanese, I have looked carefully into the matter and found that orders had already been given to the 19th Army to move and preparations had been under way when the Japanese attacked and stopped the evacuation. There was a natural fear among the foreigners arising from the presence near the city of such a large body of men.

In closing my remarks the other day, I noticed that I created some surprise among you by stating that the Japanese were justified in their actions in Manchuria. I meant that they were justified from their own point of view. They had been subject for some time to the pin-pricking tactics of the Chinese—and you know that the Chinese can be very irritating. Even their best friends must admit that. I said that the former governments in Manchuria were corrupt military governments which obstructed the Japanese. The Young Marshal was a military dictator, surrounded by a group of smaller military dic-

tators. He had very little control and all his attempts to give Manchuria a better government were countered by these small dictators. He maintained his position only because the other dictators also wanted his position, were jealous of each other, and rather than see one of them in the position, preferred to keep a young man whom they could control in the position.

Today I will proceed to our investigations in Manchuria, but first I wish to explain some newspaper articles purporting to give my views. They were all false, as I never gave the newspaper men an official interview. I was once reported in Tokyo as having said that Colonel Stimson was only a common politician, or words to that effect. This was entirely false. It was a misunderstanding in a talk which I had with Colonel Furujo. You know how they try to talk without really understanding much of the conversation. Colonel Furujo had said that Colonel Stimson was against the Japanese, and I was defending him. I said that he was a representative of the American people and was expressing their opinion—not his own personal opinion. Somehow this was twisted into the remark I was supposed to have made. None of the so-called interviews with me were true. On the whole, however, I must admit that the Japanese press has treated the Commission very well. They have had a very sympathetic attitude.

To go on to our investigations. When we finished with Peking we had acquired a good background of both the Japanese and the Chinese sides. Both Araki and Yoshizawa in Japan had given us their views as to Japan's intentions in Manchuria. I have here memoranda of our conversations with them, which I cannot give you but which I can show you. There is also a memorandum given us by Uchida in Dairen, when he was president of the South Manchuria Railway. By the way, Uchida has now been told twice that his two major premises—that of Japan's military movements in Manchuria being self-defensive and that of self-determination of Manchukuo—are unsound. We told him so in Dairen and recently in Tokyo. He has no misunderstanding of the Commission's views on these two points.

During all of the time that we were in China the Japanese Assessor to the Commission, Mr. Yoshida tried to get us to travel around to out-of-the-way places, with the object of proving to us that there was no real government in China. We had no time to do this but we accomplished something along these lines by dividing the party, sending groups off to different places. For instance, we sent Astor and Young to Szechwan by air. The Chinese did not want us, apparently, to go anywhere except to Nanking and Peking, but we wanted to go to Hankow, the real heart of China, especially because it is sur-

rounded by Red movements. So we went to Hankow. We covered a lot of ground altogether which gave us more confidence in our decisions. We not only covered China well, but we checked everything with our Ministers and our consular officers. We did the same thing in Manchuria and carried out our inquiry to our satisfaction. In Manchuria, we made Mukden the center and from there went to Changchun, Korea [*Kirin?*] and Harbin. While in Manchuria we saw officially no one who represented China. The Chinese sympathizers were either threatened or subdued, or felt that they were. We saw officially only people who had the cards stacked. The missionaries were a great source of information—the Catholic missionaries who reported to General Claudel, the British missionaries who saw Lord Lytton, and the American missionaries who came to me. They knew the public sentiment, which was of great importance.

At Mukden we spent most of our time with Japanese officials. We saw General Honjo day after day. He answered our questions frankly after the first day, when he was somewhat embarrassed by our questions. The trouble arose from the fact that his story did not agree with the story of September 18th incidents as given in a pamphlet which had been distributed to us by the Japanese Assessor. They had to make a lot of corrections in the pamphlet.

As a military man, I would say that the Japanese put over a good General Staff performance in Manchuria. They were very friendly, hospitable and courteous to us, and let us hear anyone who had anything at all to do with the September 18th incident. We talked to the commanding officers, the lieutenants, and all others, even down to the privates and the track workers who repaired the tracks after the explosion. Their stories did not always tally, but that was an indication that they were telling the truth. If the Commission had nothing else but the Japanese official accounts—no outside evidence whatever—we would be convinced that the blowing up of the railway was only a pretext. They convicted themselves by their own evidence. We are convinced that the Japanese Army planned the whole thing. First they tried the Nakamura case, but that did not work as a pretext. So they blew up the railway. We have been convinced from the Japanese statement alone that no Chinese planned that incident. Then one incident followed another, as planned in advance by the Japanese,—the Nonni River bridge, etc.,—building up a beautiful case of self-defence for the Japanese Army. Everyone in the Commission is convinced of this from the Japanese' own story. As for the blowing up of the railway, we could not go before a court and swear that the Japanese did it because we cannot say exactly what happened, but we are convinced that it was a pretext.



The Japanese themselves believe that their story is entirely convincing; in fact, they believe their story themselves. For example, when we went through Chinchow we were met by the staff of the Japanese regiment there, who insisted that we go up to their headquarters barracks, although we were not interested. They had a table in front of a formal iron gate, with a group of officers around it. We were lined up and an officer, in a grave voice and almost sobbing, told us this story. On the table were two iron chrysanthemums, with sixteen petals—the Japanese Imperial crest. The chrysanthemums had been taken off the gate, which was the gate to a school, and were exhibited as an example of how China has insulted Japan. It seems that the chrysanthemums had been placed at the bottom of the gates, so that as the students passed in and out of the gates, they kicked the chrysanthemums. Also on the main gate was a picture of the rising sun of Japan, painted over the two sides of the gates, so that when one was opened the rising sun was broken in two. Now the Japanese got us off the train to show us this nonsense as a striking instance calling for Japanese armed action!

We came back from Manchuria convinced on all points which we wished to investigate, with the possible exception of some minor details. After hearing the Japanese story, it seems that their whole case is based, first, on the justification of their attacks on the ground of self-defence, to get around the Kellogg Pact, and, second, on the premise that the movement for independence was a spontaneous action of the Chinese people in Manchuria, to avoid trouble with the Covenant of the League of Nations and with the Nine-Power Treaty.

Our trip has been vastly interesting. It was hard work, but I was never bored for one minute. We interviewed practically all the influential leaders—Honjo, Doihara (who is the nigger in the woodpile in Manchuria and who gave us a very significant talk) and the other Japanese advisers. One of the Japanese advisers gave us a plan of the organization of the Manchukuo government. At the head of the list of the men in each section was a Japanese name. After these names were asterisks, pointing to a note below that these were Japanese advisers. This was changed during our visit and we were informed that these men were not Japanese Government officials but were employed by the Manchukuo government as directors of policy and not as advisers. No appointment can be made without their consent. They are experts employed by the Manchukuo government to help them. In all our conferences with the Manchukuo officials the Japanese advisers surrounded them. The old Premier was most pathetic. He did not know what it was all about. He was Pu Yi's teacher of writing—and is now Premier. Komai is a most pugnacious and determined-looking man. All the Manchukuo officials except the Premier whom we interviewed formally informed us indi-

rectly, later, that what they had said in public did not represent their true feelings—quite the contrary!

AMBASSADOR: You said that the Japanese General Staff put on a masterly show for you?

GEN. MCCOY: Masterly in that it conveyed an exactly opposite impression from that intended!

We believe that there is no self-determination in Manchuria. The Chinese are terribly stirred up. Of course, the coolies do not care, except when they come in contact with the Japanese officials or with the bandits, but the representative Chinese are almost unanimously against the new government which they regard as the puppet of Japan. Certain selfish Chinese interests are in favor of the new government because they think that they will have a better chance of profits under the Japanese rule, as in Kwantung and Korea. The Manchus and Mongols are in favor of Manchukuo, but that is because they are against the Chinese. They were never loyal to the Chinese government and welcome the return of Pu Yi, of the old Manchu dynasty. However, they are only a fringe on the great mass of the Chinese population and cannot be considered in the general problem. We believe that things in Manchuria will get worse instead of better and that there will be more and more opposition to the new government, from China and Russia. Instead of bringing international peace, we think that the situation will be prolific of future wars.

Dr. Blakeslee has talked with scholars, missionaries and business men, whom I was too busy to see personally. He can tell you more of the feeling.

DR. BLAKESLEE: The great proportion of the Manchukuo officials, even those nominally loyal to the new government, would be glad to go over to a genuine Chinese government. They are not really loyal to the new government.

GEN. MCCOY: Honjo himself told us that they cannot depend for a minute on the loyalty of the Manchukuo troops, numbering about 80,000. They are all right for guard duty, but if they are ordered against the bandits or rebels—so-called bandits—they are liable to go over to the other side, with their ammunition.

AMBASSADOR: You said the other day that my long telegram to the Department,<sup>97</sup> repeated to Peking, about the pros and cons of Japanese recognition of Manchukuo had been helpful to you and the Minister. In that telegram I said that if Japan recognized Manchukuo some of the Japanese troops could be withdrawn or paid for by the Manchukuo regime, thus reducing expenses. Colonel McIlroy later disagreed with this point. What do you think?

<sup>97</sup> Telegram No. 161, June 20, noon, p. 92.

GEN. MCCOY: Colonel McIlroy was right. We asked Gen. Honjo about that. At first he said that they would be able to withdraw the troops by September 1st. Later he told us that it will be two years before they can withdraw. At Mukden in May he told us that he was much concerned about the situation; that his troops were inadequate and that he needed reinforcements. Later he said that he had asked for more troops. This is because of the disloyalty of the Manchukuo troops. Also because of Russia. Two weeks later he said that arrangements had been made which removed the anxiety. Presumably he was talking about some arrangement with Russia.

DICKOVER: Could you tell us anything about the loyalty of the Japanese in the Manchukuo government to Japan? We have been hearing that they are more loyal to Manchukuo than to Tokyo.

GEN. MCCOY: I was confident that they were playing the game with the Japanese government. General Honjo put them in there. Komai was in the Japanese Foreign Office and went over to Honjo last September as adviser. He has worked with Doihara and Honjo for twenty-five years. Ohashi was a Japanese consul for twenty-five years (*Note.*—actually less than fifteen years) and resigned to become an adviser in the Manchukuo Foreign Office. It is the same with all the Japanese in the Manchukuo government. They have all been connected with Manchuria in some way. But they insist that they are not playing the game of the Japanese Government. Ohashi states that he is a revolutionist and that he wants to overthrow the money-bags and politics in Japan as well as in Manchuria. He says that he will take no dictation from Tokyo. He sees a Utopia in Manchuria, and gave up his pension and chance of promotion to take a job in the Manchukuo at half the salary, in order to help create a paradise. But I am suspicious. He is too insistent. He cannot change his background of officialdom. I may be cynical, but Ohashi was too insistent. He has, however, convinced Mr. Haas and some other members of the staff of the Commission.

AMBASSADOR: Any of your colleagues?

GEN. MCCOY: No. The members of the Commission are also cynical, but some members of the staff believe him.

BLAKESLEE: General McCoy and I agree surprisingly well on all points. On this point we agree in principle but there is a difference in degree. We all agree that the Japanese Army created and supports Manchukuo. I thought, as does General McCoy, that the Japanese in the Manchukuo Government were mere puppets. But the experts attached to the Commission have gradually changed their views. These young Japanese in Manchuria seem at times to take pleasure

in countering the Japanese plans. A measure of discretion has been given to these officials, and in minor matters they sometimes take the opposite standpoint to the Japanese diplomatic and even military ideas. To illustrate, Honjo gave permission for Wellington Koo to go into Manchukuo, and we thought that everything was fixed. We were mistaken. Ohashi said Koo could not enter. There were protracted negotiations between Secretary Haas and Ohashi, and Koo was finally permitted to enter on an exchange of letters. It was all very good acting or a real difference of opinion.

Then the Commission wanted to see General Ma. The Japanese Assessor with the Commission and the Army said that we could and arrangements were being made. The matter was taken up with Ohashi, who blew up and absolutely refused. The easier interpretation is that there was a real difference of opinion between the two Japanese groups. Then we wanted to take two Chinese, one a woman stenographer, from Mukden to Shanhaikwan. The Assessor and other Japanese assured us that there would be no objection. But Changchun refused because the inclusion of these two Chinese would exceed the number—five or six—of Chinese who were permitted to accompany the Commission. Yoshida and the other Japanese were obviously irritated at this refusal.

In my experience the Japanese are often irritated at the cantankerousness of the Manchukuo crowd of Japanese. They complain that the officials there are not amenable to suggestions from Tokyo. Zuzmoto told me that the officials in Tokyo do not think much of the Japanese in Manchukuo; that they are a poor lot and rebellious; that they must be cleaned out some day and better men put in. On a showdown the Japanese Government could put them out. In such case why does not the Japanese Army put them out now? Because the Japanese in Manchukuo represent to some extent the Fascist groups in Japan and ousting them would arouse opposition here. It is not worthwhile to discharge them.

The attitude of the foreign business men toward the new government was the most discouraging point which we encountered. The attitude of the American business men whom I saw seemed to depend upon whether or not they could make any money out of Manchukuo. It was a most unfortunate attitude. This is a moral issue. . . . American business men on the whole gave me the impression of having more sympathy with Manchukuo than any of the other groups which we interviewed.

[Enclosure 3]

*Memorandum of Conversation Between the Ambassador in Japan  
(Grew) and Major General Frank R. McCoy*

[Tokyo,] July 15, 1932.

Also present: E. R. Dickover, Mr. Parsons.

GEN. MCCOY: I gave you a memorandum of the Commission's first talk with Count Uchida, the Foreign Minister. There was no doubt in our minds as to Japan's attitude after that first talk but the members of the Commission discussed the matter and decided to see Uchida again and be sure that we had everything perfectly clear.

At our second interview (July 14th) with Uchida, Lord Lytton said in substance: "We are not going to take up much of your time. All is perfectly clear as to the intention of the Japanese Government but we felt that as the League representatives we should approach you again, as things were not quite clear on two points. First is the use of the League machinery for keeping the peace. Both you and General Araki have told us that Japan had already fought two wars in Manchuria, and that still the results were not such as safety to Japan required. Now, the greatest powers in the world had fought the Great War, and the League and the machinery for keeping the peace were the big results. I feel that the Japanese Government should realize what it would mean to the governments of the world to have this machinery ignored; it would make the people lose faith in the League and the machinery. The Japanese Government has not used the machinery for the establishment of which it signed the Covenant of the League of Nations. The Japanese Government has stated throughout that it is fully conscious of its obligations under the various covenants and treaties, but still it went ahead in violation of what others thought were its obligations. Secondly, you say that China has broken the treaties with Japan, but now Japan is doing this very thing. Surely the other eight powers of the Nine-power Treaty should be consulted before you act (on the recognition question). Japan should not make any vital decision until it has fully considered this treaty. If every country operated on what it considered its vital interests without consulting the treaties, it would destroy everything which has been built up since the Great War."

Lord Lytton was very effective. He talks in beautiful English and made a really moving statement.

Uchida fumbled badly in reply and simply repeated the standard patter of the government policy—sacred right of self-defense, Manchuria being Japan's life line, and so on. Lord Lytton started to speak again, but the Foreign Minister broke in and said that it was

no use arguing, that the Japanese Government was fully decided on its policy, and that it is going to live up to the treaties, but that it does not think that it is breaking the treaties.

Then I said—not to the Minister but to Lytton—that I fully concurred in his statements, but that I would like to develop another subject. The League Commission was not only trying to solve the present trouble, but was trying to look ahead in order to develop something which would prevent future wars in the Far East. I said that I thought that it would be helpful if he told Count Uchida what we considered would cause future wars and what would prevent them. Japan's policy has not yet been successful in keeping peace in the Far East, and we are sure that Japan's present policy will bring more wars. I said that I thought it was our duty to tell Uchida this.

Lord Lytton then asked Uchida if he would bring the two points to the attention of his colleagues (in the Cabinet). Uchida said that he would not bring them to the attention of his colleagues, as Japan's policy was fully decided. What we really asked him to do was to delay matters for a while until things could settle down.

**AMBASSADOR:** We have the impression here that in time there is likely to be a complete change in the sentiment toward the Army in Japan. Was that what you had in mind?

**GEN. MCCOY:** Such a change in sentiment is likely according to precedents in this country. That is why we asked him to stave off the matter. Lytton also made it plain that the Commission was a creation of Japan—that they had asked for it. He pointed out that it would look bad if they committed themselves irrevocably before the Commission had made its report. Uchida also fumbled the reply to that.

**AMBASSADOR:** Then there is not the shadow of a doubt in the minds of the Japanese officials regarding the tenor of the report of the Commission?

**GEN. MCCOY:** No. But I have much sympathy with the Japanese. The Chinese . . . have not played the game with the Japanese, and Manchuria has not played the game. Of course, they were under pressure from Japan all the time, and they adopted any policy to stave them off. In recent years the Chinese have had a most irritating policy in Manchuria, which I can understand after hearing the stories of the minor things which happened. The Japanese with complaints, which eventually always had to be taken up diplomatically, were passed on from one person to another, from Mukden to Nanking and from Nanking to Mukden. It was enough to drive anyone crazy. It happened not only to the Japanese but to all for-

eigners. The Japanese had a good case but they went about it in the wrong way.

AMBASSADOR: If the Japanese had presented their troubles in accordance with the provisions of the treaties, they would undoubtedly have received a sympathetic hearing. There is much genuine friendship for Japan in the United States.

GEN. MCCOY: Exactly. But the Japanese claim that they had the same right to interfere in China that we have in South America, Cuba and Nicaragua. They are always bringing up the Nicaragua case. But the cases are not parallel. First, our interference took place some years ago. Times have changed. Then we were not committed not to do it—we were rather committed to do it. Also we were always asked by both sides to the dispute to intervene and we always got out when the job was finished. Japan was not asked to do what she did. There is no analogy.

AMBASSADOR: Did they bring up this question officially?

GEN. MCCOY: No. Unofficially, in our private conversations. The Japanese always say that we cannot understand the Far East. But they themselves do not understand the Orient. They certainly have not made a success in China. They say that they will develop Manchuria, bring peace and order and make it a good country in which to live. They point to what they have done in Kwantung. But conditions are different. Manchuria is unalterably Chinese. If Manchuria was isolated, cut off from the rest of Asia, Japan might do it, but lying cheek by jowl with 400,000,000 Chinese, the thing is impossible. Manchuria will be like Alsace-Lorraine, a festering sore. It will result in wars with China and Russia, unless the world can prevent them. Instances are now occurring which will lead to war. For example, we asked Uchida what Manchukuo consisted of. We also asked the same question of Manchukuo. At first they could not answer, but recently Uchida produced a map showing that Manchukuo consisted of the Four Eastern Provinces, including Jehol and Inner Mongolia. Now, the Chinese still hold Jehol. When they learn that Manchukuo claims it, it will make them rave. That alone will lead to war. Then the Japanese army garrisons down along the railway to Shanhaikwan are surrounded by Chinese volunteer armies, and the Japanese are very nervous over the situation. It will not take much of a pretext to make them move—probably on Tientsin and Peking, where Chang is. There are the seeds of infinite trouble.

AMBASSADOR: In regard to this national movement in China. Is there any possibility of them getting together and building up a really efficient army?

GEN. MCCOY: No, not for a long time. There is no confidence among the people. For instance, Young Chang's troops are well

turned out—they look better than the Japanese troops—but they have no confidence in their officers. They all expect their Generals to sell out at any time. An army like that cannot fight the Japanese. But the Chinese have tremendous powers of passive resistance. If the Japanese tried to invade China, they would run up against the same thing that invaders of Russia have always found. They could take the ports but could not go into the interior. China is still the world's greatest puzzle. I have been studying it for thirty years. During that time I have noticed a considerable increase in the national spirit. It is sketchy but it is there. Johnson, the American Minister to China, thinks that it will take two or three hundred years for China to get together. I do not agree with him. I think that it is progressing faster than that.

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693.002 Manchuria/204 : Telegram

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

WASHINGTON, July 17, 1932—11 p.m.<sup>98</sup>

215. Your 797, July 12, 11 p.m., paragraphs 3 and following, and your 813, July 15, 8 p.m.

1. The Department appreciates and has given careful thought to your comments.

2. Instruct Peck to reply to Soong orally and informally along the following lines:

The American Government has at all times, and particularly in periods of special difficulty such as the past 9 months, given sympathetic consideration to views expressed to it and requests made of it by responsible authorities of the Chinese Government. In determining its course of action, positive or negative, in reference to various issues and questions, it has been guided by well-known principles and has constantly had in mind certain equally well-known objectives. However, it has not by itself the power to shape the course of events entirely in conformity with the principles to which it adheres and the objectives to which it is committed. It desires that treaty obligations be respected and the rights and interests of all concerned be shown due regard, and it directs its efforts toward those ends. At the same time it is opposed to resort to force as an instrument of policy. It realizes that there has occurred in the Far East a serious breach of the peace which is of rightful concern to the whole world. It realizes that the peace machinery has not proven adequate either to prevent this breach or to take care, as yet, of the situation and

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<sup>98</sup> Telegram in two sections.



problems presented in connection therewith. It still hopes that the problems inherent in the present situation will be resolved in accordance with the spirit and the provisions of treaties to which the disputant powers along with others are parties. It has exerted its influence and will continue to do so on behalf of peace and justice. In relation to matters which have been and are at issue between the disputants, it has refrained from taking sides. Where American or general world rights and interests have been involved and acts impairing or jeopardizing those rights and interests have been the acts of one of the disputants and not of the other, it has expressed its views to the disputant responsible for those acts. In general, it has addressed itself equally, in the same terms and at the same time, to both disputants.

The position of the American Government with regard to fundamental issues which are rightfully and necessarily of concern to it was clearly set forth in the notes addressed to the Chinese and the Japanese Governments on January 7<sup>99</sup> last and was reaffirmed and elucidated in the letter of the Secretary of State to Senator Borah of February 23 last.<sup>1</sup> That position has also been recorded in the expressions by the American Government of its concurrence in the views of the League of Nations as set forth in several of the League's resolutions.

In reference to such matters as interference by the present Manchuria régime with the Customs service in Manchuria, the American Government has expressed its views in quarters where it has been felt that the expression thereof would have the maximum of effect. The American Government has refrained from lending its influence on behalf of any proposals from any source for a solution inconsistent with the provisions of existing agreements and/or the position to which it and other countries are committed by published declarations of policy. The American Government feels that any new step on its part in this connection at this time would be likely not to improve the situation.

With regard to the question of China's finances, the American Government realizes that the Chinese Government is constantly confronted with difficult and unusual problems in that field. However, the American Government notes that, whereas the Customs receipts of China amounted in 1926 to Taels 80,435,962, these receipts amounted in 1931 to 246,064,000. It will be remembered that the American Government took the lead in 1928 in concluding with the Chinese

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<sup>99</sup> See telegram No. 2, January 7, noon, to the Consul General at Nanking, and footnote 9, vol. III, p. 7.

<sup>1</sup> See telegram No. 50, February 24, 2 p.m., to the Consul General at Shanghai, *Foreign Relations, Japan, 1931-1941*, vol. I, p. 83.

Government a tariff treaty<sup>2</sup> in consequence of which, similar treaties having soon been concluded by China with other powers, it became possible for China to make her own tariff schedules—with the resultant increase in her Customs revenues referred to above. Assuming that the whole amount of the Customs revenues collected in Manchuria be now withheld, by whatever acts, the amount of the Customs revenues still received by the Chinese Government will be almost three times the amount received in 1926. It is the feeling of the American Government that the United States and several other powers have in attitude shown themselves friendly to and have in action given substantial practical assistance to the National Government. Not only have they made it possible for that Government to acquire greatly increased revenues, but they have been generous in relation to various of China's financial commitments to them. At the present moment practically all governments are confronted with unusual financial difficulties and all nations are having to meet by their own efforts extraordinary fiscal and economic problems. The Chinese Government and people are no exception. The American Government has noted with gratification during recent years the fact that the Chinese people appear increasingly willing to come to the aid of their Government in moments of financial crisis, and the American Government hopes that this tendency will prove sufficiently developed to produce for the Chinese Government the income needed to meet its requirements.

With regard to the spread in China of so-called communism, the American Government appreciates the seriousness of the menace that confronts the Chinese Government and is well aware that the spread of communism may have an adverse effect on foreign interests there and in relation to general world concern on behalf of stability and order. Judging by past events, the American Government is compelled to doubt whether this menace can be eliminated by military operations primarily and exclusively. It would seem that communism exists and is made possible primarily by reason of unsatisfactory political and economic conditions and that therefore perhaps the most promising measures for preventing its spread must be measures calculated to eliminate the underlying causes and factors which provide soil for it and contribute to its growth.

The American Government realizes that the Chinese Government is confronted with hard facts and that its problems will not be solved by mere invocation on anybody's part of theories. It wishes to be helpful and it endeavors to be so. It is not able to offer or to suggest ways and means whereby these problems may speedily be solved, but

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<sup>2</sup> Signed at Peking, July 25, 1928, *Foreign Relations*, 1928, vol. II, p. 475.

it can and it does endeavor not to place obstacles in the way of efforts of the Chinese Government to find for them fair, equitable and abiding solutions. It cannot offer, nor would it at present advise the Chinese Government to seek loans. It can and it does reaffirm its continued good will and its continued adherence to the traditional principles of its Far Eastern policy, to the definite provisions of the various treaties to which it is party, and to its recent statements of policy. It can and it does express the hope that the National Government will surmount its present difficulties and will become increasingly effective.

Having in mind Minister Soong's request for advice, the American Government feels that the best advice which it can give the Chinese Government is advice which it would equally give to any other government, namely, that no commitment be entered into contrary to or bringing into controversy obligations in connection with previous and outstanding commitments to other countries, such as the Nine-Power Treaty and the Pact of Paris, and, in the case of members of the League, the Covenant of the League. Each nation should endeavor to keep its legal and its moral position clear and to safeguard its reputation for observance of both the spirit and the letter of its treaty pledges. The American Government notes with gratification and approval that Minister Soong apparently has that conception and intention in relation to principles, policy and procedure. Moreover, and in addition, the American Government believes it especially desirable, in view of the solicitous concern which the nations have manifested with regard to the situation which has developed in Manchuria, that, pending the submission by the Commission of the League of Nations of its report, no action be taken which might prejudice or destroy existing rights, add to the complexity of the situation which the Commission is surveying, or unfavorably impress the Commission and those who await its report. Obviously no assurance can be given with regard to the contents of the Commission's report and the action which may be taken later; but it is the measured opinion of the American Government that the work of the Commission may be expected to throw light on the problem and its effort be to contribute toward effecting by peaceful means a practical and just solution.

3. Peck should make sure that Soong understands that this is an authorized statement, official as between the Department and its officers but unofficial and informal as between him and Soong, to queries which were raised in the course of Soong's conversation, as reported, with Peck. Peck may deviate at his discretion from the text but

should accurately convey the substance of the above. He should not leave a memorandum.

STIMSON

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793.94/5419 : Telegram

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

SHANGHAI, July 18, 1932—11 a.m.

[Received July 18—6:45 a.m.]

339. Referring to my telegram No. 337, July 15, 4 p. m.,<sup>3</sup> area D turned over to Chinese 11 a. m. of 17th witnessed by Boone. Only outside points still occupied by Japanese are Toyoda Mill, Jessfield Road and Kung Dah Mill, Pingliang Road. Each mill is on an extra-Settlement road. The Chinese intend to press for evacuation of the two mills. These two mills were occupied prior to January 28 by Japanese military and present garrisons do not exceed 200 and 150.

Repeated to the Legation.

CUNNINGHAM

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893.01 Manchuria/332 : Telegram

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

TOKYO, July 18, 1932—4 p.m.

[Received July 18—9:35 a.m.]

190. 1. In his two conversations with the League of Nations Commission last week Uchida stated categorically that Japan intended to recognize Manchukuo and that this subject was not open to discussion. The Commission after having clearly set forth to Uchida its considered and unanimous opinion regarding the situation in Manchuria left Tokyo for Peiping on the 16th.

2. In spite of Uchida's categorical statement mentioned above, considerable surprise has been manifested in Japanese circles that the Commission did not remain for further discussions and on the day of its departure Shiratori told the foreign press correspondents that contingent upon the Commission's recommending a period of delay the Japanese Government was considering the possibility of maintaining the *status quo* by recognizing Manchukuo as a "Government" and delaying recognition as a "state" until it should have given proof of its qualifications for the latter status. In fact, he said, this type of recognition already exists as Japan has been communicating with

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<sup>3</sup> Not printed.

Manchukuo through the Japanese Consul General in Changchun and it is the same type of recognition as that accorded to Chang Tso-lin and Chang Hsueh-liang with whom Japan negotiated agreements.

3. Today Shiratori told the foreign correspondents that the report of the League Commission would influence the attitude of Japan regarding the question of recognition of Manchukuo and that Yoshida would of course know the substance of the report before publication. He thought the best procedure was to delay recognition until such time as the complete independence of Manchukuo cannot be disputed by the most fastidious of critics. He said "The noise by the people in favor of complete recognition may, however, force the hand of the Government and the Japanese military are particularly sensitive to public opinion more than the outsider generally supposes". In any case, he said, Japan will not bind herself to any specific period of delay, and will accept no supervision whatever. "For the present we shall do everything except grant recognition in name and more color may be given to the present situation by our entering into agreements with Manchukuo".

4. As Shiratori's statement is to open [*open to*] various interpretations involving the question of China's continued sovereignty of [*over*] Manchukuo, I asked Neville to endeavor to obtain an informal clarification from Arita as I did not wish to prejudice the situation by seeing [*seeking?*] an official fourth [*interpretation?*] from Uchida at this juncture. Arita said that there was no change in the Japanese Government's attitude as expressed to the League Commission and that the Foreign Office spokesman frequently gave his own explanation of statements made by the Minister or other officials. He said that he could not at the moment make a definite statement as to the time or the method of extending recognition to Manchukuo, but that when recognition is given it will mean the acceptance of a sovereign state.<sup>4</sup>

5. In spite of the somewhat contradictory sense of the statement[s] of Arita and Shiratori I cannot believe that the latter spoke entirely without the knowledge of his superiors especially as he substantially repeated his remarks after an interval of 2 days. In view of the fact that his statements were not given to the Japanese press they may well be in the nature of a trial balloon in order to gauge foreign reaction.

6. Arita told Neville that Uchida would probably send for me within a few days in order to go over the whole situation.

Repeated to Peiping.

GREW

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<sup>4</sup> See despatch No. 69, July 28, from the Ambassador in Japan, p. 700.

793.94/5424 : Telegram

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

PEIPING, July 19, 1932—4 p.m.

[Received July 19—6:45 a.m.]

825. Report from Mukden states that an officer of the Japanese Army named Ishimoto was attacked and [carried?] off by soldiers belonging to Tang Yu-lin at [*in?*] Jehol. A strong protest was made by the Japanese who later despatched armoured cars from Chinchow to Chaoyang where fighting is now reported as proceeding between Japanese and Tang's troops.

Local inquiries have so far failed to elicit any information. There has lately been considerable Japanese propaganda regarding the unfriendly attitude of Tang Yu-lin and it is surmised that present activities may be a prelude to the invasion of the Jehol area.

JOHNSON

693.002 Manchuria/206 : Telegram

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

Tokyo, July 19, 1932—10 p.m.

[Received July 19—10:05 a.m.]

191. Following from the Consul at Dairen.

"July 19, 2 p.m. All 10 Japanese customs officials and 54 clerks, including 20 new ones, now operating Manchukuo customs in old building. British Assistant Commissioner and 58 officials and clerks of Maritime Customs, mostly Chinese, continue at desks in old building. Kwantung Government allows new services to function and has acted to prevent Maritime Customs from remitting million yen collected before customs taken over. Full report follows."<sup>5</sup>

Copy by mail to Peiping.

GREW

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<sup>5</sup> Not printed.

893.01 Manchuria/332 : Telegram

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

WASHINGTON, July 19, 1932—2 p.m.

143. Your 190, July 18, 4 p.m. and previous. I have followed with interest and solicitude your reports and the news despatches relating to contemplation by the Japanese Government of recognition of "Manchoukuo", the action of the British Ambassador in relation to that subject, and reputed efforts of the League Commission to discourage precipitate action by the Japanese in relation thereto.

I have carefully considered whether the American Government, in the light of the facts as understood here, should take any action at this time in relation to that question. I have concluded that we should not at present volunteer an expression of our views but should be prepared to express them immediately if at any moment they are called for.

Therefore, if any responsible officials raise with you the subject of contemplated recognition by Japan of "Manchoukuo", I desire that you inform them that the American Government would deprecate such action by Japan.

Also, if they raise with you the subject of action which has been taken by the "Manchoukuo" authorities and Japanese authorities in the disruption of the Chinese Customs service in Manchuria and sequestration of the Customs revenues in that area, I desire that you inform them that the American Government looks with disapproval upon those acts.

STIMSON

793.94/5427 : Telegram

*The Consul at Tientsin (Ward) to the Secretary of State*

TIENTSIN, July 20, 1932—5 p.m.

[Received July 20—8:45 a.m.]

The following telegram has been sent to the Legation:

"July 20, 4 p. m. Reliably informed that 10 troop trains of Chang's forces have already passed through Tientsin for Tungchow and vicinity with 10 to 15 more expected.

Informant credibly states that Japanese commanding officer at Chinchow, Liaoning, sent one infantry regiment each to Chaoyang and the northeast of Peipiao, at which last point according to unconfirmed reports they are engaged with Jehol Regular Cavalry Regiment from Peipiao and 214th Regiment Jehol Regulars from Chaoyang.

Japanese sources state that entry into Jehol from Chaoyang will require at least two divisions.

Repeated to the Department and Nanking."

WARD

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793.94/5428

*The Chinese Ministry for Foreign Affairs at Nanking to the Chinese Legation*<sup>6</sup>

[NANKING,] July 20, 1932.

Marshal Chang Hsueh-liang reported by telegraph on July 19 as follows:

"A train from Peh-piao to Chinchow was robbed and plundered by a group of bandits on July 17. A division of our troops under Division Commander Chang was despatched to pursue the bandits. During the operation, a Japanese armoured train suddenly appeared and rushed into Chao-Yang-Tze. On being interrogated, the Japanese fired on our troops. Unable to stand the attack, General Chang, who was wounded, withdrew his men to Nanling where he has been resisting since.

"In the afternoon of July 18, five Japanese military planes appeared at Chao-yang and dropped more than thirty bombs on the government premises, including the Bureau of Communications and the Bureau of War. They also indiscriminately machine-gunned for about half an hour, killing and wounding several scores of persons and horses."

The Sino-Japanese dispute over Manchuria is now under the consideration of the League of Nations. But Japan is bent upon aggravating an already aggravated situation by now attacking Jehol. In face of such an invasion, we are forced to resist with all the resources at our command.

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793.94/5436 : Telegram

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

PEIPING, July 21, 1932—noon.  
[Received July 21—2:35 a.m.]

835. Following from American Consul General at Mukden:

"July 20, 6 p. m. Japanese Consul General reports that Japanese detachment of about two companies arrived Chaoyang July 17 for

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<sup>6</sup> Copy of telegram transmitted to the Chief of the Division of Far Eastern Affairs by the Chinese Chargé under covering letter of July 20, 1932.



purposes of liberating Ishimoto and recovering a derailed train and that a Japanese airplane flew over Chaoyang and probably dropped bombs. They even insist that these activities do not presage an attack on Jehol and point out that the present Japanese forces are inadequate for the purpose. Some observers nevertheless anticipate a drive across the border. Local press reports that anti-Manchukuo recruiting by Jehol agents in area between Suichung and Chinchow is menacing envelopment to require vigorous campaign there by Japanese."

Repeated to Tokyo.

JOHNSON

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893.01 Manchuria/345 : Telegram

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

TOKYO, July 21, 1932—9 p.m.

[Received July 21—10:55 a.m.]

192. The Italian Ambassador allegedly without instructions from his Government today discussed with the Minister for Foreign Affairs the question of Japanese recognition of "Manchukuo" and inquired whether it would not be possible to maintain Chinese sovereignty over Manchuria at least nominally on somewhat the same basis as Turkish nominal sovereignty was preserved over Bulgaria and Egypt in former days. The Minister replied categorically in the negative and stated with marked emphasis that there had been and would be no change from the policy announced by Saito in the Diet. He characterized Shiratori's statements to the foreign press (see my 190, July 18, 4 p. m.) as based on a "misunderstanding" but committed himself to no prediction as to the approximate date when recognition would be accorded. The Minister added that China would also be obliged to recognize the independence of "Manchukuo" in due course. The Ambassador tells me that he was surprised at the Minister's vehemence.

My British colleague likewise saw Uchida today and repeated to him unofficially the representations which he had made to Arita as reported in my 189, July 16, 4 p.m. The Minister said that Japan was in no way responsible for "Manchukuo" and had not encouraged the separatist movement. The Minister professed to be inadequately informed concerning the recent military developments in Jehol.

Repeated to Peiping.

GREW

793.94 Commission/340

*Memorandum by the Minister in China (Johnson)*<sup>7</sup>

PEIPING, July 21, 1932.

Dr. Blakeslee left with me this morning a typed memorandum of two interviews between the Commission of the League and Count Uchida, Japanese Minister for Foreign Affairs. The two interviews occurred on July 12th and 14th respectively.

In the first interview Count Uchida quite frankly informed Lord Lytton and the Commission of Japan's intention to recognize Manchukuo as an independent state, arguing that the people of Manchuria desired to be independent of Chinese rule; that Manchuria was Japan's life line; that the safety of Japan depended upon peace in Manchuria; that Japan had been forced to fight a number of wars over conditions in Manchuria, and had spent much blood and treasure there; that Japan had been willing to negotiate directly with China on matters connected with Manchuria, but the declaration of the independence of Manchukuo and the setting up of an independent government there had changed all this and made any direct negotiations with China useless and unnecessary.

Count Uchida informed the Commission that Japan had no definite knowledge of the boundaries of Manchukuo, but believed that Manchukuo extended from the four eastern provinces and eastern Inner Mongolia.

Count Uchida stated quite definitely that Japan had no intention of discussing the question of Japan's policy vis-à-vis Manchukuo with the nations party to the Covenant of the League of Nations, or with the nations party to the Nine-Power Treaty. He stated that all of these matters had been given consideration and it had been determined that neither the Covenant of the League nor the Nine-Power Treaty were involved in any question of Japan's right to recognize the new and independent state. The only question that remained between Manchukuo and China was whether China should recognize Manchukuo.

In the second interview, Lord Lytton and other members of the Commission tried to persuade Count Uchida that, whatever Japan's intentions were in regard to Manchukuo, the League Commission representing the League and public opinion of the world had no intention of making further inquiry; but that the Commission was concerned over the procedure and wished to impress upon Count

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<sup>7</sup> Copy transmitted to the Department by the Minister in his despatch No. 1673, August 4, 1932; received August 29.

Uchida the importance to Japan in this matter of taking the other Powers into its confidence, particularly those party to the Nine-Power Treaty, and not hurting their feelings by taking action without consultation.

In this conversation as in the first Count Uchida was reported as having stated that the question of Japan's policy vis-à-vis Manchukuo was settled; that Japan felt that there was no breaking of the Treaty or of the Covenant in what Japan intended to do; nor did Japan feel that she was bound by those agreements to consult the other Powers in regard to her policy.

Lord Lytton pointed out to Count Uchida that the League of Nations was the result of wars fought in Europe; that it represented to war-weary Europe the bread-line of Europe; that it was an achievement won at the cost of a great deal of blood and treasure; and that Europe was interested that it be maintained.

Count Uchida argued that whether or not Japan recognized the independence of Manchukuo was no concern of the League; that China was always appealing to the League; that if the peace of the East was to be preserved, the League should persuade China to cease worrying about Japan's policy in regard to Manchukuo, and to recognize Manchukuo.

NELSON TRUSLER JOHNSON

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793.94 Commission/340

*Memorandum by the Minister in China (Johnson)*<sup>8</sup>

PEIPING, July 21, 1932.

General McCoy came in this morning for a few seconds, and pointing to the memorandum of the interview between the Commission and Count Uchida, asked me to read it and said that he wished my advice in a matter they now had to determine. He said it was a question of filing an interim report with the League in view of what the Commission had been told by Count Uchida.

He said that there were arguments for and against, briefly: the Commission should not delay in putting before the League and the world its reaction and findings, in anticipation of the proposed act of Japan to recognize Manchukuo. On the other hand, it was argued that any action taken by the League now would be sure to precipitate action by the Japanese, who were in a state such as to defy the League.

General McCoy stated that at the second interview with Count Uchida (although the typed memorandum of the interview did not

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<sup>8</sup> Copy transmitted to the Department by the Minister in his despatch No. 1673, August 4, 1932; received August 29.

indicate this) it was very apparent that Count Uchida was quite shaken by the arguments which Lord Lytton and other members of the Commission had put up; and that there had been intimations given to them that the Commission should delay any action in order to give Japan opportunity to think things over.

General McCoy stated that Count Kabayama there in [*and Count?*] Makino and Count Kaneko and other stanch liberals had more than intimated to them that a delay on the part of the League in taking any action at this time would strengthen the hands of liberals in Japan who hoped to influence action by the Government.

I told General McCoy that I would read the memorandum and would talk the matter over with Dr. Blakeslee later.

NELSON TRUSLER JOHNSON

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793.94 Commission/340

*Memorandum by the Minister in China (Johnson)*<sup>9</sup>

PEIPING, July 21, 1932.

Dr. Blakeslee came and we discussed the memorandum of the interview of the Commission with Count Uchida. Dr. Blakeslee stated that he understood (though the memorandum did not so indicate) that Count Uchida had been much impressed by Lord Lytton's argument in the course of the second interview, and seemed inclined to waver in his expression of the determination to carry out their plan of recognition.

I stated to Dr. Blakeslee that my horseback judgment at the moment was in favor of an interim report. I pointed out that we all knew what the Japanese intended to do. There was some question in our minds as to what value to set upon the strength of liberal opinion in Japan at this present time, and the possible effect of that liberal opinion upon probable Japanese policy vis-à-vis Manchukuo. Personally I did not know just what value to set upon that opinion; I was not inclined to give it a very high rating.

I pointed out that the Commission now has very definite, frank and straightforward knowledge of what Japan intends to do, given to it by the Foreign Minister in words of one syllable; and that the Commission might perhaps be charged with negligence if it were not at the present time to communicate that information to the League and to the world, in time to permit the League and the world to do something if it wished; for it is possible that if the Commission delays

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<sup>9</sup> Copy transmitted to the Department by the Minister in his despatch No. 1673, August 4, 1932; received August 29.

Japan will recognize Manchukuo and it may then be considered too late for the world to act upon this knowledge.

We discussed the matter at some length, Dr. Blakeslee informing me of conversations which he had had with liberal folk in Japan which indicated that there was an undercurrent opposing the Government's policy, but, so far as I could make out, not advocating anything very helpful.

We then discussed the arguments against the making of an interim report. It seems a foregone conclusion that an interim report, with all of the publicity which would be attendant thereon, would precipitate action by the Japanese, with the result that the recognition of Manchukuo might thus come about sooner than would be the case under other circumstances.

After all, what difference is it to the League what action Japan takes in regard to Manchukuo? The Commission was organized and sent out to make an investigation at the request of the Japanese members of the League. The Commission should continue the investigation that it was sent out to make, and unhurriedly considering the data which has been laid before it, reach such conclusions as that data might lead to. The Japanese know when the Commission is expected to make its report to the League. The world itself will be able to judge whether the Japanese are guilty or not guilty if they take action prior to that time.

I finally concluded that, on the whole, I thought perhaps it would be better not to make an interim report which after all could only be a part of the report; but that the Commission should proceed as it had started out, and at the appointed time transmit to the League its considered report in its entirety, so that the world could judge just where the fault lay.

I added that perhaps it might be well for the Commission to send by confidential telegram to Drummond a report of the discussion which the Commission had had with Uchida.

NELSON TRUSLER JOHNSON

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793.94/5441 : Telegram

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

TOKYO, July 22, 1932—noon.  
[Received July 22—5:40 a.m.]

193. According to information given by the War Office to the Military Attaché, the Japanese Army has sent small detachments aggregating about 250 men into Jehol Province and a platoon has advanced

to a town beyond the Chinchow-Pehpiao railhead. This is for the ostensible purpose of rescuing one Ishimoto who was captured by Chinese. It is reported in the local press that Nanking has ordered Chang Hsueh-liang to resist invasion of Jehol by Japanese troops. The Military Attaché states that the present military situation from the Japanese viewpoint in North China and Manchuria appears to be unusually favorable for the occupation of Jehol Province, principally because an exchange of Japanese troops in North China is now taking place and because there appear to be no large operations against bandits in Manchuria. He strongly suspects that whether or not the Ishimoto case can be used as a pretext, the Japanese Army will occupy Jehol Province in the near future for the purposes of consolidating the territory claimed by Manchukuo and of cutting the Jehol-Chihfeng Road and other lines of communication between Chang Hsueh-liang and his cooperative forces in West and North Manchuria.

Repeated to Peiping.

GREW

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893.01 Manchuria/346 : Telegram

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

TOKYO, July 22, 1932—2 p.m.

[Received July 22—5:48 a.m.]

194. 1. Referring paragraph 6 my 190, July 18, 4 p.m., Arita, in informal conversation has told me that the Minister for Foreign Affairs would probably not send for me as stated to Neville and that if I desired an interview it would be well to apply for an appointment as the British and Italian Ambassadors had done.

2. In view of your 143, July 29 [19], 2 p.m., I replied that I did not wish to ask for an interview at the present time.

3. I find that it is unfortunately going to be very difficult to maintain close relations with the Foreign Office here and to discuss pending political questions in an informal manner owing to the reprehensible habit of the Foreign Office of telling the press of the nature of such conversations. These conversations are often inaccurately reported and in the special case of the American representative they are always liable to cause undesirable if not inflammatory comment in the Japanese press. As the Department is aware the Foreign Office spokesman appears frequently to speak without the authority of his superiors and appears to enjoy creating sensational impressions.

4. I hope to be able to work out this problem in time.

GREW

793.94/5437 : Telegram

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

PEIPING, July 22, 1932—4 p.m.

[Received July 22—7:30 a.m.]

839. Following from American Consul at Mukden:

“July 22, 11 a. m. According to a reliable source, official spokesman of Japanese military headquarters said unofficially that if Chang Hsueh-liang sends troops into Jehol it will be considered a hostile act.”

JOHNSON

793.94 Commission/305a : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson),  
at Geneva*

WASHINGTON, July 22, 1932—11 a.m.

101. With regard to the Manchuria situation—

I wish as far as possible to anticipate possible developments and prepare in advance to meet situations which may arise. It is my desire to continue to cooperate with the League, to avoid working at cross purposes, and to make sure that our joint but independently conducted efforts shall be directed most effectively toward success in attaining our common objective.

I desire that you talk with Drummond informally on this subject and find out what you can regarding his views and estimate of possibilities.

You should inquire expressly at what date Drummond thinks it likely that the report of the Manchuria Commission will reach the League. Ask whether it is expected that the report will be made public; whether that would be done immediately upon its receipt and whether there will be special distribution, that is, a wider distribution than is usual with League documents. In that connection, say that I am assuming that in its statement of facts the report will be thoroughly objective and comprehensive. Endeavor to ascertain whether that is Drummond's impression.

Say that I would welcome an estimate by Drummond of the situation as he views it now and of the problem which he thinks will confront the powers when the report of the Commission becomes available; also, an indication of his views with regard to possible courses of action at that time. Ask, as though on your own initiative, what contribution he thinks might most helpfully be made by the American Government.

You should carefully choose your moment for holding this conversation and should make it your endeavor to cause Drummond to

take the lead in that part of it which relates to possible ways and means of cooperation.

STIMSON

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793.94 Commission/306 : Telegram

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

GENEVA, July 23, 1932—4 p.m.

[Received July 23—1:30 p.m.]

102. Your 101, July 22, 11 a. m. Drummond is leaving on vacation to-morrow and I have therefore talked to him today. We had an entirely informal and comprehensive review of situation. I told him of your desire to continue to cooperate with the League and to avoid working at cross-purposes.

Drummond believes that the report will be received about September 15, that he will print it, distribute it to members of the Assembly and cause it to be published perhaps 2 days later. This will take until approximately September 25. The report will be addressed to the Council and the Council will be summoned to consider it about October 10. Drummond estimates that it will sit for a week and that the Japanese and Chinese delegates will express their opinion on the report. In the improbable contingency that Japan is prepared to accept the report it may be possible to start negotiations at once. In the more probable event that Japan will not accept it the report together with the views of the Japanese and Chinese will be forwarded by the Council to the Assembly. In this event the Committee of Nineteen would probably meet about October 25, recommend to the Assembly the adoption of the Lytton report, call the Assembly about November 1st whereupon the Assembly presumably will adopt the report.

As to Japan's action it is of course impossible at this juncture to predict. Drummond has heard from Haas that the Commission had a very short interview with Uchida and at that interview the Commission urged that no immediate steps be taken to prejudice the situation. Uchida replied that the Japanese policy was to make [*accord?*] recognition of the Manchukuo government at an early date. The Commission then refused to discuss the matter further and terminated the interview. Haas is of the impression that this does not necessarily represent a definite Japanese policy since opinion even in military circles is divided on the question of recognition. The internal state of Japan is very doubtful and anything may happen in the immediate future. Drummond assumes as you do that the report



will be thoroughly objective and comprehensive and has received a message from Haas to the effect that there is no truth in the report of certain newspapers that members of the Commission are desirous of soft-pedaling the report in the fear that Japan may retire from the League. Drummond is not informed as to the nature of the report save in one particular, namely, that it will be made clear that the present Manchurian Government is not there by the will of the people but is purely a creature of the Japanese and dependent upon them for its existence.

On my own initiative I brought up the question of what contribution could be helpfully made by the American Government. Drummond replied that he saw nothing that could be usefully done until the reception of the report, that if the report was of a character satisfactory to you and of a character which he hoped to see it would of course be very useful if the Council could receive a message stating that you agreed with the tenor of the report and that the policy of the United States would be guided by its recommendations. This naturally would be entirely dependent on what the nature of the report shall prove to be. If Drummond has further thoughts on the subject of our cooperation he will send me word regarding them.

WILSON

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793.94/5443 : Telegram

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

PEIPING, July 23, 1932—6 p.m.  
[Received July 23—6:30 a.m.]

844. Following from American Consul General at Mukden :

"July 22, 6 p. m. The Japanese detachment which entered Jehol proceeded only as far as Chaoyangsu; according to local official Japanese sources a part of the detachment has withdrawn from Jehol and negotiations for Ishimoto's release are progressing satisfactorily."

JOHNSON

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793.94 Shanghai Round Table/41 : Telegram

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

WASHINGTON, July 25, 1932—5 p.m.

224. Your 752, June 30, noon, and Shanghai's despatch No. 7224, of June 3, to the Legation,<sup>10</sup> in regard to a round table conference at Shanghai.

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<sup>10</sup> Neither printed.

1. The Department concurs in your views as stated in the last paragraph of the telegram under reference. In addition, the Department feels that any efforts devoted at this time to a round table conference at Shanghai would divert attention from the major problems involved in the present Sino-Japanese controversy, something which is not desirable, and that, if such a conference should succeed in negotiating a new agreement for the International Settlement and concomitant problems, such an arrangement would always have attached to it, in the minds of the Chinese, a certain amount of odium as having been obtained as a result, direct or related, of Japanese military activities.

2. The Department notes from Shanghai's despatch of June 3 that the Shanghai General Chamber of Commerce in requesting that a round table conference be held, refers specifically to three problems outstanding at Shanghai in regard to which the Department comments as follows:

(a) *The special district court.* This question has heretofore been handled as a separate problem and the Department prefers that effort be made to continue to handle it in that manner. Shanghai in its despatch No. 8327, June 10, to the Department,<sup>11</sup> a copy of which appears to have been sent to the Legation, has reported in detail in regard to certain objections to the manner in which the special district court has functioned. However, in spite of these objections the Department believes that the wisest policy would be to seek to bring about by mutual consent the extension of the present agreement as provided in Article 10 of that agreement. The Department feels, therefore, that the interested Ministers at Peiping and the interested Consuls General at Shanghai should soon begin to give attention to this problem in order that a uniform policy may be agreed upon and an effort made to conclude, before the expiration of the present agreement, a satisfactory arrangement with regard to the Chinese courts in the International Settlement.

(b) *Extra-Settlement roads.* The Department understands (see Shanghai's despatch No. 8326 of June 11, to the Department,<sup>12</sup> a copy of which appears to have been sent to the Legation) that this problem is in the course of a settlement satisfactory both to the authorities of the International Settlement and to the Chinese Municipality of Greater Shanghai. The Department, therefore, sees no need to interfere with the method that is being followed to work out a solution of this problem, such as would be involved in transferring consideration of it to a round table conference as proposed by the Shanghai General Chamber of Commerce.

(c) *Presence of armed forces in and around the Shanghai area.* While this problem is one of importance, the Department believes that it is too closely related to the recent Japanese military operations to permit of any successful discussion aside and apart from other outstanding issues in the present Sino-Japanese controversy wherein there are involved or affected multilateral rights and interests. The

<sup>11</sup> Not printed.

<sup>12</sup> Not printed; for its enclosure of April 29, see p. 629.

Department believes, therefore, that a more opportune time must be awaited to discuss this problem.

3. If, therefore, the question of a round table conference comes up for discussion in the Diplomatic Body, you should be guided by the above in your discussions with your colleagues and in your preparations of instructions to Shanghai. Please keep the Department fully informed in regard to developments, particularly in regard to contrary views that may be held by your colleagues.

4. Also in connection with this matter, see Department's telegrams to Tokyo 119, May 25, 5 p.m. and 122, June 1, 6 p.m. which the Department instructed Tokyo to repeat to Peiping.

5. Inform Tokyo by mail and send Tokyo copy of Shanghai's despatch No. 7224 of June 3 entitled "Round Table Conference at Shanghai."

STIMSON

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693.002 Manchuria/214 : Telegram

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

TOKYO, July 26, 1932—11 a.m.

[Received July 26—3:38 a.m.]

196. Following telegram received this morning from Choshun [*Changchun?*] addressed "American Embassy Tokyo". I shall of course not acknowledge its receipt.

"I have the honor to inform you that the government of Manchukuo, desirous of giving effect to its past declarations that it will pay without failure its quota of the foreign loan service of the Chinese customs and to facilitate and ensure such payments, has arranged to deposit a reasonable amount of money out of the customs revenues of Manchukuo in reliable foreign banks. The government of Manchukuo in its desire to arrive at a satisfactory agreement with the foreign creditor governments concerned as to the method of definitely fixing and remitting the portion of the foreign loan service to be borne by Manchukuo out of the total amount of foreign loans securable on the Chinese customs revenues as it stood on March 1, 1932, (the day of independence of the state) is ready to open negotiations with the creditor governments or with the Inspector General of Customs on presentation of exact data. In the meantime however and until such an agreement is reached with the foreign creditor governments or with the Inspector General of Customs the government of Manchukuo proposes to fix Manchukuo's quota in accordance with the ratio existing between the Manchukuo customs revenues and the

totals on the combined Manchukuo and Chinese customs revenues. In view however of the certainty that the said ratio may undergo changes in the future due to increase of revenues consequent upon the adjustment of tariffs, reorganization of the customs service and system and the development of natural resources and trade the government of Manchukuo declares that under no circumstances will it recognize or agree to any increase in the ratio above that existing in 1931 deeming it unreasonable that Manchukuo should be asked to pay a higher ratio resulting from any increase in its customs revenues proceeding from its own efforts. As evidence of its sincerity in the above matter the government of Manchukuo take this opportunity to further inform you that it has completed arrangements for remitting to the Inspector General of Customs at Shanghai through the Dairen branch of the Yokohama Specie Bank the sum of silver yen 1,140,101.95 out of the customs revenues detained by it at the time of taking over the customs and that it reserves the right to adjust the said amount with the Manchukuo quota when the latter is definitely decided upon. Hsieh Chieh-shih, Foreign Minister, Manchukuo."

Telegrams presumed to be identical have been received by my British, French and Italian colleagues here. The French Ambassador is making acknowledgment through the French Consul General in Mukden. The British Embassy is making no acknowledgment.

Repeated to Peiping.

GREW

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793.94/5451 : Telegram

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

PEIPING, July 26, 1932—5 p.m.

[Received July 26—10:20 a.m.]

855. 1. Japanese action at Peipiao and Chaoyang has raised in Chinese minds question of possible Japanese threat to Jehol Province and Peiping-Tientsin area.

2. Chinese are concentrating forces in neighborhood of Peiping and Kupeikou to meet threat.

3. Chinese consider it probable that in case Chinese troops are moved into Jehol Japanese will penetrate via Tangku in the direction of Tientsin and Peiping. The present conference of military leaders now being held in Peiping is to meet this anticipated Japanese action.

4. In these matters Chinese are naturally considering position and status of Japanese Legation guard at Peiping.

5. Military Attaché in conversation with Marshal Chang Hsueh-liang night before last was asked specifically what they should do if Japanese Legation guard should take action in Peiping.

6. Military Attaché made no reply and was asked to present question to me. I do not propose to advise Chang Hsueh-liang.

7. But question of status of Japanese Legation guard here in such event is a serious one to the Legation Quarter. If Japanese could be persuaded to withdraw guard from Peiping, question would be happily solved. I do not anticipate that they would be willing to withdraw.

8. As Senior Resident Minister with a guard I may receive for consideration a request to cooperate in disarming or otherwise neutralizing Japanese guard. I anticipate that any suggestion on our part of this character will be met by the Japanese with a refusal. In this case we would be confronted by a difficult situation.

9. We do not know what the Japanese intend to do in this area but there is sufficient evidence in rumor and report to indicate the possibility of Japanese action at least in Jehol Province and the Military Attaché informs me that he is confident that Chinese intend to resist. All of this makes question of status and activities of Japanese Legation guard in Peiping of present importance. I present question to the Department for its consideration.<sup>13</sup> I may state parenthetically that I believe Japanese Legation guard will be governed in its actions by instructions from Japanese military rather than from civilian side of Government.<sup>14</sup>

JOHNSON

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693.002 Manchuria/219 : Telegram

*The Consul General at Nanking (Peck) to the Secretary of State*

NANKING, July 27, 1932—10 a.m.

[Received 11:10 p.m.]

116. Following is summary of important statement released by the Chinese Minister of Finance July 26, 6 p.m.:

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<sup>13</sup> The Department's telegram No. 230, July 29, 6 p.m., stated in reply: "Department is considering the question presented by you and desires that you continue to give it careful consideration. The Department would welcome an expression of your further views accompanied by specific recommendations."

<sup>14</sup> For further correspondence on this subject, see pp. 561 ff.

Because of seizures in Manchuria and serious decline elsewhere the customs receipts for July are estimated to be about Shanghai taels 3,700,000 short of covering customs commitments. Net July customs revenue estimated under Shanghai taels 10,000,000 which is less than half average monthly net revenues 1931. A small deficit existed in June instead of usual surplus but situation during all July has become far more acute. Situation due mainly to the campaigned [*callous*] action of Japan in seizing the entire customs revenues of Manchuria amounting to approximately 2,000,000 taels per month. The current revenue situation demonstrates the error of statement made in some quarters that the Manchurian seizure will not result in shortage of customs revenues to meet loan and indemnity payments secured on customs. Yokohama Specie Bank branches in Dairen and Newchwang are detaining customs deposits accumulated before customshouses there were seized, alleging Manchukuo authorities have forbidden them to remit these funds to the Inspector General's [?] account in Shanghai. The Bank of China was likewise ordered not to remit and the deposits thus detained aggregate about Haikwan taels 2,000,000. The increasingly serious effect of world depression upon some finances of the Chinese Government is thus aggravated by the Japanese seizure of China's revenues solemnly pledged to meet international obligations. The statement concluded with the observation that thus far China has maintained the service of her obligations in spite of the fact that no funds have been received for many weeks from the customshouses seized by Japan but that the cumulative effect of the deficits are now affecting the ability of China to meet this unfair strain.

PECK

693.002 Manchuria/215 : Telegram

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

PEIPING, July 27, 1932—6 p.m.

[Received July 27—7:25 a.m.]

861. Following from American Consul General at Nanking:

"July 26, 11 a.m. Department's July 17, 11 p.m. to the Legation. I delivered message to the Minister of Finance today. He asked me to inform you that he deeply appreciated thoughtful reply from the Department, his Government would as hitherto give special heed to the principle set forth in section 9 of the Department's telegram. He stated, however, that financial difficulties are increasing owing to the decrease of customs revenues which for July will fall to less than 10,000,000 taels or half average monthly revenue last year.["]

JOHNSON

893.01 Manchuria/355

*The Chinese Chargé (Yen) to the Secretary of State*

WASHINGTON, July 27, 1932.

My DEAR MR. SECRETARY: I beg to inform you that I have just received a cablegram from the Ministry of Foreign Affairs, Nanking, a translation of which runs as follows:

The Japanese Government has decided to appoint an Envoy Extraordinary and Plenipotentiary to Manchuria, who will concurrently be the Commander-in-Chief and Governor-General of Kwantung. Evidently Japan is now repeating in Manchuria the old tactics which she adopted when she merged Korea as a part of the Japanese Empire in the establishment of a Resident-General in Korea. This move on the part of the Japanese Government may be taken as a step preliminary to her recognizing the regime known as "Manchukuo" and making the Three Eastern Provinces of China a part of the Japanese Empire.

In accordance with the instructions of my Government, I respectfully invite your serious attention to the contents of the cablegram stated in the preceding paragraph.

I am [etc.]

HAWKING YEN

793.94/5460

*Memorandum by the Secretary of State*

[WASHINGTON,] July 28, 1932.

During the call of the French Ambassador he referred to the Disarmament Conference at Geneva and said that, in his opinion, it was a great mistake to speak of the Conference as not having accomplished anything; that he thought it had accomplished a great deal. I said that I agreed with him. I told the Ambassador that I was preparing a speech on the Briand-Kellogg Pact<sup>15</sup> and that my work on that speech had recalled to my mind the value of a great effort which was thus initiated by our two countries. I also told him that I was looking forward with concern to what was likely to happen in the Far East when the Manchurian Commission made its report and I was anxious that there should be the same cooperation between his Government and mine when that occurred, as well as the same solidarity of opinion on behalf of the peace treaties by all the nations who supported them at Geneva last March. The Ambassador expressed his agreement. I told him that I received rather serious reports from Tokyo, indicating that the Government of Japan was in virtual possession of a group of younger Army officers, and I said that this made it most important that those

<sup>15</sup> For text of the speech of August 8, see vol. I, p. 575.

countries who believed in the peace treaties should continue to stand together against any infringement of those treaties.

H[ENRY] L. S[TIMSON]

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893.01 Manchuria/361 : Telegram

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

TOkyo, July 29, 1932—5 p.m.  
[Received July 29—8:45 a.m.]

203. Referring to my despatch No. 22, June 18, 1932,<sup>16</sup> regarding the unification of Japanese authority in Manchuria. It is reported that the Cabinet decided on the 26th to combine in one person the offices of Commander of the Kwantung garrison, Governor General of the Kwantung leased territory and Special Plenipotentiary in Manchuria. As commander of the garrison under the War Office he will control all Army operations in Manchuria; as Governor General under the Department of Overseas Affairs he will control all activities of the civil officials; and as Special Plenipotentiary under the Foreign Office he will control all diplomatic and consular activities. For the time being the activities of the South Manchuria Railway will not be controlled by the new office except insofar as they normally fall under the jurisdiction of the Governor General. Although not so stated, it is understood that the post will be filled by an Army general, who will have the ranks of General, Governor General and Ambassador, thus outranking all other officers in all Japanese services in Manchuria. It is reported that the headquarters of the new administration will be at Changchun and that General Nobuyoshi Muto will be appointed to the new post. The foregoing with detailed regulations will be probably promulgated by Imperial Ordinance within a few days and the system will become operative on August 5th or 6th.

The Foreign Office spokesman this morning states to the press that the appointment of a special plenipotentiary in Manchuria will not necessarily imply recognition of "Manchukuo", as the appointment is to be made under the Ordinance of 1917, which allows the appointment of special envoys with the rank of Ambassador who need not be accredited to a country but are appointed for special work. It was under this authority that Viscount Ishii was sent to the United States in 1917.

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<sup>16</sup> Not printed.



I am informed that the Chinese Minister called the Foreign Office yesterday to protest against the appointment of a plenipotentiary to "Manchukuo" and was given the answer indicated in the foregoing paragraph. Repeated to Peiping.

GREW

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793.94/5453 : Telegram

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

SHANGHAI, July 30, 1932.

[Received July 30—7 :20 a.m.]

354. Referring to my telegram of July 18, 11 a. m., Japanese garrison withdrawn from Kungdah Mill on Pingliang Road. Japanese reserve the right send them back in case of necessity. Withdrawal verified by Boone. The Secretary Joint Commission notified by telephone though no direct notice of any kind was given by Japanese to Chinese.

Repeated to the Legation.

CUNNINGHAM

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793.95/5452 : Telegram

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

PEIPING, July 30, 1932—1 p.m.

[Received July 30—7 :20 a.m.]

875. Following from American Consul at Mukden:

"July 29, 6 p. m. Spokesman of Japanese military headquarters confirms press report that Japanese detachment defeated 3,000 volunteers near Suichung after heavy fighting with considerable casualties."

JOHNSON

## CHAPTER XI: AUGUST 1—SEPTEMBER 30, 1932

Appointment by Japan of General N. Muto in charge of All Japanese Interests in "Manchoukuo", August 9; Ridicule by Japanese Foreign Office Spokesmen of Secretary Stimson's Statements on Far East; Address by Chinese Minister for Foreign Affairs on China's Position, August 29; Japanese Foreign Office Forecast of Impending Protocol with "Manchoukuo", September 2; Attitude of Department of State Toward "International Defense Scheme" of December 18, 1931, at Shanghai, September 3 (and 8); Completion at Peiping of Lytton Report on September 4; Signature of Protocol Between Japan and "Manchoukuo", September 15; American Consultations Respecting Possible Neutralization of Peiping Area; Chinese Request for Implementation of Nine-Power Treaty of 1922 by Powers Signatory Thereto, September 16; League Council President's Expression of Regret Over Japanese Recognition of "Manchoukuo", September 24

793.94 Commission/313 : Telegram

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

PEIPING, August 1, 1932—8 p.m.  
[Received August 2—2:45 a.m.<sup>17</sup>]

883. [Paragraphs 1 through 4 of this telegram summarize material printed in the Minister's despatch No. 1656, August 2, 1932, with enclosure of epitomized record of statements made by Count Uchida, printed in *Foreign Relations*, Japan, 1931—1941, volume I, pages 95—98.]

5. The above sounds to me like a well-thought-out statement of policy which the present Japanese Government is prepared to defend by force of arms and an interpretation of the application of the League Covenant, the Nine-Power Treaty and the Kellogg Pact to situations of the kind that has been created by Japanese initiative in Manchuria which will bear consideration.

Tokyo informed by mail.

JOHNSON

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693.002 Manchuria/233 : Telegram

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

SHANGHAI, August 3, 1932—2 p.m.  
[Received August 3—6:35 a.m.]

Kuo Min agency, Nanking, reports August 2:

"Ministry of Finance having received report from Inspector General of Customs that a remittance of Shanghai taels 843,675.44 has been received from Dairen branch of Yokohama Specie Bank representing

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<sup>17</sup> Telegram in two sections.

about one-third of the customs revenue detained before the seizure of the Manchurian customs, the Japanese portion of the Boxer Indemnity held in suspense in the Hong Kong and Shanghai Bank has been released."

Inspectorate General confirms correctness of the foregoing.  
Repeated to the Legation.

CUNNINGHAM

893.01 Manchuria/371 : Telegram

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

PEIPING, August 3, 1932—4 p.m.

[Received August 3—9:03 a.m.]

893. Following from American Consul General at Harbin:

"August 3, noon. One thousand Ma Chan-shan troops were enveloped and wiped out by Japanese some 35 miles east of Hailun junctions 26th to 29th. Japanese Commander Matsuki believes that Ma was killed and an attempt is being made to confirm identity of corpse. A number of doubles of Ma are known to exist in Ma's forces."

JOHNSON

893.01 Manchuria/381

*Memorandum by the Under Secretary of State (Castle)*

[WASHINGTON,] August 4, 1932.

The Japanese Ambassador left with me the attached rough plan<sup>18</sup> showing the duties and the direction of the man, probably General Muto, who is to be sent to Manchuria to coordinate the work there. You will see that he will get his instructions from the Minister of War and the head of the General Staff in so far as instructions have to do with Japanese troops in Manchuria. As special envoy having control of consuls, he will get instructions from the Minister of Foreign Affairs and as Governor of Leased Territory and the South Manchuria Railway, he will have his instructions direct from the Prime Minister.

Mr. Debuchi seemed to feel that this centralization of power would be a very good thing, but admitted that it might be difficult to have so many directing agencies. I said that this difficulty appeared to me immediately and what I feared was that the strongest line of communication might well be from the Chief of the General Staff. Mr. Debuchi admitted the danger of this.

<sup>18</sup> Not printed.

He said that, as to the recognition of Manchukuo, we probably knew as much as he did since we had probably seen the memorandum given by Count Uchida to the League of Nations Commission; he said that Japan intended to recognize Manchukuo, but did not know how soon it would be done. I said I understood there was a good deal of difference of opinion on that subject even in the Army and Mr. Debuchi admitted this was true; he said the fact that he hoped we would all keep in mind was that Manchukuo was a baby which really existed; he said that he would be the first to admit that it was an illegitimate child, possibly the child of a criminal assault, but the fact remains that it is a living child and that, for the sake of the world, somebody had to look out for it. I said that it seemed to me the child was not particularly lusty and that perhaps the best thing for the world would be to allow it to die a natural death. This rather put Mr. Debuchi off his subject as he evidently felt that my attitude was not humanitarian; he said that the husband of Manchuria, China, had treated her very badly for years and that the two had more and more separated, that it was necessary for Japan to give her some support and to look after the child. I suggested that we drop the metaphor and stick to facts; I said that if Japan should recognize Manchukuo it would inevitably create bad feeling in this country if only for the fact that it would be so contrary to one of the rules on which recognition was normally based, the rule that a state should only be recognized when it can carry on the affairs of the state, both internal and external, with the full consent of the citizens. I told the Ambassador that it was obvious to anybody looking at the situation that if Japanese soldiers retired from Manchukuo the state would not last a day; (the Ambassador interrupted to say "a minute") that under these circumstances it would be patent to the world that Japan was merely recognizing a creature of its own which had no vital existence. The Ambassador had no answer to make to this, but only reiterated his plea that we think calmly about Manchukuo with the realization that, whatever its origin, it had come to stay and must be considered in international dealing. To this I merely answered that we were forced by circumstances to think about Manchuria every day.

W. R. CASTLE, JR.

893.01 Manchuria/372 : Telegram

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

Tokyo, August 5, 1932—4 p.m.

[Received August 5—6:28 a.m.]

205. The Japanese War Office spokesman yesterday gave a statement to the vernacular newspapers describing in detail the alleged organization created by Chang Hsueh-liang for the molestation of Manchukuo and the steps taken by him for the defense of Jehol. The spokesman states that the arrangements made by Chang are similar to those made last autumn to threaten the South Manchuria Railway and that if Chang and his party repeat their plots there will be serious results. The statement closes with the threat that if Chang carries out his plans he will be "digging his own grave."

As the headquarters of Chang are in Peiping, this threat might be construed to indicate an intention to move on Peiping if such step were found necessary in order to destroy Chang's authority.

Repeated to Peiping.

GREW

893.01 Manchuria/373 : Telegram

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

PEIPING, August 5, 1932—5 p.m.

[Received August 5—9:45 a.m.]

903. Following from American Consul General at Mukden:

"August 4, noon. According to private information Newchwang was attacked by a large number of bandits during the evening and night of August 2nd and severe street fighting occurred until early dawn when the bandits withdrew in the direction of Tienchuangtai along the Newchwang-Koupangtsu line. Press reports state that Manchukuo and Japanese troops including a naval landing party engaged the bandits. Banditry had been becoming more rife in that vicinity in recent weeks and on August 2nd Japanese reinforcements comprising a military detachment and several destroyers arrived. Press reports also state that bandits made a serious assault on the Japanese barracks at the Japanese railway town of Haicheng throughout the night of August 2nd withdrawing about daybreak. They cut the telegraph, telephone and electric-light wires. All traffic on the railway was suspended for hours. These daring attacks and recent reports of increasing bandit activity indicate the growing seriousness of the situation in this province, a large part of which is overrun by, or in the control of, bandits or insurgents."

Code text to Tokyo by mail.

JOHNSON

893.00/12095 : Telegram

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

PEIPING, August 8, 1932—4 p.m.

[Received August 8—6:24 a.m.]

914. Following from American Consul General at Nanking:

“August 7, noon. My August 7, 11 a.m. Lo Wen-kan told me over the telephone that Wang<sup>19</sup> had resigned because Marshal Chang would not resist Japanese invasion and that he, Lo, entirely sided with Wang. He referred me to published telegrams of Wang for full explanation of the present controversy. In recent conversation with me Lo bitterly criticized Chiang Kai-shek. Appearances are that the present Government will be disrupted over the question of ‘resistance or non-resistance’.”

Repeated to Tokyo.

JOHNSON

893.00/12102 : Telegram

*The Consul General at Canton (Ballantine) to the Secretary of State*

CANTON, August 8, 1932—4 p.m.

[Received August 10—9:45 a.m.]

I am reliably informed that yesterday Hu Han-min, C. C. Wu and Li Tsung-jen sent a joint telegram to Wang Ching-wei from Hong Kong lauding his action in resigning and urging him to proceed there. Chen Chi-tang and Sun Fo separately took similar action today. It is believed in political circles here that Chiang will be unable to maintain his prestige without Wang's support, and that if the latter complies with the invitation of the southern leaders there will be far-reaching political consequences.

Repeated to the Department, Legation and Nanking.

BALLANTINE

893.00/12096 : Telegram

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

PEIPING, August 8, 1932—5 p.m.

[Received August 8—9:45 a.m.]

915. Following from American Consul General at Nanking:

<sup>19</sup> Wang Ching-wei, President of the Executive Yuan (Premier). His resignation was rejected on August 22, 1932, but Vice President T. V. Soong was selected to be Acting President of the Executive Yuan.

“August 7, midnight. My August 7, 11 a.m. Marshal Chang first issued a circular telegram today addressed to President Wang preferring counter-charges but later submitted his resignation by cable to the National Government. This was followed by the submission of the resignations of Lo Wen-kan, Ku Meng-yu and Chen Kung-po.”

JOHNSON

893.01 Manchuria/379 : Telegram

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

TOKYO, August 9, 1932—11 a.m.

[Received August 9—4:40 a.m.]

206. It is today officially announced that General Nobuyoshi Muto has been appointed to the triple position described in my telegram 203, July 29, 5 p. m. His diplomatic appointment is as Ambassador Extraordinary and Plenipotentiary with orders to proceed to Manchuria and he has not been accredited to Manchukuo. However, the *Yomiuri Shimbun* reports that the Vice Foreign Minister upon instructions orally stated that the appointment of an Ambassador in Manchuria is a basic preparatory step to recognition in accordance with Japan's previously decided policy. The Military Attaché reports that General Muto is believed to represent the aggressive military element.

Lieutenant General Honjo has been relieved of his command and appointed a member of the Supreme Military Council.

Repeated to Peiping.

GREW

893.00/12099 : Telegram

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

PEIPING, August 9, 1932—7 p.m.

[Received August 9—8:25 a.m.]

924. Following from American Consul General at Nanking:

“August 8, noon. I learn from apparently reliable sources that Lo Wen-kan is still attending his office as concurrent Minister for Foreign Affairs and that Huang Shao-hsiung, Minister of the Interior, will return from Shanghai tonight and will be in temporary charge of the office of the President of the Executive Yuan.”

JOHNSON

793.94 Commission/321

*Memorandum by the Secretary of State*

[WASHINGTON,] August 10, 1932.

During the call of the Japanese Ambassador he alluded to the Manchurian Commission and said that he supposed that I had been in constant communication with General McCoy. I said no, that I hadn't and I regarded General McCoy as acting as an independent investigator; that I had not sent any communication to him since he left for Manchuria, neither had he written to me, and that I should be glad if the Ambassador would make that clear to his Government. I told the Ambassador that I had heard through my own Ambassador in Tokyo various reports of interviews which the Commission had had with members of the Japanese and Chinese Governments, but that was all that I had heard and I supposed that the Ambassador, himself, had received information as to these reports for they had, in part at least, appeared in the press.

H[ENRY] L. S[TIMSON]

811.30 Asiatic Fleet/138

*Memorandum by the Secretary of State*

[WASHINGTON,] August 10, 1932.

During the call of the Japanese Ambassador he referred to the position of the American Scouting Fleet in the Pacific, saying that it had been stated that it was there because the Secretary of State had insisted that it be kept there. I replied that the Fleet was there because the Commander-in-Chief directed that it be there; that I was not the Commander-in-Chief but I could say that it was the sound policy of our country to normally and under general conditions keep our Fleet together inasmuch as we had two seacoasts to protect on two separate oceans, separated by the Isthmus of Panama; that further, I would not be frank if I did not admit that last winter when the Japanese began attacking Shanghai and no one knew how much further the trouble might spread, I was very thankful that the Fleet happened to be in the Pacific, although it was there only for the purpose of the regular maneuvers. The Ambassador said he wanted to assure me that it would be impossible for Japan to think of attacking the Philippines or Hawaii. I said I was glad to hear that; that I did not believe they would, but that last winter when this situation existed there were many wild rumors about it and I had even been told by a responsible British statesman when I was in Geneva that their Ambassador had reported that Hong Kong, itself, might be attacked. The Ambassador



was manifestly surprised at this and said that he didn't believe that there was any chance of Japan doing such a wild thing as to get into a war with this country or with Great Britain which would certainly destroy Japan.

H[ENRY] L. S[TIMSON]

711.0012 Anti-War/1279 : Telegram

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

TOKYO, August 10, 1932—9 p.m.

[Received August 10—1:45 p.m.]

207. Yesterday a Foreign Office official informed the Japanese newspapermen (but not the foreign press correspondents) that the Foreign Office is indignant because it interprets a part of the Secretary's speech before the Council on Foreign Relations<sup>20</sup> as an accusation that Japan is the aggressor in the Manchurian affair. The complete speech was not cabled to Japan<sup>21</sup> but from Debuchi's cabled account as given out by the Foreign Office it appears that the Secretary referred to "affairs as they exist at present" and stated that "a declaration recognizing no result of aggression may be a comparatively unimportant matter to the aggressor." The contention of the Foreign Office spokesman is that "affairs as they exist at present" obviously refers to the condition of Manchuria, which is under Japanese Army control. This refusal to recognize the Manchurian situation is therefore held to stigmatize Japan as the aggressor.

The Japanese newspapers refer to the speech as "malicious propaganda", "highly improper", "imprudent utterance", "vile and provocative", et cetera, and state that the Foreign Office has instructed Debuchi to investigate and protest if he deems it necessary.

This morning Shiratori told the foreign newspaper correspondents that the entire Japanese nation is aroused over the Secretary's speech but that the Foreign Office regards it only as an election campaign effort. He referred to the publication of the 1918 notes regarding Siberia<sup>22</sup> as another such campaign move, as tending to show that the Republican administration is no harsher toward Japan than was a Democratic administration. He criticized the Hoover doctrine in sarcastic phrases and stated that Japan has never accepted this

<sup>20</sup> Delivered August 8; for text, see vol. I, p. 575.

<sup>21</sup> In telegram No. 212, August 12, 1932, 6 p.m., the Ambassador in Japan reported: "The receipt of the full text by the Foreign Office seems to have dispelled any misunderstanding in official circles here as to the character of the Secretary's speech. I hope and believe that the incident may be regarded as closed." (711.0012 Anti-War/1283)

<sup>22</sup> For correspondence on this subject, see *Foreign Relations, 1918, Russia*, vol. II, ch. I, pp. 1 ff.

interpretation of the Kellogg Pact and would not have signed if it had been known that such an interpretation would be given. He stated that the Foreign Office is trying to delay the recognition of Manchukuo but that steps taken by the United States and the League of Nations have the opposite effect to that intended and obstruct the efforts of the Foreign Office. He further stated that Debuchi, if he discharges his duty, has the right to seek further information regarding the Secretary's meaning and to add thereto his comments and recommendations, but that the Foreign Office expects him to take any necessary action without instructions.

The original press despatches regarding Secretary's speech contained nothing which could be interpreted as accusing Japan of aggression, the alleged accusation being derived from the interpretation of Debuchi's version given out by the Foreign Office. In view of the fact that this interpretation was given first to the Japanese press it appears that it was intended primarily for domestic consumption.

Repeated to Peiping by mail.

GREW

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893.00/12105 : Telegram

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

PEIPING, August 11, 1932—1 p.m.

[Received August 11—5:35 a.m.]

931. 1. In telegram dated August 8 addressed to the "National Government, [Military] Council and Executive Yuan, Nanking and Loyang" Marshal Chang states: "It is requested that you will relieve me from my present office [of] Peiping Pacification Commissioner and will appoint a man of virtue to succeed me".

2. In spite of the apparent definiteness of these telegrams there is much diversity of opinion as to the genuineness of the Marshal's "resignation". In well-informed quarters the view is expressed that he does not intend to relinquish the command of his troops or go further than to resign as chairman of the Peiping Political Council thus passing on to that body responsibility for the direction of affairs in North China. Conviction is that whether the Marshal stays or goes will depend entirely upon the wishes of Chiang Kai-shek to whom the Marshal has already despatched a personal representative.

3. There are various explanations of the resignation of Wang Ching-wei: (a) That having no control over either troops or money he was unable to bring about a more uniform policy against Japan; (b) that having learned Chiang Kai-shek purposed to oust him he was

simply anticipating this move and at the same time striking at Chiang indirectly by denouncing his nomination; and (c) that fearing Japan would otherwise occupy North China he felt it necessary to cause the elimination of Marshal Chang in order to obviate the pretext for such an invasion.

4. The situation is as yet too obscure to make any predictions regarding forthcoming developments. The events of the last few days do not seem as yet to threaten any immediate clash either among Chinese factions or between Japanese and Chinese troops.

Copy to Tokyo by mail.

JOHNSON

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793.94 Commission/319a

*Memorandum by the Chief of the Division of Far Eastern Affairs  
(Hornbeck)*

[WASHINGTON,] August 11, 1932.

EXCERPTS FROM PERSONAL LETTER FROM N. T. JOHNSON TO S. K.  
HORNBECK, DATED PEIPING, JUNE 29, 1932

“The League Commission is given the opportunity to make known those facts to the people of the world. They can raise the curtain and let every one see just what occurred. Until they came the curtain was dropped and the Japanese were prepared to deny any statement made about Manchuria; when they go the curtain will be dropped once more; and so the opportunity lies with the Commission. The people of the world will soon forget any suggestions made by the League or its Commission for the settlement of those issues,—forget them in the controversy that will rage between the parties to the issues over such suggestions,—and the situations and facts upon which such suggestions are based will go down to oblivion with the suggestions themselves. I have therefore talked with McCoy and others as I have had occasion and opportunity, urging against the drawing up of any plan, or at least urging that any plan which they have conceived be published apart from the League’s report of the facts.”

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793.94 Commission/319a : Telegram

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

WASHINGTON, August 11, 1932—2 p.m.

252. From Hornbeck. Referring to your personal letter of June 29, penultimate paragraph,<sup>23</sup> and especially the last sentence of that paragraph.

<sup>23</sup> See *supra*.

I have brought your view and this information to the attention of the Secretary. He authorizes me to say that in case occasion should arise for repeating and emphasizing the view which you expressed, you may discreetly and in confidence make known in appropriate quarters that it is his considered view that the greatest potential usefulness of the report will be achieved in the field of statement and analysis of facts, complete, unbiased and thoroughly objective.

STIMSON

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893.00/12106 : Telegram

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

PEIPING, August 12, 1932—9 p.m.

[Received August 12—10:10 a.m.]

938. 1. My 927, August 10, 3 p. m.<sup>24</sup> Koo informs me that the Young Marshal has resigned and that his resignation has been accepted. He states that resignation of Young Marshal will have no effect upon peace [of] North insofar as forces heretofore commanded by the Marshal are concerned as they will be turned over to a military council.

2. Koo believes that political situation at Nanking will be cleared up by a reorganization. He does not think Wang Ching-wei will return.

3. Koo says Young Marshal may go abroad.

JOHNSON

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793.94/5484 : Telegram

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

PEIPING, August 15, 1932—4 p.m.

[Received August 15—7:22 a.m.]

948. 1. In the course of a conversation the other day with Wellington Koo he brought up the question of part the United States might play in negotiations between China and Japan to settle Manchurian question. Koo expressed opinion that conditions in Japan and obstacles Japanese were fighting in Manchuria would force Japanese to a more conciliatory frame of mind. He expressed belief that when report of the Commission of League had been received by League and was under consideration the time would have arrived when the powers and the United States might come forward and suggest one of two ways of dealing with the situation.

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<sup>24</sup> Not printed.

2. Koo suggests (a) direct negotiations on the basis of proposals made by the Commission of League of Nations with the powers acting as observers or mediators or (b) that an international conference be held similar to Washington Conference.

3. In case of either (a) or (b) basis of discussion would be Nine-Power Treaty, Anti-War Treaty and Covenant of the League. Koo favored putting forward suggestion (b) first as Japanese do not want an international conference. Believes this a good weapon to hold over them and with which to drive them to accept as the lesser of the two evils suggestion (a).

Tokyo informed by mail.

JOHNSON

793.94 Commission/324 : Telegram

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

PEIPING, August 15, 1932—5 p.m.

[Received August 15—7:10 a.m.]

949. I am informed that it is probable that League Secretariat or League Commission will ask General McCoy to remain at Geneva for the purpose of assisting in discussion of Sino-Japanese questions when Commission returns to Europe. McCoy in a personal and confidential conversation, which I had with him the other day (and before above information came to me) intimated that he felt somewhat diffident about being present in Geneva and would go directly home. I was disposed to agree with him that from the American point of view his presence there might not be convenient. However, having now had this intimation and without his knowledge I am communicating this to you in order that, if desired, [you may have?] an opportunity to consider the matter and transmit such views as you care to transmit on the subject.

JOHNSON

574.D7/1647 : Telegram

*Mr. Hsieh Chieh-shih to the Secretary of State*<sup>25</sup>

CHANGCHUN, [August 19, 1932].

[Received August 19—10:49 a.m.]

I had the honor in my telegram addressed to Your Excellency, dated April 23,<sup>26</sup> to express the desire of the Government of the State

<sup>25</sup> This telegram was filed without acknowledgment.

<sup>26</sup> Vol. III, p. 719.

of Manchuria to adhere to the International Radio Telegraphic Convention<sup>27</sup> and to regulations annexed thereto.

I now respectfully ask that you will be good enough to take prompt action in the matter requested in the said telegraphic communication.

HsIEH CHIEH-SHIEH

*Minister for Foreign Affairs*

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793.94 Commission/332b : Telegram

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

WASHINGTON, August 19, 1932—1 p.m.

155. 1. There have recently appeared in the American press articles calculated to give the impression that the American Government has been receiving advance information with regard to the contents of an alleged "preliminary report" by the Manchuria Commission. To inquiries based thereon, the Department's reply has been that this Government has received no such information and knows of no such report.

2. You may in your discretion so inform any responsible inquirers or on your own initiative so inform Foreign Office.

CASTLE

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793.94 Commission/324 : Telegram

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

WASHINGTON, August 19, 1932—2 p.m.

269. Your 949, August 15, 5 p.m.

1. In the absence of the Secretary and as the situation now stands, the Department is of the opinion that the question whether General McCoy should remain at Geneva is primarily one for determination by the League, the Commission and General McCoy as a member of the Commission. In case it is decided that the Commission as a body shall remain at Geneva it would seem logical for General McCoy to act in accordance with that decision. In case the Commission as a body does not remain at Geneva, General McCoy would presumably consider it preferable that he not remain.

2. In case the Secretary desires, later, to offer any suggestions on this matter, you will be informed in due course.

3. You may inform General McCoy of the above.

CASTLE

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<sup>27</sup> Signed at Washington, November 25, 1927, *Foreign Relations*, 1927, vol. I, p. 288.

798.94/5491 : Telegram

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

PEIPING, August 20, 1932—10 a.m.

[Received August 20—5:10 a.m.]

978. Following from American Consul General at Mukden :

“August 19, 10 a. m. Referring to my despatch of August 9th, the local spokesman of Japanese military headquarters yesterday reported that 24 delegates of the people of Jehol, each representing a different district, had called upon Japanese headquarters at Chinchow to express the hope that Japanese troops be sent to suppress banditry in Jehol.

Disorder continues most active throughout South Manchuria. On the 16th bandits destroyed tracks and bridges on Kirin-Tunhua line 10 miles east of Kirin resulting in derailment of one train and several days' suspension of traffic. On the same day a train was wrecked and attacked on the Kirin-Hailung line.”

JOHNSON

893.01 Manchuria/393 : Telegram

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

TOKYO, August 20, 1932—5 p.m.

[Received August 20—7:34 a.m.]

216. The newspapers report that the Foreign Office has submitted to the Cabinet a tentative draft of a basic treaty with Manchukuo providing :

1. That Manchukuo recognize and respect all rights and interests acquired by treaty by the Japanese Government and people in its territory.
2. That Japan and Manchukuo enter into a defensive alliance.
3. That Manchukuo is primarily responsible for the maintenance of peace in its territories but that Japan shall lend assistance when necessary.

This treaty if approved by the Cabinet will be sent to Muto for negotiation. After the treaty is signed Japan will recognize Manchukuo. According to one newspaper this will be by the middle of September, but another states that recognition will be granted on or before September 18th, as the League Assembly meets on the 19th.

The Embassy has been unable to confirm this report but believes it authentic.

Repeated to Peiping.

GREW

893.01 A Manchuria/1

*Memorandum by the Assistant Chief of the Division of Far Eastern Affairs (Hamilton) of a Conversation With the First Secretary of the Chinese Legation (Kung)*<sup>28</sup>

[WASHINGTON,] August 22, 1932.

The First Secretary of the Chinese Legation, Mr. Anching Kung, called and stated that the Legation had received a cablegram from the Chinese Ministry of Foreign Affairs to the effect that it was reported that Mr. George Bronson Rea, an American citizen, had accepted a position as adviser to the "Manchoukuo Government" and that Mr. Rea was now en route to Geneva via Japan and the United States to assist in representing the "Manchoukuo Government" in the League's further consideration of the Manchuria question. The Chinese Ministry of Foreign Affairs directed the Legation to inquire whether the American Government could prevent Mr. Rea from going to Geneva.

After some discussion of the matter and after consulting Mr. Hornbeck, Mr. Kung was informed that note would be made of the inquiry and it would be brought to the attention of other officers of the Department.

893.01 Manchuria/401 : Telegram

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

PEIPING, August 24, 1932—noon.  
[Received August 24—6:05 a.m.]

998. Following from American Consul General at Mukden,

"August 22, 5 p. m. A foreign passenger reports that on August 19th 200 bandits Paichipu on Fengtien-Shanhaikwan Railway rushed from cover of *kaoliang* and fired several volleys at short range into north-bound passenger train killing two persons. They escaped before guards could take effective measures. Due to the frequency of bandit attacks travel on this line considered unsafe at present.

All services suspended on Mukden-Hailung Railway and bandits occupy station towns Yinghan [*Yingpan?*] and Shantou. Bandit menace to Fushun, Anshan and Liaoyang regarded as serious. According to official sources there have been three attacks on South Manchuria Railway south of Mukden since the 20th.

According to a press report a Japanese armored train carrying to Nanling, in Jehol Province, special service officer Yoshioka for the purpose of negotiations with Jehol commander in regard to Ishimoto case was attacked by 200 Jehol soldiers near that point on August 19th. Soldiers dispersed and town occupied but evacuated next morning

<sup>28</sup> Mr. Joseph E. Jacobs of the same Division also was present.



when Japanese retired to border. Local Japanese official quarters confirm this report but minimize its importance. In view of widespread banditry military operations in that region appear unlikely.”

JOHNSON

894.00/434

*Memorandum by the Under Secretary of State (Castle) of a  
Conversation With the Japanese Chargé (Kato)*

WASHINGTON, August 24, 1932.

Mr. Kato came to give me the attached copy<sup>29</sup> of what Count Uchida is now saying to the Diet in Tokyo. He will give copies to the press to use as they wish tomorrow morning.

Mr. Kato asked me to read through the speech on the chance that I might have some comments to make. I told him that there appeared to be nothing new in it, that, of course, I was sorry that Japan appeared to be so determined to recognize Manchukuo and sorry to see Count Uchida repeating the statement that Manchukuo was the result of the will of the Manchurian people, since it would be very difficult to make the world believe that this was true. I said everyone admitted that if the Japanese Army should leave Manchukuo now the state would not last a moment. I said also that it made me unhappy to see the yen going down and down as this meant that the credit of Japan was declining, but that I saw no way to stop the fall except by putting an end to their military adventure. Mr. Kato said he was afraid the recognition of Manchukuo was inevitable as there seemed an insistent demand for it throughout Japan.

W. R. CASTLE, JR.

793.94 Commission/351

*The Chargé in Great Britain (Atherton) to the Secretary of State*

No. 314

LONDON, August 25, 1932.

[Received September 3.]

SIR: I have the honor to forward herewith a memorandum of conversation with Sir Victor Wellesley on the question of the Lytton Report and the Manchukuo Government. I made occasion to have this talk with this Assistant Secretary of State who, during these vacation days, is in charge of the Foreign Office, partly in view of the fact that I have been informed by various newspaper correspondents during the last five days that the Publicity Department of the Foreign

<sup>29</sup> Not printed.

Office had laid stress on the difficulty of the Japanese position in Manchuria, adding that her special interests there had in reality been recognized by the world since the conclusion of the Russo-Japanese War, although this fact seems to have been overlooked by many critics of Japan in the train of events since September 18 of last year.

I may add, as of interest, that in a conversation with the French Ambassador this evening he told me that he also had discussed the Manchurian situation today with Sir Victor Wellesley and shared his opinion that Japan had "bitten off a far larger venture in Manchuria than she could chew", and that her army of 100,000 men there would be unable to cope with the situation. The French Ambassador gave me to understand that he felt economic forces would eventually determine the settlement of the Manchurian situation far more than political pressure beyond the stand of non-recognition which has been taken by various governments.

Respectfully yours,

RAY ATHERTON

[Enclosure]

*Memorandum by the Chargé in Great Britain (Atherton)*

In a conversation with Sir Victor Wellesley today I referred to the fact that in mid-July several apparently semi-official statements had been made in Japan indicating to the Lytton Commission that if the findings of the League Commission did not press for an immediate solution of the Manchurian situation unfavorable to Japan the Japanese Government would be willing to withhold recognition. I then referred to recent press comment that the findings of the League Commission Report had been completed and that they were generally understood to be unfavorable to Japan. This fact, I added, in my opinion, had probably caused Viscount Uchida to make his statement before the Diet, which statement had been handed to the press textually by the Japanese Embassy here, and which appeared in this morning's news.

Sir Victor Wellesley said he quite followed what I said and informed me that the London *Times* had received from America a purported digest of the findings of the League Commission, which was indeed exceedingly unfavorable to Japan, so much so that Sir Victor had taken upon himself to urge the press here not to print any unofficial survey of the Lytton findings until they were made public at Geneva, especially since, if the findings of the Lytton Report were unfavorable to Japan, there was no use in stirring up the trouble before the necessary moment had actually arrived. In this connection I may add that I have seen no remarks on the findings of the Lytton

Report in the English press beyond the fact that the findings of the Lytton Commission had been completed.

Sir Victor then went on to say that the British position, first and foremost, was that they would take no attitude until the report of the Lytton Commission had been discussed at Geneva. By that time Sir Victor was of the opinion that Viscount Uchida's statement before the Diet indicated that Japan would have recognized the new Manchukuo Government and the League be faced with a *fait accompli*, which would make the situation indeed more difficult than formerly.

Having in mind the statement made by Sir John Simon in the House of Commons on March 22, reported in my telegram No. 115, March 23, 1 p.m.,<sup>30</sup> and my despatch No. 2703, March 29, 1932,<sup>31</sup> I asked Sir Victor what would be his position relative to Viscount Uchida's statement that no treaty obligations prevented Manchuria from seceding from China if it were the will of the Manchurian people. Sir Victor did not entirely answer the question but pointed out that for a period of years past Manchuria, under Chang-Tso-lin, had in fact been a separate entity in all but name from China, and that the Chinese Government had made no attempt to maintain order there, and it would be difficult to disprove that the Manchukuo Government was set up in conformity with the wishes of the Manchurian people, as alleged by Tokyo.

Sir Victor then stressed the fact that Sir John Simon was absent from London and that everything he had said was his own personal opinion, but that he had frequently given his views to the Foreign Office, that an attempt to solve the Manchurian problem along economic lines would be far more successful than the League method of viewing the question from a purely juridical basis. I then stated that the Japanese people should not be led to believe they had successfully completed their Manchurian venture without recognition of the "open door" policy of the United States since any such idea would give them confidence in the belief that they could further continue their ventures into China. Wellesley then stated that, in his opinion, long before any such moment had been reached Japan would have found that she had bitten off far more than she could chew in Manchuria, and that she could not economically develop the country independently. I pointed out that possibly Japan was conscious of this fact already, and that by an early recognition of the Manchukuo Government might attempt to entrench herself in Manchuria to such an extent that the benefit derived might prove impossible wholly to eliminate in further negotiations. On the other hand, Wellesley said that an early recognition of the Manchukuo Government by Japan might also precipitate recognition of the Manchukuo Government by any nations other than

<sup>30</sup> Vol. III, p. 620.

<sup>31</sup> Not printed.

the Great Powers who felt they would like to share any advantages accruing from recognition. I stated that in my opinion early recognition of the Manchukuo Government would carry no more economic advantages than in the past when, although foreign goods had been sold in Manchuria, to my knowledge the only successful method of distribution had been through Japanese commission houses.

I then said to Wellesley that I realized that he and I were talking entirely personally but from our conversation I gathered that his forecast of the British position was something as follows:

1) That Britain would take no action vis-à-vis the Japanese-Manchurian situation until the Lytton Report reached the League of Nations.

2) That the Foreign Office could not overlook the fact that since the Russo-Japanese War special Japanese economic interests in Manchuria had been internationally recognized, and that the handling of the matter since last September did not sufficiently stress to the Japanese mind that the question of these economic rights was not involved, and that British policy would prefer to play a waiting part, watching events, during such period withholding any recognition of policy contrary to the Nine-Power Treaty and the Kellogg Peace Pact.

3) That it was recognized that such a policy might lead to a temporary loss of trade in Manchuria but, on the other hand, envisage a situation where Japan must realize that economically she had bitten off more than she could chew in Manchuria. At such a moment it might appear feasible that the interested Powers suggest an economic solution of the Japanese-Chinese-Manchurian situation whereby possibly Japanese economic rights would be recognized, China would not be entirely deprived of her sovereignty in Manchuria, and at the same time the treaty obligations of the various Powers would be respected.

Wellesley said that I had attempted to put into phrases only half formed personal reflections of his own, but he saw at the moment no other policy that held out any greater possibility of success in view of the Japanese determination at the present time.

LONDON, August 25, 1932.

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693.9412/298 : Telegram

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

SHANGHAI, August 27, 1932—noon.

[Received August 27—6 a.m.]

377. My 369, August 18, 4 p.m.,<sup>32</sup> regarding boycott. Local Sino-Japanese situation remains substantially the same. Threatening letters and bombs continue to be received at Chinese shops allegedly

<sup>32</sup> Not printed.

dealing in Japanese [goods?]. However, in only one instance during the past week has bomb exploded causing damage. Japanese marines are patrolling nightly in Hongkew area and are also making trips to Kiangwan and Chapei allegedly for sight-seeing purposes. Mayor has protested against these trips and Japanese authorities are stated to have replied that such sight-seeing trips had been agreed to at the time of Japanese withdrawal. Japanese Chargé d'Affaires has gone to Nanking, in connection with local situation. The feeling is steadily growing that affairs are drifting to a condition resembling that of Japan last April. The various departments concerned in Shanghai Municipal Council are undergoing a general tightening-up process, the reasons given being strikes and boycott.

Repeated to the Legation.

CUNNINGHAM

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893.01 Manchuria/413 : Telegram

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

PEIPING, August 30, 1932—9 a.m.

[Received August 30—5:05 a.m.]

1028. Following from American Consul General at Mukden :

"August 29, 7 p. m. Armed with swords, rifles, and machine rifles and presumably inspired chiefly by the determination to destroy Japanese airships, about 1,000 big swords bandits last night attacked the Mukden area from three directions. Fighting commenced at 11:25 with an assault on the south gate of the Chinese city by a force of 500 men which entered the city and was not driven out until 4 a. m. Meanwhile a second group of 200 raided the eastern airfield and burned one hangar and about 15 old planes. Shortly afterwards a third force of 300 raided the north outskirts of the Chinese city.

All three bands escaped successfully under cover of extreme darkness. Japanese official quarters consider further attacks on the city not improbable but state that defense forces are adequate. They report that a considerable number of Manchukuo police, having refused to fight and supplied ammunition to the bandits, had to be disarmed.

Japanese casualties reported by headquarters spokesman were 2 killed and 8 wounded."

JOHNSON

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793.94/5512

*Speech Delivered by Dr. Lo Wen-kan, Minister of Foreign Affairs at Nanking, at the Weekly Memorial Service of Dr. Sun Yat-sen on August 29, 1932*<sup>33</sup>

Japan has at last thrown down the gauntlet against the conscience of the whole world. The long speech delivered before the Japanese

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<sup>33</sup> Copy transmitted to the Chief of the Division of Far Eastern Affairs by the First Secretary of the Chinese Legation under covering letter of August 30, 1932.

Diet on August 29th [25th] by Count Uchida, the Japanese Minister of Foreign Affairs, laid bare Japan's intentions completely that she does not need to seek any pretext in the future in the prosecution of her scheme of aggression in China. Ignoring the entreaties for peace from all humanity, defying the League of Nations and other peace machinery, and disregarding her obligations assumed under solemn international treaties, Japan has told the world in effect that she has the right to invade the territory of China, to seize the Three Eastern Provinces, to set up a puppet government and call it an independent state, and finally to shape and control its destiny until Japan and her puppet become one political entity in name as well as in fact. Count Uchida's thesis is indeed a tale of medieval militarism guised in twentieth century language.

Japan has pleaded self-defence for all her acts of aggression and she now argues that the exercise of the right of self-defence may extend beyond the territory of the power exercising that right and that the Kellogg-Briand Anti-War Pact does not prohibit a Signatory Power from availing itself of that right at its own discretion. Such pernicious argument reveals the attempt on the part of Japan to destroy the validity of the Anti-War Pact altogether. If it could be accepted by the other sixty-one Signatory Powers as a correct interpretation of that epoch-making Treaty, then the whole document would be a sham and nations which have renounced war as an instrument of national policy would seem to have reserved the right to fight an aggressive war in the territory of a neighboring Power.

In fact the Signatory Powers to that famous Treaty, including Japan, mutually agreed that the settlement or solution of all disputes or conflicts of whatever nature or whatever origin they might be which might arise among them shall never be sought except by pacific means. If Japan had really suffered injuries with respect to her important rights and interests in China, as she now seems to contend, she could have resorted to any pacific means known in international law to seek due redress from the Chinese Government. Without even bringing any cause of complaint to the knowledge of the Chinese National Government, Japan, on the night of September 18th, 1931, caused her troops to open sudden and unprovoked attack on the Chinese garrison at Shenyang (Mukden) and seized that city by force, and then deliberately and progressively extended her military operations until the whole of Manchuria is now under her occupation and control. To plead self-defence under such circumstances only aggravates the wrong of the pleading party. In the recently uttered words of Colonel Stimson, the Secretary of State of the United States of America, "a nation which sought to mask imperialistic policy under the guise of

defence of its nationals would soon be unmasked", and Japan has already unmasked herself.

It is a highly preposterous assertion that the puppet organization created and supported by Japan herself has achieved independence through the spontaneous will of the Manchurians and that the Nine Power Treaty does not forbid any separatist movement in China nor recognition by Japan of any new State formed as a result of such a movement.

The whole world knows that in the Three Eastern Provinces there never has been any separatist movement from within, but there has been an aggressive and imperialistic movement from without. It is the Japanese militarists who have brought all the theatrical paraphernalia to Manchuria and set up on the stage a bogus government styled by the epithet of the Independent State of Manchukuo. It is the Japanese militarists who have translated their own free will into action. It is the Japanese militarists who are browbeating, intimidating, and oppressing the thirty million citizens of the Republic of China, who are prevented by sheer force from asserting their own spontaneous will. Geographically, historically, and psychologically, the Three Eastern Provinces will remain a part of Chinese territory and the inhabitants of these Provinces will remain loyal citizens of the Chinese Republic. With the Japanese troops once withdrawn the bogus organization will at once collapse like a pack of cards.

If there were in China a separatist movement in the true sense of the term, the Nine Power Treaty might not be brought into play, as that Treaty is not designed to regulate questions in China of a purely domestic nature. But when a part of Chinese territory has been forcibly seized and occupied by Japan, who maintains therein an organization of its own creation, there is not the slightest doubt that such actions constitute a flagrant violation of those provisions of the Nine Power Treaty, whereby the Signatory Powers, including Japan, engage to respect the territorial and administrative integrity of China. Japan's guilt in violating this Treaty commenced with the opening of her attack on the night of September 18th, 1931, and has been continuously aggravated with each of her subsequent acts, including the kidnapping of Pu Yi, and the placing of him at the head of the puppet organization. Her guilt will assume still greater proportions but will not be of a different nature when she carries out her declared intention to accord recognition to the unlawful regime she herself has created.

Count Uchida knew himself he was making an assertion which was diametrically opposite to the truth when he declared Manchuria had entered upon a career of sturdy and healthy progress. There are unmistakable evidences of the people's opposition to the Japanese domination gathering momentum every day and everywhere in the Three

Eastern Provinces. In face of the Japanese bombing and gunfiring volunteer forces keep on their activities with redoubled energy. As for commerce and industry in Manchuria, they have been steadily on the decline since the Japanese occupation and in fact never have economic conditions in that region been worse than they are at present. There will be no peace and prosperity in the Three Eastern Provinces until all Japanese troops have been withdrawn from places where they have no right to appear and until the Chinese Government regains control over the land now temporarily lost to us.

The Japanese Foreign Minister, in attempting to justify Japan's aggression in China, referred to our domestic administration and activities of the communists. We do not pretend to possess a perfect administration, an administration free from those political vicissitudes common to all countries. Nor do we claim complete successes in our work of suppressing communism hitherto undertaken. We also admit we have not been exempt from the effects of the universal economic depression. We were harassed last year by unprecedented floods and are still suffering from their damaging consequences. Under such circumstances we had believed the Japanese people, like the people of every other nation, would have shown us the greatest sympathy and given us at least moral help in our stupendous task of rehabilitation. That Japan should take advantage of China's internal difficulties and launch a premeditated scheme of military aggression yet unheard of in the annals of the modern world was indeed beyond human conjecture.

Japan has now defied the whole world—the League of Nations, the Anti-War Pact, the Nine Power Treaty and other international commitments, and finally the public opinion of mankind. She is laboring under the fanciful idea that she could realize her dream of military conquest by rushing matters through and creating a *fait accompli* before the world pronounces its final judgment. But the enlightened nations of the world have already declared they will not recognize any situation brought about by violence.

I want to take this opportunity to emphasize a few important points of policy of the Chinese Government in respect to the present situation.

1. Neither the Chinese Government nor the Chinese people entertain the least anti-foreign feelings. However, in view of the present state of affairs produced by Japan's military aggression, it would be absolutely impossible for the Chinese people to express the most cordial friendly sentiments to the Japanese people. It entirely rests with Japan herself to improve and restore relations between the Chinese and Japanese people.

2. China will never surrender one inch of her territory nor any of her sovereign rights under stress of military force which she condemns and is determined to resist to the best of her ability.



3. China will never agree to any solution of the present situation which takes into account the puppet organization in the Three Eastern Provinces established, maintained and controlled by the Japanese military forces.

4. China is confident that any reasonable proposal for the settlement of the present situation will be necessarily compatible with the letter and spirit of the Covenant of the League of Nations, the Anti-War Pact, and the Nine Power Treaty, as well as with China's sovereign power, and will also effectively secure everlasting peace in the Far East.

793.94 Commission/341 : Telegram

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

PEIPING, August 31, 1932—2 p.m.

[Received August 31—2:51 a.m.]

1037. I am informed that report of Commission of the League will be unanimous. Report definitely finds that Japan was not justified by doctrine of self-defense in doing what it did on September 18, 1931 (although it will carry a suggestion that perhaps the subordinate officers on the spot may have so felt). The report will find that Manchukuo could not have come into existence except with official aid of Japanese military and authorities. Report will at its end carry suggestion for settlement of problem thus brought about through negotiation of treaties between China and Japan providing for reestablishment China's sovereignty in Manchuria, Government of Manchuria remaining autonomous under authorities appointed with the assistance of League and advisers from foreign countries.

JOHNSON

793.94/5506 : Telegram

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

PEIPING, August 31, 1932—8 p.m.

[Received August 31—11 a.m.]

1043. My 1016, August 27, 9 a. m.,<sup>34</sup> and preceding telegrams on the subject Japanese Legation guard. Two or three days ago Japanese sentry at gate of Japanese Legation guard opposite British Legation ordered two members off path outside Japanese Legation guard. British commandant called on Japanese guard to protest, was told to leave ricksha outside and report guardhouse with request for interview. Yesterday Colonel Aihara and Captain Watanabe called on British

<sup>34</sup> *Post*, p. 573.

commandant to apologize and in course of conversation made following interesting statements which I report as indicating ideas current in local Japanese military minds: that there could be no peace in North China while the Chinese Army were occupying positions inside borders of the new state, i.e., in Jehol, as owing to their presence, arms and men expenditure [*sent?*] into Manchukuo.

In order to rid the borders of Manchukuo of these troops it was necessary to crush Marshal Chang Hsueh-liang if he did not depart.

He also stated that Manchukuo would quite possibly demand that all Chinese troops be withdrawn south of the Yellow River and the country so vacated be policed by the Chinese police and Manchukuo troops.

On British commandant's pointing out that Manchukuo troops would hardly be capable of carrying out this task Colonel Aihara stated that he considered troops and expenditures might be as easily lent to assist in this as hired to take part in cinema films; that America was selling airplanes to China so why should not Japan lend or hire airplanes and men to Manchukuo.

He also went on to state that he did not see why Japanese should not influence Manchukuo to establish the Young Emperor in Peiping and eventually as ruler over the whole of China thus making all these a better place for foreigners to live and trade in.

He blamed the Kuomintang government for the present situation in China as he alleged it to be a "puppet" of Soviet Russia and less desirable than the new state supported by Japan.

He kept on making a point that in the event of trouble being likely in Peiping good might be done by a demonstration in force of a combined march of all the Legation guards through the city with bugles sounding and bands playing. He also went on to state that he considered that the defence of the Legation quarter would quite possibly be better carried out by active operations in the beginning than by passive defence of manning the walls of the Legation quarters.

JOHNSON

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898.01 Manchuria/442

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

No. 331

GENEVA, August 31, 1932.  
[Received September 8.]

SIR: I have the honor to inform the Department that so much importance was attached to its content, that the full text of the speech delivered by Count Uchida on August 24 [25] was circulated through the League Secretariat. It naturally has given rise to much comment

and to speculation as to what may be the results of this Japanese policy on the Sino-Japanese situation in general and in particular on the status of the question vis-à-vis the League of Nations. I am giving below the substance of the opinion of various officials of the Secretariat who have discussed this matter. While, of course, these statements cannot be taken in any respect as official pronouncements on the part of the League, I nevertheless feel that they represent a fair reflection of League sentiment and may be regarded in a measure as forecasting possible League policy and action.

#### A. LEAGUE-REACTION

##### *a. The Speech of Count Uchida.*

The speech is considered first as a reply to that of the American Secretary of State, and second as a pronouncement intended to prepare Japanese public opinion as well as opinion in foreign countries for the maintenance of the Japanese position before the League on the presentation of the Lytton report. It is believed in the Secretariat that both the speech of the American Secretary of State and that of the Japanese Foreign Minister were based on a knowledge of the nature of the Lytton report. It is thought that the Secretary has been informed through General McCoy of the tenor of the report (just as it is thought that the British Government has no doubt been informed through Lord Lytton) and that the Secretary's speech was intended to serve as a preliminary reinforcement of the probable conclusions of the report and was particularly designed to remind the states members of the League in advance of their engagements taken in League resolutions regarding non-recognition of territories or advantages obtained through force.

The Uchida speech is considered as "cutting straight across" in several points the Secretary's speech. Like the latter's, but for opposite reasons, this speech is considered as being anticipatory of the submission of the Lytton report and as being directed against its probable conclusions.

From information obtained through Japanese sources here, it is understood that the Lytton Commission had two interviews with Uchida and that efforts were made to find a basis of understanding or of compromise. It is understood, of course, that the Lytton Commission was not empowered to negotiate with the Japanese Government for any final settlement, but it was thought that these interviews might serve to assist the Commission in making its recommendations which might take into consideration the Japanese position for a practical settlement without sacrificing the principles which the Commission believed to be involved. It is understood that after these two meetings the views of the Commission and of the Japanese Government

were as widely divergent as before and that the Commission left in an atmosphere which denoted none too cordial feelings on both sides.

*b. Forecast of possible trends in the next meeting of the Council with respect to the Lytton Commission Report.*

It has been generally understood in the Secretariat that it was the intention of the members of the Council, on the presentation of the Commission's report, simply to transmit the report formally to the Assembly without discussion. It now seems doubtful, however, whether this will be possible. Members of the Secretariat are now beginning to believe that it is highly probable that the Japanese will insist on discussing both questions of substance and of procedure before the Council. In regard to substance, they would support the position which has been maintained by the Japanese in the past and of which the main lines were set forth in Count Uchida's speech, namely, that Japan has not violated her international engagements but has only acted in self-defence, such action for the protection of Japanese lives and property being necessary as a result of chaotic conditions in China.

In regard to procedure, it is thought that the Japanese will maintain their previous position that the Assembly is not the competent body to handle this question and that Japan's engagements have been taken before the Council only. To the plea of Council members that the submission of the report to the Assembly is a matter of "procedure and not of principle," it is anticipated that the Japanese will reply, just as in the case of the question of American participation in the Council meeting relative to the discussion on the Kellogg Pact, that the question is one of "principle and not of procedure." They may contend, therefore, that the Council, lacking a unanimous vote, cannot submit the report to the Assembly. If such a situation arises, it is believed that a long discussion will ensue concerning the juridical question involved. In other words, it is thought that Japan will do everything possible to block the consideration of the report by the Assembly.

Should the Council, contrary to the wishes of Japan, decide to turn over the consideration of the report to the Assembly, it is considered quite possible that the Japanese representatives may withdraw from the Council and the Assembly. It is not anticipated that Japan would formally withdraw from the League at the present moment. Japanese representatives would probably simply refrain from being present at meetings of the Council and the Assembly.

#### B. CONVERSATION WITH DR. YEN

In an informal conversation with Dr. Yen on a recent social occasion, he made certain remarks concerning the Japanese announcement of August 24 [25] respecting the prospective recognition by Japan of Manchukuo. What he had to say was in substance as follows.

Japan's rather frequent reiterations of her intention to recognize the Manchukuo Government seemed to puzzle him somewhat. In other words, unless some internal political reasons were at the root of this policy, he did not perceive the purpose of mere announcements of intention. If the matter was so arranged by Japan that she could obtain all she desired by recognition, why should she withhold recognition until some future date? Of course, it was possible that Japan was still hesitant in the face of present world opinion and that thus these announcements were in the nature of trial balloons to test the character and strength of that opinion and to note reactions. He stated that Japan naturally would not recognize Manchukuo until a treaty had been obtained from the Manchukuo regime embodying a satisfactory *quid pro quo*. There might be some difficulty about Japan's obtaining a treaty which would satisfy all of her desires. Although he regarded the Manchukuo Government as a puppet organization, there were, he had reason to know, men in it, or supporting it, who took that position simply because they desired some kind of an orderly government in their territory. These men, nevertheless, he felt might easily balk at a treaty which would give Japan a virtual protectorate over their country.

With respect to Japan's receiving private, and perhaps later open, support from various powers for the project of the recognition of Manchukuo, Dr. Yen said that he entertained some suspicions of France. He stated that in the new treaty between Japan and France concerning trade with Indo-China, Japan had made certain concessions which she had long refused to accord. He thus suspected that France may have made some return for these concessions and that these returns might easily have something to do with the question of recognition. It was pointed out in our conversations, however, that the Indo-Chinese treaty was arranged before Herriot came into power.

Dr. Yen felt, nevertheless, that Great Britain was really in the "key" position, inasmuch as, particularly since the recent Franco-British accord,<sup>35</sup> he believed Great Britain could influence France in a matter of this sort and that France would be adverse to taking a position which differed from that of Great Britain. He was certain that if the British took a firm attitude with Japan respecting recognition, France, while perhaps not following suit, would at least not follow a contrary policy.

Dr. Yen further told me that he had received recent news which made him feel that Moscow might be considering recognizing the Manchukuo regime. He stated that he saw the conclusion of the

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<sup>35</sup> Anglo-French declaration of July 13, 1932, vol. i, p. 694.

fisheries treaty between Moscow and Tokio as clearing the way for such action on the part of the Soviets.

Although I am aware that the Department has many sources from which to judge the present Manchurian situation from which much more direct information can be obtained than is possible in Geneva, I am nevertheless submitting Dr. Yen's views as of interest.

I also gleaned from my conversation with Dr. Yen that the Chinese will not advance any policy or make any new *démarches* at present, but will await such action as the League may take upon the submission of the Lytton report.

Respectfully yours,

PRENTISS B. GILBERT

893.01 Manchuria/480

*Memorandum by the Under Secretary of State (Castle)*

[WASHINGTON,] September 1, 1932.

The Italian Ambassador read me a short telegram from the Italian Ambassador in Tokyo reporting on a conversation he had had with the Russian Ambassador in that capital; the Russian Ambassador told him that the Russian Government would find no difficulty in recognizing the independence of Manchukuo; he added to this that he hoped that, after both Japan and Russia had recognized Manchukuo, Japan would be willing to sign a non-aggression treaty with Russia.

W. R. CASTLE, JR.

793.94 Commission/438

*Memorandum by the Minister in China (Johnson)*<sup>86</sup>

PEIPING, September 1, 1932.

General McCoy stopped in and said that he thought they would be leaving on Sunday.<sup>87</sup> He stated that the Commission would make a unanimous report. They were agreed that Japan was not justified by the principle of self-defense in taking the action which was taken at Mukden on the night of September 18th. He said that during the last two weeks it had been feared that they might have to split because of the attitude of General Claudel, but that General Claudel had finally agreed to a formula which he (General McCoy) thought was a good one.

General McCoy stated that he thought the report as a whole would

<sup>86</sup> Copy transmitted to the Department by the Minister in his despatch No. 1730, September 6, 1932; received October 10.

<sup>87</sup> September 4.

be found to be a good report, and one worthy of the effort which brought the Commission into being and of the personnel of the Commission itself. Of course they could have turned out a better-written report given more time, but that may be said of any report by any Commission. He thought that the Japanese would be pleased with the tone of the report. It was the first time that all of the facts had been brought together in one statement, and he thought that the way these facts had been set forth might influence the Japanese to ameliorate their attitude.

I stated that it was my hope that in these matters the people of the United States would not put too much faith in the ability of the Chinese to unite on any stand against the Japanese; that it was my earnest hope that we would not become involved in this situation, for I was convinced that the Chinese could not unite at the present time, for there is no leadership among them, and in the face of Japanese determination and nationalistic fanaticism it would be entirely possible for the Japanese to take possession and control of the whole northern part of China.

I asked General McCoy whether he was carrying away any ideas as to the future. He shrugged his shoulders and said that no one could prophesy as to what might happen. If the present fanatical leaders of the Army continued control of the situation anything was possible, for no military man could continue long in Manchuria with the constant threats about him without taking some steps to defend himself against these threats. He said that the Japanese were constantly thinking of the conditions of peace and prosperity which they had created in the leased territory and pointed out that they make a mistake in thinking that they can extend those conditions to Manchuria as a whole, as Manchuria is a large area where the nationalistic spirit of the Chinese is growing.

General McCoy agreed with my simile that the situation which faces the Japanese in Manchuria is similar to a prairie fire: the fire begins because the grass is dry, and as it spreads the fire dries the grass ahead of it, thus making possible the extension of the fire. Now that the Japanese are in Manchuria they find themselves with an extended border through which threats of all kinds penetrate; the further they go afield the wider that border becomes and the more difficult it is to control it.

General McCoy said he thought there was some danger that we did not appreciate the methods of the Japanese. He as a military man had been impressed by the fact that the records showed that in all of their conflicts with other countries, notably with China and with Russia, they had always begun their attacks at night, and as surprise attacks. He had asked the young officer at Mukden why he had taken

the responsibility of beginning an attack upon a passive group of Chinese in barracks numbering probably 10,000 when he had only 400 men. The young Japanese officer replied that the best defense is to attack. General McCoy agreed with me that the Japanese in their present state of mind, should this state of mind continue, would be quite capable (if convinced that the United States intended to attack) of attacking us.

General McCoy stated that a copy of the League Commission's report would be left with the British Legation to be handed to the Chinese Government, and that copies would also be left with the British Legation for the other Ministers here. He said that as for a copy for the Department of State this could be more quickly supplied by himself after he arrived at Geneva, and he would arrange to have a copy forwarded at once from Geneva upon his arrival there.

NELSON TRUSLER JOHNSON

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893.01 Manchuria/418 : Telegram

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

PEIPING, September 2, 1932—11 a.m.

[Received September 2—3:35 a.m.]

1050. Following from American Consul General at Mukden :

“September 1, 5 p. m. Bandit attacks of more serious proportions than those reported in my telegram of August 20, 7 p.m., were made last night on eastern and southern suburbs of Mukden. The arsenal was attacked and fighting in some areas continued for hours. The defense forces were well prepared and are stated to have suffered no casualties. Bandit losses reported considerable. Japanese military spokesman announces that a campaign to clear bandits from Mukden area is now in progress.

Information emanating from an official source states that the Changchun government has formed a treaty commission whose membership includes the Minister and Vice Minister of Foreign Affairs which shall conduct negotiations for a treaty with Japan and that the treaty will provide for defensive alliance, cooperation for maintenance of peace and order, and treaty of peace and amity for observance of Open Door.”

JOHNSON

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893.01 Manchuria/419 : Telegram

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

TOKYO, September 2, 1932—5 p.m.

[Received September 2—7:30 a.m.]

223. The Foreign Office spokesman today gave to the foreign news correspondents a résumé of the impending treaty with Manchukuo



which differs somewhat from the version contained in my 216, August 20, 5 p.m. There is an official ban against the publication of this résumé in Japan and I do not know whether it will reach the foreign press before promulgation of the treaty itself.

The treaty, which is to be called "Japanese-Manchurian Protocol", is said by the spokesman to be comprised in one and one-half typewritten pages and to contain the following provisions.

1. Formal recognition of Japan of the "State of Manchukuo".
2. Respect of each other's territorial sovereignty.
3. Respect of Japan's treaty rights and interest in Manchuria.
4. Recognition by Manchukuo of Japan's right to station troops anywhere in Manchuria (instead of only in railway zone and thus conferring a new right).
5. Undertaking by Japan to defend Manchukuo against any internal or external menace (eliminating necessity for a Manchukuo army).
6. No time limit for duration of treaty.

Foreign Office spokesman observes that this arrangement will not constitute a protectorate since it contains no clause for Japan's supervision over Manchukuo's foreign and financial affairs. He adds that the treaty will be accompanied by a "minor technical military agreement" which will not be published. (Obviously secret clauses). He expresses opinion that the treaty will be ratified by the Japanese Privy Council and the respective chiefs of state and that it will be signed by General Muto and the Minister of Foreign Affairs of Manchukuo prior to September 15th, taking effect on date of signature. He adds that the treaty will be communicated to the principal powers but not to the League of Nations.

In an informal conversation this afternoon the Vice Minister for Foreign Affairs stated "speaking quite confidentially it may be said that the outline as given to the press by the information bureau is substantially correct. He added that he did not want to be quoted as he was not authorized to do so". Please do not use his name in this connection.

Repeated to Peiping.

GREW

793.94/5526 : Telegram

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

SHANGHAI, September 3, 1932—1 p.m.

[Received September 4—2:35 a.m.<sup>88</sup>]

383. My telegram No. 377, August 27, noon.

1. Following are principal developments in local Sino-Japanese situation during past week: Mayor Wu issued declaration Septem-

<sup>88</sup> Telegram in two sections.

ber 1st declaring he is determined to suppress lawlessness with all lawful means at his disposal and will spare no efforts to curb the activities of the rumor mongers. He calls on all citizens to support him in his efforts. Declaration has been well received by Chinese and foreign press.

2. On August 31st and again on night of September 2nd Japanese marines in trucks on Nanking Road seized Chinese in retaliation for alleged insults and it was only through prompt and efficient action of the Settlement police that Chinese escaped being taken to Japanese headquarters.

In my opinion the action of these Japanese marines in trucks parading through streets in Settlement and outlying districts is provocative and utterly unwarranted. (I am convinced that no pressure that can be brought to bear locally will succeed in stopping it.) I am informed Japanese marines are again occupying Japanese mills in American defense sector. Repeated to the Legation for information.

CUNNINGHAM

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693.002 Manchuria/253 : Telegram

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

PEIPING, September 3, 1932—3 p.m.  
[Received September 3—11:40 a.m.]

1060. Following telegram has been received from Mukden :

"September 2, 5 p.m. Referring to my despatch of August 15th.<sup>39</sup> The following telegram was received today from Talbot.

'My letter 12th August. I was inveigled to farewell dinner in Chinese town last night by Customs Adviser Sakikawa where I was hectorred for several hours to hand over balances in Bank of Chosen only securing my release after signing statement that if I did not hand over in 3 days Adviser could use his discretion. Latter stated he would use force to gain his ends. I consider it dangerous for me to attempt leave Antung in face of these threats and would request your prompt assistance.'

An informal protest has been made to Japanese consular authorities with the request that Talbot be subjected to no further personal molestation. Developments will be reported to the Legation."

Talbot is an American. The Japanese Adviser to the Manchukuo customs balances [*sic*] is trying to compel him to sign a check handing over certain customs balances in the Bank of Chosen, Antung. They threaten to prevent his leaving for Shanghai until he does so. I feel that we could properly say a word at Tokyo to obtain protection for Talbot and permission for him to leave Antung and freedom.

JOHNSON

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<sup>39</sup> Not printed.

893.102S/1263a

*The Department of State to the Navy Department*<sup>40</sup>

## MEMORANDUM

Subsequent to the action taken by the Japanese military authorities at Shanghai beginning January 28, 1932, the American Minister to China discovered the existence of an agreement entitled "International Defense Scheme" for the defense of the International Settlement of Shanghai and its vicinity, which had been signed on December 18, 1931, by the commanders of the American, British, Japanese and French military detachments landed at Shanghai and by the Chairman of the Shanghai Municipal Council, the Commander of the Shanghai Volunteer Corps, and the Commissioner of the Shanghai Municipal Police. The Minister also learned that the signing of this agreement was unknown to the American Consul General at Shanghai and, although the agreement was signed subject to "confirmation by superior authority", the Minister was never able to ascertain that such confirmation had been obtained.

In the light of past history, the reason and the warrant for the formulation of an agreement in reference to a plan of defense of this sort is to be found in the fact that it is necessary for the municipality and the powers whose nationals reside and have interests there to be prepared to maintain order and to safeguard the lives and property of their nationals in case of disturbances or threat of attack of *Chinese origin*, internal or external. At and before the time when the defense scheme under reference was agreed upon there had been no case in which one only of the foreign powers had become involved in hostilities with the Chinese in consequence of which the safety of the International Settlement was jeopardized. Six weeks later, at the end of January, 1932, there developed a situation in which that contingency had to be met. In considering the purposes of such an agreement and in passing judgment upon the specific provisions which appear or which should appear in such an agreement, it should be thoroughly understood that the primary concern of the powers is the maintenance of order in the Settlement and the defense of foreign lives and property against a *Chinese attack*. Under no circumstances should the powers lend themselves, through the fact or by the provisions of such an agreement, to the facilitating of military efforts by one of their number for the carrying out of a political policy or the prosecution of objectives peculiar to itself.

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<sup>40</sup> Handed by the Chief of the Division of Far Eastern Affairs, under instruction of the Under Secretary of State, to Rear Admiral Walton R. Sexton, Assistant Chief of Naval Operations, for the Chief of Naval Operations, on September 3, 1932.

A study of the agreement referred to above reveals the fact that it authorizes the British and the Japanese contingents, in case it should become necessary to invoke the agreement, to carry on operations in extra-Settlement areas. While the agreement does not impose upon the American military contingent at Shanghai any obligation to take part in operations beyond the boundaries of the International Settlement, this Department, in view of the political factors involved, would desire to be consulted before a general defense plan providing for operations in extra-Settlement areas by any of the defense contingents was approved by any officer of the American Government in China. Moreover, the Japanese authorities have cited this agreement in justification of their troop movements on and subsequent to January 28. The Chinese authorities protested these movements. Although the Japanese definitely violated certain of the provisions of the agreement, there is a sufficient degree of justification in their plea that they were acting under the authority given in that agreement to make the situation somewhat embarrassing to this Department.

An international agreement of this kind has a most important bearing on the policy of the American Government in and toward China. It involves political factors as well as political objectives of various foreign governments, with regard to which the representatives of this Department are primarily concerned. The Department feels, therefore, that if such an agreement is to be signed by an American military officer in China, that officer should, except in case of great emergency, confer with the highest representative of the Department of State in the vicinity before he actually signs such an agreement. The American Minister to China has sent to Admiral Taylor, Commander-in-Chief of the Asiatic Fleet, a copy of his memorandum to the Department on the subject. It is believed, therefore, that Admiral Taylor is fully informed of Minister Johnson's views of the need of cooperation in such matters between the representatives of the State and Navy Departments in China. It is suggested, however, that it would be desirable for the Navy Department to issue to its representatives in China appropriate instructions along this line.

There is another phase of the question which it is believed requires consideration, namely, whether representatives of the American Government in China shall continue to cooperate under the existing agreement, with all the implications that flow from such cooperation. This is particularly important as the relations between China and Japan are such that the question of invoking this agreement again may arise at any time. This Department is not inclined to believe that we should withdraw entirely from cooperation under the terms of this agreement. It does believe, however, that the representatives of the State and Navy Departments in China should be instructed to watch developments

closely. It is felt also that in view of the apparent likelihood that the question of the possible necessity of dealing with a new situation of emergency and calling into operation this or some other defense plan may again arise in the near future, these representatives should immediately inform the representatives of the other powers and the Municipal Council that the American Government regards this agreement, insofar as its applicability in case of possible future contingencies is concerned, as tentative and that they are instructed, in case a situation of emergency appears imminent, and before the Municipal Council shall have declared a "state of emergency", to invite discussion with regard to the applicability of this plan to the situation at that time apparent or envisaged. This procedure would operate, it is believed, toward obviating a repetition of the unfortunate complications that flowed from the declaring on January 28, 1932, by the Municipal Council of a "state of emergency" and the implementing thereupon of this defense plan. This procedure would, moreover, appear to be in conformity with the note contained on the title page of the defense plan, reading as follows:

"This agreement is valid only so long as the conditions existing at the time when it was arrived at remain unaltered."

This Department, in proposing this move, is not unmindful of the fact that the question of defense involves problems which insofar as they are military problems can best be dealt with by the military authorities on the spot; and it is not our desire to hamper those authorities in the handling of those problems. What we desire is (1) to guard against abuse, for political purposes, of the presence of our armed forces and our willingness to participate in legitimate defense of foreign lives and property within the International Settlement; (2) to ensure that there will be adequate knowledge by this Department of plans devised and steps taken which involve action by agencies of this Government in a complicated international situation; and (3) to promote the fullest possible cooperation between the different agencies of this Government which have responsibilities in connection with phases which exist or phases which may arise in that situation.

With those objectives in mind, this Department does not, at this date, desire to suggest alterations in or amendments to the defense plan under reference; but it proposes that instructions be given as outlined above the effect of which would be to establish certain safeguards and to ensure an increased measure of cooperation, through exchange of views and information, on the part of the various agencies of this Government that are involved.

893.01 Manchuria/419 : Telegram

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

WASHINGTON, September 3, 1932—2 p.m.

156. Your 223, September 2, 5 p. m. In case the Japanese Government communicates to you the text of a so-called treaty between Japan and "Manchoukuo", please report that fact immediately to the Department and take no other action even of acknowledgment pending receipt of further instructions.

ROGERS

693.002 Manchuria/254 : Telegram

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

PEIPING, September 4, 1932—3 p.m.

[Received September 4—5 a.m.]

1063. Legation's 1060, September 3, 3 p.m. Following from Mukden:

"September 3, noon. Referring to my telegram of September 2, 5 p.m., Japanese consular authorities undertake to do their utmost to ensure Talbot's safety in railway concession but assume no responsibility for his protection outside that area. In their opinion the situation is the result of his continued presence and can be satisfactorily liquidated by his departure. I am informing Talbot to this effect."

JOHNSON

693.002/Manchuria/255 : Telegram

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

PEIPING, September 5, 1932—3 p.m.

[Received September 5—5:30 a.m.]

1066. Legation's 1063. Following from American Consul General at Mukden:

"September 4, 3 p.m. Talbot left Antung this morning under the protection of Japanese authorities. His departure was in accordance with instructions from Inspector General. He is now in Mukden, will proceed Shanghai in a few days.["]

JOHNSON

793.94 Commission/355

*Memorandum by the Secretary of State of a Conversation With the British Chargé (Osborne)*

[WASHINGTON,] September 7, 1932.

In the course of my conversation with Mr. Osborne on the subject of the German action,<sup>41</sup> the question of the Far East also came up and he asked me whether we had taken any steps in regard to what should be done when the Lytton Report was received. I told him that I had not, although I was following the report with great interest. I said that he could see I was in a delicate position; that I must avoid either seeming to be unsympathetic towards the League on the one hand or being officious on the other. I told him I had felt from the beginning that the appointment of the Manchurian Commission was of immense importance and significance. I reminded him that it had been done on the suggestion of Japan, which he said he had forgotten. But I pointed out that it was purely a League Commission and that all juridical and parliamentary questions were matters for the League to determine and in which this government had no part whatever. I said we had shown our sympathy, when asked whether we would permit an American to go as a member of the commission, by suggesting General McCoy, whom I thought was one of the best men in America for that task and who was certainly *persona grata* to Japan owing to his relief work at the time of the earthquake. In our discussion I said, and he agreed, that the commission was apparently a fact-finding commission chosen by the Assembly and that upon its report some action would evidently be called for by the Assembly, but as to the nature of which I could express no opinion or advice. I recollected, however, that the Assembly had endorsed our own attitude as to non-recognition, and in view of that endorsement I rather assumed that in case the report of the commission was adverse to Japan the Assembly could hardly do less than adopt that policy. He said at once that he assumed that they would, but that that was a purely negative policy and perhaps they would be called upon to go further. I said I could make no suggestions on that point.

H[ENRY] L. S[TIMSON]

893.01 Manchuria/490

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the First Secretary of the Chinese Legation (Kung)*

[WASHINGTON,] September 7, 1932.

Dr. Kung called and said that he was instructed by his Government to inform the Department that the Chinese Government understands

<sup>41</sup> See memorandum of September 7, 1932, vol. I, p. 421.

that the Japanese Government has definitely decided to accord recognition to "Manchoukuo" on or before September 18. The Chinese Government wished to inquire what action, in that event, the American Government would take.

Mr. Hornbeck said, with some statement of reasons why, that he would prefer not to try to give a reply to that inquiry.

Dr. Kung then said that the Chinese Government was thinking of asking for the calling of a conference under the Nine-Power Treaty. He asked what the American Government would think of such a step. Mr. Hornbeck replied that, speaking unofficially and expressing a personal view, it would seem to him that the present would not be an opportune moment for the advancing of such a proposal. In view of the imminence of the receipt by the League of Nations of the report of the Manchuria Commission, it would seem that the publishing of the findings of that Commission should be awaited—especially inasmuch as the taking of such a step at this time could scarcely be expected to have any practical effect other than that of further complicating an already complicated situation.

S[TANLEY] K. H[ORNBECK]

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793.94 Commission/354 : Telegram

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

PEIPING, September 7, 1932—9 p.m.  
[Received September 8—4:04 a.m.<sup>42</sup>]

1078. I was in the process of preparing following message when I received Tokyo's 224, September 3, noon, to the Department.<sup>43</sup>

1. The Commission of the League completed its investigation and signed its report at 8 o'clock September 4th.<sup>44</sup> Lytton, Aldrovandi and McCoy left immediately by plane for Shanghai and sailed for Europe via Suez on Monday, September 5. Schnee and Claudel left same date for Europe via Siberia. Report will be forwarded by special messenger via Siberia to Geneva where it is expected to arrive on or about 23rd and be printed and ready for distribution by the 5th of October. A copy is being left at British Legation here for the Chinese Government. In my 1037, August 31, 2 p.m., I informed the Department of my understanding of the purport of the findings of the report.

2. As was to have been expected report disapproves Japan's actions in Manchuria.

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<sup>42</sup> Telegram in two sections.

<sup>43</sup> *Foreign Relations, Japan, 1931-1941*, vol. 1, p. 102.

<sup>44</sup> For text, see League of Nations, *Appeal by the Chinese Government, Report of the Commission of Enquiry* (Geneva, October 1, 1932).



3. Evidence is already at hand of a tendency of the now dominate [*dominant*] military leaders of Japan to turn away from the West and America and alone find a solution of Japan's problems in the Orient.

4. Tokyo's 223, September 2, 5 p.m. to the Department indicates that some time about the 15th of September probably intentionally near the first anniversary of Mukden incident of September 18, 1931, the Japanese Government will sign with the government of Manchukuo a protocol or agreement recognizing that government and guaranteeing integrity of its territory. Thus when the League begins consideration of the report of its Commission (referred to in my 1037, August 31, 2 p.m.) it will find Japan committed to defending Manchukuo by a military force against infringement of its independence or territory from whatever quarter.

5. It seems to me that an opportunity may arise at Geneva for the United States to propose an international discussion of the Far Eastern situation. Recognition at that time of Japan's deep and special concern with the situation might in my opinion help allay growing hostility which now characterizes attitude of Japanese towards the United States and the West in general.

6. I feel that we can ill afford to permit the present trend of events in the Pacific area to keep on, unguided by ourselves. Our position and interests in this area demand that we do what we can to prevent the adoption by Japan of an Ishmaelite attitude towards us and the West.

7. Historically, because of our long relations with the East and now through our possession of the Philippines, we occupy a position which demands that we take the lead in doing what we may to prevent either the withdrawal of Japan into a hostile and suspicious Orient or her destruction by the forces which now seem to be carrying her on. We must sooner or later deal with the situation which those forces have created. It is better that we deal with it now by the methods of peace than later by the methods of war which I believe otherwise to be inevitable.

8. If the opportunity referred to in paragraph 5 above presents itself the United States could come forward with a plan for an international conference to take up and consider the question of the situation in the East linked with such questions as the limitation of armaments and the modification of international law under the Kellogg Pact, adumbrated in the Secretary's address of August 8th.

9. A suggestion that such a conference be held in Tokyo might help to win Japanese consent as giving recognition to the importance of the interests of the Japanese involved in any settlement of the question included in the agenda of the conference.

10. I am sure that the Chinese would welcome such a suggestion.

We must, however, be under no illusions as to the part that China will play either at the conference table or later in the carrying out of any of the commitments arrived at [at?] the conference. China is at present a disorganized country unable to meet the obligations of statehood whose officials have no manner of authority other than that of military usurpation and are unable to commit the country to any course with power afterwards to maintain it. Nevertheless such a conference must include China although we may have to consider a Japanese demand for a collective guarantee for Chinese performance in lieu of conditions enabling China herself to take care herself of giving guarantee.

11. Nor can the discussions and commitments of such a conference in my opinion be considered final without participation by Soviet Russia for the attitude of Soviet Russia upon Far Eastern questions must be a matter of continued and growing concern to all nations living in and having to do with the Pacific area.

Repeated to Tokyo.

JOHNSON

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711.0012 Anti-War/1329

*Memorandum by the Secretary of State*

[WASHINGTON,] September 8, 1932.

During the call of the Belgian Ambassador he brought up Manchuria but did not press any question in regard to it, merely saying that he recognized the difficulty of the situation which was now presented. He referred to my speech of August 8th, and the very favorable reception which he had heard it had had in Europe, particularly on that portion where I described the effects of the new treaties on the doctrine of neutrality, saying that we could no longer treat a war between two nations with the punctilios of the duelist's code, but instead could denounce one or both of the contestants as lawbreakers. He said this had made a great impression in Belgium. I replied that I thought I might receive the sympathy of the Belgians and that I remembered that when in 1914 the people of this country were obliged to sit by and see a peaceful and unoffending nation, like Belgium, trampled down simply because she lay in the path of a more powerful neighbor and were told that we had no right to protest because we were not concerned in the situation under the doctrines of neutrality I, for one, felt outraged and I was very glad to believe that the progress of international law through these treaties since the war had changed that situation. The Ambassador manifested considerable

feeling and said that he believed that if I had sat on this chair at that time I would have protested.

H[ENRY] L. S[TIMSON]

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793.94/5581

*Memorandum by the Under Secretary of State (Castle) of a Conversation With the Italian Ambassador (De Martino), September 7, 1932*

[WASHINGTON,] September 8, 1932.

The Italian Ambassador read me a telegram from Shanghai stating that the report was that Japan would soon occupy the province of Jehol and that this would mean disorders in Tientsin and Peiping since the Chinese Government is determined to use its forces for the protection of Jehol; he asked me whether this would not raise the question of the neutralization of Peiping. I answered that it would not do so since that question would not arise unless Japanese troops invaded northern China.

The Ambassador said that he had a report that a new Japanese fleet was on its way to Shanghai. I told him that we had not heard this and that I hoped the explanation might be that Japan may be sending ships to China to replace those now there.

W. R. CASTLE, JR.

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893.01 Manchuria/491

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the Former Chinese Vice Minister for Foreign Affairs (Lee)*

[WASHINGTON,] September 8, 1932.

After discussion of other matters, Mr. Lee said that Dr. Kung had informed him of the substance of the conversation between Dr. Kung and Mr. Hornbeck of September 7. He said that the Chinese Government would be under additional pressure from opposition factions in China and from the public when Japan recognizes "Manchoukuo". It would undoubtedly be necessary for the Chinese Government to do something. They had in mind both the possibility of asking for a conference under the Nine-Power Treaty and that of making on their own account a definite and vigorous protest against Japan's action of recognition. He wanted to get the benefit of Mr. Hornbeck's advice.

Mr. Hornbeck inquired by what process they would go about asking for a conference. Mr. Lee said that they would probably ask the

American Government to call a conference under the Nine-Power Treaty and he would like to know whether such a request by the Chinese Government would be embarrassing to the American Government: the Chinese Government had tried and would continue to try not to take steps which would embarrass the American Government. Mr. Hornbeck said that, as he had said to Dr. Kung, he could not undertake to answer such inquiries authoritatively or to speak for the American Government, but that, viewing the question unofficially and attempting to view it objectively, it would seem that, if such a request came from the Chinese Government at this time, the American Government would have to defer any action with regard to it and, if it became known, as it doubtless would, that the Chinese Government had made such a request and that the American Government was taking no action in reply, that would have a bad effect. Mr. Hornbeck would therefore suggest that Mr. Lee, in any communication with the Chinese Legation or with the Chinese Government direct, should suggest, on his own responsibility and not as coming from this Department or any official thereof, that the present would not be an opportune time for the Chinese Government to make such a proposal and that the Chinese Government should have in mind the fact that the world is at present awaiting receipt of the report of the League Commission and that it is not likely that the American Government would give any serious thought to the suggestion that it call a conference until sometime after that report has been made public and probably not until after the election in November. Mr. Lee said that that all seemed very logical to him and that in any communications which he might make he would not bring the State Department into the question.

Mr. Lee then reverted to the subject of the necessity for the Chinese Government's taking some action if and when Japanese recognition of "Manchoukuo" takes place. Mr. Hornbeck said that the problem which confronts other governments in that connection is that of relative advantage as between taking notice of or taking no notice of Japanese recognition, if and when; but that, of course, the Chinese Government had the domestic situation to consider. He said that there occurred to him a suggestion, which he would make, it being understood that he was speaking "not for attribution". It occurred to him that the Chinese Government might well make this the occasion and take advantage of it as an opportunity to make a carefully wrought, noncontroversial and noncontrovertible statement in support and in defense of the thesis that Manchuria is an integral part of China. There followed some discussion of this point and Mr. Lee expressed thanks for the suggestion, said that he would consider it,

and that in any communication which he might make he would not bring the Department into the matter.

S[TANLEY] K. H[ORNBECK]

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861.77 Chinese Eastern (Loan) 1932/8 : Telegram

*The Ambassador in France (Edge) to the Secretary of State*

PARIS, September 8, 1932—noon.

[Received 12:20 p.m.]

519. Your 315, September 6, 3 p. m.<sup>45</sup> It appears to be accurate that the Albert Kahn private bank which since 1898 has served as fiscal agent for the Japanese Government in France, has been attempting for the last 6 months to obtain \$50,000,000 credit in Paris for the account of Japan. These negotiations have come to nothing thus far and the Bank de Paris et des Pays Bas is still said to be considering the matter with the bonds of the Chinese Eastern Railway as a possible but not probable *quid pro quo*.

At the Foreign Office Léger stated that the French Government knew nothing of any such negotiation except that the rumor of it has been put abroad at different times for the last year largely by the Kahn Bank, a very small unimportant organization without great financial resources. He said that assuredly if any bank of consequence were interesting itself in such a proposal it would come to their attention where it would meet with discouragement.

He said that the attitude of France with reference to Japan and Manchuria remained entirely unchanged. He said that France had been in agreement with the American attitude on this question for several reasons. (First) because it concorded entirely with the bases of their foreign policy, namely, the inviolability of treaties and (second) the fundamental rights of states as members of the League of Nations. Thus he said on legal and on moral grounds France sympathized with China. However, in addition to these considerations the interest of France as between China and Japan lay preponderantly in China and the fact that China was a neighboring state to certain of the French colonies made it additionally important for France not to provoke hostility in China or induce any reaction there that might be felt on the French frontiers. It was likewise true that France had no desire to bring on difficulties with Russia by any attempts to assume responsibilities in the Manchurian region. He was deeply disturbed by the possible repercussions of the Lytton report to the League and in particular on the disarmament question as it had been complicated by the German insistence on equality of treatment. He said that the

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<sup>45</sup> Not printed.

combination of these elements endangered not only the cause of disarmament by [*but?*] as well any economic readjustments that might be expected out of the forthcoming conference.

In this connection James G. McDonald of the Foreign Policy Association had a talk the day before yesterday afternoon with Herriot the tenor of which was much the same as the conversation with Léger. Herriot had been studying your speech of August 8 with attention and apparently intends to put forth the question in a further effort to educate French public opinion on the implications and repercussions of the Manchurian affair in his speech next Sunday. He said that he felt he understood the American attitude fully and the interest which France had in supporting it but that the whole problem was not well comprehended in this country. He said that he likewise realized that the Japanese were a proud people suffering grave internal difficulties between a militaristic group on the one hand and the dangers of communism on the other. Therefore, he hoped that there would be some way of preventing the two Governments bringing about a definite break at Geneva. McDonald informed me that when he was discussing this question with Von Bülow in Berlin, Bülow told him that he had discussed most tentatively with the German Ambassador, who was just returning to Tokyo, the possibility that the contents of the Lytton report should be made known in confidence to a group of powers in advance of its public presentation in Geneva in order that the Japanese might have a chance to prepare their reply to it which should begin by accepting the report as a basis for discussion. This was a purely tentative idea of Von Bülow which he expressed to McDonald.

Reed<sup>46</sup> and I have an engagement with Herriot tomorrow and will informally review all these topics.

Cipher copies to London, Berlin, Brussels and Berne.

EDGE

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893.102S/1221 : Telegram

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

WASHINGTON, September 8, 1932—6 p.m.

306. Your 623, June 6, 7 p.m.; 690, June 22, 5 p.m.<sup>47</sup> Department's 175, June 27, 1 p.m.;<sup>48</sup> and Legation's despatch No. 1608, July 5.<sup>49</sup>

1. The Department has made a study of the defense plan at Shang-

<sup>46</sup> Senator David A. Reed of Pennsylvania.

<sup>47</sup> Letter not printed.

<sup>48</sup> Telegram No. 175 not printed; it requested a copy of the Shanghai defense plan.

<sup>49</sup> Not printed; it transmitted a copy of the defense plan.

hai, has given consideration to the questions involved and is, in general, in accord with your views.

2. With regard to whether we should continue to participate and cooperate with the other powers under the terms of this agreement, the Department realizes that there are hazards involved in either continuance or withdrawal. Continuance, in case the plan should be invoked in the event of a renewal of the conflict at Shanghai between Chinese and Japanese, would probably result in objectionable developments the same as or similar to those which occurred last January and February. If, on the other hand, we withdraw from the agreement and another conflict should occur, there would be no agreed upon plan to rely on, and the Japanese might seize the opportunity to extend their operations in other parts of the International Settlement. In view of the uncertainty of the situation at Shanghai, the Department feels that we should not withdraw from the plan to cooperate under the terms of the agreement, thus again and at this time opening up the whole question of a defense plan; but at the same time the Department believes that, toward preventing a repetition of a situation such as developed on and after January 28 last, we should regard the agreement to cooperate under the provisions of this plan as tentative only, as applying exclusively to the disposal and operation of armed forces, and as invocable only after express confirmation at the time when a new situation or emergency arises or is imminent. This would mean that, in each case as it arises, a binding agreement to (a) cooperate in the use of armed forces and (b) to do so according to this plan or an amended form thereof would be made or be refused at the time and in the light of the situation then existing or imminent. This procedure would operate to enable us and others to avoid being drawn into action under circumstances or for purposes other than those contemplated in the terms of the plan itself. This course of action appears to be in conformity with the note found on the title page of the defense plan reading as follows: "This agreement is valid only so long as the conditions existing at the time it was arrived at remain unaltered".

3. Toward putting this course of action into effect, Department believes that the officer in command of the American Marines at Shanghai should so inform the other cosignatories, or their successors, of the agreement. The Department has consulted with the Navy Department in regard to the issues involved and understands that the Navy Department is instructing the Commander-in-Chief in this sense, with specific instruction that the officer in command of the American Marines at Shanghai confer with the Consul General in advance of and in relation to giving this notification.

4. Unless new developments lead you to believe that the course of action outlined in paragraph 2 above should not be followed (in which

case please immediately inform the Department) you and the Consul General at Shanghai should be guided accordingly. Otherwise, it is believed that this instruction calls for no action or initiative by you or the Consul General other than your communication of the above to the Consul General.

5. You should relay this to Shanghai at once in order that the Consul General may be in position to discuss the whole subject with the commanding officer when that officer calls to confer with him.

STIMSON

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893.1028/1239

*The Chief of Naval Operations (Pratt) to the Commander in Chief, United States Asiatic Fleet (Taylor)*<sup>50</sup>

[Paraphrase]

[WASHINGTON,] 9 September, 1932.

Reference the "International Defense Scheme" which was signed by Colonel Hooker 18 December, copy of this document has just been received in the Navy Department, having been forwarded to the State Department by the Consul General at Shanghai.

With reference to Article 722 of the Navy Regulations, in each case in which the Commander-in-Chief or a subordinate officer of his command enters into an international agreement or modifies any such agreement already in existence, suitable information thereof should be transmitted promptly to the Navy Department and also to the highest nearby official in the service of the Department of State, and copies of the documents in question should be furnished as soon as practicable to the Navy Department and to such State Department official.

It is the view of the Navy Department that it is entirely desirable to arrange in advance a specific plan under which the forces concerned at Shanghai may cooperate for defensive action against a common danger, and that the present defense scheme, or some similar arrangement, should be continued in effect as a basis for joint action of the military forces in case in a future emergency the responsible United States authorities decide to take part in such action. It is, however, to be borne in mind that emergency situations which may arise in the future may be materially different from the situation which this scheme is intended to meet, and we must so far as possible avoid the danger of being again placed in the position of apparent participa-

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<sup>50</sup> Copy of telegram transmitted to the Department as enclosure to letter dated September 10, 1932, from the Navy Department.



tion in a situation such as that which developed last February. For these reasons the Department considers it essential for the United States to preserve its freedom of action for the future, and the fact that we do not consider ourselves committed in advance to joint action should, in fairness to the other parties concerned, be made clear to them before any new emergency develops.

It is therefore the desire of the Department that the Commander of the Fourth Regiment of Marines be instructed to confer with the Consul General at Shanghai and, unless the conclusion should be reached that such action is not advisable at this time, make clear to the Municipal Council and to the membership of the Defense Committee, with respect to any commitment of the United States to cooperative action in any future situation, (1) that the "International Defense Scheme" is to be regarded as only tentative; (2) that our adherence to this scheme is not to be considered as a commitment on the part of the United States under which we are obligated to participate; and (3) that in any future situation the decision as to whether or not we will take part in joint action will be made at the time and on the basis of the situation as it may then exist.

The Department of State is addressing to the American Minister at Shanghai a message expressing views similar to the foregoing, and is instructing him to communicate them further to the Consul General at Shanghai.

The Navy Department desires to be informed of the action taken.

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893.01 Manchuria/447 : Telegram

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

PEIPING, September 10, 1932—noon.

[Received September 10—5:45 a.m.]

1082. Following from American Consul General at Mukden:

"September 9, 5 p.m. Bandit situation in this consular district is becoming steadily worse, more particularly along the railway lines. Last night 1,400 bandits attacked Tashihchiao Station on South Manchuria Railway and were repulsed after 2 hours' hard fighting, because of which the north-bound night express train was delayed 6 hours. As a precautionary measure against further bandit attacks on Mukden, additional Japanese troops have been brought here. Later information is that the troops are now in contact and [*with?*] bandits holding the two British subjects."

JOHNSON

763.72119 Military Clauses/31 : Telegram

*The Ambassador in France (Edge) to the Secretary of State*

[Extracts]<sup>81</sup>

PARIS, September 10, 1932—4 p.m.

[Received September 10—2:25 p.m.]

525. Herriot received Senator Reed and myself yesterday afternoon accompanied by Marriner.

Turning to the situation in Manchuria Reed said that there was an interrelation between this question and armaments question since the Chinese-Japanese difficulty would come into play at Geneva at the same time and might serve as another spoke in the wheels of disarmament. Reed said that of course he realized that the interests of French policy as well as French economic development lay rather in China than in Japan and the Prime Minister said that this was exactly so—that all French policy was based on a respect of treaties, on the machinery for the organization of peace as developed at Geneva, and that the commercial relations were of course infinitely greater with China than with Japan, and that her colonies bordered China at one point.

Herriot had received a short time ago a prominent Japanese returning to his country who said that there could be no question but that the Japanese attitude on the Shanghai-Manchurian question had been wrong and ill-advised but that Japan was in a dilemma between ill-advised Army officers on the one hand and the Communists on the other. He said that this Japanese who represented the moderate elements had said he hoped France would use her influence to point out to Japan her errors and how far they were alienating her position as a world power. He said that he thought that French influence would have more effect perhaps than any other since it would be felt in Japan to be the least interested. He pointed out, however, that any representations of this kind must be done with the greatest gentleness in order to meet with any effect because of the peculiar susceptibilities of the Japanese people. The Prime Minister asked his informant whether he thought Japan would go so far as to get out of the League in case of the acceptance of the Lytton report, and the answer was yes; that it was possible that they might feel it desirable to remove themselves from the obligations which they had taken in the League Covenant. The Prime Minister then said he brought up the question of the fact that this would in no way remove them from their obligations towards the United States and certain other nations in

<sup>81</sup> For other extracts of this telegram, see vol. I, p. 429.

the Washington Treaties nor from the obligations of the Briand-Kellogg Pact and asked whether he thought they would go so far as to run the danger of rupturing these. He said that the Japanese then replied that the financial situation of Japan was so bad that he did not think they would ever carry their threats that far.

Reed said, however, that if some action were not taken on the Lytton [report by] the League, the League would certainly lose all moral authority particularly in the United States and that as there could be no question as to the attitude of practically all of the small powers it was only on the attitude of England and France that the prestige of obligations undertaken depended.

The Prime Minister then asked what the attitude of England was and Reed said that he was leaving for London early next week in order to see MacDonald and Simon to discuss this very subject, whereupon the Prime Minister asked if he will be coming back to Paris as he would like very much to talk with him again after he had had an opportunity of discussing the matter in England. Herriot then invited Reed, Marriner and myself to lunch with him at the Foreign Office on Monday, September 19, for the expressed purpose of continuing the conversations.

Cipher copies to Berlin, London, Brussels and Berne.

EDGE

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711.94/732

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

TOKYO, September 10, 1932.

[Received September 26.]

DEAR MR. SECRETARY: My telegram No. 224 of September 3<sup>52</sup> gave you our present diagnosis of the Japanese political situation so far as it relates to Manchuria, representing the views of the entire staff including the Counselor and the Naval and Military Attachés. There is abundant evidence that those elements which now control the Government firmly intend and expect to carry through their Manchurian program regardless of foreign opposition of whatever nature, and while they expect some kind of moral opposition by the League of Nations they clearly regard the United States as their greatest stumbling block and potential enemy. The anti-American press campaign is becoming more and more intensive to prepare public resentment in advance against whatever steps the United States may take in opposing what the military clique conceive to be Japan's supreme and vital national interests.

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<sup>52</sup> *Foreign Relations, Japan, 1931-1941*, vol. I, p. 102.

There is evidence that this press campaign is stimulated from headquarters and practically nothing that is favorable to the United States is allowed to appear. Thus the reports of the hearty welcome given in America to the Japanese Olympic Team and the genuine enthusiasm of the spectators at the fine showing of the Japanese athletes were purposely negated by the publication of simultaneous reports that the Japanese athletes were refused admission to various cafés and dance halls in Los Angeles owing to their color. Although the speeches of foreign ambassadors are almost invariably published here, the Japanese press abstained from printing a word of the address of welcome and congratulation which I made at the home-coming of the team, in which I spoke of the fine impression the team had made in the United States and the obviously friendly feeling of the American people for the Japanese people which was so clearly shown by the reported enthusiasm of the public at the games.

Another rather nasty case has just occurred. The National City Bank of New York instructed its branches throughout the Far East—in China, Manila and Singapore quite as much as in Japan—to forward photographs of the business sections in their respective cities in order to indicate the modern building progress in those cities. In Osaka the Japanese gendarmes suddenly directed the Bank to stop taking these photographs and shortly thereafter the Japanese press, not only in Osaka but throughout the entire country, carried sensational headlines and many columns of print charging the Bank with taking these photographs (although in strict accordance with law and police regulations) for the purpose of furnishing the United States Government with plans for bombing these districts in case of war. The matter on the face of it was ludicrous because these precise photographs can be bought in the open shops and the Yokohama Chamber of Commerce had recently circulated in the United States a pamphlet containing similar photographs for purposes of business propaganda. The action of the Bank was distinctly in the interests of the Japanese themselves. The authorities have taken no steps, in spite of my urgent request, to right, by a public statement, the heavy wrong done to the prestige of the National City Bank throughout Japan. The poison has worked its course, at least one Japanese member of the Bank's staff has resigned, threatening letters and delegations of patriotic societies calling for wholesale resignations are being received, and the Bank's business will inevitably suffer as a result. I am in touch with the local manager and am to see Count Uchida to discuss the matter this afternoon. I give this incident merely to indicate the extent which this anti-American press campaign has reached.

As for the future, no predictions can at present be made with any assurance further than the present facts sketched in my telegram No.

224. Count Kabayama, an influential peer and a friend of the United States, told me yesterday that the conservative elements in the country, while still inarticulate, were steadily gaining strength and that they would be heard from in the near future, but when I asked him in what particular way they would be heard from, he would not qualify his remark further than to say that a more "constructive" policy in Manchuria would be forthcoming. I do not know what he meant, and with continual evidence of the power of the military clique I cannot place much faith in his optimism as to any material change of orientation in the present governmental policies in the immediate future. Nevertheless the moderate elements in the country are steadily working beneath the surface; some hold that they are gaining in influence and that they may be heard from sooner than expected. This is too nebulous at present to justify predictions. We can only wait and see.

The general purport of the report of the Lytton Commission is now generally known. In effect it appears to be a condemnation of Japan's tactics and actions since September 18, 1931, though served up with plenty of soothing syrup which the Japanese will naturally interpret to suit their own interests. It appears to vindicate the stand which you have taken since the beginning. It recommends a solution which should be acceptable to all parties concerned except the extreme chauvinistic element now in power in Japan. The more moderate elements here would, I think, welcome the just and reasonable solution proposed by the Commission. Whatever action is ultimately taken by the United States and by the League of Nations, it should aim to strengthen the hand of this moderate element by a firm yet moderate attitude. Harsh criticism of Japan, or suggestions of coercion at this juncture would only serve to strengthen the influence of the rabid chauvinists. If we can offer helpful and constructive suggestions leading to the solution recommended by the Lytton Commission, or any other solution deemed advisable by you, which will appeal to all but the ultra-chauvinists here, it may conceivably promote a process of sane thinking in this country which will eventually make itself felt. That, I think, should be our cue.

These letters aim merely to give you a little more background and atmosphere than may appear from our telegrams and despatches. It is difficult to sense the real feeling of a country from the outside, and even on the inside the panorama of affairs is seldom stationary for long. One can only record the picture that one sees at the time of writing. I deeply appreciated the thoughtfulness and courtesy of your recent vastly encouraging letter to me.

May I take this occasion to congratulate you very heartily on the great value and wisdom of your speech before the Council on Foreign

Relations which seemed to me to be one of the most progressive steps of this Administration?

Respectfully yours,

JOSEPH C. GREW

811.71293/52 : Telegram

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

WASHINGTON, September 12, 1932—6 p.m.

311. Department's 291, August 27, 3 p. m.<sup>53</sup>

1. Under date September 7, the Post Office Department issued orders suspending parcel post service and money order business to and from Manchuria, excepting Kwangtung Leased Territory. War Department is suggesting to Philippines postal administration similar action.<sup>54</sup>

2. For the present at least, ordinary mail matter received in this country bearing "Manchoukuo" postage is being delivered without penalty to the addressee.

CASTLE

893.01 Manchuria/457 : Telegram

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

PEIPING, September 13, 1932—3 p.m.

[Received September 13—7 a.m.]

1087. Following from American Consul General at Harbin:

"September 12, 1 p. m.

1. Early morning, 11th, passenger train bound south for Changchun wrecked and robbed near Hsitun, 62 kilometres from Harbin. Nine Chinese passengers killed, 16 including 10 Russians wounded. Among those carried away captive were Japanese. Henry Villard, American, uninjured, robbed, made his way in safety to Changchun.

2. Later same morning local passenger train east line held up, robbed, near Acheng, 30 kilometres from Harbin, two passengers killed, one wounded. Several score including Russians taken captive.

3. Still later same day passenger train from Changchun derailed, robbed, near Wuchia, some killed, wounded, taken captive. Last evening's north and south-bound trains not despatched. West line not operating account the [*anti-*] Manchukuo forces holding Anta. Chaos on east line. In future trains will only be operated daytime.

4. Manchukuo troops incapable guarding railway, Japanese forces apparently too small this purpose, Soviet railway administrators appear indifferent.

<sup>53</sup> Not printed.

<sup>54</sup> On September 21, the War Department notified the Department of State that Governor General of the Philippine Islands had reported the taking of similar action there (811.71293/56).

5. No water Pristan, level Sungari gradually falling, cholera cases fewer, still many thousands refugees, kidnapping in city still continues. British manager and sub-manager Hong Kong [and] Shanghai Banking Corporation seriously injured while playing golf day before yesterday by four armed Chinese who apparently attempted kidnap former.

6. Consular body will meet this afternoon to discuss situation."

JOHNSON

861.77 Chinese Eastern/1098 : Telegram

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

PEIPING, September 14, 1932—9 a.m.  
[Received September 13—11:50 p.m.]

1092. The following telegram has been sent to Tientsin, Hong Kong, Shanghai and Dairen :

"September 13, 8 p.m. There have been lately serious attacks upon passenger trains on Chinese Eastern Railway between Changchun and Harbin and also at other points resulting in much robbery and in the capture or assault on or wounding of many passengers. The Legation suggests that it would be advisable to inform inquirers that you regard it as unsafe to travel by the Chinese Eastern Railway at the present time."

JOHNSON

793.94 Commission/360 : Telegram

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

LONDON, September 14, 1932—noon.  
[Received September 14—8:50 a.m.]

262. From Senator Reed.

"In company with Ambassador Mellon I talked at length with MacDonald and Simon Tuesday afternoon.<sup>55</sup> As in the case of Herriot they have been so much concerned over the German situation that they have given comparatively little thought to Manchuria. Japanese threats to withdraw from the League are rendered more serious in their minds by similar although unconnected threats by Germany and Italy. They say they have no information from Lytton or anyone else about the contents of the report of the Commission. They agree that the report cannot and should not be kept from publication after it has once been delivered to the Assembly. They feel that if Japan asks an extension of time to enable her to prepare an answer that it should be granted. They would use their influence to prevent an

<sup>55</sup> September 13.

abrupt judgment against Japan if such action should be urged by the small nations. They feel that Japanese control in Manchuria cannot be complete with the comparatively small force that she now has there and that the increasing economic difficulties of Japan will soon compel her to come to terms with China unless Japanese sentiment is excited by undue severity shown her at Geneva. At the same time Simon appears to be worried by the reports that have come to him from British military officers at Peiping about unusual activity and peculiar maneuvers of Japanese forces stationed there. He feels that this may portend southward extension of their operations. He was curious to know what information we have had on this point. Having no information from this quarter I could not answer helpfully."

MELLON

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893.102S/1221 : Telegram

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

WASHINGTON, September 14, 1932—noon.

313. Department's 306, September 8, 6 p.m., and previous. With regard to the general question of American military officers in China signing such agreements, the Department is informed that the Navy Department has issued to the Commander-in-Chief instructions on this subject which refer to Article 722 of the Navy Regulations and state that whenever the Commander-in-Chief or an officer of his command concludes an international agreement or modifies an already existing agreement, report thereof shall be made promptly to the Navy Department and also to the highest nearby officer of the Department of State, and copies of the pertinent documents shall as soon as practicable be supplied to the Navy Department and to such officer of the Department of State.

Article 722 of the Navy Regulations reads in part as follows: "On occasions where injury to the United States or to citizens thereof is committed or threatened, in violation of the principles of international law or treaty rights, the Commander-in-Chief shall consult with the diplomatic representative or consul of the United States, and take such steps as the gravity of the case demands, reporting immediately to the Secretary of the Navy all the facts. The responsibility for any action taken by a naval force, however, rests wholly upon the commanding officer thereof".

STIMSON



893.1028/1240 : Telegram

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

PEIPING, September 15, 1932—1 p.m.

[Received September 15—3:15 a.m.]

1097. Department's 306, September 8, 6 p.m., and 313, September 14, noon. Following from Shanghai:

"September 14, 3 p.m. Legation's September 10, 11 a.m. Colonel Hooker called September 13th in compliance with Navy Department's instructions and he has informed Chairman [of] Defense Committee under date of September 14th as follows:

'Acting under instructions received from higher authority I wish to inform the Defense Committee that in future cases of emergencies in Shanghai the participation of United States forces will rest with the decision of competent United States authority.

The defense plan will tentatively apply as formerly except that each separate incident involving participation of United States forces will be decided as soon as possible in advance of the date of the declaration of the emergency.'

JOHNSON

793.94 Commission/363 : Telegram

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

GENEVA, September 15, 1932—5 p.m.

[Received September 15—1:50 p.m.]

241. Sawada handed to Secretary General today a letter, dated September 14, addressed to the President of the Council, requesting that the examination of the Lytton report by the Council not take place until Japanese Government has had time to present its considered observation thereon. The letter adds that the Japanese Government is of the opinion that a minimum period of 6 weeks from the time of its reception of the report will be sufficient for this purpose. Sawada orally explained to Drummond that the 6 weeks' period was also to permit a special Japanese representative to reach Geneva.

This letter is being transmitted to the members of the Council. The only action envisaged at the Secretariat on this letter is that it will come before the Council at its next regular session, the Lytton report being on the agenda.

GILBERT

693.002 Manchuria/262 : Telegram

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

TOKYO, September 15, 1932—8 p.m.

[Received September 15—9:22 a.m.]

233. Following telegram received. I am of course making no acknowledgement.

"Sir: I have the honor to inform you that after taking over of Maritime Customs station[s] Manchukuo Government, in accordance with its notification issued on 25 July, has remitted to Inspector General Chinese Maritime Customs in Shanghai sum of yen 1,140,101 and 95 sen as portion of this Government's share of foreign loan payment. Moreover following basic principles outlined in said notification all necessary preparations have been made for payment at any time of other reasonable share of such loans to be borne by this Government. As for sum of Haikwan taels 186,003.4 which was held at Yokohama Specie Bank at Newchwang at time Maritime Customs stations were taken over, the Government upon being informed that Nanking Government was in urgent need of it has decided to give special consideration to this matter for present occasion only and has completed arrangements for remittance of said sum as Manchukuo's share of the loan to Inspector General of Maritime Customs Shanghai through Yokohama Specie Bank in Newchwang. This Government, however, reserves right to effect proper settlement of this amount as soon as Manchukuo's share of foreign loans is definitely determined. Hsieh Chieh-shih, Minister of Foreign Affairs, Manchukuo Government."

Repeated to Peiping.

GREW

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693.002 Manchuria/264 : Telegram

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

PEIPING, September 16, 1932—10 a.m.

[Received September 16—1:30 a.m.]

1099. Referring to the Legation's despatch No. 1583, June 20, 1932.<sup>56</sup> Legation has received formal notes from the Minister [for Foreign Affairs] dated September 3 concerning seizure of the Customs and Salt Administrations in Manchuria. One note states that customs revenues Manchuria having been detained by the new regime the position of customs-secured obligations is being seriously impaired as the entire burden of the service of these obligations is falling upon the customs collections made in other parts of China. The second note states that no funds have been received from Manchuria for the payment of foreign loans secured upon the salt revenues and that seizure of these funds materially prejudices security of the loans based upon them.

The Minister for Foreign Affairs makes no specific request in either of these notes and confines himself to bringing the situation to the attention of the American Government for such action as it may consider appropriate.

I understand that other interested Legations have received identic or similar notes and that British and Italian Legations are merely ac-

<sup>56</sup> Not printed.

knowledging receipt. Pending instructions from the Department the Legation will likewise confine itself to a mere acknowledgement.

These notes are being transmitted to the Department under cover of Legation's despatch No. 1740, September 15,<sup>57</sup> leaving by pouch to-day.

JOHNSON

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693.002 Manchuria/263 : Telegram

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

TOKYO, September 16, 1932—11 a.m.  
[Received September 16—1:20 a.m.]

234. The Embassy has received a telegram dated September 15 from the "Foreign Minister of Manchukuo" of which the following is a summary:

Since Manchukuo has been received as an independent state it can no longer place the Republic of China on the same footing as the territory of Manchukuo in regard to customs, the tariff, commerce and navigation, and China will hereafter be treated as entirely alien nation. The following regulations will therefore be enforced from September 25, 1932:

1. Export duties at present rates shall be imposed on merchandise forwarded to China from Manchukuo by land or sea.
2. Import duties at present rates shall be imposed on merchandise entering Manchukuo from China by land or sea.
3. Regarding tonnage dues, certificates issued by China showing that such dues have been paid will have no validity in Manchukuo.
4. Rights of inland or riparian navigation shall not be recognized between the various seaports of China and those of Manchukuo and permits granting such rights issued by China shall have no validity in Manchukuo.
5. Customs stations shall be established at Shanhaikwan and other necessary points for collection of duties.

Reasonable consideration will be given to goods which had without knowledge of the new situation been shipped from ports outside China prior to date of enforcement of the new ruling and which having paid import duties at ports of China may arrive at ports of Manchukuo after date of enforcement.

Copy by mail.

Repeated to Peiping.

GREW

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<sup>57</sup> Not printed.

893.01 Manchuria/471 : Telegram

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

Tokyo, September 16, 1932—1 p.m.  
[Received September 16—4:20 a.m.]

235. The Embassy has received a very long undated telegram from the "Foreign Minister of Manchukuo" containing his statement issued on the signing of the Japan-Manchukuo protocol.<sup>58</sup> The statement eulogizes the achievements and aspirations of Manchukuo and states that independence is an indisputable realization and that "no amicable adjustment of international relations possible when this fact completely disregarded". It praises the Japan-Manchukuo protocol and asks for recognition by other powers. It states that the majority of other powers are particularly concerned with the open-door principles and the fulfillment of international obligations by Manchukuo. Manchukuo's stand on these points was clarified by communications addressed to foreign powers some months ago but "if in spite [of] this should there exist any doubt among powers it behooves them to follow step taken by Japan by recognizing this Government and concluding treaties to safeguard these two essentials."

Text by mail. Repeated to Peiping.

GREW

893.01 Manchuria/474 : Telegram

*The Chargé in Great Britain (Atherton) to the Secretary of State*

LONDON, September 16, 1932—1 p.m.  
[Received September 16—12:45 p.m.]

271. I learn from French Ambassador this morning that in reply to his inquiry, Simon stated British Government was undecided what in any reply Foreign Office would make to formal notification if received from Japanese Government announcing recognition of Manchukuo Government. French Ambassador then informed me Simon had suggested that meeting of Disarmament Bureau be postponed in view of German nonattendance but that French Government could not agree, pointing out any postponement of Bureau meeting would be interpreted as merely succumbing to German "blackmail".

French Ambassador stated Japanese militarists dared to undertake their aggressive measures in Manchuria last September because they were convinced there would be no coercive retaliation on the part of the United States and the French Foreign Office was convinced

<sup>58</sup> See telegram No. 232, September 15, 7 p.m., from the Ambassador in Japan, *Foreign Relations, Japan, 1931-1941*, vol. I, p. 103. For text of protocol, see p. 253.

German note of August 29<sup>59</sup> was based on similar conviction of present German militarist government that there would be no retaliatory coercive measures. French Ambassador who stated frankly his Government could not envisage any coercive measures, was at the same time obviously anxious lest a mere international denial of Germany's claim for equality of armament would strengthen hand of present German military government at the expense of that large Liberal Republican element in Germany which for the moment, anyway, found little expression.

ATHERTON

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893.01 Manchuria/473 : Telegram

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

PEIPING, September 16, 1932—5 p.m.

[Received September 16—7:20 a.m.]

1103. Following from American Consul General at Harbin :

"September 14, 3 p.m.

1. A reliable Chinese has informed me stations Sun, Anta, Lamati-entze and Siao[hao]tze on the west line are in the hands of so-called bandits and that 600 Japanese soldiers in two armored trains sent from Tsitsihar against them are surrounded by these bandits. Railway has no means of transportation beyond station Sun.

2. Chinese [*Harbin?*] consular body has urged the local authorities to take steps to relieve grave situation at Harbin where foreigners are in fear of bodily harm and kidnappings.

3. It is very possible that after recognition of Manchukuo by Japan tomorrow Japanese Army will take over the guarding of the southern line Chinese Eastern Railway if not of the whole railroad.

4. Passenger train left Harbin for Changchun this morning with a guard Japanese and Manchukuo troops."

JOHNSON

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793.94/5555

*The Department of State to the British Embassy*<sup>60</sup>

MEMORANDUM

It is the understanding of the Department of State that, in a conversation on September 13 between the British Secretary for Foreign Af-

<sup>59</sup> See telegram No. 502, August 29, 6 p.m., from the Ambassador in France, vol. 1, p. 417.

<sup>60</sup> Handed to the British Chargé by the Chief of the Division of Far Eastern Affairs on September 16, 1932. Copy transmitted to the Ambassador in Great Britain with instruction No. 217, September 16 (not printed), which referred to the Ambassador's telegram No. 262, September 14, noon, p. 244.

fairs and the American Ambassador, the British Secretary for Foreign Affairs expressed interest in receiving any information available to the Department with regard to the possibility of armed hostilities between Chinese and Japanese military forces in North China south of the wall.

The information in this regard which has been reported to the Department of State by the American missions at Peiping and at Tokyo is, in brief, as follows:

On July 24, General Chang Hsueh-liang inquired of the American Military Attaché at Peiping what measures would be taken if the Japanese Legation guard should take action in Peiping; on July 26, the Chinese were concentrating forces in the neighborhood of Peiping and Kupeikou to meet a possible threat of invasion by the Japanese; the purpose of the conference at Peiping at that time of Chinese military leaders was to meet anticipated Japanese action, and the Chinese considered it probable that, in the event that Chinese troops were moved into Jehol, Japanese forces would enter the Peiping-Tientsin area; on August 3, Wellington Koo spoke to Minister Johnson of the danger of Japanese military action at Peiping and inquired with regard to the possibility of neutralizing Peiping and Tientsin; on August 4, the spokesman of the Japanese War Department gave a statement to the vernacular press to the effect that if Chang Hsueh-liang and his party should repeat their plots (against "Manchoukuo") there would be serious results and that if Chang Hsueh-liang carried out his plans he would be "digging his own grave"; on August 30, two Japanese military officers stated to the British Commandant at Peiping that "it was necessary to crush Marshal Chang Hsueh-liang if he did not depart"; on September 6, the British Chargé d'Affaires at Peiping informed Minister Johnson that the Japanese Chief of Staff at Tientsin had told the British Brigadier at Tientsin that the former could give no guarantee that under certain conditions the Japanese Army would not act inside the wall and that it would be necessary for the Japanese Army to strike at Chang Hsueh-liang at Peiping if he continued assisting the movement of "volunteers" in Manchuria. The American Minister at Peiping has reported three instances of manoeuvres by the Japanese Legation guard outside the Legation quarter. A Japanese Army officer, attached to the Japanese Assessor with the Commission of the League of Nations, recently informed the American Naval Attaché at Peiping that "the Japanese, except in the event of serious provocation, have no intention of occupying the Peiping-Tientsin area".

In view of these reports, which in the opinion of the Department of State warrant apprehension that Sino-Japanese hostilities may occur in the Peiping-Tientsin area, the Department believes that the question of safeguarding the rights, interests, and safety of the Legations and of the civilian population, especially foreign nationals, needs to be

given, in advance of such occurrences, very serious consideration. Until such possible hostilities become definitely imminent, it is difficult to initiate suggestions which imply the assumption that they will occur. However, the Department has felt that it is desirable that the representatives at Peiping of the principal non-disputant powers concerned discuss this question and related questions freely among themselves and endeavor to arrive at a community of view in the form of common recommendations for submission, in the event of definitely threatening developments, to their governments respectively. The Department has felt that such discussions should include the possibility of proposing to China and Japan complete neutralization during the period of hostilities of the city of Peiping, including an area with, say, a ten mile radius from the walls, this area to be cleared of military and other armed forces with the exception of police gendarmes and Legation guards, military operations of any sort within this area to be prohibited and no aerial operations or flying over this area to be permitted. It now seems to the Department that it might be warrantable for the governments of the powers, if and when hostilities appear imminent, to suggest to the Chinese and Japanese Government that they immediately enter into an agreement of this character. The Department inclines toward the view that among the considerations which would be weighed by the Japanese with regard to such proposal, those in favor of agreeing to such a proposal, if made, would outweigh those against. Among the considerations in favor would be the fact that there exist special arrangements, by multilateral agreement, with regard to the maintenance at Peiping of a special Legation quarter with special guards, and provision for the maintenance by the foreign powers of an open line of communication from Peiping to the Gulf of Chihli, and the probability that there would be little if anything for the Japanese to lose strategically by such a neutralization, as Peiping is not important as an industrial or commercial or communication center and is no longer the capital. Were the Japanese to dissent to the proposal and to advance in force into this area, there might be many possibilities of their becoming embroiled with foreign powers in case, in consequence of military operations begun by them, the Legation quarter were to suffer, or the military forces of other foreign powers at Peiping or at Tientsin were brought into collision either with Japanese or with Chinese military forces. It seems reasonable to anticipate that there would probably be no objection on the part of China to a proposal that Peiping be thus neutralized. With regard to the suggestion which has been made to the Department that request might be made for the neutralization of the Legation quarter alone, the Department doubts whether adoption of that suggestion or proposal would be of substantial practical value, for the reason that if fighting

were to occur near to, within, or over Peiping, the Legation quarter would be in constant physical jeopardy, no matter what its legal status.

The Department has already informed the American Minister at Peiping of its views as expressed in the foregoing paragraph.

The Department would appreciate consideration by the British Foreign Office of the views expressed above and would welcome an expression of the Foreign Office's views, especially with regard to the desirability of the governments of the powers, particularly the British and the American Governments, being prepared in advance to suggest to the Chinese and Japanese Governments, at an appropriate moment, if and when, that they exclude Peiping from the field of military operations.

WASHINGTON, [September 16, 1932.]

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893.01 Manchuria/481

*The Japan-"Manchoukuo" Protocol of September 15, 1932*<sup>61</sup>

#### PROTOCOL

Whereas Japan has recognized the fact that Manchoukuo, in accordance with the free will of its inhabitants, has organized and established itself as an independent territory; and

Whereas Manchoukuo has declared its intention of abiding by all international engagements entered into by China in so far as they are applicable to Manchoukuo;

Now the Governments of Japan and Manchoukuo have, for the purpose of establishing a perpetual relationship of good neighborhood between Japan and Manchoukuo, each respecting the territorial rights of the other, and also in order to secure the peace of the Far East, agreed as follows:—

1. Manchoukuo shall confirm and respect, in so far as no agreement to the contrary shall be made between Japan and Manchoukuo in the future, all rights and interests possessed by Japan or her subjects within the territory of Manchoukuo by virtue of Sino-Japanese treaties, agreements or other arrangements or Sino-Japanese contracts, private as well as public;

2. Japan and Manchoukuo, recognizing that any threat to the territory or to the peace and order of either of the High Contracting Parties constitutes at the same time a threat to the safety and existence of the other, agree to cooperate in the maintenance of their national

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<sup>61</sup> Copy handed "informally" to Laurence E. Salisbury of the Division of Far Eastern Affairs by the Japanese Chargé on September 16, 1932.



security; it being understood that such Japanese forces as may be necessary for this purpose shall be stationed in Manchoukuo.

The present protocol shall come into effect from the date of its signature.

The present protocol has been drawn up in Japanese and Chinese, two identical copies being made in each language. Should any difference arise in regard to interpretation between the Japanese and the Chinese texts the Japanese text shall prevail.

In witness whereof the undersigned, duly authorized by their respective Governments, have signed the present protocol and have affixed their seals thereto.

Done at Hsinking, this 15th day of the Ninth month of the Seventh year of Showa, corresponding to the 15th day of the Ninth month of the First year of Ta-tung.

(L.S.) NOBUYOSHI MUTO,  
*Ambassador Extraordinary and Plenipotentiary of His Majesty the Emperor of Japan.*

(L.S.) CHENGHSIAO-HSÜ,  
*Prime Minister of Manchoukuo.*

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893.01 Manchuria/515

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the First Secretary of the Chinese Legation (Kung)*

[WASHINGTON,] September 16, 1932.

Mr. Kung called and informed me that his Legation had been informed by his Government that, upon receipt of information that the Japanese Government had recognized Manchoukuo, the Chinese Government had instructed Dr. W. W. Yen, at Geneva, to bring the matter to the attention of the League and explain there the consequences which this action, if allowed to stand, would have; and that the Chinese Government had addressed to the Japanese Government a note of protest; and that the Chinese Government was addressing to powers party to the Nine-Power Treaty notes urging the calling of a conference. The Legation had not yet received the texts, but upon their receipt would communicate them to the Department. Mr. Kung wanted to know what I thought. I replied that all that I felt inclined to say would be: "The situation remains unchanged."

S[TANLEY] K. H[ORNBECK]

898.01 Manchuria/501

*The Chinese Chargé (Yen) to the Secretary of State*<sup>62</sup>

WASHINGTON, September 16, 1932.

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

"The Chinese Government has the honor to invite the attention of the American Government to the serious situation precipitated by Japan's announcement on September 15, 1932, of her recognition of the so-called Manchukuo, an organization created, maintained and controlled by Japan in the Three Eastern Provinces of the Republic of China, and by the publication of what purports to be a treaty between Japan and her puppet organization, whereby Japan may station troops in these provinces at her free will and thus attempts to establish a virtual protectorate over that part of China's territory. This latest act of aggression on the part of Japan adds a most damaging link to the chain of international delinquencies perpetrated by her during the last twelve months which consist not only in usurpation of China's sovereign rights, but in continuous violation of international treaties of the most important character, including the Nine Power Treaty concluded at Washington in 1922, to which the American Government is a signatory party.

"It need not be recounted how Japan started her invasion of Manchuria on September 18, 1931, how she has since extended her military operations over a territory inhabited by thirty million Chinese, and how she has used sheer force in usurping the administrative powers of the Chinese Government and establishing a bogus administration in an area she has unlawfully occupied. All such facts are but too well known to need recapitulation. Suffice it to say, from September 18, 1931, when the Japanese troops opened their premeditated attack on Shenyang (Mukden) until the present time, not a day has passed without Japan aggravating her wrong by one act or another. The series of crimes of which Japan is guilty have now culminated in her recognition of the so-called Manchukuo.

"Japan has attempted to deceive the world by advancing the ridiculous argument that the so-called Manchukuo was brought into existence by Chinese citizens who desired to secede from the Republic of China. Undeniable facts show that the bogus government in Manchuria is the product and tool of Japanese military aggression pure and simple. A great number of Japanese who are directly responsible to the Government at Tokyo are dictating matters to the puppet organization, where masses in Manchuria are under the constant oppression and intimidation of the Japanese militarists. When the Japanese troops are withdrawn from Manchuria the so-called Manchukuo would vanish completely.

"By Article I of the Nine Power Treaty, the contracting powers other than China agree *inter alia* to respect the sovereignty, inde-

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<sup>62</sup> In acknowledging this note, the Secretary of State replied on September 26: "Your Government's note thus communicated is being given the Department's thought."<sup>63</sup>

pendence and territorial and administrative integrity of China. There is not the slightest doubt that Japan's recognition of her own puppet organization and all her previous actions so methodically performed in pursuance of her policy of aggression in Manchuria constitute a direct violation of China's sovereignty as well as her territorial and administrative integrity. It was with the view to preventing such a state of affairs as has now been brought about by Japan that the powers entered into engagements above referred to.

"Japan is now not only victimizing China but deliberately defying world opinion and setting at naught the solemn obligations she owes to the other powers. It cannot be conceived that Japan's actions should be permitted to go unchallenged and that the Nine Power Treaty should be treated by those powers which have subscribed to its engagements as a mere scrap of paper. The principle of the sanctity and inviolability of international treaties is at stake. When about four hundred thousand square miles of the territory of the Republic of China have been seized by the Japanese military forces and when Japan has given her official sanction, against the advice and admonitions of friendly powers, to the unlawful organization she has created in that territory, the painful consequences are not confined to China alone but the peace of the world is ominously threatened.

"In view of these circumstances, the Chinese Government considers that a grave situation has arisen which involves the application of the stipulations of the Nine Power Treaty and, therefore, in accordance with Article VII thereof communicates its full and frank views to the Governments of those powers which are parties to that treaty with the request that such measures be taken as will properly and effectively deal with the state of affairs brought about by Japan's acts of aggression in China, beginning with the attack on Shenyang (Mukden) on September 18, 1931, and culminating in the recognition of her puppet organization on September 15, 1932."

Accept [etc.]

For the Chargé d'Affaires ad interim :

ANCHING KUNG

*First Secretary*

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893.01 Manchuria/477 : Telegram

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

PEIPING, September 17, 1932—1 p.m.

[Received September 17—6:30 a.m.]

1107. Following from Lieutenant Brown, Mukden :

"Personally witnessed ceremonies simple as they were brief which marked recognition of Manchukuo by Japan, Thursday morning at Changchun. Japanese forces practically directing all activities attendant signing of the protocol. City resembled armed camp with traffic seriously restricted, Chinese populace failing to manifest even academic interest in the proceedings. Pu Yi most complacent Man-

chukuo official present, other Manchu and Mongol ministers with abject looks relegated to the background by the Japanese military atmosphere. Premier's speech to press being entirely in Japanese.

General opinion of Manchukuo officials and their Japanese advisers is that recognition will now enable them to request additional troops and 'favors' from Japan as the protocol neither limits number or the distribution of the Japanese forces whose increase is expected to presage widespread activity along the railways where the situation without exception is now chaotic and allow them to proceed with various public and private developments also recognized by the protocol."

JOHNSON

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793.94 Commission/366 : Telegram

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

GENEVA, September 17, 1932—1 p.m.  
[Received September 17—11:25 a.m.]

245. Learn that request in Japanese letter cited in Consulate's 241, September 15, 5 p.m., does not refer to publication of Lytton report but only to its consideration by the Council.

It is understood here that a copy of the Lytton report together with annexes was left in "safe custody" in Tokyo (believed to be the British Ambassador) to be handed to the Japanese Government simultaneously with the printed copies being given to the members of the Council. The identical arrangement is being followed in Nanking. The prospective procedure is that the day following the distribution of the report privately to the members of the Council (see Berne's No. 80, September 14th<sup>63</sup>) it will be distributed to the members of the League and will be in all probability "published" the same day. Understand that the Japanese have agreed that receipt here of the report by Japanese representative on the Council will be accepted by Japan as constituting the date from which the request for the 6 weeks' delay will run.

Consulate's No. 241, final sentence. The action in the next regular meeting of the Council will not be a "consideration" of the contents of the report but will have regard only to questions of its "status", the Japanese present request being the only matter now anticipated to come up.

It is expected that the Chinese will oppose Japan's request. It is hoped, however, that the Chinese will not oppose as it seems certain that the Council will acquiesce in this request as it is not only regarded

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\* Not printed.

as reasonable but also felt that the delay will permit Japanese public feeling to subside.

It is understood here that arrangements have been made by the Commission for making a copy of the report informally available to Washington in advance of its release here. This is not, however, regarded here as an official presentation of the report to Washington or the copy regarded as an "official" copy. The press carries reports that Washington will publish. It is understood that Washington might desire to publish for the sake of convenience but the Secretariat hopes that the report will not be published in America before being made public here.

Believe these developments will eventuate in a subsequent relative deferment of all dates mentioned in detailed forecast of events, described in Consulate's despatch No. 341, Political, dated September 13,<sup>65</sup> now in the mail, except dates for receipt and publication of Lytton report.

GILBERT

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793.94 Commission/367 : Telegram

*The Ambassador in Italy (Garrett) to the Secretary of State*

ROME, September 17, 1932—1 p.m.

[Received 2:15 p.m.]

87. Ambassador Rosso told me last night that the Japanese Chargé d'Affaires had recently come twice to see him. He told him that Japan was asking the League of Nations as well as the powers concerned to postpone discussion and publication of the Lytton report until Japan had had 1 month to consider it in every detail in Tokyo and in addition time for their chief delegate who he thought would be Ishii to proceed from Tokyo to Geneva. Rosso had said that this would seem to mean a long delay to which the Chargé d'Affaires had answered that it was a matter of such vital concern to his country that they would have to be "hard" about it and not permit anything to be done which would jeopardize their position. The Chargé d'Affaires spoke several times of the possibility of Japan's withdrawal from the League and intimated that perhaps Italy would also be withdrawing. As to the latter Rosso said to me that not only was he completely against it but he felt sure that there was now no question of it. He mentioned the communiqué given out on this subject after the last meeting of the Fascist Grand Council (see my despatch No. 1365, April 14<sup>65</sup>) and said that he had been informed that the subject of Italy's withdraw-

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<sup>65</sup> Not printed.

ing from or remaining in the League would not be brought up at the October meeting of that Council. He thought this was significant of change of attitude.

GARRETT

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893.01 Manchuria/502

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the Former Chinese Vice Minister for Foreign Affairs (Lee)*

[WASHINGTON,] September 17, 1932.

(NOTE: From various evidences, I have the impression that Mr. Lee is functioning in the capacity of an undesignated and unaccredited chief of mission, in the absence of the Chinese Minister here. Mr. Lee apparently has constant cable communication with and instruction from the Chinese Minister for Foreign Affairs, Mr. Lo Wen-kan; and what he said this morning indicated clearly that he had come in, under instruction, on an errand which ordinarily would be performed by a member of the Legation staff. The principal officer of that staff now in Washington is Mr. Kung, a comparatively junior and inexperienced officer.)

Mr. Lee referred to the note from the Chinese Government which Mr. Kung had delivered late yesterday evening.<sup>66</sup> He said that the Chinese Government was very anxious to receive some indication of our reaction to that note and of what action we might take. He said that there was a critical situation in Chinese internal politics and that the reception accorded this note—similar or identic notes having been sent to the other powers party to the Nine-Power Treaty—would have an important effect in connection with that situation. He said that the present administration at Nanking is and has been under heavy attack; that the administration has been trying to hold the situation steady—and so far has succeeded; but the opposition condemn it for not taking “strong action”; they say that its passiveness has “lost Manchuria”, they say that its policy of relying upon the peace machinery has been and is a futile policy, and they demand active and forceful measures to prevent further Japanese encroachments and destroy Japan’s present grip on Manchuria. Mr. Lee said that he hoped that we could give them something which would be encouraging and strengthen the administration’s position. He suggested that we might at least indicate that we would give the note consideration and would expect to make it a basis of consultation among the powers.

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<sup>66</sup> *Ante*, p. 255.

I said that I of course could not at this moment say anything with regard to the Department's reaction or future possibilities or probabilities. As yet, the note had not even reached the Secretary. When it reaches him, he will of course give the whole question most careful thought. The note contributes no new information. The sending of it constitutes a new diplomatic step, and the powers, in the position or action which they may take, will have to be guided by diplomatic considerations. The tendency has been (as is well known) on the part of the powers other than Japan, to refrain from new steps pending receipt and consideration of the report of the League Commission. That does not mean that any power is definitely committed to inaction but it suggests a desire on the part of the powers to defer action until they have the benefit of the report.

Mr. Lee referred to our conversation of some days ago (September 8) and, pointing out that China had not in the note under reference expressly requested the calling of a conference, said that he felt that China's restraint in that connection was in consequence of what he had cabled them after that conversation. He said that they do not want to make things difficult, that they want to be reasonable, that they have tried for a year to exercise patience and that they want still to do so; but that the administration is very hard pressed. I asked what would happen if the administration were pushed to the wall. Mr. Lee said that probably Lo Wen-kan would be forced to resign, no one else would wish to be Minister for Foreign Affairs, a "paralysis" comparable to that which prevailed in January last would result, and chaos might ensue. In January last there had been a period of several days when the only functioning high official had been Sun Fo. Unfortunately, the Chinese temperament is such, and the difficulties of maintaining order internally while pursuing a policy of reliance on the peace machinery externally are so extraordinary that it is extremely difficult to form and maintain an administration. Anything that the American and/or other foreign Governments can say which will contribute to the existing administration's defense, against opposition, of the foreign policy which it has pursued and is pursuing, will contribute by just that much to strengthening the hand of the administration and averting the chaos which may ensue if it collapses.

Mr. Lee then referred to the request which Japan has made for delaying in considering the League Commission's report. He said that he personally hoped that the League would not assent. I asked him what he thought was Japan's motive in asking for this delay. He said that it seemed to him that the Japanese not only wanted to compel the League to deal with a *fait accompli*, but that they wished to have the situation as completely as possible consolidated before consideration is given to it as a fact: just now the Chinese are greatly agitated

and the powers are annoyed over Japanese recognition of Manchoukuo; in the course of several weeks the heat and the sense of annoyance will have diminished; during that period, also, the Japanese Government will have had time to "smooth down" the various foreign offices, to have made perhaps some diplomatic bargains, to have injected new factors—not taken into consideration by the Commission—into the situation, and in general to have turned the delay to Japan's profit. He was reasonably sure that they would extend their military operations into Jehol. If, in the interval, the powers and the peace machinery gave no evidence of solicitude and the internal situation in China took a turn to the worse, these developments, having occurred before the (delayed) consideration of the problem, would enable Japan, at the time when the consideration is finally given, to make a stronger case than she could make at an earlier date.

I told Mr. Lee that I would make note of all that had been said, but that, for the moment, I could make no comment and could say nothing on behalf of the Department. Mr. Lee asked that if and as soon as it might be possible for the Department to say anything he would appreciate having word; and he reiterated that the administration at Nanking is facing a very critical situation.

S[TANLEY] K. H[ORNBECK]

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793.94 Commission/359 : Telegram

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

WASHINGTON, September 17, 1932—2 p.m.

123. Your political despatch 331, August 31, page 2, first paragraph.<sup>67</sup>

1. The Secretary and General McCoy have had no correspondence on this subject and General McCoy has made no report to the Department. We have regarded General McCoy, in his capacity as a member of the Commission, as in no way a representative or agent of the American Government. Such meager knowledge as we have of the probable contents of the Commission's report has been gained fragmentarily from various sources. A news story which appeared in the *Baltimore Sun* some weeks ago beginning with a statement to the effect that officials here had received a "preliminary report" was a fabrication.

Without taking the initiative, you may discreetly make use of the above in conversations with responsible inquirers.

2. Send London a copy of your despatch under reference and of this telegram.

STIMSON

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<sup>67</sup> *Ante*, p. 216, paragraph beginning "The speech is considered first . . ."



893.01 Manchuria/474 : Telegram

*The Secretary of State to the Chargé in Great Britain (Atherton)*

WASHINGTON, September 17, 1932—3 p.m.

246. Your 271, September 16, 1 p. m., first sentence. For your information and guidance.

1. Japanese Government apparently has made no formal notification. Tokyo informs us that information in regard to recognition was given out there in the form of a public statement. Apparently no official notification to Embassy. Here, the Japanese Embassy has simply handed an officer of the Department a copy, without covering note or memorandum and without comment, of what appears to be a mimeographed press release.

2. The Department is taking no official cognizance and making no comment, for the present at least.

STIMSON

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893.01 Manchuria/482

*Note Sent by the Chinese Government to the Japanese Government on September 16, 1932, Protesting Against the Recognition of the So-called "Manchoukuo"*<sup>68</sup>

"Since the night of September 18, 1931, when Japanese troops opened their premeditated attack on Shenyang (Mukden), the Japanese Government has by one act or another so aggravated the situation in the Three Eastern Provinces that not only have China's sovereign rights been violated to an inestimable degree, but the principle of the sanctity of international treaties is shaken to its very foundation and the peace of the world is lamentably broken.

"By the resolution of September 30, 1931, of the Council of the League of Nations, the Japanese Government was called upon and itself undertook to refrain from any further aggravation of the situation and to withdraw its troops then occupying certain regions in the Provinces of Liaoning and Kirin into the railway zone. No sooner was this resolution adopted than Japanese troops further extended their operations by invading and occupying more territory in the North-Eastern Provinces, including Tsitsihar and other important cities in Heilungkiang. In November serious riots were caused to take place in Tientsin by persons connected with the Japanese concession in that City.

"On December 10, 1931, with Japan's own concurrence, the Council

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<sup>68</sup> Copy transmitted to the Secretary of State by the Chinese Chargé under covering letter of September 19.

of the League of Nations repeated its injunction against the aggravation of the situation and resolved that the withdrawal of Japanese troops within the railway zone should be effected as speedily as possible. This resolution received response from the Japanese Government in the form of engaging in more aggressive activities not only in the Three Eastern Provinces but in regions far away from the scene of the initial invasion. Japanese troops air-raided, attacked and finally seized Chinchow, Harbin and other strategic places in Manchuria. Towards the end of January, 1932, severe hostilities were opened in Shanghai by Japanese marines, later reinforced by several divisions of the Japanese Army, resulting in considerable loss of life and property.

“Having forcibly seized the whole of Manchuria, Japan contrived and established therein the puppet organization entitled Manchukuo with Pu Yi posing as its head, but with every vestige of power resting in the hands of the Japanese who are responsible to the Government at Tokyo. Then the seizure of the Chinese Railways and the Chinese revenues from the maritime customs, the salt gabelle, and other sources of interference with the Chinese postal administration, the slaughter and oppression of Chinese citizens, the wanton destruction of property and other innumerable unlawful acts, were systematically performed in the name of the so-called Manchukuo, but in reality by persons owing allegiance to or in control of the Japanese Government.

“At every stage of Japan’s military aggression in China, the Chinese Government did not fail to lodge a strong protest with the Japanese Government, calling its attention to the serious responsibility it took upon itself. But such protests were not only unheeded but were invariably answered by more daring and aggressive actions.

“Time and again the other nations of the world warned Japan against her policy of territorial aggrandisement by violence. Early in January, 1932, the American Government formally announced ‘that it cannot admit the legality of any situation *de facto* and that it does not intend to recognize any situation, treaty or agreement which may be brought about by means contrary to the Covenant and obligations of the Pact of Paris of August 27, 1928’. On February 16th, the twelve members of the Council of the League of Nations declared ‘that no infringement of the territorial integrity and no change in political independence of any member of the League brought about in disregard of Article X of the Covenant ought to be recognized as valid and *de facto* by members of the League of Nations’. On March 11th, the Assembly of the League of Nations unanimously resolved ‘that it is incumbent upon members of the League of Nations not to recognize 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', and 'that it is contrary to the spirit of the Covenant that the settlement of the Sino-Japanese dispute should be solved under the stress of military pressure on the part of either party'.

"Deliberately ignoring the repeated advice and admonitions of the friendly powers, the decisions and injunctions of the League of Nations and the public opinion of mankind, the Japanese Government has now taken a headlong step of according official recognition to the puppet organization born of its own militarism and concluding with that organization what purports to be an agreement whereby Japan contemplates stationing troops in the Three Eastern Provinces at her free will and thus attempts to establish a virtual protectorate over the territory of these Provinces.

"Japan's recognition of her puppet organization came at a time when the Commission of Inquiry, appointed by the League of Nations in pursuance of the Council's resolution of December 10, 1931, which was accepted by Japan herself, had just completed its labors of investigation with the assistance of the representative of the Japanese Government and when the League is about to make its recommendations based on the results of the Commission's work. Such an act on the part of Japan which makes her guilt increase in gravity amounts to an insulting challenge to the authority of the League of Nations whose judgment will necessarily be based on trust and justice.

"The responsibility of Japan involved in the relentless prosecution of her policy of violence, murder and conquest is indeed unparalleled in nature and extent in the history of international relations between modern states. To enumerate the wrongs of the first magnitude of which Japan is liable:

"1. Japan has violated the fundamental principles of international law by infringing upon the territorial supremacy of the Chinese Republic and usurping the political and administrative powers of the Chinese Government.

"2. Japan has violated the elementary rules of law as well as the concepts of humanity by killing and injuring an innumerable number of Chinese citizens and destroying and damaging a yet incalculable amount of public and private property in China.

"3. Japan has violated the Covenant of the League of Nations by which members undertake to respect and preserve against the external aggression, the territorial integrity and the existing political independence of all members of the League.

"4. Japan has violated the Pact of Paris by which the contracting parties renounce war as an instrument of national policy in their relations with one another and 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.

"5. Japan has violated the Nine Power Treaty of 1922, by which the contracting parties other than China agree to respect the sov-

ereignty, independence and territorial and administrative integrity of China.

"6. Japan has violated her own pledge that she 'has no territorial designs in Manchuria', and that she would withdraw her troops in the railway zone as speedily as possible.

"7. Japan has violated the repeated injunctions of the League of Nations not to cause further aggravation of the situation already brought about by Japan's invasion of Chinese territory.

"The Chinese Government holds the Japanese Government to a strict accountability for all its aggressive acts beginning with the attack on Shenyang (Mukden) on September 18, 1931, and culminating in its recognition of the puppet organization on September 15, 1932, as well as for whatever consequences may arise therefrom. The Chinese Government further reserves to itself all rights permitted under the present circumstances by international law and treaties."

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763.72119 Military Clauses/79 : Telegram

*The Ambassador in France (Edge) to the Secretary of State*

[Extracts]

PARIS, September 19, 1932—7 p.m.

[Received September 20—5:23 a.m.]

542. Referring to my 525, September 10, 4 p.m., the following is a brief summary of the 2 hours of conversation today at lunch at the Foreign Office at which in addition to the three Americans mentioned therein were present only Herriot; Alphand, former Minister at Dublin, Chief of his Diplomatic Cabinet; Ray, head of his personal Cabinet; and Léger, at the present moment in the absence of Berthelot Political Director of the Foreign Office.

As to Japan, Herriot again stated that he felt that a request by Japan for delay to enable an answer to be prepared and an advocate to come from Tokyo to Geneva should be readily granted particularly in order to avoid inflaming Japanese public opinion. Upon being advised by Reed that he had assurances from both MacDonald and Simon that they would insist on the publication of the Lytton report as soon as received by the Assembly [*Council?*] Herriot likewise agreed that this should be done. He felt that the increasing economic difficulties in Japan are likely to impede future operations in Manchuria and he volunteered the statement that France, Great Britain and America ought all to discourage any further loans to Japan at the present time. He stated that a small banking house in Paris with Japanese connections had been trying for months to urge a loan to Japan but that no important French banking interests would accept

the suggestion and he assured us that any future efforts from this source would be discouraged.

Cipher texts to London, Berlin and Berne.

EDGE

893.01 Manchuria/488 : Telegram

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

PEIPING, September 21, 1932—1 p.m.

[Received September 21—7:35 a.m.]

1116. Following from American Consul General at Harbin:

“September 19, 1 p.m.

1. Traffic on Taonan-Anganghsi line suspended since yesterday.
2. Huhai line cut in several places by ‘volunteers’.
3. There are American missionaries at Suihua on Huhai line and at Tsitsihar but at both places are Japanese troops. Japanese Consulate General assured me they are in no danger.
4. On September 16th consular corps suggested civil administrator that local police force be augmented by 600 Europeans to be stationed where foreigners reside. Chinese members police force pay in arrears, unreliable.
5. Evening of 15th large body of [anti-?] Manchukuo forces attacked, besieged and looted Shuangcheng southern line Chinese Eastern Railway. After being bombarded by Japanese artillery at railway station they retired only to return and enter city and [*sic*] on the 16th. City now in flames. Yesterday morning’s south train arrived late, [from?] Changchun, delay due taking up rails near Yaomin, one car derailed, no casualties, train not attacked.
6. Latest reports indicate quiet conditions Hailar and Manchouli.”

JOHNSON

893.01 Manchuria/494 : Telegram

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

PEIPING, September 22, 1932—3 p.m.

[Received September 22—9:10 a.m.]

1124. The following telegram has been received from the Consul General at Harbin:

“September 21, 3 p.m.

1. Japanese troops from lower reaches Sungari River and from Huhai Railway now being transshipped Tsitsihar where a garrison of 5,000 will be stationed, alleged reason elimination of Ma’s<sup>69</sup> organ-

<sup>69</sup>Earlier Japanese claim of Gen. Ma Chan-shan’s death in battle was unfounded.

ized forces rendered necessity of having troops at former and the two trains operating daytime whole southern line, whole western line with motorboat transfer at Nonni River easing eastern line as far as Hengtaohotze. Those southern, eastern lines carry Japanese guards, western line preceded by Japanese armored trains as pilots.

2. I believe, now that Japan has recognized Manchukuo, more strenuous methods will be used by Japanese military to restore order.

3. Local Polish Chamber of Commerce passed resolutions on 19th urging their Government recognize Manchukuo.

4. Soviet Government has granted permission for stationing Manchukuo consul at Habarovsk giving rise to local press articles stating Soviet Russia would recognize new state about November 7th."

JOHNSON

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893.01 Manchuria/505

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the Former Chinese Vice Minister for Foreign Affairs (Lee)*

[WASHINGTON,] September 22, 1932.

Mr. Lee called and inquired whether there was anything which might be reported to his Government with regard to the American Government's reaction to the note sent us by the Chinese Government a few days ago. Mr. Hornbeck said that there was not. Mr. Lee asked whether he might not say that we were consulting with other Governments. Mr. Hornbeck said that it certainly could not be said on authority that we were so doing; it could not as yet be said that we had taken or were taking any action in special connection with the Chinese Government's note to which Mr. Lee had referred; it stood to reason that we are at all times consulting with other Governments concerning one subject or another. Mr. Lee said that he had noticed in the newspapers statements that Senator Reed has been having conferences with British and French officials. Mr. Hornbeck said that he assumed that the newspaper reports are correct as to that fact, but that, so far as he knew, neither the Department nor Senator Reed has given out statements with regard to the subjects discussed in such conferences. Mr. Lee then said that knowledge by the Chinese authorities that the various governments are consulting with regard to the matters dealt with in Chinese Government's note would be helpful to those authorities. Mr. Hornbeck said that it stood to reason that no one of the governments addressed by the Chinese Government would fail to give the note its thoughtful consideration or to take such steps as it might deem diplomatically expedient. There followed some discussion of factors of expediency.

Mr. Lee then said that the Chinese Government was worried over

the question of Japan's request to the League for delay in considering the report of the League's Commission. They felt that delay would be to their disadvantage. The Chinese public is pressing the Government for military action against the Japanese; the Chinese are becoming increasingly of the opinion that reliance on the League has not protected them and will not protect them and that the attitude of patience and non-resistance which they have tried to maintain has resulted to their disadvantage and to Japan's advantage. South China, both people and leaders, is pressing the Nanking Government for military action. Mr. Lee thinks that if the League assents to further delay the pressure on the Chinese Government by its people will be increased; also, that, as soon as they have gained the assent of the League to delay, the Japanese will, on one pretext or another, proceed with further military operations in and against Jehol. The Chinese Government, he said, has tried to abide by the letter and the spirit of the pledge which they gave last fall not to "further aggravate" the situation; but the Japanese have done the opposite and the League, if it assents to what the Japanese want in this instance, will be contributing to the sum total of aggravation. Mr. Hornbeck said that it seemed to him that a good many considerations could be advanced in support of, and a good many in opposition to the idea of assent by the League to the delay which the Japanese request. He did not want to go into the arguments. It seemed to him that the arguments should be presented by the two disputant parties at Geneva where the question is under consideration; there, the matter will be decided and there each side to best advantage submit its views. The Chinese, he felt, had gained a good deal by the restraint with which they had conducted themselves during the past year, it is going to take a good deal of time and is going to require qualities of patience and endurance to arrive at a sound and lasting solution of the Manchuria problem. Popular excitement, whether it be in Japan or be in China, will make no contribution conclusively effective as regards the ultimate outcome. Neither will any military operations which might be engaged in during the next few weeks. If the Japanese launch another offensive, their position in world esteem will be depreciated. If the Chinese begin an offensive they will impair gains which they have made, by their restraint, in world esteem.

Mr. Lee said that it was going to be exceedingly difficult during the next few weeks for the Chinese Government to resist the demand which is being made on it for positive action but that he would make what contribution he could toward the cause of continuation of restraint.

S[TANLEY] K. H[ORNBECK]

893.01 Manchuria/544

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

No. 133

TOKYO, September 22, 1932.

[Received October 10.]

SIR: With reference to my telegrams Nos. 232, of September 15, 7 p.m.<sup>70</sup> and 235, of September 16, 1 p.m., there are transmitted herewith copies of the Japanese text, as published in the *Official Gazette*, of the Japan-Manchukuo protocol of September 15, 1932, copies of the Foreign Office translation of the protocol, copies of the Embassy's translation, and copies of the public statement of Count Uchida, Minister for Foreign Affairs, on the occasion of the signing of the protocol.<sup>71</sup>

It will be observed that the Embassy's translation of the protocol does not differ essentially from that of the Foreign Office, except that in the second article of the protocol the Foreign Office translation renders a phrase as: "it being understood that such Japanese forces as may be necessary for this purpose shall be stationed in Manchukuo". The Embassy can find in the Japanese text no expression corresponding with "it being understood" and has translated the phrase as: "for which purpose such Japanese troops as may be necessary shall be stationed within the territory of Manchukuo".

The Embassy considers three points in the protocol worthy of particular attention, as follows:

(1) The phrase in the first article, "insofar as no other arrangements between Japan and Manchukuo are concluded in the future". This condition in a treaty is somewhat unusual and appears to indicate that special arrangements are to be concluded between Japan and Manchukuo in the future. The Embassy has received no indication of the character of these special arrangements.

(2) The phrase in the second article, "for which purpose such Japanese troops as may be necessary shall be stationed within the territory of Manchukuo". The purpose specified being that of cooperating in defense against any "threat to the territory or peace" of either of the parties, the phrase would appear to give Japan the right to station troops in Manchukuo to defend the region against external attacks and also against internal dissension, thus perpetuating indefinitely the present Japanese-controlled administration. It also extends the Japanese lines of defense to whatever boundaries Manchukuo may acquire.

The entire second article of the protocol bears a striking resemblance in intent (although not in phraseology) to the fourth article of the Japan-Korea Protocol of February 23, 1904,<sup>72</sup> which read[s] as follows:

<sup>70</sup> *Foreign Relations, Japan, 1931-1941, vol. I, p. 103.*

<sup>71</sup> Enclosures not printed; for text of protocol received by the Department from the Japanese Embassy, September 16, see p. 253.

<sup>72</sup> *Foreign Relations, 1904, p. 437.*



"In case the welfare of the Imperial House of Korea or the territorial integrity of Korea is endangered by aggression of a third party or internal disturbances, the Imperial Government of Japan shall immediately take such necessary measures as circumstances require, and in such case the Imperial Government of Korea shall give full facilities to promote the action of the Imperial Japanese Government. The Imperial Government of Japan may for the attainment of the above mentioned object occupy when the circumstances require such places as may be necessary from strategic points of view."

(3) The clause providing that, in case of differences of interpretation of the Japanese and Chinese texts, the Japanese text shall govern. This clause permits the Japanese Government to insist upon its own interpretation of the protocol in the future.

The protocol is reported to have been accompanied by a secret military agreement, but the Embassy has as yet received no intimation of the contents of this agreement.

Respectfully yours,

JOSEPH C. GREW

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893.01 Manchuria/503 : Telegram

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

PEIPING, September 23, 1932—3 p.m.

[Received September 23—10 :20 a.m.]

1130. 1. In mail despatch September 2 Consul General [at] Mukden reports that "relations with the *de facto* regime have been confined to informal personal contacts and occasionally third-person written memoranda submitted to municipal and more rarely to provincial officials. Even these courses have only been resorted to on occasions of urgency or importance." He states that a request from an American firm to obtain from the several customshouses in his district statistics showing the importation certain goods "has recently been received but before addressing customs authorities at Newchwang and Antung the Legation's view is desired in regard to appropriateness of asking the new customs officials for this information. It appears to me that requests of this nature might appropriately be made in an informal manner. It has been learned that the present *de facto* commissioners are unwilling to give out statistics directly to private individuals or firms. It is my opinion that this office could not with propriety address a written communication to any organization of the Central Government at Changchun."

2. In mail despatch September 3 Myers inquires whether he should reply to an inquiry from Kawasaki, "Director of the Bureau of Information of the Department of Foreign Affairs, Changchun", asking for

certain data concerning his staff including the names, ages, et cetera, and also for information on missionaries in Manchuria. Myers states that the British Consul has replied by private letter which was addressed by name without title. In this reply British Consul furnished information requested concerning British members of his staff but in regard to missionaries made only the general statement that British missionaries, engaged in all kinds of mission work, were to be found in many places in Manchuria. German Consul intends to reply in a similar manner. Myers adds that the inquiry cannot be disregarded in view of the action of his colleagues without directing attention to the attitude of his office, if not causing some resentment on the part of official concerned.

3. The Legation perceives no sufficient objection to Myers' requesting information in the manner specified as described in paragraph 1 or to Myers' replying to inquiry mentioned in paragraph 2 in the same manner as that adopted by the British Consul. In existing circumstances the Legation believes that a very great deal of latitude must be allowed the Consulates at Mukden and Harbin if they are to serve American interests effectively. The Legation will be glad to receive from the Department any further instructions on this general subject which the Department may be able to give at this time.

JOHNSON

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793.94 Commission/376a : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, September 23, 1932—noon.

2. To Wilson. For your confidential information and general guidance in relation to the Manchuria question :

I note press reports to the effect that the League is looking to the American Government for "leadership". If this is true, the adoption of such an attitude by the leaders in League activities should be discouraged. The initiative belongs with the League. The American Government still stands ready to cooperate. Standing on this Government's notes of January 7 and the various statements of policy which I have made, and relying on the resolution of the Assembly of March 11,<sup>73</sup> I hold the view that responsibility for formulating a course of action in the light of whatever may be the findings of the League Commission lies with the League under the provisions of its Covenant. I shall welcome suggestions from the League and will give them, if and when received, most sympathetic consideration. But the

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<sup>73</sup> *Foreign Relations, Japan, 1931-1941, vol. I, p. 210.*

League should not expect the American Government to suggest what should be the League's position and action. If the League, of which 56 states are members, suggests constructive steps, as I hope it will, it is altogether likely that the United States will cooperate. With regard to the problem of initiative and cooperation, I am now, even more firmly than then, of the opinion which was expressed in my telegram 64, October 5, 1931, 2 p.m.,<sup>74</sup> second and third paragraphs.

Therefore, I desire that no encouragement be given by officers of this Government to any suggestion that the American Government will point the way for the League; and that, to the contrary, if and where that idea is enunciated in responsible circles, the suggestion be quietly and discreetly made to the enunciators that it is a much more logical and simple procedure for a group, having, under the leadership of its own members, come to a conclusion and committed itself to a given course of action, to ask a single other state to adopt the same conclusion and pursue a similar course of action than vice versa.

This is a delicate matter and I desire that, in carrying out the spirit of this instruction, you avoid giving the impression of speaking under express instruction. You should take no initiative but should take advantage of occasions which may offer unsolicited opportunities to discuss the subject in the sense and with the objective indicated above.

There is one point in particular in regard to which I feel that we should now and at all times take a positive, though not aggressive position. We should stand for strict adherence to the principle of non-recognition in reference to changes which have been brought about in Manchuria in impairment of our treaty rights and/or by means contrary to the Pact of Paris. Here, also, our best method of procedure will lie not in taking the initiative but in being on guard against and combatting any inclination or disposition which may become apparent on the part of any other powers to forget or to disregard its commitment, as carried in the League's resolution of March 11, to that principle.

When Senator Reed calls, make sure that he reads this telegram.

Repeat as strictly confidential to London and Paris.

STIMSON

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793.94 Commission/377a : Telegram

*The Secretary of State to the Consul at Port Said (Remillard)*

WASHINGTON, September 23, 1932—4 p.m.

Please give to General Frank R. McCoy, presumably aboard S.S. *Gange* en route to Venice, the following:

<sup>74</sup> *Foreign Relations*, 1931, vol. III, p. 116.

Confidential for General McCoy from the Secretary of State. At present, it appears that the report of the League's Commission on Manchuria will be made public on or shortly after October 4th and that the League intends to grant the request of the Japanese Government for 6 weeks' delay thereafter before the report shall in any way be acted upon officially.

I feel that, if it could be arranged without embarrassment from point of view of political and administrative considerations and without inconvenience to yourself, it might be to the advantage of your Government and of assistance to me for you to be in Geneva during the next few weeks.

Could you conveniently proceed to Geneva there to confer with Hugh Wilson and Norman Davis and after having done that inform me in the light of the situation as you find it with regard to the feasibility of your remaining there for a while.

Please think this over and, at your earliest convenience, let me know whether you will go to Geneva and, if so, about when you will expect to arrive there.

STIMSON

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693.002 Manchuria/270 : Telegram

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

SHANGHAI, September 24, 1932—noon.

[Received 2:05 p.m.<sup>77</sup>]

395. Soong, Minister of Finance, issued general statement yesterday:

"The so-called 'Manchuria Foreign Minister', Mr. Hsieh Chieh-shih announced on September 15th that 'Manchukuo' would henceforth treat China wholly as an alien nation in matters of customs, tariff, commerce, and navigation as in all other respects. Beginning on September 24th, he added, export and import duties would be imposed on all merchandise between China and 'Manchukuo'.

In view of the above the National Government has instructed the Ministry of Finance that since for the time being the customs authorities are unable to collect the lawful customs duties at Manchukuo port[s], the customshouses there are to be closed until further notice and the duties that should have been collected there will be temporarily collected as far as possible at all customs stations south of the Great Wall. Detailed announcements to that effect are being made by the respective Commissioners of Customs at the various ports."

2. Soong also issued comment on above measures [of] which following is summary:

China throughout showed good example of forbearance when Japan

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<sup>77</sup> Telegram in two sections.

in this guise of "Manchukuo authority" commenced to seize various customshouses in Manchuria and which culminated in the seizure of Dairen customs in June. Chinese Government made no move to change its practice governing transit of domestic goods and duty paid foreign goods arriving from Manchuria at other Chinese ports. It has refrained from taking retaliatory measures primarily because Manchuria is Chinese territory and 96 percent of its inhabitants are Chinese. Chinese Government would rather endure temporary loss of customs revenue than to initiate measures herself to sever Manchuria from the rest of China. Another consideration was the fact that Lytton Commission had been conducting its inquiry and Chinese Government has consistently endeavored to follow injunction of League of Nations to refrain from measures tending to aggravate situation.

Japan through mouthpiece of so-called Manchukuo Minister of Foreign Affairs has at last announced that she is severing Manchuria from the rest of China not only politically but economically since which time building a tariff wall between Manchuria and the rest of China in defiance of all international treaties and economic laws. Further announcement of Manchukuo Vice Minister of Foreign Affairs on September 16th that :

"Manchukuo does not intend to open the interior of the country for residence, investment or concessions to the nationals of any power except those who grant *de jure* recognition to the Manchukuo Government and who at the same time relinquish extraterritoriality" shows that open door is closed not only to all foreign nations except Japan but even to China herself. However, in spite of this provocation Chinese Government is not resorting to retaliatory measures but is merely adopting means to collect such of the Manchurian customs duties as are possible at customs stations outside of Manchuria because China's stake in Manchuria is overwhelmingly greater than that of Japan and any action that would further increase difficulties of economic relations between Manchuria and the rest of China would simply mean playing into the hands of Japan.

Following is a summary of customs notification issued by Superintendent and Commissioner of Customs.

Shanghai, September 24th. In accordance with instructions of the Government, the public are notified that in view of occupation of Manchuria by Japan, National Government is unable temporarily to collect lawful Chinese customs revenue at Manchurian ports and instructions have been issued that customshouses at Harbin, Newchwang, Antung and Lungchingtsun are to be closed on September 25th and that customs duties which should legally be collected at those ports will temporarily be collected at other Chinese ports. Duty treatment of cargo shipped to above ports will accordingly be as follows :

“Native goods including factory products no change. Foreign goods: Exemption certificate and duty paid on import cargo: no change. To pay cargo; to pay import duty at point of transshipment. Non-duty paid transshipment cargo; to pay import duty at port of transshipment. Cargo ex-bond; to pay import duty at port of shipment. The duty treatment of cargo on arrival from any of the above Manchurian ports will be as follows: Native goods to pay interpret duty and interpret surtax. Factory products to pay factory products taxes and surtaxes which would normally be collected at the above ports. Foreign goods to pay import duty.

Owing to the failure of the Japanese authorities to permit the Chinese customs to function in the Kwantung Leased Territory in accordance with the Dairen agreement, it is impossible for the customs to ascertain the province and destination of cargo from and to Dairen — therefore, the following duty treatment will apply; cargo to Dairen: native goods to pay export duty. Factory products irrespective of ultimate destination to pay factory products tax. Foreign goods same duty treatment as for other Manchurian ports (see above) cargo from Dairen: All cargo to pay import duty. The relative revenue and flood-relief surtax will also be collected.

Customs documents covering cargo sent to the above ports will be handed to shippers. Document issued at the above ports to cover cargo shipped after 25th September 1932 will not be recognized.

Duty will not be levied on through cargo from abroad, i. e., cargo consigned to the above ports but remaining on original vessel or on native through cargo from the above ports consigned to foreign ports but remaining on original vessel.

Tonnage dues certificate issued in the above Manchurian ports on and after 25th September 1932 will not be recognized.”

I learn that “to pay” cargo meant to be foreign cargo which cannot be identified as such and which previously would have paid duty at a Manchurian port.

Repeated to the Legation.

CUNNINGHAM

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793.94 Commission/376 : Telegram

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

GENEVA, September 24, 1932—4 p.m.

[Received 5 p.m.]

267. Consulate's 241, September 15, 5 p.m., and 245 September 17, 1 p.m.

The following is a summary of the discussion in the Council this morning concerning the Lytton report.

1. The President in an introductory speech concerning the request of the Japanese Government for a delay of 6 weeks in the submission of the report for discussion in the Council proposed that this request

be granted but added the following statement, which is accepted here as the keynote of the League's position.

"I should, however, be lacking in frankness both to the Japanese Government and to the members of the League as a whole if I were to recommend to the Council the acceptance of this delay without giving expression to the regret I am sure is felt by the generality of the members of the Council that before the discussion of the report of the Commission, before the publication of that report, Japan has not only by recognizing, but also by signing a treaty with what is known as the Manchukuo government, taken steps which cannot but be regarded as calculated to prejudice the settlement of the dispute. For almost a year the Council in its collective capacity, and the individual governments which compose it, have scrupulously refrained from uttering any word of judgment on the merits of this grave dispute, on the grounds that a commission had been set up to investigate the dispute in all its bearings, and that until that commission has reported and its report has been considered by the organs of the League, the whole question is still to be regarded as *sub judice*."

2. Nagaoka, Japan, stated that his Government did not wish to delay the discussion on the report but had made the request for practical reasons. As regards the President's statement concerning the recognition of the Manchukuo state he declared that he would refrain from discussing that question at the present moment as he "hoped that the whole of the questions relating to the Sino-Japanese matter will be dealt with together as a whole."

Madariaga objected to this last expression stating that it was a dangerous point of view to adopt. He explained that the Council and the Assembly had always maintained a "constant jurisprudence" holding "that there is a clear separation between the substance of the dispute itself and certain phenomena of a military character which have arisen and which I will call plainly an invasion of Manchuria outside the railway zone within which Japan was entitled by treaty to maintain forces". There were therefore two sets of questions: (a) the substance of the dispute which concerns Japan and China themselves; and (b) other questions which concern the League of Nations because they intimately affect the international community as a whole. To the latter belongs the question of the recognition of the Manchukuo government.

3. Yen objected to granting the Japanese request for delay and maintained that on constitutional grounds the Assembly alone and not the Council was competent to decide this question and proposed that the matter be referred to the Committee of Nineteen. After a statement by the president contesting the correctness of this position the Council rejected Yen's plea and decided that the Japanese request be granted.

4. As the above question is closely related to the date of publication

of the report, a discussion then followed as regards the most expeditious manner of completing the publication of the report defined, [*and its?*] annexes. It was finally decided that the report itself would be published first separately (estimated time of publication about October 1, from which the "6 weeks" will run) to be followed in 4 or 5 days by an annex containing the maps, and finally by the publication of the other annexes as soon as possible after their arrival in Geneva.

5. A discussion then followed as to the exact date on which the Council should meet for the consideration of the report, the Japanese pressing for as long a time as possible and the Chinese urging as short a time as possible. The date was finally fixed for November 14.

GILBERT

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793.94 Commission/378 : Telegram

*The Consul at Port Said (Remillard) to the Secretary of State*

PORT SAID, September 27, 1932—5 p.m.

[Received September 27—10:47 a.m.]

With reference to Department's cable September 23, 4 p.m., General McCoy aboard ship *Gange* replies as follows:

"Before the Commission separated in Peiping it was unofficially informed by the Secretary General of the League that its presence in Geneva would probably be required during the discussion of its report. Lytton expects to hear from Drummond on arrival at Venice, September 30. In view of the fact that Lytton has just received instructions from his Government to proceed to London directly and that no other member of Commission will be in Geneva unless called I had intended to remain at some other place in Italy or Switzerland subject to call should the Commission remain in existence.

After your consideration of the foregoing I shall be glad to comply with your instructions and will talk to Hugh Wilson from Venice."

REMILLARD

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893.48/606 : Telegram

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

WASHINGTON, September 27, 1932—noon.

329. Your 1053, September 2, 5 p.m., and 1065, September 4, 5 p.m.<sup>78</sup>

1. Department desires to have postponed as long as possible a decision on the question of whether or not the United States Court for China or consular courts in Manchuria can entertain suits brought by "Manchoukuo or local governmental institutions forcibly taken over

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<sup>78</sup> Neither printed.



by Manchoukuo authorities." With this end in view, the Consuls General at Mukden and Harbin should be instructed that, on occasions when the question is raised (and they should not under any circumstances raise the question themselves), they should give non-committal replies and suggest that the inquirers consult with the American banks in which the funds are deposited. The officials of these banks might be advised also to give non-committal replies, or if the question is pressed, to attempt to find some solution along the lines suggested in paragraph 2 of Harbin's telegram of August 30, 3 p.m., to the Legation, namely, that the banks pay out the sums involved against suitable guarantees.

2. For your confidential information and not for communication to the Consuls General at Mukden and Harbin.

As the American Government has not recognized the status of the so-called Manchoukuo authorities either as *de facto* or *de jure*, the Department is of the opinion that they could not, either in their own name or in the name of an agent, sue in the United States Court for China or American consular courts in Manchuria. However, if those authorities should file suit, the American judicial authorities in China and not the Department would be called upon to decide, although it is assumed that the American courts in China, in consonance with the practice of the American judiciary in such matters, would be guided by the executive branch of the Government in determining whether the so-called Manchoukuo government or its agents have the legal status essential to a plaintiff in an American court. If an American court in Manchuria should decide to refuse a petition of the so-called Manchoukuo authorities, those authorities might thereupon attempt to restrain the American judicial authorities from further functioning in the territory under their control. The Department is naturally desirous of avoiding or postponing as long as possible such a situation.

As indicating the attitude of the United States Court for China in cases of this general character, the attention of the Legation is invited to the case of the National Government of China versus the Great American Insurance Company and the Merchants' Fire Assurance Corporation decided by that Court in 1928. (See Shanghai's 5491, May 5, 1928 to the Legation.<sup>79</sup>) There may also be other cases decided by the United States Court for China involving the judicial status of unrecognized governments. The Legation might consider it desirable to bring these cases to the attention of the Consuls General at Mukden and Harbin.

STIMSON

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<sup>79</sup> Not printed; see telegram No. 499, June 27, 1928, 7 p.m., *Foreign Relations*, 1928, vol. II, p. 189.

893.01 Manchuria/503 : Telegram

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

WASHINGTON, September 27, 1932—2 p.m.

330. Your 1130, September 23, 3 p.m.

1. Your paragraph 1. Department considers it inadvisable for American consular officers to attempt to obtain such information, even informally, from the authorities of the new régime, unless in a particular case the information appears to be essential to a legitimate American interest.

2. Your paragraphs 2 and 3. Department, in view of the action already taken by the British Consul, would not object to the American Consul at Mukden complying with the request from Changchun in the same manner as did the British Consul.

Under existing situation, Department does not feel warranted in giving more definite general instructions and suggests that it be consulted in cases in which the advisability of communicating to officials of the new régime may be in doubt.

STIMSON

793.94 Commission/388 : Telegram

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

GENEVA, September 28, 1932—10 p.m.

[Received September 28—6:10 p.m.]

10. Yen has written Secretary General letter dated 26th which refers to Council's decision concerning Lytton report and requests convocation of Assembly Committee of Nineteen to consider the duration of the extension of 6 months' period in accordance with resolution of July 1st.<sup>80</sup> Also insists that Committee of Nineteen take steps to prevent Japan from aggravating the situation in the meantime.

Drummond says they will summon Committee of Nineteen for a public session on Friday<sup>81</sup> as the request seems reasonable. The Committee will probably explain to Yen why a definite duration cannot now be fixed but he does not know what line will be taken on preventing Japan from aggravating the situation.

WILSON

<sup>80</sup> See telegram No. 214, July 2, 9 p.m., from the Consul at Geneva, p. 127.

<sup>81</sup> September 30.

893.01 Manchuria/523 : Telegram

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

PEIPING, September 29, 1932—1 p.m.

[Received September 29—7:15 a.m.]

1151. Following from American Consul General at Harbin:

"September 25 [28], 5 p. m.

1. Reported from several reliable sources Chinese garrison at Manchouli revolted yesterday. Railway source reports telegram received this morning stated situation quiet there.

2. Soviet sources state that railway line Chalantun to Manchouli in hands railway guard troops which revolted, raised Kuomintang flag, arrested Japanese residents including Colonel Obara, head of Japanese military mission.

3. Acting Japanese Consul stated that he cannot get in touch with Manchouli Japanese which surrounded by mutineers and that Japanese airplane which arrived Manchouli yesterday immediately took off on account of dangerous situation and disappeared on return trip toward Tsitsihar.<sup>82</sup>

4. No trains moving western line beyond Tsitsihar. Eastern line broken three places and Chinese railway guards refuse accompany trains into danger zones. John Ganin only American resident Manchouli safe at Harbin."

JOHNSON

793.94/5583

*The Chargé in Great Britain (Atherton) to the Secretary of State*

No. 395

LONDON, September 29, 1932.

[Received October 8.]

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 217, dated September 16, 1932, enclosing a copy of a memorandum<sup>83</sup> outlining the Department's views in regard to the possibility of hostilities between Chinese and Japanese forces south of the Wall.

As Sir Victor Wellesley, the Assistant Secretary for Foreign Affairs in immediate charge of Far Eastern affairs, is absent from the Foreign Office on furlough, a member of the Embassy staff called this morning on the chief of the Far Eastern Department to ascertain informally the further views of the Foreign Office on the suggestion to propose the neutralization of the Peking area. The chief of the department said that the British Embassy at Washington had cabled a full sum-

<sup>82</sup> On October 27th the Consul General at Harbin reported that it was believed that this plane made a forced landing near Hailar and that its crew probably were killed by Chinese soldiers (893.01 Manchuria/633).

<sup>83</sup> See footnote 60, p. 250.

mary of the memorandum, and that the British Legation at Peking had been instructed to comment on the suggestions put forward in the memorandum. So far as he knew, it was not the intention of the Foreign Secretary to form any conclusion—provided, of course, that no military developments which might affect the Peking area take place—until he had heard from the Legation. He explained that the Foreign Office did not, at the present moment, feel very apprehensive of a Japanese move south of the Wall, and believed that the Japanese Government was anxious to avoid military operations outside of Manchuria, as the Japanese Army is having enough trouble in Manchuria itself. He thought that junior Japanese officers were prone to resort to bellicose language, but that their statements did not necessarily reflect any definite policy of their Government. The chief of the Far Eastern Department was then reminded that the Japanese Minister of War was reported in the press yesterday as having threatened to take drastic measures against Chang Hsueh-liang “if necessary”, and the opinion was expressed that consideration of the neutralization proposals seemed to be pressing. The chief of the Far Eastern Department then said that the Foreign Office hoped to hear from Peking in the near future; but that if, in the meantime, any threat to the security of the Legation Quarter arose, he supposed the arrangements drawn up last month by the Legations, which, he understood, had been approved by the American, British and Italian Governments and “in principle” by the French Government, would be followed.

Immediately upon Sir Victor Wellesley’s return, the Embassy will again take occasion to discuss the question.

Respectfully yours,

RAY ATHERTON

#### CHAPTER XII: OCTOBER 1—NOVEMBER 30, 1932

**Approval by League Assembly’s Committee of Nineteen of Statement on September 24 by Council President, October 1; Publication of Lytton Report, October 2; American Consultations Respecting “Next Steps”; Restatement by Secretary Stimson of American Efforts To Promote Peace, October 26; Review by Secretary Stimson of American Attitude, November 19; Consideration of Lytton Report by League Council, November 21; Inquiry of Chinese Government Respecting American Action To Prevent League Delay, November 22; Reference of China’s Appeal by League Council to League Assembly, November 28**

793.94 Commission/396 : Telegram

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

GENEVA, October 1, 1932—3 p.m.

[Received October 1—1 p.m.]

277. Wilson’s 10, September 28, 10 p.m. The Committee of Nineteen met this morning to consider Yen’s letter [of] September 26. A brief discussion took place on the two questions raised.

1. It was the consensus of opinion that the time needed by the Assembly for its action under article 15 must be determined largely by the contents of the Lytton report. Consequently no decision could be taken on the duration of the time limit until after the Council had considered the report at its November session and had referred the report, together with its observations, to the Assembly. It was agreed that as soon as the Council took this action the chairman should convene the Committee of Nineteen for the purpose of preparing a resolution to be submitted to the Assembly concerning the duration of the extension.

2. In regard to the question of aggravating the dispute Hymans called attention to the engagements on this head taken by the parties in the Council's resolutions of September 30 and of December 10, 1931 and quoted in letter to the two parties transmitting the Assembly's resolution of July 1 in which he reasserted these undertakings. (Consulate's despatch 290, Political, July 2,<sup>84</sup> last item).

He then paraphrased De Valera's statement concerning the recognition of the Manchukuo Government (Consulate's 267, September 24, 4 p.m.) and associated the Committee with that statement. The chairman's declaration was expressly supported by the Czechoslovak, Swiss, Swedish and Spanish members and was tacitly concurred in by the Committee as a whole.

No resolution was passed on either of the two questions but it was decided that the Japanese and Chinese representatives should be informed of the Committee's views by transmitting to them copies of the minutes.

GILBERT

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893.01 Manchuria/591

*The Consul General at Mukden (Myers) to the Minister  
in China (Johnson)*<sup>85</sup>

No. 666

MUKDEN, October 1, 1932.

SIR: Referring to my despatch No. 599, dated June 14, 1932,<sup>84</sup> forwarding a list of Japanese in the service of [the] Manchoukuo Government, I have the honor to enclose herewith a list<sup>84</sup> of the principal officials, both Chinese and Japanese, of the Changchun Government.

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<sup>84</sup> Not printed.

<sup>85</sup> Copy transmitted to the Department by the Consul General at Mukden in his unnumbered despatch dated October 4, 1932; received October 28.

These names, except where otherwise noted, were taken from lists published in the *Manchoukuo Government Gazette*. The list contains the names of a few less important Japanese in each office, and the recapitulation at the end of the list shows the total number of names published. The English names of the various offices given in the list are those adopted by the Government.

It will be noted from the recapitulation that there are 509 natives (Chinese, Manchus and Mongols) and 312 Japanese holding official positions with the central Government at Changchun—these figures include subordinates as well as principal officials. It is possible, as is obvious in the case of the Department of Defence, that the published list of office-holders is not complete. It is understood that the personnel of this Department is almost entirely Japanese. Too, some of the posts have apparently not yet been filled.

It is noteworthy that the most important branches of the Government have the largest proportion of Japanese. First in this category is the Council of State Affairs or Cabinet which comprises the Prime Minister and the heads of the various departments. This Council is dominated, or possibly more correctly speaking directed, by the General Affairs Board whose principal officers are all Japanese. Other branches of the Government in which the Japanese are numerically strong are the Department of Communication, the Department of Finance, the Supervisory Council and the Metropolitan Police Board. It may be added that the Legislative Council, Government Training Bureau and Department of Education—the last mentioned has only recently been formed—are not yet properly organized.

Brief reference may be made to several Japanese personalities in the Government. Tokusan Komai, Chief of the General Affairs Board—Secretary-General and Director-General are favorite press titles for him—, has been without doubt the leading figure in the Government since its formation and possibly contributed more to its establishment than any one individual. In this connection, however, it may be mentioned that recent Japanese press reports referred to Lieutenant-General Honjo, the predecessor of General Muto as Commander-in-Chief of the Kwantung Army, as the Father of Manchoukuo. Komai, however, is looked upon as a revolutionist rather than a constructive leader and in view of this fact and of certain personal characteristics his eventual retirement, which has been announced several times, is taken for granted by well-informed Japanese. G. Sakatani, who was formerly head of the Bureau of General Affairs in the Finance Department, is now Vice Chief of this Board. Major-General Itagaki, who has been one of the most active and influential staff officers of the Kwantung Army and allegedly a strong proponent of the new order in Manchuria, has been recently promoted to the rank of Major-

General and made a personal adviser to the Chief Executive. Masahiko Amakasu who gained much notoriety as a police officer during the earthquake in Japan in 1923 (his exploits are described in "Japan under Taisho Tenno" by A. Morgan Young) is a councilor in the Chief Executive's office. Ohashi, Vice Minister of Foreign Affairs; Hoshino, Chief of the Bureau of General Affairs of the Finance Department; and Washio, the active head of the Central Bank, appear to be prominent in their respective spheres.

As has been previously reported, the South Manchuria Railway Company has been the chief source of supply of Japanese officials and councilors (formerly called advisers) to Manchoukuo. A report in the *Manchuria Daily News* of August 6 was to the effect that altogether 161 officials of the South Manchuria Railway Company had left the Company's service to join that of the Manchoukuo Government, provincial and central. It stated further that the release of the last lot of 58 was announced in the Company's gazette of August 6. The Army had great need for additional assistance both for the proper administration of its own greatly increased affairs following the incident of September 18, 1931, and also for controlling and assisting local administrations and official and semi-official enterprises. Many of these employees later joined one or another branch of the Manchoukuo service while some are still with the Army. From a reliable source it has been learned that payment of the salaries of these employees of the Army and for other assistance afforded it, directly or indirectly, have made heavy inroads into the Company's surplus funds.

Next to the South Manchuria Railway Company the Japanese Government has, it is believed, furnished the largest number of officials or employees. As mentioned in reports from this office, one group of about 25 postal officials under Mr. Fujiwara—he is now Chief of the Postal Affairs Bureau in the Department of Communications—came from Japan in June last and some time later a number of Finance Ministry officials were released for the same purpose. Recently the press reported that at the request of the Changchun Government the Japanese Minister of Education has recommended Masai Nishiyama, ex-Director of the Bureau of Religion of the Ministry, for the post of Chief of the General Affairs Bureau of the Department of Education at Changchun. It may be mentioned that with one exception the Bureau of General Affairs in every department is headed by a Japanese and except in departments where a Japanese occupies a higher ranking office the head of that bureau is the dominant figure in that particular branch of the Government.

As may be expected under the conditions described above, the Chinese members of the Government are not free agents and their activities are bound to be circumscribed. In some cases, such as for in-

stance, Hsieh Chieh-shih, Minister of Foreign Affairs, and Ting Chien-hsiu, Minister of Communications, they are to all appearances willingly and satisfactorily playing the role assigned to them, while in others they perforce supply the desired "window-dressing" and perform only the duties that are required of them. It is a well known fact that persons desiring to transact any business with the Government at Changchun invariably interview a Japanese. Likewise at Mukden, it is the sanction or assurance of the Japanese Chief of the Bureau of General Affairs in the Governor's office which is always sought and not that of the Governor. Such is the working of the Government of Manchoukuo, every branch of which has its Japanese official or councilor who effectively controls or checks the performance of its functions.

It will be recalled that at the time of the inauguration of Manchoukuo the impression was given that Japanese who entered the service of Manchoukuo would become Manchoukuo citizens. This development, if ever seriously considered, has been lost sight of, the high Japanese officials of Manchoukuo being still Japanese subjects and amenable to Japanese law. In private conversation with a responsible Japanese, it was learned that the status of Japanese subjects in the service of Manchoukuo is regarded as the same as that of foreigners in the Chinese Customs and Postal services. In brief, the administration of the country is controlled by aliens who are only subject to the jurisdiction of their national authorities, the representatives of the Japanese Government. Although the legal status of such a state of affairs may be anomalous, the position of the country for all practical purposes is unmistakable.

Respectfully yours,

M. S. MYERS

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793.94 Commission/415

*Press Release Issued by the Department of State on October 2, 1932*

#### DATA ON THE REPORT OF THE COMMISSION OF ENQUIRY

A package purporting to contain a Copy of Report was received in Washington, Department of State, Thursday, September 27th, under seal; to be taken possession of by the Secretary of State at 1 p.m., Saturday, October 1; to be made available for the purposes of examination and publication at an hour corresponding to 1 p.m., Geneva time, Sunday, October 2 (which time was 7 a.m., Washington time, Sunday, October 2), at which time the seals were broken and documents examined in the Far Eastern Division, Department of State, in the presence of:



Mr. Charles S. Smith, Associated Press;  
 Mr. Carroll H. Kenworthy, United Press;  
 Mr. Jerome D. Greene, Chairman of the Institute of Pacific Relations;  
 Mr. Stanley K. Hornbeck, Chief, Division of Far Eastern Affairs, Department of State;  
 Mr. Joseph E. Jacobs, Foreign Service Officer, assigned to the Division of Far Eastern Affairs, Department of State;  
 Mr. M. J. McDermott, Chief, Division of Current Information, Department of State;  
 Consul Walter A. Foote, Assistant Chief, Division of Current Information, Department of State.

The package was found to contain two copies of the Text of the Report and two copies of a set of maps.

The Report contains an Introduction and ten Chapters.

The Introduction deals with the origin, the composition, and the mission of the Commission.

Chapter IX is entitled "Principles and Conditions of Settlement" and Chapter X, "Considerations and Suggestions to the Council."

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793.94 Commission/423

*Statement Made by Dr. Lo Wen-kan, Minister of Foreign Affairs at Nanking, Dated October 3, 1932* <sup>87</sup>

The Report of the Commission of Inquiry of the League of Nations which has now been published represents the result of several months' strenuous work and pains-taking efforts on the part of Lord Lytton and his colleagues in the cause of international peace and reconciliation.

It may be recalled that it was with a view to contributing towards the final and fundamental solution of the situation brought about by Japan's invasion of Chinese territory that the League of Nations decided to appoint a Commission of Inquiry on December 10th of last year. "The terms of reference of the Commission", in the words of M. Briand who presented the Resolution of that date to the League Council for consideration and acceptance, "are wide. In principle no question which it feels called upon to study will be excluded, provided the question relates to any circumstances which, affecting international relations, threaten to disturb peace between China and Japan, or the good understanding between them upon which peace depends." In so far as its duties are concerned, the Commission was, therefore, perfectly correct in interpreting them to include an examination of all

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<sup>87</sup> Copy transmitted to the Department by the First Secretary of the Chinese Legation under covering letter of October 4, 1932.

relevant facts and submission to the League recommendations leading to an amicable solution of the dispute.

From a cursory reading of the Report one feels that two points have been brought out in a most striking manner. One is that the Japanese military operations on and subsequent to September 18, 1931, were unjustified and cannot be regarded as measures of self-defence, and the other is that the so-called "Manchukuo" regime was not created by a genuine and spontaneous independence movement, but owes its existence to the presence of the Japanese troops and the activities of the Japanese officials, both civil [and] military.

The Report which contains many questions of the utmost importance is being carefully considered by the authorities of the Chinese Government.

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793.94 Commission/521a : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, October 4, 1932—4 p.m.

18. For Wilson. Please give General McCoy the following personal and confidential message from me :

"I congratulate you deeply on the successful termination of your labor and the production of an unanimous report which is so comprehensive and intelligent in treatment and so judicial in tone. It is a magnificent achievement."

STIMSON

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811.7493 (M) R.C.A./9

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With Colonel Manton Davis of the Radio Corporation of America*

[WASHINGTON,] October 4, 1932.

Colonel Davis called and after giving some account of developments in the radio situation as relating to Mukden and informing me that communication has been reestablished between the Radio Corporation's American stations and the Mukden station, said that the Manchoukuo authorities are now pressing the Radio Corporation to sign a new contract. Those authorities sent some months ago a copy of a contract, signed by themselves, which is an exact duplicate of the old contract which the Radio Corporation has with the former (Chinese) North-eastern Telegraph Administration. During the last few weeks, the Manchoukuo authorities have sent three cables urging immediate sig-

nature by the Radio Corporation, two of these cables having come last week. Colonel Davis wanted guidance, first, with regard to the political situation and, second, with regard to the advisability of the Radio Corporation's sending one of their representatives, a young man, now in China, to Mukden to confer with the Manchoukuo authorities.

After some discussion of the situation and various factors and considerations, I expressed the view, unofficially, that it would be preferable for the Radio Corporation to try to work the matter out by long distance communication; they might suggest to the Manchoukuo authorities that, as those authorities are in possession of the station and in possession of the original contract, and as the Radio Corporation's signature is on the contract and the Corporation is willing to continue business without inquiring as to the other signature on the contract, the practical thing for all concerned would be to continue to do business without going through the formality, quite unnecessary in law, of signing a new contract. Colonel Davis and I were of one mind in feeling that an approach of that type would obviate the risks which might be incurred if a representative of the Corporation went in person to take up the matter with Manchoukuo authorities, under which circumstances a dispute might be precipitated and an issue be drawn which would result in the taking of an irrevocable decision by the Manchoukuo authorities.

Colonel Davis left saying he would try to work the thing out by long distance communication.

S[TANLEY] K. H[ORNBECK]

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893.01 Manchuria/532 : Telegram

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

PEIPING, October 5, 1932—2 p.m.

[Received October 5—2:30 a.m.]

1165. Following from American Consul General at Harbin :

"October 3, 3 p. m. Anti-Manchukuo forces captured Hulan, southern terminus Huhai Railway on September 30th, held Anganghsi 4 hours October 1st, on the same day occupied Anta. Fortifications Tsitsihar City now being strengthened."

JOHNSON

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793.94 Commission/420 : Telegram

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

GENEVA, October 5, 1932—8 p.m.

[Received October 5—4:05 p.m.]

21. Davis and I met McCoy in Lausanne today and had a most helpful conversation. We all felt that unless something happens to change

the situation McCoy should not for the moment come to Geneva but should hold himself available and return to this city when the Commission is summoned by the Council.

McCoy is deeply appreciative of the message in your 18, October 4, 4 p.m., and sends his thanks and regards.

WILSON

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711.94/729 : Telegram

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

GENEVA, October 5, 1932—8 p.m.

[Received October 5—5:55 p.m.]

401. In the conversation which Davis and I had with McCoy today we were impressed by his analysis of the situation especially insofar as it applies to relations between the Japanese and ourselves.

McCoy analyzed the present political condition in Japan; the type of officers who are in control; their fanatical state of mind, et cetera, with which you are familiar. He proceeded to state that his deep apprehension lay in the possibility of some incident occurring in the Far East which would inflame this fanatical sentiment against the United States and have serious repercussions in our own press and perhaps bringing about a situation which could not be controlled. He said that he felt that it was good luck only that had prevented the occurrence of such an incident up to the present time. He added that this risk was even greater from the fact that the principal hostility of this group in particular and the Japanese in general is directed against the United States. They are persuaded that our policy is based on a desire to check the normal development of Japan and its normal national evolution. They apparently believe that American policy and your own utterances are based on dislike of Japan, desire to check its growth, the failure to understand their difficulties. The presence of our fleet in Pacific waters is the cause to the Japanese of the gravest apprehension as well as a contributing factor to this irritation and they point out the inconsistency of its threatening presence with the championship of the peace cause which we have adopted.

McCoy had no suggestion to make as to how this state of affairs might perhaps be remedied nor have we, but we think it wise to lay his impressions before you as an opportunity may come at some time to disabuse the Japanese of the idea that it is hostility to them rather than respect for treaties and for the maintenance of the peace machinery which is actuating our policy.

WILSON

793.94 Commission/421 : Telegram

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

PEIPING, October 6, 1932—1 p.m.  
[Received October 6—5:10 a.m.]

1169. Following from American Consul General at Nanking:

“October 5, 3 p.m. My October 4, 4 p. m. Information believed to be reliable is that the Chinese Minister for Foreign Affairs at conference October 4, 7 p. m., announced that the American Government approved the Commission’s report, but that the Japanese Government disapproved. He insisted that determination of the Chinese Government’s attitude toward the report must be based upon agreement between important leaders. At meeting of the Central Political Council this morning part of the members were in favor of accepting the report on the basis of the summary prepared by the Foreign Office but a larger part insisted on seeing full translation and on having the status thoroughly studied. The matter has therefore been referred to the Foreign Affairs Committee, and it is improbable that a public announcement will be made for some time. The principal objection seems to have been granting autonomy to Manchukuo.”

JOHNSON

793.94 Commission/510

*The Consul General at Mukden (Myers) to the Minister in China  
(Johnson)*<sup>88</sup>

No. 668

MUKDEN, October 6, 1932.

SIR: Referring to my telegram of October 5, 12 noon, giving a brief résumé of a statement in regard to the Lytton report made to foreign press correspondents by Secretary Tsurumi as spokesman of the Japanese Embassy, I have the honor to report briefly concerning the statements issued by the Embassy on this subject.

There is enclosed herewith the statement, as published by *The Manchuria Daily News* of October 4, 1932,<sup>89</sup> of General Muto’s impressions concerning the Lytton report which were given to the press in the afternoon of October 3. This statement corresponds with the version of the General’s impressions given me by an American press correspondent. The General’s conclusion that Japan will pursue its fixed policy and that “no power on earth can change this highest policy of Japan” is the essence of the statement.

The statement which was issued by Mr. Tsurumi in the name of the Embassy late in the afternoon of October 4, a résumé of which was

<sup>88</sup> Copy transmitted to the Department by the Consul General at Mukden in his unnumbered despatch dated October 8, 1932; received November 7.

<sup>89</sup> Not reprinted.

telegraphed to the Legation, as stated above, is of particular interest. It is inferred that this statement was only made to foreign press correspondents as no reference to it has appeared in the local press. The statement as given me by an American correspondent was substantially as follows:

We are very angry over the report. It is impractical, pro-League and further study shows it to be distinctly anti-Japanese. It is impossible to carry its main points into effect. Great Britain failed to select the right man; General Claudel could not check the headstrong Lytton. We thought Anglo-Saxons were more liberal. General McCoy followed America's policy; we regarded him as an honest exponent of Stimson's policy. Lord Lytton has not a single qualification of a statesman; we are not taking his viewpoint as that of Great Britain—she is much wiser (saner). Chang Hsueh-liang will be encouraged to instigate rebels and bandits to further activity but otherwise the report will have no effect. Manchoukuo officials are very incensed and excited. We are simply ignoring the report; Manchoukuo has nothing to do with it or the League. The report has aggravated the world situation.

At this point, the correspondents referred to Japan's request for an investigation of the Manchurian situation by a League Commission and asked several questions, to one of which Mr. Tsurumi remarked that they (the Japanese) had gained their main object, that is, of dragging the issue out—the implication is obvious. He immediately noted this slip of the tongue and asked the correspondents not to publish this remark. In reply to questions regarding their opinion of the other commissioners he stated that they had a very favorable opinion of Dr. Schnee and that Count Aldrovandi was quite fair; and further that they believed that General Claudel reflected the views of his Government.

Mr. Tsurumi is excitable and it was apparent that at the time of the press conference he was under tension. There is no doubt but that Japanese officialdom are much exercised over the report as Mr. Tsurumi's statements clearly indicate.

Respectfully yours,

M. S. MYERS

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793.94 Commission/430 : Telegram

*Mr. Hsieh Chieh-shih to the Secretary of State*

CHANGCHUN, October 7, 1932.

[Received 2:22 p.m.]

I have honour to address to Your Excellency following statement:  
When Enquiry Commission of League Nations displayed upon its arrival in Manchoukuo last April attitude tending deliberately to

ignore existence of this state authorities of this Government seriously endeavoured to furnish Commission with complete explanation of conditions existing here and to enlighten its members.

Yet in spite of all this effort on our part any one glancing through Commission's report will at once perceive marked traces showing that Commissioners had been considerably influenced by malicious anti-Manchoukuo propaganda so ingeniously conducted by old northeastern militarists now established in China proper. Since our people declared their independence last March with object of eradicating maladministration of former militarists and of establishing land of peace and security new state has witnessed such notable advances through unshakable determination of all officials and people in promotion of happiness of inhabitants as one can never expect to see in present state of affairs in Republic of China. Moreover, as result of *de jure* recognition recently accorded by our friendly neighbour Empire of Japan our people are jubilant over fact that state has acquired qualification as member of family of nations. In these circumstances it is only natural that present report has completely astounded our people who take it as unbearable.

Conclusions of report in its sheer refusal to take due cognizance of independence of Manchoukuo absolutely fail to reflect actual conditions here. It is evident that any attempt to execute measure of proposals based on such conclusions will end in complete failure. Publication itself of such report will naturally stimulate activities of lawless elements still rampant within our state as well as peace-disturbing agitations carried on by old militarists from inside Great Wall through manipulation of bandits and allied groups bringing about results running directly counter to great mission of League Nations which has been consecrated to cause of world peace and human happiness.

In name of my Government I have honour to invite most emphatically Your Excellency's serious attention to above-mentioned situation.

Respectfully,

HsIEH CHIEH-SHIEH  
*Minister for Foreign Affairs, Manchoukuo*

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893.01 Manchuria/537 : Telegram

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

GENEVA, October 8, 1932—11 a.m.

[Received October 8—7:48 a.m.]

23. Your 20, October 5, 2 p.m.<sup>90</sup> I have just had an exhaustive discussion with Beneš in which we went into many aspects of the disar-

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<sup>90</sup> Not printed.

mament and Far Eastern questions. In the course of the conversation when I suggested that the latter situation might be further prejudiced before the Council and Assembly could meet by the recognition of Manchukuo by other governments, Beneš replied that he did not think there was any real grounds for apprehension in this respect as the nations were already obligated by the declaration of March 11 and that in his opinion the very first thing the Assembly must do when it met in extraordinary session was to adopt a resolution to the effect that states members of the League must not recognize Manchukuo. This in Beneš' opinion was the first and most essential step to take, even before the detailed discussion of the Lytton report. Beneš intends to see Herriot in Paris toward the end of next week. Will discuss the Far Eastern question in special reference to European application and will inform me further of his views on his return.

WILSON

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793.94 Commission/421 : Telegram

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

WASHINGTON, October 8, 1932—1 p.m.

342. Your 1169, October 6, 1 p.m. The American Government has made no public comment on the Lytton Commission's Report. In reply to inquiries by news correspondents, I have declined to comment and have stated that this is not the time for him [*me*] to say anything that would make possible unwarranted comments on the activities of this Government. In conversations with various chiefs of foreign missions, I have expressed gratification over the obvious thoroughness and objectivity with which the Commission did its work.

Repeat to Nanking and communicate by mail in paraphrase to Tokyo.

STIMSON

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893.01 Manchuria/537a : Telegram

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

WASHINGTON, October 9, 1932—1 a.m.

169. The American press carries reports from Tokyo stating that the Secretary in his speech of October 1, at Philadelphia, criticized Japan's recognition of "Manchoukuo", that "the speech was shortly before publication of the Lytton Report and soon after Admiral Pratt announced that the United States Fleet would remain in Pacific



waters"; "that speech was expected by the Government to 'encourage anti-Japanese sentiment among smaller nations, bringing about an impossible situation at Geneva,' a Japanese War Office statement said;" and that "the belief is widespread among Americans here that Washington has at times reiterated its position to the point where Japanese believe Washington to be following a policy of deliberate irritation."

The Department relies on you discreetly and on appropriate occasion to caution American residents in Japan against placing undue reliance on such reports and comments. The Secretary's Philadelphia speech as you know was on the subject of the President's "Foreign Policy and the Commercial Welfare of the United States." The speech involved 15 typewritten pages of which 2 pages were devoted to comment on the conduct of our relations with the countries of the Orient. Only one page related to the Manchuria situation and the statements contained on that page constitute merely a summary of the policy followed by this Government. There was no mention of Japan's recognition of "Manchoukuo."

A copy of the address is being sent you by mail.

CASTLE

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893.01 Manchuria/538 : Telegram

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

Tokyo, October 10, 1932—1 p.m.  
[Received October 10—1:35 a.m.]

254. Department's 169, October 9, 1 a.m.

1. The Foreign Office spokesman interpreted the press reports of the Secretary's speech of October 1 as "challenging" but later, upon receipt of the complete text of the section of the speech dealing with the Far East, stated that it was "much more moderate than the one he delivered in August."

2. The War Office criticized the speech severely but this was, they continue, for home consumption and in line with the War Office's policy of taking advantage of every such opportunity in order to justify their present and proposed future heavy military expenditures.

3. I have heard no criticism among local Americans regarding this or any other of the Secretary's speeches and I am surprised that any correspondent sent this report.

GREW

893.01 Manchuria/587

*Memorandum by the Under Secretary of State (Castle) of a  
Conversation With the French Ambassador (Claudel)*

[Extract]

[WASHINGTON,] October 10, 1932.

The Ambassador went to the Foreign Office<sup>91</sup> to discuss the matter with Berthelot and Léger and learned from them the official French point of view. The French Government feels that the safety of the world depends upon peace treaties, such as the Kellogg Pact and the Covenant of the League of Nations; its cardinal policy, therefore, is to preserve the sanctity of these treaties (presumably of the Versailles Treaty also) because that Government understands that, unless the idea can once and for all be done away with that "might makes right," there is very little chance for a peaceful world; the French Government feels this very strongly in relation to the Far Eastern situation; it is willing and intends to follow the lead of this country undeviatingly; on the other hand, the French Government is unwilling in any way to take the lead itself because it feels that American interests in the Orient are far greater than French interests; the French Government is violently anti-Japanese and for that reason also is not willing to suggest to Japan that it make any friendly advances toward China for the sake of settling the problem although it would be glad to see us do so.

The Ambassador said he realized that it would be difficult for us, at the moment, to give advice because there is no Japanese Ambassador here. He pointed out that Mr. Grew, who is an expert diplomatist, might well do so in Japan. I said that this was very difficult inasmuch as every call Mr. Grew made at the Foreign Office was advertised in the Japanese papers and that Shiratori generally twisted what he had to say. The Ambassador said it would be fair to say that the French Government at the moment had two outstanding policies, the first being what I have described above, the maintenance of treaties, that, although it would deplore the crash of Japan with the ensuing chaos in the Far East, it would prefer to see this rather than to permit Japan to get away with its ignoring of treaties. Its second policy is to do everything to be on good terms with the United States and to accomplish this is, of course, one of the reasons why the French Government so strongly stands with us in our Far Eastern policy.

As he was leaving the Ambassador said he supposed we knew that Japan had definitely and formally offered to make an alliance with

<sup>91</sup> i.e., in Paris.

France, agreeing that if France would form such an alliance the Manchurian market would be open to France and that Japan would do all in its power to throw Oriental business into the hands of France. I asked the Ambassador if this was meant to be a military alliance. He said it was, but that when the French Government flatly refused Japan asked what kind of an alliance it would be willing to make. They offered an economic alliance either with or in the place of the military alliance. The Ambassador said that the French Government was, of course, not willing to make any kind of an alliance and that it knew the purpose of such an advance was to get money from France.

W. R. CASTLE, JR.

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793.94 Commission/437 : Telegram

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

LONDON, October 10, 1932—6 p.m.

[Received October 10—3:43 p.m.]

289. From Norman Davis.

"In the course of a conversation last night Simon said that he had not yet finished his analysis of the Lytton report and was thinking of having Lytton come to see him some day this week for a general discussion in order to get his views in the light of developments since the signing of the report. He said he would like to have me present. He then said he thought it most important for the United States and England to stand together in dealing with the Far Eastern situation but we ought to decide what is the most practical thing to do and then announce our attitude and policy, making such announcements separately but possibly on the same day. (Personally, I think it is important to keep the French with us in this matter and from my talks with Herriot am fairly confident we can rely on their cooperation). Simon felt sure that if we thus showed a unity of view and purpose there would be no danger of trouble with Japan. He furthermore said that their interest in the whole situation was the same as ours and while they want to remain friendly with Japan as we do they have an obligation to uphold treaties to which they are parties and also an interest in having a square deal for China. He asked me if I knew just what you had in mind as to the next step. I told him that so far as I knew you were also considering the Lytton report and awaiting information regarding the action of the League with regard to this report before deciding upon the next step, that I was sure you would be sympathetic with his suggestion of giving thorough consideration to all the aspects of the problem and of reaching an understanding as to the next move. I said that if he wished I would ask you for your views which he said he hoped I would do. Simon also seemed concerned as to what practical steps could be taken to give effect to the Lytton report. My im-

pression is that Simon has definitely made up his mind to stand with us but desires to build up as strong a case as possible and to be careful about every move."

MELLON

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761.93/1473 : Telegram

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

GENEVA, October 12, 1932—7 p.m.

[Received October 12—3:45 p.m.]

26. Yen informs me that he has taken part in a series of conversations with Litvinoff in an endeavor to arrange the relations between their two countries. At the start of their conversations Yen asked Litvinoff whether there was any possibility of the Soviet Government according recognition to the Manchukuo adding that if there were such possibility they should not enter into these conversations since recognition accorded during their course would put them both in an untenable position. Litvinoff replied that his Government had no intention of recognizing the Manchukuo. He could not promise what the future might hold but at any rate for the time being they had no such intention. Litvinoff added that the Japanese had made a series of endeavors in Moscow to obtain Russian recognition for the Manchukuo both by offering concessions and by means of exerting pressure. The Soviet Government according to Litvinoff had no intention of falling in with the suggestion. Litvinoff proceeded that they had every desire to avoid a conflict with Japan but that they were prepared to resist if Japan crossed the frontier into Siberia, otherwise they would make no forward step. Litvinoff deprecated to Yen the fact that the United States and Russia were not on speaking terms since it would be infinitely easier to act in concert towards Japan if China, Russia and America could concert. Yen stated that he replied that as far as he knew there was no chance of America according such recognition unless the question of Russian debts and seizure of private property were previously adjusted with the United States. Litvinoff then replied that recognition might be delayed for 50 years as they could not make concessions on these points without prejudicing their entire system.

Yen stated that his conversations with Litvinoff had proceeded to such a point that he now believed that China would resume relations with Russia in the comparatively near future. He added that what was said and implied in the Lytton report made it essential that Russia should be consulted in any solution of the Manchurian question.

WILSON

893.01 Manchuria/552 : Telegram

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

PEIPING, October 13, 1932—6 p.m.

[Received October 13—8:55 a.m.]

1187. Following from American Consul General at Harbin:

"October 12, noon.

1. Foreign community Harbin shocked by murder 9 o'clock this morning Mrs. Woodruff, wife British employee British American Tobacco Company, in the street near her home [in] New Town by Chinese bandit in resisting an attempt to kidnap. Danger safety foreigners increasing.

2. Passenger train eastern line derailed, shot up by brigands near Kaolingtze yesterday.

3. Anti-Manchukuo forces still control Hailar and Manchouli where conditions quiet except for Japanese residents."

JOHNSON

793.94 Commission/448 : Telegram

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

PEIPING, October 13, 1932—7 p.m.

[Received October 13—7:10 a.m.]

1188. Following from Reuter, Canton, October 11:

"After several days deliberations the Southwestern Political Council in statement issued tonight declares that recommendations of Lytton report are worse than Twenty-one Demands, contending that proposed autonomy solution will enable Japan to gain monopolistic sway over Three Eastern Provinces under cloak of international control."

JOHNSON

793.94 Commission/461

*Memorandum by the Secretary of State*

[WASHINGTON,] October 13, 1932.

During the call of the French Ambassador we discussed the Far Eastern situation and the Ambassador said there were two cardinal principles which were guiding the French Foreign Office now. One, the necessity of respect for treaties and of standing firmly on that principle. The French Foreign Office believed that Japan, in what it had

done in Manchuria, had acted directly against the interests of France, and that France was therefore thoroughly in accord with the principles upon which we were acting. In the second place, he said that her other cardinal principle was the necessity of securing the friendly cooperation of France, the United States and Great Britain, as the three liberal nations of the world, against the forces of the other way. I told the Ambassador that he knew my views on that; that when I went over to France during the War I went because I believed that those were the three great liberal nations of the world and that Great Britain and France were then fighting the battle of civilization against the forces of reaction. The Ambassador then said that France and the Foreign Office believed that the need for this cooperation still existed and believed it should be a permanent principle.

He then reverted to his talk with Mr. Kobayashi.<sup>92</sup> I told the Ambassador that Mr. Castle had communicated to me what Kobayashi had said to him. He said yes, he thought it was very significant that Kobayashi said that something might be done and ought to be done to save China's face, and the Ambassador thought that that indicated a chance for a solution of the Manchurian problem. He said he thought the time had come when something might be done to save Japan's face—to use the velvet glove as well as the steel inside the glove. Japan had made a very grave mistake and she was suffering for it. The Ambassador then alluded to the fact that the yen had fallen very low and that banditry seemed to be flourishing in Manchuria. I told him that we had no desire to have Japan destroyed and that I had hoped that something might come out of the suggestions of the Lytton Report. I asked the Ambassador if he had read the report and, as he said he hadn't, I told him I would send him a copy. I told the Ambassador that I wanted his Government to know that I was maintaining silence in order not to irritate Japan and in order to give an opportunity for conciliation on the basis of the Lytton Report; that I considered the work which Briand had done in presiding over the Council a year ago until he succeeded in getting the resolution of December 10th and the appointment of a commission to Manchuria was one of the great works in M. Briand's life, and that it was now bearing fruit in a very constructive and judicial report which might lead the way out of the Manchurian difficulty. The Ambassador was very much interested and said he would read the report with great interest and thanked me for sending it to him.

H[ENRY] L. S[TIMSON]

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<sup>92</sup> Japanese agent seeking military matériel in France.

793.94 Commission/437 : Telegram

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

WASHINGTON, October 14, 1932—6 p.m.

269. To the Ambassador and Norman Davis. Your 289, October 10, 6 p.m. I am gratified to have this information.

Please communicate to Simon orally my views as follows:

I have always felt that it is most important for the United States and Great Britain to stand together in dealing with the Far Eastern situation as a whole; and I feel that France should be included, and if possible Italy. I think that Great Britain has at stake as much as or even more than has the United States. That being the case, I feel that, as both Great Britain and the United States are signatories of the Nine-Power Treaty and the Pact of Paris; as Great Britain is also a member of the League; as the American Government has already repeatedly affirmed that, acting through the diplomatic channels and preserving its independence of judgment, it will endeavor to support as far as possible action taken by the League; and as the British Government, by reason of proximity and other facts, is in position readily to confer with the French, the Italian and other European Governments and with Lord Lytton and Sir Eric Drummond,—I feel that the British Government might advantageously lead in formulating a course of action.

I regard the Lytton report as a very comprehensive and judicial presentation of facts and a conveyor of valuable suggestions. I hope that it will prove an instrument of great value.

With regard to possible next steps, the case is of course before the League, the Lytton report is a document of evidence, the Covenant of the League contains both substantive and adjective provisions, and the rights, duties and prestige of the League are involved. The American Government's basic attitude toward the whole matter has been made known so definitely in published statements and official documents that no one can reasonably misunderstand or doubt our position. Our first concern is that the authority of the great peace treaties to which we are parties shall not be successfully challenged. Toward that end, we are prepared as heretofore to cooperate with the other nations which have the same objective. I think it would be helpful if the British and the French Governments would work out, on the basis of careful study of the Lytton report, constructive suggestions with regard to future action. Such effort would, I am sure, facilitate action by the League. In case the British and French Governments care to consult the American Government with regard to such line of action as may seem most practicable to them, I shall of course be ready promptly and sympathetically to consider their ideas and indicate this

Government's reaction thereto. Meanwhile, they should clearly understand that this Government's attitude, as expressed in its notes of January 7, 1932, and in my letter of February 23, 1932, to Senator Borah and my various public statements, remains unchanged. Moreover, it is my feeling that Japan's recognition of "Manchoukuo" in no way alters the situation as regards the treaty rights, obligations and lawful interests of the other powers.

STIMSON

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793.94 Commission/457 : Telegram

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

WASHINGTON, October 14, 1932—6 p.m.

163. In the Lytton report, mimeographed text received by the Department, page 82, last paragraph, it is stated that the allied intervention in Siberia "had been proposed by the United States of America."

This statement is directly contrary to the historical facts. It is believed that study of the diplomatic correspondence relating to the intervention, which has been published in *Foreign Relations of the United States, 1918, Russia*,<sup>92a</sup> would convince any inquirer of that fact. Department understands that the League of Nations library has a copy of that volume; also, our Legation at Berne has a copy. Reference should be made especially to pages 35, 38, 41, 45, 49, 50, 67, 72, 75, 80, 81, 82, 84, 135, 140, 148, 160, 241, 262, 328.

The allied governments, in particular the British Government, initiated and urged the idea of intervention in Siberia. The American Government for several months opposed it.

Department feels that this point should be brought informally to the attention of the League Secretariat with the suggestion that they consider the possibility of bringing about a revision of the statement in question or publishing a foot-note giving a correct version. It is felt here that, far from weakening the effectiveness of the report, evidence of an inclination on the part of the League to rectify any errors which it may contain in statements of historical fact where the evidence is complete and incontrovertible would add to the force of those portions of the Commission's statement of fact which are not challenged or which may be challenged by mere undocumented and controversial affirmations.

STIMSON

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<sup>92a</sup> Vol. II.



711.94/733 : Telegram

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

Tokyo, October 16, 1932—4 p.m.

[Received October 16—9:15 a.m.]

259. Debuchi recently came to see me almost directly after a 2-hour conversation with the Emperor and said that he wished to impress upon me the following two points:

1. That if Chang Hsueh-liang will only keep quiet, there will be no question of Japanese troops taking Peiping and that this all depends upon Chang's movements.

2. That the presence of our Atlantic Fleet on the West Coast furnishes an excuse for much of the chauvinistic war talk and military and naval preparations here and that it is therefore hoped in Japan that after the maneuvers of the Atlantic Fleet in the Pacific it will be able to return to the Atlantic next winter.

Debuchi emphasized the fact that this was merely a personal and friendly conversation but I believe he want[s] to get these two points to our attention.

He stated that the domestic political situation was now well in hand and that at the same time our own aim would be to avoid affording the chauvinists excuses for further inciting public opinion against the United States.

Debuchi stated that the Emperor perfectly understands the position of the United States regarding Manchuria and is anxious to stop the anti-American press campaign and the chauvinistic war talk in Japan.

Not sent to Peiping.

GREW

793.94 Commission/458 : Telegram

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

Geneva, October 17, 1932—5 p.m.

[Received October 17—1:10 p.m.]

27. McCoy requests me to advise you that he has received a letter from Lytton to the effect that the Council will begin to discuss the report November 14th. This will be followed by a meeting of the Committee of Nineteen and then the Special Assembly.

Lytton continues that Drummond calculates that a period of 2 months starting from the middle of November will be occupied in dealing with the report and that members of the Commission should be available during that period, though not necessarily continuously.

McCoy requests this information be given the War Department.

WILSON

893.01 Manchuria/537 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, October 17, 1932—2 p.m.

24. For Wilson. Your 23, October 8, 11 a.m. I am gratified to have this information.

For your guidance: The opinion which Beneš expressed to you regarding the first step is in line with my view. Wherever without yourself raising the subject you encounter that view, you may as on your own responsibility and carefully avoiding any implication that you are expressing an opinion under instruction, give your support to it. I do not desire, for the present at least, to initiate suggestions or to have it appear that the American Government is intruding with advice in the deliberations of the members of the League with regard to action to be taken by the League under the provisions of the League's Covenant. I think that it will be helpful to let them see that the responsibility for formulating a course of action in the light of the Lytton report rests squarely with the League. See again my telegram No. 2, September 23, 1932, noon.

STIMSON

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793.94 Commission/460 : Telegram

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

GENEVA, October 18, 1932—2 p.m.

[Received 11:50 p.m.]

307. Department's 163, October 14, 6 p.m.

1. League of Nations officials object strongly in principle to changes of any nature being made in the Lytton report at the insistence of governments. They are fearful of precedents being set which would permit of attacks on the integrity of the report it being recognized that it doubtless contains many "facts" which could be made subjects of controversy.

2. Fortunately, however, it having been planned that the League-revised edition would contain certain "Lytton corrections" (Consulate's 283, October 4, 3 p.m.,<sup>93</sup> fifth paragraph) Drummond consented to communicate with Lytton suggesting that Lytton himself make also the correction desired by the Department. Lytton has just replied agreeing to this.

3. In the revised League edition the pertinent phrase on page 34, paragraph 3, of the present edition will be amended as follows: delete

<sup>93</sup> Not printed.

"had been proposed by the United States of America", insert "had been decided on".

This change will also be noted in the list of "errata" (Consulate's 290, October 7, 6 p.m.,<sup>94</sup> paragraph 2).

Under these circumstances it is not expected the change will provoke comment but in particular it is desired that the American Government's part in this matter be kept confidential.

4. In taking up this matter with the League official concerned I not only was able to cite the *Foreign Relations of the United States* from the references furnished by the Department but I was also able to strengthen my contention through having learned in a private conversation with General McCoy that he had made this same change in correcting his draft copy of the report (Consulate's 283, October 4, 3 p.m., third paragraph) but that apparently through inadvertence this correction was not incorporated in the signed copies.

GILBERT

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893.01 Manchuria/561 : Telegram

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

PEIPING, October 19, 1932—10 a.m.

[Received October 19—1:05 a.m.]

1201. Following from American Consul General at Harbin:

"Harbin American Chamber of Commerce wishes to officially endorse the protests and reports on local disorders which have been communicated to you by the American Consul General, Harbin. Living and doing business in a place where our position is equivocal but where we nominally enjoy extraterritorial rights and continued acts of violence and lawlessness endanger foreign lives and property we earnestly request that representations looking to the effective protection of such American interests be made through the proper channels. Signed Harbin American Chamber of Commerce."

JOHNSON

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793.94 Commission/467 : Telegram

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

LONDON, October 19, 1932—3 p.m.

[Received October 19—11:25 a.m.]

299. Norman Davis and I called on Sir John Simon this morning at 10 o'clock and gave to him verbally the substance of your message

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<sup>94</sup> Not printed.

No. 269, October 14, 6 p.m. He reiterated the importance of our working together on the Far Eastern matter and also agreed that France and, if possible, Italy should be included. He said he was as favorably impressed by the Lytton report as you and that he has been wondering what would be the practical procedure for dealing with it. The report, as he said, gives a very definite statement of facts and while the recognition of Manchukuo by Japan does not alter our treaty rights, obligations, lawful interests in any way the actual recognition is another fact with which we have to deal and he was convinced that the Lytton report had been as accurate as it is humanly possible to be in the finding of facts, but that as a matter of procedure and of courtesy he thought we must first consider the answer which the Japanese submit and after that to agree to stand by the Lytton report. One point Sir John made was that the report recommends that Japan recognize the sovereignty of China over Manchukuo and in the face of Japan's having now recognized the sovereignty of the new state over this territory it will be difficult to get Japan at once to reverse herself but this may be worked out in the course of time. He seemed to recognize the reasons why the British might with advantage take the lead in determining and recommending a future course of action and said we would have a further exchange of views.

MELLON

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893.01 Manchuria/621

*The Consul General at Mukden (Myers) to the Minister in  
China (Johnson)*<sup>95</sup>

No. 677

MUKDEN, October 19, 1932.

SIR: Referring to my telegrams dated October 4, 3 p.m., 11, 5 p.m. and 14, 5 p.m.,<sup>96</sup> concerning the large scale military operations against bandits and insurgents in the Tung Pien area or eastern border districts, I have the honor to submit additional information in regard to this drive and to existing conditions in that region.

Preparations for this drive were kept as secret as possible and press correspondents were informed that a close censorship of their reports on this subject would be enforced. During the latter part of September large bodies of Japanese troops were brought southward from the Harbin district and distributed at various points along the Mukden-Hailung and Mukden-Antung lines, from which the drive started.

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<sup>95</sup> Copy transmitted to the Department by the Consul General at Mukden in his unnumbered despatch dated October 20, 1932; received November 16.

<sup>96</sup> None printed.

Troops were also moved into Manchuria from Korea or Japan over the Mukden-Antung Railway. One traveller over this line reported that he saw four military trains on October 3 loaded with troops, horses and supplies moving in the direction of Mukden. According to information obtained by one observer 5000 new troops were recently moved from Japan to Manchuria. The Toyobashi cavalry brigade (part of 3rd Division) is one of the new units but the others have not been identified. The despatch of replacements for the 14th Division which has returned to Japan, or at least part of it, was announced by Tokyo as was the withdrawal of the 38th Mixed Brigade from Manchuria to its home station in Korea. Local Headquarters have been unwilling to give out any information regarding the disposition or movement of troops. To what extent the Japanese forces in Manchuria have been increased or decreased is not known; however, it is surmised that in view of the repeated statements of military authorities that the strength of their forces is inadequate no reduction has occurred.

The strength of the Japanese forces engaged in these operations is not known. From a reliable source, however, it was learned that they comprised three brigades, two of cavalry and one of infantry and that Manchoukuo troops (General Yü Chih-shan's command) are co-operating with them. The strength of these Japanese forces including the Korean garrison troops which are holding all roads and mountain passes near the Yalu river must, it is thought, considerably exceed three brigades.

According to the plan of campaign troops were despatched over all roads from points on the Mukden-Hailung and Mukden-Antung railways between Chaoyangchen on the north and Antung on the south. On October 7 the commandeering of Chinese carts on a large scale started at Mukden. The first encounter with insurgents was reported to have occurred on October 8, Hsinpin occupied on October 13 and T'unghua, the principal stronghold of the insurgents, on October 15, the latter place having been evacuated by T'ang Chu-wu and his insurgents on the previous day. The occupation of this place was effected by the main part of the Takanami detachment which had come from the northwest, presumably from Shanchengtzu, the main concentration point in that region. Pataokiang, a large town to the northeast of T'unghua, was occupied a few days earlier by a detachment despatched from Linkiang on the Korean border. It will be seen that in one week's time the principal towns and cities of this region containing fourteen districts having an area of approximately 17,000 square miles were occupied. Apparently there have been only minor encounters. That bandits have gotten through the lines of the Japanese drive and are attacking in the rear is indicated by the unfortunate

death of an American citizen on October 15 who was reported to have been killed by bandits while travelling with a small Japanese escort. To what extent the obvious aim of the Japanese campaign of driving the insurgents, Big Swords and bandits into a pocket and annihilating them will be successful is not yet apparent. It need scarcely be mentioned that airplanes are being extensively used by the Japanese in these as in all other operations.

Conditions in this area have been reported upon from time to time notably in my despatches Nos. 610, 630 and 662 of June 23, July 16 and September 23, 1932 (last named being the political review for August).<sup>97</sup> T'ang Chu-wu, formerly colonel of the first regiment of the Fengtien Army at Mukden, who is between 45 and 50 years old, had established himself as the chief military figure in these districts in which a fair degree of order was maintained. The forces that he controlled numbered, according to available information, about 40,000 men including Big Swords. Very few of the latter are armed with rifles, long spears comprising their regular equipment. Of the insurgents no inconsiderable portion is unarmed. The Japanese estimate of 20,000 insurgents and 10,000 Big Swords probably represents the total armed strength of his forces. It is understood that they have little ammunition and that their main source of supply of both arms and ammunition has been the Manchoukuo troops. It is extremely improbable that they have received such supplies from Marshal Chang Hsueh-liang as Japanese Headquarters recently alleged—possibly they have been provided with some funds. T'ang maintained a small arsenal and a military school near T'unghua and controlled the district governments in many of these districts.

The Japanese plan by this well-organized and extensive campaign to eradicate banditry in this region and establish therein the authority of Manchoukuo. Semi-permanent Japanese headquarters are to be established at T'unghua and small garrisons of Japanese soldiers are to be located for the time being at all important points. The occupation which is obviously the first stage in the campaign has, according to the reports, been in a large measure already accomplished. The suppression of banditry is likely to be a long drawn out affair and a harsh process, during which it is possible that more non-combatants will perish than actual combatants.

There is no doubt that banditry has become a very serious menace to the Japanese as a host of incidents bear witness. The suspension of traffic on the Mukden-Hailung Railway for over a month and the daring and fairly successful raids on Mukden and Fushun and the attacks on Penhsihu and other points on the Mukden-Antung Railway

<sup>97</sup> None printed.

are attributed to the insurgents, Big Swords, or bandits of that region. According to the spokesman of Japanese Headquarters they have been committing atrocities of all kinds against Koreans, of whom there are about 170,000 in these districts. That many Koreans have been oppressed there can be no doubt but that the major portion of the Korean population has been able to pursue their vocations also seems true.

There is enclosed herewith a copy of a printed leaflet<sup>98</sup> addressed to the foreign residents in the Tung Pien districts, copies of which were dropped from Japanese airplanes while flying over the cities in which foreigners reside. A list of the American residents of this area who are located at Hsinpin, T'unghua and Erhpatan near Shanchengtzu was supplied to Army Headquarters through the Japanese Consulate General a number of days before the drive commenced.

In this connection it may be of interest to make brief reference to conditions in this area during the Russian military occupation of Manchuria following the Boxer uprising in 1900. According to the statement of a reliable Russian who took part in that occupation similar conditions prevailed in the eastern districts at that time but on a smaller scale. The Russians were obliged to send an expeditionary force into that region which, my informant claims, treated the insurgents leniently. The better type was recruited as soldiers or organized into local defense corps while the others were disarmed and given a few dollars each. The Russians, it was stated, interfered very little in the actual administration of government which was left entirely in Chinese hands, Russian advisers only being attached to the more important offices for the purpose of keeping in touch with Government activities and safeguarding military interests. Such a state of affairs is in marked contrast to that existing in Manchuria today.

Respectfully yours,

M. S. MYERS

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793.94 Commission/498

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

No. 379 Political

GENEVA, October 20, 1932.

[Received November 3.]

SIR: I have the honor to state that on a recent social occasion in a private conversation with me Dr. Yen, head of the Chinese Delegation in Geneva, outlined the policy which the Delegation was thinking of following in relation to the consideration of the Lytton Report by the Council and by the Extraordinary Assembly of the League in the

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<sup>98</sup> Not reprinted.

meetings scheduled to begin in November. While the Chinese policy in this respect has apparently not yet crystallized, what Dr. Yen had to say to me may, I believe, be regarded as the basis of a plan which is tentatively being evolved.

It will be recalled (Consulate's telegram No. 267, September 24, 4 p.m., paragraph 5) that the convening of the Council to consider the Lytton Report is set for November 14. In this connection I may add that there exists a possibility that this meeting will not take place until November 21 inasmuch as the Council's decision of September 24 provided for a maximum further delay of one week, "if by any chance it should be more convenient to the Council to discuss the Japanese Government's observations". This leeway was allowed, I understand, on account of a Japanese contention that the document containing the Japanese observations might not arrive in time for a meeting on the 14th.

As I reported in my despatch No. 341 Political dated September 13, 1932,<sup>99</sup> Sir Eric Drummond envisaged the Council, in entering upon its consideration of the Lytton Report, as taking note of statements which will be presented at that time by the Chinese and Japanese representatives and then transmitting the Report together with these statements to the Committee of Nineteen, which would in turn submit a pertinent report to the Extraordinary Assembly. With respect to these procedures Dr. Yen felt uncertain whether they would necessarily be followed as described. He saw a possibility that the representatives of other powers on the Council might also bring forward statements or present the respective positions of their governments in the Council meeting. In other words, a discussion might be precipitated in the Council which would carry the proceedings beyond the mere presentation of the Report and the submission of statements by the two interested governments. Just what might develop along these lines Dr. Yen was, however, at a loss to forecast. His position in this is that in view of the status of the dispute under Article 15 of the Covenant, the Council is not competent to enter into a "debate" over this matter, a right which is reserved for the Assembly. He holds that the duty of the Council is to pass the question on as quickly as possible to the Assembly. I may add that aside from the juridical aspect of this question, the obvious Chinese strategy would be to have the consideration of the entire question rest as largely as possible with the Assembly in view of the more favorable attitude of the smaller powers to the Chinese position which I have discussed in previous despatches.

Incidentally Dr. Yen informed me that Dr. Wellington Koo would

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<sup>99</sup> Not printed.



represent China in the Council while he himself would be the Chinese representative in the Assembly.

Respecting the Lytton Report itself, Dr. Yen stated that he regarded the "findings" set forth in the first eight chapters as an excellent presentation of the facts in the case. While there might be some points on which a further illumination might be thrown, he did not at present expect to bring forward any material embodied in the first eight chapters as matters of controversy. He did feel, however, that the deductions drawn in the two final chapters when regarded not abstractly, but in the light of important international instruments bearing on this problem, were open to question. In other words, in the light of such instruments the conclusions of the last two chapters did not flow from the premises of the first eight.

With respect to the foregoing he first referred to what he described as two cardinal principles implied in the League Covenant: the invalidity of rights acquired by aggression; and the position taken against negotiations conducted under pressure. With respect to this latter his reference is evidently to the suggested direct negotiations between China and Japan. In the second place, Dr. Yen referred to the principles embodied in the Pact of Paris and the Nine-Power Treaty.

As to how he might bring forward these contentions in the Assembly, Dr. Yen stated that he would not present them as "reservations" to an acceptance of the Report but rather as subjects for discussion.

I venture to point out here that the Lytton Report is, of course, not technically a report of the Assembly but rather a part, undoubtedly the most important part, of the material upon which a final report may be based. It thus appears evident that if the Chinese follow the policy which they now appear to have in mind they will accept the premises of the first part of the Report and then endeavor to obtain a modification of the conclusions and recommendations of the Report which they consider as not in harmony with their interpretation of the international instruments which I have cited, such modifications to be reflected in the "Assembly Report".

Presenting the Chinese position vis-à-vis the Lytton Report in another way, Dr. Yen explained that he regarded the ends sought by the recommendations as entirely good, but that his efforts in the Assembly would be directed toward obtaining a change in the procedures which had been set forth to attain these ends, i. e., to bring what may be described as the relationship between Chapters IX and X of the Report and the preceding Chapters and the relationship between Chapter IX and Chapter X themselves, into harmony with certain principles stated or implied in the League Covenant, the Pact of Paris, and the Nine-Power Treaty.

As perhaps an example of the foregoing Dr. Yen asserted with respect to the proposal for an autonomous Manchuria that the Chinese had no objection whatsoever to Manchurian autonomy but that such a regime must be granted unilaterally by China and not set up by an international agreement.

I desire to add at this point that what Dr. Yen had to say may probably be regarded as not particularly conclusive. The policy of the Chinese Delegation is still obviously in a formative state respecting the points discussed. I have given the substance of the thoughts he expressed quite uncritically. I think, however, that it may be of interest to the Department to know in a general way how, so to speak, the minds of the Chinese Delegation here are working at present.

Dr. Yen also expressed concern over the possible position of the United States vis-à-vis the developments which might take place in the forthcoming League meetings, in particular the attitude of the United States toward the Chinese position. He declared, as was to be expected, that it would be of great assistance to him to be informed of American policy in these respects. He stated that China was most anxious not to take a position or to present any statements contrary to American policy or inconsistent with pertinent declarations of American policy which had already been enunciated. He explained that China felt very strongly about this, especially as she had agreed to the American note of January 7 addressed to the two governments. He felt that Washington could best interpret its own pronouncements in respect to a possible inconsistent position taken by China.

In stating that it would be helpful to the Chinese Government could it know how Washington felt regarding the Lytton Report—whether or not it “approved” of it—he said that the Commissioners had perhaps naturally taken what might be described as a realistic view of the situation in distinction to one based upon principles accepted by the powers in existing undertakings. The final view must, of course, be that of the governments.

As to Japan's position in this matter, Dr. Yen volunteered the opinion that Japan would eventually accept the Lytton Report. Indeed, he expected that after demonstrations of protest that Japan would accept the Report during the forthcoming meetings. He felt that Japan's evident self-interest lay in so doing. He illustrated his point by saying that previous to September 1931 Japan controlled what might be described as 25% of Manchuria and China 75%. At present Japan's control may be regarded as 100%; this, however, she cannot hold and her proportionate control may be expected steadily to decrease. He saw the settlement envisaged in the Lytton Report as giving Japan an assured 50% control in Manchuria. To be sure, this would be according an aggressor the fruits of aggression; but looking

at it realistically it is quite inescapable that Japan will enjoy certain of those fruits. Under the terms of the Lytton settlement, Japan cannot, of course, annex Manchuria and to envisage foregoing her ambitions for a continental empire will doubtless give her temporary pause; but he held that Japan would eventually find in the Lytton settlement a relatively easy way to acquire great advantages.

Respectfully yours,

PRENTISS B. GILBERT

793.94/5606

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

No. 170

TOKYO, October 21, 1932.

[Received November 5.]

SIR: The Embassy has vaguely suspected for some weeks past that the Japanese Army or Government has something new on the tapis concerning North China, Mongolia and possibly Manchuria, but in the absence of any definite facts or even of logical surmises it has hesitated to convey its suspicions to the Department.

The reasons for the suspicions are themselves extremely nebulous, but for the Department's information are listed as follows:

1. The Japanese Army is finding the pacification of Manchuria a much more difficult and expensive task than was expected. The Embassy has learned from observers that very little of Manchuria is now under the effective control of the Japanese or "Manchukuo" officials, the Chinese volunteers and rebels having acquired control of practically all of the country except the railway zones and towns on or near the railways. The Japanese are unable even to guard the railways adequately, and the only line able to operate regularly is the original South Manchuria Railway, from Changchun to Dairen and Antung. Parts of the Chinese Eastern Railway and the Mukden-Kirin Railway are not operating at all, while trains run on other lines only in the daytime. A Japanese Army officer stated that, in order to control the rebels effectively, the Army would have to double its forces in Manchuria, at very heavy expense. Under these circumstances the Japanese would doubtless welcome some realignment of influences which would check the anti-Japanese movement in Manchuria and render unnecessary any large-scale military operations.

2. The Japanese at one time were undoubtedly preparing for a drive into Jehol and possibly into Hopei, having concentrated troops at Chinchow and having found the excuse in the person of the captured Ishimoto. The Army officials in Tokyo announced publicly that Marshal Chang Hsueh-liang was going to travel abroad very soon. But without giving any reasons the whole scheme was aban-

done, for the present at least. No further move is being made against Jehol, Ishimoto has been forgotten, and Marshal Chang remains in Peiping. It seems probable that the Japanese have decided to accomplish their purposes in North China by some means other than military operations.

3. Mr. Bao Kuen-chen,<sup>1</sup> the diplomatic representative of "Manchukuo" in Tokyo, recently remarked to a foreign newspaper representative that "he would not be surprised to see Pu Yi become Emperor of North China, including Manchuria". The Chinese in Changchun, according to another correspondent, are openly discussing the amalgamation of "Manchukuo" with North China.

4. The Japanese Foreign Office is reported to have instructed Mr. Yosuke Matsuoka, one of the delegates to the meeting of the League Assembly which is to discuss the Lytton Report, to suggest to the Assembly that the League take no action at present but instead to observe developments in Manchuria for a year or two. As it seems improbable, from present indications, that there will be any considerable improvement in conditions in Manchuria in that time, it is possible that the Japanese are trying to gain time in order to engineer some realignment of influences in North China, Mongolia and Manchuria.

The Embassy has been unable until recently to obtain any definite facts upon which to base a surmise as to the probable outcome of the above factors. The Military Attaché of the Embassy, however, recently obtained some information, from a source believed to be well informed, which may throw some light on the question. The Military Attaché's memorandum of the statements made by his source of information is as follows:

"With reference to the movements of Mr. Ariyoshi (the Japanese Minister to China), there are two plans on foot. The Japanese Army, working through reserve officers, wants to bring about an independent North China and to send Marshal Chang Hsueh-liang travelling abroad. A more conservative element in Japan desires to support Chiang Kai-shek so that he can put down the communists and unite China, including North China, while Marshal Chang Hsueh-liang travels abroad. Mr. Ariyoshi went to Nanking to look into the possibilities of the second plan and is now in Peiping investigating the possibilities of the first plan. Upon his return to Tokyo the Japanese Government may decide on its line of action. Of course, they may postpone action until they know definitely what the League will do."

Respectfully yours,

JOSEPH C. GREW

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<sup>1</sup> Also known as Pao Kuan-chen.

793.94/5603a : Telegram

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

WASHINGTON, October 27, 1932—4 p.m.

173. On October 26 I made an address at Pittsburgh before the Council of the Methodist Episcopal Church for the Pittsburgh area on the subject "The Work of the United States Government in the Promotion of Peace during the Past Three Years". In the address I mentioned five lines along which the present administration has been working and referred to what the administration has accomplished in each line. The fifth line to which I referred related to the great multilateral treaties which have been adopted since the World War in the hope of minimizing and preventing all war in the future. In this part of my address I mentioned the Kellogg-Briand Pact, including a very brief reference to the situation in the Far East. Less than one page of the eight typewritten pages of the address contained any reference to that situation which was referred to as follows:

"These views (in regard to the Kellogg-Briand Pact) have been expressed by our Government in step after step relating to the recent troubles in the Far East; and the policy of this Government, announced in its note of January 7th last, not to recognize the fruits of aggression obtained by a violation of the Treaty, has been formally approved in a resolution of the Assembly of the League of Nations as the proper policy for all the nations which are members of that League. It has also more recently been adopted by all of the 19 neutral nations of this hemisphere in respect to the quarrel between Bolivia and Paraguay<sup>2</sup> as the proper policy for the nations of these continents. And, so far as formal and general adoption can thus make it, it has become a recognized principle of international law and practice.

The attitude which your Government has taken towards the Kellogg Pact in these proceedings has had at least two other results. In the first place, it has tended to strengthen the sanctity of treaties. If, when the trouble broke out in Manchuria, we had turned away our heads, irreparable damage would have been done not only to the standing of the Kellogg Pact but also to every other one of the great peace treaties of the world. But when the United States showed that the sanctity of the Kellogg Treaty was of keen interest and importance to us, and when our view was followed by the rest of the world, a new breath of vigor and of life was infused into the vitality of all such treaties and their obligations.

In the second place, the action which has taken place among the nations of the world in respect to the troubles in Manchuria has marked a new milestone in the development of actual international cooperation when war threatens the world. In the new international

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<sup>2</sup> For correspondence on this subject, see vol. v, pp. 8 ff.

world created by these treaties, the basic idea is that war anywhere is of concern everywhere. The necessary resulting process of this has been shown by the events of the past year to be a consultation between the nations of the world and a call to public opinion to exert itself. The nations of the world have consulted together as to the threat to peace even in far-off Manchuria. They have consulted as to the means to avoid the breach or to moderate and appease it. As a part of this effort to ascertain the true facts involved in the fog of mutual recrimination and intelligently to inform public opinion, a neutral investigating commission has, with the consent of both the disputant nations, been sent to the seat of the quarrel and is about to present the result of its findings in [to] the nations members of the League of Nations assembled in Geneva”.

A copy of the full text of the address is being sent you by mail.

STIMSON

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761.9411/18 : Telegram

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

TOKYO, October 28, 1932—10 a.m.

[Received October 27—11:30 p.m.]

262. The Embassy has learned on good authority that the Japanese are now considering the conclusion of the nonaggression pact which the Soviets offered last December and which the Japanese, led by the military, then refused to consider. This change in mind is apparently due to altered financial and political circumstances in Japan and to the Japanese desire for Soviet recognition of Manchukuo, but the Soviet Embassy states confidentially that it will not consider the matter of recognition of Manchukuo in connection with the nonaggression pact, holding the two to be entirely separate questions. Moreover, the Soviets do not intend to give *quid pro quo*, such as concessions in Siberia, for the conclusion of the pact. The Soviet Embassy expects the pact to be signed before the end of the year.

Repeated to Peiping by mail.

GREW

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793.94 Commission/474 : Telegram

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

LONDON, October 28, 1932—10 a.m.

[Received October 28—7:55 a.m.]

312. From Davis. With further reference to your 269, October 14, 6 p.m., I think it is logical for the British to take the lead in co-

operation with France and Italy at least insofar as any action by the League is concerned in determining a constructive course of action in dealing with the Far Eastern situation and the Lytton report. However, I feel that there may be some danger in leaving it too much to their initiative. While the British, or at least MacDonald, Simon and also Vansittart, seem more disposed than ever to stand with us I am not as yet quite so sure of Baldwin. I am fairly well convinced that Baldwin, who considers Anglo-American cooperation of primary importance, and realizes now that the objective of the two countries in respect of the Far Eastern question is not widely divergent, would be inclined to support any policy that we can agree upon beforehand but I do not feel that he is sufficiently interested actually to formulate a definite policy and take the lead. It is, of course, a difficult and delicate question. I feel morally certain that we should avoid taking a lead which would place the onus upon us and that we should not be advising 54 other nations what to do but if we expect England and France to advocate or support a constructive course of action I really believe we must talk it over with them frankly and confidentially so that they will know that the procedure which they are supporting is approved by us. I fear the British are just a little too lukewarm to take a vigorous lead and induce the French to go along with them but feel that without our appearing in the matter we could, by conferring with British and French, help them to decide upon a wise course.

MELLON

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793.94 Commission/475 : Telegram

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

LONDON, October 28, 1932—11 a.m.

[Received October 28—8:30 a.m.]

313. From Davis. Simon informed me that he was asking Lord Lytton to come in for a talk yesterday afternoon and would like me to be present. I went accompanied by Atherton. A memorandum of the entire conversation is being sent to you.<sup>3</sup> In the meantime for your information Lytton was asked what action he thought should be taken on the report by the powers concerned and what the Japanese are likely to do. He said he felt the powers must accept the report particularly as to the finding of fact and the principles laid down upon which any future settlement must be based, but that there might be some deviation as to the methods suggested in which respect it

<sup>3</sup> See despatch No. 469, November 3, 1932, p. 326.

might be possible for the Japanese to find a face-saving device. He felt confident that the Japanese would not resign from the League and thought it would be a mistake to expel her from the League, and that if the discussions could be carried on in Geneva over a period of 2 months without pressing it to a crisis it would give time for wiser counsels to prevail in Japan. He felt, however, that if England, the United States and France, and perhaps Italy, would tell Japan in a friendly but firm way and perhaps informally that they felt in duty bound to uphold treaties to which they were parties and to support the recommendations of the Lytton Commission and that they be as patient as possible to give Japan time to adjust herself to it, he was satisfied that Japan would give in and there would be no trouble. In the course of the conversation Simon and Sir John Pratt, who was present, both said there was nothing for the powers to do but accept the Lytton report.

MELLON

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793.94 Commission/517

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

No. 392 Political

GENEVA, October 29, 1932.

[Received November 9.]

SIR: I have the honor to submit what I feel may be regarded as a general analysis of certain official opinion in Geneva, insofar as I have been able to observe it, respecting the broader aspects of the Sino-Japanese situation as it appears at this time, with reference also to possible developments when a consideration of the dispute is resumed by League bodies in November.

The opinions which I am citing may be said to be more or less in the atmosphere of various circles in Geneva and are also in a number of instances the substance of views voiced by officials whose position or competence normally lend some weight to their expressions.

1. I gather the impression that in the light of certain new elements which have been introduced into the Sino-Japanese question since the consideration of this matter by the League last February, chiefly a conception here of the direction American policy is tending, a number of Foreign Ministers and other high officials of European governments are arriving at a conclusion that the affair has developed from one mainly between China and Japan in which they did not feel a vital interest to one in a definite degree between the United States and Japan in which they consider their interests to be most vital.

Based on the foregoing, the problem in a way takes on the aspect



in the minds of these officials of a question between the European states (explicit in concerted action within the League) and the United States. The whole matter is moreover regarded as having reached a place on the plane of what is described as higher politics. I have heard in this connection expressions of opinion to the effect that this general situation might easily enter the realm of "bargaining" between the United States and Europe in which certain elements of the disarmament problem would be drawn into the picture. On the other hand, I have never heard such questions as international debts or financial or economic problems introduced into such discussions.

2. The recent visit of General MacArthur to certain Eastern European states has not passed without comment here, and I learn that deductions regarding the possible purposes underlying his visit are frequently ventured in political centers in Eastern European capitals. The opinion has been advanced that General MacArthur's visit to Warsaw in particular was with a view to learning if possible what attitude Poland might adopt in the event of a war between the U.S.S.R. and Japan.

It does not appear to be felt in any way that the United States is preparing for war with Japan but rather that the United States is "surveying the situation" with an eye to possible eventualities.

I believe I may add that an entertaining of views of this character is symptomatic of a type of continental psychology during any period of tenseness in the European situation, a psychology which I have observed frequently leads to a misinterpretation of the policy of the United States.

3. What is regarded as a shift of attitude on the part of France toward the Sino-Japanese situation is widely commented on here as are the possible results which may flow from what is seen as a new French policy. This new French policy is roughly described as "a support of the American position", and not much weight is given to the pro-Japanese tone of the Paris press.

This change in French attitude is attributed to two factors. First, it is regarded as in line with Herriot's general policy respecting what is termed "world organization and cooperation" in political affairs; and, second, it is held to be in response to a more impelling reason—a move on the part of France to align herself more closely with the United States, not solely because of the German situation but also as a development of a broader concept of the essential orientation of French political and economic interests.

4. As a corollary of the foregoing, while Great Britain is not viewed as precisely isolated, she is nevertheless seen somewhat alone vis-à-vis the Sino-Japanese question.

Looking at the British situation from an internal point of view,

MacDonald is seen as favoring a closer *rapprochement* with the United States in this matter, while the Tories are considered for the large part as frankly pro-Japanese. Sir John Simon is portrayed as torn between two conflicting policies—his desire not to give offence to Japan which would endanger British interests in the Far East and which also might impel Japan to leave the League, and a desire equally strong not to antagonize the United States. It is believed here that Sir John will endeavor to steer a tortuous course between the two alternatives presented by this dilemma, hoping for a turn of affairs which will not necessitate his taking a definite position. Thus British policy is estimated as hard to forecast and likely to shift from time to time. It is strongly believed, however, that fundamental British policy, in a choice between the United States and Japan, is inescapably oriented toward the United States. The only question is when and how soon it will become explicit in unequivocal expression.

5. The present German situation is also viewed as naturally having a bearing on this matter. When the Sino-Japanese question was before the League in February the German problem in its present form had not arisen, and, while Germany did not play a particularly positive role, her policy was in general in line with the other great powers. It is felt that at present no one can foresee what turn the German situation may take during the winter—whether Germany will follow an independent policy or lend its support to the League.

It is generally understood that the German position is being closely watched by Japan.

6. In general with regard to Japanese policy in November it is held that, unless the unexpected happens and Japan immediately presents what would be in effect an ultimatum to the League, she will do all she can to protract the proceedings, meanwhile consolidating her position in Manchuria and at the same time retaining her seat on the Council.

Although perhaps the atmosphere of Geneva tends to an exaggeration of this view, Japan's seat on the Council and the position which it gives her in world affairs is seen as regarded by Japan as a substitute for the Anglo-Japanese alliance. It is believed that while Japan may threaten to withdraw from the League that threat will be aimed at the British Government with a view to retaining British support. It is held, however, that such threats, if they occur, will be in a large measure bluff and that in their hearts the Japanese are fearful of being expelled from the League.

7. It appears exceedingly difficult to forecast what the trend of events may be in November, as they appear to be so largely governed

by the strategy of Japan. It is felt that developments must await a disclosure of Japan's policy of which little appears now to be known.

Thus far the initiative is viewed as lying with Japan. I have been given to understand that the hope of Beneš and other League leaders is that the League and the United States may wrest this initiative from Japan by launching an initiative of their own based on League fundamental policy and the "new" American position. It is felt that a successful prosecution of the matter from the League and American viewpoint can only be achieved along such lines.

8. Looking at the Lytton Report in its broader political aspects, it is felt that during the last few weeks its role has definitely changed. In view of what is felt to be the American position vis-à-vis Japan, which is also seen as having French backing, the Lytton Report has taken on a different significance. It is still regarded as an important, indeed an absolutely essential, body of evidence. On the other hand, the conclusions and recommendations are viewed as out of date. It is held that they were written as not envisaging strong action on the part of the Great Powers. Such action, which perhaps might better be described as the maintenance of a definite position, now seems insured by what is regarded as a stronger policy adopted by the United States.

9. As may have been noted from the record of League procedures which I have transmitted to the Department, Yen and formerly Sze in representing China have frequently appeared *intransigent* in respect to what might be regarded as unimportant factors in the discussions. From the viewpoint of spectators this action on the part of the Chinese representatives was irritating and the opinion was frequently expressed that the Chinese cause was more injured than advanced by such a policy. The opposition of Yen to the Japanese request for six weeks to study the Lytton Report is cited as a case in point. From those who should be acquainted with the situation in China it appears, however, that the Chinese representatives at Geneva are forced to take certain positions (in addition to those taken on grounds to safeguard their future juridical status) in order to save themselves at home. Public opinion in China follows developments in Geneva very closely and thus China's representatives are compelled to adopt, in public at least, an uncompromising attitude. The attacks on Sze by Chinese students observed during the Paris sessions of the Council are regarded as illustrative of the pressure of Chinese opinion in these respects.

10. I feel it incumbent on me to report that in connection with our relations with the League in this matter the circumstance of Sir John Simon's expressing American policy at the Council table

has been widely discussed. It is freely expressed that a presentation of American policy in that manner loses much of the force it would have were it made in the form of a direct communication. It is furthermore felt that a possibility of misunderstanding may lie in that it affords the representative of another power by his mode of expression or by his manner to intimate that there is a relationship between the policy of his Government and that of the United States, or an understanding between the two capitals concerned, to a degree greater than the facts warrant.

11. Not a few officials here voice the theory that a way might be devised to render support to the Chinese Government without antagonizing Japan or at least without taking a technical position against Japan. It is felt that this might be accomplished through the adoption of a policy against communism in China which would be lending at least moral support to the Chinese National Government and would have thus an indirect bearing on the Manchurian situation. On the other hand, the possible reaction of the U.S.S.R. to such a move might still further complicate the situation.

Another motive for supporting the Chinese National Government is seen in the economic field. The National Government being the only tangible instrument for bringing about a greater degree of order in China, a strengthening of that Government would serve the interests of world trade and international well-being.

12. Officials of the League who are notably interested in the maintenance of the League's position frequently point out the advantages which may be derived by having careful regard to certain juridical factors in the League Covenant or in League instruments with a view to their employment to serve practical ends. These officials still on occasion refer to a possible analogy between the recent change in the status of Iraq and also changes in the Syrian-Iraq frontier, and developments which might take place respecting Japan's mandates. As I pointed out at some length in my despatch No. 336 Political dated September 3, 1932,<sup>4</sup> it is felt to be important that League precedents, and by the same token precedents set by the United States, in regard to any mandated area should be considered in connection with a position which it might be desired at some future date to adopt respecting Japan's mandated areas.

13. League officials holding the views described above are also given to discuss the relationship between the Sino-Japanese situation and the Bolivia-Paraguay dispute. They point out a likeness between the two problems and, looking at the question almost solely from the League's viewpoint, they feel that it would greatly support the

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<sup>4</sup> Not printed.

League's position vis-à-vis Japan could the Bolivia-Paraguay affair also come before League bodies. In this connection a position which Japan took in Geneva in October of last year is frequently recalled, this position being roughly to the effect that Japan would feel less objection to the participation of the United States in League proceedings in the Sino-Japanese matter could she be assured that this would not be an exceptional case and thus in a way aimed particularly against her, but that the United States would take a like position in any world occurrence of a similar nature.

I desire the Department to understand that I do not regard the opinions which I have outlined as in any way conclusive; nor can I estimate how widely they are held by officials responsible for the policy of their respective governments, although in some instances they undoubtedly reflect the latter. Furthermore, I am inclined to believe that such opinions are chiefly voiced at least by representatives of the smaller powers and that they assume a certain exaggeration due to the atmosphere peculiar to Geneva and thus do not necessarily correspond to realistic politics. I feel also that through all this may be seen a conscious, or undoubtedly sometimes unconscious, attempt to define the position of the United States in a manner which also does not necessarily correspond to reality. I consider, however, these expressions to be of interest as indicative of certain trends of thought.

Respectfully yours,

PRENTISS B. GILBERT

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793.94 Commission/518

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

No. 395 Political

GENEVA, October 31, 1932.

[Received November 9.]

SIR: I have the honor to state that in the course of a conversation with Sir Eric Drummond he again discussed the probable course of events during the consideration of the Sino-Japanese dispute by League bodies in November. What he had to say, however, would indicate that no important change is probable in the program outlined in my despatch No. 341 Political dated September 13, 1932,<sup>6</sup> with the exception of those reported in my previous telegrams and more recently in my telegram No. 309 of October 28, 1932, 4 p.m.,<sup>6</sup> which was to the effect that the convening of the Council to consider the Lytton Report will probably be deferred until November 21.<sup>7</sup>

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<sup>6</sup> Not printed.

<sup>7</sup> In telegram No. 312, November 3, 9 a.m., the Consul reported: "Council definitely convened for November 21." (793.94 Commission/495)

The reason for this change was forecast in my despatch No. 379 Political dated October 20, 1932.

Sir Eric, however, during our conversation took occasion to express his opinion on two aspects of the Sino-Japanese question to which I desire to draw the Department's attention. The substance of what Sir Eric had to say was as follows.

1. He first brought up the subject of the Nine-Power Treaty and the possibility of convening the parties thereto for a consideration of the Sino-Japanese situation. He said that he was of the opinion that the Nine-Power Treaty had much to recommend it as an instrument governing such a consideration, as it had been, of course, specially formulated with a view to conditions peculiar to the Far East. He also felt that the powers party to the Treaty (although a few of the smaller states had adhered) were from their world position and their Far Eastern interests better fitted to take up this matter than League bodies, including the Committee of Nineteen, which comprised in their membership so many states whose knowledge of China and Japan was relatively limited, who had no interests in the Pacific, and whose approach to the problem was inclined to be based more on theoretical than on practical considerations. He said that he had discussed these aspects of a possible application of the Nine-Power Treaty with the Secretary when he was in Geneva earlier in the year.

Sir Eric stated that he had been turning this matter over in his mind for some time, that he had some ideas as to possible steps to advance such a policy should it be decided on, but that he had as yet evolved no definite plan. He believed that to undertake such a change from the present manner of handling the situation would probably involve considerable delay in the final consideration of the Sino-Japanese affair; but he was not at all sure but that such delay would be advantageous. He envisaged the increasing difficulty Japan was finding in providing financial support for her Manchurian adventure. This he thought would in time bring about a necessary modification of Japan's aggressive policy. He pictured the Japanese army as "not particularly enjoying itself" in Manchuria with a consequent loss of enthusiasm in Tokio military circles. With respect to the theory that a delay would give Japan still further opportunity to consolidate her position in Manchuria—a contention frequently brought forward—he said that he felt that the Japanese had consolidated themselves already insofar as was possible in that area and that in the light of what Japan had already done he did not see any particular disadvantage in a further delay.

I ventured to recall to Sir Eric that at the time the applicability of the Pact of Paris was discussed by the Council in October 1931,

the question had been informally raised as to the inclusion in those discussions of the applicability of the Nine-Power Treaty and that at that time Germany (the only Great Power on the Council not a party to the Treaty) had objected to a consideration by the Council of a Treaty to which she was not a party. Sir Eric said that my recollection was correct; but that during his visit to Berlin (from which he has just returned) he took occasion to sound out the German Foreign Office in the matter of the Nine-Power Treaty and that the responsible Foreign Office officials appeared most favorable to its being invoked and were also inclined to view with favor a meeting of the powers thereto for the purpose discussed. Sir Eric further informed me that the German officials disclosed to him that they had been giving consideration to Germany's adherence to the Nine-Power Treaty but that such action had been withheld as it had not appeared desirable to make such a move which would have presented the aspect of prejudging the case in advance of the formal consideration of the Lytton Report, and thus be construed as being directed specifically against Japan.

Sir Eric said that it would naturally be very helpful to him could he be informed of Washington's opinion or policy in respect to this matter. Returning to the question of delay (whether concerned or not concerned with bringing forward the Nine-Power Treaty) Sir Eric said that he was wondering whether Washington's opinion was the same as his to the effect that a delay in endeavoring to achieve a "final settlement" would not be disadvantageous. He did not see, however, how the Nine-Power Treaty could be implemented in a satisfactory manner without a delay of at least some months. Sir Eric then added that he would, of course, not favor a complete transfer of the question from the League to its consideration under the Treaty, as it would be quite impossible to work out anything satisfactory which would have the aspect of leaving the League to one side or present the picture of a failure of League efforts. It was precisely how the League might fit in to such a program which was the point upon which his thoughts were not yet crystallized.

2. Sir Eric then spoke of the advantages seen in strengthening the position of the Chinese National Government, a question which is also discussed in my despatch No. 392 Political dated October 29, 1932. He stated that a strengthening of the central government of China was in his view one of the most important factors in a settlement of the question. He felt, however, that to introduce the idea that a support of the present Chinese Government would also be a move against communism, would be highly impolitic, although it could, of course, be kept in mind that such an end would indirectly

be served. He said that he supposed that support of the Chinese Government meant a financial support; and he was inclined to believe that with adequate funds at its disposal the Chinese National Government could accomplish a great deal toward strengthening its position in China and the restoration of order. He wondered, however, whether this could be accomplished without additional funds at the disposal of that Government. He said that it seemed evident that commercial advantages from a more orderly China would accrue to a number of states, although he had no definite ideas as to how these commercial interests might be brought into the problem of providing funds.

Incidentally Sir Eric also intimated that he had somewhat changed his opinion concerning Japan's possible separation from the League which I reported in my despatch No. 341 Political of September 13, 1932. While no one could predict what might develop, he felt that Japan's attitude in this respect was undergoing a change. He added that the idea of Japan's being "expelled" from the League, although most certainly entertained in some League circles, was not receiving very serious consideration. In general he felt that Japan would be careful not to place herself in a position as a consequence of which she would be forced to withdraw.

In what he had to say Sir Eric is, I think doubtlessly somewhat preoccupied with relieving the League of certain embarrassments under which it is obviously suffering. At the same time, this does not, of course, necessarily mean that he is not entirely sincere in feeling that his suggestions are the best means of bringing the problem to a satisfactory conclusion. The Department may also wish to give consideration to what extent Sir Eric may be reflecting the British attitude.

Respectfully yours,

PRENTISS B. GILBERT

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894.00/444½

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

WASHINGTON, November 3, 1932.

MY DEAR MR. GREW: I have read your personal letter of October eighth with my usual interest.

You have correctly diagnosed my policy in respect to the present situation. We have strictly refrained from any comment on the Lytton Report or on the recognition of Manchukuo, and I am a little amused to see that it is apparently disappointing the Japanese to have their shot fall on the air. The one thing that I am a little inclined to disagree with is the suggestion of the Japanese pacifists in respect to the



American fleet. It is, of course, a matter of purely American domestic policy where that fleet is kept, and the Pacific just now is the most appropriate place for it to be. The American people would greatly resent any suggestion as to where they should keep their own fleet, but quite apart from that however much, as a matter of saving face, the Japanese may wish to have the fleet sent to the Atlantic, I think on the whole it has a very wholesome effect upon the sentiments of both the Japanese military and the Japanese people to realize that it is in the Pacific, and a bigger fleet than theirs. I shall be glad, however, to be kept informed of all things that come to you having any bearing on that question, as well as all other questions.

Very sincerely yours,

HENRY L. STIMSON

793.94 Commission/521

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

No. 469

LONDON, November 3, 1932.

[Received November 11.]

SIR: I have the honor to forward herewith, as of interest to the Department, copies of two memoranda prepared after a discussion with Lord Lytton in the office of Sir John Simon in the House of Commons on October 26, 1932, Mr. Norman Davis and Mr. Ray Atherton likewise being present.

Respectfully yours,

(For the Ambassador)

RAY ATHERTON

*Counselor of Embassy*

[Enclosure 1]

*Memorandum by the British Foreign Office*

MINUTES OF A MEETING IN THE SECRETARY OF STATE'S ROOM AT THE HOUSE OF COMMONS ON WEDNESDAY OCTOBER 26, 3.45 P.M. TO 5.15 P.M.

Present:—The Secretary of State, Captain Eden, Mr. Orde and Sir John Pratt. Mr. Norman Davis, Mr. Atherton, Lord Lytton.

THE SECRETARY OF STATE explained that a certain reticence was imposed on us by reason of our position as a member of the League of Nations. Our object was to try and get the course of action which we approved adopted by the League as a whole. The right course appeared to be that the League should accept the Report especially as regards its findings of facts. The Report contained proposals as to certain things which China and Japan should do but not as to what the League should do.

LORD LYTTON said that he would like to clear up a misconception. Many people criticised the Report on the ground that it threw the whole dispute back to the parties. That was not so. The Report implied that the League should define the conditions under which the negotiations should take place. The League should either accept the 10 principles enunciated on page 130 of the Report or lay down such other principles as might be applicable and then say to the Parties "are you prepared to negotiate within the framework of these principles?"

MR. NORMAN DAVIS said that the Report might be divided into three parts, namely, findings of facts, statements of principles and suggestions of the procedure to be followed in applying these principles. There might be some leeway as regards procedure but the League would have no option but to accept the facts and principles.

There was some discussion on the ten principles laid down in the Report and it was pointed out that Japan was unlikely to accept Principle No. 7 while China might object to Principle No. 4. There was also some discussion as to the procedure that would be followed at Geneva, namely whether the Council would deal with the matter themselves or pass it straight on to the Committee of Nineteen. It was decided to write and consult Sir E. Drummond on this point. It was generally agreed that the Council was the better body to handle the matter.

LORD LYTTON said that with regard to the best method of getting the Report accepted some thought that the right course was to make it easy for Japan while others said that Japan would never yield except to pressure. His own view was that the right course was to make it easy—go as far as it was possible to go in the way of conciliation and only consider what form of pressure was possible if conciliation failed.

THE SECRETARY OF STATE said that a strong argument in favour of the "make it easy" policy was that time was on the side of rectification. The burden on Japan's finances and the weight of the solid block of Chinese sentiment still unreconciled would cause a change of mood in Japan.

LORD LYTTON said it depended on the conditions under which time was to work. If all the States said to Japan "we never can recognise what you have done in Manchuria" then he agreed that time could be left to do its work. The Chinese would be encouraged and would work up their boycott. Japan could not stand the double burden of the financial pressure of military occupation and the loss of trade. But he did not agree that time could work if the world were left in any doubt as to the rights and wrongs of the present régime.

MR. NORMAN DAVIS thought that it would be best to find a way to let Japan cool down and feel the pressure of the public opinion of the

world and of her position of diplomatic isolation. But it would be difficult to do that if time were running against you, namely, if Japan were all the time becoming more and more entrenched in Manchuria. The Powers, as members of the League, had to decide what were the obligations of the League, but there was something else, namely, the Nine Power Treaty and the question of what would be the practical thing to do assuming that there were no League of Nations and that one did not have to worry about the obligations and the prestige of the League.

LORD LYTTON said that any signatory of the Nine Power Treaty could call the other Signatories to a discussion. He had told the Japanese that even supposing the independence of Manchuria had arisen spontaneously they still had no right to accord recognition unilaterally without calling the other Powers into discussion.

THE SECRETARY OF STATE asked whether Mr. Norman Davis suggested a Conference.

MR. NORMAN DAVIS said no, he had nothing to propose. What he had been trying to express was that in a way the League was a complication because it was necessary to consider what the League was obliged to do. Was it possible for the League to allow time for the cooling off process?

LORD LYTTON thought not. Many delegations would propose definite action. There would be discussions about sanctions under Article 16. When that point was reached an attempt should be made to secure unanimity as to how far the League was prepared to go. If some Powers were not prepared to do anything at all others would want to move drastic resolutions and this lack of unanimity would render the League powerless and would be very bad. The question was how far was it possible for the Powers to go unanimously in the way of protest.

MR. NORMAN DAVIS said that even the pacifists had backed away to a considerable extent from sanctions under Article 16. They were now saying two things:—

(1) If Japan refused to enter into direct negotiations the Powers should expel Japan from the League or withdraw Ambassadors—

LORD LYTTON, interposing, said that if it was possible to secure unanimity for that time could be left to do its work but if the Powers were not prepared to go as far as that he could see only deadlock.

MR. NORMAN DAVIS thought it would be a mistake to expel Japan from the League.

LORD LYTTON asked what other proposal could Mr. Davis make that would satisfy the people who wanted to go a great deal further.

MR. NORMAN DAVIS, after a pause, said he did not know. In a matter of League procedure the United States had no right to interfere. They

were ready to cooperate with the League and if the League decided on action they would let the League know if they could join.

LORD LYTTON said it would greatly influence the action of the League if it were known that the United States did not approve of expelling Japan from the League.

MR. NORMAN DAVIS said that that was just his own personal view.

LORD LYTTON said that Japan might leave the League. If the League accepted the Report and declared that Japan had violated the Covenant and the Pact Japan might leave.

MR. NORMAN DAVIS did not agree. Japan had now got beyond that phase. She realized that if she left the League there would still be the Nine Power Treaty and world opinion.

LORD LYTTON asked whether action under the Nine Power Treaty was contemplated.

MR. NORMAN DAVIS said the United States had not thought out any plan of action under the Nine Power Treaty. They wanted the League to handle the matter. They did not want the Nine Powers to handle it.<sup>7a</sup> It would be bad taste on the part of the United States, not being members of the League, to say whether any State should be expelled from the League, but he did not think it would be good policy to expel Japan. The proper course was to keep Japan in the League and work for a constructive settlement but was it possible for League procedure to allow time for a cooling off process?

LORD LYTTON thought that it was not possible in the case of a Covenant breaker.

THE SECRETARY OF STATE said he believed the Report was strongly critical of China. Were the recommendations all corrective of Japan or were there also recommendations for China to carry out?

LORD LYTTON said there were, but he assumed the Chinese Government would not make any difficulty about that.

THE SECRETARY OF STATE asked what was it that the Council should recommend China to do.

LORD LYTTON said there were certain recommendations the Chinese might not like such as the grant of an amnesty, the autonomy of Manchuria and foreign control of the police.

THE SECRETARY OF STATE referred to the last of the ten principles set out on pages 130 and 131 of the Report where it was laid down that the other Nine principles were all conditional on the establish-

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<sup>7a</sup> In a letter of November 30 Mr. Atherton informed Mr. Orde of the British Foreign Office that Mr. Davis had asked that this statement be corrected to read: "It seemed to Mr. Davis, since the League is now handling the matter, it should continue to do so, and that the United States would not in any way want to interfere with the League's handling of the matter. Mr. Davis said that in so far as he knew the United States Government had no thought now of taking action under the Nine Power Treaty." (793.94 Commission/733)

ment of a strong central Government in China. Might not Japan lay hold of that?

LORD LYTTON said he would like to explain the genesis of that passage in the Report. He had from the beginning taken the line that their recommendations should be of such a nature that both Japan and China would feel glad that the League had taken up the dispute. He hoped that both sides in after years would be able to look back to the Report and say that from that day began the happy improvement in their relations. He therefore felt that the Report could not confine itself strictly to Manchuria for as regards Manchuria China was not going to get much out of it. She might, however, get something out of it as regards conditions in China itself. He felt that the Report ought to try and help China in her domestic problem. That would be the greatest service the Powers could render her. He had drafted several paragraphs on these lines which his colleagues had rejected for one reason or another but eventually they agreed upon the paragraph to which the Secretary of State had drawn attention.

THE SECRETARY OF STATE remarked that this had brought them back to the Nine Power Treaty again.

MR. NORMAN DAVIS said that the League made no distinction between strong or weak governments and it was because China was in a state of chaos that the Nine Power Treaty had been negotiated. The Chinese Minister in London had told him that China felt the need of the assistance proposed in the Report and welcomed the suggestion.

The Meeting then ended.

[Enclosure 2]

*Memorandum by the American Embassy in Great Britain*

MEMORANDUM OF CONVERSATION AT THE FOREIGN OFFICE ON  
OCTOBER 26, 1932

Present : Mr. Norman Davis, Mr. Ray Atherton, Sir John Simon, Lord Lytton, Mr. Anthony Eden, Sir John Pratt, Mr. Orde.

(It may be well to note that a great part of this conversation took the form of questions which, while discussed to some length, were not brought to any conclusions, but were obviously intended to stimulate trains of thought in certain directions for future consideration.)

The conversation started with the uncertainty as to whether the League Council would be prepared to receive the Report on November 14, or whether a delay might be asked until November 21. It was agreed that this question should be referred to Sir Eric Drummond. Lord Lytton pointed out that he understood that Mr. Matsuoka would be present on November 14 but that the written report which would

follow him would not reach Geneva until a later date. Sir John Simon said that he conceived that in spite of the fact that it had been later referred to the Assembly on the Chinese request, the Report would be accepted and considered first by the Council under whose original instruction the Lytton Commission had been set up. This view was generally held after considerable discussion back and forth. Lord Lytton then said, in his opinion, the Report must be accepted right away by the League, but that it should also be borne in mind that the small countries of the League who had no responsibilities would be far more violent in their open denunciation of Japan at Geneva than would the larger countries whose responsibilities in the matter were far greater. Lord Lytton felt this should be curtailed in so far as possible, but Mr. Eden pointed out that he felt Japan would recognize that the barking of the smaller dogs was not worthy of any great consideration. The question was then raised as to what would be the attitude of the greater Powers towards the Report. Mr. Davis felt that there should be no attempt to reach an immediate judgment, a point of view which was obviously very much shared by Sir John Simon, who also pointed out that the Report also made observations regarding China as well, and that the Report must be accepted not only by Japan but by China likewise. Lord Lytton then pointed out that in his opinion, in the conclusions reached by the Lytton Report, Article 4 might cause some perturbation on the Chinese side, while Article 7 would certainly cause considerable hesitation on the part of Japan. He stated that in the preparation of the Report General McCoy had been of the utmost assistance to him, and added that the French member would never change his viewpoint to meet the English and American delegates until he had sought the counsel of his Italian colleague, who obviously, as a Latin, had a sympathetic mentality, and whose rank as Ambassador had earned his respect. Lord Lytton said that he had discussed a good portion of the Chinese part of the report while he was in Peking, and he felt there was nothing that the Chinese, for the sake of a final settlement, would not be prepared to consider favorably. Sir John Simon brought up the first paragraph of Article 10 of Chapter 9, relating to international cooperation in Chinese reconstruction, and stated that that indicated that the development of the central government was really a factor in the Manchurian situation[,] would not be overlooked by Japan, and in view of the recommendations in the Report could not be overlooked by the League.

Lord Lytton then went on to say that in his view of the matter for League procedure, the Report must first be accepted by the League; and then, in conjunction with Sir John Simon, outlined the following possibility for consideration at Geneva.

After the acceptance of the Report by the League a Resolution

should be passed that the Manchurian question was *sub judice*, and pending its final settlement the position of any nation arrived at contrary to the violation of treaty rights would not be recognized by the members of the League. Then Lord Lytton felt that under the aegis of the Lytton Report Japan and China should be invited by the League to carry out the suggestions contained therein and open direct negotiations for the settlement of the Manchurian situation. Presumably it was Lord Lytton's belief that this might well take place at Geneva and the conditions laid down for the negotiations might be drawn from material in the Lytton Report. This would be, in his opinion, accepted by China, and he felt it would create a difficult situation for Japan if she consistently refused such an invitation.

In the course of this conversation Lord Lytton asked Mr. Norman Davis what was the attitude of the United States. Mr. Davis explained that the United States desired to associate itself in so far as it was possible with the League in the matter, but that it was not a member of the League, and for that reason it was obviously impolitic for the United States to give advice to 54 nations who were debating the Lytton Report which had been prepared in accordance with the laws of the organization of which they were all members. Mr. Davis then repeated that his own personal opinion was that no action should be taken which would drive Japan into the open, since within the Manchurian question itself there lay such economic problems as well as social problems in the tacit resistance of the Chinese inhabitants of Manchuria to Japanese control; that Japan would find, once relieved from the pressure from without, that the internal pressure would become more and more conscious and would drive her to a settlement of relief. Lord Lytton then said that for his part he would regret very much any action taken by the League that would force Japan to resign. Upon a question by Sir John Simon to Sir John Pratt as to his opinion, Sir John Pratt said he did not think Japan wanted to resign from the League at all, an opinion which Mr. Davis shared. It was then pointed out that Japan would obviously still less desire to resign from the League if she realized that she would then be confronted by united opinion of those nine Powers who had signed the Nine-Power Treaty. Lord Lytton then asked what the United States was prepared to do under the Nine-Power Treaty, and Mr. Davis replied that that question had not arisen up to the present moment, and that he hoped for a continuing period the United States would be able to cooperate with the League and the other question was in abeyance pending that decision. Sir John Simon then pointed out that the Nine-Power Treaty had envisaged, and in fact was in great measure occasioned, by the weakness of the central Chinese government, which condition still existed today, and that this must be borne in mind in considering how

far in any settlement of the Manchurian question China would be able to carry out engagements which that Government undertook.

LONDON, October 27, 1932.

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793.94/5616

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

No. 187

Tokyo, November 5, 1932.

[Received November 21.]

SIR: In the belief that the observations and impressions of a visitor concerning the situation in North China will be of value to the Department, I enclose herewith a copy of the report made to me by Mr. Neville, Counselor of the Embassy, on returning from his recent trip to Peiping.

Respectfully yours,

JOSEPH C. GREW

[Enclosure]

*The Counselor of the Embassy in Japan (Neville) to the Ambassador in Japan (Grew)*

SIR: As directed in the Department's telegram No. 166 of September 30, 6 p. m.,<sup>8</sup> I proceeded to Peiping, leaving Tokyo on the evening of October 2, and arriving in Peiping on the evening of October 8. I left Peiping on October 28, and returned to Tokyo on November 2. I stopped over night at Tientsin on my way to and from Peiping, and had an opportunity while there to talk with the Consul General and the officers of the 15th Infantry, U.S.A., who are stationed there in accordance with the provisions of the Boxer Protocol. While in Peiping I had opportunity to consult with the Minister and his staff as well as a number of our consular officers in China, including Mr. Vincent who has recently been transferred to Dairen from Nanking.

I found considerable apprehension that the Japanese were contemplating major operations of a military character in the Peiping area. This apparently was due to two reasons. One was that the Japanese were determined to get rid of Chang Hsueh-liang, who has been the dominant figure in North China since the bulk of his forces have been driven from Manchuria. It is said that the Japanese believe that he is at the back of most of the "Volunteer Forces" and anti-"Manchukuo" bands that have recently caused the Japanese so much difficulty in their attempts to pacify the North-eastern Provinces. This would

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<sup>8</sup> Not printed.



make it imperative for the Japanese to eliminate him completely from the advantageous position he occupies in Peiping. The other reason given was that it was the intention of the Japanese to include the Jehol region in the "State of Manchukuo". This would require a large military force, assuming that the people of that province would be either unwilling or unable, on account of Chang's military, to cast their political lot with the new "State". The best method of subduing the Jehol region, I was informed, was from the south, as the area to the north was so mountainous and cut up that any large body of troops would find great difficulty in operating there, while invasion from the south could be effected with comparatively little difficulty through the pass just to the north of Peiping.

It was this belief that led the legations in Peiping to urge or rather to suggest that some steps be taken to assure the neutrality of the Peiping area in case of invasion by the Japanese. I was asked by the Minister to express my views in regard to the matter. I stated that in my judgment there was little or no prospect of major Japanese military activity in that region (the Peiping area) in the immediate future. At the same time, I did not believe, I stated, that the General Staff could be induced to make any statement on the subject, as anything relating to war plans has always been considered highly confidential. The Minister reported this to the Department.<sup>9</sup> I presume that a copy of the telegram was sent to you by the Legation.

I gathered the impression from my talks with the Minister and others that the feeling of tension and of active ill will against the Japanese was much less acute than it had been earlier in the year. That is not to say that it has died out. It still exists and is decidedly a factor to be reckoned with. At the same time there appears to be little danger of an outbreak such as was feared at Tientsin some months ago. I cannot escape the feeling that a good deal of the distrust and ill will which the Japanese have incurred is not due entirely to their political activities, or even to the Manchurian situation. Much of it appears to be nothing but a question of manners. For example, the Japanese troops, both those at Tientsin and the small Legation guard at Peiping, are in the habit of carrying out their drills and marches at all hours of the day and night, and with little consideration for the convenience or susceptibilities of other nationalities. The guard at Peiping is under the control of the commanding officer at Tientsin and not that of the Minister, while the command at Tientsin is directed from Tokyo. This arrangement, while perfectly natural from the Japanese standpoint, is different from that of the other Powers, and places the Japanese Minister in a peculiar position with his colleagues

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<sup>9</sup> Telegram No. 1199, October 18, 1 p.m., p. 579.

and with the Chinese civil officials. During the past year both foreigners and Chinese got the impression that the Japanese army units in the North China region (outside of Manchuria) were unnecessarily evident. They conducted all sorts of drills and night marches in places where their treaty right to do so was, to say the least, open to question, and irritated local opinion. This behavior, it seems, was the result of general orders to improve or institute certain types of instruction in the army. They made no allowances for the troops in China, and the Japanese troops appeared in full war panoply at times when a desire to improve international relations would have led most people to show more discretion. I am informed that recently there has been a decided improvement in this respect.

This behavior, coupled with the activities in Manchuria, led many thinking people to believe that almost any sort of invasion could be expected from Japan, and undoubtedly explains much of the agitation for action which the Ministers in China have urged upon their Governments. They felt that it was necessary to get the Powers to do something before the whole of China was overrun by the Japanese. This idea is not as strong as it was, and I found a large measure of opinion to the effect that no really useful international action could be taken at the moment. The Lytton Commission had at least this merit; it has staved off action, and has given the world something to talk about. That in itself is a benefit, and as the report is accompanied by a large quantity of factual matter, anyone who reads it will be likely to become acquainted with the problem. There appears to be no prospect of hasty or ill considered action in consequence.

I found that our despatches were greatly appreciated by the Legation. The Minister told me that they were very useful to him and wished in every way to cooperate with the Embassy in furnishing us with copies of the Legation reports. Many of these, of course, have little or no political significance. The work there is to a high degree what might be termed protection work. This is of no interest to us. The political situation does not readily lend itself to analysis in China at the present time. I told the Minister that the Embassy would be glad to receive whatever he thought might be of interest, but that naturally he must be the judge of that. I think that copies of official despatches sent to the Legation might well be supplemented from time to time by informal correspondence.

I feel that my visit to Peiping was decidedly of value, and I am grateful to you and to the Department for giving me the opportunity to make it.

Yours respectfully,

EDWIN L. NEVILLE

793.94 Commission/502 : Telegram

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

GENEVA, November 6, 1932—noon.

[Received November 6—11 a.m.]

35. From Davis. My 31, November 1, 9 p.m.<sup>10</sup>

In a conversation with Drummond today Wilson and I told him we do not know the views of our Government on the subject but we personally questioned the advisability of injecting into the resolution of the Assembly on the Lytton report which will be called specifically to deal with the Sino-Japanese controversy such a highly difficult question as that of the reconstruction of China for the following reasons: First, it might be construed as a tacit admission of the Japanese contention that the lack of a stable and responsible government in China was the cause and justification for their action. Second, it is highly probable that a committee of interested powers such as was contemplated would not be able in any reasonable time at least to work out a plan for the reconstruction of China as it would require substantial financial assistance which could not now be secured. It is unwise to hold out hopes to the Chinese which may not be realized particularly if done in such a manner as to strengthen the Japanese thesis. Drummond's idea of setting up a committee for the reconstruction of China was twofold. First, strengthen the Chinese Government and encourage the Chinese to uphold their rights. Second, the Japanese would naturally want to be on such a committee but would be told that they could only participate usefully after they had settled their controversy with China over Manchuria. He feels now however that the better procedure would be to persuade the Chinese delegation to request the Assembly that the League increase the technical assistance now being furnished by it to China rather than to set up a committee as originally contemplated and to suggest that the World Economic Conference<sup>11</sup> would be a more logical place to take up such a question as a stimulus to recovery from the world economic depression.

Drummond is leaving for London this evening and will take up with Simon the advisability of the latter's convoking the organizing committee of the World Economic Conference on his return to Geneva in order to propose that there should be Chinese members of the expert committees. This will enable the question of silver to be taken up with representatives of the greatest silver-consuming country participating.

WILSON

<sup>10</sup> Not printed.<sup>11</sup> For correspondence concerning the preliminaries of this Conference, see vol. I, pp. 808 ff.

893.51 Manchuria/13 : Telegram

*Mr. Hsieh Chieh-shih to the Secretary of State*

CHANGCHUN (HSINKING), November 7, 1932.

[Received 11:10 a.m.]

I have honour to inform Your Excellency that my Government issued following statement on 7th November :

“Government of Manchukuo reached decision to float loan amounting to 30 million gold yen for purpose of improving its organs for maintenance of peace and order, of constructing some roads, and of rehabilitating areas devastated by flood in North Manchuria. In view fact that amount to be floated is comparatively small and also because of its urgent need this Government has decided to raise said sum in Japanese market. Necessary negotiations were accordingly opened in Tokyo on 7th of November for contract to cover same.

It is opinion of Manchukuo Government to raise whenever necessary loan funds in future not only in Japanese market but also in those of other countries of world provided they can be obtained on favorable terms. Furthermore, this Government will gladly welcome subscriptions on part of capitalists of America, European nations to present loan if amicable arrangement can be reached between them and Japanese banking syndicate.”

Respectfully yours,

HSIEH CHIEH-SHIEH

*Minister for Foreign Affairs, Manchukuo*

793.94 Commission/515 : Telegram

*The Chargé in Italy (Kirk) to the Secretary of State*

ROME, November 8, 1932—5 p.m.

[Received November 9—8:50 a.m.]

103. From Davis.

“Referring to my 102, November 8, 4 p.m.,<sup>12</sup> regarding conversation with Mussolini.

I took occasion to discuss the Manchurian question pointing out that while we did not wish to suggest a line of action to the League of Nations we felt that it was important that the policy adopted by the League should be such as to commend itself to the United States so that we could work together toward the settlement of the question. I added that informal conversations such as were taking place between the Italians, British, French and ourselves would help toward the formulation of such a policy. I expressed my personal opinion that the first step to be taken by the League of Nations would probably be the acceptance of the Lytton report and that I had understood that the League officials were also considering a resolution of non-recognition and noncooperation with Manchukuo.

<sup>12</sup> Not printed.

The Italian attitude on the Manchurian question is noncommittal except that Suvich, Undersecretary for Foreign Affairs, told me he thought that the Lytton report should be accepted. Their interests in this part of the world are relatively slight as compared with their European preoccupations and it is most unlikely that they would strike out on any new line of policy which would conflict with that of England. If England and France stay in line I would feel no real apprehension about Mussolini's attitude particularly as he would like to play along with us in this matter. If however the British and American position regarding Manchuria should differ Italy might be disposed to follow England. The foregoing is based on impressions gained from conversations rather than on any statements which were made to me."

KIRK

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893.01 Manchuria/671

*The Consul General at Mukden (Myers) to the Minister in China  
(Johnson)*<sup>13</sup>

No. 683

MUKDEN, November 8, 1932.

SIR: As of possible interest, I have the honor to report upon certain cases of Japanese ruthlessness in connection with their operations against so-called bandits. There is good reason to believe that the general details of these cases are substantially correct. In this connection it may be mentioned that certain foreigners who are in close touch with natives in the general vicinity of Mukden have stated in reply to my inquiry that very few cases of extreme brutality have been brought to their notice. If a deduction may be drawn from the limited information available on this subject, it would seem that indiscriminate bombing from airplanes has been one of the most common forms of ruthlessness in the past. However, in the recent drive against the insurgents in the eastern districts in this province the Japanese appeared to have confined bombing from airplanes to the outskirts of villages or towns where little or no damage was done.

A small detachment of Japanese troops which was looking for bandits near the Hun river, south of Mukden, during the first few days of September inquired of several farmers working in a field if they had seen any bandits, to which question one replied in the negative. He was forthwith bayoneted and the others who then tried to run away were shot. The village chief reported the matter in person to the Japanese authorities at Mukden and the Japanese sent two officers to the village to investigate. While the investigation was being

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<sup>13</sup> Copy transmitted to the Department by the Consul General at Mukden in his unnumbered despatch dated November 8, 1932; received December 5.

made, a large detachment of Japanese soldiers arrived and the opinion was expressed that this village was only saved from reprisals by the presence of the investigators. It is possible that the boldness of this village chief was considered undesirable.

During the first week of September the representatives of twenty villages came to Mukden and reported to the provincial authorities that their villages are subjected to bandit raids and then are visited by detachments of Japanese soldiers who frequently treat them worse than the bandits. They also complained of the indiscriminate bombing by airplanes whether or not bandits are present and requested that the matter be brought to the attention of the Japanese military authorities. It is understood that the provincial authorities have done nothing.

On the night of September 15, 1932, the Big Swords made a surprise attack on Fushun which was far more successful than press reports indicated. About thirty Japanese were killed including four important men—their identity is not known but it is presumed that they were engineers or officials of the Fushun Collieries—and property to the value of over Yen 350,000 destroyed. Some days later, probably after a Japanese investigation, the whole population of three villages near Fushun including men, women and children, were induced by Japanese soldiers or gendarmes to go to a ravine in the nearby hills where they were mowed down by machine guns. A recent report is to the effect that they were asked there to hear a lecture on Manchoukuo. According to a report of this massacre which was made by a Chinese officer of the Provincial Government who had been sent to inquire into the matter in view of the many rumors that were current, only one girl nine years old miraculously escaped death and was found among the dead by the relatives who were permitted to remove the bodies. The number killed was nearly 4000. The information regarding this case and the two preceding ones was obtained from official sources in strictest confidence and is believed to be reliable.

In an endeavor to ascertain the reason for this massacre, one observer learned that the raiders looted a warehouse in which a special brand of flour was kept and that it was the people of the villages where these bags were found that were massacred. The Chinese officer did not apparently report this story and even if true it is uncertain whether it has any relation to this incident. It has recently been heard from a reliable source that the Japanese troops intended to massacre the inhabitants of several other villages in that vicinity but were dissuaded from doing so by Japanese civilians (presumably South Manchuria Railway officials) who pointed out that if there were more incidents of this kind all the Chinese employees of the Fushun mines would leave. As it is, the *Manshu Nippo*, Dairen, of October 2, 1932,

carried a news item to the effect that one-third of the Chinese workers at Fushun have returned to their homes in Shantung and neighboring provinces and that Japanese factories and enterprises are greatly handicapped by this development at a time when workers are urgently needed. Information from a Chinese official source is to the effect that nearly 20,000 workmen at Fushun have returned to Shantung. These two reports are in practical accordance and it seems reasonable to conclude that the exodus was caused by the above mentioned incident. It may be explained in this connection that the vicinity of Fushun has always been a hot-bed of banditry and that the Fushun Collieries have for years been preyed upon by bandits. Possibly it was the purpose of the military to take advantage of existing conditions to wipe out the chief offending villages, a measure that may have seemed the only effective one under the circumstances.

A number of reports concerning the bombing of villages in this vicinity following the raids on Mukden late in August has been heard. There was one report that Hun Ho P'u was bombed by airplanes after the bandits had departed killing some fifty villagers. Another story (unconfirmed) was to the effect that one of the bandits or irregulars who was caught during a Mukden raid told his Japanese captors that he was a native of a certain village and that six headmen of that village were forthwith arrested and shot. It was subsequently learned that he belonged to another village and had evidently given the wrong name to protect his native place. Between June 19th and September 1st T'unghua, the seat of the headquarters of the insurgent leader T'ang Chu-wu, was bombed six times from the air. It is interesting to note that the casualties of the first air raid numbered about 40 killed, largely women and children, and of the other raids only one killed.

A very interesting example of intimidatory propaganda used by the Japanese during their recent drive against the insurgents in the eastern districts was a large poster, copies of which were seen in every village by Vice Consul Hall on his recent journey from Nantsamu to Malientun. Half of the poster was of a light color and the other half dark, the figure of a giant Japanese soldier being portrayed in the center. On the light side the soldier is extending a giant hand toward a miniature figure holding a Manchoukuo flag; on the dark side he is pointing a sword dripping with blood toward small recumbent figures. The poster also carried a brief legend in Chinese characters, the general purport of which can be readily imagined.

The following details are of interest as showing methods to which the Japanese military at times resort. During the early part of September, a small Japanese garrison was holding the railway station at Yingp'an, on the Mukden-Hailung line, which is a short distance northeast of Fushun. The surrounding country was then overrun by

irregulars and bandits and apparently this small garrison was subjected to frequent attacks. An American missionary accompanied by several Korean Christians arrived there late in the afternoon on his way to Mukden and at the inn where they spent the night he was interrogated in a gruff manner by the officer in charge in regard to his identity. When satisfied on this point, he began intimidating the Koreans and Chinese who had accompanied him. They were soon ordered out of the inn and according to their story were put in a trench that surrounded the soldiers barracks. Soldiers then aimed rifles at them and advanced on them with fixed bayonets. After an hour or two they were permitted to return to the inn and on the next day proceeded by cart with the American to Fushun. It is surmised that the main reason for this intimidation was the officer's displeasure at seeing these Koreans attached to an American for protection.

Although it is probably true that the Japanese military do not resort to extreme measures without provocation, it seems reasonable to believe that they intend to handle the "bandit" situation in the most effective manner possible according to their standards and that when harsh measures appear the more practicable they will be applied. According to available information, there is no evidence of the application of unduly harsh measures during the recent drive in the Tungpien area.

Respectfully yours,

M. S. MYERS

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793.94 Commission/516 : Telegram

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

GENEVA, November 9, 1932—4 p.m.

[Received November 9—11:30 a.m.]

36. Following message received from General McCoy:

"General McCoy requests that in view of his continuing as a member of the Lytton Commission during the consideration of the Manchurian report by the League of Nations the American representative at Geneva be furnished by the Department such information as might be useful or interesting for General McCoy to know particularly anything pertinent to his problem which may have occurred since his departure from the Far East. Certain reports from the American Embassy at Tokyo have already been seen by the General. General McCoy quite appreciates the importance of his having the same freedom of action as heretofore and realizes that he is in no sense representing the American Government."

I understand that General McCoy hopes that I may be instructed to receive and make available to him information pertinent to the con-



sideration of the Lytton report, in other words maintain the same relationship that was maintained between him and our representatives in the Far East.

WILSON

793.94 Commission/516 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, November 11, 1932—2 p.m.

30. Your 36, November 9, 4 p.m. For Wilson and Norman Davis.

1. I approve the arrangement requested and your understanding thereof.

2. I desire that at your discretion you make available in confidence to General McCoy information which you have and may receive relating to Far Eastern problems and pertinent to his problem and consideration of the Lytton Report.

3. Please so inform General McCoy.

STIMSON

793.94 Commission/518 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, November 14, 1932—1 p.m.

31. Reference Gilbert's mail despatch 395, political, October 31. If and when Sir Eric or other responsible officials of the League offer in conversation the suggestion that the Manchuria question might be turned over, either wholly or in part, to a conference called under the Nine-Power Treaty, that idea should, for the present at least, and so far as we are concerned, be discreetly discouraged. In that connection it may be said that the position of the American Government in relation to this whole question has been based primarily on its interest in and concern for the peace treaties and the principles for which they stand and that this Government has conceived from the outset that the situation created and the problems presented are of general concern. We feel that discussion at this time of a possible shifting and narrowing of the jurisdiction which has been assumed by and which belongs to the League would tend to divert attention from the real issue and would weaken the position of the League and this country in support of the peace treaties and pursuit of the common objective

of peace. Furthermore, it should be remembered that the Nine-Power Treaty does not make provision for the calling of a conference; the parties to it are under no obligation to accept invitations to a conference, if issued; and the probability is that if such a conference were called the Japanese would refuse to attend. Therefore, the League, which both by right and in fact has been and is seized of jurisdiction over the dispute, should not even think of attempting, now at least, to shift the jurisdiction to a different body composed of the 14 Powers party to the Nine-Power Treaty. These views, if and when expression of them is called for, should be expressed in confidence.

STIMSON

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793.94 Commission/527 : Telegram

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

GENEVA, November 14, 1932—10 p.m.

[Received November 14—7:29 p.m.]

454. From Norman Davis. Drummond, who was in London last week, told me last night that my visit to London had had a good effect and that he was sure we could depend upon more whole-hearted cooperation from Great Britain than ever and particularly in respect of Manchuria. He said he had outlined to Simon the views as to procedure in dealing with the Lytton report which were outlined in our 31<sup>14</sup> and 35<sup>15</sup> to you and that Simon was in complete accord. In concluding he said that he was confident we could now count absolutely upon British support in the Manchurian policy and that we must not be disturbed by anything we may hear to the contrary.

Drummond also told me he had been thinking that perhaps a most important contribution to a solution of the pending naval problems would be in effect to neutralize the Mediterranean and apply to it a regime analogous to that set up under the Treaty of Lausanne<sup>16</sup> for the Black Sea and Straits. It seemed to him that such an arrangement would remove the chief source of contention between France and Italy with respect to the Navy and also facilitate an acceptance by Great Britain of our views with regard to reduction. He said that he did not know how practical it would be but he was going to suggest today that the British should make a study of it.

WILSON

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<sup>14</sup> Not printed.

<sup>15</sup> November 6, noon, p. 336.

<sup>16</sup> Signed July 24, 1923, League of Nations Treaty Series, vol. xxviii, p. 115.

894.51/385 : Telegram

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

Тоkyo, November 15, 1932—noon.  
[Received November 15—2 :27 a.m.]

268. Referring to my despatch No. 165 of October 21, 1932,<sup>17</sup> I can now report that powerful opposition is developing among the political parties, newspapers and prominent economists to the bond issue of nearly a billion yen proposed for the coming fiscal year for the purpose of meeting the cost of the Manchurian campaign, the augmentation of national debt and the budgetary deficit. Some influential vernacular newspapers directly criticise the military for endangering Japan's economic stability by demands for funds which can only be supplied by means of loans; others indirectly criticise the military by expressing disapproval of the bond issue which these demands will cause. Leading financial and economic authorities have expressed alarm over the financial and social dangers which will arise from the proposed borrowing.

It now appears certain that the proposed military appropriations will meet strong opposition in the next session of the Diet but it is impossible at present to attempt to forecast the outcome of the expected discussion or the effect of discussion upon the present military program or their control of Japanese politics.

Repeated to Peiping by mail.

**GREW**

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711.94/746

*Memorandum by the Under Secretary of State (Castle) of a Conversation With the Japanese Chargé (Saito) on November 14, 1932*

[WASHINGTON,] November 15, 1932.

Mr. Saito said that he had nothing particular to say, but that he wanted to tell me about a letter he had had from a man high up in the Japanese Government who is a good friend of my friends Count Makino, Baron Shidehara and others. (I am sorry to say that I doubt the existence of a letter.)

Mr. Saito began by saying how much all the Japanese liked Mr. Grew. I said that this seemed to me perfectly natural, since Mr. Grew was not only a very able man, but a very friendly man who liked people and was quick to see their good points. Mr. Saito said that he felt Mr.

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<sup>17</sup> Not printed.

Grew was doing fine work in Japan to calm down the feeling there against this country; that his correspondent had informed him that the Government had ordered the newspapers to stop their anti-American agitation, that as a result of this the feeling toward the United States was growing rapidly better; he said that the Japanese appreciated the fact that the Department of State, since the publication of the Lytton Report, had not made any public statements critical of Japan. I pointed out to Mr. Saito that, after all, the Lytton Report was made to the League, that although we were very interested in it, we, nevertheless, felt that it was a matter for the League to act upon and that it was not in our province to say anything about it until the League should act; that we were, of course, through our silence, avoiding any possible implication that we were trying to influence the League. Mr. Saito said he was very glad to know this and that his Government would be glad to know that we were not directing the League as to what it might do. I told him it was nonsense to think any such thing because we were not in the habit of interfering with the internal workings of an organization of which we were not a member.

Mr. Saito then came to the purpose of his call, which purpose he had intended to hide under talk about other things. This was, of course, that the presence of the fleet in the Pacific was a continual irritation to the Japanese; he said that his correspondent failed to understand why a great nation like the United States should find it necessary to keep the fleet in the Pacific as a threat to Japan. I told him that his correspondent had no right to use the last phrase in the statement, that there was no reason whatever to think that the fleet was threatening Japan and that it seemed childish on the part of Japan to make anything out of it. Mr. Saito hastened to say that his correspondent had said that it was childish of Japan to take this attitude, but that, nevertheless, he felt it would be very quietening to the childish minds in Japan if the Atlantic fleet were sent to the Atlantic or, even if two or three ships were sent; that it would immediately improve the situation in Japan. I told him that the disposition of the fleet was a matter for this Government to decide, that if the Navy preferred to keep it in the Pacific, which was incidentally a very great saving of money, I did not see where Japan had any right to complain. He said he entirely realized this, that he was merely mentioning the fact because his correspondent had mentioned it as something that would improve the atmosphere if some of the ships came to the Atlantic.

We parted on amicable terms.

W. R. CASTLE, JR.

793.94 Commission/529 : Telegram

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

GENEVA, November 15, 1932—11 p.m.

[Received November 15—8:45 p.m.]

41. Your confidential 31, November 14, 1 p. m. You will note from my 35, November 6, noon, and previous correspondence that this idea has disappeared from Drummond's mind since the conversation which he had with Gilbert. Davis and I had both felt as you do that reference of this problem to the powers signatory to the Nine-Power Treaty would be a mistake and had indeed stated to Drummond that any such advances would put the League of Nations in the position of appearing to wish to escape from its responsibilities and would create an unfortunate impression.

In view of the fact that the Council begins to consider the Lytton report on the 21st it would be useful to have any observations you might care to make on the subject of my 35 and previous messages.

WILSON

793.94/5611 : Telegram

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

PEIPING, November 16, 1932—5 p.m.

[Received November 16—1:30 p.m.]

1253. Following from American Consul General, Harbin, November 15, noon :

[“]1. Japanese military authorities confirm reports that heavy Japanese reenforcements being moved from Dairen and other parts South Manchuria to western front where severe fighting has been discontinued for the time being, [probably due to heavy Japanese?] losses, need of reenforcements, and it is believed that General Su will soon come to terms.

2. Reliably reported by pressmen that Soviet authority treating shortly Komatsubara's delegation at Dauria where visitors found no Soviet aeroplanes and only a few score Soviet troops. So far no representative General Su has conferred with delegation.

3. Some fighting occurred between insurgent and Japanese forces near Shuangchengpu, Ninguta, Mulin and Echo where it is believed Japanese suffered more heavily than Japanese military who [*will?*] admit [and?] fighting [resumed?].

4. Reports from various reliable sources indicate construction work on the railway between Koshan and Hailun rapidly being completed.

5. Press reports large body insurgents concentrating near Anta city.

6. Situation at Harbin appears to be quieter on account of increased arrests bad characters by Russian members of the police. Soviet Con-

sul General opposes increasing Russians on the force, [says?] that they would still more persecute Soviet citizens."

JOHNSON

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893.01 Manchuria/628

*Memorandum by the Secretary of State of a Conversation With  
the Irish Minister (MacWhite)*

[WASHINGTON,] November 17, 1932.

Mr. MacWhite came to inquire evidently on behalf of President de Valera, who is now presiding at the League of Nations, whether there had been any change in my policy in regard to Manchuria. I assured him that there had not and under his inquiry took occasion to bring out that our interest in the matter had been preeminently that of saving the peace treaties in which all of the nations of Europe were interested quite as much as ourselves, and not primarily to push forward our economic interests in Manchuria. I pointed out that although we had interests in the Far East, they were not as large as those of the British Empire, nor were our interests in Manchuria as large as our interests in China which were threatened by many other causes beside the Japanese policy. I pointed out that the course of events was such as to give me profound satisfaction and encouragement and not discouragement. I said that my action last winter, of January 7th, when I acted alone had been endorsed by the Assembly on March 11th and that my views as to the facts had been now confirmed by the Lytton Report; that as to my policies, I was in the easy position of the man who had laid his cards face up on the table and had nothing more to say. I pointed out that the action on the Lytton Report was a matter entirely resting with the League, and that I was not so foolish as to intrude this country, which was not a member, into it. He said he understood all this perfectly and would so report.

H[ENRY] L. S[TIMSON]

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793.94 Commission/529 : Telegram

*The Secretary of State to the Acting Chairman of the American  
Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, November 19, 1932—6 p.m.

36. [For Wilson.] Your 41, November 15, 11 p.m., last paragraph. I suggest that you review the Department's telegrams to you as follows:

No. 2, September 23, noon; No. 24, October 17, 2 p.m.; No. 27, November 1, 4 p.m.;<sup>18</sup> and No. 31, November 14, 1 p.m. Ask Davis to show you the Department's 269, October 14, 6 p.m., to London. Review also the texts of the American Government's notes of January 7; my letter to Senator Borah of February 23; the League Resolution of March 11; and my address to Council on Foreign Relations of August 8.

I feel that you should refrain from being drawn into discussion of questions which are internal to the League, that is, questions which involve the constitutional rights and obligations of members of the League under their Covenant; for example, the question of possible withdrawal from or expulsion of Japan from the League. I wish to avoid the fact or the appearance (*a*) of inciting the League to action in relation to and against one of its members and/or (*b*) of intruding in the field of the rights, obligations and responsibilities of the League. I wish to discourage any desire or tendency on the part of the League to involve us in its primary responsibilities in those connections. The attitude and position of the American Government with regard to the problem in general are well known and any suggestion to the contrary should be met with the statement that the American Government has repeatedly affirmed its desire to give support, acting through diplomatic channels and reserving independence of judgment, to decisions of and efforts by the League. That position you may constantly and emphatically reaffirm.

It should be understood that the attitude and efforts of the United States are animated not by hostility to Japan but by faith in and insistence upon principles and practices which have been agreed upon for the purpose of preserving peace and doing justice among the nations. The obligations of the United States in this connection are as great as but not greater than are those of other countries. In fact, the obligations of those countries which are parties to the Nine-Power Treaty, the Paris Pact and the Covenant of the League are greater than are those of the United States, a party to the first two but not to the third of these agreements. The Covenant of the League is a constitution of peace machinery and 57 nations are committed to its provisions. They should formulate their program, tentatively at least, and ask us for support. They should not expect us to attempt to tell them in advance what course we may think they should pursue.

When the League or the principal governments members thereof work out suggestions on which they see likelihood of agreement with regard to action and if the League or such government or governments then care to consult the American Government with regard to the line

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<sup>18</sup> Telegram No. 27 not printed.

or lines of action that they look upon as practicable, I shall promptly and sympathetically consider their ideas and indicate this Government's reaction thereto.

If you are asked whether our attitude or policy have changed, you should reply that a policy does not ordinarily change when attended by such success as has attended ours in its approval by the March 11th Resolution and the Report of the Lytton Commission; that on the contrary we regard our policy as entirely vindicated and we are looking forward with expectant interest to a corresponding attitude by the League within its separate and independent sphere. If they ask you as to what we deem to be the immediate steps of the future you might reply, entirely upon your own authority and without committing the Department, that in view of the accumulating evidence of the increasing economic pressure which has been brought upon Japan by her Manchurian adventure, as exemplified in the fall of the yen, the doubling of her budget, the transgression of her debt limit and the inconclusive result of her military operations, it should be only a matter of probably a short time when she will seek responsively to confer on the subject of the future of Manchuria; that a disposition on her part to listen to reason may be counted on provided only the alignment of the nations in Geneva on the side of the peace treaties remains unbroken and none of them sacrifice the general interest in these great peace treaties by yielding to the temptation of making separate, selfish bargains of their own; and that for such conference the Report of the Lytton Commission offers an invaluable foundation for the discussion.

I am of course giving careful consideration to specific points brought up in your recent telegrams, including your report of Drummond's speculations; but I do not wish to comment upon the latter at this stage. I feel that the above, especially the review suggested in the opening paragraph, should suffice for your guidance up to such time as the League members, having begun their deliberations on the Lytton report, shall at least have shown what procedure and what measures they have seriously in contemplation.

STIMSON

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793.94 Commission/536 : Telegram

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

GENEVA, November 19, 1932—8 p.m.

[Received 10:40 p.m.<sup>19</sup>]

45. From Davis and Wilson. Matsuoka called on us this morning. He is a graduate of the University of Oregon, former manager of the

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<sup>19</sup> Telegram in four sections.



South Manchuria Railroad, a member of Parliament and formerly in the Foreign Office. His English is fluent and he will be a much more effective attorney, I believe, for Japan's interests than any who have yet defended those interests at Geneva.

He initiated the discussion by saying that he was going to speak with the utmost frankness as he realized that the situation was serious and must not be passed over with diplomatic phraseology.

Matsuoka then stated vigorously that whereas in many questions the policy of a nation might be altered by a change of government, in its relations with Manchuria every man, woman and child in Japan was determined to carry through the present policy. Nothing would divert Japan from this purpose. The fact that they had shed Japanese blood in this area, the fact that incontestable treaty rights in the area were not respected by the Chinese, had tried their patience to such an extent through the years succeeding the Russian war that they were now convinced that they must put an end to the situation and that the path on which they have embarked was the only one leading to this end.

Matsuoka first discussed the Russian side of the problem. He had just come through Russia and had talked to people in the government there, including Karakhan and Radek. He had made no secret to the Russians that one of the mainsprings of Japanese activity in Manchuria was fear of Russia. For his part a change of government in Russia had not meant a change of people and the same instincts that had governed Russia before 1904 were doubtless still existent in the Russian mind. He told them that Japan desired peace but that they must have security in this area. He pointed out to the Russians that the development of heavy industry under the Five-Year Plan was the development of the exact type of industry for warlike purposes and the fact that Russia was willing to keep its people in misery to promote such development was in itself a contributing reason for Japan's demand for security in the Manchurian area.

As to the American side of the problem his remarks were strikingly confirmatory of McCoy's views (reported in my 401, October 5, 8 p.m.). Public opinion in Japan was persuaded that there had been a series of endeavors on the part of the United States to get its fingers on the railroad situation in Manchuria and to check Japanese development in this area. They were conversant with the attempt of Harriman, the policy of Knox, the activities of Stevens<sup>20</sup> in the Chinese Eastern Railroad and, lastly, the American attitude on this present problem directed personally by the Secretary of State. That large body of influ-

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<sup>20</sup> Col. John F. Stevens, American chairman of the Advisory Commission of Railway Experts to Russia, 1918, and president, Inter-Allied Technical Board operating Chinese Eastern and Siberian Railways, 1919.

ential opinion which had formerly been friendly to the United States and made every endeavor to promote good relations was diminishing rapidly and publications of all kinds were appearing daily talking about war with the United States, arguing their case vis-à-vis America and pointing out greater "indiscretions" that the United States had performed in Panama and the Caribbean region. Public opinion is really inflamed against the United States. Matsuoka realizes as does sober opinion in Japan that public opinion in America has no thought of war and recognizes its absurdity. Nevertheless, he fears some incident similar to the blowing up of the *Maine* in Havana harbor which would cause a tempest of wrath on which the Government would have to side.

As to what Matsuoka foresees in the League meetings: any attempt at a solution which did not take into consideration the existence of the Manchukuo government and its recognition by Japan would have to be rejected. Matsuoka said that he was a parliamentarian and was accustomed to many personal attacks upon his nation but that if there was a concerted attempt to do anything derogatory to the dignity of Japan, Japan would have no recourse but to leave the League. This they would dislike to do and would make every effort to make the states of the League of Nations understand their position and to work harmoniously with them. He saw, however, grave difficulties in reaching any solution but reiterated that Japan must carry on along the lines which they have initiated.

Davis told him that he was not quite sure that he had clearly understood the attitude of Japan but if it were to be an irreconcilable one, then it did not look very hopeful for a constructive settlement. He also said that far from any thought of war American public opinion recognized that Japan had vital interests in Manchuria with an historic background; that they had had much provocation locally; that the Secretary of State was animated by no feeling of hostility to Japan but on the contrary by his conviction of what was in the best interests of Japan as well as American rights and duties under certain treaties and in the interests of the peace of the world. He had felt it essential that the progress which the nations of the world had made towards a better order of things should not be jeopardized. The very fact that he had frankly stated the attitude of the United States had been one of the best means of preventing the growth of hostile sentiment in the United States which might well lead to real trouble, and had gone a long way towards staving off a movement in Geneva towards vigorous action under article 16. Davis continued by stating that Japan had a wonderful opportunity in front of her to solve this problem in concert with, and with the moral support of the nations of the world, that they must enter the discussion not in a defensive attitude but in a con-

structive attitude with a determination to work out a solution. He pointed out that the Lytton report, if it had been presented to Japan 2 years ago would have offered a basis at which Japan would have jumped with enthusiasm. Japan instead of opposing efforts by powers with treaty rights and obligations to compose this controversy should embrace the opportunity of enlisting the good offices of the other powers in working out a constructive solution that would remove the menace of Russia which she feared and gain the good will of China which would be her best security in case of trouble with Russia.

Matsuoka remained dubious as to the possibility of achieving this but agreed that he must make the endeavor. Again he reverted to the danger which lay in the hostility towards America among the Japanese. He stated that the Japanese were a race which accepted for a long period things disagreeable to them and irritating to them. This they accepted with smiles but a point arrived at which the repressed irritation broke bounds with great suddenness and great violence and the very fact of repression probably made this anger more uncontrollable when released.

In substance the strategy of Japan seems to be to take a combative attitude against any "undue" interference and to claim in effect that the safeguarding of her national existence is superior to any treaty obligations even assuming that she may have violated certain international treaties which she does not admit [but claims?] she was justified in doing so by an overwhelming necessity. Her effort therefore will be first to persuade the powers that she was justified in her action, then to brush aside the consideration of the technical aspects such as the treaty provisions, then to prevent at all costs anything derogatory to Japan's dignity and what they would consider undue interference with her course of action. Whether this involves a determination to maintain such a position at all costs or whether such a policy is being adopted for strategical reasons and with the belief that they may frighten the other nations from pressing their point of view and their alleged rights we cannot tell at this stage. We can add, however, that the same point of view has been stated consistently in previous conversations with their representatives in a less vigorous form. We impressed upon Matsuoka and in a subsequent conversation upon Matsudaira the necessity for both of them to exercise the utmost ingenuity and the utmost good will in finding positive solutions for the problem and the disadvantage of standing purely on the defensive and refusing to admit the interest of other nations in this problem.<sup>21</sup>

WILSON

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<sup>21</sup> For the Department's reply, see telegram No. 37, November 21, 6 p.m., *Foreign Relations, Japan, 1931-1941*, vol. 1, p. 105.

493.11/1656

*Memorandum by the Minister in China (Johnson) of a Conversation  
With the Consul General at Mukden (Myers)*<sup>22</sup>

PEIPING, November 19, 1932.

Mr. Myers and I discussed the question raised in his despatch No. 690 of November 16, 1932,<sup>23</sup> in regard to procedure which the Consulate General at Mukden should pursue in aiding American claimants to obtain redress for losses suffered in the course of Japanese occupation of Manchuria.

Mr. Myers pointed out that Department's instruction of March 18, 1932,<sup>24</sup> which discouraged any intercourse between the Consulate General and the new Manchukuo regime then coming into being, had prevented his taking any action in presenting claims directly to organizations set up by the new regime for handling claims. He pointed out that all claims had been presented to Japanese Consulate on theory of primary Japanese responsibility, and that Japanese Consulate had transferred them to organization created by Manchukuo. He said that there was some intimation that new Manchukuo Claims Commission might fail to notify Consulate of any steps immediately to be taken for examination, adjustment, and settlement of claims, as Consulate had not recognized it.

We agreed that Consulate General should inform all American claimants of any information which might come to it directly or indirectly as to procedure to be adopted by Manchukuo Claims Commission in settlement of claims, with the suggestion that such claimants—either themselves or through their authorized attorneys—make contact with the Claims Commission in question for the purpose of settling claims.

We also agreed that the Consulate General should keep in touch with the Japanese Consulate General in Mukden with whom claims were originally filed, for the purpose of learning of any steps that might be taken by Japanese or by Manchukuo authorities for their settlement.

NELSON TRUSLER JOHNSON

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<sup>22</sup> Copy transmitted to the Department by the Minister in China in his despatch No. 1824, November 23, 1932; received December 19.

<sup>23</sup> Not printed.

<sup>24</sup> See telegram No. 88, March 18, 6 p.m., to the Minister in China, vol. III, p. 601.

793.94/5614 : Telegram

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

PEIPING, November 20, 1932—midnight.

[Received November 20—6:58 a.m.]

1262. Legation's 1253, November 16, 5 p. m. Following from American Consul General at Harbin:

"November 17, 11 a. m.

1. Soviet sources are responsible for report which I believe correct that General Su refuses to negotiate with Japanese-Manchukuo delegation now at Matsievskaya.

2. Japanese military will no doubt take action against him when sufficient troops arrive at Nonni River. Press reports that General Su's anti-Manchukuo troops are falling back to the Hingan mountain range where there is Chinese Eastern Railway tunnel but this is not confirmed by local Japanese military.

3. Soviet officials claim their role simply one of offering facilities to negotiate to Japanese-Manchukuo and anti-Manchukuo sides and that they are otherwise not interested in negotiations except they desire not to have fighting near the Siberian border.

4. Japan-Manchukuo forces repulse attacks [by?] insurgents near Fuchin 13th and at Sansing 15th. Losses small."

JOHNSON

793.94 Commission/542 : Telegram

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

GENEVA, November 21, 1932—3 p.m.

[Received November 21—1:30 p.m.]

328. Lytton report considered in Council meeting this morning. With the exception of the President who gave a brief résumé of status of the question the only speaker was the Japanese representative who reiterated substantially the arguments contained in the printed observations of Japanese Government, a document comprising 39 foolscap pages circulated by the Secretariat yesterday. Copies are being forwarded by mail.<sup>25</sup> Consider it probable that the Department has already received the text of the Japanese observations from a Japanese source. If not, and summary is desired, please instruct.

GILBERT

<sup>25</sup> League of Nations, *Official Journal*, Special Supplement No. 111, p. 88.

793.94/5643

*The Consul General at Nanking (Peck) to the Secretary of State*

No. D-383

NANKING, November 21, 1932.

[Received December 19.]

SIR: I have the honor to report that I received on the morning of November 18, 1932, a call from Mr. Yakichiro Suma, Secretary of the Japanese Legation. On the same day I called on Dr. Lo Wen-kan, Chinese Minister for Foreign Affairs. The Department may be interested in a comparison of their respective observations regarding the Sino-Japanese controversy.

In the course of our extended conversation, Mr. Suma asked me a number of questions and expressed, informally, certain views. What follows is a short résumé of the conversation which took place with Mr. Suma:

Mr. Suma asked me what I knew about the report which had appeared repeatedly in the papers recently to the effect that there was a plan for the appointment by the League of Nations of an International Commission to settle the Sino-Japanese controversy. I said that I knew nothing about it except what I had read in the newspapers; from press statements, it would appear that this plan was opposed by both Japan and China. Mr. Suma observed that the press reported that the Chinese Government would consent to an attempt along these lines to settle the Sino-Japanese controversy, if Soviet Russia and the United States were represented on the Commission and if the ultimate settlement did not infringe upon China's sovereignty. I observed that I had seen it stated that China would not consent to having Manchukuo represented on the Commission. I asked Mr. Suma whether he thought the Japanese Government would consent to the appointment of such a Commission and he replied that he thought the Japanese Government would consent if the duty assigned to the Commission were to be merely that of mediating and of bringing about direct negotiations between China and Japan, but that it would not consent if the Commission were to be empowered actually to dictate the terms of settlement. He remarked that his Government had repeatedly stated that it would not permit any third party to "meddle" in the controversy between Japan and China. I said that I had seen published statements of Count Uchida, Japanese Minister of Foreign Affairs, to that effect. Mr. Suma said that, so far as he knew, neither the Japanese nor Chinese Governments had received news regarding the proposed Commission from any official source and he asked me what I supposed was the origin of the report. I said I thought I had seen it stated in the newspapers that the report emanated from the League Secretariat, and that perhaps it was a *ballon d'essai* on the part of the Secretariat, in an effort

to prepare some concrete proposal for discussion by the League Council at its forthcoming meeting on November 21. Mr. Suma said that he thought this was the probable explanation.

Mr. Suma observed that there were among the officials of the Chinese Government some who advocated an attempt by China to recover Manchuria through force of arms. He thought there was one member of this faction in the immediate entourage of General Chiang Kai-shek himself. Mr. Suma said that, of course, General Chiang Kai-shek knew that hostilities between China and Japan would be impossible, from China's standpoint, and that on this account General Chiang was endeavoring to devise some other method of bringing to an end the controversy between China and Japan, without war, a method which he could present to the Chinese people with some prospect of uniting the country behind the plan and behind himself. I said that it would be very interesting to know what this plan was, but Mr. Suma had no idea of what it might be.

Mr. Suma asked me whether I thought the policy of the American Government toward the Sino-Japanese controversy would change, now that the Democratic Party had replaced the Republican Party in the control of the Government. I said that I knew nothing about this, but I should imagine that there would be little change, if any. I said that in any matter of public policy involving treaties, or likely to eventuate in the concluding of a new treaty, the President and Secretary of State, who were in charge of the foreign relations of the United States, generally kept in close contact with the Senate, which had extensive power in the matter of treaties. I observed that the personnel of the Senate changed very slowly, one third being replaced every two years, and the Senate, therefore, did not rapidly or suddenly change its policies. For this reason it seemed unlikely that there would be any abrupt change in the policy of the American Government toward the Sino-Japanese controversy.

Mr. Suma said that General Chiang Kai-shek and some other Chinese representatives knew that the policy of refusing to hold direct negotiations with Japan was disastrous for China. This refusal to negotiate had already resulted in "two incidents", viz., "the Shanghai incident" and the creation of Manchukuo, and might result in further "incidents" of the same sort, which General Chiang and some other Chinese leaders realized.

It was immediately after my conversation with Mr. Suma that I had occasion to call upon Dr. Lo Wen-kan, Chinese Minister for Foreign Affairs, on matters of business. I took the opportunity to ask Dr. Lo whether he had seen Mr. Suma, with whom, as I knew, Dr. Lo was well acquainted, beginning with their association in Canton. Dr. Lo said that he had seen Mr. Suma and that Mr. Suma had asked him

whether there was not some way in which the controversy between Japan and China could be brought to a friendly conclusion. Dr. Lo said that he replied that certainly there was a way, namely, for Japan to cease oppressing China. Dr. Lo said that he told Mr. Suma that the first thing for Japan to do was to withdraw its army from Manchuria. To this Mr. Suma replied that the Manchukuo Government had been created by the spontaneous action and will of the people of Manchuria and that China ought to accept the situation in Manchuria as a *fait accompli*. Dr. Lo said he told Mr. Suma not to come to him with any such nonsense. Dr. Lo assumed full responsibility for assuring Mr. Suma that if the Japanese army were to withdraw from Manchuria one morning, on the same day Mr. Pu Yi, Mr. Hsieh Chieh-shih, and the other officials of the Manchukuo Government would leave Manchuria by airplane, for trains would be too slow, in order to escape from the people of Manchuria. Dr. Lo said that he had admitted to Mr. Suma that the Chinese could not, at the present time, successfully wage war against Japan. He said that he had asked Mr. Suma why the Japanese Government did not continue to send warships and airplanes to bombard and bomb the Chinese people, since they could easily kill thousands, and there were plenty of Chinese who were willing to be bombed while fighting the Japanese. At the same time, Dr. Lo said to me, he had warned Mr. Suma that Japan could not continue to slaughter the Chinese indefinitely and that this policy of continuing to stir up and keep alive enmity of Japan's neighbor, China, would prove fatal to Japan. I asked Dr. Lo whether Mr. Suma had suggested any plan for bringing about friendly relations between Japan and China and Dr. Lo replied that Mr. Suma had not suggested any plan, but he had declared that the present militarist spirit in Japan was the reason for the trouble and that this spirit could not be opposed or altered. Dr. Lo told me that several Japanese, in conversation with him, had placed on Japanese militarists the blame for Japan's present policy towards China and the estrangement between the two countries and had expressed regret for the policy and the estrangement.

Dr. Lo said that Mr. Suma had asked his opinion concerning the plan, mooted in the newspapers, for appointment by the League of Nations of an International Commission to settle the Sino-Japanese controversy. Dr. Lo said that he had replied that he had no official information regarding this plan and he had no comments to make regarding it.

Japan is widely proclaiming in the press that China is not an organized state, but merely a "geographical area". In this connection Mr. Suma's observations regarding recent Chinese political developments may be of interest.

Mr. Suma said he had read in the Chinese press of the last day or two that the Government was to be brought back from Loyang to Nanking



on December 1. I said that I had been told that the Central Political Council had passed a resolution to this effect on November 17. Mr. Suma asked me what I thought was the meaning of this. I said I thought that it was a mere formality, but probably the move was taken in preparation for the Third Plenary Session of the Central Executive Committee of the Nationalist Party, which was scheduled to take place at Nanking on December 15, 1932. Mr. Suma said that there was a report in Chinese circles in Shanghai that General Chiang Kai-shek intended at the Plenary Session to bring about an apparent unification of all factions, especially of Canton with Nanking, in order to present a united China to the world. I asked Mr. Suma whether he thought that Mr. Wang Ching-wei, President of the Executive Yuan, would return to office after his trip to Europe. Mr. Suma said that it was his impression that Mr. Wang Ching-wei had definitely broken with Marshal Chang Hsueh-liang and with General Chiang Kai-shek and that it would be impossible for him to return to a post in the Government. He said that he understood that Mr. Wang, before he left for Europe, had threatened to expose many political secrets, which would have been disadvantageous for a number of leading Chinese statesmen, but that he had been persuaded not to do so. I observed that there was a Chinese report current to the effect that the "Left Wing" i.e., Wang Ching-wei's faction, was to be eliminated in the reorganization of the Government which would take place during the Plenary Session. Mr. Suma said he had heard this and that, presumably, this would mean the departure of Mr. Ku Meng-yu, Minister of Railways, and of Mr. Chen Kung-po, Minister of Industries. On the other hand, Mr. Suma said, he understood that in addition to the two Ministers just named, there were in the neighborhood of one hundred followers of Mr. Wang Ching-wei who now held posts in the Government and that having been deprived of Mr. Wang Ching-wei's direct protection, through his departure for Europe, Mr. Wang had arranged that his followers should retain their posts, because this would contribute to the apparent unity of the country, and also because it would be useful for Mr. Wang and his party to have the two Ministers and the other office holders as their representatives in the Government.

Respectfully yours,

WILLYS R. PECK

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793.94 Commission/544 : Telegram

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

GENEVA, November 22, 1932—9 a.m.

[Received November 22—7:30 a.m.]

330. In Council meeting late yesterday Koo, the Chinese representative, was the only speaker.

1. He first presented a preliminary "answer" to the Japanese "observations" (Consulate's 328, November 21, 3 p.m.), taking the position that the Lytton report itself constituted an answer and expanding this by declaring chiefly that the Japanese were inconsistent in their complaint respecting conditions in China as Japan was in a definite degree responsible therefor and that if Japan's definition of the Kellogg Pact were to be accepted the Pact had better be abandoned.

2. He then cited numerous instances of the hindering surveillance of the Chinese assessor in the pursuance of his duties by the Japanese authorities in Manchuria in contrast to the facilities extended in China to the Japanese assessor.

3. Lastly he presented China's "observations" on the Lytton report which were largely based on citations from the report supplemented by additional data, interpretation and deductions of which the chief points were as follows:

(a) Japan's historical and recently more explicit policy has been to embarrass China in her efforts at unification and reconstruction with the aim of controlling Manchuria and China itself.

(b) Admitting the relationship of the Chinese Government to the boycott it was a justifiable pacific and self-denying means of defence.

(c) There is at bottom no anti-foreign sentiment in China except against Japan as a natural consequent of Japanese policy.

(d) Japan's invasion of Manchuria was not an act of self-defense nor legitimately based on unsettled claims, the true nature of which the report discloses.

(e) Despite her undertakings to the League Japan has continued to "aggravate the situation".

(f) Japan's claim that the separation of Manchuria from China was voluntary is entirely spurious.

Koo then commented on the conclusions in the report along the general lines outlined in the Consulate's 379, political, dated October 20, 1932.

Text of the Chinese statement transmitted by mail.<sup>26</sup>

GILBERT

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894.51/390

*Memorandum by the Under Secretary of State (Castle)*

[WASHINGTON,] November 22, 1932.

The French Ambassador called to show me a telegram from his Government quoting a report published in *The Chicago Tribune* that France and Japan were negotiating a secret alliance and that France

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<sup>26</sup> League of Nations, *Official Journal*, December 1932, pp. 1877-1890.

was going to advance to Japan 500,000,000 francs. He said he thought it was hardly worth while even to bother me with the telegram, since we would realize that there is no truth whatever in the story, but that as his Government had told him to deny it flatly, he must do so.

The Ambassador said the only financial negotiations that he knew of were those which had been carried on by M. Massenet, who went to Japan and Manchuria for a very unimportant bank to see what could be done to save the French interests in the Chinese Eastern Railroad. I told the Ambassador that the Secretary had misunderstood him when he discussed Massenet's visit to say that Massenet represented the French Government; he said he hoped I would have this corrected immediately as Massenet had no connection whatever with the French Government; he said that his talk with Massenet had very much discouraged him because Massenet had so strongly pointed out the danger of a very serious social crisis in Japan which might take a communistic angle and might take a Fascisti angle, with socialism intermixed. In any case, Massenet felt that the immediate future of Japan was in a very perilous state; he also made the report that Japanese troubles in Manchuria could only grow worse for the reason that certainly not more than one per cent of the people in Manchuria had any use for Japan and that possibly even that one per cent was secretly opposed to Japanese domination. The reason for this, according to Massenet, is that the Chinese are ignored and made fun of by the Japanese officials; Massenet spoke of one instance where he was interviewing one of the principal Chinese leaders of Manchukuo when the young Japanese officer with him said "There is not much use talking to these people, they are all fools", in the hearing of the official. The Ambassador pointed out that Japan, more than any country in the world, was divided between men of real intelligence, who now have no power, and the army, which, although it has some excellent people at the head, is dominated by under officers who are as rotten a crowd as it is possible to imagine; he said that, in any country underlings with a little power are apt to be overbearing, but that this was abnormally true in the case of Japan.

The Ambassador brought up the subject of the Lytton Report, which he said he had just read in its entirety; he feels that the recommendations in the Report are untenable because they would never work; he says that what he fears is that the League, dominated by the small nations, will simply censure Japan for all that it has done, without making any constructive suggestions; that this will endanger the position of the great powers since the small powers which will do the censoring will have no responsibility and that it will result merely in hastening the downfall of Japan. With all that Japan has done, which M. Claudel disapproves as much as any of us, he feels that Japan still

remains the only link the western nations have with the Orient and that it would be a world disaster to have Japan made impotent, perhaps develop into a communistic state and thus open the road for propaganda; he says he is honestly attached to all the good there is in Japan and does not want to see the rest of the world assist in the destruction of that good, although he admits that he has himself no constructive suggestion to make. He thinks that the only course is to refuse to have any dealings with Manchukuo and then wait patiently to see how the matter will work out.

W. R. CASTLE, JR.

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793.94 Commission/585

*Memorandum by the Chief of the Division of Far Eastern Affairs  
(Hornbeck) of a Conversation With Dr. Sao-ke Alfred Sze*

[WASHINGTON,] November 22, 1932.

Dr. Sze<sup>27</sup> called and proceeded to read from a telegram which he had just received from his Government. In this, it was stated that the Nanking Government understood that the Council of the League intended to refer the Lytton Report to the Committee of Nineteen, that that Committee would not act until some time in December; that they would perhaps propose non-recognition and a commission of conciliation; that such a commission, if established, would be established in January and would be given at least sixty days in which to report. The Nanking Government wanted the action speeded up and desired that Dr. Sze urge that the American Government take a strong position to prevent delay.

Dr. Sze hoped that we would do something in the premises. Mr. Hornbeck reminded Dr. Sze of the statements which had been made by the Secretary in the course of the informal conversation on the occasion when the Secretary received Dr. Sze last week.<sup>28</sup> There followed some conversation with regard to the points which the telegram from Nanking reported and the possibilities as regard to League action; and then Dr. Sze asked what reply he should make to the telegram. Mr. Hornbeck said that he would suggest that Dr. Sze reply that he had communicated the message to the Department, and that the Department had declined to make comment. Dr. Sze said that that would "not be enough". Mr. Hornbeck said that he thought it would be better, at this stage, to say something "not enough" than to attempt to say something "too much"; but that Dr. Sze might point out, on his

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<sup>27</sup> Chinese Minister in Great Britain until July 1932 when he was succeeded by Mr. Quo Tai-chi.

<sup>28</sup> November 15, 1932; memorandum of conversation not printed.

own authority, that the question of procedure is a constitutional procedure internal to the League and no one should expect that the American Government is going to volunteer suggestions and advice to the League with regard to the League's conduct of the League's business. There followed some discussion of the meaning of that suggestion, and Dr. Sze left with the statement that he would think the matter over.

S[TANLEY] K. H[ORNBECK]

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793.94 Commission/545 : Telegram

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

GENEVA, November 22, 1932—9 p.m.

[Received 10:10 p.m.]

48. From Davis. In my conversation with Neurath last night he brought up the subject of Manchuria. He told me that Matsuoka had been to see him and that he had spent most of the day at the Council in connection with the Sino-Japanese controversy and indicated that he had not been favorably impressed by the Japanese defence. He said that he was satisfied that Japanese strategy was to delay bringing matter to a head believing that with the passage of time they can strengthen *status quo* and make it more difficult to alter. Also that while he did not think it was wise to impose economic sanctions he thought it important to make prompt decisions and act on Lytton report. He remarked that the League could not repudiate their own Commission and indicated definitely that he thought it necessary and proper to help restore peace in the Far East by working out solution along the lines of Commission's recommendation. In fact he said that it must be solved by cooperation by all the powers concerned including Russia and the United States. I feel comfortable now about Germany's attitude.

WILSON

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793.94 Commission/547 : Telegram

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

GENEVA, November 23, 1932—11 p.m.

[Received November 24—12:02 a.m.]

334. Following is the substance of developments in the Sino-Japanese question in a Council meeting held today.

1. The Japanese representative answered certain of the points raised in the Chinese "observations" (Consulate's 330, November 22, 9 p.m. [a.m.]) in effect as follows:

(a) The assertion that the Japanese advance military plans envisaged not only operations in the Mukden area but in all of Manchuria is destitute of foundation.

(b) In occupying Shanghai Japan acted in self-defense and entirely within the provisions of the Pact of Paris.

(c) Japan has no project for continental or world expansion. China's historical citations indicative of such projects although in general accurate are for the most part exceptional statements of individual Japanese and in no way indicative of the policy of the Japanese Government.

(d) The Chinese boycott is an "aggravation of the situation" contrary to Chinese undertakings to the League.

(e) The Chinese representative's statement that it might be a reasonable proceeding for the Chinese Government to legalize the boycott is a serious admission of Chinese belief in the legality of a boycott. The position of the United States in an instance of a boycott in China of American goods was to the effect that it was the duty of the Chinese Government to put a stop to the movement which was irregular, illegal and specifically in violation of treaty rights. To enforce its viewpoint the American Government ordered its Pacific Fleet to be in readiness to proceed to China. Substantiating citations were read from the 1905 volume of the *Foreign Relations of the United States*.

(f) General anti-foreign sentiment in China is shown by the anti-foreign education in the schools. The Boxer movement of 1900 continues in spirit today. The Chinese allegation that incidents damaging to missionaries and other foreigners were rare and far between can be answered by the public record.

(g) Japan has at no time violated the Covenant of the League, the Pact of Paris or other treaties.

(h) Japan in line with her established policy of preserving peace in the Orient and in the maintenance of order is in no way responsible for the disorganization of China but on the contrary has done her utmost to assist China.

(i) Chinese policy vis-à-vis Japan is indicated in the secret treaty of 1896 between China and Russia (referred to in MacMurray's Treaty volume<sup>29</sup>) which was an aggressive alliance against Japan. Had Japan had knowledge of the existence of this treaty at the time of the Russo-Japanese War there would today have been no Manchurian problem for Japan would have retained Manchuria.

(j) Chinese allegation of a disorganized Japan as explicit in Japan's foreign policy may be left to the world's judgment.

(k) China's call on the League for prompt action inasmuch as delay will entail further bloodshed is answered by the circumstance that the inhabitants of Manchuria are enjoying protection and happiness not known in China proper.

2. In a discussion between the Chinese and Japanese representatives respecting the authenticity of the "Tanaka Memorial"<sup>30</sup> the Jap-

<sup>29</sup> John V. A. MacMurray (ed.), *Treaties and Agreements With and Concerning China*, vol. I, p. 81.

<sup>30</sup> An alleged document of July 1927 by the then Japanese Prime Minister Gen. Baron Tanaka.

anese representative demanded that Koo submit proofs of its authenticity.

3. Koo in his rebuttal chiefly reiterated previous statements and did not adduce anything new which seems to be of sufficient importance to report.

4. Lord Lytton took his seat at the Council table. The President proposed that, having heard the statements of the Chinese and Japanese representatives, the members of the Commission of Inquiry should inform the Council as soon as convenient "whether these observations and statements would cause the Commission to think that the views expressed in their report should be modified or added to in any way." Matsuoka assented to this but with the understanding that any opinions expressed would represent the views of the Commission as a whole and not those of any particular member. He added, however, that according to his understanding "the task of the Commission was ended at the moment it submitted its report to the League" and it was therefore "beyond the competence and authority of the Commission to confer and give a new phase regarding the observations or exposés put forth by my Government or by myself."

The President replied :

"With regard to the first point raised it was understood that the opinion would be that of the Commission as a whole. With regard to the second point my views are that the Commission is still in existence until it is formally dismissed by the Council, that any opinions the Council may wish to get from the Commission as a whole should be available to it."

Matsuoka persisted in his contention that the work of the Commission was completed on the production of the report and that it had "no right to make any comments or give any opinion concerning what took place after the production of the report." He asserted that if the Council differed he wished to take exception and reserve his attitude. The President reiterated his views and called attention to the fact that this was in accordance with League practice.

The Chinese delegate supported the President's proposal.

After a further interchange between Matsuoka and the President along the same lines Lytton spoke as follows :

"I should like to thank you for the opportunity you have afforded us of stating whether the observations that have been made by the representatives of Japan and China would lead us in any way to modify the opinions contained in our report. Since it is obvious that any opinion I might express on that point must be the opinion of the Commission as a whole I cannot respond to your invitation until I have had an opportunity of meeting my colleagues. We will meet tomorrow and discuss the invitation you have extended to us. With regard to the point raised by the Japanese delegate the Commission has not met

since the members of it returned to their respective countries nor expressed any opinions nor taken any action as a commission. It was not my understanding of your invitation that we should be asked to comment on the observations that have been made; all I understand your invitation to mean was that we should tell the members of the Council whether the observations made on our report are such as to lead us to explain, modify or alter our recommendations in any way. This is the only point that I shall put to my colleagues if I have rightly understood the matter and that is the only point to which I shall address myself when the opportunity arises."

This proposal was approved by the Council, the Japanese reservation being maintained.

GILBERT

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893.01 Manchuria/647

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>31</sup>

[NANKING,] November 23, 1932.

Owing to the strict censorship on the part of the Japanese authorities, the world has heard little of the many atrocities committed by the Japanese militarists in Manchuria. The world has heard only of the news every now and then that so many hundreds or thousands of "bandits" have been killed by the Japanese armed forces in Manchuria.

A gruesome account of the atrocious acts committed by the Japanese troops upon the inhabitants of the three villages of Pingtingshan, Chiengchinpao and Litsekw, about four or five miles from Fushun, with about 500 families, mostly farmers and a population of approximately 3,000, was relayed from Nanking to Washington as follows:

On the morning of September 16, 1932, three Chinese volunteers appeared in the village of Pingtingshan for scouting purposes. The Japanese learned of their appearance. Suspecting that the two neighboring villages, Chiengchingpao and Litsekw, were also implicated in the activities of the volunteers, the Japanese despatched a force of 200 soldiers with more than ten machine-guns to Pingtingshan, where they called in the elders of the three districts who were put to a severe interrogation as to the whereabouts of the volunteers, whether the inhabitants of the three villages were hiding any of the volunteers, and whether there were any indications of a revolt. The Japanese also told the elders that should the investigation prove favorable to the people of the three villages, they would be considered as good people

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<sup>31</sup> Translation of telegram transmitted to the Department by the Chinese Legation, November 25, 1932.



and would be accorded a good reward. The elders were then ordered to bring out all the inhabitants of their respective villages and have them congregated on an open ground at the south-western part of Ping-tingshan.

When the three thousand men, women and children had been gathered together, they were ordered first to sit down quietly awaiting investigation. At the same time the machine-guns were placed over a hundred feet in front of the congregation. The machines having been brought into this position, the crowd was ordered to about face and kneel. The more sensitive ones sensing the tragedy that lay ahead started to stand up and run. At this moment began a continuous stream of volleys from the deadly machine-guns which swept over the seething mass of human beings. Rising above the din of the machine-guns were the screams of the women and children and the cries of pain and agony.

Those who succeeded in getting away numbered only some 130 persons. Some 60 to 70 persons died of wounds during the escape. More than 700 of the men, women and children were killed instantaneously. The Japanese then stabbed with their bayonets all the rest, including the wounded, who were struggling in the pools of blood amidst the corpses. The dead bodies were then piled up in a heap and burned to ashes with wood and kerosene.

All the houses in the three villages were next set on fire until not one of them was left standing. The grains of the farmers were given to the Koreans who were allowed to take away what their hearts desired.

The same fate was meted out to the inhabitants of the villages of Pihkwangpao and Hwangshapao near Liaoyang.

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893.01 Manchuria/648

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>32</sup>

[NANKING,] November 24, 1932.

General Ting-Chao telegraphed to the effect that on the 19th instant he personally led a force of 9,000 from Li-Shu-Cheng and advanced toward Ta-Muh-Lin-Ho and was assembling all the forces in the rear, preparing for a general assault on the enemy. Across the Mu-Tang River there were great numbers of members of the Self-Defence Army and contacts could be established when once General Ting's men got across the river when collective action could be planned.

The Japanese, realizing the efficiency and deadliness of the machine-

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<sup>32</sup> Copy of telegram transmitted to the Department by the Chinese Legation, November 25, 1932.

gun corps commanded by General Puh-Ting-Shan and as their bid for peace with Su-Ping-Wen having proved abortive, have now turned their offers to General Puh, willing to present the latter with \$2,000,000 and a large quantity of rifles and ammunition as price for neutrality. General Puh has turned down these offers absolutely.

Generals Su-Ping-Wen, Puh-Ting-Shan and Ma-Chan-Shan have sworn and pledged to exert their utmost resistance against the Japanese and their determination to stand together against the enemy is adamant.

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793.94 Commission/549 : Telegram

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

GENEVA, November 25, 1932—10 a.m.

[Received 10 a.m.]

336. The following is a summary of the Council's proceedings yesterday afternoon:

1. After an interchange between the two parties concerning points previously raised, the Chinese representative, accusing the Japanese of diverting attention to side issues, set forth the Chinese position in regard to the following points which he designated as the main issues:

(a) Was Japanese action on September 18, 1931, an act of self-defense?

(b) Is the so-called Manchukuo the result of a real Chinese independence movement and the expression of the free will of the people of Manchuria?

(c) Has Japan withdrawn her troops as she has repeatedly undertaken to the Council?

(d) Has Japan stopped military operations and refrained from further aggravation?

(e) Could the dispute have been settled by pacific means?

The answers to these questions are obvious inasmuch as to matters of fact they are covered comprehensively in the Lytton report. As to matters of law the Japanese through their acts and their statements to the Council have shown that they have no intention of observing their international engagements and this constitutes a challenge to the League and the world.

2. A confused discussion ensued on the competence of the Commission of Inquiry (Consulate's 334, November 23, 11 p.m.). The difference of opinion seems to arise from a difference of phraseology rather than of substance. The Japanese are to submit their views in writing after which if necessary the matter will be discussed further.

GILBERT

793.94 Commission/562 : Telegram

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

NANKING, November 25, 1932—6 p.m.

[Received November 26—6:05 a.m.]

Soong called myself, French Minister, British Chargé and Italian Minister to his house at 11:30 this morning and said that Government was embarrassed by reports emanating from Japanese sources in Geneva to the effect that direct negotiations were proceeding between China and Japan for the settlement of Manchuria question. He asked us to inform our Governments that the Chinese have referred the question to the League of Nations and expected to leave it there; China looked to the League for a settlement; the League had sent a commission to investigate; the question was squarely up to the League and China hoped that a solution would be found there. He said that if all this fails the outlook was dark, as undeclared war would continue resulting soon afterwards in chaos throughout China. He said what chance was there of success by direct negotiations when Japan does not yield to the public opinion of the world.

JOHNSON

793.94 Commission/560 : Telegram

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

GENEVA, November 25, 1932—9 p.m.

[Received November 25—6:14 p.m.]

50. From Davis and Wilson. We have been endeavoring to estimate the situation regarding the League's action concerning Manchuria. As far as we can foretell the Assembly will meet on December 5th and after consuming a few days in discussing report it will ask Committee of Nineteen to draft a report and resolution. As previously advised the resolution will probably provide for acceptance of the first eight chapters of the Lytton report and the reference to either (a) the Committee of Nineteen or (b) some other smaller body to negotiate a settlement along the lines of chapters 9 and 10. It is contemplated that above resolution will be adopted about December 15th.

We feel that there is every advantage in having this matter kept definitely within the scope of the League of Nations and that the setting up of a smaller committee composed perhaps of the nine powers plus Russia would take responsibility from the League and place it more definitely on the members of the smaller committee.

A further question arises as to whether you see any difficulty in admitting American cooperation in a body in which a representative

of the Soviets is sitting. Our own opinion based on the report of the Lytton Commission is that it is essential to have Russian representatives present in reaching a solution.

We will be called upon in the near future to state definitely whether once the report is adopted and a verdict rendered, which is purely a League matter, we will be prepared to join either the Committee of Nineteen or the smaller body mentioned above to deal specially with the question of reaching a solution. If you do not see political difficulties at home involved in such procedure we feel that it would be advantageous to choose participation in the Committee of Nineteen, thus holding the League more definitely responsible. For practical purposes the Committee of Nineteen might then appoint a smaller subcommittee to negotiate a settlement.

If we participate in such a committee the choice of a representative would have to be made soon. We venture to suggest that we know of no one better qualified than General McCoy who seems to have won the complete confidence of both sides. The only question is as to the propriety of having a former member of the Commission of Inquiry become a Government representative in a case on which he has made a report.

WILSON

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893.01 Manchuria/654

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>33</sup>

[NANKING,] November 25, 1932.

Mr. T. V. Soong, Acting President of the Executive Yuan, and Mr. Lo Wen-Kan, Minister of Foreign Affairs, received the diplomatic representatives of the United States, Great Britain, France, Germany and Italy at Mr. Soong's residence this morning. It is learned that in the course of the conversation Mr. Soong discredited the rumor assiduously circulated by Japanese agents that there is a growing tendency for the Chinese Government to favor direct negotiations with Japan. Mr. Soong drily remarked that the same rumor had been repeated whenever the Manchurian issue received serious attention in Geneva. He added that the issue was now squarely up to the League which had to decide upon not only the future of the Three Eastern Provinces, but also the principle of the sanctity of treaties and the very existence of the League itself.

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<sup>33</sup> Copy of telegram transmitted to the Department by the Chinese Legation, November 26, 1932.

793.94 Commission/563 : Telegram

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

GENEVA, November 26, 1932—10 a.m.

[Received 10 a.m.]

339. In meeting yesterday afternoon Council concerned itself in Sino-Japanese question chiefly with two points of procedure (1) status of Lytton Commission vis-à-vis Council proceedings, (2) reference of dispute to the Assembly.

1. Matsuoka communicated a memorandum embodying in four specific contentions his reservations made at previous meetings (Consulate's telegram 336, November 25, 10 a.m., paragraph 2).

(a) The work of the Commission terminated when report was presented to the Council.

(b) Japan does not object to Commission supplying at the Council's request explanations regarding report or adding to or subtracting from it provided that such explanations should apply with regard to "passages in the report which are not clear and distinct" and that any addition and subtraction should follow from a "reexamination or reconstruction of the report itself or of materials which the Commission obtained on the spot in the course of its investigation."

(c) Japan cannot admit the competency of the Commission to comment on the observations presented by the Japanese Government to the Council or on the statements made by the Japanese representative at the Council's current meetings.

(d) If the Commission were to be asked to consider whether the observations and statements they have heard led them to desire to make any change in the report the Japanese representative might be compelled to cross-examine the members of the Commission; it was consequently with a view to obviating delay that Japan objected to this procedure.

The President called upon Lytton to state "whether the Commission itself desires to add anything to the report." Lytton replied in the negative. Note: current opinion here is that these developments are not conclusive respecting the Commission's ultimate authority.

2. The President reviewed the debate which has thus far taken place. Mentioning the Council's intrinsic rights to deal freely with the report he felt, however, that "practical considerations" particularly the lack of any note of agreement in the speeches of the Japanese and Chinese representatives showed the expediency of referring the dispute to the Assembly as soon as possible.

The Japanese representative declared that he would have to request instructions from his Government regarding the President's proposal. He then stated:

"I am convinced that if the matter is dealt with by the Assembly under article XV, the first obligation of the Assembly will be to exhaust

every means in order to arrive at a solution by conciliation. If I am right in believing that conciliation will be sought I see no difference in considering the matter under article XI or under paragraph 3 of article No. XV."

He emphasized that no settlement could be considered satisfactory unless subscribed to by both parties and that Japan believed that a permanent peace "based on realities" could only be achieved by pursuing the policy which had led her to recognize Manchukuo. He regretted that the Council last year had failed to accept the Japanese Government's proposal of direct negotiations with China on the former's five fundamental principles, a solution which he saw confirmed "in spirit" by the Commission's report.

Endorsing the President's proposal, the Chinese representative explained that during the Council's current meetings he had purposely limited his views on the report to the third principle in chapter 9 in the hope that inasmuch as Japan was a signatory to the instruments mentioned therein this principle might serve as a basis of conciliation. The attitude of Japan having defeated this hope he felt compelled to await the convoking of the Assembly before fully presenting China's case.

GILBERT

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793.94 Commission/567 : Telegram

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

GENEVA, November 28, 1932—2 p.m.  
[Received November 28—12:45 p.m.]

340. Consulate's 339, November 26, 10 a. m. Council this morning voted unanimously (Japan abstaining) to refer the Sino-Japanese dispute to the Assembly. The Japanese representative in a letter addressed to the President of the Council said that according to instructions received from Tokyo the Japanese Government maintained the reservation which it had made on previous occasions with regard to the application of article XV of the Covenant. He added that his Government had confirmed the opinion which he had expressed on this subject at the last meeting of the Council.

The President then thanked the members of the Commission of Inquiry for their assistance and added that should the Assembly desire to obtain from the Commission further information or explanations of the report the Assembly could always by a special resolution recall the Commission. The Japanese representative maintained the reservation made at the previous meeting of the Council concerning the existence of the Commission. Competent officials of the Secretariat inter-

pret this action as tantamount to putting an end to the existence of the Lytton Commission. The phraseology of the President is admitted not to be clear and it is understood that it was intended that he should use the word "reconstitute" rather than "recall". The reference to possible Assembly action respecting the Commission has obviously constitutional difficulties but it was added as a compromise to satisfy certain members of the Council who wish to feel that the Commission could be called upon if desired.

The consensus of opinion seems to be that the dissolving of the Commission is a sound move as it gives the report a more definite status than if it remained open to modification.

GILBERT

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795.94 Commission/571 : Telegram

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

TOKYO, November 28, 1932—8 p.m.

[Received November 28—4:04 p.m.]

275. I have returned from the Kwansai and have read Department's 181, November 21, 7 p.m.<sup>34</sup>

Paragraph (a) is undoubtedly an accurate statement of the Japanese position. I find no one here who believes that Matsuoka has authority to make substantial concessions at Geneva or that the Government intends to do so.

Paragraph (b) represents a widespread feeling in Japan.

Paragraph (c). The hostility in Japan towards the United States is temporarily quiescent and not so acute as Matsuoka paints it. This noticeable amelioration of open bitterness displayed last spring and summer is due to three factors:

- (1) Nothing has recently been said or done to excite hostility;
- (2) The recognition of "Manchukuo" by Japan afforded the public a sense of complaisant satisfaction that the main issue between the United States and Japan had from the Japanese point of view been finally settled by that step;
- (3) Industrial conditions are improving at least temporarily and a feeling of optimism prevails which was lacking a few weeks ago. While there is open dissatisfaction with the heavy drains on the budget, social conditions are easier than they were during the spring and summer. The situation in this respect has improved even since Matsuoka left Japan and is an important psychological factor. Nevertheless latent hostility towards the United States is always present and would flare up at any provocation, although war with the United States is

<sup>34</sup> For paraphrase of telegram, see *Foreign Relations, Japan, 1931-1941*, vol. 1, p. 104; it reported substance of telegram No. 45, November 19, 8 p.m., from the Minister in Switzerland, p. 349.

unthinkable if only because Japan's purse is empty and her hands are full elsewhere. This is the best guarantee of peace.

Paragraph (d). It seems quite likely that in the event of drastic action by the League of Nations the Government may be forced by domestic public opinion to withdraw its delegation from Geneva but much less likely that Japan will resign its membership in the League and sacrifice its place on the Council of which it is proud.

The situation seems to me to be as follows: The Japanese are outwardly self-assured but inwardly hypersensitive. They feel that the world is against them and they do not understand why, having been misled by chauvinistic propaganda. The saner thinkers in the country realize that the Manchurian venture is a serious muddle but their hands are tied by predominant public opinion. Radical concessions to foreign opinion at present would undoubtedly result in the overturn of the Government and probably in serious domestic disturbances. There is no prospect that any concessions can or will be made under pressure at Geneva which would entail withdrawal or modification of Japan's recognition of "Manchukuo".

This being the case, I am still of the opinion that the best and only profitable course to follow is one of restraint. The determination of the nations to uphold the sanctity of the peace treaties can for the present best be expressed by refusal to recognize "Manchukuo" since there is no obvious method of effective enforcement. The best way out of this impasse is not by attempting coercive measures, which would merely serve to weld this country more firmly together in opposition, but to acknowledge frankly to the world that the cause of peace, which is the principal issue at stake, can most effectively be served by gradual rather than by immediate attempts to solve problem. The time factor is important because, as I have frequently pointed out, the difficulty and overburdening expense of pacifying and organizing Manchuria are far more likely to modify the policy of the Government in the long run than any overt foreign opposition. Repeated to Peiping.

GREW

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793.94 Commission/560 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, November 28, 1932—5 p.m.

39. [For Wilson.] Your telegram No. 50, November 25, 9 p.m. Has the idea of adopting "declaration of non-recognition of and non-cooperation with Manchukuo Government", as outlined to you by



Drummond and reported in your 31, November 1, 9 p.m.,<sup>35</sup> been abandoned?

Do you not think it highly important that such declaration be made at an early moment? I cannot but feel that failure to do this before proceeding with any plans to shift or narrow responsibility for formulating projects for solution would amount to failure to seize a strategic position while the opportunity exists and the psychological moment is present, and that such failure would add to the difficulty of all subsequent efforts.

While awaiting your reply to this inquiry, I am formulating tentatively a reply to points raised in your telegram under reference.

STIMSON

793.94 Commission/569 : Telegram

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

PEIPING, November 29, 1932—noon.

[Received November 29—1:25 a.m.]

1277. Following by mail from American Consul General at Harbin:

“November 27, 1 p.m. I am reliably informed that Japanese and Chinese representatives of Manchoukuo are forcing local Chinese and Russian merchants, publishers, teachers, students and others to sign petitions prepared at Hsinking and addressed to League of Nations protesting against Lytton report and praising Manchoukuo. It is still my opinion that the articulate Chinese population of North Manchuria is antagonistic to an independent Manchuria Government controlled by the Japanese. Although many local Russians were enthusiastic at first in regard to Japanese control they are now disillusioned because of Japanese failure to bring about peace and order and to accord them equal rights with Japanese and native residents here as promised by the Japanese”.

For the Minister:

PERKINS

793.94 Commission/572 : Telegram

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

GENEVA, November 29, 1932—2 p.m.

[Received November 29—9:20 a.m.]

344. General McCoy informs me that Lytton has asked him to remain in Geneva, subject to call, in connection with the forthcoming

<sup>35</sup> Not printed.

meetings of the Assembly, and that he is complying with this request of the Chairman of the Commission of Inquiry.

GILBERT

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893.01 Manchuria/691

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the First Secretary of the Chinese Legation (Kung)*

[WASHINGTON,] November 29, 1932.

Mr. Kung said that the Chinese Legation had just received from Nanking two important confidential telegrams.

In the first of these, the Foreign Office stated that there are substantial evidences that the Japanese are trying to provoke "incidents" in North China. (Note: This is in line with recent information which we have from other sources with regard to renewed provocative activity by the Japanese Legation guard in Peiping.) The Foreign Office had received telegraphic information from General Chang Hsueh-liang in which the general said that he was taking every possible precaution to combat this effort by preventing the occurrence of incidents.

In the second telegram, the Foreign Office stated that the Japanese Minister to China, Mr. Ariyoshi, had returned to China (but not yet visited Nanking) after a trip to Japan. In Japan, Mr. Ariyoshi had called on the majority of the influential leaders and had presented a memorandum giving his views of what should be done in regard to China. (Note: Mr. Kung said that the Nanking Government deduced that Ariyoshi's recommendations had been on the side of moderation.) Unfortunately, Ariyoshi's views had met with little success and Ariyoshi seemed greatly disappointed. The Nanking Government inferred that the military faction still retains a position of strong control in Japan.

S[TANLEY] K. H[ORNBECK]

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500.A4D/273

*Memorandum by the Secretary of State of a Conversation With the German Ambassador (Von Prittwitz)*

[WASHINGTON,] November 29, 1932.

After talking this afternoon with the Ambassador about other matters, I brought up the ratification of the Nine-Power Treaty by Germany. I reminded him that I had talked with him before about it and I thought also with Dr. Bruening when he was Chancellor, and

that they had both given me to understand that they would try to bring up the ratification of that Treaty this winter by the Diet. I said I thought if they could do that, it would have a very beneficial effect upon the general situation at Geneva. He said he would take it up with his government. He told me that naturally it was very difficult to get anything done now in their Parliament in the absence of the establishment of a Parliamentary Cabinet, but it might just happen that when they could not agree on other matters they could agree on this. He said that at any rate he would try. I told him I was glad to hear this because I felt it was very important that now the Lytton Report had made a firm basis for action at Geneva, there should be a temperate but firm decision made in the matter and that such action by Germany would conduce to that end.

H[ENRY] L. S[TIMSON]

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793.94 Commission/580 : Telegram

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

GENEVA, November 30, 1932—11 a.m.

[Received November 30—7:17 a.m.]

52. Department's 39, November 28, 5 p.m. I have been in telephone communication with Davis.

No further reference has been made by Drummond with regard to the adoption of a declaration of nonrecognition in recent days but the point has often been raised in conversation with others who all regard it as an essential and immediate step. I have every reason to suppose therefore that the idea has not been abandoned especially as no opportunity was afforded for general discussion or even individual declarations in the sessions of the Council.

The special session of the Assembly has just been called for December 6th. I understand also that the Committee of Nineteen will meet December 1st in private session. I shall report immediately any authoritative comment I may chance to hear in the above respect meanwhile continuing to be governed by your instructions to refrain from any appearance of urging a course of action on League members with respect to the phases of the Sino-Japanese problem which must be handed [*handled?*] by the League *qua* League.

Davis and I both believe that it is important and advantageous that the declaration be made and consider that it will be still more advantageous if made without any pressure from representatives of the United States.

WILSON

893.01 Manchuria/650 : Telegram

*The Minister in China (Johnson) to the Secretary of State*PEIPING, November 30, 1932—7 p.m.  
[Received November 30—9:10 a.m.]

1281. Following from American Consul General at Harbin :

“November 29, 4 p.m.

1. Japanese military today stated that forward movement of Japanese troops against Su commenced yesterday, that they could not reveal the number Japanese troops participating, that opposed to them are 14,000 Chinese soldiers well entrenched between Fulaerdi and Manchouli mostly concentrated at Tuerchiha station and that they were satisfied with the results of the drive in the direction of Paichuan.

2. I believe that Su who is reported to be willing to negotiate with the Manchukuo-Heilungkiang Chinese officials but not with the Japanese military will not compromise but if too hard pressed will take flight.”

For the Minister:  
PERKINS

898.51 Manchuria/22

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the Second Secretary of the French Embassy (Bousquet)*

[WASHINGTON,] November 30, 1932.

M. Bousquet called and stated that the French Government had under consideration information from the Far East to the effect that Japan was going to make a loan to Manchoukuo. The French Government regarded the project as contrary to the provisions of the International Banking Consortium agreement, to which Japan is a party.<sup>36</sup> They “were going to object to it”. They wished to know what was the attitude of the United States with regard to the contemplated loan.

As M. Bousquet was making this statement from a file of papers which he had in hand, Mr. Hornbeck asked him to dictate an informal *aide-mémoire* stating exactly what were the circumstances and specifications of the inquiry to which the Department should give consideration. M. Bousquet then dictated as follows:

“The Bank of Indo-China has received information that Manchoukuo had entered into negotiations with a Japanese syndicate for the floating of a loan amounting to 30,000,000 yen. The Japanese group contends that this loan does not pertain to the International Consor-

\* Dated October 15, 1920, *Foreign Relations*, 1920, vol. I, p. 576.

tium because of the independence of the Manchoukuo government and of the latter's recognition by the Japanese Government.

"According to the French Government's opinion, this contention is contrary to Articles II and IV of the Consortium agreement dated October 15, 1920. Besides, the fact that certain Japanese interests in Manchuria have been expressly excluded from this agreement shows that the dispositions of the agreement are applicable to the entire Chinese territory including Manchuria.

"On the other hand, the collateral for the loan would consist of the Chinese salt and opium monopolies derived from the provinces of Kirin and Heilungkiang.

"The French Government would appreciate it very much if the American Government could inform it of its point of view on the matter."

It will be seen from this dictated statement that M. Bousquet's original statement that the French Government "was going to object" was not exact—which fact was confirmed by an exchange of question and answer, in which Mr. Hornbeck inquired whether the French Government had objected, had decided to object, or was merely suggesting objection—to which M. Bousquet replied that the French Government was thinking about the matter and wished to have the American Government's view.

The inquiry having thus been clarified and been made specific, Mr. Hornbeck said that attention would be given it and that he would communicate with M. Bousquet in due course.

S[TANLEY] K. H[ORNBECK]

### CHAPTER XIII: DECEMBER 1-31, 1932

**Establishment of Japanese Embassy in "Manchoukuo", December 1; American Disapproval of Foreign Loan to "Manchoukuo", December 6; Consideration of China's Appeal by League Assembly, December 6; Views of Secretary Stimson Respecting Failure of League Assembly To Support Nonrecognition Policy, December 9 and 12; Proposals of League Assembly's Committee of Nineteen Respecting Conciliation, December 15; Chinese Insistence Upon Settlement of Manchurian Conflict in Harmony With General Treaties, December 22**

701.9493 Manchuria/4 : Telegram

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

TOKYO, December 1, 1932—10 a.m.

[Received December 1—12:08 a.m.]

277. By imperial ordinance today a Japanese embassy was established at Hsinking and General Nobuyoshi Muto was appointed ambassador to "Manchukuo".

Repeated to Peiping.

GREW

793.94 Commission/587 : Telegram

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

GENEVA, December 1, 1932—3 p.m.  
[Received December 1—1:55 p.m.]

346. Consulate's 342, November 29, noon.<sup>39</sup> The Committee of Nineteen met in private and in public session this morning. As anticipated no discussion took place on the substance of the dispute. Consideration was given to a letter from Yen under date of November 29 requesting the Committee to draw up a proposal to be submitted to the Assembly fixing definitely and finally the length of the prolongation of the period prescribed by the Covenant for the completion of the Assembly's report on the conflict (Consulate's 214, July 2, 9 p.m. and 277, October 1, 3 p. m.). The Committee agreed that the President should reply to the effect that it was impossible to prepare such a proposal until after the Assembly had discussed the question as a whole and had thus provided the Committee with a basis on which to proceed.

GILBERT

893.01 Manchuria/693

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation<sup>40</sup>*

[NANKING,] December 1, 1932.

A telegraphic message dated November 27 from Hailar stated that in a formal note to the Soviet Government, General Su Ping-Wen said that with reference to the story fabricated by the Japanese that he and his colleagues had sued for peace and that the Chinese resistance had broken down without an attack, he had the honor to state that it was the determination of his army and all the other volunteer armies in Manchuria not to relax a whit of their resistance until the enemy should be driven out of Chinese territory,—a fact which must have come to the cognizance of the Soviet Government.

The note also stated that the Japanese mission headed by Komaziwara<sup>41</sup> on the pretext of negotiating for peace had continued to linger in Soviet territory, and on the pretext of supplying the Japanese captives with provisions had continued to take the liberty of making free use of Soviet aeroplanes, encroaching upon Chinese aerial domain, with the object of spying the Chinese positions and movements. This

<sup>39</sup> Not printed.<sup>40</sup> Translation of telegram transmitted to the Department by the Chinese Legation, December 1, 1932.<sup>41</sup> Col. Y. Komatsubara.

was tantamount to espionage on the part of the Japanese. It was sincerely to be hoped that the Soviet Government would at the earliest moment order said Japanese agents to leave Soviet territory.

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893.00/12216

*The Chinese Ministry of Foreign Affairs at Nanking to the  
Chinese Legation*<sup>42</sup>

[NANKING,] December 1, 1932.

I. Mr. Lin Sen, Chairman of the National Government, returned to Nanking today. He first went to the Mausoleum with the high officials of the Government to pay his homage to the memory of Dr. Sun Yat-Sen and then attended at the auditorium of the National Government the meeting which marked the formal return of the seat of the National Government from Loyang to Nanking.

In an order promulgated at the same time it was stated that in violation of the Covenant of the League of Nations, the Anti-War Pact of Paris and the Nine Power Treaty of Washington, Japan first occupied Manchuria and then attacked Woosung and Shanghai, endangering Nanking, the Capital of the Nation. To meet the emergency thus created, the National Government moved its Capital to Loyang. In order that peace might be maintained within and resistance continued to meet the invasion from without, the Government at that time called into session a National Salvation Conference and ordered the Commission of Military Affairs to despatch a large force to Honan, Hupeh, Anhui, Kiangsi, Fukien and other provinces to subjugate the bandits and pacify the suffering inhabitants. Now as the extraordinary conditions in these provinces have gradually been returned to normal, the League of Nations is in session, and the public opinion of the world has discerned the truth of our dispute with Japan, and as diplomatic negotiations require expeditious action, the National Government has removed its seat to Nanking, where communications are convenient and contacts with the other capitals of the world may be facilitated.

The order also stated that the National Government would respect the many multilateral treaties in letter as well as in spirit in all its relations with its neighbors, but the National Government would not for a moment relax its resistance against the aggressor.

II. According to reliable reports, the people within the Japanese sphere of military occupation have been oppressed to the extreme. The following three cases may be cited :

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<sup>42</sup> Translation of telegram transmitted to the Department by the Chinese Legation, December 3, 1932.

1. "The Five-Family-Responsible-Rule". The Japanese have now enforced a law holding five families responsible for the act of an individual. Should one person enter the home of another in another village, five families should be responsible for his movements. If there should be the slightest suspicion members of the five families would be heavily punished. The villagers, therefore, are not without the greatest trepidation in receiving friends or relatives.

2. "Good-People Certificates". The Japanese have been compelling the villagers to take out the so-called "Good People Certificates" without which they are not allowed to come to the towns or cities.

3. Watch Towers. The Japanese have put up every six miles along the railway lines a tall watch tower to ascertain the positions and movements of the volunteers.

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893.01 Manchuria/694

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>43</sup>

[NANKING,] December 2, 1932.

Because communication facilities are not adequate, the Japanese have delayed their long contemplated attack on Jehol. It is reliably reported that redoubled efforts have been made at the Liaoning<sup>44</sup> Arsenal and the other arsenals in Japan to turn out for the objective 5,000 heavy trucks, each with a capacity of carrying twenty soldiers. These trucks are also to be equipped each with two machine-guns, one new 7.5 centimeter gun, and covered all around with bullet proof steel plates.

Ostensibly the Japanese have not shown much enthusiasm for an attack on Jehol at the present time, but in reality they are making strenuous efforts for the attempt. This may be evidenced from the fact that in the new map of Manchuria issued by the Japanese authorities Jehol is included.

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793.94 Commission/601 : Telegram

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

GENEVA, December 2, 1932—6 p.m.

[Received December 2—4:05 p.m.]

53. Your 39, November 28, 5 p.m., and my 52, November 30, 11 a.m. In a conversation this morning Drummond told me that the Japanese had been making endeavors to reach agreement with the Chinese to

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<sup>43</sup> Translation of telegram transmitted to the Department by the Chinese Legation, December 3, 1932.

<sup>44</sup> Mukden.



open direct negotiations. These overtures the Chinese had refused. The Japanese were now considering making a proposal perhaps in the Assembly for direct negotiations with the presence of neutral observers similar to the Shantung discussions during the Washington Conference. They were still in their conversations presenting impossible conditions. Nevertheless, Drummond felt that it was a slight step in advance that they were at least considering the idea of inviting neutral observers for a direct discussion. According to Drummond the members of the Committee of Nineteen are now considering something along the following lines. (Please bear in mind that this is all speculation and no one can actually foretell what will evolve.)

1. The Assembly meeting December 6th will listen to general expression of views on the part of its members.
2. At the end of these discussions the matter will be referred to the Committee of Nineteen for specific recommendations to the Assembly.

A further meeting of the Assembly some time after the middle of the month will be held with the idea of adopting a resolution in three parts or three resolutions as follows:

- (a) Adoption of the first eight chapters of the Lytton report;
- (b) Either: (1) As a deduction from the adoption of the report and the resolution of March 11 declaring that states members of the League should not recognize Manchukuo or, (2) a reaffirmation of the resolution of March 11;
- (c) Request the Committee of Nineteen to examine the conclusions in chapters 9 and 10 of the Lytton report and to endeavor to effect a settlement. The Committee of Nineteen would be authorized at the same time to invite representatives from the United States and Russia as well as from Japan and China to sit on the Committee.

You will notice that there is a slight weakening of the determination to adopt a resolution for nonrecognition of Manchukuo, and indeed in conversation with League of Nations members yesterday I became aware of this tendency. Drummond explained that some of the most radical members of the Committee—notably Madariaga—were entertaining the thought of bargaining with Japan for its acquiescing in this program by substituting “(b) (2)” for “(b) (1)” and Drummond himself felt that this might be the proper thing to do in order to get real negotiations started.

McCoy is of the opinion that the Japanese have discounted a non-recognition declaration and that therefore such a declaration would not have the effect of further irritating Japanese public opinion. You may feel that the procedure outlined under “(b) (2)” would be sufficient for the vindication of the principle, especially if it is coupled with the hope in the minds of the Assembly of the possibility of a constructive solution. In the event that you think such procedure is not suffi-

cient and that it is essential to follow the procedure foreseen under (b) (1) that the League should adopt a definite declaration of non-recognition of Manchukuo Davis and I feel that the procedure which we should follow should be carefully considered. We do not think that we could talk to members of the Secretariat or representatives of the small powers without grave risk of the fact of our intervention becoming public property. We might however talk very confidentially with the chief delegates of France and Great Britain making it clear that we are talking to them not as members of the League but as representatives of powers having vital interests in the Far East.

We would appreciate your views as urgently as possible in order to have them before the meeting of the Assembly on December 6th.

WILSON

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893.01 Manchuria/664 : Telegram

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

PEIPING, December 3, 1932—10 a.m.

[Received December 3—7 :08 a.m.]

1289. Following from American Consul General at Harbin,

“December 2, 4 p.m. Japanese military claim operations carried out by them commencing November 29th have resulted in taking by them on following day of Chinese Eastern Railway between Fulyaerdi and Chalantun except station Nientzeshan where there are about 8,000 Chinese soldiers who are being attacked today. Most likely they will flee westward into the hills. Japanese cavalry forces and soldiers in motor trucks swept around Chinese left flank. Practically only Chinese losses were 100 killed at Chalantun beyond which Japanese have not yet gone except to bomb retreating Chinese troops’ train. It is believed Japanese aeroplanes did considerable bombing causing Chinese to retreat without resistance.”

For the Minister:

ENGERT

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793.94 Commission/603 : Telegram

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

GENEVA, December 4, 1932—9 p.m.

[Received December 4—5 :35 p.m.]

55. From Davis and Wilson. Please see final paragraph 50, November 25, 9 p.m. We have discussed the suggestion with McCoy and think it is well to let you know that he feels rather strongly that there would be an impropriety in his acting on a committee to find a solution after

he had been a member of a commission which had rendered judgment on the case.

WILSON

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793.94 Commission/604 : Telegram

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

GENEVA, December 4, 1932—10 p.m.

[Received December 4—8:10 p.m.]

56. From Davis and Wilson. Since the despatch of No. 53, December 2, 6 p.m., we have repeatedly discussed the relative advantages of the two courses of action sketched under point 3 as (b) (1) and (b) (2). We have also discussed the matter with McCoy and desire to submit certain reflections to your consideration.

As pointed out in our 53, McCoy believes that the Japanese have discounted a nonrecognition declaration and that thus we need not fear that the issue of such declaration will cause further irritation with resulting stiffening of their attitude. It seems natural furthermore that if the Japanese expect such a declaration and it does not come they will feel that there is disunion and weakening of position on the part of the powers members of the League and will not feel the same necessity for compromise as they would if faced with concerted action. A general public disapproval such as a resolution of nonrecognition should not fail to be impressive to moderate elements in the country.

Also it seems just that in this case something should be done of a positive nature which would give satisfaction to the Chinese after more than a year has gone by in spite of their repeated urging to expedite the matter.

A careful article on the editorial page of the London *Times* December 1 presumably by Hugh Byas intimates a change in Foreign Office policy in Tokyo in favor of a conciliatory policy and pleads for time to allow this change of sentiment to grow. McCoy points out that this is the same attitude that Matsudaira here and other civilians in Japan had shown to him. He interprets this as an attempt by the Foreign Office to win outside sympathy while at the same time they are assuring the military group that they are playing for time so that the situation can be consolidated in Manchuria.

A declaration of nonrecognition would put the League on the same footing as the United States and enable us to act with them on the same platform in search for a constructive solution. Also Japan has prejudiced the case by recognizing Manchukuo. It would seem essential to equalize the situation by a declaration of nonrecognition. We have not disregarded the arguments on the other side and recognize

their value but our consideration of all facts at our disposition here lead us to believe that the League should adopt a definite resolution against the recognition of the Manchukuo by member states.

If you are in accord and wish us to take action as sketched in last sentence of penultimate paragraph of 53 please so instruct us promptly as possible so that we may act while Herriot and MacDonald are here.

WILSON

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793.94 Commission/580 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, December 4, 1932—11 p.m.

43. [For Wilson.] Your 52, November 30, 11 a.m. and further reference to your 50, November 25, 9 p.m.

1. This Government would have no objection in principle in cooperating, for considering this problem, in a body in which a representative of the Soviets may be sitting.

2. I feel that the responsibility should not be shifted. It lies and it should remain with the League. The League is being tested and the sincerity of the leading members thereof with regard to the peace movement and the peace machinery are under scrutiny. Any attempt to transfer jurisdiction to a smaller body would indicate inability or unwillingness to fulfill obligations implicit and explicit in the Covenant.

If the idea develops of extending to Soviet Russia and the United States an invitation to participate in the deliberations of the Committee of Nineteen it should be understood that jurisdiction and responsibility would still rest with the League and that the American representative would function on the basis of cooperation but without commitment either of himself or of the United States to act under the constitutional provisions of the Covenant of the League. The set-up would be that of a group consisting of a committee of the League and representatives of the United States and Soviet Russia.

It would be my idea that a group thus constituted would function as a committee of conciliation and that such restrictions as we placed upon Gilbert when we instructed him to sit in meetings of the Council, namely, that his participation in discussion should be limited to discussion of the subject of the applicability of the Pact of Paris, would not need to be imposed in connection with the participation of a representative of this country in the deliberations of such a commission of conciliation, which like all other commissions of conciliation can act only with the consent of the two contestants. Our representative

would, of course, have to refer back to his Government for assent to conclusions arrived at, just as the Committee of Nineteen itself would have to refer back to the Assembly as such and as members thereof would in all probability be referring back to their own governments respectively.

It seems to me that, among the various ideas which appear to have been under discussion, the establishing of such a commission would be the most practicable.

3. The above represents my thought at present. I feel that we should take no initiative with regard to the idea but should await approach to us by the League. If they come to you with such a project or an alternative along similar lines, you should discuss the matter freely with them, without committing me, and report.

STIMSON

793.94 Commission/601 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, December 4, 1932—midnight.

44. [For Wilson.] Your 53, December 2, 6 p.m. As indicated in previous telegrams I consider it highly desirable and important that the League adopt a resolution along the lines of the proposal stated in "(b) (1)" of your telegram. Now that there is available in the Lytton Report the findings as to fact it seems that mere reaffirmation of the League Resolution of March 11 would constitute a step backwards and that the entire logic of the situation calls for a step forward definitely applying the doctrine of non-recognition to "Manchoukuo".

I do not however desire that you take any initiative in bringing this view to the attention of the representatives of the governments members of the League but you should, in case you are approached by any such representative[s], advocate this view.

STIMSON

793.94 Commission/605 : Telegram

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

PEIPING, December 5, 1932—12 noon.

[Received December 5—7:50 a.m.]

1295. Reuter report from Nanking, 3d.

"In a telegram addressed today to W. W. Yen, Wellington Koo

and Quo Tai-chi, Chinese delegates to League of Nations, General Chiang Kai-shek categorically denied rumor that he personally favored direct negotiations with Japan.

Referring to above rumor General Chiang declared that at this juncture when Sino-Japanese question was receiving serious attention of League of Nations it was obvious that purveyors of such rumor could have no other motive than that of diverting League from its present course and misinforming the world.

'In point of fact T. V. Soong, Acting President of Executive Yuan, and Dr. Lo Wen-kan, Minister of Foreign Affairs, have already had occasion to inform the representative[s] of foreign governments in China of the groundless nature of the rumor. It feels confident that the League will maintain sanctity of its Covenant and other international peace treaties and effect just and proper settlement of Sino-Japanese question.'

For the Minister:  
ENGERT

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893.01 Manchuria/665 : Telegram

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

PEIPING, December 5, 1932—9 p.m.

[Received December 5—2:33 a.m.]

1293. Following from American Consul General at Mukden.

"December 3, 11 a.m. A trustworthy informant states that he has learned from a fairly reliable person who claims to have been secretly informed by Chang Ching-hui's secretary that Tokyo has instructed Chang to carry out a program which will result in Pu-yi being installed at the Mukden Palace if possible about January 1st as Emperor Hsuan Tung of a Manchu-Mongol Empire. The newly organized Manmeng Hsieh Hui will assist in carrying out the plan. The motives behind the alleged plan are reported to be to obtain the strong support of all Mongolians and Monarchists including those in North China and to facilitate a possible extension [of] territory in the future by evoking the sentimental appeal of a movement for the restoration of the Empire. Efforts to verify this information will be continued."

The Legation is familiar with these rumors and discussed them briefly in its monthly political report for October (see despatch No. 1814, November 15th, pages 21 to 25).<sup>45</sup>

For the Minister:  
ENGERT

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<sup>45</sup> Not printed.

793.94 Commission/604 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, December 5, 1932—noon.

45. For Davis and Wilson. Your 56, December 4, 10 p.m., and Department's 44, December 4, midnight. I concur in your estimate and in your conclusions set forth in penultimate paragraph.

I approve of your talking strictly confidentially in your discretion with chief delegates of Great Britain and France as suggested in concluding paragraph.

STIMSON

898.01 Manchuria/678 : Telegram

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

PEIPING, December 6, 1932—9 a.m.

[Received December 6—6:55 a.m.]

1296. Following from American Consul General at Harbin:

"December 5, 4 p.m.

1. Japanese military mission confirms reports that Japanese forces took Pokotu Station December 3rd, seized Stations Petlia and Hingan at both ends of tunnel by flank movement and occupied Station Irakte shortly after and that advance was being made on Hailar which was being bombed by aeroplanes.

2. It is evident that Chinese did not offer much resistance and the result is favoring Japanese advance.

3. On December 3rd at Tungpin, north of Wukimiho, Japanese defeated 4,000 insurgents including 1,000 Red Spears and moved eastward.

4. Active engagements against insurgents have occurred north of Mishan near Lake Hanka during which the Japanese lost a Lieut. Colonel on November 30 at Hsinhochen.

5. Military mission has announced that all Japanese civil guards at Manchouli, 120 in all, arrived safely at Matsievskaya today."

For the Minister:

ENGERT

793.94 Commission/638

*Memorandum by the Secretary of State of a Conversation With the Canadian Minister (Herridge), December 6, 1932, noon*

[WASHINGTON,] December 6, 1932.

The Minister said that he had come by direction of his Prime Minister to acquaint me confidentially with the policy which Canada ex-

pected to adopt at the meeting of the Assembly of the League of Nations in Geneva on the Manchurian question. He told me that they were sending Foreign Minister Cahan to Geneva, and the Minister read to me the instructions under which Mr. Cahan was to act there.

These instructions reviewed the action taken in the Manchurian matter by the League of Nations from the beginning, including particularly the Lytton Report, and up to the present situation of that report before the Assembly; they recited that the facts found by the Lytton Commission apparently had not been affected materially by the discussions thus far at Geneva, and whatever might be done with its proposed recommendations. They enumerated the principles set out by the Commission as a basis for its recommendations, apparently with approval; and they recited the possibility of the matter going to the Committee of 19 and possibly a new body of conciliation being set up with the addition of other nations for purposes of conciliation.

When he got through reading these instructions I told the Minister that as I had listened to them they seemed to me to coincide generally with my own views, although I, of course, approached the matter from the standpoint of a government outside the League and not bearing the responsibility for the action of the League. The Minister said he was very glad to hear that I approved them. I then told him of the attitude in general which I was taking. I said first that our government had absolutely not changed its position in any degree; that on the contrary, we felt our position had been vindicated by the report of the Lytton Commission, which agreed with the facts which we ourselves had determined independently. I told him that I said this because there had been so many attempts to make my silence appear as a change of policy on the part of this government. I said in the second place that I was maintaining silence because the matter now was in a situation of procedure by the League on a report made to it in which any intrusion by an outside nation would certainly be resented by Japan, and correctly; also that I was refraining from comment in order not to give any excuse for side issues based upon irritation at such an intrusion. He said he understood our position perfectly.

I then discussed with him in general the situation in the Pacific as I viewed it, pointing out first the interest which the entire world had in the maintenance of the peace treaties, as I had pointed it out in my August 7th [8th] speech. The Minister said he had read that speech and agreed with me perfectly in my attitude. I pointed out that in that interest the entire world had a share. I then pointed out secondly the special interest which several nations had in the Orient by virtue of their special situation and possessions, and I included particularly Great Britain, Canada, Australia, and New Zealand, as well as France and the other countries owning colonies in that neighborhood. I said



this interest was expressed primarily by the Nine-Power Treaty and I was particularly glad to have this communication from Canada because I regarded Canada as also deeply interested with us, as we occupied so to speak the front seats of the arena in case any real trouble arose in the Pacific.

I called to his attention the fact that Canada was also represented in the Nine-Power Treaty. I pointed out the success thus far in maintaining an alignment of the nations represented, particularly in the foremost of these interests, namely, that relating to the peace machinery of the world, and I said I felt that so long as this alignment was maintained the adventure of Japan in Manchuria was apparently foredoomed to failure even though, as was well understood, no one of the nations intended to resort to any measures of arms or force. He said he agreed with me. I pointed out the special interests of the British Empire in the situation, and he said they were recognized by Canada; that his Prime Minister had wanted to keep side by side with us in this matter because he felt in the same way that the interests of the two nations, Canada and the United States, were parallel.

I pointed out further that I had throughout taken a firm position on these interests and had not been and would not be deterred by the explosions of irritation on the part of Japan; that I did not regard those explosions, nor the representations that the people of Japan were so hysterical that they might resort to violence, at full 100% value, because I knew it had been a common policy of Japan to use such threats of violence as a part of her diplomacy to influence the nations with whom she dealt and I thought she was doing it in this case. The Minister said he thought that that was probably true.

H[ENRY] L. S[TIMSON]

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898.51 Manchuria/22

*The Department of State to the French Embassy*<sup>46</sup>

We find the question interesting and appreciate the French Government's inquiry.

If Japanese banks and the "Manchoukuo" authorities decide to make such a loan, there is warrant for doubt whether the transaction need necessarily be inconsistent with the Consortium Agreement, provided the Japanese banking group offers to the other parties to the Agreement equal participation with itself in the proposed loan. If they do this and the other parties, offered participation, decline to participate,

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<sup>46</sup> Handed to the Second Secretary of the French Embassy by the Chief of the Division of Far Eastern Affairs on December 6, 1932, "as an oral reply" to the oral inquiry of November 30, p. 377.

would not the Japanese group be free under the Agreement to proceed with the loan? On the other hand, as the Consortium Agreement relates to the whole territory of China, would the Japanese make any reference to or invocation of it?

The American Government would not look with favor upon participation by American banks in any loan to "Manchoukuo".

It appears to us that up to such time as a Japanese group shall actually have concluded such a loan, an approach to the Japanese authorities on the subject would offer no practical advantage. If the Japanese conclude such a loan without having invited participation by the other parties to the Consortium Agreement, it would have to be considered whether it would be advisable to make to the Japanese Government a protest based on the Consortium Agreement. If, then, a protest were made, it would probably be met by the reply that "Manchoukuo" is not a part of China and therefore the provisions of the Consortium Agreement do not apply. At that point, the whole question of the status of "Manchoukuo" would be the real question at issue.

In view of the above, it seems to the American Government not advisable to act with regard to this matter at present. But if the Japanese approach the other powers on the subject or if they conclude a loan without approaching the other powers, then the question of a protest should be considered further. If and when a protest is made, it would be advantageous to have it made simultaneously by the French, the British and the American Governments.

It is suggested that the French Government may care to discuss the matter with the British Government.

The Department would appreciate being kept informed by the French Government of any further consideration, discussion or action that the French Government may decide upon or take in further pursuance of this question; and we would be glad to consider any further suggestions which the French Government may wish to offer in connection with the subject.

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793.94 Commission/611 : Telegram

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

GENEVA, December 6, 1932—4 p.m.

[Received December 6—3:10 p.m.]

351. Consulate's 342, November 29, noon.<sup>47</sup> The Assembly convened in plenary meeting this morning. After a summary statement by Hymans the Chinese and Japanese delegates made extended addresses.

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<sup>47</sup> Not printed.

1. Yen opened the discussion by citing portions of the Lytton report which he declared established Japan beyond any doubt as the aggressor. In answer to previous assertions of Japan that the recognition of Manchukuo rendered the conclusions of the Commission out of date he cited a quotation by Lytton to the effect that the Japanese Foreign Minister had informed the Commission of the impending act of recognition and that the report was written with full account being taken of this situation. He criticised the report for failing to define provisional measures for the immediate restoration of the Three Eastern Provinces to China but stated that this was a point which the Chinese Government understood would be left to the Assembly. He then presented to the Assembly four specific requests.

(a) That on the basis of the Lytton inquiry it declare that Japan had violated the Covenant, the Kellogg Pact and the Nine-Power Treaty.

(b) That it call upon Japan to execute forthwith the Council resolutions of September 30 and December 10, 1931, with a view to the withdrawal of Japanese troops and the dissolution of the Manchukuo Government.

(c) That recalling its resolution of March 11th it declares that it will not recognize the Manchukuo Government and

(d) That it draw up within the shortest possible time and before a definite date a report for a final settlement as prescribed in paragraph 4, article XV of the Covenant. He explained that the Chinese Government did not intend by this last request to preclude the possibility of conciliation being brought about by the Assembly on the basis of the instructions mentioned in (a) above but that it was prepared to discuss the solution suggested in the report in the event that Japan should prove willing to accept conciliation on the same basis.

2. Matsuoka reserving the right to reply to Yen then made a detailed defense of the Japanese position and repeated therein many of the arguments already familiar to the Department, especially with regard to the chaotic conditions of China and the development of communism, the Japanese measures of self-defense in Manchuria, the inability of the League to afford adequate protection to Japanese interests in Manchuria, the Japanese offer of direct negotiations, the effect of the Chinese boycott and the intervention of foreign powers in China in 1927. With regard to the last point he quoted extensively from the letter of Chamberlain<sup>48</sup> to the Council under date of February 8, 1927.<sup>49</sup> He also discussed at some length the developments of anti-foreign sentiment in China.

With regard to Manchukuo he mentioned that the Lytton report nowhere impeaches Japan for abetting an independence movement and

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<sup>48</sup> Sir Austen Chamberlain, British Secretary of State for Foreign Affairs.

<sup>49</sup> League of Nations, *Official Journal*, March 1927, pp. 292-293.

reiterated previous denials of Japanese participation therein. As to recognition it afforded the solution for peace and prosperity in Manchuria and for the protection of Japanese interests therein. In this connection he quoted certain passages of the Lytton report regarding the future of Manchuria particularly that paragraph where it is held that the restoration of the *status quo ante* is no solution.

He made no comment on the Lytton report except to deplore the impression that Japan opposes and China supports the report. He held that principal Japanese disagreement relates to optimism therein expressed for rehabilitation of China.

Settlement should be governed by following principles:

“(a) The terms must be such that they can be effectively put into operation and that they will accomplish and preserve peace in the Far East.

(b) A solution must be found for the disordered condition of China.

(c) In case any plan for settlement is found by the League this organization must take upon itself the responsibilities for its execution.”

GILBERT

893.01 Manchuria/678 : Telegram

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

PEIPING, December 7, 1932—9 a.m.

[Received 9:10 a.m.]

1298. Following from American Consul General at Harbin:

“December 6, 4 p.m. Reliable newspaper sources report that the Japanese took Hailar yesterday, that yesterday two trains of insurgents arrived in Soviet territory at post 86, inhabitants probably disarmed, that the Soviet frontier guard there was reinforced at the same time and that the Chinese Eastern Railway has withdrawn 13 locomotives from Manchouli to Dauria probably fearing bombing.”

For the Minister:

ENGERT

793.94 Commission/612 : Telegram

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

GENEVA, December 7, 1932—11 a.m.

[Received 11:05 a.m.]

352. During the meeting of the Assembly yesterday afternoon the representatives of the Irish Free State (Connolly), Czechoslovakia

(Beneš), Sweden (Undén) and Norway (Lange) spoke on the Sino-Japanese conflict. Although stating the problem in different terms and with varying degrees of emphasis they were practically unanimous in firmly laying down the following considerations:

(1) The present dispute is of vital import to the future usefulness and even existence of the League of Nations.

(2) The members of the League should take a courageous stand on League principles and insist on a settlement in harmony with the terms of the Covenant.

(3) Every effort should be made to seek through conciliation a solution equitable to all interests concerned terminating the present conflict and removing as far as possible the causes of future antagonisms.

(4) The Assembly should definitely adopt the Lytton report and seek a solution on the basis of the conclusions which can be drawn therefrom.

(5) Japanese action in setting up the Manchukuo state was an infringement of the Covenant and other international obligations.

(6) The members of the League should refuse to recognize Manchukuo.

(7) The facts in the case show that Japanese operations in Manchuria and Shanghai could not be considered as legitimate self-defense.

(8) Whatever provocation China might have afforded through propaganda and boycott the principle must be maintained that no member of the League has the right to be the judge in its own cause and resort to force. The plea of the Japanese representative that national sentiment in Japan did not permit external intervention in the question could not be accepted as valid, and the acceptance of such a precedent would undermine the whole structure of the League.

In addition to the foregoing, Undén expressed the view that since negotiations are continuing under military pressure in Manchuria, the Assembly must lay down definite limits outside of which a settlement of the dispute could not be sought.

Lange briefly put the question as to whether "certain nonmember States" interested in the conflict should not be asked to participate in the Assembly's efforts towards conciliation.

GILBERT

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793.94 Commission/614 : Telegram

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

GENEVA, December 7, 1932—4 p.m.

[Received December 7—1 p.m.]

353. Consulate's 352, December 7, 11 a.m. Assembly continued discussion of Sino-Japanese dispute this morning with the following speakers: Madariaga (Spain), Motta (Switzerland), Politis (Greece), and Matos (of Guatemala).

The speakers largely reiterated the points set forth in Consulate's telegram under reference with less emphasis placed on points 4 and 6. Madariaga's address was based principally on points 1, 2, 3 and 5; Motta 1, 3, 5 and 7; Politis 7; and Matos 1, 2 and 4.

GILBERT

793.94/5647

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>50</sup>

[NANKING,] December 7, 1932.

According to reports from General Chang Hsueh-liang it is learned:

1. The Japanese have instigated the people of Jehol to refuse to pay taxes and to declare their independence. The inhabitants of Chao-yangpao have already been affected and have severed their connection with the administration of Jehol.

2. With a view to influencing the deliberations at the League, the puppet government has formulated some twenty principles for the fabrication of public opinion with which principles to compel the individuals and public organizations to write to the League of Nations. It is learned that the bogus Minister of Foreign Affairs of Manchukuo has already received some three thousand of such letter[s].

3. The various bogus governmental commissioners have issued an order to the authorities of the various districts that in official documents only the Japanese language should be used and that the Japanese military authorities may have the power of directing the affairs of the districts.

4. The people have also been instructed to petition for the restoration of the monarchy under the bogus Chief Executive.

893.01 Manchuria/761

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>51</sup>

[NANKING,] December 7, 1932.

The Ministry of Foreign Affairs addressed yesterday a vigorous note to Mr. Ariyoshi protesting against the wholesale massacre of the Chinese farm people at Fushan by Japanese troops and at the same

<sup>50</sup> Translation of telegram transmitted to the Department by the Chinese Legation, December 7, 1932.

<sup>51</sup> Copy of telegram transmitted to the Department by the Chinese Legation, December 8, 1932.

time refuting the Japanese note of November 26th which attempted to deny the press reports of the said massacre.

After stating that the Government is in receipt of many authenticated reports of the Fushan carnage in which no less than 2700 persons, men and women, old and young, including even infants, fell victims, the Chinese note declares: "There are incontrovertible evidences which cannot be summarily dismissed by a mere statement of denial".

The note further recalls the illegal occupation of the Three Eastern Provinces by Japanese troops, their unprovoked hostilities at Shanghai, and their wanton destruction occurring almost every day of the Chinese life and property and declares that "such cruelty shown by the Japanese soldiery in their methodical performance of the present massacre has not only called forth the greatest indignation of the Chinese people but also has shocked the conscience of the whole world."

Referring to the statement contained in the Japanese note to the effect that the publication of the unfounded report of the Fushan massacre is a serious reflection upon the good name of the Japanese Imperial Army, the Ministry of Foreign Affairs' note says:

"In the opinion of the Chinese Government the Japanese Government could have done much to uphold the reputation of the Japanese Imperial Army by enforcing its discipline from the very beginning and by ordering at this moment the complete evacuation of the Three Eastern Provinces and restoration of the same to the National Government of China."

The note concludes with the statement that since there are incontrovertible evidences showing a wholesale massacre has been perpetrated by Japanese soldiers in the villages near Fushan the Chinese Government not only cannot accept the statement of denial contained in the Japanese note but also takes this occasion to lodge a strong protest with the Japanese Government while reserving in the meantime all claims thereunder.

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893.01 Manchuria/762

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>52</sup>

[NANKING,] December 7, 1932.

General Tang Chu-Wu of the Self-Defense Army of Manchuria sent a cablegram to the League of Nations through this government to the effect that during the past few months, General Tang had retaken

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<sup>52</sup> Translation of telegram transmitted to the Department by the Chinese Legation, December 9, 1932.

Tung-Hua and some twenty other hsiens and that his forces were approaching Mukden. The Japanese were greatly frightened by his success and despatched Ma Lung-Hsan, a puppet of theirs, to attempt to convert General Tang to their cause, offering to General Tang the post of the Commander-in-Chief of the Peace-Preservation Army of Liaotung and the sum of one million dollars as his reward for submission to the Japanese. This offer was bluntly rejected by General Tang. Failing in their attempt to convert General Tang, the Japanese then despatched fifty aeroplanes of the Third Division of the Japanese Army to bomb the district with poisonous gas bombs, causing tremendous damage to the population. The details of this wanton action cannot be here described in detail but a few salient facts can be reported.

(1) Commander Hsu Ta-Shan of the Eighth Route Army and Commander Chiang Shu-Kwei of the Third Brigade of the Third Route Army were intimidated and bribed by the Japanese to surrender to the puppet government. Hereafter, any illegal action taken by these men under the pretense of representing the Self-Defense Army or of the people for the purpose of propagating against the interests of the Chinese should be taken to be their own ideas.

(2) On September 16, the Japanese army massacred more than two thousand farmers of Pingtinshan. The details of this are as reported in a former cablegram.

(3) The cablegram of October 11 was received. After the Japanese army occupied Tunghua, they ordered two merchants, Shen An-Moh and Ching Shih-Shan, to dig their own graves and to bury themselves alive. The dreadful conditions attending such atrocity can be well-imagined, but the Japanese who gathered to witness the spectacle greeted it with laughter and applause. On the same day, the Japanese army forcibly tied some thirty farmers of Chingchuan with ropes and allowed more than ten hounds to bite and to mutilate them until they were dead.

(4) After the Japanese occupied Tunghua, the soldiers and officers were allowed to search the district for decent women and to go into public houses to commit violence. The soldiers were each paid fifty cents and the officers one dollar. Many women refused to submit to their violence, and deaths resulting from this cause were daily occurrences. Such action by the Japanese is certainly violating the fundamental principles of justice and humanity.



893.01 Manchuria/715

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>58</sup>

[NANKING,] December 8, 1932.

Peiping message reports that General Chang Yu-Ting, Chinese Volunteer Commander, is now rallying scattered soldiers east of Heilungkiang and establishing contact with other Volunteer armies preparatory to a counterattack against Japanese forces. General Ma Chan-Shan also reports that the Chinese Volunteers at the front still exceed thirty thousand all of whom are determined to fight the Japanese in spite of the retreat of General Su Ping-Wen.

798.94 Commission/620 : Telegram

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

GENEVA, December 8, 1932—10 a.m.

[Received December 8—8:40 a.m.]

354. The following joint draft resolution by the delegations of Czechoslovakia, the Irish Free State, Spain and Sweden was transmitted to the President of the Assembly and communicated to the Assembly last evening:

“Considering that the Commission of Inquiry appointed by the Council stated in its unanimous report that as regards the questions pending between the two parties, every possibility of peaceful settlement had not been explored before September 18, 1931; that the relations between China and Japan were those of disguised war; and that the military operations which were undertaken by the Japanese troops after September 18, 1931 and which created these relations could not be regarded as measures of legitimate defense;

Considering that in its unanimous report, the Commission of Inquiry stated it to be a fact that without declaration of war an important part of what was indisputably Chinese territory has been seized by force and occupied by the Japanese troops and that as a sequel to this operation it has been separated and declared independent of the rest of China;

Considering that the Commission of Inquiry further stated in its unanimous report that the present regime in Manchuria could not be regarded as the outcome of a sincere and spontaneous movement of independence;

Observe that the vast operations and the military occupations which followed the events of September 18, 1931, cannot be considered as measures of legitimate defence;

<sup>58</sup> Copy of telegram transmitted to the Department by the Chinese Legation, December 9, 1932.

Observe that the regime set up in Manchuria has only been able to be carried into effect, thanks to the presence of Japanese troops;

Observes that the recognition of the present regime in Manchuria is not compatible with existing international obligations;

Authorizes the Committee of Nineteen to solicit the cooperation of the Governments of the United States of America and of the Union of Soviet Socialist Republics for the purpose of getting into touch with the parties with a view to insuring a settlement of the dispute on the basis of the above-mentioned findings."

GILBERT

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793.94 Commission/621 : Telegram

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

GENEVA, December 8, 1932—11 a.m.

[Received December 8—7:08 a.m.]

355. As associated with the draft resolution quoted in Consulate's 354, December 8, 1 [10] a.m., a draft resolution embodying certain suggested procedure was transmitted to the President by the Swiss and Czechoslovakia delegations and communicated to the Assembly last evening, the essential points of which are as follows:

The Committee of Nineteen is requested:

"(1) To study the opinions expressed and suggestions made during those discussions (if [*i.e.*,<sup>9</sup>] discussions in the extraordinary Assembly) and also the draft resolutions submitted to the Assembly.

(2) To draw up proposals with a view to the settlement of dispute brought before it under the Council resolution dated February 19, 1932.

(3) To submit these proposals to the Assembly at the earliest possible moment."

GILBERT

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793.94 Commission/625 : Telegram

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

GENEVA, December 8, 1932—2 p.m.

[Received 2:50 p.m.]

356. The following is a résumé of the general discussion on the Sino-Japanese conflict in the Assembly yesterday afternoon participated in by Boncour, Simon, Aloisi, Von Neurath, Buero (Uruguay), Moresco (Netherlands), Borgbjerg (Denmark).

1. The French position as stated by Boncour seems more definite than that of any of the other great powers. After calling attention to the very special nature of the problem due to the unusual conditions in

the Far East and the peculiar character of the Sino-Japanese relations in Manchuria, Boncour cited Briand's statement before the Council on December 10, 1931, immediately after the approval of resolution appointing the Commission of Inquiry and declared that this statement represented the unbroken line of French policy in this conflict (*Official Journal*, December 1931, page 2378).

Boncour did not mention specifically the question of the recognition of Manchukuo but his general statements imply that France is opposed to recognition. The first duty of the Assembly he said is to attempt to find a solution through conciliation and if that fails a second duty devolves from the terms paragraph 4 of article XV. In either case the Lytton report should be taken as the basis of action.

He laid particular emphasis on method and expressed the opinion that efforts at conciliation would be wasted if certain rules and principles were not first established as a basis of possible equitable negotiations. These rules should not be based primarily on the first part of the Lytton report but rather on its conclusions which are derived from the facts stated in the first chapters. The conclusions of the Lytton report should be used as a guide for drafting an outline for suggested negotiations. He felt that the recommendations of the report had not been sufficiently discussed and that they should be carefully studied, according to a procedure to be determined later, in order that a decision might be reached as to how far each of these recommendations should be adopted by the Assembly.

2. It is difficult to deduce any positive line of policy from the very general and guarded statement made by Simon and the impression left by his attitude was that he was attempting to apply vast brakes. He dwelt on complicated nature of the problem and in discussing the Lytton report stressed the view that the report was not, as many believed, "one-sided". In support of this he cited at length those passages of the report which deal with the unsettled conditions in China and Manchuria and the antiforeign trend of Chinese policy.

His only positive statement was to the effect that the serious fact in this matter for the League was that when the dispute reached a climax the methods of the League were not employed and that it was the duty of the members of the League to defend the principles of the Covenant.

With reference to the settlement, he laid great stress on the need for conciliation, bearing practical realities in mind, to aid the parties through direct negotiation to come to an agreement. He thought that the Lytton report, particularly the first eight chapters, should form the basis of the consideration of this problem.

He concluded by suggesting that Russia and the United States be invited to participate in the work of conciliation.

3. Aloisi laid stress on solution which, while adhering to the flexible

provisions of the Covenant, should be practical. He considered that nothing had happened since the submission of the Lytton report which would indicate that the solutions proposed in the report were not practicable and thought that these proposals offered a useful though not necessarily rigid basis for a solution through direct negotiations between China and Japan with the aid of the Assembly. In his opinion the future international situation of Manchuria could not be considered until after a Sino-Japanese agreement had been reached.

He would be adverse to any solution which was not acceptable to China and he looked with disfavor upon any partial solution of the Chinese problem and consequently thought that the suggestions of the Lytton report as to the general cooperation of the powers with China should be carefully considered.

4. The German representative made a statement couched in general terms and profit[ed] by the opportunity to associate the Sino-Japanese problem with Germany's special position in international affairs, particularly with respect to disarmament, adducing the contention that military equality between states is requisite to the authority of the League.

5. Buero was chiefly concerned with drawing a parallel between the Sino-Japanese conflict and the Chaco dispute, comparing particularly the Assembly's resolution of March 11th<sup>54</sup> with the declaration of the neutrals of August 3 in regard to nonrecognition.<sup>55</sup>

6. Moresco took in general the same position as that taken by the other small powers especially with reference to the nonrecognition of Manchukuo, but he definitely asserted that no final decisions should be made on the question of guilt or blame of the parties until after an attempt at conciliation had been made under paragraph 3 of article XV.

Borgbjerg's statement was very brief and showed no definite position on any point except that the fundamental principles of the League should be supported.

GILBERT

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793.94 Commission/624 : Telegram

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

GENEVA, December 8, 1932—3 p.m.

[Received December 8—1 :50 p.m.]

357. Representatives of the eight following countries spoke during the continuation this morning of the general discussion in the Special

<sup>54</sup> *Foreign Relations, Japan, 1931-1941*, vol. I, p. 210.

<sup>55</sup> Vol. v, p. 159.

Assembly on the Sino-Japanese question: Turkey, Mexico, Canada, Panama, Chile, Rumania, Hungary and Australia.

While the speeches expressed for the most part generalities regarding the Covenant there was observable a distinct tendency to follow the lead given by the great powers in yesterday's meeting in the urging of a settlement through conciliation. In particular Bruce, Australia, and Cahan, Canada, asked for caution in applying the machinery of the Covenant, mentioning in this connection the anomalous situation arising from China's disunited condition. In a reference to the recommendations of the Lytton report regarding a procedure for the adjustment of future differences the latter speaker proposed the creation of a permanent joint international commission such as that having jurisdiction in disputes between Canada and the United States.

In terms of varying definiteness as regards mention of the United States and Russia the representatives of the following states referred to the utility of inviting non-member states to cooperate with whatever committee the Assembly may name to study the possibilities of a solution: Turkey, Canada, Chile and Australia.

GILBERT

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798.94 Commission/623 : Telegram

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

GENEVA, December 8, 1932—4 p.m.

[Received December 8—1:55 p.m.]

358. Intervening in the general discussion in the Assembly meeting this morning (Consulate's 357, December 8, 3 p. m.) the Japanese representative raised a point of order respecting the four-power draft resolution of December 7 (Consulate's 354, December 8, 10 a.m.) based on the following premises: It was formulated in accusing spirit which is unwarranted; it condemns Japan, is one-sided, and thus contrary to the spirit of conciliation; its terms are neither constant [*consonant*] with the facts contained in the Lytton report nor with the principles of the League.

He requested the authors of the resolution to withdraw it or failing this that the President put it to vote to determine the sentiment of the Assembly.

The President replied by stating that the point of order would be considered at the termination of the general discussions.

GILBERT

893.824/18

*The Secretary of State to the French Ambassador (Clandel)*

WASHINGTON, December 8, 1932.

EXCELLENCY: I have the honor to refer to your note of October 11, 1932, and to the Department's acknowledgment thereof of October 25, 1932,<sup>56</sup> with regard to the question of mooring the American and French flagship cruisers at Shanghai.

The Department has now been informed by the Navy Department that the proposal contained in your note of October 11, 1932, was declined last July by the Commander-in-Chief of the United States Asiatic Fleet, after consultation with the American Minister to China. The Commander-in-Chief was of the opinion that there could be no change in the position of the French and American naval buoys without reference of the matter to the Chinese authorities and that an attempt to put into effect the proposal of the Commander-in-Chief of the French Naval Forces in the Far East would weaken the strength of the present united demand for a suitable rearrangement of the man-of-war buoyage at Shanghai.

After having given careful consideration to the proposal contained in your note, the Navy Department concurs in the view of the Commander-in-Chief of the United States Asiatic fleet.

Accept [etc.]

For the Secretary of State:  
W. R. CASTLE, JR.

793.94 Commission/626 : Telegram

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

GENEVA, December 8, 1932—8 p.m.

[Received 9 p.m.]

59. From Davis. I arrived at the Assembly meeting yesterday afternoon just after Simon had made redounding speech.<sup>57</sup> On entering I met Matsuoka who stopped me and said that Sir John had just made a wonderful speech, that he had succeeded in putting into excellent English what he, himself, had been trying to say here for the past 3 weeks. From this and a subsequent report of the speech I got the impression that Simon was in favor of asking the Committee of Nineteen, plus the United States and Soviet Russia, to act in a conciliatory capacity in working out a solution of the Manchurian situation with China and Japan along the lines of recommendation of the Lytton Commission before the adoption of a resolution with regard to accepting the report and nonrecognition. I accordingly took [opportunity?]

<sup>56</sup> Neither printed.<sup>57</sup> League of Nations, *Official Journal*, Special Supplement No. 111, p. 49.

to have a frank talk with Simon, telling him what Matsuoka had said to me and the impression which the report of his speech had made on me.

He said that he could assure me that he had not decided to depart from the program discussed sometime ago but he had been somewhat impressed by the argument that if the League is first to exhaust the possibilities of conciliation, it is unwise to do anything that would make conciliation more difficult. I told him I was impressed for a short time by these arguments but the more I thought about it the more I felt it would have the contrary effect if the League showed any signs of weakening on the principle of nonrecognition which it had already indorsed even before the report of the Commission. He said frankly that he had two minds on the question but that I was most probably right and in any event he wanted me to assure you that the British Government had not changed one iota in its decision to stand with us and that they would not under any circumstances recognize Manchukuo. He said that he would send for Matsuoka and tell him that he must not be misled by his speech which was intended to make it easy for Japan to cooperate in a proper settlement of the controversy and that Japan must know the British Government has no intention whatever of recognizing Manchukuo.

He said, however, that while he is in complete accord with the principle of nonrecognition of the results of illegal acts he assumes it was not intended to be carried to illogical extremes, such, for instance, that a commitment not to recognize would be binding indefinitely under altered circumstances that would justify a change of attitude. I told him that since he had suggested in his speech that the United States be invited to participate with the Committee of Nineteen in seeking a solution of the controversy it might seem advisable to him in order to avoid any embarrassment to ascertain before such an invitation may be extended if Japan and China would offer objections. He said that was a good suggestion and that he would act upon it.

He then said that MacDonalld would be back tomorrow morning and he would like the three of us to discuss the question because we must keep in perfect agreement as to the course to pursue.

WILSON

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793.94 Commission/638 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, December 9, 1932—1 p.m.

49. To Davis and Wilson.

1. [Here follows a report of the Secretary's conversation with the

Canadian Minister on December 6 at noon; see the memorandum by the Secretary of State printed on page 388.]

2. The impression made on me by this voluntary approach from the Canadian Prime Minister and the extremely confidential and important tenor of his message was that Canada desired to assume a relation with us on the Manchuria question which was much more sympathetic and cooperative than that represented for example by Sir John Simon's speech on December 7 and Cahan's speech of the 8th.

3. I give you this confidentially for your guidance, especially in connection with conversations with Cahan.

STIMSON

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793.94 Commission/626 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, December 9, 1932—6 p.m.

48. For Davis. Your 59, December 8, 8 p.m. The reports of Simon's speech as published in the press here are disconcerting. I approve most heartily of your action in seeing him immediately and I endorse thoroughly the views which you expressed.

The line taken by Simon in this speech as reported is in striking contrast to the position of the Canadian Prime Minister of which I have given you account in my telegram No. 48 [49], December 9, 1 p.m.

In conversation with MacDonald and Simon you may state that I feel that any indication of weakness or of adoption at this stage of an unduly tolerant and too conciliatory attitude by the League, and especially by the British Government, would give the Japanese conclusively the impression that their whole course of action up to date is condoned and that there neither exists nor will be placed from without any real obstacle to their persisting in the course which they have followed and the attitude which they have announced. Failure to reaffirm the principle of non-recognition would leave the situation uncertain as among the powers, would give the impression of lack of solidarity, would leave open to Japan the possibility of special bargains with particular powers, and would amount to omission of the one positive step which it is readily possible for the League to take in advance of and pending the tackling of the difficult problem of conciliation the handling of which will probably require prolonged and patient efforts. If the League fails now to take advantage of the very definite findings of fact of the Lytton Report and proceeds on the



assumption that Japan must be permitted to determine the course of action or inaction within the League just as she has determined the course of events in the Far East, I frankly despair of any success on the part of agencies of conciliation in regulating the situation.

In fact, if the British Government shows itself willing neither as a government nor as a member of the League to take a stand on behalf of principles, and if the League, in consequence, dodges the issues and pretends to believe that a committee or commission of conciliation can, unsupported by a foundation of principles and an indication of resoluteness in regard thereto on the part of the major powers, accomplish anything effective with regard to this situation, I cannot but doubt whether any useful purpose would be served by our appointing a representative, if asked so to do, to work with such a commission.

On the whole, a set of resolutions along the lines of those which have been introduced seems to me so clearly called for as to warrant expression on my part of the view that failure of the League to take some such stand at this time would amount to an acknowledgment of Japan's contention that the Covenant and the treaties present no real obstacles to Japan's proceeding as she may choose.

I should be glad to have you express these views, as per the whole of the above, to MacDonald. In doing so you should say that I wish that he know my views but feel that it would be diplomatically inexpedient for him to quote me or to attribute these views to the American Government at this juncture.

STIMSON

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793.94 Commission/634 : Telegram

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

GENEVA, December 9, 1932—3 p.m.

[Received 8:44 p.m.]

359. In the Assembly yesterday afternoon after a brief statement by Colombia merely emphasizing the application of League principles the general discussion was closed with the rejoinders of China and Japan.

1. The opening portion of the Chinese delegate's speech was largely a reiteration of former arguments attacking the Japanese position in Manchuria and interpreting the speeches made by other powers at the Assembly in support of these arguments. The League was urged to present the united front and determination which had led to success at Shanghai. After these introductory remarks the Chinese delegate divided the remainder of his speech into two main headings:

(1) An attempt was made to refute certain arguments previously advanced by Matsuoaka as follows:

(a) British action in Shanghai in 1927 had nothing in common with that of Japan in Manchuria.

(b) The "realities" of the situation as recognized by Stimson and Commission of Inquiry must be faced. The "realities" are three in number:

*First.* Every nation must prevent aggressive warfare in accordance with its obligations under the "new peace system" so thoroughly hated by the military caste now controlling Japan.

*Second.* There is the "solid resistance of the Chinese people"; China will never accept Manchukuo and the boycott and armed resistance will not diminish.

*Third.* China has greater staying power than Japanese; Japan's financial and economic structure is already showing marked weakness; China is growing stronger, its foreign exchange rate has risen and the authority of the Central Government has increased.

(c) The boycott was used as a measure of self-defense less cruel than war. China has always been ready to arbitrate before the Permanent Court or the League both the question of the boycott and the question of antiforeign propaganda. Japan refused these offers thereby rejecting the "methods of the League" referred to by Simon.

(2) The Chinese attitude in respect of the settlement of the dispute was expressed as follows:

(a) China finally rejects the idea of direct negotiation.

(b?) It is, however, fully in favor of collective negotiation through the League and approves the suggestion that this be carried out by the Committee of Nineteen with the addition of representatives of the United States and Russia.

(c) The Assembly must lay down the basis and the framework which the negotiations must follow.

(d) The Chinese Government is ready to negotiate on the basis of the League resolution of March 11 and of 10 principles laid down in chapter 9 of the Lytton report. China interprets the statement in the report that the *status quo* cannot be reestablished to mean the *de facto* but not the *de jure status quo*. In other words the principle of the territorial and administrative integrity of China must be maintained, all Japanese troops must be withdrawn and recognition of the present regime be denied.

China is ready to accept the principles in chapter 9 of the report provided that the resolutions of September 30 and December 10, 1931, are enforced, provided that the principles of the report are taken as a whole and provided that they are all interpreted in the light of the third principle.

2. The Japanese rejoinder was a running commentary on various phases of the debate apparently designed as an effort to enlist sym-

pathy for Japan and attributed here as probably encouraged by the British statement of the previous day. Although couched in forceful language the tone was conciliatory. The statement is commented on as being the strongest appeal yet made by a Japanese delegate. Most of the arguments were however those usually put forth but in more vivid terms. It is therefore difficult to adduce any definite trend of what may be Japan's final policy. The following is brief résumé of the long statement.

(a) A bid for fairness in the interpretation of documentary evidence deprecating the practice of quoting passages from the report without regard to context.

(b) Japan was suffering financially and economically but this is hardly attributed to the general depression.

(c) He denied the charge that Japan is ruled by a military caste and made a democratic appeal by stating that some of Japan's greatest generals came from the poorer classes.

(d) He reaffirmed the analogy between Japanese action in this conflict and British action in China in 1927, referring also in this connection to the relatively large number of troops sent by the United States to Nicaragua.

(e) In regard to the unanimous character of the Lytton report he maintained that it contained contradictions and characterized the report as "disagreement in unanimity", a condition which he considered natural due to the nature of the problem and the numbers and different nationalities of the Commissioners.

(f) Japan was depicted as a loyal supporter of the League of Nations. In accepting membership in the League in spite of the absence the United States and Russia and in the face of a vast disorganized country like China, he implied that Japan was confronted with great risks and that this was proof of the essential loyalty of her attitude.

(g) In view of this situation Japan should not be judged under the Covenant without some elasticity and flexibility of interpretation of its terms.

(h) Certain states referred to the League as the "life line" of their existence which was an admission that they were primarily concerned with the League as an agency for the promotion of the self-interest of its individual members. Manchuria is the life line [of] Japan and her self-interest must likewise be given consideration.

(i) Conditions in Manchuria are improving and the healthy development of Manchukuo will eventually contribute to the League objects and form the cornerstone of peace in the Far East.

(j) The belief that the operations in Manchuria and at Shanghai were the action of militarism is unfounded. The whole Japanese people support this policy because Japan regards Manchuria as vital to its existence. He asserted that the Japanese people without exception were and are still ready to suffer the most severe sanctions, even those prescribed under the Covenant, rather than abandon their rights.

(k) His statement did not define in detail Japan's attitude towards the recommendations of the Lytton report, but he did call attention to the difficulty of their application and characterized for instance as "an

absurdity" the proposal to establish a *gendarmérie* for policing the vast territory of Manchuria.

(l) He stated that the strong central government in China which was considered by the Commission as essential for carrying out government recommendations could not be possible of attainment for many years to come and in the meantime the interests of other powers had to be protected.

(m) He illustrated the response of Japan to sympathy and understanding by pointing out the possibility now of the conclusion of a nonaggression pact with Russia which he affirmed would have been impossible a few months ago. This change of spirit in Japan was due to the acts of kindness of the Soviets towards the Japanese in distress on the Russian frontier of Manchuria. In this he of course endeavored to imply the existence of an understanding between Russia and Japan.

(n) He then made an appeal to the League to strengthen the position of Japan in the Far East since Japanese policy was one of peace and order in common with the other great powers and with the League of Nations itself. The League had rendered a signal service in this conflict by preventing the powers from taking sides but nevertheless the League had given the appearance of taking sides with China against Japan and had thus encouraged China to refuse direct negotiations. There could be no real peace in the Far East as long as false hopes were held out to China that others would come to her assistance.

GILBERT

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793.94 Commission/633 : Telegram

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

GENEVA, December 9, 1932—5 p.m.

[Received 6:25 p.m.]

361. 1. In private meeting of Assembly Bureau this morning the question of the "four-power resolution" (Consulate's 354, December 8, 10 a.m.) and the "two-power resolution" (Consulate's 355, December 8, 11 a.m.) was discussed. Hymans had found the Japanese less *intransigent* regarding the four-power resolution in conversations last night and Matsuoka did not insist upon a vote as indicated in Consulate's 358, December 8, 4 p. m. Hymans thereupon proposed that he should explain by declaration to the Assembly that all documents submitted by the Council, the text of the Assembly debates and any "proposals" submitted would be transmitted to the Committee of Nineteen and the two-power resolution amended accordingly. He would state at the same time that none of the proposals or suggestions advanced during the Assembly debates would in any way prejudice the judgment of the Committee.

The authors of the four-power resolution agreed to this provided that there would be no doubt that the four-power resolution was being

transmitted to the Committee of Nineteen. This was agreed to and covered by the amendment of the two-power resolution as noted below.

2. Information respecting developments in the private meeting was made available by Sweetser in line with previous practice with which the Department is familiar. This arrangement will probably continue with respect to future private meetings on this subject.

3. The arrangement as given in 1 was made explicit in the Assembly session this afternoon when the two-power resolution was unanimously adopted with the following amendment.

Point (1) of Consulate's 355, December 8, 11 a. m., now reads:

"(1) To study the report of the Commission of Inquiry, the observations of the parties and the opinions and suggestions expressed in the Assembly in whatever form they were submitted."

This was followed by a presidential declaration in the sense explained above.

GILBERT

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893.01 Manchuria/763

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>58</sup>

[NANKING,] December 10, 1932.

Marshal Chang Hsiao-Liang reported by wire that, between September 18, 1931 and December 5, 1932, there were about fifty-eight thousand two hundred and forty-eight (58248) men killed in the Three Eastern Provinces, among those twelve thousand and twenty-six (12026) were civilians of the Provinces, twenty thousand two hundred and fourteen (20214) were Government troops, three hundred and ninety (390) were policemen, and twenty-five thousand six hundred and eighteen (25618) were volunteer forces. These people met their death in various ways. They were either executed, shelled, bombed, burned, buried alive, bayoneted, cut or chopped by knives, soaked with petroleum and burned, strangled, thrown into wells and drowned, or killed in other cruel ways.

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893.01 Manchuria/764

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>58</sup>

[NANKING,] December 10, 1932.

Minister Chian[g] at Tokyo reported that the Soviet Ambassador informed him that General Su Ping-Wen was permitted to depart

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<sup>58</sup> Copy of telegram transmitted to the Department by the Chinese Legation, December 10, 1932.

while large number of soldiers were willing to remain in the Union of Socialist Soviet Republics, thus confirming Tass report.

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793.94/5628 : Telegram

*The Consul General at Tientsin (Lockhart) to the Secretary of State*

TIENTSIN, December 10, 1932—noon.

[Received 3:45 p.m.]

The following telegram has been sent to the Legation :

"December 10, 11 a.m. At 10 o'clock Thursday night<sup>59</sup> a Japanese armored train was fired upon, allegedly by Chinese troops or volunteers, at or near Shanhaikuan whereupon fire was returned from train which proceeded 2 miles this side of Shanhaikuan and shot up railway water tank after which train returned to Shanhaikuan Station. Train still at station at 8 o'clock this morning. Shanhaikuan quiet yesterday and last night. Understood efforts are being made at Shanhaikuan to settle incident by negotiations between Japanese and Chinese commanders. Reported that shells variously reported from 3 to 30 in number were fired at Shanhaikuan by armored train. Also reported that Japanese demanded that Chinese commander sign statement, that Chinese commander declined to sign statement.<sup>60</sup>

Repeated to Department."

LOCKHART

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793.94 Commission/729

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>61</sup>

[NANKING,] December 11, 1932.

Simon's speech receives unanimous denunciation by the Chinese press. The *Central Daily News*, Nanking, refuted the speech point by point, concluding that Simon's statements accord neither with facts nor with law. The Simon declaration is most surprising in view of the very friendly relations existing between Great Britain and China since the Washington Conference. It is very deplorable that the good relations between China and Great Britain should thus suffer an unnecessary setback at the erroneous views expressed by Simon. One trusts, however, that the British people, always mindful of their commercial and other interests, will not fail to know how to make amends.

<sup>59</sup> December 8.

<sup>60</sup> The Consul General's telegram of December 12, 11 a.m., reported: "Shanhaikuan incident was amicably adjusted Saturday and Japanese armored train was withdrawn from Shanhaikuan northward beyond the Wall." (793.94/5638)

<sup>61</sup> Copy of telegram transmitted to the Department by the Chinese Legation, December 11, 1932.

The Nanking *Chiu Kuo Jih Pao* declares that Simon's speech has at last exposed the real attitude of the British statesman towards the Manchurian question. Not only has he dealt China's case a severe blow but has also virtually declared bankruptcy of the League of Nations. "Can it be that she [*he?*] has failed to perceive the catastrophic possibilities in the aggressive expansionist policy of Japan? In case Japan should now be allowed to successfully occupy the Three Eastern Provinces, it can safely be foretold that within ten years she would be strong enough to defeat the United States and England who would no longer be able to rival her in the Far East. In twenty years we might even see the 'flag of the rising sun' flying over India and Australia while the Pacific would be just another 'Japan Sea.' Under the circumstances it is obvious that China will not be the only nation to suffer."

The Shanghai *Shun Pao* declares: "With England's declaration in support of the League still resonant in our ears and with friendly relations existing between her and China at heart, we are convinced it is imperative for England to maintain a strict impartiality in the cause of justice. Such an attitude is not only beneficial to our friendly relations but absolutely essential to the prestige of the League. We cannot help contrasting Simon's speech with those of Lord Cecil and accordingly hope the British Government will do more [to] help in the cause of world peace."

The Tientsin *Ta Kung Pao* declares that Simon's pro-Japanese views are most disappointing in view of the very friendly relations existing between China and Great Britain in recent years. The paper recalls the May 30th affair<sup>62</sup> in which British policemen, helping the Japanese, aroused a nation-wide indignation in China, as also Chamberlain's declarations.<sup>63</sup> Can it be that the British Government has been hoodwinked by false Japanese propaganda or is it possible that the British Government has been under the influence of Japanese threats so that it does not dare to uphold Justice? The paper points out that while China does not expect any charitable assistance either from the League or from any of its members, she does demand that justice be respected and done. "We have nothing to say if the British people do not value the extensive Chinese markets. But if they are really mindful of their commercial interests here, we would like to advise our British friends that the common wishes of four hundred million Chinese must always be considered in any matter concerning China." All other papers made similar comments.

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<sup>62</sup> In 1925.

<sup>63</sup> Sir Austen Chamberlain's policy statements, 1926-27.

793.94 Commission/637 : Telegram

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

NANKING, December 11, 1932—7 p.m.

[Received December 12—4 a.m.]

Lo Wen-kan came to see me on the evening of the 10th. He was bitter over the speech of Simon at Assembly meeting. He said he realized the League had no force to exercise judgment but all China asked was that it be given a judgment; backed by moral judgment of the League China would do her feeble best to obtain execution with her own efforts. As long as he was in office and as long as he had a voice to influence Government policy he would not agree to any settlement which would legalize what Japan had done in Manchuria or the separation of Manchuria from China in Asia; China would continue to resist; China was growing in strength; time was on China's side, Japan had lost the friendship of the world and was losing strength; time was against Japan. He said that so far as China was concerned there would be no conciliating which involved the loss of Manchuria or the legalization of Japan's actions. He stated that there was no parallel between the situation in Manchuria and the situation in Shanghai. In the latter case China had agreed to the terms proposed in order to protect the International Settlement and to retain the good will of the powers whose interests in Shanghai were jeopardized.

JOHNSON

793.94 Commission/640 : Telegram

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

GENEVA, December 12, 1932—6 p.m.

[Received December 12—1:35 p.m.]

61. From McCoy.

"After consultation with Davis and Wilson I am sailing home with Davis on *Manhattan* on 15th unless I am instructed to the contrary. Drummond informs me that there is no probability of the Lytton Commission being recalled by Assembly and we all think as does Sir Eric it would be wiser so. Steps are being taken by Drummond to have Commission formally dissolved as soon as practicable."

WILSON

793.94 Commission/641 : Telegram

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

GENEVA, December 12, 1932—6 p.m.

[Received December 12—2:40 p.m.]

62. From Davis and Wilson. Drummond informed Wilson very confidentially this morning that Sugimura, Japanese Undersecretary



of the Secretariat, informed Drummond that a telegram had just been received from the Japanese Chargé d'Affaires in Washington which reported a conversation with Castle. The Chargé d'Affaires reported Castle as stating that it was doubtful whether the United States would accept an invitation to participate in the work of the Committee of Nineteen even if we are invited; if the Japanese were agreeable to our participation we might consider the matter favorably but that it was still doubtful whether we would accept membership on a League Committee. In view of the expression of your views in your telegram 48, December 9, 6 p.m., we feel that there must have been some misunderstanding in reporting this here.

The situation seems to be shaping in a way which will be consonant with your views in the last few days but it seems unnecessary to speculate on the action of the Committee of Nineteen in view of the fact that we can report facts within a couple of days.

WILSON

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793.94 Commission/641 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, December 12, 1932—6 p.m.

50. Your 62, December 12. For Davis and Wilson. Saito's report of his conversation with Castle is entirely misleading. The following is Castle's memorandum of what was said, written immediately after the talk:

"Mr. Saito asked me whether we had yet received an invitation to participate in the work of the League Committee of Nineteen. I said we had not yet been invited, that we, of course, had had reports that such an invitation was possible. I told him that we had reached no decision in the matter because we should naturally have to see what the terms of reference might be and whether such a committee would work solely under the Covenant of the League of Nations. I said if the committee were one of conciliation, as is reported, I saw no reason why we might not be represented, but that we had not, as yet, reached any decision as to what we would do."

STIMSON

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793.94 Commission/642 : Telegram

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

GENEVA, December 12, 1932—8 p.m.

[Received 8:25 p.m.]

64. The Committee of Nineteen met in private secret session this afternoon. Sweetser informs me that in the debate the lines were

drawn about as we might have anticipated, the representatives of the large powers laying emphasis on conciliation and those of the smaller powers primarily on finding a basis for conciliation which would be consistent with the terms of the Covenant. Simon in particular emphasized conciliation and pointed out incompatibility of this thought with too narrow limitations on the terms of reference.

A committee composed of Simon, Zulueta, Huber, Beneš, Carton de Wiart representing Hymans and Massigli was appointed to endeavor to draft recommendations. In the meeting of this subcommittee which followed immediately the meeting of the Committee of Nineteen, Drummond suggested certain texts which the subcommittee will consider and which they will discuss at a meeting tomorrow morning.

The texts comprise three parts:

1. An exposé of the facts of the situation including the high points of the Lytton report.

2. A declaration of the states other than the parties to the dispute that they accept the first eight chapters of the Lytton report, that a settlement must be in conformity with the existing treaties and that "they consider the dispute may be properly settled neither by return of *status quo* prior to September 1931 nor by maintenance of existing regime in Manchuria, which has no title to be considered by them as an independent state, or to receive from them recognition or support."

3. A resolution of the Assembly to be voted by all states members of the League authorizing the Committee of Nineteen to invite the United States and Russia to cooperate in the work of the Committee, as well as the parties to the dispute. In addition the resolution contains the recommendation to continue the work of conciliation.

WILSON

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793.94 Commission/847a : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, December 12, 1932—9 p.m.

51. To Davis and Wilson. The reference of Manchurian matters, including the Lytton Report, to the Committee of Nineteen (*a*) without any substantive action in advance by the Assembly, and (*b*) without any instruction to the Committee as to the order in which the various subjects which have been referred to the Committee, including the question of extending an invitation to the American Government to participate, shall be considered, makes it essential that I should make clear to you our views before action is taken by the Committee of Nineteen and before an invitation to join the Committee may be extended to us.

Let me remind you of the sequence of events under which these various questions have been suggested to us from Geneva for our information and comment:

First: Before the meeting of the Council was convened, you were advised informally by Drummond that in all probability the minimum action which would be taken at the meeting of the League would be an adoption of the Lytton Report and also an adoption of a resolution stating that it was the duty of the members of the League to apply the principle of non-recognition to the situation in Manchukuo. Reference your 31, November 1st.<sup>64</sup> We were confirmed in our impression that this course would be followed by numerous other communications which have since come from Geneva, e.g., your 50, November 25, your 52, November 30.

Second. Therefore, when you put the question to us as to whether or not we would consider an invitation to join any agency of conciliation in respect to the dispute between China and Japan, we assumed that these prior steps of adopting the Lytton Report and the resolution of non-recognition would first be taken. Throughout we have regarded those steps as essential to any effective conciliation, for the reasons which we set forth in our 48 of December 9.

By its present action of referring all of these matters to the Committee of Nineteen without prior action by itself or at least a direction to the Committee of Nineteen to report first its recommendations as to the Lytton Report and non-recognition, the matter has been left in such a situation as to invite the possibility of grave embarrassment to us in case any invitation should be extended to us to take part. First, without such action there would not be provided in advance any foundations or backgrounds or findings of principles agreed upon by the Powers upon which a Committee of Conciliation could act intelligently. In my opinion, participation by us in the work of a Committee of Conciliation would be unlikely to be useful unless that committee were given in advance a foundation by the affirmation of principles. Second, the difficulty of our acting with any group of nations constituted by the League would be immeasurably increased by the fact that there were still pending undecided matters which are purely within the jurisdiction of the League, such as these two matters of action on the Lytton Report and the proposal of non-recognition. For example, if they were brought up in the Committee of Nineteen after we had accepted an invitation to sit with that Committee, we would be open to the double criticism that we were intruding into matters strictly belonging to the League for action and also that any vigorous action that might thereafter be taken was influenced by an animus on our part against Japan. Both of these objections would make it practically impossible for us to associate ourselves with any such group organized by the League. As I see it, no Committee of Conciliation would be able to act effectively until these matters have first been disposed of. The disposition of those two matters calls for a decision on the part of the League of Nations irrespective of the consent of the disputants. The work of a conciliation commission is conciliation in a situation brought before it by the consent of both

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<sup>64</sup> Not printed.

disputants as I pointed out in my No. 43, December 4, 11 P.M. These two functions are quite incompatible and the attempt to join them in one body before the first of them has been separately disposed of will only lead to confusion and future trouble.

I have personally dictated this summary of events because of the impression made on our minds here by the developments in Geneva as they have been reported to us partly through your telegrams and partly through the press that there is danger of councils [*councils?*] of weakness and vacillation prevailing among the various powers. Simon's and Cahan's speeches were particularly disconcerting to me.

Having said this to you, I leave it entirely to your discretion as to how it may be used in the light of your better knowledge of the actual need which exists. You know without my repeating it that I deem the events which are taking place in Geneva of commanding importance to the future of the peace movement in the world and that I am anxious and ready to lend all the assistance in my power and in the power of this Government to their solution.

STIMSON

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793.94 Commission/643 : Telegram

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

TOKYO, December 13, 1932—5 p.m.

[Received December 13—6:40 a.m.]

279. The British Ambassador, under instructions from his Government, yesterday urged Count Uchida to agree to the organization of a conciliation commission for settlement of the Sino-Japanese issue regarding Manchuria, adding that unless this were done it would be necessary for the League of Nations to proceed under the provisions of paragraph 4 of article 15 of the Covenant. Lindley tells me that his representations contained no hint of a threat as indicated in press despatches and that they conveyed merely a statement of fact regarding normal League procedure. Count Uchida said that he could give no decision until he had further studied the matter. He thought it would be easier to approve of the proposed commission of conciliation if it were entirely separated from the League and made an independent body.

GREW

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793.94 Commission/649 : Telegram

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

GENEVA, December 13, 1932—9 p.m.

[Received December 13—4:55 p.m.]

65. From Davis. Your 51, December 12, 9 p.m. I have had a thorough and I think a satisfactory talk with Simon and will cable further

details thereon tomorrow.

Riddell, the Canadian delegate, who asked to see me today, told me . . . that the Canadian Government had not changed its attitude on the Manchurian question and that their attitude was in accord with ours.

WILSON

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793.94 Commission/648 : Telegram

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

GENEVA, December 13, 1932—10 p.m.

[Received December 13—5:25 p.m.]

66. From Davis. We are informed very confidentially by Frederick Moore whom we consider good authority that the Japanese delegation here would be glad to see the United States participate in the work of collaborating on the Committee of Nineteen. At the same time the Japanese Government is opposed to such participation believing that an American delegation would be guided by sentiments hostile to Japan. We both feel as we believe you do that it is important both from our own point of view and from that of Japan that the United States should so participate provided the basis of the work of conciliation is satisfactory and that such participation should be acquiesced in by Japan.

We have been giving thought as to what might be done to convince the Japanese that we have no sentiments hostile to them or to their legitimate interests and that our participation if it occurs would be directed to aiding Japan to work out a peaceful solution of an extremely difficult problem and to doing away with the continuous menace to their economic interests by means of a constructive solution.

With this in view we submit to your consideration a possible course of action namely that you might think it well to instruct Grew to inform Count Uchida that the Japanese Chargé d'Affaires had talked with Castle on the question of our participation on the Committee of Nineteen and then give the substance of what Castle said and then add that our conception of conciliation was that the free consent of both parties to the dispute was a prerequisite for a successful outcome and that if an invitation was issued with terms of reference which would permit us to take part, our acceptance if given would be with the hope of contributing towards the reaching of a constructive solution; that the time for the expression of opinion as to these events would then be passed and that the course upon which the world was now embarked was to reach an accord which could be accepted by the two parties.

WILSON

793.94 Commission/650 : Telegram

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

TOKYO, December 14, 1932—11 a.m.  
 [Received December 14—2:37 a.m.]

280. My 279, December 13, 5 p.m. In his talk with the Minister for Foreign Affairs on the 12th the British Ambassador further expressed the hope that the Japanese Government would agree to inviting the United States and Soviet Russia to be represented on the conciliation commission referred to. Yesterday afternoon Count Uchida told Lindley that while he was still awaiting certain information from Geneva he could give him an interim reply to the effect that the Japanese Government could probably not see its way clear to approving the issuance of these invitations to states not members of the League of Nations. This attitude he said was not based on any legal or theoretical aspect of the matter but upon the practical consideration that the United States and Soviet Russia not being members of the League could not share its obligations.

Lindley then told Count Uchida of a new proposal that had been made in Geneva in a conversation between Sir John Simon and Matsuoka that the dispute should be referred to a small conciliation commission of five members. Count Uchida inquired whether this proposal also envisaged inviting the United States and Soviet Russia to participate in this small commission. Lindley replied that this point had not been made clear in the telegrams which he had received from Geneva.

GREW

793.94 Commission/653 : Telegram

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

NANKING, December 14, 1932—2 p.m.  
 [Received December 14—6:12 a.m.]

I saw General Chiang Kai-shek yesterday evening. T. V. Soong and Lo Wen-kan were present. Chiang asked American attitude toward invitation to participate deliberations Committee of Nineteen. I informed him that I had no official instructions on this matter but that I inferred that United States would give serious consideration to any invitation of this kind that might be extended and that its attitude would be determined by the question as to how closely the terms of reference were compatible with well-established policy of the United States as set forth in statements made by the Secretary of State. I said that Washington viewed question as the peculiar responsibility of the League and did not desire to say or do anything which might retard

action by the League in fulfillment of that responsibility or encourage League to shift responsibility to others.

From statement made by Lo to General Chiang in my presence I understood British Chargé called upon him yesterday to persuade China to be more friendly to British suggestions for conciliation and that Lo told British Chargé that Chinese acceptance of British proposal could only be based upon principles announced by Chinese delegate at Geneva.

JOHNSON

793.94 Commission/693

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>65</sup>

[NANKING,] December 14, 1932.

The news of the resumption of diplomatic relations with Soviet Russia was favorably commented in the Chinese press. There was a nation-wide expression of satisfaction and the government was praised.

Commenting on the United States government's unwillingness to participate in the conciliation committee, *Chiu Kuo Jih Pao* says in his editorial today that the reason seems to lie in the contrary views maintained by Sir John Simon and Secretary Stimson regarding the Manchurian question. It would appear that Simon is inclined to acquiesce in the *fait accompli* whereas Stimson stands for the non-recognition of any status created by the force of arms.

793.94 Commission/656 : Telegram

*The Ambassador in France (Edge) to the Secretary of State*

PARIS, December 14, 1932—8 p.m.

[Received December 15—9 a.m.<sup>66</sup>]

720. From Davis. I have received a long personal letter from Simon written for the expressed purpose of explaining to us fully and confidentially his views and the policy and procedure which he thinks should be followed in the Sino-Japanese controversy. In substance he insists that there is no difference in principle between us and if there is any difference at all it is only a slight one as to procedure and that above all we must stand together and pursue the same policy. It is therefore with a view to avoiding any misunderstanding and of

<sup>65</sup> Copy of telegram transmitted to the Department by the Chinese Legation, December 14, 1932.

<sup>66</sup> Telegram in five sections.

reaching a complete meeting of minds that he endeavored hurriedly and under great pressure to write me fully and he proposes upon his return to London to read this letter to the Cabinet.

The first part of his letter is devoted to explaining and quoting from his speech before the Assembly to prove that his position has been misunderstood and misrepresented. The balance of his letter is textually as follows:

[“]3. Now as to the future my own view is that it is very necessary to distinguish between the League's duty to effect a settlement by conciliation and the League's duty if conciliation fails to pronounce judgment. These two duties are prescribed in this order in separate paragraphs of article XV of the Covenant. Nothing but confusion can arise if conciliation is conducted in an atmosphere of denunciation. This is the view of every sober judgment at Geneva, small states not less than big, e.g., the very distinguished representative of Switzerland. I, therefore, want to give every chance to settlement by conciliation for peace in the Far East may depend upon it. But this does not in the least mean that I should not be prepared to see judgment pronounced if a fair and adequate opportunity has been given for conciliation, and conciliation fails. What I object to is poisoning the atmosphere of conciliation before the effort to make it starts.

4. But there are two dominant matters upon which a basis for conciliation should rest as to which I have no hesitation in stating my view. First, we must proceed upon the basis of the Lytton report (I said so quite clearly in my speech as the above quotation shows) and we must make plain throughout that we are standing by League doctrine and principle and by every declaration which the League has made in the past. This includes the declaration of March 11th when I repeated and adopted for myself the formula which we discussed together about nonrecognition.

5. Now I wish to say a word about this formula. As I have already told you I regard any question of recognition in the diplomatic sense of the State of Manchukuo as entirely academic and the British Government contemplates nothing of the sort. I understand that you have so reported to Mr. Stimson. We desire in this matter to act if possible with the United States and we should like to be assured of their intentions. There are, I believe, American Consuls in various towns in Manchuria just as we have British Consuls and I presume that these representatives of the United States discharge their duty of protecting American interests in relation to the *de facto* authorities. Our Consuls do the same. And I see no reason why this situation should not continue. It would, of course, be a foolish misconception of the formula to which Mr. Stimson and I have both given our adhesion to regard it as binding the executive[s] of our respective countries 100 years hence to have no diplomatic relations with an area as big as France and Germany combined. The formula means and was intended to be understood as meaning I apprehend that we neither of us intend to approve or support or countenance or admit as valid a change of circumstances which has been brought about by means contrary to the duties and the rights defined by treaties which we and others are bound to uphold. I have not chosen my words with pedantic



care for you know that I am writing under pressure of time in circumstances which justify a personal communication.

6. Let me say in conclusion how glad I was to hear from you that there might be a prospect of securing under proper conditions the aid of a United States representative of the standing of General McCoy. I am for my part convinced that the only body fit for the work will be a small one staffed by men who know the subject matter in the sort of way that he does. That was the way in which your people and ours got things straightened out at Shanghai and though no doubt the effort to bring China and Japan together about Manchuria must be made in Geneva everything will depend upon a wise choice of personnel.

Once again let me say what a pleasure it has been to work side by side with you during all these months and I look forward to much effective cooperation in the future."

The above letter was written as the result of 2 hours' conversations yesterday with a view to summarizing his position but it is in somewhat more guarded terms than his talk with me. My judgment is that he is somewhat hampered by the Cabinet and that while the Cabinet is practically unanimous in wanting to keep in complete accord with us some of the influential members including MacDonald want in every way to avoid forcing the issue to the point of bringing article XVI into play. They have not yet realized that there would be no basis for conciliation and that in fact conciliation would be made impracticable without previous acceptance of at least the first eight chapters of the report and a resolution of nonrecognition of Manchukuo or of any settlement contrary to the Covenant and Peace Pact and perhaps the Nine-Power Treaty.

Without attempting to answer his letter in detail I propose to write him today calling his attention to the fact that since the March 11th resolution endorsed the principle of nonrecognition of a change of status arising from an action taken in violation of a [*the?*] Covenant or the Peace Pact it would be necessary now to translate this into specific terms in the light of the Lytton report and the setting up of the Manchukuo regime. I may state further that this together with the question of time which he raises with regard to the withholding of recognition is a matter of phraseology. [Davis.]

EDGE

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793.94 Commission/654 : Telegram

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

GENEVA, December 14, 1932—11 p.m.

[Received December 14—9:17 p.m.]

68. Drummond asked me to call this evening and informed me that the subcommittee (my 64, December 12, 8 p.m.) of Committee of Nine-

teen sat this afternoon for 4 hours. They drafted a resolution to propose to the Assembly. The draft is by no means final but they hope in a meeting late tomorrow afternoon (Thursday) to reach final agreement. Such agreement would enable them to discuss the matter on Friday with the parties to the complaint, call an Assembly for Saturday and get the resolution adopted.

The resolution, of which Drummond did not give me a text, as he only had one in his possession, declares among other things that it is not felt desirable at this stage of the proceedings to adopt a report. (He explained that a report is provided for under paragraph 4, article 15, and that they may in subsequent proceedings be driven to such procedure). The resolution continues that had they been under the necessity of presenting a report it would have been based on the first eight chapters of the Lytton report which they consider "an impartial and complete statement of fact."

The resolution also states "considering that by its resolution of March 11 the Assembly formulated principles which fix the attitude of the League of Nations in regard to any solution reached of this dispute".

It is further stated that any solution reached must be in conformity with the Covenant of the League of Nations, the Kellogg Pact and the Nine-Power Treaty. The draft resolution further provides for the setting up of a committee for the purpose only of negotiating a settlement and the work of this committee will be based on the principles of chapter 9 of the Lytton report and due consideration will be given to chapter 10 thereof.

The committee referred to in the preceding paragraph will be composed of the states, members of the Committee of Nineteen, and the United States and Russia will be invited to take part. The work of the committee will be carried on with the collaboration of the parties to the dispute. The report also provides that the committee should make a report not necessarily final before March 1st, 1933.

Drummond desired me to state whether I thought that a resolution approximately along foregoing lines would be satisfactory. He stated that if it was not satisfactory it might be possible to suppress the reference to the resolution of March 11th above and replace it with the following:

"The Committee of Nineteen believes that the simple return of the *status quo ante* will not constitute a lasting solution of the difficulty and that the maintenance and recognition [of the] now-existing regime in Manchuria could not be considered as a solution."

After making your position clear, as expressed in your 51, I replied that the insertion of the paragraph immediately above would, I believed, be considered preferable by you; that I could not say what your

attitude would be in the event that the resolution went through as Drummond showed it to me in original form, though I doubted whether the Chinese would accept it. It was agreed that I would request you as early as possible to give me information as to whether

- (1) The draft resolution in the shape which Drummond showed it to me could be considered by us as an acceptable basis for participating in the work of conciliation, and
- (2) Whether the alternate paragraph quoted above would ease your position towards acceptance.

Inasmuch as subcommittee hopes to complete its negotiations by tomorrow, Thursday, afternoon, you may feel it desirable to call me by telephone at the office early Thursday morning. I shall be available in this case.

Drummond assures me that any expression of opinion you can give for his guidance can be held as strictly confidential by the members of the subcommittee. Nevertheless, I feel that you must contemplate the possible revelation by some member of the subcommittee of any opinion you may express.

WILSON

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793.94 Commission/682

*Memorandum of Trans-Atlantic Telephone Conversation*<sup>67</sup>

SECRETARY: Hello, is that you, Wilson?

MR. WILSON: Yes, this is Wilson talking, Mr. Secretary.

SECRETARY: I did not get your cable until this morning at 7:30, and I have been working steadily on it ever since. Now it is very difficult for me to answer it on the situation that you put before me.

WILSON: I know it is.

SECRETARY: And all I want to say is that when the resolution comes in of course and after I have the text before me I will give it very careful attention. Of the alternatives which you present in regard to non-recognition, I think that the second one is the only one that even measurably approaches satisfaction.

WILSON: The second one?

SECRETARY: Yes, and as I have said before, I think you have to apply it to Manchukuo. Otherwise the situation is meaningless, and it would really cripple our ability to be of help because it would be taken by the world at large as a yielding on that point. I speak advisedly about that. The only chance I would have at all of getting the United States in would be if it was a clear-cut proposition of that

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<sup>67</sup> Between Mr. Stimson in Washington and Mr. Wilson in Geneva, December 15, 1932, 10:30 a.m.

applicability to Manchukuo, but even then I must reserve decision until I see the whole thing.

WILSON: It is a little clearer what is happening today. There is to be presented this afternoon to the Committee of 19 two texts. One will be entitled "Statement of Reasons". The other will be entitled "Draft Resolution No. 1 and Draft Resolution No. 2". In the Statement of Reasons, under the present text (unless it is changed in the Committee of 19), the final paragraph will read: "In this connection the Committee of 19 considers that a mere return to the situation previous to September 1931 would not suffice to insure a durable settlement of the conflict and that the maintenance and recognition of the regime presently existing in Manchukuo could not be regarded as a solution." That, you understand, will be voted by the Committee of 19 and not by the parties to the dispute. The resolution itself would have to have a vote by the parties to the dispute, and the resolution in its present form has this phrase regarding recognition in the preamble: "Considering that by its resolution of March 11, 1932, it laid down the principles determining the attitude of the League of Nations in regard to the settlement of the dispute."

SECRETARY: But it does not specifically mention this principle of non-recognition?

WILSON: No, it does not in the resolution itself, but it does in the action of the Committee of 19 which accompanies the resolution.

SECRETARY: I don't quite understand you. Does the statement that you read me a moment ago about the regime in Manchuria—is that in any proposed resolution of the Assembly?

WILSON: No. That is in the Statement of Reasons which takes the place of the report of the Committee of 19.

SECRETARY: Will the Statement of Reasons be adopted by the Assembly?

WILSON: I don't know, Mr. Secretary.

SECRETARY: I mean is it proposed that it shall be laid before it for adoption?

WILSON: It merely accompanies the resolution. Whether it is proposed that it be laid before the Assembly for adoption I have not found out yet.

SECRETARY: What I am interested in knowing is what will be the instructions to the Conciliation Committee after they are appointed. You see, what I deem important is that there should be a groundwork under the modern peace treaties of the world which is made applicable to the work of this peace commission or this peace committee. Otherwise, if they are just dangling in the air without any instructions it is open to them to recommend a solution which would make ducks and drakes of the entire matter. Now in your telegram which you sent to

me I was rather encouraged by the fact that the proposed resolution which Drummond mentioned did seem to adopt certain principles. In the first place it said that they considered the Lytton Report, the first eight chapters, an impartial and complete statement of fact. That looked like a rather weak finding of fact. Then they said that any solution must be in conformity with the League of Nations, the Kellogg Pact and the Nine Power Treaty. That seemed to lay the foundation for the treaties in the work of the conciliation commission.

WILSON: That is in the last part of the present resolution.

SECRETARY: You mean about the League of Nations, the Kellogg Pact and the Nine Power Treaty?

WILSON: Yes. The position of the League of Nations, the Pact of Paris and the Nine Power Treaty must be respected.

SECRETARY: Then finally your cable stated that the draft resolution also said that the work of the committee was to be based on the principles of chapter 9 of the Lytton Report and that due consideration would be given to chapter 10. They have taken out of the resolution all reference to the non-recognition policy?

WILSON: With the exception of that one article that I read you: ["Considering that by its resolution of March 11, 1932, it laid down the principles determining the attitude of the League of Nations in regard to the settlement of the dispute."]

SECRETARY: That will be regarded as very, very weak here.

WILSON: Yes, I think it will.

SECRETARY: And that may psychologically have to be a determining factor.

WILSON: There is this to consider, Mr. Secretary: that if they are embarking on the idea of conciliation they have to have something they think can be adopted by both parties; otherwise conciliation itself falls to the ground.

SECRETARY: I have just received from Davis a cable giving an account of a conversation that he has had with a gentleman that you might recognize. I think probably you were present at this conversation with the representative of one of the other governments.

WILSON: That gentleman has already left town, Mr. Secretary.

SECRETARY: I mean that I have just read that cable. That is why I delayed this telephone talk. Because it has just come in and I have just read it and got that gentleman's views as to the relation of conciliation to the later procedure of the covenant. Now the thing I have to consider is this: On the one hand I don't want to discourage at all the idea of cooperation with the League, which I have deemed important and which they undoubtedly are doing their best to make easy for us. Then on the other hand it is a little hard, as I explained in my long telegram of a few days ago which I personally dictated, it is a

little dangerous for us to take part in intermediary proceedings of the League of Nations while they are leaving unfinished and pending more clear-cut action for later. Do you see?

WILSON: I see your point exactly.

SECRETARY: And that I will have to consider very carefully as to whether that makes it advisable for us to go in at this stage. It is evidently in the light of the letter of this other representative that I have had from Davis. It is evidently his idea and I don't want to debate the wisdom of it. It is his idea that conciliation must take place now.

WILSON: Yes, it is, and Mr. Secretary, that seems to be the swing that the whole thing is taking here.

SECRETARY: On the other hand I have to remember that beginning with September 1931 the entire League, with our efforts, has been engaged with attempts at conciliation, and not until we had been doing that for four or five months and the results had proved to be entirely nugatory did we take these more drastic methods of principle, and I don't propose to abandon those to go back and begin over again on conciliation. I don't propose to give up the steps which have already been taken as a result of the acts of Japan last year, and I don't think the League will gain anything by doing it. It is a mere occasion of cowardice and an abandonment of the steps which the world has accepted since the War. It is bound to be regarded as so by public opinion of this country. In other words, we have to consolidate the gains already made and then make the next steps in advance. Otherwise you give up those gains and you will not get them again. It will give the impression of defeat. That is what I am troubled by in this proposal. It disregards the fact of all the work from September 30 last year, on.

WILSON: There is only this to be said: There are signs in the Japanese delegation and some from Tokyo that the ice is breaking a bit and that they are more disposed to conciliation than they were before. That may or may not be based on true fact. I am not really certain.

SECRETARY: We are watching that pretty carefully, and it is the view of the Far Eastern Division and myself here that you will not help that breaking of the ice by any sign of weakness. Not a bit. Just the reverse. And a good deal of the output that has been coming from Tokyo is, in our opinion, an effort to dominate the diplomacy of the other nations by a display of what might be called diplomatic terrorism.

WILSON: One further thing seems to stand out rather clearly. That is that while the delegation here would be disposed to have us participate, the Foreign Office, under the influence of public opinion, is pretty firm still not to give their consent to such participation.

SECRETARY: We have no idea whatever of giving the impression that we are seeking the job. Not the least. And I don't want anybody to run any risk of giving that impression. We are sitting very pretty in our off-side position, and I am inclined to think that our influence there may be stronger than in any other form. I have only considered the question of conciliation because it was brought up to me by the League. I am not at all anxious to take it. Now you get my position, don't you?

WILSON: Yes, I think it is clear, Mr. Secretary.

SECRETARY: All right. You send me a copy of that resolution as fast as you can.

WILSON: The meeting will be over at five o'clock and I will get what comes out of that.

SECRETARY: I think, as you reported, their present movement has been in the direction of weakness. I mean in the report you sent me before.

WILSON: There is no doubt about it.

SECRETARY: That would be very serious. Wait a minute. Hornbeck wants me to listen to something. Just hold the wire.

WILSON: Yes.

SECRETARY: I say again, as I said in the beginning, that I must reserve my final judgment about what we will do until I see the text of the resolution. I can't say a thing, and this is entirely just by way of guidance to you and to such other persons as you can in safety and in confidence think it will help.

793.94 Commission/654 : Telegram

*The Secretary of State to the Acting Chairman of the American Delegation to the General Disarmament Conference (Gibson)*

WASHINGTON, December 15, 1932—noon.

53. For Wilson. Your 68, December 14, 11 p.m.

1. Before receipt of the above, I had prepared and signed but not sent the following:

"Your 66, December 13, 10 p.m. As I have repeatedly stated, action by the League in the nature of an affirmation of findings of principle is a desirable, in fact I think imperative, condition precedent to any effort to create and instruct a committee or commission of conciliation. I therefore feel that, until the League has acted in that sense, discussion of the question of possible American participation, under invitation from the League, in the work of a body constituted for purposes of conciliation, is misdirected and futile.

Furthermore, I feel that any approach by us either to Japan or to the League, by way of encouraging the formulation on their part of

an invitation to us to join in procedure of conciliation, before a foundation for such procedure has been laid by the League, would inevitably create a complete misunderstanding of our views and probably suspicion of our motives.

Therefore, while carefully watching developments both at Geneva and in Japan and China, I am taking no action and desire that you take none beyond the limits of the instruction which I have given in telegrams 42,<sup>68</sup> 48, 49 and 51,<sup>69</sup> especially 51. You may do your utmost to make clear my view that action on the Lytton report by the League is a necessary precedent to efforts at conciliation and that it is not a proper function nor is it the intention of the American Government to participate in the formulation of the League's decision with regard to disposal of the Lytton report. When questions of principle and procedure have been adequately dealt with by the League under its own constitution, the time will have arrived for discussion of participation by the American Government in machinery and processes which may be suggested by the League for conciliation as such. Until that is done there should be no manifestation whatever of eagerness on our part. Stimson."

2. The above still constitutes my view on all points to which it relates.

3. In express reply to your 68 under present reference, and confirming what I have said to you this morning by telephone, I feel that, as I have repeatedly and definitely made known this Government's position and policy and as I assume that you and various influential individual members of the League are fully cognizant of my views, both you and they will appreciate that I cannot express a view on behalf of this Government before the full text of the contemplated resolution is available to me and I am informed adequately with regard to the procedure intended in relation to its various parts. Therefore, you may state that I must reserve all decision until I see the text and am clearly informed with regard to contemplated procedure.

STIMSON

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793.94 Commission/664 : Telegram

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

GENEVA, December 15, 1932—6 p.m.

[Received December 15—4 p.m.]

70. Reference our telephone conversation this afternoon. After its conclusion I spoke with Drummond just prior to convening of the

<sup>68</sup> Dated December 1, noon, not printed; it reported the substance of telegram No. 1277, November 29, noon, from the Minister in China, p. 374, for the information of Sir Eric Drummond.

<sup>69</sup> No. 48, December 9, 6 p.m., p. 405; No. 49, December 9, 1 p.m., p. 404; No. 51, December 12, 9 p.m., p. 415.



Committee of Nineteen which he hoped would now agree upon a recommendation to the Assembly. I shall reserve specific comment until Drummond furnishes me a copy of the recommendation which he promised to do immediately after the meeting if it is successful in this regard.

Meanwhile you may wish to learn Drummond's observations on the situation in general. He did not feel that the resolutions as at present phrased (portions of which I read over the telephone) were a weakening of the League's positions since they were based upon the fundamentals of the question. He added that even the extremists such as Madariaga and Beneš did not feel that there was any weakening of the League position. The fact that the statement of reasons was not for adoption by the Assembly was necessarily because it would be impossible to get the Japanese to assent thereto. But their presentation before the Assembly as an expression of the Committee of Nineteen was not to be minimized. Drummond stated in this respect that he would suggest to the President of the Assembly to make a statement to the effect that all members of the League, with the exception of the parties to the dispute, will be in accord with the statement of reasons.

Drummond stated clearly the two alternatives with which he considered the League to be confronted, namely, recourse to conciliation as now presently being tried, with which he hoped Japan would concur; or recourse to a report and recommendations under paragraph 4 of article XV which would mean that Japan would leave the League. He felt it necessary to exhaust all efforts for action on the first alternative which would be based upon the March 11th resolution and uphold the treaty structure before proceeding to the second alternative which in the last analysis the League might be compelled to adopt.

In presenting your views I restated vigorously that the United States should in no wise be considered as soliciting membership on any conciliation committee, which Sir Eric said was thoroughly understood.

WILSON

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793.94 Commission/665 : Telegram

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

GENEVA, December 15, 1932—8 p.m.

[Received 8:14 p.m.]

71. Herewith follows text of statement of reasons adopted this afternoon by Committee of Nineteen:

“The Assembly in its resolution of December 9th requested its Special Committee:

(1) To study the report of the Commission of Inquiry, the observations of the parties, and the opinion[s] and suggestions expressed in the Assembly, in whatever form they were submitted.

(2) To draw up proposals with a view to the settlement of the dispute brought before it under the Council resolution dated February 19, 1932.

(3) To submit these proposals to the Assembly at the earliest possible moment.

If the Committee had hoped that to lay before the Assembly a picture of events and an appreciation of the general situation, it will have found all the elements necessary for such a statement in the first eight chapters of the report of the Commission of Inquiry, which in its opinion constitute a balanced, impartial and complete statement of the principal facts.

But the time has not come for such a statement. In accordance with article 15, paragraph 3, of the Covenant, the Assembly must first of all endeavor to effect a settlement of the dispute by conciliation, and if such efforts are successful, it shall publish a statement giving such facts as it may deem appropriate. If it fails, it is its duty, in virtue of paragraph 4 of the same article, to make a statement of the facts of the dispute and recommendations in regard thereto.

So long as the efforts on the basis of article 15, paragraph 3, are continued, a sense of the responsibilities placed on the Assembly in the various contingencies provided for in the Covenant obliges it to maintain a reserve. Hence the Committee has confined itself, in the draft resolution which it is today submitting to the Assembly, to making proposals with a view to conciliation.

By the Assembly's resolution of March 11th the Special Committee was instructed to endeavor to prepare the settlement of the dispute in agreement with the parties. Since on the other hand it is desirable that the United States of America and the U.S.S.R. should join in the efforts made in collaboration with the representatives of the parties, it is proposed that the Governments of these two countries should be invited to take part in the negotiations.

In order to avoid misunderstandings and to make it plain that what is contemplated at the present stage with the cooperation of two countries not members of the League is solely the negotiation of a settlement by conciliation, the Special Committee suggests that it should be regarded for this purpose as a new committee responsible for conducting negotiations and should be authorized in this capacity to invite the Governments of the United States and the U.S.S.R. to take part in its meetings.

The Negotiations Committee will have all the powers necessary for the execution of its mission. In particular it may consult experts. It may, if it thinks fit, delegate part of its powers to one or more sub-committees or to one or more particularly qualified persons.

The members of the Negotiations Committee will be guided as regards matters of law by parts 1 and 2 of the Assembly resolution of March 11, 1932, and as regards matters of fact by the findings set out in the first eight chapters of the report of the Commission of Inquiry. As regards the solutions to be considered, they will seek them on the basis of the principles set out in chapter 9 of the report of the Commis-

sion of Inquiry and having regard to the suggestions made in chapter 10 of the said report.

In this connection the Committee of Nineteen considers that, in the special circumstance which characterizes the dispute, a mere return to the conditions previous to September, 1931, would not suffice to ensure a durable settlement, and that the maintenance and recognition of the new regime in Manchuria could not be regarded as a solution. December 15, 1932."

WILSON

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793.94 Commission/666 : Telegram

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

GENEVA, December 15, 1932—9 p.m.  
[Received December 15—8:45 p.m.]

72. My telegram No. 71. Herewith follows text resolution[s] No. 1 and 2 adopted this afternoon by the Committee of Nineteen.

"Draft Resolution No. 1.

The Assembly recognizing that according to the terms of article 15 of the Covenant its first duty is to endeavor to effect a settlement of the dispute, and that consequently it is not at present called upon to draw up a report stating the facts of the dispute and its recommendations in regard thereto;

Considering that by its resolution of March 11th, 1932, it laid down the principles determining the attitude of the League of Nations in regard to the settlement of the dispute;

Affirms that in such a settlement the provisions of the Covenant of the League of Nations, the Pact of Paris and the Nine-Power Treaty must be respected;

Decides to set up a committee whose duty will be to conduct, in conjunction with the parties, the negotiations with a view to a settlement, on the basis of the principles set out in chapter 9 of the report of the Commission of Inquiry and having regard to the suggestions made in chapter 10 of that report;

Appoints, to form that committee, the members of the League represented on the Special Committee of Nineteen;

Considering it desirable that the United States of America and the U.S.S.R. should consent to take part in the negotiations, entrusts to the above-mentioned committee the duty of inviting the Governments of the United States of America and the U.S.S.R. to take part in the negotiations;

Authorizes it to take such measures as it may deem necessary for the successful execution of its mission;

Requests the committee to report progress before March 1st, 1933.

The committee which has not power to fix in agreement with the two parties the time limit referred to in the Assembly resolution of July 1st, 1932; should the two parties fail to agree on the duration of such a time limit the committee will, simultaneously with the presentation of its report, submit proposals to the Assembly on the subject.

The Assembly shall remain in session, and its president may convene it as soon as he may deem this necessary.  
December 15th, 1932."

"Draft Resolution No. 2.

The Assembly thanks the Commission of Inquiry appointed in virtue of the Council's resolution of December 10th, 1931, for the valuable assistance it has afforded to the League of Nations and declares that its report will stand as an example of conscientious and impartial work.

December 15th, 1932."

WILSON

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793.94 Commission/667 : Telegram

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

GENEVA, December 15, 1932—10 p.m.

[Received December 15—9:50 p.m.]

73. Sweetser, who was present at the secret meeting of the Committee of Nineteen this afternoon, has given an account substantially as follows:

Carton de Wiart of Belgium read and explained the two documents transmitted in my numbers 71 and 73 [72].

Lange of Norway congratulated the subcommittee and thought that the documents were very skillfully drawn but he feared that they concealed the substance under the form and would be disappointing to the public. However, he accepted them.

Undén of Sweden agreed with the subcommittee's report. He asked if the "Statement of reasons" was to be voted by the Assembly or only by the Committee. He asked what would happen if the Japanese did not accept the Committee of Nineteen's draft resolution or if the United States and Russia refused the invitation to participate.

Beneš agreed with the report but explained that it was conciliation. He thought that the report was the best possible at the moment; that it contained all that could now be expected.

Lester, Ireland, asked whether if the resolution was not accepted the Committee would reserve its right to act.

The Turkish representative wanted the Kellogg-Briand Pact stressed on account of the United States and Russia.

Carton de Wiart, Drummond and Beneš ruled as follows:

(a) The statement was to be presented by the Committee of Nineteen to the Assembly, not put to a vote in latter body, but the President of the Assembly would state that unless some one objected it would be assumed that the states other than the parties to the dispute agreed;

(b) If Japan or China blocked unanimity on the resolution the

Committee would be free to act and would not be forced further back but could proceed under paragraph 4, article 15;

(c) The resolution and statement of reasons were drafted particularly in consideration of the difficulties as regards the United States and Russia. The Committee was one of conciliation only and could and would function even if one or both of these two countries refused the invitation.

It was agreed that the President and the Secretary General would approach the parties to the dispute tonight who would be expected to cable at once for instructions. It was anticipated that the Chinese and Japanese delegations would present at once some observations to the Drafting Committee which would meet tomorrow afternoon to discuss them. It was recognized that full observations could not be expected for 48 hours, hence the Assembly would not meet before Monday.<sup>70</sup>

Assuming that the complete observations of the two delegations would be available in 48 hours, the Drafting Committee would meet again Saturday or Sunday to decide whether these objections merely entailed drafting changes and as such were acceptable or whether these objections were so fundamental that nothing could be done about it. In the latter case the Committee of Nineteen would be called again to see if it should proceed under paragraph 4.

Carton de Wiart expressly emphasized confidential nature of these documents and urged all members so to regard them.

A communiqué by the Committee of Nineteen was subsequently issued as follows:

"The Committee of Nineteen met this afternoon to consider the conclusions of its Drafting Committee which it approved. It authorized the President and the Secretary General to get in touch with the two parties to the dispute in regard to them."

WILSON

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893.01 Manchuria/755

*The Consul General at Harbin (Hanson) to the Minister in China (Johnson)*<sup>71</sup>

No. 2507

HARBIN, December 15, 1932.

SIR: I have the honor to enclose herewith copies, in translation, of memoranda<sup>72</sup> submitted to this office by a Russian on December 13th

<sup>70</sup> December 19.

<sup>71</sup> Copy transmitted to the Department by the Consul General at Harbin in his despatch No. 5639, December 15, 1932; received January 11, 1933.

<sup>72</sup> Not printed.

in regard to the Japanese request that General Su Ping Wen be handed over to them and in regard to the situation in Japan.

It must have been clear to the Japanese that Soviet Russia would not hand General Su and his staff over to the Japanese army or to Manchoukuo. Reports were spread first that he had been handed over in the local press. The Japanese controlled Russian, Japanese and Chinese newspapers at Harbin expressed themselves as indignant that Soviet Russia should delay in handing over General Su, but after the categorical refusal of Soviet Russia to do so and the resumption of diplomatic relations between Soviet Russia and China, this press softened its tone and stated that this would not be considered as the cause of a serious break between Soviet Russia and Japan, but that it was simply one of many diplomatic questions which were to be settled by the two governments.

In regard to the memorandum concerning the situation in Japan, this office is not in a position to comment thereon.

Respectfully yours,

G. C. HANSON

898.01 Manchuria/769

*The Consul General at Mukden (Myers) to the Minister in China  
(Johnson)*<sup>73</sup>

[Extracts]

No. 707

MUKDEN, December 15, 1932.

SIR: I have the honor to refer to despatch No. 683 of November 8, 1932, relative to reported instances of Japanese ruthlessness near Fushun and elsewhere in South Manchuria.

The actual number of the "Fushun Massacre" victims will probably never be known. Taking all known factors into consideration, I am inclined to believe that the real figure if ever ascertained would probably be found to be considerably below Mr. Hunter's estimate of 3000 but well above the figure of 350 quoted in the Japanese Army's statement—which statement, it may be presumed, would naturally be framed with a view to minimizing and providing plausible excuse for whatever slaughter the Japanese troops concerned may have perpetrated.

Whatever the real extent of the action of the Japanese Military and the degree of justification therefor, all reports with the sole exception of the Japanese official statement agree that a considerable number of unarmed villagers were killed by Japanese soldiers in a ravine near

<sup>73</sup> Copy transmitted to the Department by the Consul General at Mukden in his unnumbered despatch dated December 16, 1932; received January 16, 1933.

Fushun on or about September 15th. Furthermore, it seems fairly well established that Japanese troops destroyed several villages in the vicinity of Fushun and that as a result of such operations many more villagers were killed.

Respectfully yours,

M. S. MYERS

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793.94 Commission/668 : Telegram

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

GENEVA, December 16, 1932—noon.

[Received December 16—7:49 a.m.]

74. With reference to Draft Resolution December 12, noon [*Draft Resolution No. ?*] 1, my 72, December 15, 9 p.m., I note that among the powers of the "negotiations committee" (see penultimate paragraph) is that of fixing the time limit referred to in the Assembly resolution of July 1st. If eventually you should decide to accept the invitation, if issued, you may care to consider whether your acceptance should contain a statement to the effect that in the performance of this particular duty which involves the application of article XII, second paragraph of the Covenant of the League of Nations, the American representative will take no part.

WILSON

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793.94 Commission/669 : Telegram

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

NANKING, December 16, 1932—3 p.m.

[Received December 16—7:35 a.m.]

Dr. Lo today read to me the text of resolution adopted by Drafting Committee at Geneva. In reply to my question he said that question of China's acceptance required careful consideration and reference to his colleagues in the Government and that it would probably take 2 days before any decision could be reached. From his manner I gathered that he was not personally hostile to the terms of the resolution. He intimated that at least one of the factors involved would be the attitude of the United States Government towards the proposed invitation to participate. As I was leaving he drew me back to say that he thought the attitude of Soviet Russia would in large part be governed by attitude of the United States. He thought Soviet Russia desired recognition by the United States. He asked me what chance there might be of a change in our policy in this regard. I told Dr. Lo

that I did not believe there would be any change in American policy in regard to this matter between now and March 4th and I did not know what policy might be adopted after March 4th.

JOHNSON

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893.01 Manchuria/765

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>74</sup>

[NANKING,] December 16, 1932.

Cheng Hsiao-Shu and others of the puppet government in the Three Eastern Provinces planned to set up a monarchy with Pu Yi as emperor in March of next year. The detailed plan as drafted by Cheng contemplated the restoration of the Manchu Dynasty. The Japanese had given their consent to the establishment of the monarchy although they refused to consent to the restoration of the Manchu Dynasty for fear that such a restoration might effect the opinion of the world on Japan.

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793.94 Commission/678 : Telegram

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

GENEVA, December 16, 1932—6 p.m.  
[Received December 16—4:44 p.m.<sup>75</sup>]

75. My 71, and 72.<sup>76</sup> Sawada, of the Japanese delegation, came to see me this morning stating that he wanted to give me his delegation's first impressions of the "statement of reasons" and the draft resolution of the Committee of Nineteen. These had been telegraphed to Tokyo for instructions but Sawada thought he could say now that neither the "statement of reasons" nor the draft resolution could be accepted by the Japanese delegation in their present form. His delegation saw the following objections:

1. The Committee of Nineteen was too large for a conciliatory body. The Japanese delegation had envisaged a body which would be composed of those states having an interest in the Far East. This was a practical objection only.
2. The Japanese delegation objected to non-League members taking part. Sawada had previously explained to me the opposition in Japan

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<sup>74</sup> Copy of telegram transmitted to the Department by the Chinese Legation, December 16, 1932.

<sup>75</sup> Telegram in three sections.

<sup>76</sup> December 15, 8 p.m. and 9 p.m., pp. 430 and 432.



to our participation on the conciliatory body. He assured me again that while his delegation would be happy to have us sit in he was afraid these views would not be accepted by his Government. He observed that his delegation had already telegraphed three times to Tokyo urging its viewpoint.

Sawada asked what our view was regarding participation. I took this occasion to reiterate to him that we were far from desirous of participating in the Commission; that nothing was farther from our thoughts than to try to press for membership therein; that in any case we would be extremely reluctant to accept; that we would only do so if we thought we could be helpful and only after careful consideration of whatever terms of reference were agreed upon. Later in the conversation I observed that the invitation to participate was not an immediate question with us. The resolution could only be put through with the approval of Japan as I understood it; that if and when the invitation was offered to us we could make up our minds as to whether we could serve any useful purpose in taking part.

Sawada suggested we leave aside for the moment the consideration of the resolution and asked whether we would take any part in this affair if the resolution failed. To this I replied that since the beginning of the Special Assembly and during its course it appeared that the Assembly's way of thinking was along the lines of conciliation; that if the attempt to conciliate failed by Japanese vote presumably the Committee of Nineteen would discuss the whole matter again in the light of this event. What the Committee of Nineteen might propose at that time was so unknown and so impossible to foresee that I could not in any way answer his question.

3. Sawada said that he noted that conciliation was to be attempted on the rules laid down in chapter 9 of the Lytton report and on the principles enunciated in chapter 10. The Japanese delegation thought that the matter should also be considered in the light of the declarations before the Council of the two parties to the dispute.

4. Sawada then stated that the most important objection of his delegation lay in the final paragraph of the "statement of reasons". Even though Japan was not asked to vote for this and the Assembly was not asked to adopt it, nevertheless it was a declaration which prejudged the part that would be taken and prejudged in some measure the thoughts in the minds of the conciliators.

I said that I could express no opinion regarding the documents but that certain reflections based on conversations with representatives of some of the smaller states had come to my mind as Sawada had been talking to me. One was that they seemed to have made a very serious effort to be considerate and that the Japanese might have anticipated—and indeed from some of them I knew that they had anticipated—

a much more final and definite declaration than the Committee of Nineteen had drafted. Another thought which came to my mind was that the representatives of the powers here, so far as I understand their position, felt that Japan itself had definitely prejudiced the case by according recognition to Manchukuo when the Lytton Commission was still at work. These states had felt that they merely equalized the situation by stating their views now. In other words, these states were making an endeavor not to allow the situation to be prejudged rather than of trying to prejudge it themselves.

Sawada then brought up the statement that the Japanese have frequently made to the effect that if Japan were compelled to vote against a resolution of the character now submitted by the Committee of Nineteen they might have to leave the League because public opinion in their country would be so inflamed. Sawada said that after all what concerned moderate, level-headed people in Japan was rather the relationship between the United States and Japan than the relationship between Japan and the League of Nations. The United States is not in the League of Nations. If Japan has to withdraw it will merely be in the same position as the United States as regards the League of Nations.

But Sawada wondered whether members of the League had appreciated the consequences which might occur to the League through Japanese withdrawal. I said that while it did not become a representative of a nonmember state to speak for the League, perhaps on account of our mutual commissions some of its members had talked to me more freely than to him. From these conversations and from general information it seemed fair to conclude that in the minds of the small states the League is their guarantee of security and peace. For many of them the Covenant is part and parcel of the same treaty which provides for their frontiers and their very national existence. While the small powers would regret the departure of Japan because they like the idea of the League's universality, yet if it should come to a show-down they would rather see the Covenant of the League in the full meaning of those words maintained intact than they would to maintain Japanese membership in the League, useful as that membership had been. I repeated, in conclusion, that this was merely my own impression gathered from what had come my way during the past months and which I offered to him personally for whatever it might be worth.

WILSON

761.93/1497

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

[Extract]

No. 229

Tokyo, December 16, 1932.

[Received January 3, 1933.]

SIR: The recently announced resumption of diplomatic relations between China and Soviet Russia has attracted considerable attention in Japan, due to the assumption that this action is closely connected with the Manchurian dispute and that it presages Soviet support for China in the future consideration of the Manchurian problem.

According to the Japanese news agencies, the Foreign Office spokesman stated that the hasty action of China, despite Chiang Kai Shek's well-known fear of Communism, indicates China's desire to obtain Soviet participation in the proposed Commission of Conciliation at Geneva. The Soviets will now be compelled to decide definitely whether or not to recognize "Manchukuo", but Japan need not be disturbed by the decision. In fact, it will be welcomed by Japan, as it will reveal the true intention of the Soviets and Japan can then follow a more definite policy in dealing with them. Japan, however, feels grave concern for the welfare of the Far East, in view of the probability of the penetration of Communism into China. The resumption of diplomatic relations between China and the Soviets will have no legal effect either on the Moscow-Tokyo or Moscow-Hsinking relations. The political effect, however, will be great. All hope of concluding a non-aggression pact between Japan, Russia and "Manchukuo" has now been dissipated, as the Soviets, formerly neutral in regard to the Manchurian affair, have now apparently taken sides. "Japan now has more freedom to follow its own course without having unnecessary scruples about its policy toward the U.S.S.R." (*Advertiser* translation of Rengo report). The Foreign Office also takes exception to the statement of Mr. Litvinov to the effect that the Manchurian affair would not have occurred had formal diplomatic relations existed between the United States and the Soviets. The Foreign Office states that the Manchurian affair had no connection with the relations between the United States and the Soviets.

The Japanese War Office, according to the Japanese press, takes the attitude that Japan's Far Eastern policy is fixed and that the change in Sino-Soviet diplomatic relations can have no effect on Japan. In view of the "internationally-recognized faithlessness of both parties", however, the War Office was watching the situation with interest. The resumption of relations between China and the Soviets was "another instance of the Soviet method of doing unpleasant things". (No explanation was forthcoming as to why the resumption of diplo-

matic relations between China and the Soviets should be considered an "unpleasant thing" by the War Office.)

While the Foreign Office, therefore, regards the resumption of Sino-Soviet relations with some misgivings and with an eye on the probable consequences at Geneva, the War Office continues its pose of vast superiority to all diplomatic considerations and of calm assurance in its own ability to conduct the affairs not only of Japan but of the entire Far East.

[Here follows summary of Japanese press opinions.]

Respectfully yours,

JOSEPH C. GREW

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893.00/12270

*The Consul General at Nanking (Peck) to the Minister in China (Johnson)*<sup>77</sup>

No. L-432

NANKING, December 16, 1932.

SIR: I have the honor to report that on the morning of December 14, 1932, a mass meeting was held to welcome back to the Capital General Chiang Kai-shek, Chairman of the Military Affairs Committee, who has been engaged in the work of suppressing "Communist Bandits" in Hupeh Province since June 8, 1932. Mr. Hsi Rwen, a clerk in this office, attended the meeting and has written a Memorandum summarizing the address made by General Chiang Kai-shek. Newspaper reporters present at the meeting were strictly forbidden to publish their own accounts of what General Chiang said and were told to utilize only the account published by the *Central Daily News*. Consequently, some of the more interesting statements given in the enclosed Memorandum<sup>78</sup> have not appeared in the published accounts of the speech.

General Chiang centered his remarks on the Japanese assertion that China is not an organized state. He admitted the essential accuracy of this criticism. Almost as startling as this admission, in view of present popular feeling, were General Chiang's statements that the suppression of "Communist banditry" and the recovery of Manchuria are both of less importance in the saving of China than is the task of organizing the nation.

Press reports indicate that the Canton delegates to the present Plenary Session of the Central Executive Committee have come to Nanking insisting that the two crying needs of the moment are to suppress Communist banditry and to resist Japanese oppression, these being two points in connection with which the Nanking Government, as

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<sup>77</sup> Copy transmitted to the Department by the Legation in China without covering despatch; received January 16, 1933.

<sup>78</sup> Not printed.

claimed by Canton, has been derelict in its duty. General Chiang rejoins by asserting that these tasks are of less importance than the unification of the country, an evident, though veiled, reference to the separatist tendency of the Canton regime.

General Chiang, to give authority to his exhortation, harked back to the "Four Principles of Morality," often translated as "politeness, decorum, integrity and sense of shame", which were expounded by the Chinese sages of antiquity. The English translations of these four terms inadequately convey the significance ascribed to these principles in traditional Chinese social and political philosophy. It is interesting to observe that in a speech of such earnestness and importance General Chiang ignored the modern slogans devised by the Nationalist Party, such as "Overthrow Imperialism", "Uphold the Three Principles of the People", etc. and reverted to the purely Chinese concepts which have molded the social and political life of the nation for centuries.

Respectfully yours,

WILLYS R. PECK

893.01 Manchuria/745

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

No. 231

TOKYO, December 17, 1932.

[Received January 3, 1933.]

SIR: There is enclosed a copy of a communication which I have received from the "Manchukuo Representative in Japan," in regard to steps which the present régime in Manchuria propose to take to liquidate the obligations incurred by the former officials. It will be noted that it quotes a press interview given by Mr. Kiichi Sakatani, who is described as the Chairman of the Commission for the Liquidation of Claims.

I have not acknowledged the receipt of the letter.

Respectfully yours,

JOSEPH C. GREW

[Enclosure]

*Mr. Kuen-chen Bao to the American Ambassador in Japan (Grew)*

TOKYO, 15 December 1932.

MONSIEUR L'AMBASSADEUR: I have the honor to inform you that I am in receipt of the following telegram from the Ministry of Foreign Affairs of the Manchoukuo Government, containing a press interview given by Mr. Kiichi Sakatani, Chairman of the Manchoukuo Government Commission for the Liquidation of Claims, on the 14th instant:—

"Money to both domestic and foreign creditors for goods sold on credit, or money of similar nature which had been left unpaid by the

old North-eastern administrative regime since its complete extinction as a result of the September incident of last year, reaches quite a sum. These creditors, including those of Japan, Great Britain, the United States, Germany, France, Austria, Norway, the Netherlands, Czechoslovakia, Sweden, etc., accordingly have approached the new Manchoukuo Government for payment of their claims which total over Yuan 12,000,000, Manchoukuo currency, representing 1,100 odd cases.

"On the part of the Manchoukuo Government it may be mentioned that the work of adjustment of these claims commenced as early as January this year, by the Fengtien Provincial Contracts Liquidation Committee, and investigations have been continued by the Central Government since last August. For this purpose, the Commission for the Liquidation of Claims has since been specially created to study the matter carefully. This Commission has been able to draw up a plan of settlement which received the approval of the State Council at its last session. Minute examination of individual cases, based on the general policy, has been outlined, and the said plan is to be commenced shortly.

"Firstly, the plan indicates the claims whose contracts had been concluded since 1930, and wherein goods duly delivered amount to approximately Manchoukuo Yuan 7,110,000. Of this amount 35 per cent, or about Manchoukuo Yuan 2,500,000, will be paid in cash during the fiscal year of the first year of Tatung (from July 1st, 1932 to June 30th, 1933) and 20 per cent, or about Manchoukuo Yuan 1,500,000, during the fiscal year of the second year of Tatung in uniform ratio to all creditors. The balance of this sum will be paid in 3 per cent bonds, redeemable in twenty years, whose total face value shall be equivalent to the sum to be paid.

"Secondly, in regard to contracts agreed upon prior to and including 1929 as well as those whose goods not delivered total Manchoukuo Yuan 5,310,000, or thereabouts, the sum of contracts or damages incurred in each case will be reasonably decided after careful investigation and paid in similar bonds with face value equivalent to the sum so decided.

"As it is thus clear from the foregoing both domestic and foreign creditors, regardless of their nationality, will be treated uniformly equally."

I avail [etc.]

KUEN-CHEN BAO

*Manchoukuo Representative in Japan*

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793.94 Commission/730

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>79</sup>

[NANKING,] December 18, 1932.

Sir John Simon's reported explanation to the effect that in his speech before the League Assembly he had not taken sides but had only at-

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<sup>79</sup> Copy of telegram transmitted to the Department by the Chinese Legation, December 18, 1932.

tempted to promote conciliation receives extensive comments in the Chinese press this morning. The *Hsin Chin Jih Pao*, Nanking, declares: "This verbal explanation from Great Britain is most timely but still more we hope that it will be followed by actual deeds, showing Britain's real impartiality and support of League principles." The *Chiu Kuo Jih Pao*, Nanking, says that the real test whether Great Britain entertains genuine goodwill toward China lies in actual deeds. "If Britain has real determination to uphold the sanctity of the League Covenant, then she should give it concrete expression in terms of action. If, on the other hand, mere empty words were used to soothe the Chinese while real help was given to Japan, then we fear that the day of Chinese diplomatic defeat would be the beginning of the revival of the regrettable anti-British movements of 1925." The *Tah Kung Pao*, Tientsin, notes with satisfaction the British explanation. "We do not deny", the paper says, "the sympathetic stand of the British Government toward our reconstructive movements but we have also noted the general growth of British trade in China in consequence thereof. On the basis of such friendly feelings we shall look forward toward further evidences of British goodwill. Nevertheless, deeds are always more convincing than arguments. While the Chinese people cannot fail to recognize any practical manifestations of British intentions as given in their explanations, no mere apologia, on the other hand, will be sufficient to dispel their doubts."

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793.94 Commission/686 : Telegram

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

GENEVA[, December 19, 1932—7 p.m.]

[Received December 19—5:09 p.m.]

76. The following text was adopted by the Drafting Committee this afternoon and will be presented to the Committee of Nineteen tomorrow where it is anticipated no opposition will be met. No meeting of the Assembly is now scheduled before adjournment referred to.

"In conformity with the mission entrusted to it by the Assembly's resolution of December 9th, 1932, the Committee of Nineteen drew up certain texts indicating generally the basis on which conciliation between the contending parties must be effected and the procedure to be followed with that object. These texts which took the form of two draft resolutions and a statement of reasons were brought to the knowledge of the parties through the chairman of the Committee and the Secretary General. Both parties presented observations. The ensuing conversations will require a certain amount of time.

In these circumstances the Committee recognizing that it must continue its efforts to arrive at an agreement on so grave a question thought it expedient in order to allow the aforesaid conversations to be pursued to defer its meetings to January 16th at the latest.

The Committee decided not to publish the texts referred to above so long as conversations upon them are proceeding with the parties. December 19, 1932.[']]

WILSON

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693.002 Manchuria/287 : Telegram

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

TOkyo, December 19, 1932—4 p.m.  
[Received December 19—6:10 a.m.]

283. Consul at Dairen reports that he has frequent occasion to communicate with the "Manchukuo" customs officials at Dairen. He desires to know in what style he should address them. He informs me he has addressed only one communication to the customs. It was a third-person note. This cannot continue indefinitely, he feels, if the business of the Consulate is to be satisfactorily handled.

My own feeling is that the Consul might address the "Commissioner of Customs, Dairen" without other designation. I shall not so instruct him, however, without the Department's approval.

GREW

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693.002 Manchuria/287 : Telegram

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

WASHINGTON, December 20, 1932—1 p.m.

189. Your 283, December 19, 4 p.m. In case of need, the Department perceives no objection to the Consul using the address mentioned in the last paragraph of your telegram under reference. The Department, however, sees no reason for frequent formal communication and suggests that the Consul endeavor to transact business on a personal and/or informal basis.

In response to an inquiry some months ago from the Consul General at Mukden in regard to the appropriateness of the Consulate General requesting from the local customs authorities statistical information on behalf of American firms, the Department replied that it considered it inadvisable for American consular officers to attempt to obtain such information, even informally, from the authorities of the new regime unless in a particular case the information appeared to be essential to a legitimate American interest.

STIMSON



701.9311/513

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the Former Chinese Vice Minister for Foreign Affairs (Lee)*

[WASHINGTON,] December 20, 1932.

Mr. Lee . . . will be at the Legation in an advisory capacity for some weeks to come . . . .

Mr. Lee said that he supposed we had information with regard to the resumption of diplomatic relations by China and Russia. He said that there had been a good deal of debate in Chinese official circles over the matter but that the conclusion reached was that China could not afford to continue with lack of friendly relations on the part of both of her neighbors and that the Chinese Government had been under the necessity of making some move by way of signifying progress and achievement in the field of foreign relations. This had been brought on partly by the fact that the League has not been able so far to achieve much on China's behalf. He said that there had been a good deal of discussion, also, since this move was made, in political circles and the press in China with regard to its significance. It was no part of the intention of Chinese leaders to revert to the conditions of Russo-Chinese friendship as of the period 1924-1927. He would like to inquire what impression this step had made in this country, especially in official circles. Mr. Hornbeck replied that, as Mr. Lee would have observed from the press, it had been taken calmly and in most quarters had been regarded as a not unnatural development. Mr. Lee asked expressly whether we had had any feeling that it signified a move toward Communism on the part of China. Mr. Hornbeck replied that he had observed no indication of any apprehension that it implied a return to 1924 and that it must be kept in mind at all times that in our attitude and policy toward the Far East we are desirous that the countries of the Far East be on good terms with one another rather than on terms of hostility and opposition to each other. Mr. Lee then inquired whether he might ask an indiscreet question: he asked whether there was any likelihood that the United States would recognize Russia in the near future. Mr. Hornbeck replied that, while he could not undertake to speak with regard to possible future developments in the realm of major policy, he could say that personally he was not aware of any evidence indicating any contemplated alteration in the near future of our Russian policy.

Mr. Lee then inquired whether we had any new information with regard to Jehol. Mr. Hornbeck said that we had nothing very definite but had an account of a Reuter despatch and of a newspaper report of a statement made by a Japanese general, from both of which it might

be inferred that there was no indication of immediate impending military movements in that direction. Mr. Lee said that Chang Hsueh-liang is apprehensive—especially with regard to the possibility that the Japanese may make a move against him personally. The Japanese feel that Chang is the mainspring of the guerrilla warfare which the “bandits” are waging against the Japanese in Manchuria and are very desirous of removing or destroying this mainspring. He said that the Japanese now have about 1,200 men in their Legation guard at Peiping. There is a certain undercurrent of suspicion and apprehension in Peiping, a fear lest advantage may be taken of some provocation, possibly a deliberately fomented provocation, for the purpose of a surprise attack on Chang’s headquarters. Mr. Hornbeck remarked that Chang ought to be able to take the necessary precautions to prevent anything of that sort happening. Mr. Lee said that he concurred and he believed that Chang was making every possible effort to keep things quiet and in order.

With the remark on Mr. Lee’s part that he hoped that within a few weeks the question of China’s future representation here would be satisfactorily worked out, the conversation terminated.

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793.94 Commission/688 : Telegram

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

GENEVA, December 20, 1932—6 p.m.

[Received December 20—4:55 p.m.]

77. My 76, December 19, 7 p.m. Following is a summary of memorandum from Sweetser with regard to today’s concluding meeting of the Committee of Nineteen.

The Secretary General reported recent negotiations he and the President of the Drafting Committee had carried on with the two parties to the dispute. Drummond stated Japanese delegation had presented its own preliminary views on the Drafting Committee’s proposals which had been transmitted to Tokyo as the instructions which the delegation hoped would be given them. The Japanese delegation had been informed that these suggestions would surely be quite unacceptable to the Committee of Nineteen and that the Drafting Committee therefore would not present them to the Committee of Nineteen. The Japanese had then indicated that this was not their last word and that they would ask for further instructions. The Secretary General hoped these would be more conciliatory.

The Chinese seemed generally to accept Committee’s texts but did not desire to commit themselves finally until learning whether the Japanese were in agreement.

The Turkish delegation asked for further details regarding the points of difficulty. Drummond then explained the Japanese objections as follows :

1. Objection to 2 of 10 principles in chapter 9 regarding autonomy and demilitarization of Manchuria, and Chinese sovereignty.
2. Objection to the description of first eight chapters as a clear and impartial exposition of the facts.
3. Objection to the last paragraph in the "statement of reasons" regarding recognition.
4. Objection to the invitation to the United States and Russia.
5. Objections to various other questions of a formal procedural nature.

Drummond's explanations to the Turkish delegation continued to the effect that when the Japanese had presented these very important points of substance and had stated that they had suggested them to Tokyo as their instructions, Drummond had informed the Japanese that the divergencies were so great between the Japanese point of view and that of the Committee that any more delay along these lines was [un]pardonable. The Japanese delegation had accordingly communicated to their Government that the Committee of Nineteen were unprepared to yield in any way. Before, however, this second telegram could reach Tokyo a reply had come from the Japanese Government to the first telegram giving the Japanese delegation the original instructions for which they had asked.

There had not been time for a reply to the second telegram but the Secretary General hoped it might modify the Japanese Government's first decision which had been based entirely on the views of the Japanese delegation.

Regarding the Chinese there had been only a short telegram expressing disappointment mainly because the Nanking Government had hoped for a pronouncement of judgment instead of an attempt at conciliation. The Chinese delegation, however, understood the reasons therefor and were apparently prepared to accept the Committee's texts without fundamental change.

In his statement in the Committee of Nineteen the Secretary General emphasized that if there had been any delay it was not at all due to the Chinese who would naturally want to wait until learning of Japanese acceptance in principle.

The president of the Committee of Nineteen then read the text of the agreement for adjournment as proposed by the Drafting Committee.

Lester, Ireland, emphasized that the Japanese were diametrically opposed to the Committee on every point and that he thought it very important that if adjournment were agreed to it should be made very

clear that this was one more demonstration of the League's constant purpose of being conciliatory.

Lange, Norway, strongly supported this viewpoint. Weizsäcker, Germany, emphasized the extreme desirability for secrecy in order to allow for negotiation.

The various communiqués and adjournment by Committee of Nineteen were agreed upon.

WILSON

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793.94/5763

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

No. 1880

PEIPING, December 20, 1932.

[Received January 16, 1933.]

SIR: I have the honor to transmit herewith memoranda<sup>80</sup> of six conversations, as listed below, which I had in Nanking with various Chinese government officials, and more especially with Dr. Lo Wen-kan, the Minister of Foreign Affairs, between December 5 and December 16, 1932.

From these conversations it is apparent that the Chinese Government is anxious that the United States should take a more active part in the Sino-Japanese controversy, either by giving its whole-hearted support to the efforts of the League of Nations or by initiating action under the Nine-Power Treaty. The Foreign Minister said, among other things, that China's views on the Resolution of the Committee of Nineteen would be largely influenced by the American Government's attitude toward the invitation to it to participate.

The Department's attention is invited to Dr. Lo Wen-kan's statement on December 7th that he considered himself "a director of volunteers" in Manchuria, and that as China realized that the League could do little or nothing "they would have to go on fighting". And on December 10th he enlarged upon that point by saying that even though "the League had no means of forcing Japan to leave Manchuria", China was entitled to the moral backing which a judgment in Geneva would give her. China would attend to the execution of the judgment herself, and although it might take a long time she would never give up.

Respectfully yours,

NELSON TRUSLER JOHNSON

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<sup>80</sup> Memoranda not printed; see the Minister's telegrams of December 11, 7 p.m., and December 14, 2 p.m., pp. 413 and 419.

893.00/12281

*Memorandum by the Military Attaché in China (Drysdale)*<sup>81</sup>

[NANKING,] December 20, 1932.

With respect to reports that at a recent meeting of the Plenary session a resolution was passed authorizing the employment of Chinese Government troops in Jehol Province, Government assistance to the "Volunteers" in Manchuria and Government direction to the boycott of "enemy goods", the following is submitted:

Late in the afternoon of December 19th, during a private conversation, I asked Mr. T. V. Soong if the newspaper report that a resolution advocating Government direction of the anti-Japanese boycott had been passed was correct. Mr. Soong replied that such a resolution, if passed, would certainly result in Japan declaring war, that China was not at present prepared for war, and that as the result of a successful war Japan might demand and actually acquire Manchuria. His reply made the impression that such a resolution had been proposed and debated, that he personally had opposed the resolution, and that the resolution had failed to pass.

During the evening of December 19, while in a private conversation with Dr. C. C. Wu, I questioned Dr. Wu concerning the authenticity of a press report that a resolution authorizing Government direction to the anti-Japanese boycott had been passed. Dr. Wu, usually extremely uncommunicative, replied that he had sponsored such a resolution, but he evaded a direct answer as to whether such a resolution had been passed.

My conclusions are that a resolution authorizing Government direction to the boycott, Government support to the volunteer activities, and the employment of Government troops in the province of Jehol, was in fact admitted in debate at the Plenary Session and voted upon during December 19, that during the debate Mr. T. V. Soong opposed the resolution and that Dr. C. C. Wu and numerous of his supporters advocated its passage.

I am of the opinion that the resolution as originally proposed failed to pass, but that there will be, or might already have been, efforts made to modify the original resolution, so as to make it less likely to cause a declaration of war by Japan, and that some resolution, so modified, either has been or is likely to be passed, with instructions that its passage be kept secret.

There is no doubt that there is strong and active support among the members of the present session, for the passage of some resolution

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<sup>81</sup> Copy transmitted to the Department as an enclosure to despatch No. L-434, December 21, from the Consul General at Nanking; received January 30, 1933.

making more drastic China's direct opposition to Japan's policy in Manchuria.

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793.94/5723

*The Chinese Ministry of Foreign Affairs at Nanking to the Chinese Legation*<sup>82</sup>

[NANKING,] December 22, 1932.

After reviewing before the Third Plenary Session of the Central Executive Committee the events following the premeditated Japanese invasion of the Three Eastern Provinces and the cruel and murderous oppressive measures inflicted upon the people there by the Japanese military, Minister Lo Wen-Kan emphatically reiterated the importance for the Chinese Government of resolutely adhering to the following fundamental principles:

First, China will never agree to any solution of the present situation which takes into account the puppet organization in the Three Eastern Provinces established, maintained and controlled by Japanese military forces;

Second, China is confident that any reasonable proposal for the settlement of the present situation will be necessarily compatible with the letter and the spirit of the Covenant of the League of Nations, the Anti-War Pact and the Nine Power Treaty as well as with China's sovereign power and will also effectively secure ever-lasting peace in the Far East. Dr. Lo concluded that under the existing world conditions, the present question is not one of pure diplomacy. China must concentrate her national energy and work unitedly for the most effective way of resisting her aggressor. Dr. Lo finally voiced his conviction that in the light of world history, a policy of militaristic aggression will be doomed to failure.

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793.94 Commission/722

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

No. 459 Political

GENEVA, December 23, 1932.

[Received January 4, 1933.]

SIR: I have the honor to refer to the Consulate's despatch No. 428 Political, dated November 29, 1932,<sup>83</sup> in which an attempt was made to present certain aspects of the Sino-Japanese dispute as they were

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<sup>82</sup> Copy of telegram transmitted to the Department by the Chinese Legation, December 22, 1932.

<sup>83</sup> Not printed.

evidenced in Geneva at that time. Particular reference was made to the positions of the various League powers which indicated a divergence in policy between the great powers and the small powers on certain of the fundamental features of the situation. From telegrams which have been addressed to the Department from Geneva during the recent series of meetings of League bodies, I feel the Department may have noted to what extent these divergent views have found expression in official statements and in official action on the part of representatives of the powers concerned.

As the Department has also been informed, the Committee of Nineteen adjourned on December 20 until a date in January and at the time of its adjournment issued a statement (Consulate's despatch No. 455 Political, dated December 22, 1932<sup>84</sup>) setting forth the reasons which governed that action. During the pause in the progress of this matter which this adjournment affords, the question naturally comes to the fore as to what will be the course of events when the Committee of Nineteen reconvenes during the first part of the coming year. That the statement to which I have just referred throws but little light on the question is, I think, evident; nor is the statement of M. Huber, Acting President of the Committee of Nineteen, which was also made on December 20 (Consulate's despatch No. 455 Political) particularly illuminating. Everything suggests, nevertheless, that this is a period during which national policies are being considered with a view to meeting various exigencies in the matter which may arise in the near future. The factors are, however, so complex that to attempt any definite forecast as to what may transpire is quite out of the question. Nevertheless, as I have attempted to do in previous despatches on this subject, I shall give the substance of what I think may be regarded as well-informed opinion in Geneva on certain phases of the problem.

In the first place, the adjournment of the Committee of Nineteen on December 20 served two purposes. It permitted a return to their homes for the holiday season of the representatives of the various powers—which has been an unbroken custom in Geneva. It also extended in point of time the gesture of conciliation to Japan—for whatever value such action may be worth.

That "conciliation is at an end" is, however, an almost universal opinion. In this I refer to what, for want of a better phrase, I may term *de facto* conciliation. That some kind of a *de jure* conciliation may continue for some time, is entirely another matter. The position of Japan as described in the meeting of the Committee of Nineteen (Wilson's No. 77, December 20, 6 p.m.) is now so manifest that a real

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<sup>84</sup> Not printed.

hope of an agreement between Japan and China on the fundamental factors of the situation must, it is felt, be entirely abandoned.

With the giving over of conciliation, there likewise disappears the entire group of questions concerned with inviting the participation in Geneva of the United States and Russia. I will say in passing, however, that while the matter of such an invitation was still being considered, there were two schools of thought concerning it. One favored a "weak" resolution on which an invitation would be based—that is, weak enough for Japan to accept—and then a passing to the real conclusion of the problem with the "help" of the United States and Russia. The other favored a resolution strong enough to accord with what was held to be the position of the United States. The difficulty in this latter plan was that Japan would refuse to accept it for various reasons as well as upon the technical grounds which it was felt she could easily advance, to the effect that such a resolution would not be conciliatory in spirit, but would be rather a pre-judgment of the case.

I have also discussed this matter as having in a way to do with one angle of the present situation here. For it must be remembered that, although it would appear that from a practical point of view the whole problem has entered a new phase, technically the deliberations are still being conducted under paragraph 3 of Article 15 of the Covenant.

When the Committee of Nineteen reassembles, it will still be acting under paragraph 3. The question thus arises as to what will happen. There are two possible courses which it is seen the affair may take. First, an attempt may be made to continue as long as possible under paragraph 3—through a reluctance to face difficulties, through a reluctance completely to alienate Japan, and in a vague hope that "something might happen" to render unnecessary drastic League action. Great Britain is regarded as favoring such a course. It is scarcely necessary to say that this is probably what Japan most desires at the present juncture. Second, there may be a speedy recourse to paragraph 4 of Article 15. An examination of that paragraph will reveal that action under it requires unanimity in certain contingencies. While some difficulties may be encountered in this respect, it is generally felt that it is the action which will ultimately be taken—simply because in the present posture of affairs, unless some unforeseen and highly improbable change in the situation intervenes, such action appears to be inescapable.

I wish to state parenthetically at this point that when one turns to a consideration of paragraph 4 of Article 15, it will be found that regard must be had at the same time to all of the succeeding paragraphs of the article in question.

That recourse to paragraph 4 is being seriously considered is further lent support by the fact that I am informed privately from a



thoroughly reliable source that Sir Eric Drummond has agreed to frame a draft resolution for proceeding to paragraph 4, this draft to be ready by January 16. Such a resolution would embody a statement of the "failure" of conciliation. In passing I may add that it does not appear to have been technically determined whether action on such a resolution falls within the competence of the Committee of Nineteen, or whether such action would have to be taken by a plenary Assembly.

Taking, however, as a hypothesis that paragraph 4 will be called into play, there of course at once arises the problem as to the form [that] action under this paragraph will take. This is seen as a new problem which the League in all probability will soon have to face and which, in such a course of events, would constitute the preoccupation of League bodies for some little period—although just how long such a phase of the affair might continue it is impossible to say. Under paragraph 4 the Council (and/or the Assembly—see paragraphs 9 and 10) must make a "report" containing a "statement of facts" and "recommendations". Thus from a technical point of view it will be the formulation of this "report" around which the League deliberations would center. It is believed that Great Britain and perhaps some other powers will endeavor to have the report so framed as to ascribe as equal a responsibility as is possible to China and to Japan. It is held further that Great Britain will in particular endeavor to prevent the inclusion in any such report of a reference to Japan's having broken the provisions of the Covenant and that she will do this in order to avoid possible action under paragraph 4 of Article 16. The small powers, it is believed, will favor a statement somewhat along the lines of the so-called "four-power" draft resolution of December 7 (Consulate's telegram No. 354, December 8, 10 a.m.).

What may result from these opposing points of view must at this time be largely a matter of speculation. Some comments may, however, be made. Under the turn affairs have taken, if a "strong" resolution is presented and supported by the majority of the states, it is evident that a new aspect of the whole affair emerges. The struggle in Geneva is seen as no longer between China and Japan, or between the League and Japan, but rather as between Great Britain and the League. In other words: will Great Britain stand by the Covenant? In such an issue, I may add that it is felt that, although London will attempt various manoeuvres, the ultimate answer will be that Great Britain must stand by the League.

What Japan will do in the face of such a report naturally brings up another question, one which is usually discussed in the light of whether, or not, she will withdraw from the League. Various solutions are suggested which envisage Japan's remaining a member of the League even in the face of a condemnatory verdict. I must say, however, that

such solutions do not strike me as very impressive. I am inclined to believe that they are more ingenious than realistic and that the question will not be governed by diplomatic formulae, but rather by the reaction of public opinion in Japan.

In addition to a "statement of facts" it is seen that the report envisaged under paragraph 4 of Article 15 calls for "recommendations". The term "recommendations" is a broad one and thus this mandate is seen as susceptible to two interpretations, i. e. recommendations to the parties to the dispute; recommendations to the members of the League. Just, however, as the time for conciliation seems to be past, so does the time for recommendations (to Japan), unless indeed such recommendations were accompanied by penalties for their non-fulfilment. But I believe it is evident that the application of such penalties would ultimately fall on League states, which is tantamount in the end to "recommendations" to those states.

Taking, however, the interpretation that under paragraph 4 recommendations will in some manner be made for action on the part of League states, a consideration of what these recommendations may become pertinent. Those most frequently spoken of are three in number: (1) non-recognition of Manchukuo, perhaps coupled with "non-cooperation with Manchukuo" (although just what form non-cooperation might take is not clear); (2) the laying down of a munitions embargo against Japan; (3) the withdrawal of diplomatic representatives from Tokio. I may say at this point, nevertheless, that from the temper of the situation here there is a question in my mind whether any recommendations would extend much beyond (1).

I appreciate that throughout the foregoing Great Britain has been mentioned as in a special position vis-à-vis the whole problem. Whether this be actually true or not, it is, of course, difficult to say. I can simply state that it is felt to be the case in many quarters in Geneva. In this connection, it is nevertheless only proper to give consideration to the circumstance that this estimate of British policy probably emanates chiefly from the representatives of the smaller powers who see in possible British action a weakening of the League, a structure which it is the policy of a large number of the small powers to maintain. I find that various delegates appear most bitter against Great Britain, expressing themselves to the effect that "at last London will be brought to a show-down" when she will have to choose between Japan and the Covenant.

With respect to France, on the other hand, she is seen as much more likely to support the League, her continental policy being more closely bound up with its maintenance. The small powers are also feeling that they will find support in France, especially in the person of Boncour.

It is not anticipated at this time that Italy or Germany will assume any leadership, but that they will rather await the results of what within the circle of the large European powers means the reaching of a solution of the problem presented by the opposing policies of Great Britain and France. Should, moreover, France actively assume the leadership of the smaller powers and adopt their rather extreme position, it is not believed that Great Britain could hold out.

Although the question of the technical participation of the United States in a League body is laid aside for the moment, the actual role which the American Government may play in this entire question is of course constantly under consideration. From all that I can gather, the position of the United States in not intervening in action under the Covenant or of bringing influence to bear which would involve commitments in Geneva, is clearly understood and the reasons for such a policy are fully appreciated. It is felt, nevertheless, that British action and, although perhaps to a less extent, French action in Geneva during January hinges largely on what they individually may be able to learn respecting the desires of Washington and respecting the action of Washington in certain given contingencies. Should the League pass to paragraph 4 of Article 15, the only move (laying aside participation in an organ of conciliation) which it is seen the United States could make would be to endorse such action as may be taken under that paragraph, which, to be effective, would include adopting a policy in conformity to such recommendations as may be made. Thus Washington opinion respecting such recommendations is seen as of the highest import; and, as a corollary, it is felt that neither Great Britain nor France can act without some fore-knowledge of Washington's attitude.

In my despatch No. 428 Political, to which I have already referred, I discussed at some length the part played by the small powers in Geneva, insofar as I could observe it at that time. This position of the small powers became more evident in the "four-power" draft resolution of December 7, to which I have likewise made reference. The powers taking the lead at that time are still in evidence in the same role. They are: Spain, Czechoslovakia, the Irish Free State, Sweden, and, to a less extent, Norway. In a question of a vote for maintaining a strong "League" position, it seems to be believed that the majority of the small powers would follow the lead of those mentioned. In particular, it is felt that Roumania and Yugoslavia would vote with Czechoslovakia. It is also the current opinion here that in general the Latin American states are opposed to any form of "military intervention", and thus anything lending strength to this principle is regarded as likely to receive their support.

There is, as can easily be imagined, much talk here of Great Britain

and perhaps some others of the great powers putting pressure on certain of the lesser powers to compel them to modify their policies. Many possibilities are cited in this connection and some are spoken of with considerable assurance. The Department will understand, however, that while such developments are extremely interesting, it is virtually impossible to form an opinion on them of any value here in Geneva.

The individuals who have been the leaders among the delegates of the small powers up to the present time have been: Beneš (Czechoslovakia), Madariaga (Spain), Connolly (Irish Free State), Undén (Sweden) and Lange (Norway). Among these, Beneš and Madariaga have been the most active. It has often been a question in my mind to what extent these men and also certain others who have long been known as ardent advocates of the League, really represent their respective governments, or to what extent they were simply allowed a rather free hand in regard to expressions of "theory", which would become an entirely different matter were their governments confronted with questions of "action". The position of these men in their respective governments, however, coupled with the long periods over which they have given utterance to certain statements without apparently encountering any check from their capitals, leads one to believe that they may in fact be fully reflecting the policy of their respective governments.

In a consideration of all these matters, the intervention of a new factor has by no means passed unnoted in Geneva. I speak of what is regarded as a *rapprochement* between China and Russia as suggested in their recent resumption of diplomatic relations. From news reports, it has also been officially announced that Dr. Yen, Chinese Minister at Washington, has been appointed Chinese Ambassador in Moscow. What effect this development may have, as seen from the Geneva angle, it is as yet too early to state.

Respectfully yours,

PRENTISS B. GILBERT

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793.94/5838

*The Consul General at Nanking (Peck) to the Minister in China  
(Johnson)*<sup>85</sup>

No. L-441

NANKING, December 24, 1932.

SIR: This Consulate General has already invited the attention of the Legation to two divergent policies now advocated by Chinese political leaders bearing upon measures which should be taken to meet the

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<sup>85</sup> Copy transmitted to the Department by the Consul General at Nanking without covering despatch; received January 30, 1933.

crises arising from Japan's aggressive action against China. One school of thought, prominently represented by Cantonese leaders in particular, urges that immediate military measures be taken to recover possession of Manchuria, while the other school urges that immediate war with Japan would be disastrous and that the best interests of China would be served by organizing and strengthening the country politically so that open opposition to Japan, when undertaken, may have a prospect of success.

General Chiang Kai-shek, Chairman of the Military Affairs Committee, recognized as being the dominant political figure in China at the present time, is the principal exponent of the second, or more conservative, policy. There is enclosed herewith a copy of a Kuo Min news release dated Nanking, December 15,<sup>86</sup> entitled "Outspoken Address by General Chiang Kai-shek". The address, which was delivered before the National Civil Affairs Conference on December 14, as summarized in translation by Kuo Min, has as its theme "We must first set our own house in order before we can successfully resist outside aggressions". In this line of argument General Chiang may have an ulterior motive, which does not appear on the surface. It is probable that he agrees with the view expressed to the writer on an earlier occasion by Dr. Lo Wen-kan, Minister for Foreign Affairs, that a powerful stimulus is required to overcome the inertia and disruptive tendency so characteristic of the Chinese people in the face of their need for political organization, and that this stimulus is to be found in the necessity of opposing "foreign imperialism". General Chiang shows a determination to utilize this stimulus to the fullest extent in goading the leaders and the people of China into the suppression of their internal antagonisms and into sincere and united effort to transform China into an efficiently organized state.

Respectfully yours,

WILLYS R. PECK

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793.94/5657

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the Former Chinese Vice Minister for Foreign Affairs (Lee)*

[WASHINGTON,] December 27, 1932.

Mr. Lee inquired whether the Department had any new information with regard to Jehol. Mr. Hornbeck replied that we had a telegram quoting a Reuter despatch circulated in the Far East saying that military operations in the Jehol area were apparently impending; also that the newspapers this morning had had something on the subject;

<sup>86</sup> Not printed.

but that we had nothing official. Mr. Lee said that it looked as though such operations were likely soon to begin. He said that if the Japanese made an attack, China would resist and that it would be with regular forces as distinguished from irregulars. He said that it looked to him as though China and Japan are "drifting toward war" although it "may be that at no time will war be declared". The Chinese recognize, he said, that the Japanese may be able for the time being to defeat Chinese armed forces and to seize what they choose to seize, but in the long run the Chinese would wear them down. He said that he saw no reason to believe that economic factors in Japan would in the appreciably near future "break" the Japanese. Only the test of force, as between China and Japan, would be conclusive. He said that the attitude of the Chinese on the subject of the boycott would almost surely cause the Japanese to intensify their military operations. That, in turn, would increase the will of the Chinese to resist and would result in increased activity of resistance on their part.

S[TANLEY] K. H[ORNBECK]

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893.00/12248 : Telegram

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

PEIPING, December 28, 1932—11 a.m.

[Received December 28—6:45 a.m.]

1392. Reuter from Nanking, 27th.

"Government is studying situation in Outer Mongolia with view to bringing Urga into fold of China. Mongolian and Tibetan affairs committee under chairmanship of Shih Ching-yang is drafting proposals for *rapprochement* between Outer Mongolia and Nanking. These proposals will be submitted to Government shortly for approval. Since winter of 1920, when Urga was occupied by Soviet Army, Outer Mongolia has been practically independent of China."

JOHNSON

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793.94/5658½

*Memorandum by the First Secretary of the Embassy in Great Britain (Dooman) of a Conversation With the Japanese Ambassador (Debuchi)*

[WASHINGTON,] December 28, 1932.

As I have known Mr. Debuchi for many years and as we have always maintained fairly cordial relations with each other, particularly when Mr. Debuchi occupied various subordinate positions in the Foreign

Office at Tokyo, I asked Mr. Debuchi whether he would receive me. He invited me to call on him at the Japanese Embassy on December 28 at four o'clock.

After a few remarks of a personal nature Mr. Debuchi asked me whether I could not bring forward a suggestion for the solution of the trouble between China and Japan. He said that his stay in Japan had convinced him of the impossibility of expecting any material concession from the Japanese people. "Any government", he added, "which would seriously consider a substantial withdrawal from the position which Japan has now taken would be overthrown in a moment." Even though he knew this to be a fact, he was nevertheless glad to have an opportunity to return to the United States, as he thought he would be now in a better position to interpret Japan to the United States and the United States to Japan than someone like Mr. Matsuoka who knew only one side of the question and would be tempted to be too brusque. He despaired of being able to see any solution to the difficulty in the immediate future, and he would therefore apply himself to the task of improving the psychological atmosphere. He wondered, however, whether I had any suggestions to offer.

I said that the many years I had spent in Japan had enabled me to understand the Japanese people perhaps a little better than others who had not been in Japan or who had not resided in that country so long as I had; and it was for this reason that I felt constrained to say that, however sympathetic I might feel for the complaints which Japan had against China antecedent to the incident of last year, I did not believe that Japan was going to profit either materially or morally from the manner in which she had proceeded to settle her accounts with China. I reminded Mr. Debuchi that the intelligent classes in Japan were fully aware that Russia was not a cause for any serious anxiety and that, as Russia was not able and would not be able for many years to come to threaten Japan's security, the political importance of Manchuria to Japan is now very much smaller than it is made out by Japanese to be. There remain therefore only Japan's economic interests in Manchuria; and I could not see that they were of such importance as to warrant the enormous cost of the military operations and the cost of maintaining order in Manchuria for years to come. Nor did I think the economic interests, which might well have been conserved by other methods, sufficient compensation for the injury to Japan's honor and prestige.

Mr. Debuchi said that he agreed with everything I had said. However, he had just passed through Germany, and he was convinced that it would be a very long time before Germany would be able to threaten the security of France; yet when he passed over to France he found the entire nation obsessed with the idea of security against Germany.

In the same way the intelligent classes in Japan realized that their country was perfectly safe so far as Russia is concerned, but that the masses of people, who had been indoctrinated with the idea of security against Russia, did not realize this fact, and that for this reason Manchuria would continue to have a political importance in the minds of the Japanese people. A state of mob psychology prevails in that country and not one of order and reason; and until normal conditions were reestablished he did not believe that it would be possible to rationalize with any good results.

I then asked Mr. Debuchi if the Japanese, who say with confidence that they will be able within a short space of time to place "Manchoukuo" on a firm foundation of popular support, would be prepared to abide by a neutral and impartial examination of the will of the people. I pointed out that the Chinese assert that the vast majority of the people in "Manchoukuo" have never withdrawn their allegiance from China; and it seemed to me that if both sides were confident of the justice of their contentions they would be willing to put their convictions to a test. Mr. Debuchi replied that he thought that this was a good suggestion in principle, but that China and Japan could never agree upon a suitable method of sounding out the will of the people in Manchuria, and that furthermore the Chinese were so lacking in political education and in personal morality that votes could be bought too cheaply and too freely to make a test of this type worth anything.

He said that unfortunately there were always objections to the many suggestions brought forward for a solution. So far as he could see the question could only be solved by the passage of time; and he was certain that within a few years Manchuria would become the paradise of the Far East. He hoped that until then the United States would "close its eyes for a few years and then give its decision". I said that he was laboring under a delusion if he thought that the American people would be tempted by material consideration, certainly by any material consideration which Manchuria could hold out, to disavow their allegiance to a principle. Mr. Debuchi protested that this was not at all what he had meant to imply. He hoped that the United States would stand fast by the doctrine of nonrecognition, which he characterized as a very wise policy because it had averted the head-on collision which threatened last autumn. All he had meant was that the United States should close its eyes for a few years, after which it would have the necessary proof that Japan had acted wisely in severing the cord which tied Manchuria to the trouble-making Nanking Government.

As he saw it, the United States and Japan had accounts against each other; he thought that the wise thing to do would be to leave the accounts open for the time being and not to attempt a settlement imme-



diately, as this would only create the risk of another head-on collision. He said that Japan had an account against the United States with regard to the exclusion law,<sup>87</sup> which Japan charged was a violation of the principle of international amity and the spirit if not the letter of the commercial treaty between the United States and Japan.<sup>88</sup> Japan, he thought very wisely, had left the account open because it did not affect its vital interests; and in the same way he thought that the United States should leave its account open with Japan over Manchuria as Manchuria did not affect the vital interests of the United States. He thought that in time a favorable opportunity would be found for the settlement of both of these questions.

As I was leaving, Mr. Debuchi said that he had been very much surprised by the practice of the Department in publishing in the *Foreign Relations* records of conversations between the Secretary of State and foreign ambassadors. He thought that it was quite proper for the Department to publish official notes and even memoranda of conversations that had been approved by both parties; but he thought that it was hardly fair for the Department to publish records of conversations with foreign ambassadors until an opportunity had been had by each ambassador or chief of mission to see whether or not the record was accurate. He remarked that the last issue of the *Foreign Relations* extended only up to the year 1918, but he said that someday perhaps his son might have to come to the State Department and protest against the records of conversations which Mr. Debuchi had had with Mr. Stimson and Mr. Castle.

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793.94/5700

*The Chinese Ministry of Foreign Affairs at Nanking to the  
Chinese Legation*<sup>89</sup>

[NANKING,] December 29, 1932.

Reports of General Tang Yu-Lin from Jehol revealed the Japanese plan for occupation of Pei-Piao and other places in Jehol. The items of this plan are as follows:—

(1) The Japanese at Chao-Yang-Tze have been trying to bribe a few Chinese soldiers hoping to obtain from them confessions that they have kidnapped some Japanese, these confessions to be used as materials for future negotiations with China.

<sup>87</sup> Approved May 26, 1924; 43 Stat. 153.

<sup>88</sup> Signed at Washington, February 21, 1911, *Foreign Relations*, 1911, p. 315.

<sup>89</sup> Translation of telegram transmitted to the Department by the Chinese Legation, December 29, 1932.

(2) Some Japanese soldiers were specially despatched to Nan-Nin and its vicinity attempting to provoke the Chinese patrols there in order to create incidents which will be taken as pretexts for the occupation of Pei-Piao.

(3) The Japanese have been trying to bribe ignorant Mongolians, asking them to lay claim to the land around the mining districts as their private property, so that the Japanese may use the protection of the rights of these Mongolians as a pretext for their occupation of Pei-Piao.

(4) The Japanese have recruited some three hundred young Chinese in the vicinity of Chao-Yang-Tze in Jehol and have transported them to Yi Hsien in preparation for the campaign against Pei-Piao.

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793.94/5701

*The Chinese Ministry of Foreign Affairs at Nanking to the  
Chinese Legation.*<sup>90</sup>

[NANKING,] December 29, 1932.

Wire from Peiping states that the Japanese have been storing large quantities of provisions around Fu-Hsin, Jehol, (300 miles northeast of Peiping) and that they have been spending large sums of money trying to enlist Chinese people for resistance against Chinese forces.

Reports from Tao-Nan and Tung-Liao state that three thousand additional Japanese troops have arrived in preparation for a campaign toward Kai-Loo, Jehol, (250 miles northeast of Peiping).

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<sup>90</sup> Translation of telegram transmitted to the Department by the Chinese Legation, December 29, 1932.

## CHINA

### MEASURES TAKEN BY THE UNITED STATES FOR THE PROTECTION OF AMERICAN LIVES AND PROPERTY IN CHINA<sup>1</sup>

793.94/3461 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 8, 1932—noon.

[Received 5:20 p.m.]

3. Communists are heavily attacking Hwangpei city 20 miles north of Hankow. Although Shekow, 10 miles north of Hankow, is protected by strong military trenches, I have, as a precautionary measure, advised the American women and children of the Lutheran Theological Seminary there to withdraw therefrom for a few days. Legation and Nanking informed.

ADAMS

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893.00/11708 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 8, 1932—3 p.m.

[Received 5:53 p.m.]

5. *Oahu* reports that the Standard Oil Company's motor vessel *Meishan*, under the control of a Chinese *ladah*, looted today by 20 bandits at mileage 119 above Hankow. The loss was slight excepting that one package of mail and the ship's papers were taken by the bandits. The *Meishan* is now anchored near the *Oahu*.

Legation informed.

ADAMS

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893.00/11710 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 11, 1932—1 p.m.

[Received January 11—8 a.m.]

7. My No. 5. Later information is that four Chinese members of the crew of the *Meishan* were kidnapped by the bandits and are now

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<sup>1</sup> Continued from *Foreign Relations*, 1931, vol. III, pp. 933-981.

held as prisoners. The bandits set fire to the *Meishan* but the crew remaining on board after the departure of the bandits succeeded in extinguishing the fire after the crew's quarters and galley had been gutted. The ship's cargo was not damaged. Legation informed.

ADAMS

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893.00/11722 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 18, 1932—11 a.m.

[Received 1:50 p.m.]

10. The Yangtze Rapid<sup>2</sup> motor vessel *Chita* was heavily fired upon from left bank at mileage 83 above Hankow on January 17th. One Chinese quartermaster was killed and one Chinese member of the crew seriously wounded.

Legation informed.

ADAMS

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893.00/11721 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 18, 1932—noon.

[Received January 18—6:25 a.m.]

11. Yangtze Rapid Steamship Company lighter No. 2 was boarded and looted on January 16 at Low Point. The master, an American citizen named Charles Baker "presumably registered at the Shanghai Consulate General" and six Chinese were taken ashore and are held by the bandits. The United States Ship *Oahu* is proceeding immediately to Low Point. Legation and Shanghai informed.

ADAMS

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893.1111 Baker, Charles/3 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 21, 1932—4 p.m.

[Received January 22—2:45 a.m.<sup>3</sup>]

13. My No. 12, January 20, 4 [3] p.m.<sup>4</sup> The *Oahu*, with an American missionary named Whitener acting as interpreter, has obtained

<sup>2</sup> American steamship company.

<sup>3</sup> Telegram in two sections.

<sup>4</sup> Not printed.

the following information from the senior Chinese military officer at Yochow:

Baker is a prisoner at Hunghu (Red Lake) and not at Pailochi. Hunghu is half way from Pailochi between the Yangtze and Han Rivers. Some 50,000 or 60,000 troops would be necessary for successful military action against Baker's captors and such operations would most probably result in the murder of Baker. Whitener believes that the payment of ransom offers the only hope of obtaining Baker's release and states that in his opinion Hankow is the best place from which to conduct negotiations through some middleman.

General Ho Chen-chun doubts that Baker has been taken to Hunghu and believes he is at Pailochi or Chuho on the Yangtze River. General Ho promises prompt investigation and effective action but I doubt his ability to fulfill the promise of effective action unless he means that he will pay the ransom demanded by the bandits. I have not been able to obtain from him any definite idea of his plans beyond the telegraphic inquiries which he is making and his statement that he is sending officer to make personal investigation.

The *Oahu* appears to have obtained all available information at Yochow and Pailochi and I have therefore postponed the plan to send Clubb to join the *Oahu*.

Legation and Nanking informed.

ADAMS

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393.1111 Baker, Charles/4 : Telegram

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

PEIPING, January 22, 1932—6 p.m.

[Received January 22—9:35 a.m.]

110. Hankow's January 18, noon, and subsequent telegrams concerning capture of Charles Baker. Following from American Consul General at Nanking:

"January 21, 2 p.m. Your telegrams January 19, 5 p.m., and January 20, noon.

I called at the Ministry of Foreign Affairs and made oral and written representations in the name of the Legation requesting that urgent action be taken to learn the whereabouts of Baker and to effect his release. Subsequently I have supplied the Ministry with all information received by the Consulate General at Hankow and from American naval authorities. The Ministry of Foreign Affairs promised to send telegraphic instructions at once to the Provincial authorities in the sense desired."

JOHNSON

393.1111 Baker, Charles/7 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 25, 1932—noon.

[Received January 25—8 a.m.]

16. My number 14, January 23, noon.<sup>5</sup> The bandits who hold Baker state that the price of his ransom "will be decided upon by the Hupeh Soviet government" and will be communicated to messenger at Pailochi on January 28th.

The comprador of the Yangtze Rapid lighter No. 2 is coming to Hankow to give details of the capture of Baker to General Ho Chen-chun, Chairman of the Hupeh Provincial Government.

The President of the Yangtze Rapid Steamship Company has expressed a willingness to pay a maximum of silver dollars 10,000 for Baker's release. He thinks, however, that the Chinese authorities should pay the sum demanded for Baker's ransom.

Legation and Nanking informed.

ADAMS

393.1111 Baker, Charles/8 : Telegram

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

WASHINGTON, January 25, 1932—1 p.m.

23. Your 110, January 22, 6 p.m., in reference to capture of Charles Baker.

Department desires that Legation press this case with the Chinese authorities and that Peck be directed to continue to urge upon the Ministry of Foreign Affairs, as under instruction from the Department, the need for prompt and effective action to effect the release of Baker.

STIMSON

393.1111 Baker, Charles/14 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 28, 1932—8 p.m.

[Received 9:05 p.m.]

17. *Oahu* has received following message at Pailochi from Charles Baker: Consulted with [dated January 24:]

<sup>5</sup> Not printed.

[“]American Consul General, through Rapid Company, Shanghai. Sirs: I have the honor to state that I am in the hands of Communists at Chowho, Hupeh. On January 16th while Y. R. lighter No. 2 was proceeding upriver she grounded at Low Point and while trying to get her off was seized by Communists where [when] I was forcibly taken on shore and have been living under the most deplorable conditions since. Yesterday, January 23rd, two men interviewed me stating they were agents of the Soviet Government and demanded a large indemnity for my release and stated if some indemnity was not forthcoming I would be beheaded. Of course the indemnity demanded, \$10,000,000, is simply impossible but perhaps between the United States Consul General and the Rapid Company something in the way of a reasonable indemnity may be offered whereby I could be released from this awful position. While I am not exactly ill-treated conditions are such that I cannot stand it long, so gentlemen, if there is anything on earth you can possibly do for me please do it in the name of God. Very respectfully (signed) Charles Baker”

In separate note Baker asks that if he is not released soon his deposit in the National City Bank at Shanghai, his salary and two pension checks at the Shanghai Consulate General be sent to Mrs. Charles Baker, 453 61st Street, Oakland, California.

The bandits' preliminary demands are that 500 Communists held at Hankow and Shanghai be released and that money and a long list of merchandise of a total value of more than a million dollars be paid to them. They demand an answer within 30 hours. I am continuing to press Ho Chen-chun for effective action but at present the Hupeh authorities are exerting their best efforts to prevent Wuhan<sup>6</sup> itself from being threatened by strong communist forces.

Legation and Nanking informed.

ADAMS

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893.00/11760 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 30, 1932—noon.

[Received 12:55 p.m.]

20. My number 7, January 11, 1 p.m. Two members of the crew of *Meishan* have been released by the Communists and given money to return to Hankow. One of the crew who was wounded during the piracy of the *Meishan* is now being treated in the communist hospital at Pailochi and will be released as soon as he has sufficiently recovered from his wounds. The remaining member of the crew will be held for ransom.

ADAMS

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<sup>6</sup> Area comprising Wuchang, Hankow, and Hanyang.

893.00/11751 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, January 30, 1932—1 p.m.

[Received January 30—4:15 a.m.]

21. A considerable force of Communists from the Red Lake area attacked Government forces on the outskirts of Hanyang yesterday. The five American residents of Hanyang have evacuated to Hankow.

Last night at Hankow firing could be heard and the situation was critical because of the refusal of some of the Government troops to fight the Communists. Reinforcements were hurriedly brought to the scene of action and the situation this morning appears to be easier. The Chinese authorities claimed an hour ago that the Communists had been repulsed to a safe distance from Wuhan.

ADAMS

893.11/1402 : Telegram

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

PEIPING, January 31, 1932—2 p.m.

[Received January 31—6:45 a.m.]

161. Following from American Consul General at Nanking:

“January 30, 4 p.m. My January 24, 5 p.m. Commander of destroyer *Simpson* has asked me for views regarding additional vessels for Nanking. I have suggested 1 destroyer be stationed at Wuhu where 50 Americans reside with others in the interior and 1 additional ship at Nanking where resident Americans number approximately 180. Original number of vessels requested has been reduced since only 4 additional are available for entire Yangtze.”

For the Minister:

PERKINS

893.1111 Baker, Charles/19 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, February 2, 1932—6 p.m.

[Received February 2—9:15 a.m.]

22. 1. *Panay* has now received further word from Baker's captors who have reduced their demands to \$200,000 and 2,000 boxes of ammunition.

2. Ho Chen-chun now informs me that his messengers are useless in dealing with the group of bandits who hold Baker. The only thing



General Ho will promise after repeated interviews is a military expedition against Baker's captors. I doubt his power to accomplish this and in any event it would not help Baker.

3. I have therefore, after consultation with Admiral Williams, wired Hoyt suggesting that he instruct his agent at Ichang to proceed at once to *Panay* near Pailochi and conduct negotiations with the bandits in accordance with his original plan.

ADAMS

893.1111 Nelson, Bert N./136 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, February 3, 1932—11 a.m.

[Received February 3—7 a.m.]

23. Department's radio telegram of February 2nd regarding status of Nelson case.<sup>7</sup> Nelson is held in a Soviet-controlled area about 100 miles northeast from Hankow. Negotiations for his release have ceased for the time being. I learn captors do not now demand any further payment of money or merchandise for the release but are demanding that five unnamed communist prisoners in the hands of the Chinese Government be freed. The Chinese agent who has been negotiating for Nelson's release expresses the belief that Nelson will be released within about 3 months.

Nelson is comfortably clothed and fed and has established friendly relations with his captors. His movements are somewhat restricted but otherwise he is not under constraint.

ADAMS

793.94/3918 : Telegram

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

PEIPING, February 3, 1932—11 a.m.

[Received 11 a.m.<sup>8</sup>]

184. Following from American Consul at Hankow :

"February 2, 4 p. m.

1. The Hankow consular body held a meeting yesterday to discuss the question of possible danger to Wuhan from a communist attack. The meeting was attended by all career consuls except the Japanese. The conclusion reached by the meeting was that consideration of

<sup>7</sup> Telegram of February 2 not printed; for previous correspondence concerning Rev. Bert N. Nelson, American missionary kidnaped on October 5, 1930, see *Foreign Relations*, 1931, vol. III, pp. 934-977, *passim*.

<sup>8</sup> Telegram in five sections.

safety measures immediately desirable because of the increase in strength and boldness of communist forces whose obvious aim is the capture of Wuhan, and because the release of some of the Government troops here is deemed to be questionable. The point was made that in former periods of emergency evacuation was the aim of most safety plans, but that now the situation is somewhat changed in that the threat confronting us is from outside. The British Consul General stated that the Public Safety Bureau had requested him to have British forces maintain order along the bund of the ex-British concession in the event of an attack by communist bandits [upon?] Hankow. He said that he would go into the matter with the British Rear Admiral upon the latter's return to Hankow today.

2. The senior consul (German) asked me whether American forces would undertake the maintenance of the order on the advance [*along the?*] bund. My reply was that the plan of maintaining a water front of unbroken orderliness appeared to me to have much to recommend it. I said I would take the question up with the Legation and the Commander of the Yangtze Patrol.

3. The water-front section in which foreigners here are principally interested lies in an up-river direction from the Japanese concession and along the following areas in the order named: Japanese concession, ex-German concession, French concession, ex-Russian concession, ex-British concession.

4. If, as seems probable, the British agree to police the water front of their former concession in the event of attack by communist forces upon Hankow, there will be gaps in the foreign-defended water front consisting of the ex-Russian and ex-German concessions. If we were to undertake the defense of a water-front area, our logical share would be the water front of the ex-Russian concession extending from and including the American Consulate General for about half a mile to the British Consulate General. This area includes the United States Navy godown and the National Aniline and Chemical Company and the Texas Company. The National City Bank is in the ex-British concession. The Italian Consul indicated that the Italian naval forces could probably defend only the bund in front of the Italian Consulate which is in the ex-German concession. He said, however, that considerable section of the ex-German concession bund could be controlled from the point in front of the Italian Consulate.

5. If the American authorities were to consider the plan favorably, I believe that I could obtain a request from the Chinese authorities that the American Navy defend the water front of the ex-Russian concession. The area back of the British Consul[ate] General fronting on the bund would become the responsibility of the Chinese authorities excepting the existing concession areas.

6. I discussed the matter tentatively with Rear Admiral Williams and he is giving it consideration from the viewpoint of the places and the naval forces available, having in mind the requirements of Shanghai. The safety of the installations of the Texas Company and the Standard Oil Company as sources of naval fuel would have to be considered.

7. In any consideration that may be given to the proposal here

that [*sic*] we need [not?] be particularly concerned about the present Japanese situation as our area would be considerably removed from the Japanese concession.

The British, however, would be policing the water front off former concession area which adjoins the ex-Russian concession. See my confidential telegram to the Legation No. 630 of November 30, 1927, entitled ex-British concession at Hankow.

8. If the proposal proves to be practicable from naval point of view I am inclined to look upon it with favor because of the area of stress [*relief?*] it would afford to American business interests which are hard pressed by frequent and extended periods of stress and because of the steadying effect which such an arrangement would have on the whole situation here. Such an undertaking on our part would, however, have to contemplate the possibility of the complete collapse of the present Chinese Government in this area.

9. I am withholding for the moment any definite recommendation as no actual emergency exists now. I shall be grateful for any comment which the Legation may feel able to make with the above information before it."

Legation's comments will follow.

For the Minister:  
PERKINS

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398.11/1415 : Telegram

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

PEIPING, February 7, 1932—10 a.m.  
[Received February 7—2:25 a.m.]

205. Following from American Consul General at Hankow:

"February 6, 4 p. m. Following telegram received from Bishop O'Shea at Kanchow, Kiangsi: 'Kanchow besieged by big Red army, please urge Nanchang send succor'.

See Legation's telegram of March 12, 11 a.m., 1930.<sup>9</sup>

I am wiring Nanchang Government requesting protection for O'Shea and Father Lewis (not registered, legal name unknown) who are the only two Americans in Kanchow.

Nanking informed."

For the Minister:  
PERKINS

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<sup>9</sup> *Foreign Relations*, 1930, vol. II, p. 93.

393.11/1416 : Telegram

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

SHANGHAI, February 8, 1932—2 p.m.  
[Received February 8—4:50 a.m.]

The following telegram dated February 5, 9 p. m., received by the Procurator General of the Lazaristes mission Shanghai:

“Lazaristes, Shanghai. Kanchow surrounded by a big Red army. Please ask urgent assistance from Nanchang and Canton. O’Shea.”

Procurator General reports that there are 11 American missionaries in and around Kanchow, Kiangsi, at the present time.

Repeated to Department, Hankow, Canton and the Legation.

CUNNINGHAM

393.11/1418 : Telegram

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

PEIPING, February 8, 1932—3 p.m.  
[Received February 8—6:37 a.m.]

210. Hankow’s February 3 [2?], 5 [4?] p.m., regarding situation there and Legation’s 184, February 3, 11 a. m.

[1.] Following instruction to Hankow:

“Your February 3 [2?], 4 p.m. (1) Legation does not feel in position to make the comment suggested in your paragraph number 9 until it learns the final result of your discussions with Admiral Williams. Although you state there is no actual emergency, it would seem prudent to formulate in advance some definite general plan of action, subject to change as circumstances may require, for the protection of Americans in the event of a communistic bandit attack on Wuhan.

(2) If it is to be assumed that the evacuation of foreigners from Wuhan is to be contemplated as a possible necessity, Legation suggests you consider the sending of very guarded advices regarding the situation to American citizens at interior points who might otherwise unduly delay withdrawal on the assumption of Hankow’s being able to afford them a permanent point of refuge in any circumstances.

(3) British Legation has received reports regarding Hankow situation but no recommendations or request for instructions. German Legation has received no reports.

(4) Lieutenant Wyman leaves today for Loyang and will endeavor to obtain information as to the plans of Chinese officials regarding protection of Wuhan against communist bandits.

(5) In your consideration of the situation, you are referred to the Legation’s circular number 7, February 14, 1930.”

2. The Minister in his February 6, 12 a. m., from Nanking referred Adams to the Legation's instruction quoted above and instructed him as follows: "Believe you and Admiral Williams should handle situation as emergency develops".

For the Minister:  
PERKINS

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793.94/3918 : Telegram

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

WASHINGTON, February 8, 1932—5 p.m.

46. Your 184, February 3, 11 a. m., and 210, February 8, 3 p. m., in regard to the situation at Hankow.

1. Department approves the instructions which have been sent to Hankow by the Legation and by the Minister as reported in your 210, February 8, 3 p. m.

2. Keep Department informed in regard to developments. Repeat to Minister.

STIMSON

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393.1111 Baker, Charles/21 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, February 9, 1932—noon.

[Received February 9—6:55 a.m.]

26. My No. 22, February 2, 6 p.m. A further written appeal from Baker has been received. He states that he is suffering from intense cold and lack of proper furnishings and that he is becoming very weak. His captors have reduced the price of his release to \$50,000. The Ichang agent of the Yangtze Rapid Steamship Company is now on board the *Panay* at Mopanshih negotiating with the Communists for Baker's release.

ADAMS

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393.11/1420 : Telegram

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

PEIPING, February 9, 1932—2 p.m.

[Received February 9—6:55 a.m.]

214. Reference Shanghai's February 8, 2 p. m., concerning appeal of American Catholic mission at Kanchow, Kiangsi, for protection.

Legation has telegraphically instructed Peck to deliver the following message to the Minister for Foreign Affairs:

"I have the honor to inform Your Excellency, have [*that it is?*] telegraphically reported that Kanchow is surrounded by a communist army and [*I?*] suspect urgent assistance is not [*now?*] needed. I am informed that there are 11 American missionaries in and around Kanchow at the present time, and have the honor to request that Your Excellency will take immediate steps for the effective protection of these American citizens."

American Consuls General at Hankow and Canton also instructed to make urgent representations looking to protection of Americans in and around Kanchow.

For the Minister:  
PERKINS

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393.11/1420 : Telegram

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

WASHINGTON, February 10, 1932—5 p.m.

50. Your 214, February 9, 2 p. m., in regard to welfare of American missionaries at Kanchow and vicinity.

1. Representatives of the National Catholic Welfare Conference called at the Department this morning and stated that according to their records there are the following American citizens at Kanchow and in the vicinity thereof: At Kanchow proper, four American citizens, namely, O'Shea, Cahill, Gately, McLaughlin, also one Swiss citizen named Meyrat; at Taholi, 20 miles from Kanchow, four American citizens, namely, Erbe, Curtis, O'Donnell and Munday; at Lungnan, 120 miles from Kanchow, one American citizen, namely, Flaherty. The National Catholic Welfare Conference states that Father Moehringer is now believed to be en route to the United States and that Father Lewis is now in this country.

2. Referring to Hankow's telegram to the Department No. 27, February 9, 5 p. m.,<sup>10</sup> reporting that General Ho Chen Chun states that the troops in the neighborhood of Kanchow are being replaced by fresh troops, National Catholic Welfare Conference expresses the opinion that it might have a steadying effect upon the situation at Kanchow if General Ho should send word to Kanchow that fresh troops are en route.

3. Department desires that the Legation and the appropriate Consulates continue to impress upon the Chinese authorities the necessity for according due protection to the American citizens in danger and

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<sup>10</sup> Not printed.

that the Consul General at Hankow continue to urge that American citizens evacuate from dangerous and exposed localities.

4. Repeat pertinent portions of above to Hankow, Nanking and Canton.

STIMSON

393.1111 Baker, Charles/25 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, February 18, 1932—5 p.m.  
[Received February 18—3:46 p.m.<sup>11</sup>]

32. My Number 31, February 15, 4 p.m.<sup>12</sup> The bandits who hold Baker have broken their agreement with Yangtze Rapid's agent under the following circumstances.

In accordance with agreement, a launch with silver dollars 10,000 on board was today sent close to shore at Pailochi and was covered by guns of *Panay* and by guns of bandits from Pailochi. Baker came to water's edge and spoke to launch, requesting that the \$10,000 be sent ashore. This was done. Upon receiving money, the bandits marched Baker back from the beach and sent word to the launch that Baker would not be released until \$50,000 additional was paid to them.

I will call on General Ho Chen-chun again this evening or tomorrow with regard to the matter and will report further after I have seen him.

ADAMS

393.11/1449 : Telegram

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

PEIPING, February 19, 1932—2 p.m.  
[Received February 19—6 a.m.]

253. Legation's 219, February 11, 6 p. m.<sup>12</sup> Following from American Consul General Hankow :

"February 18, noon. My February 1[2?], 4 p.m.,<sup>13</sup> on the subject of the residence of Americans in the interior.

Admiral Williams informs me that the force available at present would prevent efforts to defend more than the Consulate and the Navy godown, including an area of about two blocks.

<sup>11</sup> Telegram in two sections.

<sup>12</sup> Not printed.

<sup>13</sup> See telegram No. 184, February 3, 11 a.m., from the Minister in China, p. 470.

The British have made complete arrangements for the defense of most of the area of their former concession in the event of an attack by Communists on Hankow or in the event of threatened failure of the Chinese police authority."

For the Minister :  
**PERKINS**

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393.1111 Baker, Charles/26 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, February 19, 1932—5 p.m.  
[Received February 19—9:05 a.m.]

33. My No. 32, February 18, 5 p.m. Admiral Williams today obtained the promise of the senior Chinese naval officer at Hankow to send a Chinese naval vessel to Pailochi to endeavor by interviewing the communist bandits there to obtain the release of Captain Baker. The Chinese naval vessel will not attempt the threat of force. I have also placed before General Ho Chen-chun the suggestion that the Chinese Navy make an effort to obtain Baker's release. While General Ho has no authority over the Navy, he will give me his answer to my suggestion within the next day or two. I do not consider his answer important since the Chinese naval force here has already indicated what it will attempt.

**ADAMS**

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393.1111 Baker, Charles/27 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, February 20, 1932—1 p.m.  
[Received February 20—6:15 a.m.]

34. My No. 33, February 19, 5 p.m. In response to a request from Ho Chen Chun for suggestion of some means of procuring the release of Captain Baker, I have replied that my understanding is that the Communists who hold Baker are closely identified with Pailochi and that if hostages of some local prominence could be taken from that village Captain Baker's release might be considered effected. General Ho replied that he considered the suggestion practicable and would bear it in mind in dealing with the case.

**ADAMS**



393.11/1453 : Telegram

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

PEIPING, February 21, 1932—1 p.m.

[Received February 21—8:55 a.m.]

259. Following from American Consul General at Hankow:

“February 20, noon. The British Consul General now informs me that General Ho Chen-chun has repudiated [*refused?*] the request made by the Public Safety Bureau that British forces maintain order along the bund of the ex-British concession in the event of an attack by communist bandits upon Hankow. General Chen [*Ho?*] stated that the Chinese would be responsible for the maintenance of order throughout Wuhan. The British Consul General informed me yesterday that while this will necessitate a modification of the British defense plans, he thought that the British would in the event of necessity undertake a defense of the bund of the former British concession.

The senior British, American and French naval officers are today discussing together possible safety measures.

There is no immediate threat to Wuhan.”

For the Minister:

PERKINS

393.11/1452 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, February 21, 1932—3 p.m.

[Received February 21—4 a.m.]

35. My No. 27, February 9, 5 p. m.<sup>15</sup> Notice received today from Telegraph Administration that my telegram to O'Shea was undelivered because telegraph line to Kanchow destroyed by bandits. I am renewing representations to Kiangsi authorities.

ADAMS

393.11/1454 : Telegram

*The Consul General at Nanking (Peck) to the Secretary of State*

NANKING, February 22, 1932—11 a.m.

[Received February 22—3 a.m.]

57. Hankow's February 21, 3 p. m., to the Department. In compliance with the Department's telegram to the Legation 50, February 10, 5 p. m., paragraph 3, I have today addressed a note to the Min-

<sup>15</sup> Not printed.

ister of Foreign Affairs, signing for the American Minister, in which I informed the Minister of Foreign Affairs of the impossibility of communicating with American citizens at Kanchow by telegraph. The note concludes with the following:

“The impossibility of getting information from the American missionaries at Kanchow greatly increases my anxiety for their welfare and I have the honor to request that the appropriate authorities of the National and Provincial Governments will use every effort both to ascertain whether danger threatens these American citizens and to extend to them all needed protection. I shall be grateful for the favor of a reply so that I may inform my Government regarding the action taken by the Chinese authorities under these circumstances.”

PECK

393.11/1460 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, February 23, 1932—4 p.m.

[Received February 23—12:30 p.m.]

36. The local representative of the Lutheran United Mission informs me that Kwangchow in southeast Honan is threatened by a considerable communist force. This information is corroborated by a letter received from Sin Yang Chow. I have telegraphically requested the Honan Government to afford adequate protection to the Americans in Kwangchow. Registration records here indicate that there are six Americans in Kwangchow.

ADAMS

393.11/1462 : Telegram

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

PEIPING, February 24, 1932—8 p. m.

[Received February 24—9:45 a. m.]

268. Hankow's February 23, 4 p. m., regarding protection of Lutheran United Mission at Kwangchow, Honan. Legation has telegraphically instructed Peck to make formal representations in the premises to the Ministry of Foreign Affairs.

PERKINS

For the Minister:

393.11/1466 : Telegram

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

PEIPING, February 25, 1932—7 p.m.

[Received February 25—8 :20 a.m.]

275. Department's 63, February 20, 2 p. m.<sup>17</sup>

## 1. Following from Hankow :

"February 24, noon. Department's February 20, 2 p. m. In regard to the situation at Hankow.

(1) The Chinese authorities have for about 2 weeks been developing entrenchments facing the Japanese concession from the down-river side and about 1 mile away. Japanese reinforcements from Shanghai have arrived within the last 2 days, but Sino-Japanese relations at Hankow remain tranquil.

(2) There is no immediate communist threat to Hankow and no action is called for in this connection. I have again advised Americans in the interior to withdraw as promptly as possible to places of safety.

(3) Admiral Williams and I are agreed that in the event of threatened failure of the police authority at Hankow due to communist attack, an effort will be made to reduce the American community to minimum and to concentrate the remainder at points where they can be protected or from which they can be evacuated. Naval force now available is inadequate to do more than provide for evacuation and the possible defense of points essential to the Consulate and the Navy.

(4) Under the above circumstances it would appear that recommendations need not be made."

2. From the foregoing it would appear that Admiral Williams and Consul General Adams are agreed upon a policy at Hankow of defense to cover evacuation and not with a view to holding the port as suggested by Adams in his February 1 [2?], 4 p. m. (See Legation's 184, February 3, 11 a. m.). The Legation has discussed this subject with the offices of both the Military and Naval Attachés here and is unreservedly in favor of the general plan now outlined in Adams' present telegram.

For the Minister :

PERKINS

393.11/1491 : Telegram

*The Consul General at Canton (Ballantine) to the Secretary of State*

CANTON, March 11, 1932—11 a.m.

[Received March 12—7 :25 a.m.]

My February 26, 4 p. m.<sup>17</sup> I have been informed by the military authorities that on account of the approach of the Kwantung forces

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<sup>17</sup> Not printed.

the Communists have raised the siege of Kanchow, and that while Americans there are presumably safe it will be impossible to confirm this until the Kwantung forces reach there.

Legation, Nanking, Hankow and Department informed.

BALLANTINE

393.11/1492 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, March 14, 1932—noon.

[Received March 14—3 a. m.]

42. My number 37, February 26, 3 p. m.<sup>18</sup> The communist attack upon Kwangchow has been defeated and the danger to that city removed for the time being. The Americans residing in Kwangchow are unharmed.

ADAMS

393.1111 Baker, Charles/35 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, March 17, 1932—4 p.m.

[Received 11:30 p.m.]

43. 1. The Chinese naval vessels which have been in communication with Baker's captors since late February are apparently accomplishing nothing through negotiation toward his release. The latest demand of the bandits is the payment of silver dollars 40,000 for Baker's release. Money is not available from private sources for the payment of further ransom and it would, therefore, appear that the employment of force offers the only chance of obtaining Baker's early release unless Chinese Government can be induced to pay Baker's ransom in accordance with precedents afforded by the Perdicaris case<sup>19</sup> reported on page 807, volume 6, Moore's *International Law Digest*, and by the Lincheng case.<sup>20</sup> The Hupeh authorities are desperately short of funds and it would be idle to hope that they would be persuaded to pay ransom.

2. The general military attacks against Baker's captors would not assist towards his release and I can only suggest that a lever with which to force his release would be obtained by the taking of hostages at Pailochi. I reported in my number 34 of February 20,

<sup>18</sup> Not printed.

<sup>19</sup> See *Foreign Relations*, 1904, pp. 307, 338, 496 ff.

<sup>20</sup> See *ibid.*, 1923, vol. 1, pp. 631 ff.

1 p.m., that I had made this suggestion to General Ho Chen-chun and that he had considered it to be practicable.

3. I am again urging General Ho Chen-chun to procure hostages at Pailochi but I doubt his ability to do so by means of troops. It seems obvious that a naval operation would have been [*big?*] chance of success through surprise. I understand that Ho Chen-chun has not authority over the Navy. It is possible that if the Legation were to approach other Chinese authorities than the Foreign Office, the Chinese Navy might be induced to undertake a surprise raid upon Pailochi with the object of obtaining hostages. My suggestion would be that General Chiang Kai-shih be urged to order such action or, if he cannot be reached, that representations be made direct to the Minister of the Navy.

4. If the above suggestion cannot be carried out I shall be grateful for any suggestion as to further action in the case.

ADAMS

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393.1111 Baker, Charles/36 : Telegram

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

WASHINGTON, March 18, 1932—6 p.m.

107. For the Minister. Department is asking Hankow to repeat to you its 43, March 17, 4 p.m. to the Department, in regard to Baker case.

Department feels that all possible and appropriate pressure should be brought to bear toward obtaining Baker's early release. Department wishes to know what action, if any, has been taken by the Ministry of Foreign Affairs subsequent to action mentioned in Legation's telegram 133, January 27, 6 p.m.,<sup>21</sup> in which the Ministry stated that it had sent appropriate telegraphic instructions to the Hupeh and Hunan Provincial Governments. Department desires that you urge on Chinese Government the desirability of prompt and effective action by it. Please report on steps taken.

CARR

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393.1111 Baker, Charles/38 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, March 21, 1932—4 p.m.

[Received March 21—5:30 a.m.]

44. My No. 43, March 17, 4 p.m. Admiral Williams informs me that he and the Chinese senior naval officer at Hankow believe that

<sup>21</sup> Not printed.

the taking of hostages at Pailochi is not a practical means of effecting the release of Charles Baker. I differ from Admiral Williams and the Chinese naval officer on this point, but realize that the least bungling or failure of an undertaking to procure the right hostages at Pailochi would probably result in the death of Baker.

It occurs to me that an offer of American participation in any Chinese naval action requested might serve to strengthen any representations made to the Chinese Government for the purchase by it of Baker's release. Admiral Williams is of the opinion, however, that an offer of American participation in efforts to procure hostages at Pailochi would not be authorized by the American Government.

Minister informed through American Consul General at Shanghai.

ADAMS

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393.1111 Baker, Charles/39 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, March 24, 1932—2 p.m.

[Received March 24—4:43 a.m.]

45. My No. 44, March 23 [21], 4 p.m.

1. I now learn that the National Flood Relief Commission has commenced dike repair work in the area where Baker was believed to have been captured, where he is reported to be held now. This work is being carried on under arrangements with Baker's captors and labor is being paid for with wheat. It occurs to me that if the Chinese Government is persuaded to purchase Baker's freedom, as an alternative to the use of force, the increase of wheat allotments in designated areas, under agreement with Baker's captors, might procure Baker's release. The payment of Baker's ransom in wheat would not entail the outlay of any cash by the Chinese Government. Food is needed in the area where Baker is held.

[2.] I am reliably informed that negotiations with Baker's captors along the suggested lines will be willingly undertaken by the local branch of the National Flood Relief Organization provided the approval of the Chinese Government is first obtained and appropriate instructions received from Sir John Hope Simpson, Director General of the National Flood Relief, 1C Kiukiang Road, Shanghai.

3. Minister informed through the American Consul, Shanghai.

ADAMS

393.1111 Baker, Charles/40 : Telegram

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

SHANGHAI, March 25, 1932—9 a.m.

[Received March 25—4 a.m.]

Your 107, March 18, 6 p.m. Hankow's 44, March 21, 4 p.m., reached me yesterday. It seems to me a dangerous undertaking for us to participate in a business of the hostages and I am wondering what the Department's attitude in the matter will be. I am without any suggestion as to how to effect the release of Baker. The people who have taken him evidently consider him of importance for the purpose of obtaining money and supplies as has been done in the Nelson case. There will be no end to their demands.

2. I have asked Nanking to press the Foreign Office for action but have no confidence that pressure there will accomplish anything. Pressure at Nanking and the embarrassment thereby caused to the Chinese Government give further value to Baker in the eyes of his captors who are fighting the Government and use this means of gaining their ends.

3. I feel that we should do everything we can to discourage the presence of Americans in the river areas where Baker was captured for it is dangerous there and we are likely to have more incidents of this character if we encourage lone Americans to pass that way.

JOHNSON

393.1111 Baker, Charles/42 : Telegram

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

SHANGHAI, March 26, 1932—11 a.m.

[Received March 26—3:05 a.m.]

Hankow's 45, March 24, 2 p. m. I question the propriety of our suggesting that flood relief wheat be used to obtain Baker's release. If the Chinese Government wishes to use it for that purpose it can do so on its own initiative.

JOHNSON

393.1111 Baker, Charles/46 : Telegram

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

WASHINGTON, March 26, 1932—1 p.m.

118. For the Minister. Your March 25, 9 a.m. and March 26, 11 a.m. Department desires that you assume direction of this case and

that you keep the Department fully informed of any developments and steps taken.

Department notes that you question the propriety of suggesting the use of wheat as a possible means of obtaining release of Baker and your view that pressure at Nanking will cause embarrassment to the Chinese Government. Department believes that these features of the case are outweighed by the fact that the life of an American citizen is at stake and that it is incumbent upon the Chinese Government to devise means of effecting his prompt release.

It is the Department's understanding that there appear to be only three courses of action open to possible success, namely, ransom, use of wheat and the taking of hostages. Department strongly favors the payment of ransom by the Chinese Government as the best means of effecting the prompt and safe release of Baker. The Department does not favor participation by American naval forces in the taking of hostages. However, the question of ways and means to bring about Baker's release is one for decision by the Chinese Government, the salient point being prompt and effective action. To this end you are authorized to press for such action with any Chinese official concerned including Chiang Kai-shek and/or the Minister of the Navy, as suggested by Adams in his telegram No. 43, March 17, 4 p.m., repeated to you.

In the event that Chinese officials most likely to render effective assistance are not at Nanking, you are authorized to consider the sending of a member of the staff of the Legation to points where such Chinese officials may be reached.

STIMSON

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393.1111 Baker, Charles/44 : Telegram

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

SHANGHAI, March 28, 1932—noon.

[Received March 28—8:40 a.m.]

Your 118, March 26, 1 p.m.

1. I agree with the Department that the payment of ransom by the Chinese Government would be most promising means of effecting Baker's release. Whether payment be cash or in wheat is immaterial and it is up to the Chinese Government to decide which would be most effective. But I feel that if we specially asked that flood relief wheat be used for the purpose our action may be entirely misunderstood and criticised by the public.

2. The taking of hostages even without participation by American naval forces does not seem to me to offer much chance of success prin-



cipally because it would be extremely difficult to obtain possession of persons whose fate would cause the bandits any concern.

3. I am consulting with the Consul General at Nanking and Hankow regarding Chinese officials most likely to render effective assistance and if I find that the course suggested in the last paragraph of the Department's March 26, 1 p.m., seems advisable I shall instruct a member of Legation staff and Captain Mayer of the Military Attaché's office to endeavor to get in touch with the officials concerned.

JOHNSON

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393.1111 Baker, Charles/48 : Telegram

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

WASHINGTON, March 28, 1932—5 p.m.

120. For the Minister. Your March 28, noon. As previously stated, the Department is less concerned with the finer points of procedure than with the release of Baker. The Department therefore desires that you bring to the attention of the Chinese Government any and all practicable means, including the use of wheat and the securing of hostages, which appear to offer possibilities of a successful conclusion. In so doing you are requested vigorously to press for prompt and effective action, pointing out that it is incumbent upon the Chinese Government to effect the release of Baker and that while the Department does not desire to stipulate any particular course of action, the payment by Chinese authorities of ransom appears to offer the best means of obtaining Baker's prompt and safe release.

The Department desires that you keep this case constantly before you and also before the ranking Chinese officials concerned.

CASTLE

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393.1111 Nelson, Bert N./147

*The American Minister in China (Johnson) to the Chinese Minister  
for Foreign Affairs (Lo)*<sup>23</sup>

No. 411

PEIPING, March 29, 1932.

EXCELLENCY: I have the honor to refer to the capture of the Reverend Bert Nelson, an American citizen, on October 5, 1930, and to bring to the attention of Your Excellency yet another instance of the deplorably ineffective and dilatory manner in which this case has been handled by the Chinese authorities.

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<sup>23</sup> Copy transmitted to the Department by the Minister in China in his despatch No. 1559, June 1; received July 5.

Your Excellency will recall that when it became evident that the Chinese Government was unable to take effective measures to rescue the Reverend Nelson, representatives of the Mission to which he belonged succeeded, with much difficulty, in raising the sum of \$4,045 with which to ransom him. This together with a considerable quantity of medicines was to be delivered to the bandits through the medium of certain Chinese members of the Mission. The necessary permits were secured from the military authorities and the Magistrate of Kwangshan, Honan, who also furnished an escort of local militia. To the everlasting disgrace of the Magistrate, the militia robbed the party bearing the ransom of both money and medicines. Even more disgraceful is the fact that in spite of all the efforts made by the American Consul General at Hankow to induce the provincial authorities to force the Kwangshan Magistrate severely to punish the local commander of militia and those involved in the robbery and to effect the return of the money and medicines stolen, nothing whatever has been done, the culprits not now even being held in jail.

For the information of Your Excellency there are enclosed copies of the Chinese text of two communications addressed by the Mission's representative to the Chairman of the Honan Provincial Government,<sup>24</sup> giving a detailed account of the robbery and the inaction and shameful corruption of the Magistrate, who appears to have been bribed by the commander of the militia. There is also enclosed a copy of the Chinese text of a statement prepared by the gentry and inhabitants of various villages south of Kwangshan<sup>24</sup> substantiating the facts set forth by the Mission's representative in the two letters mentioned, which were transmitted to the Chairman of the Provincial Government by the American Consul General at Hankow. Due to the venality and inaction of the Magistrate at Kwangshan, the American Consul General requested the Chairman of the Provincial Government to have the case transferred to the provincial capital for a fair and just trial, but his request was refused.

I am constrained to point out that the Reverend Nelson has now been in captivity for a year and a half, during which period not only has the Chinese Government been unable to effect his release, but efforts made by his fellow workers with anxious care and sacrifice have been brought to naught by the venality and inaction of a Magistrate of the National Government and the thievery of the local forces directly responsible to him. The least that can be done is to take immediate and effective measures to punish the Magistrate and the culprits involved and return the money and other articles stolen. To

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<sup>24</sup> Not printed.

this end it is requested that the most stringent instructions be issued forthwith.

I avail myself [etc.]

For the Minister:  
MAHLON F. PERKINS  
*Counselor of Legation*

393.1163 Am 3/147

*The Consul General at Hankow (Adams) to the Minister in China (Johnson)*<sup>26</sup>

L. No. 104

HANKOW, April 1, 1932.

SIR: I have the honor to refer to the Legation's telegraphic instruction to me, dated March 15, 12 p. m., 1932, in which the Legation suggested that the present time would afford a good opportunity again to warn Americans residing in southern Kiangsi to withdraw from that dangerous area.

I attach to this despatch, for the Legation's information, a copy of my letter of April 1, 1932, addressed to the Reverend John A. O'Shea,<sup>27</sup> in which Americans in southern Kiangsi are again urged to withdraw themselves to other places.

I am sending to the Lazarist Mission in Shanghai, through the American Consulate General there, a copy of my letter to Father O'Shea. I am also sending copies to the Department of State for such action as the Department may deem appropriate.<sup>28</sup>

Respectfully yours,

WALTER A. ADAMS

393.11/1551

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

No. 1468

PEIPING, April 7, 1932.

[Received May 7.]

SIR: I have the honor to transmit herewith for the Department's consideration copies of two despatches from the American Consulate General at Mukden, No. 561 of March 22 and No. 566 of April 2, 1932, together with copies of the Legation's replies to these two communications, dated March 29th and April 7th, respectively,<sup>29</sup> concerning the question of the issuance of Consular proclamations calling for protec-

<sup>26</sup> Copy transmitted to the Department by the Consul General at Hankow in his despatch No. 128, April 1; received May 9.

<sup>27</sup> Not printed.

<sup>28</sup> The National Catholic Welfare Conference at Washington was duly informed by the Department.

<sup>29</sup> None printed.

tion for the products of an American concern in the possession of Chinese shops. The Department will note that it is the Legation's opinion that Consular proclamations should not be issued to Chinese shops unless such shops deal solely in American goods, or are principally engaged as the agents of American concerns.

The Department's instructions in the premises are respectfully requested.

Respectfully yours,

For the Minister:  
**MAHLON F. PERKINS**  
*Counselor of Legation*

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393.1111 Baker, Charles/62 : Telegram

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

WASHINGTON, April 13, 1932—6 p.m.

140. For the Minister. Reference Shanghai's telegram to Department No. 207, April 12, 9 a.m.<sup>80</sup> Department is seriously concerned over continued failure of Chinese Government to take effective action in Baker case and reiterates the views indicated in its telegrams 118 of March 26 and 120 of March 28. Department desires that you again interview highest Chinese officials on this case, going to Nanking for that purpose if most influential officials are there, and impress upon these officials the seriousness of the case. You should point out that the failure of the Chinese Government to bring about Baker's release is creating a most unfavorable effect on public opinion in the United States with regard to China's ability to afford due protection to the lives of foreigners resident in China.

Unless you feel that such action would definitely prejudice the chances of effecting Baker's release, the Department urgently suggests that you detail a ranking officer of the Legation staff to prosecute the case vigorously with the Chinese officials charged with rescue operations, presumably at or above Hankow, and that such officer proceed at earliest practicable moment.

Department desires that you personally make known to the ranking officials of the Chinese Government at Shanghai and/or Nanking, both orally and in writing, the fact that the captors of Baker have stated their willingness to grant his release upon the payment of ransom and that while the Department does not desire to stipulate any particular procedure, it calls upon the Chinese Government to intensify its efforts to effect Baker's release at an early date using any and every

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<sup>80</sup> Not printed.

means appropriate and calculated to contribute toward that end. You should say that the American Government regards this matter as urgently important.

CASTLE

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393.11/1501

*The Acting Secretary of State to the Consul General at Hankow  
(Adams)*

WASHINGTON, April 14, 1932.

SIR: The receipt is acknowledged of your despatch No. 111, of February 24, 1932,<sup>31</sup> enclosing copies of the confidential circular addressed under date February 19, 1932, to American citizens in the Hankow consular district on the subject of the evacuation of American citizens from dangerous localities. You suggest that the Department send a copy of the circular to each of the mission headquarters named on a list enclosed with your despatch.

The Department has from time to time made known to mission boards in the United States the nature of the practice and procedure followed by American diplomatic and consular officers in China in regard to the question of the evacuation of American citizens from places of danger. The Department therefore questions the advisability of sending a general notice to individual mission organizations in the United States on each and every occasion that a consular officer issues a warning to American citizens within his district. If on any particular occasion certain American citizens representing American mission organizations refuse to heed consular advice, the Department would be prepared, upon being informed to that effect, to consider taking the matter up with the organization or organizations concerned. When a consular officer considers that such action by the Department would be helpful, the Department suggests that it be informed of the facts by telegraph, as information forwarded by mail is often out of date by the time it reaches the Department.

Very truly yours,

W. R. CASTLE, JR.

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393.1111 Baker, Charles/63 : Telegram

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

SHANGHAI, April 15, 1932—11 a.m.

[Received April 15—10:20 a.m.]

Your 140, April 13, 6 p.m.; and 141, April 14, 5 p.m., to Shanghai.<sup>32</sup>

<sup>31</sup> Not printed.

<sup>32</sup> For telegram No. 141, see vol. III, p. 693.

1. Consulate had not furnished me copy of its 207, April 12, 9 a.m.<sup>33</sup> but did give me a copy of letter in question identified as coming from Baker. Letter had been forwarded to Consulate with one from Lansing Hoyt, President of the Yangtze Rapid Steamship Co., stating that he knew the handwriting and adding:

"The money he refers to in the National City Bank was withdrawn by us under a letter from him which the bank accepted. The amount was Mexican dollars 3,679 which together with Mexican dollars 6,330 advanced by me personally made up the sum of Mexican dollars 10,000 which was paid over to the bandits last month.

We understand that the Hankow Consulate and the Legation are redoubling their efforts to obtain Baker's release possibly through the payment of flood relief wheat by the Chinese authorities at Hankow to the bandits. If this is likely to be done perhaps Mexican dollars 10,000 already paid unsuccessfully could be recovered thereby reimbursing Captain Baker for his share of the amount."

2. Pursuant to Department's telegram No. 120, March 28, 5 p.m., I instructed Peck at Nanking on March 31 to "Call upon Soong and tell him on my behalf that we have exhausted all private and official channels open to us to obtain Baker's release". I requested him to say "that it is up to the Chinese Government to take prompt and effective action and while we do not desire to stipulate any particular course of action the payment by Chinese of ransom appears to offer the best means of obtaining Baker's prompt and safe release. If the use of wheat or the securing of hostages appear to offer possibilities of success we shall expect the Chinese Government to adopt these means in an effort to save the life of an American citizen."

3. On April 1st Peck informed me that he had presented matter to Soong on the preceding day and that Soong had promised to see what could be done to effect release. On April 2nd Soong informed me by phone here in Shanghai that he was sending T. G. [C.] Hsi, chief of the engineering and labor relief division of the National Flood Relief to see me before proceeding to Hankow. He informed me that Hsi had been given discretionary powers to utilize wheat distribution in effecting release of Baker. As I was attending Sino-Japanese conference I asked Engert to see Hsi and give him all information in our possession which he did and Hsi left Shanghai by plane on April 2nd for Hankow via Nanking (see my telegram April 3 [2?], 11 a.m.<sup>33</sup>).

4. In this connection Peck telegraphed Hankow April 2, 7 p.m., as follows:

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<sup>33</sup> Not printed.

"Hsi has just called on me and is leaving for Hankow on Flood Relief Commission steamer in company with Colonel Stroebe April 3, 10 a.m. They will inspect dykes along the way and expect to arrive in Hankow April 6 or 7. He has instructed one of his assistants to meet him before he reaches Hankow to give details regarding Baker's capture and will call on you after arrival. In the meantime he may possibly telegraph you asking for information but he suggests that no other steps be taken in this connection until he issues instructions."

5. In view of the above it has seemed wise to me to let matters rest until information as to the result of this effort can be received. I hesitate doing anything here that would give it publicity lest such publicity hamper action which I believe Soong is taking. It therefore seems to me that it would be unwise for me to proceed to Nanking at this moment saying that I was going there on the Baker case or to send extra personnel into the Hankow district where Adams and the Navy have sufficient personnel to assist if necessary. Soong is in Shanghai and I shall endeavor to keep in touch with him with a view to learning of progress. I am also asking Hankow for information.

6. On April 8 I received from Mrs. Baker the following message:

"Family of Captain Charles Baker will forward several thousand gold dollars for ransom if this sum will be of benefit. What amount is demanded in gold dollars?"

And replied in code as follows on April 9th through Commandant 12th naval district:

"Your message received. Chinese Government is at present making renewed effort to obtain Captain Baker's release. Pending outcome of negotiations I suggest you give no publicity to your offer of ransom."

7. Hoyt now gives me the following cable which he received from Mrs. Baker April 13th.

"Wire ransom details latest developments rescue Captain Charles Baker. Also state health. Family very anxious."

Perhaps the Department could reply to her in such way as to keep details from the press for I am convinced that any publicity at this time will only result in failure. I cannot say this with too much emphasis.

8. Repeated to the Department, Peiping, Nanking and Hankow.

JOHNSON

393.1111 Baker, Charles/66 : Telegram

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

SHANGHAI, April 15, 1932—7 p.m.

[Received 8:34 p.m.]

Since my April 15, 11 a.m., I have learned that on April 8 Hoyt's assistant received from Baker the following signed letter dated March 27 copy of which Hoyt mailed to the American Consul General at Hankow and gave to the press but did not make available to me or the Consulate General here:

"I am instructed to write to you again, and I understand this will be the last time I can write. The Soviet are very impatient and cannot wait.

I was informed on the 15th of this month that they had heard from you again and that you had made them an offer of something less than the \$40,000. I wrote an answer stating that they would accept nothing less—have waited ever since but as you wrote nothing to me I think there was some mistake about it. This letter will be brought to Ichang by my companion here, Mr. Chwang; he was one of the compradore's staff on the lighter and has been acting as interpreter for me. There is not much I can say, Mr. Case, only what I have said before. They guarantee my release on the payment of \$40,000. I am also made to understand very plainly that if the \$40,000 is not forthcoming I am to die.

Now, Mr. Case, I do not want to die so in the name of God try and raise that money and let me out of here. I must ask you to act as quickly as you can in this matter as before stated they are very impatient and will not wait. Mr. Chwang will be expected back here in 10 days. Please act as quickly as you can and write me fully just what can be done.

It is needless to say anything about myself, only that I am weak, tired and nervous so I will close thanking you for everything."

JOHNSON

393.1111 Baker, Charles/69 : Telegram

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

WASHINGTON, April 16, 1932—7 p.m.

144. For the Minister. Your April 15, 11 a.m., April 15, 7 p.m. and April 16, 5 p.m.<sup>36</sup> Much of the information contained in your telegram of April 15, 11 a.m. had been previously reported to the Department. It is suggested that you instruct all offices reporting on this case to keep both you and Department informed.

<sup>36</sup> Telegram of April 16, 5 p.m., not printed.



The Department desires that the importance which it attaches to this case be made known vigorously not only to Soong but also to other ranking Chinese officials including Chiang Kai-shek. Using Department's telegram No. 140 of April 13, 6 p.m. as a basis for action, Department desires that you proceed to Nanking at once and that you send a ranking officer of the Legation's staff, whose primary duty will be the prosecution of this case, to the place or places where his efforts will be most likely to achieve success.

Department desires that you inform Chinese Government in writing as under instruction from the Department as follows:

"It has now been known to the Chinese Government and the American Government for 3 months that Captain Charles Baker has been in the hands of Chinese bandits and that these bandits are threatening to take Captain Baker's life if a ransom is not promptly paid. The American Government has communicated frequently with the Chinese Government in regard to this matter. The Chinese Government has frequently affirmed its intention to act vigorously and promptly toward effecting Captain Baker's release. In the opinion of the American Government such action as has been taken exhibits characteristics neither of sufficient vigor nor of sufficient promptness. It now appears that the captors have become increasingly insistent in their threats to take Captain Baker's life.

As the Chinese Government has already been informed, the American Government does not desire to stipulate a particular course of action to be followed by the Chinese Government but, in view of the renewed indications that Captain Baker's life is in imminent danger, the American Government is impelled to suggest that compliance with the demands of Captain Baker's captors that ransom be paid appears to offer the most likely means of obtaining the prompt and safe release of this American citizen. The American Government regards this case as urgently important. It expects of the Chinese Government every reasonable effort, both as regards time and as regards means.

The American Government does not wish to be compelled through evidence of negligence on the part of the Chinese Government to form an unfavorable judgment with regard to that Government's capacity and sense of responsibility."

Before proceeding to Nanking you should make it known that you will return to Shanghai within a few days but you may use your own discretion in making known the object of your trip to Nanking.

Department cautions against any impression being created that any of its representatives were concerned with or had any responsibility in connection with the withdrawal of Captain Baker's funds on deposit with the National City Bank at Shanghai.

The Department has noted that certain information in regard to the Baker case has been given out in China and suggests that you may wish to caution consular officers and others against any embarrassing

publicity. No information has been or will be given out by the Department which might prove damaging to the successful handling of this case. Captain Baker's relatives from the outset have been cautioned in this regard.

Give this matter priority and keep Department fully informed.

CASTLE

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893.1111 Baker, Charles/71 : Telegram

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

SHANGHAI, April 17, 1932—11 p.m.

[Received April 18—3 a.m.]

Your 144, April 16, 7 p.m. The following has just been received from Hankow:

"April 16, 2 p.m. My April 16, noon.<sup>37</sup>

1. I earnestly hope that there will be no publicity given matters mentioned in paragraphs 1 and 7 of your April 15, 11 a.m. Such publicity at this time would be disastrous.

2. Sir John Hope Simpson and Andrew arrived this morning and have just called on me for detailed discussion of plans for Baker's release. Andrew will have charge of the negotiations and will offer to Baker's captors additional dike reconstruction worth up to a limit of 500 tons of wheat for Baker's release. The Communists are hungry and the plan offers some hope of success because of the splendid qualifications of Andrew. This chance for success depends a good deal on our avoiding any misstep. I believe our wisest course now is to be quiet and watch developments."

JOHNSON

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893.00/11886 : Telegram

*The Consul at Amoy (Franklin) to the Acting Secretary of State*

AMOY, April 18, 1932—9 a.m.

[Received April 18—7:30 a.m.]

Referring to my cipher telegrams of April 14, 10 p.m.; April 16, 8 p.m.;<sup>38</sup> three Japanese destroyers, one American destroyer with division commander McCauley aboard, two Chinese gunboats, one British cruiser requested by British Consul on 13th instant, at present Amoy harbor. Motor bus service resumed to Changchow from mainland near Amoy. Two American missionary men returning to Changchow

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<sup>37</sup> Not printed.

<sup>38</sup> Neither printed.

today to investigate conditions of their interests.<sup>39</sup> Local Chinese authorities believe it inadvisable evacuate foreigners now in Amoy to return interior before question of opposing armies settled. General Chang Chen telegraphed me yesterday small portion of bandits defeated, large force not defeated, military operations Changchow, [so?] better that evacuated Americans remain in Amoy. Approximate value of American property in disturbed zone half million dollars United States currency.

Repeated to Legation.

FRANKLIN

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393.1111 Baker, Charles/72 : Telegram

*The Acting Secretary of State to the Consul General at Nanking  
(Peck)*

WASHINGTON, April 18, 1932—5 p.m.

37. For the Minister. In view of your April 17, 11 p.m., paragraph 2, Department authorizes you in your discretion to delete the last paragraph of the statement which the Department instructed you, in Department's 144, April 16, 7 p.m., to make in writing to the Chinese Government.<sup>40</sup>

In view of last two sentences of your telegram under reference, Department feels that the officer whom you detail for the duty of prosecuting this case should make and maintain closest possible contact with officials of the Chinese Government responsible for the carrying out of whatever plans may be adopted. The Department's most urgent desire in this connection is that there shall be no further delay and no effort be neglected which may advisedly contribute to the effecting of Baker's prompt and safe release.

CASTLE

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393.1111 Baker, Charles/74 : Telegram

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

NANKING, April 20, 1932—9 a.m.

[Received 9:30 a.m.]

Following telegram from Hankow dated April 19, noon; and my April 19, 8 p.m., to Hankow repeated for your information:

"April 19, noon. Your April 18, 11 a.m. An agent of Andrew has

<sup>39</sup> The Consul at Amoy in his telegram of April 18, 11 a.m., reported that these two Americans were returning to Amoy (893.00/11885).

<sup>40</sup> The Minister's note did not contain the paragraph referred to.

visited Baker's captors. The communist leader was under the impression that Baker owned all the Yangtze Rapid's vessels. The agent denied this and stated that no Americans were interested in paying further money for Baker's release. He stated, however, that he believed that if any harm came to Captain Baker the American Government would send naval vessels and airplanes to destroy communist towns. The communist leader replied that Baker's life would be guarded to the utmost. The agent made no attempt to open negotiations but gathered information that the bandits were now expecting about 30,000 dollars silver for Baker's release.

Andrew is proceeding carefully and it may be some time before there are any definite developments in the case."

"April 19, 8 p.m. Your April 19, noon. Acting under instructions from the Department of State I came to Nanking today and made strong protests to leaders in the Government against the lack of energy and promptness hitherto shown by the Chinese Government in connection with efforts for Baker's release. I was assured that telegraphic instructions would be sent immediately to Ho Chen-chun and Hsia Tou-ying to increase their efforts and it might be advisable for you to inform these officials that secret negotiations are under way and bespeak with negotiators such cooperation as may be necessary. Your April 19, noon, and the [*this?*] telegram will be repeated to the Department and Legation."

JOHNSON

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893.00/11889 : Telegram

*The Consul at Amoy (Franklin) to the Acting Secretary of State*

Amoy, April 20, 1932—4 p.m.

[Received April 20—9 :20 a.m.]

Referring to my telegram of April 19, 3 p.m.,<sup>41</sup> it is apparently true that Changchow has been captured. Refugees continue to flow into Amoy and International Settlement of Kulangsu. Four British submarines with mother ship arrived this afternoon en route to Weihaiwei for a visit of 3 days. Two Japanese destroyers to have left this morning have received orders to remain here. Americans at Tungan evacuating that place and coming to Kulangsu. My despatch No. 12, dated December 31, 1931, file No. 130.7<sup>41</sup> gives list of American citizens in this district with their addresses in the United States.

FRANKLIN

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<sup>41</sup> Not printed.

393.1111 Baker, Charles/77 : Telegram

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

SHANGHAI, April 23, 1932—noon.

[Received April 23—4:38 a.m.]

My April 19, 8 p.m., from Nanking<sup>43</sup> and the Department's 144, April 16, 7 p. m.

1. As directed by the Department I proceeded to Nanking by plane on April 19th. I saw General Chiang Kai-shek at 3 p. m. in the presence of Lo Wen-kan and using Department's 140, April 13, 6 p.m., as a basis informed him of the importance which the American Government attaches to this case and urged upon him the necessity of something being done to bring about the release of Captain Baker. In my presence General Chiang issued instructions that additional and urgent orders be sent to the National forces in that area to leave no effort untried in this matter.

2. I then proceeded to see Lo Wen-kan at the Foreign Office and gave him a formal note using the text quoted in Department's 144, April 16, 7 p. m., amended as authorized by the Department's April 18, 5 p. m., to Nanking. Lo expressed to me his great concern in the matter and stated that he would do his best to see that all forces of the Government cooperate in an effort to effect Baker's release. Both he and General Chiang had stated that they were anxious not to start any movement that might result in Baker's death, but that everything would be done to assist in his release.

3. Lo accompanied me to see Wang Ching-wei, President of the Executive Yuan, who issued immediate instructions that the civil and military authorities in the province of Hupeh be ordered to leave no means untried to effect Baker's release.

4. I have been unable to see T. V. Soong as he has been at Hangchow but I shall see him as soon as I can here at Shanghai.

5. It was of course unavoidable that my presence in Nanking and the reasons thereby should become public, although I urged upon every one I saw the necessity of keeping the matter quiet lest word of my activities reach Baker's captors and make more difficult the task of persuading them to release him.

6. The effort which T. V. Soong is making through his flood relief associates is necessarily being carried on in secret. I hope that it will meet with success but I was afraid that my efforts at Nanking might result in activities in Hupeh Province on the part of the military and provincial authorities which might hamper the activities of the agents of the flood relief.

<sup>43</sup> See telegram of April 20, 9 a.m., p. 496.

7. The use of ransom will of course tend to put a price upon the head of every foreigner in China and make it extremely dangerous for foreigners to go any place but I realize that this method probably offers the only means of effecting the release of Baker.

8. Firstly, because I consider the publicity attendant thereon would be bad and, secondly, because I consider that it is not yet clear as to where pressure should be brought, I hope the Department will authorize me to delay assigning any special officer to watch this case. The presence of such a person in Hupeh at this time would only serve to attract undue attention to the efforts now afoot and would, I am convinced, do more harm than good.

Repeated to the Legation.

JOHNSON

393.1111 Baker, Charles/80 : Telegram

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

WASHINGTON, April 23, 1932—2 p.m.

151. For the Minister. Your April 23, noon. The Department is gratified at the energetic presentation made by you of the Baker case to Chinese authorities at Nanking.

Referring to paragraph 8 of your telegram under reference Department grants you authorization requested to delay assigning special officer to watch this case.

CASTLE

893.00/11891 : Telegram

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

WASHINGTON, April 23, 1932—12 p.m.

152. For the Minister.

1. Under date April 23, 8 p.m., Franklin telegraphs from Amoy<sup>44</sup> that Amoy and Kulangsu may be threatened in near future by invading Chinese troops, believed to be so-called communists, who have recently captured nearby cities; that the Municipal Council of the International Settlement at Kulangsu on April 22 requested consular body to arrange with foreign naval authorities for assistance in case of need in (a) protecting Kulangsu and (b) evacuating foreigners; that plan for evacuation has been drawn up in cooperation with for-

<sup>44</sup> Telegram not printed.

eign naval authorities; that consular body has requested Chinese Admiral, in event of emergency, to protect waters adjacent to Kulangsu; and that foreign naval authorities state that they could evacuate foreigners on request from their respective consuls. Franklin "requests instruction regarding the question of defending International Settlement in the event of necessity for evacuation of foreigners and the British Consul is requesting similar instructions from his Government." Franklin adds that above information has been communicated to the Commander in Chief<sup>45</sup> by American naval vessel at Amoy.

2. Please telegraph Department your recommendations and those of the Commander in Chief, and indicate, if practicable, the views of the representatives of other interested powers.

CASTLE

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893.00/11895 : Telegram

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

SHANGHAI, April 25, 1932—11 a.m.

[Received April 25—5 a.m.]

Your 152, April 23, midnight.

1. Commander in Chief and I have considered situation at Amoy in the light of information available to us in telegrams repeated by Franklin and communicated by naval forces there.

2. U. S. S. *Canopus* with four submarines and U. S. S. *Tulsa* are at Amoy. We feel that this is sufficient force to ensure safe evacuation of Americans from Kulangsu should that prove necessary. Telegrams from naval forces do not indicate that additional force is necessary nor that grave emergency is imminent.

3. Commander in Chief has received under date of April 24th a telegram from Commander of U.S.S. *Tulsa* stating among other things that Admiral Lin is making an effort to collect forces for the protection of Amoy. He adds:

"I have agreed with British and Japanese senior naval officers that in the event of lives of foreigners being endangered, upon request of American Consul after he had been advised by municipal authorities of their inability to afford protection, to land sufficient forces to protect evacuation of American and foreign residents residing in north-eastern section of the International Settlement of Kulangsu in the vicinity of American Consulate: and British and Japanese senior officers have agreed to evacuate Americans and foreigners in other sections of the International Settlement. I have made no agreement

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<sup>45</sup> Montgomery Meigs Taylor, vice admiral.

with regard to protection of property and cooperative plan agreed upon only covers evacuation of foreigners.”

Plan thus described appears to us to be in line with the policy of the American Government in such contingencies and our recommendation is that this plan be followed.

4. My British colleague is in Nanking and I shall consult him as soon as he returns. British Admiral informs us that he does not consider situation at Amoy alarming.

JOHNSON

393.1111 Baker, Charles/79 : Telegram

*The Consul General at Hankow (Adams) to the Acting Secretary of State*

HANKOW, April 25, 1932—noon.

[Received April 25—5:50 a.m.]

49. 1. Mr. G. Findlay Andrew of the National Flood Relief Commission has now definitely initiated negotiations with the Communists who hold Baker. Andrew is also seeking to obtain the release of Father Sands (British) who was captured on August 16, 1931, and who is held by the same group who hold Baker.

2. Andrew's latest information is that Baker is well fed and now has his own personal servant. I suggest that information in this paragraph be given to Baker's wife in Oakland.

ADAMS

393.1111 Baker, Charles/83 : Telegram

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

WASHINGTON, April 25, 1932—5 p.m.

154. For the Minister. Your April 23, noon, and Department's 151, April 23, 2 p.m. Department desires that you continue your supervision of the efforts being made to obtain release of Captain Baker but suggests advisability of your instructing Peck to give the case his special attention by following closely all developments and constantly keeping the matter before the ranking officials at Nanking.

CASTLE



893.00/11893 : Telegram

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

PEIPING, April 25, 1932—5 p.m.

[Received April 25—6:50 a.m.]

470. The following telegram has been sent to American Consul General at Nanking:

“April 25, 3 p.m. Please call upon Minister for Foreign Affairs and inform him that the American Consul, Amoy reports the recent capture of Changchow by communist troops who looted American mission property at that place. It is also desired that you impress upon him the seriousness with which the Legation views the advance of these communist troops towards Amoy and that you request him to take all possible measures to protect American life and property at Amoy and Kulangsu. It is suggested that you leave an *aide-mémoire* in the above sense.”

Repeated to Shanghai.

For the Minister:

PERKINS

893.00/11896 : Telegram

*The Consul at Amoy (Franklin) to the Acting Secretary of State*

AMOY, April 25, 1932—6 p.m.

[Received April 25—9:10 a.m.]

[For the Minister.] Situation remains as set forth in my telegram of April 23, 8 p.m.<sup>46</sup> Naval authorities have drawn up cooperative plan for evacuation of foreigners in case of necessity. I feel no anxiety as to personal safety of Americans in the International Settlement. Request of Kulangsu Municipal Council of International Settlement for assistance by our naval forces in cooperation with other foreign and Chinese naval forces in the protection of Kulangsu in case of necessity awaits your instruction before my reply. My colleagues also awaiting such instructions. In my opinion necessity for these instructions not immediate. Admiral Lin states he believes presence of foreign warships now at Amoy act as deterrent to Communists contemplating advance in this direction. Cooperation between the Consulate and Commander Ross of U. S. S. *Tulsa* now at Amoy very satisfactory.

Repeated to Department [and Legation?].

FRANKLIN

<sup>46</sup> Not printed.

893.00/11895 : Telegram

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

WASHINGTON, April 25, 1932—9 p.m.

155. For the Minister. Your April 25, 11 a.m., in regard to Amoy.

1. Department approves your recommendation and that of the Commander-in-Chief in regard to the plan outlined in paragraph 3 of your telegram under reference. However, keep the Department fully informed, as the situation at Amoy develops, in regard to any different views which may be held by the representatives of the other most interested powers. Inform Amoy.

2. As of possible applicability in the present situation at Amoy, Department invites your attention to paragraph 4 of its instruction No. 272, August 15, 1930, 11 a.m.,<sup>47</sup> in regard to situation at Hankow, in which the then Commander-in-Chief concurred in principle (Legation's 738, August 22, 10 p.m.<sup>48</sup>), as follows:

"In the present situation, the Department feels warranted in suggesting that measures planned for protection of American lives and property need not be restricted to steps necessary for evacuation of American citizens; that cooperation in the work of policing, in case foreign forces undertake that work, would be justified; and that participation in measures intended to protect American and other foreign lives and property at Hankow from predatory and irresponsible armed forces, in the event of an attack, might be warranted."

The geographical situation at Amoy particularly lends itself to the logic of such a procedure. Political considerations may weigh contra.

Please discuss this with the Commander-in-Chief.

CASTLE

893.00/11907 : Telegram

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

SHANGHAI, April 27, 1932—3 p.m.

[Received April 27—5:19 a.m.]

Your 155, April 25, 9 p.m.

1. The British Minister has instructed his Consul at Amoy that it would be desirable to defend Kulangsu provided all naval commanders agreed and that foreigners should be evacuated only if absolutely

<sup>47</sup> *Foreign Relations*, 1930, vol. II, p. 169.

<sup>48</sup> *Ibid.*, p. 175.

necessary. He feels that an intimation that the Settlement would be defended may prevent attack.

2. In view of Amoy's April 25, 6 p.m., and April 26, 7 [10?] p.m.,<sup>49</sup> I shall not for the present issue definite instructions.

3. With regard to paragraph 2 of the Department's 155, I feel that complications which might arise from close cooperation with the Japanese in defending Kulangsu at this time would perhaps outweigh purely strategical considerations but I shall keep in touch with my British colleague and bear in mind Department's suggestion.

JOHNSON

893.00/11911 : Telegram

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

SHANGHAI, April 28, 1932—5 p.m.

[Received April 28—9:10 a.m.]

Since sending you my April 27, 3 p. m., I have been informed by the Commander in Chief that he yesterday authorized naval vessel at Amoy to cooperate with other foreign commanders in protection of property as well as evacuation of foreigners. I concur and shall instruct the Consul at Amoy accordingly.

JOHNSON

393.1111 Baker, Charles/87 : Telegram

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

SHANGHAI, April 29, 1932—3 p.m.

[Received April 29—10:30 a.m.]

Following from American Consul General at Hankow :

"April 28, 4 p. m.

1. The following is the substance of information received by Admiral Williams from Ichang: Bandits say that Baker is quite sick. They are anxious to deliver him before he dies. They are asking for \$10,000 and negotiations are being made for \$6,000. Yangtze Rapid agent[s] want a gunboat at Chenglingki to receive delivery of Baker after agreement with bandits has been reached.

2. I have no means of ascertaining immediately the truth or falsity of statement that Baker is ill but desire to point out that (a) on April 25 Andrew's information was that Baker was well fed and had his own personal servant. (b) Baker's letter dated March 27 contained no mention of illness beyond the statement that he was weak, tired and nervous. (c) Nelson and captors have, at least on one occasion,

<sup>49</sup> Latter not printed.

in order to hasten payment of goods for his release, alleged that he was very sick and might die at any time.

3. I have not been informed whether Yangtze Rapid agents at Ichang have actually succeeded in obtaining \$6,000 for payment to Baker's captors but I understand that they hope to obtain it from a "confidential source". Hoyt says that the company will advance no funds and that he personally will not pay any more ransom money.

4. It seems obvious that attempts to conduct two independent negotiations with Baker's captors can only result in confusion and failure and I believe that Andrew, with his experience and organization, is better qualified to complete successfully negotiations for Baker's release than are the Ichang agents of the Yangtze Rapid Steamboat Company. In addition to this I have assured Sir John Hope Simpson and Andrew that we will depend on them and hold in abeyance other efforts to obtain Baker's release so as not to prejudice their efforts.

5. Under these circumstances I have wired the Ichang agents of the Yangtze Rapid Steamship Company that I understand that Hoyt has requested them to drop their negotiations and have suggested that they explain to the bandits' messenger that they have failed in their efforts to obtain any money for the payment of further ransom."

JOHNSON

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393.1111 Baker. Charles/89 : Telegram

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

WASHINGTON, April 30, 1932—1 p.m.

159. For the Minister. Your April 29, 3 p. m. Action taken by Adams as indicated in paragraph 5 of your telegram under reference appears logical but Department is not in a position to comment intelligently upon details in connection with the prosecution of the Baker case. Department, however, feels that it would be dangerous to base any action upon the assumption that bandits' statement concerning Baker's illness is untrue. Department trusts that Andrew will find it possible to investigate and proceed with negotiations without delay.

CASTLE

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893.00/11915 : Telegram

*The Consul at Amoy (Franklin) to the Acting Secretary of State*

AMOY, May 1, 1932—10 a.m.  
[Received May 1—1:40 a.m.]

For the Minister. Referring to my telegram of April 30, noon,<sup>50</sup> and previous. Consular body has considered request of Municipal

<sup>50</sup> Not printed.

Council, International Settlement, Kulangsu for reenforcements from the ships of various foreign powers represented in this port sufficient to cooperate with the Municipal Council in preserving peace and order and agree that present danger force inadequate to ensure safety to life and property in Settlement. Municipal Council's request has been forwarded to senior naval officer present and also to our respective naval representatives. Consular body would be glad if we consider the question of landing a party of men from the ships sufficient to cooperate with the police in preserving peace and order, emphasizing the point that the landing of reenforcements now asked for is merely in the nature of a precaution towards protection against disturbances in Settlement.

Americans and foreigners on the mainland at Sungsu evacuated at 2 o'clock this morning by American and British naval forces owing to suspicious groups of men seen approaching that place. Kulangsu and Amoy quiet.

Repeated to Department and Legation.

FRANKLIN

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893.00/11918 : Telegram

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

SHANGHAI, May 2, 1932—11 a.m.

[Received May 2—9:10 a.m.]

[Following to Amoy.] Your May 1, 10 a.m. Commander in Chief has communicated to me message from senior American naval officer at Amoy 0001-1500. In reply Commander in Chief has issued following instructions:

“If in your opinion lives and property of foreigners are menaced you are authorized to land in cooperation with other naval forces present as recommended. Such landing should be preliminary to evacuation. A continued operation is not contemplated. Forces should be withdrawn at earliest moment.”

In view of complicated situation I desire that you be particularly cautious lest some unforeseen incident involve us in operations beyond those strictly necessary for the protection of American life. We should not be involved in the permanent policing of Kulangsu with our forces. The situation in and around Amoy is very obscure to me. Please keep me currently informed.

JOHNSON

893.00/11923 : Telegram

*The Consul at Amoy (Franklin) to the Acting Secretary of State*

AMOY, May 3, 1932—1 a.m.

[Received May 2—8:22 p.m.]

For the Minister. Referring to my telegram of May 2, 9 a.m.,<sup>51</sup> and May 1, 10 a.m., other members of the consular body inform me that they have received individual instructions to cooperate with other foreign powers in landing naval forces now to assist policing International Settlement at Kulangsu to avoid possible evacuation. They believe that the landing of naval forces at this time would have a steadying influence and reassuring effect on foreigners resident in International Settlement and also that it is advisable to prevent necessity of evacuation. Also that it is impossible to prevent evacuation unless forces which might cause evacuation are kept in order; they believe it would be by the landing of forces from foreign naval vessels now in port. United States naval officer commanding emphasizes that our forces will land only in case the lives and property of foreign residents of Kulangsu are menaced and as a preliminary to evacuation unless specifically instructed otherwise. Collective allied armed forces have never been landed on this settlement. I respectfully suggest that if the landing of our naval forces is authorized under above conditions that a time limit, probably 30 days, for their remaining on the island be set and that the Municipal Council be instructed by the consular body that they must find some means of augmenting their police force within that period sufficiently to protect lives and property of residents of Kulangsu against present menace.

I am informed by municipal authorities that at least 10,000 Chinese refugees (Japanese Consul informs me 20,000, I believe 10,000 more correct) have arrived on [island of] International Settlement of Kulangsu and are increasing daily by about 200 which police are unable to stop entirely. Police force on Settlement now increased from 100 to 112 as municipal authorities maintain inability to find more. On International Settlement there are approximately 86 American and 33 Philippine citizens, 100 British, 253 Japanese (nearly 9,000 Formosans on island of Amoy), 35,000 Chinese plus 10,000 refugees.

Situation as I understand it is as follows:

Nationalistic or anti-communistic forces reported to be in control of cities of Chuanchow and Tungan and neighboring districts. Mainland southwest of Amoy as far as Unsio and as far northwest from Unsio as Lungyen and beyond an unknown distance from Lungyen,

<sup>51</sup> Not printed.

and City of Changchow 32 miles due west of Amoy, in the hands of Communists or Reds. Admiral Lin assures me he can control situation on island of Amoy and has at least 4,000 armed men and 4 naval vessels but outbreak feared in Amoy due to subversive communistic propaganda. General Chang Chen has retreated as far southwest as Chaoan and believed to have left in his army only 1,000 men. As reported in my telegram of April 27 [26?], 7 [10?] p.m.,<sup>52</sup> General Chang's Chief of Staff, General Han Hui-jung, is established southwest of Tungan with small number of loyal troops but he is suspicious of General Chen Kuo-hui at Chuanchow. No reliable reports received of Cantonese troops reported in my telegram of April 26, 7 [10?] p.m. It is reported from local official sources that 1,000 anti-communistic volunteers under Li Ying [Yu?] shu owing allegiance to Admiral Lin, and Chen T'ieh-ch'ing owing allegiance to General Chen Kuo-hui, are now attempting to attack Changchow. [Apparent omission] 50 armed anti-communistic volunteers. On the mainland at Sungsu [apparent omission.] Naval vessels completely surround island of Kulangsu ready with landing forces.

I believe the Municipal Council to be delinquent in their duties in not providing by this time what they consider to be adequate police strength which their chief of police estimates as at least 30 more than at present, and one more European official.

Repeated to Department and Legation.

FRANKLIN

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893.00/11922 : Telegram

*The Consul at Amoy (Franklin) to the Acting Secretary of State*

Amoy, May 3, 1932—4 p.m.  
[Received May 3—9:20 a.m.]

For the Minister. Referring to my telegram of May 3, 1 a.m., and to the Minister's telegram of May 2, 11 a.m. I have this morning at consular body meeting informed my colleagues that my instructions are the same as those received by our senior naval officers and that American naval operations will not be used on International Settlement at Kulangsu beyond those strictly necessary for the protection of American life, in connection with which a menace appears to be present but not in action. At this meeting the consular body recommended to the President of the Municipal Council making efforts to obtain additional police from Shanghai and Hong Kong and issuance of proclamation of assurances that there was no cause for alarm

<sup>52</sup> Not printed.

with so many foreign warships in China. Consul Green in Swatow telegraphs me as follows:

“May 3, 10 a.m. Missionaries who have evacuated Ungkung report that troops sent to combat Communists in Fukien are disbanding and refusing to fight. No Americans at Ungkung, situation being watched closely. So far only slight indication that Communists might enter Eastern Kwangtung.”

I understand Ungkung is about 10 miles southwest of Chaoan across Fukien border. Repeated to Shanghai and Legation.

FRANKLIN

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893.00/11924 : Telegram

*The Consul at Amoy (Franklin) to the Acting Secretary of State*

Amoy, May 3, 1932—10 p.m.  
[Received May 3—1:20 p.m.]

[For the Minister.] Referring to my telegram of May 3, 4 p.m., and previous. Following proclamation to be issued by Municipal Council of International Settlement at Kulangsu:

“The recent communist activities in the Changchow and Haiteng districts and the generally unsettled conditions prevalent on the mainland near Kulangsu have resulted in a large influx of refugees into the Settlement.

These prevailing conditions have caused many people on Kulangsu to have fears that trouble may break out in the Settlement.

This proclamation is issued to reassure the inhabitants of Kulangsu that no such fears need be entertained, and also to inform them that adequate steps have already been taken so that in the remote event of trouble breaking out the peace and good order of the Settlement will be maintained.

It has been necessary for the Council to make special regulations to meet the present situation, and it is the duty of every resident to conform in every way to these regulations so that the safety and welfare of the Settlement may be insured.”

Please telegraph me date and hour of receipt.

Repeated to Department and Legation.

FRANKLIN

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393.1111 Baker, Charles/90 : Telegram

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

SHANGHAI, May 4, 1932—1 p.m.  
[Received May 4—9:25 a.m.]

My April 23, noon.

1. I called on T. V. Soong here yesterday and handed to him copies



of letters received from Baker which were quoted in Shanghai's 207, April 12, 9 a. m.,<sup>53</sup> my April 15, 7 p. m. I informed Soong of the importance which the American Government attaches to this case and explained to him what I had done at Nanking.

2. I thanked Soong for the assistance which he is giving through the despatch of Mr. Hsi and the help which Mr. Findlay Andrew and Sir John Hope Simpson were giving in connection with flood relief in the area where Baker is held.

3. In the afternoon I saw Sir John Hope Simpson and also Mr. Andrew. The latter is in immediate contact through his agents with the communist forces who hold Baker as well as British priest, Father Sands. Andrew told me that they were now negotiating for the release of Father Sands preliminary to tackling the more difficult problem of Baker. Sands represents a simpler problem because Communists expect little in the way of ransom, and success in his case will furnish idea as to the probabilities in the case of Baker who is looked upon by Communists as being an important man. They believe him to be the owner of the Yangtze Rapid Steamship Company and rumored activities of American Government on his behalf are reaching them with the result that they are likely to make their demands in his case high and difficult.

4. Andrew asked me to do what we could to prevent further publicity. Success of his efforts depends entirely upon the absence of all publicity in the matter. He hopes that within 2 or 3 weeks he will have some results. I therefore trust that Department will approve my leaving matter entirely quiet for the time being as I am confident that there is little we can do to strengthen the hands of Andrew, Soong having given him *carte blanche* in so far as use of flood relief supplies is concerned. Success of his game depends on their getting it done before the crops come in.

5. I gather from Andrew and others that Von Wiegand and Lady Drummond-Hay, who have recently made a trip up the river for the purpose of getting news, have been fanning public interest in this case through their telegrams to the Hearst papers. It is hoped that interest in this matter will quiet now that these correspondents have gone.

Repeated to Department, Hankow, Nanking.

JOHNSON

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<sup>53</sup> Not printed.

893.00/11932 : Telegram

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

PEIPING, May 6, 1932—10 a.m.

[Received May 6—12:45 a.m.]

500. Legation's 470, April 25, 5 p.m. Following from American Consul General at Nanking:

"May 2, 11 a.m. Your April 25, 3 p.m. I called upon Minister for Foreign Affairs April 26 and left with him an *aide-mémoire* which urged the National Government to take all possible measures to protect American life and property in Amoy and Kulangsu. A note from the Ministry dated May 4 states that the Fukien Provincial Government, the Ministry of the Navy and the Ministries [*Ministry?*] of Military Administration, have been instructed by the National Government to instruct the naval and military forces at Amoy and Kulangsu to give full and special protection to American life and property there."

For the Minister:

PERKINS

393.1111 Baker, Charles/93 : Telegram

*The Consul General at Hankow (Adams) to the Acting Secretary of State*

HANKOW, May 9, 1932—4 p.m.

[Received May 9—5:25 a.m.]

52. Mr. Findlay Andrew obtained the release of Father Sands last night. Sands reports that Baker is in good health and is well treated. This is confirmed by two letters in Baker's handwriting dated April 28 and May 2, respectively. Mr. Andrew states that while success in Baker's case is still uncertain, he believes that the prospects are more hopeful than when he saw the Minister in Shanghai. Andrew has canceled a trip to Kansu so he personally may work on the Baker case.

Mr. Andrew feels that any publicity now will prejudice Baker's chances. Fully concur with him in this.

ADAMS

893.00/11954 : Telegram

*The Consul at Amoy (Franklin) to the Secretary of State*

AMOY, May 15, 1932—11 p.m.

[Received May 16—12:35 a.m.]

Following sent to Legation:

Referring to my telegram of May 11, 2 p. m., and my despatches

numbers 44 and 43 dated May 6th last, respectively,<sup>54</sup> and previous regarding protection of International Settlement at Kulangsu, at a consular meeting this noon the British Consul read a telegram which he said he was sending to his Minister recommending the landing of forces at once from the British naval vessels for protection of the International Settlement in cooperation with police; the French Consul stated he received instructions yesterday authorizing the landing of French naval forces at present as question of the defense of the Settlement considered by his Minister preferable to evacuation; Japanese Consul stated that he was requesting instructions from Tokyo authorizing landing of Japanese naval forces now as he approved of the plan to defend Settlement rather than evacuation. The above is outgrowth of our refusal to land in cooperation with other naval forces to defend Settlement except as preliminary to evacuation.

The instructions set forth in the Minister's telegram of May 2, 11 a. m., in reply to my telegram of May 1, 10 a. m., as well as his telegraphic instructions of April 29, 9 a. m.,<sup>55</sup> are explicit and have been explained to my colleagues but I believe they are now agreed to permit independent action instead of cooperative action as the Kulangsu Municipal Council states that they are unable to obtain more police or more funds for policing Kulangsu. Situation in and around Amoy remains substantially as set forth in my telegrams of May 11, 2 p. m., May 8, noon,<sup>56</sup> May 3, 10 p. m., May 3, 4 p. m., and especially May 3, 1 p. m. [*a.m.*]

The situation, as I see it, does not at present call for landing of naval forces for evacuation purposes.

Apparently my colleagues have been instructed to favor defense of or have reason to believe that their governments will defend International Settlement by landing naval forces at once to assist police and thus prevent necessity for total evacuation. I am aware of seriousness of present Communists' menace to lives and property of Americans and that this menace may increase and become active in which case our naval force can land within undertakings but other naval forces might take longer as their present anchorages not so near to landings and bad weather might also cause them delay and these reasons also urged by my colleagues as necessity for having naval force ashore.

Conference regarding concerted action to [*for?*] counteracting Communists held today at Amoy by Generals Chang Chen, Chen Kuo-hui and Yang Feng-nien, Admirals Chen Chi-liang and K. K. Lin.

I inspected three refugee camps in Settlement this morning and found people apparently contented and cared for. Settlement and Amoy quiet.

Above wired to Commander Paul H. Rice, commanding U. S. S. *Tulsa*.

FRANKLIN

<sup>54</sup> None printed.

<sup>55</sup> Latter not printed.

<sup>56</sup> Neither printed.

893.00/11955 : Telegram

*The Minister in China (Johnson) to the Secretary of State*PEIPING, May 16, 1932—7 p.m.  
[Received May 16—10:05 a.m.]

## 533. Following from Nanking:

“May 16, 1 p. m. Wilden, French Minister, will leave Nanking May 17, 7 p.m. He would greatly appreciate information from you before he leaves whether the American naval forces at Amoy are now under instructions to join with naval forces of other nations in resisting hostile Chinese attack on Kulangsu if it occurs. He has heard an intimation that American forces are now under orders not to offer resistance but to confine their activities to evacuating American citizens. He desires above information for guidance in issuing instructions to the French naval forces. Respectfully request that you telegraph reply for transmission to the French Minister.”

To which I have replied as follows:

“May 16, 6 p. m. Your May 16, 1 p. m. Please inform French Legation that present instructions to American naval forces at Amoy contemplate landing force for the purpose of preparing for evacuation.”

JOHNSON

893.00/11955 : Telegram

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

WASHINGTON, May 16, 1932—8 p.m.

125. Your 533, May 16, 7 p. m., last paragraph, and Amoy's telegram to Legation relayed to Department under date May 15, 11 p. m.

Reference Department's 155, April 25, 9 p. m., to Shanghai, for the Minister, and earlier communications referred to therein.

The Department feels it desirable to avoid as far as possible the appearance or the fact of refusing to cooperate with other powers in measures which may seem reasonably conceived for the preservation of the order and safety of the International Settlement of Kulangsu in the presence of a threatened attack by unauthorized and irregular Chinese armed forces. If the presence landed there [*sic*] of foreign armed forces will tend to give locally a sense of security and to discourage an impending attack, we favor the landing and temporary presence there of such forces and we believe that American forces should share in the undertaking. We realize that there is a possibility that, once the various units are landed for that purpose, one or another of the countries represented may, when the emergency has

passed, give evidence of reluctance to withdraw. We feel that such a hazard must be incurred and such a consequence, if it develops, be dealt with in due course. We feel that a policy of cooperation at the outset is preferable to one of non-cooperation and is more likely to enable us to influence the course of events as the situation develops. On the basis of all the information available here, we see no need, in the situation as it now stands, for proceeding immediately to evacuate.

The above point of view has been discussed with the Navy Department, and the Navy Department concurs.

Please communicate the above immediately, as representing this Department's view, to the Commander in Chief.

STIMSON

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893.00/11971 : Telegram

*The Consul at Amoy (Franklin) to the Secretary of State*

AMOY, May 19, 1932—11 a.m. [*p.m.*]

[Received 7:13 p.m.]

Following sent to Legation.

Referring to your telegram of May 17, 7 p.m., transmitting paraphrase of the Department's 125, May 16, 8 p.m., following sentences excerpts from consular meeting minutes today which meeting was attended by senior naval officers and President of the Municipal Council and Acting Chief of Police:

"Japanese Consul authorized to land forces if all powers concerned are willing to cooperate."

"British Consul received a telegram April 24th from his Minister which said that should a real attack threaten Kulangsu he agreed, with the concurrence of the Commander in Chief, to the defense of Kulangsu provided American cooperation assured. British Consul on May 16th telegraphed for authority to land in cooperation with French and Japanese only in the event of American authorities still being unable to agree. He has telegraphed again to his Minister informing him of authority now given to American forces and stating it is his firm belief that they should land forces now."

I informed my colleagues that if a feeling of security at this time will result if armed forces are landed, and [if they?] plan to discourage any impending attack, our forces are now prepared to do so in cooperative plan.

We, the consular body, consider the present situation warrants the landing of forces in complete cooperation when the British Consul receives necessary authority as we believe such action will be instrumental in creating a feeling of security at this time and will tend to discourage any impending attack. It was the general opinion at the meeting that the situation was more acute than 2 weeks ago but it is my opinion that it has not changed since May 3rd.

I understand that my Government now considers it more important to assist in presenting a united front to possible active communistic menace and that the policy of cooperation overshadows the question

of landing armed forces only for evacuation purposes or as a preventive measure.

If the Department's instruction to which I refer had not been received, the consular body at Amoy would probably never have known that the British senior naval officers and Consul did not have the instructions we were led to believe they had and which were referred to in my telegram May 2, 9 a. m.,<sup>57</sup> and my May 3, 1 a. m. By way of explanation the British Consul stated at the consular body meeting this morning that he and the senior British naval officers assumed on May 1st, last that they would receive instructions to land armed forces if the American armed forces were authorized to land.

It is generally felt amongst my colleagues that the landing of such armed forces would make this settlement a zone of safety against communistic menace. I have been unable to obtain assurances from my colleagues as to what they might consider a suitable time for withdrawal of armed forces should they be landed.

Repeated to Department.

FRANKLIN

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893.00/11985.: Telegram

*The Consul at Amoy (Franklin) to the Secretary of State*

Amoy, May 25, 1932—11 a.m.

[Received May 25—10 a.m.]

Following sent to Legation.

Referring to my telegram of May 21, 3 p.m., the Chinese authorities inform me that General Fang Sheng-t'ao, chairman of the Fukien Provincial Government is now arranging counterattack on Communists, with headquarters at Tungan, approximately 15 miles north of Amoy.

It is reported from Admiral K. K. Lin's office that the 19th Route Army at Shanghai is coming to Province of Fukien end of May to suppress Communists and P'ingho and Siokhe west southwest of Amoy recaptured from Communists by local volunteers. Persistent rumors current of possible split among ranks of Communists.

The British Consul, in a memorandum dated May 23 to the Consular Corps, states that he "is not at present authorized to request his senior naval officer to land forces with a view to putting plan B into operation". Plan B provides for landing of armed forces at consulates and patrolling of certain defined districts in the Settlement. Thus, cooperative plan for landing armed forces to discourage impending attack and creating a feeling of security is not in operation and no armed forces have been landed to date.

Repeated to the Department.

FRANKLIN

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<sup>57</sup> Not printed.

893.1111 Baker, Charles/101 : Telegram

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

PEIPING, May 27, 1932—4 p.m.

[Received May 27—10:40 a.m.]

574. Legation's 567, May 25, 7 p. m.<sup>58</sup>

[1.] Following from American Consul General at Hankow,

"May 26, noon. My May 25, 5 p. m. Andrew has paid over to Baker's captors \$34,000 and obtained their receipt for 416 tons of wheat. After the Communists had received this payment in full for Baker's release, one faction refused to release Baker without receiving further payment. Present status of the matter is that Communists have offered to release Baker and take two Chinese hostages in his stead provided Andrew will agree to deliver merchandise totaling about \$15,000 in value. Andrew is negotiating with them on this point. Baker is to be released before any further deliveries are made but agreement for further deliveries must be made before release,"

and

"May 26, 4 p. m. My May 26, noon. (1) Present situation is hopeful. Two Chinese engineers have gone to Chuho to act as hostages. Andrew's present problem now is to agree on the amount and kind of merchandise to be sent to the Communists for Baker's release.

(2) General representations demanding that the National Government obtain Baker's release have resulted in instructions to the magistrates in the areas adjacent to Kieli that they go in and obtain Baker's release. The Communists are aware of these instructions which have therefore greatly increased the difficulties of Andrew's negotiations. It is of the utmost importance that no more representations be made to the Nanking Government at present.

(3) I have great admiration for the patience and resourcefulness which Andrew and his Chinese associates are displaying in their efforts to obtain Baker's release."

American Consul General at Nanking directly informed by Adams.

2. As previously stated Communists have excellent intelligence service and Legation suggests that above reports be treated as strictly confidential lest publicity cause further miscarriage in plans to secure Baker's release.

JOHNSON

893.1111 Baker, Charles/102 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, June 1, 1932—8 a.m.

[Received June 1—12:45 a.m.]

61. 1. Baker was released last night and is at Chenglingki. Proceeding Yochow this morning.

<sup>58</sup> Not printed.

2. Baker's release was obtained through the careful and skillful work of G. Findlay Andrew who was ably assisted by his Chinese associates in the National Flood Relief Commission. In procuring Baker's release, Andrew used American flood relief wheat and the resources of the organization of the National Flood Relief Commission which was engaged in reconstructing dikes in the area where Baker was held captive. Baker's ransom was the equivalent of approximately 500 tons of wheat.

3. Admiral Williams is, at my request, sending a gunboat to Yochow to bring Baker to Hankow because it is considered unsafe for Baker to travel to Hankow by train.

4. I respectfully suggest that the Department, in news releases, feature Andrew's brilliant work.

5. Please inform Mrs. Baker in Oakland, California.

ADAMS

393.11/1551 : Telegram

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

WASHINGTON, June 1, 1932—6 p.m.

138. Your despatch 1468, April 7. Department is of the opinion that proclamations should be issued only for the protection of American-owned goods whether in the possession of Americans or foreigners. In cases where American-owned goods constitute only a part, proclamations may be issued describing the goods to which they relate but proclamations should not be issued in any case unless Consul has adequate assurance that they will not be used improperly.

STIMSON

393.1111 Nelson, Bert N./147

*The American Minister in China (Johnson) to the Chinese Minister for Foreign Affairs (Lo)*<sup>59</sup>

No. 439

PEIPING, June 1, 1932.

EXCELLENCY: I have the honor to refer to Your Excellency's formal note of April 22, 1932,<sup>60</sup> in which you were good enough to inform me that the Honan Provincial Government had issued instructions that prompt action be taken in connection with the robbery of money and supplies near Kwangshan.

<sup>59</sup> Copy transmitted to the Department by the Minister in China in his despatch No. 1559, June 1; received July 5.

<sup>60</sup> Not printed.



I am now in receipt of a further report from the American Consul General at Hankow<sup>62</sup> in which he states that Ch'iu Chu-hsien and the others involved in the robbery are still at large and that the present Magistrate has taken no action whatever. It appears to the Legation that the issuance of general instructions is productive of absolutely no result and it is, therefore, requested that specific instructions be issued ordering the chief of the Kwangshan militia to proceed to Kaifeng for investigation. I cannot but again urge upon Your Excellency the imperative necessity for effective action in this matter.

I avail myself [etc.]

NELSON TRUSLER JOHNSON

393.1111 Baker, Charles/126

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

No. 71

WASHINGTON, June 9, 1932.

SIR: The Department desires that you appropriately express to the British Foreign Office the American Government's sincere appreciation of the invaluable assistance rendered by Mr. G. Findlay Andrew, of the National Flood Relief Commission in China, in effecting the release of Captain Charles Baker, an American citizen, who, on January 16, 1932, was captured by Chinese bandits at Low Point on the Yangtze River.

The Department desires particularly to commend the skillful and effective manner in which Mr. Andrew conducted his negotiations with the Chinese bandits as well as the excellent judgment, resourcefulness and untiring effort which he at all times displayed during the prosecution of this difficult case, which was brought to a successful conclusion by the freeing of Captain Baker on May 31, 1932.

Very truly yours,

HENRY L. STIMSON

393.1111 Baker, Charles/129

*The Secretary of State to the Chinese Chargé (Yen)*

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of China and acknowledges with thanks the receipt of his note of June 4, 1932,<sup>62</sup> stating that a cablegram was received on that day from the Ministry of Foreign Affairs in Nanking to the effect that Captain Charles Baker had been released. The Department of State is gratified at the safe release of this American

<sup>62</sup> Not printed.

citizen and is appreciative of efforts to that end put forth by the Chinese Government and its agencies.

WASHINGTON, June 10, 1932.

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393.1111 Vikner, Nyhus, et al/1 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, June 28, 1932—noon.

[Received June 28—4:20 a.m.]

69. 1. Missionary who escaped from Kikungshan and who reached Hankow last night reports that the following 10 American missionaries were captured on Kikungshan by Communists before daylight on June 26:

Mr. and Mrs. D. W. Vikner and three children of Mead, Nebraska; Mrs. Erik Sovik and son of Northfield, Minnesota; Mr. and Mrs. Arthur E. Nyhus and infant child of Fink [*Fertile*], Iowa.

2. These people had been emphatically warned by me that Kikungshan was not safe as a summer resort. See my despatch No. L 119 [114] to the Legation and [139] to the Department dated June [April] 20, entitled "Kikungshan as a summer resort".<sup>63</sup>

It should be borne in mind that the presence of these people on Kikungshan had nothing whatever to do with any religious conviction. They were merely on vacation at Kikungshan for the 3 summer months.

3. The Peiping-Hankow Railway is cut at Kwangshui, Hupeh, 7 miles this side of Kikungshan. I am making urgent telegraphic representations to the Chairman of the Honan Provincial Government and hope that the Legation will make representations to the National Government.

ADAMS

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393.1111 Vikner, Nyhus, et al/9 : Telegram

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

PEIPING, June 29, 1932—3 p.m.

[Received June 29—6:30 a.m.]

740. Hankow's priority June 28, noon, concerning capture by Communists of 10 American citizens vacationing at Kikungshan, Honan, and Hankow's priority June 29, 11 a. m.,<sup>64</sup> concerning subsequent release of all captives other than Vikner and Nyhus. The Legation is making urgent representations at Nanking and is despatching a

<sup>63</sup> Neither printed.

<sup>64</sup> Latter not printed.

member of its staff down the Peiping-Hankow Railway for the purpose of discreetly investigating the situation and of bringing direct pressure upon the Honan authorities. In this regard however it is to be pointed out that previous experience shows that all public efforts on our part in behalf of such unfortunate captives is calculated to increase their value to their captors in what is really a war of extermination between them and the constituted authorities of China.

2. The Legation has a feeling of sorrow that these kindly people should have fallen victims to such a disaster. It wishes, however, emphatically to invite the Department's attention to the fact that the Consul General at Hankow had used every means within his power to bring home to them the danger of using Kikungshan as a summer resort. The Legation also wishes emphatically to urge that the Department do what it can to impress upon the mission boards involved and all other mission and business organizations having representatives in the Yangtze Valley to withdraw their people from the areas in which so-called Chinese communism has been established. The Chinese Government is bending every effort to reestablish its authority in the areas named and to that end has within recent days sent increased forces to suppress banditry and communism there. It is, therefore, obvious that it will be to the advantage of roving communist bands to seize foreigners and hold them as hostages in the hope of paralyzing the Government's efforts.

The Legation believes that at times like this Americans should be kept out of such areas.

3. Legation's records show that Vikners are members of Augustana Synod Mission, Yuchow, Honan; Soviks of Lutheran United Mission at Shekow, Hupeh; Nyhuses of Lutheran Brethren Mission at Tsao-yang, Hupeh. Mission directory shows H. W. K. Sandy as member of Wesleyan Methodist Missionary Society at Wuchang, Hupeh.

4. Legation requests special allotment of dollars \$100 gold to cover expenses of representatives sent to Honan as stated in paragraph 1.<sup>65</sup>

JOHNSON

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393.1111 Vikner, Nyhus, et al/18: Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, July 2, 1932—8 p.m.

[Received July 2—9:45 a.m.]

76. My 75, July 2, 3 p.m.<sup>66</sup> Vikner and Nyhus were released on July 1st at Hsiatien, Hupeh, following conference of communist

<sup>65</sup> This request was granted (393.1111 Vikner, Nyhus, et al/11).

<sup>66</sup> Not printed.

leaders who stated that they gave the captives freedom because the latter belonged to poor missions and had done nothing inimical to communism. Memorandum of interesting statement of Vikner and Nyhus follows by mail.<sup>67</sup>

ADAMS

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393.11/1593 : Telegram

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

PEIPING, July 8, 1932—3 p.m.  
[Received July 8—7:05 a.m.]

784. Following from American Consul General at Nanking, July 7, 4 p. m.

“Memorandum from the Chinese Foreign Office dated July 6 reads in translation as follows:

“The Ministry of Foreign Affairs has the honor to state that communist bandits are very active in the province of Honan and that efforts are being made to surround and exterminate the bandits. During the period of bandit suppression, it is requested that you instruct American citizens residing in the regions east and west of the railway extending from Chengchow south to the Hupeh border to evacuate temporarily in order to avoid danger”.

JOHNSON

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393.1111 Vikner, Nyhus, et al/26

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

No. 805

WASHINGTON, July 8, 1932.

SIR: Referring to your telegram No. 740 of June 29, 1932, in regard to the capture on June 26, by so-called communists, of 10 American citizens at Kikungshan, there is enclosed for your information a copy of a letter dated July 1, 1932,<sup>67</sup> to the National Catholic Welfare Conference with regard to the advisability of withdrawing their representatives in the disturbed areas in China to places where conditions afford a reasonable measure of safety. Similar letters were sent also to the International Missionary Council and to the National Lutheran Council.

Very truly yours,

For the Secretary of State:  
W. R. CASTLE, JR.

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<sup>67</sup> Not printed.

493.11 Ekvall, Henry/1 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, August 3, 1932—noon.

[Received August 3—6:35 a.m.]

82. William G. Englund, American at Sianfu, Shensi, reported to me on August 2nd that Henry Ekvall, American, Gustaf Tornvall, Swede, and a Japanese traveling by automobile from Kansu to Sianfu missing since the morning of July 23rd. They were last seen 50 li from Sianfu. Englund stated that there is strong reason for suspecting foul play outside Sianfu. I have telegraphed the Chairman of the Shensi Provincial Government demanding prompt and thorough investigation with the object of affording all protection to Ekvall and punishing anyone guilty harming him. I have also asked for information gathered by investigation.

ADAMS

493.11 Ekvall, Henry/2 : Telegram

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

PEIPING, August 4, 1932—2 p. m.

[Received August 4—2:40 a. m.]

898. Hankow's August 3, noon, concerning disappearance of Henry Ekvall an American citizen in company with a Swede and a Japanese national last seen near Sianfu. Legation has instructed Counselor Peck at Nanking to make urgent representations in the matter to the Ministry of Foreign Affairs.

JOHNSON

493.11 Ekvall, Henry/5 : Telegram

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

PEIPING, August 7, 1932—3 p. m.

[Received August 7—7:10 a. m.]

909. Legation's 908, August 6, 9 p. m.<sup>68</sup> Paragraph 3, Hankow's August 6, 6 p. m., to the Legation, Nanking and Shanghai, states *inter alia*:

"Englund reports telegraphically that he has repeatedly requested but failed to obtain official escort for search of well where bodies are suspected to be. He says private investigation is too dangerous and that presence of American official is absolutely necessary."

<sup>68</sup> Not printed.

2. Legation has telegraphically informed the Shensi Provincial Chairman and Englund that the Legation's representative is en route to Sian and has urged Chairman to take the most drastic and effective measures to clear up the mystery of the disappearance of Ekvall and Tornvall, to recover their bodies if they have been killed, and to visit condign punishment upon persons who may have caused them harm.

3. Counsellor Peck has been instructed to make similar urgent representations to the Ministry of Foreign Affairs looking to immediate effective action by the Shensi authorities.

Hankow informed.

JOHNSON

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493.11 Ekvall, Henry/10 : Telegram

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

PEIPING, August 16, 1932—6 p.m.  
[Received August 16—10:45 a.m.]

960. Legation's August 7, 3 p. m.

1. Legation has instructed Peck at Nanking as follows:

"August 16, 5 p. m. Legation's August 7, 3 p. m.

1. Lieutenant Soule on August 15th telegraphed from Sian that investigation substantiated statements made in the Legation's August 6, 6 p. m., to your office and that lethargic official action was unproductive of results. In response to Legation's inquiry of August 15th as to definite evidence of death or survival of Ekvall and party Soule reported as follows:

'All evidence circumstantial but so complete death of Ekvall and party unquestioned. Neither bodies nor car nor \$20,000 worth gold dust and silver can be traced.[']

2. For your confidential information. Information thus far received by Legation indicates that party's disappearance at point within short distance of Sian may be laid directly to the soldiery who on previous evening stopped British missionaries on the same road, thoroughly questioned and searched them and in reply to inquiry as to reason for this unusual action stated that they had been ordered to that place by the martial court to keep watch for at least 3 days on motorcars coming from the west and that they were looking for a car with two foreigners coming from Kansu. This information places heavy responsibility upon Chinese authorities at Sian who are probably seeking in every way to block the investigation. In this regard see Legation's August 7, 3 p. m., to your office.

3. Legation desires that you make most emphatic representations looking to immediate effective action by Shensi authorities to locate remains of Ekvall and to punish those responsible for any harm which may have befallen him.

4. Consul General at Hankow has also been instructed to make further similar representations to the Shensi authorities."

JOHNSON

493.11 Ekvall, Henry/15 : Telegram

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

PEIPING, August 22, 1932—9 p.m.

[Received August 22—5:05 p.m.]

933. Legation's 974, August 19, 6 p. m.<sup>71</sup> Reports received by the Legation from Soule and from Todd and Andrew who investigated on the ground for International Famine Relief Commission confirm circumstantially and in some instances directly the report of the case made in paragraph 2 of the Legation's 908, August 6, 9 p. m.<sup>71</sup> No direct trace of bodies or motorcar yet obtainable although excavation of fresh earth in abandoned dry well, reported as place where bodies were thrown after murder, gave evidence that decaying bodies had recently been in well. Military have talked with local inhabitants who disclaim all knowledge of crime, although certain of them have in strict confidence given evidence placing murders squarely upon shoulders of the military. Investigation indicates that murder plot was instigated by a Chinese who had recently been in difficulties with Ekvall and who, in revenge, with promise of rich loot for soldiery persuaded some of them to murder Ekvall and his three companions. Japanese member of party was one Koizumi who represented himself as travelling in China to obtain business knowledge and experience. Chinese member of party was W. T. Wong [*W. F. Huang*], Cantonese, returned student from the United States who was fellow employee with Ekvall of Hankow Ford Motor Car Agency. Japanese Legation has informed me that it is today sending two Japanese and one Chinese to Sian to investigate death of Koizumi.

2. Shensi chairman in official communication (Department's [*dated?*] August 17th)<sup>71</sup> has informed me that his strict investigation has proven fruitless. I have telegraphically informed him that Legation's investigation has disclosed evidence that the chauffeur Chen and the Sian soldiery were directly responsible for the murder of the party. Chairman has been informed that detailed information will be supplied to him by mail and he has been emphatically urged to prevent the escape of the guilty parties and to punish them to the fullest extent of the law. American Consulate General at Nanking

<sup>71</sup> Not printed.

has been instructed to make further urgent representations to Nanking Government in the above sense with urgent request that the Shensi chairman be strictly instructed.

3. After considering reports of Soule, Todd and Andrew, I am of the belief that Soule's continued presence in Sian under present circumstances is not desirable and I am today instructing him that he may return to Peiping unless there have been recent developments which in his opinion make his continued presence in Sian desirable.

4. Hankow informed.

JOHNSON

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493.11 Ekvall, Henry/17 : Telegram

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

WASHINGTON, August 25, 1932—6 p.m.

285. Your 993, August 22, 9 p. m., and previous in regard to Ekvall case.

1. The Department approves and commends the Legation for the vigorous action taken in this case.

2. In view of evidence of implication of Chinese soldiery in commission of murder, the Department desires that the Legation, upon the completion of Lieutenant Soule's investigation, examine the whole case carefully and submit recommendations to the Department with regard to whether this Government should make any special representations to the Chinese Government, such as request for payment of indemnity and/or for special expression of regret and apology by the Chinese military as well as civil authorities. In this connection the Department suggests that the Legation may wish to ascertain what action was ultimately taken by the British authorities in regard to the Thorburn case (see Legation's telegram 1050, December 7, 1931, noon)<sup>72</sup> and inform Department thereof.

CASTLE

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493.11 Ekvall, Henry/16 : Telegram

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

PEIPING, August 26, 1932—11 a. m.

[Received August 26—3:55 a. m.]

1009. Legation's 993, August 22, 9 p. m. Legation has today sent following instruction to American Consul General at Nanking:

<sup>72</sup> Not printed.



"August 26, 11 a. m. Shensi Provincial Chairman has not received definite results in Ekvall case and Legation has accordingly today addressed further urgent telegraphic representations to the Chairman insisting on drastic punishment of all guilty parties and recovery of Ekvall's remains. Revengeful atrocity of crime has been stressed and it has been pointed out that it occurred not in some wild and remote spot but on main travelled highway a few li west of walls of Sian, the provisional [*provincial*] capital, where chairman has large forces at his command to maintain law and order. He has efficient organization. Legation believes that unless example is made of guilty parties in this case no foreigner will be safe in Shensi. Please make similar urgent representations to Nanking Government.

2. In all representations made to date the Legation has expressly refrained from any reference to restitution of property loss lest this consideration serve to complicate an already exceedingly difficult situation and militate against the punishment of the guilty parties, which latter consideration is the prime one at this juncture. Please be strictly guided by this attitude of the Legation in any action which you may take in this case.

3. American Consul General at Hankow has been instructed to be guided by the above in making further urgent representations direct to Shensi Provincial Chairman."

JOHNSON

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893.102 Kulangsu/118

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

No. 855

WASHINGTON, August 30, 1932.

SIR: The Department has received your confidential despatch No. 1612 of July 6, 1932,<sup>73</sup> reporting that in the course of a conversation on May 1, 1932, in Shanghai, with the British Minister, he informed you that his Government had authorized him some time ago to negotiate with the Chinese authorities for the rendition of the International Settlement at Kulangsu.

The Department assumes that, as the International Settlement at Kulangsu is of direct interest to and involves the rights of all the foreign governments party to the agreement establishing the Settlement, the representative of none of those governments would initiate with the Chinese authorities discussion of the question of rendition of the Settlement without prior consultation with the representatives of the other interested governments. The Department would not, of course, desire that this Government be placed in the position of obstructing the successful conclusion of negotiations for the rendition of the Settlement at Kulangsu but believes that it would be

<sup>73</sup> Not printed.

advisable for the diplomatic representatives in China of the most interested powers to give careful thought to all the factors involved in the situation before initiating any discussion of the matter with the Chinese authorities.

You will, of course, feel free to discuss this whole question discreetly and on appropriate occasions with your most interested colleagues, keeping the Department fully and promptly informed of any developments and communicating your views as to the most appropriate and practicable course for this Government to adopt.

Very truly yours,

W. R. CASTLE, JR.

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493.11 Ekvall, Henry/39

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

No. 1744

PEIPING, September 15, 1932.

[Received October 24.]

SIR: With reference to the Legation's telegram No. 1009 of August 26, 11 a. m. and previous telegrams concerning the representations made by this Legation in regard to the disappearance on July 23rd, 1932, at a point near Sian, Shensi of Mr. Henry Ekvall, an American citizen, and three other persons who were travelling with him in his motor-car en route from P'ingliang, Kansu, to Sian, I have the honor to enclose herewith for the Department's information, a copy of the confidential detailed report<sup>74</sup> submitted to me on September 1st by Lieutenant Robert H. Soule, U.S.A., the attaché of this Legation, who, on August 6th was sent to Sian to investigate the mysterious disappearance of Mr. Ekvall.

I am fully in accord with the conclusions reached by Lt. Soule as to the actual facts in this case which I consider one of the most atrocious outrages upon foreigners that has been committed in China in many years. From Lt. Soule's investigation and from those made by Mr. G. Findlay Andrew and Mr. Oliver J. Todd of the International Famine Relief Commission, there appears little reason to doubt that Mr. Ekvall and his travelling companions were seized by uniformed Chinese soldiers in broad daylight on the main and busily travelled highway a few miles west of the west suburb gate of Sian; that they were held prisoners in a nearby village until nightfall, and that they were then taken by uniformed soldiers and murdered in cold blood at a spot almost within sight of the city walls, the motor-car and its valuable contents being then disposed of by the murderers.

There are also enclosed for the Department's information, copies

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<sup>74</sup> Not printed.

of the urgent telegrams addressed by this Legation direct to General Yang Hu-ch'eng, Provincial Chairman of Shensi, under the following dates: August 7th; August 22nd and August 26th, 1932.<sup>76</sup> As currently reported by radio to the Department, these emphatic representations from the Legation to the Provincial Chairman were supplemented by similar ones addressed to him, under the Legation's instructions, by the American Consul General at Hankow, and by urgent representations made to the Foreign Office in Nanking through Counselor Peck. The replies made by the Shensi Provincial authorities under dates of August 14th, 17th, 24th and 31st, (copies of which are enclosed)<sup>76</sup> were evasive and quite unsatisfactory in every way as exemplified by the following incidents. On August 23rd the authorities orally informed Lt. Soule that a certain Chinese had reported that he had seen four bodies placed in the Wei River (about 4 miles west of Sian) but following Lt. Soule's request for definite information in the matter, the authorities stated that they could not find the witness or anyone else who had seen the alleged incident. The official letter written to Lt. Soule on August 24th refers ambiguously to a motor car and a corpse seen floating in the river and then seeks to link up the party's disappearance with certain alleged communist plans for disturbing Shensi. In the communication addressed to the Legation by the Shensi Provincial Government on August 31st, it was stated that the chauffeur Ch'en Wei-ch'ing (who is believed by foreign investigators to be the instigator of the crime) had denied any knowledge of a dispute with Mr. Ekvall or of threats made by him (Ch'en) against Ekvall, and therefore the prisoner had been released on bond.

Further evidence of the lack of good faith and studied inactivity on the part of the authorities is indicated in the enclosed copy of Mr. W. Englund's letter of September first to the Legation.<sup>77</sup>

The representations made by the Legation at Sian and Nanking and those made by the American Consul General at Hankow have thus far apparently met with no response other than empty promises of strict investigation of the case and dire punishment of the guilty parties once they are apprehended. As pointed out by Lt. Soule and by other informants of the Legation, the Provincial Chairman, an ex-bandit leader possessed of considerable ability, is a sick man who appears genuinely interested in clearing up the case but who is compelled to leave most matters to his subordinates who, if not directly implicated in the murders and robbery, feel that they must protect the bandit troops concerned by advancing the preposterous claim that after the most searching investigation no trace can be found of a

<sup>76</sup> None printed.

<sup>77</sup> Not printed.

motor car and four persons, three of them foreigners, seized by uniformed soldiers in broad daylight on the main travelled highway a few miles west of Sian. In this general regard, the Department's attention is particularly invited to the enclosed memorandum of an interview on September 8th<sup>78</sup> between Lt. Soule and Mr. O. Granzow, a Russian engineer who has been working on the Sian-Lanchow road project of the China International Famine Relief Commission and who delivered to the Legation a letter from Mr. Englund, the American missionary at Sian who first reported that the Ekvall party was missing. Mr. Granzow had discussed the case with Mr. Englund while in Sian and informed Lt. Soule that the missionaries in Sian were of the belief that "if things quieted down a little more they would be able to recover the bodies of Mr. Ekvall and party; that they did not want anyone to come up there at the present time to investigate as it would make it just that much more difficult to get any information as the authorities would simply take more steps to suppress all information; that the son of one of the oldest Christians in Sian, a Mr. Hsieh (other names not known) had come to the missionaries and told them that the bodies of the party were at the present time buried in the yard of the Governor's Yamen; (Underscoring the writer's) . . .<sup>79</sup> and that they (the missionaries) had great confidence that Mr. Hsieh would lead them to the bodies in the end."

In view of this expression of opinion, the Legation has, since sending its urgent telegram of August 26th to the Provincial Chairman and instructing the Nanking and Hankow Consulates General to take similar action, refrained from pressing the case. However, the Legation is now preparing an emphatic note to the Foreign Office, giving a full outline of the evidence obtained by Lt. Soule and stating that the American Government is quite unable to accept the preposterous claim of the Shensi authorities to the effect that in spite of their most vigorous investigations not the slightest trace of the missing party and the motor car can be obtained. The Legation is then insisting that without further delay effective action be taken by the responsible authorities and that the guilty parties be punished to the fullest extent of the law. In this note, it is being made particularly clear that the American Government intends vigorously and persistently to press this case until it has been cleared up and the guilty parties punished. It is further being suggested that failing effective action by the Shensi authorities, the Nanking Government depute special investigators to proceed to Sian to act with a representative of the American Government in thoroughly investigating

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<sup>78</sup> Not printed.

<sup>79</sup> Omission indicated in the original despatch.

the case and in re-hearing the evidence which is still available from foreign sources. It is not to be expected that the Chinese villagers who have been threatened by the soldiery will dare to repeat the frank statements which they originally made to the missionaries and which were so damaging to the soldiery who were thereby definitely implicated in the actual murder of the party. The Legation's suggestion that special investigators be sent into Shensi from Nanking will undoubtedly be most unwelcome to the Shensi authorities and the suggestion is being made more for the purpose of spurring the Shensi authorities into effective action than in the expectation that Nanking will ever send representatives to Shensi where the bandit soldiery will undoubtedly continue effectively to block every attempt to conduct a real investigation of this most atrocious crime.

The Department has been kept promptly and fully informed by radio of the chief developments in this case and the Legation will continue to keep the Department so informed.

Respectfully yours,

NELSON TRUSLER JOHNSON

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893.00/12146 : Telegram

*The Consul General at Hankow (Adams) to the Secretary of State*

HANKOW, September 16, 1932—noon.

[Received September 16—5:10 a.m.]

87. 1. Government troops now occupy Pailochi, Low Point and Chuho. The main body of communist troops in central Hupeh are reliably reported entirely surprised by Government troops in the Red Lake region.

2. The National Flood Relief Commission engineers who were taken as hostages by the Communists in connection with Baker's release have now been rescued. The Baker case may therefore now be considered as closed.

ADAMS

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393.1111 Nelson Bert N./148 : Telegram

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

PEIPING, September 21, 1932—3 p. m.

[Received September 21—7 a. m.]

1118. Legation's despatch 1559, June 1, 1932.<sup>80</sup> I have addressed the following personal telegram to General Chiang Kai-shek at Hankow at the suggestion of Consul General Adams:

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<sup>80</sup> See footnote 23, p. 486, and footnote 59, p. 517.

"The Consul General at Hankow informs me that the Government forces are closely pressing the forces who hold captive the Reverend Bert Nelson, an American citizen. The Reverend Nelson has been in captivity now for 2 weeks [*years*] and I am told that at one time he was held in the Chilian [*Chiliping?*] area. May I ask you to issue special instructions to your forces to be on the lookout for the Reverend Nelson and that every effort be made to rescue him."

JOHNSON

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893.00/12167 : Telegram

*The Consul at Chefoo (Webber) to the Secretary of State*

CHEFOO, September 26, 1932—2 p.m.  
[Received September 26—9 :25 a.m.]

Following telegram has been sent this noon Legation at Peiping :

"September 26, noon. Dr. Beall of American Southern Baptist Mission<sup>81</sup> called this morning and informed me all mission property occupied upon their evacuation and used by Liu's forces as defense works, contents presumably looted.

Owing to impossibility to get in communication with Liu I suggest if possible protest be made to Nanking Government who are reported to be in communication with Liu by wireless telegraph. Loss will run into thousands."

Please inform American Southern Baptist Mission, Richmond, foregoing as well as fact all their missionaries safe and are either at Hwanghsien or Chefoo.

WEBBER

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893.00/12166 : Telegram

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

PEIPING, September 29, 1932—1 p.m.  
[Received September 29—4 :30 a.m.]

1150. Following from American Consul at Chefoo :

"September 28, 3 p. m. Long distance telephone to me from our missionaries Tengchow confirms the report situation quiet there and Hwanghsien. Han's forces are expected to arrive Tengchow this evening.

In view of the fact our mission properties and missionaries both places are outside walled city I suggest Han Fu-chu be requested to

<sup>81</sup> At Laichow, Shantung Province.

take necessary steps to insure full protection now before bands of deserters and stragglers now infesting areas in both places. It is impossible for me to get in touch with Liu. Our nationals decline withdrawal from Tengchow, Hwanghsien.

Confirmed tales of outrages and looting and sacking in the district between Hwanghsien and Tsihsia especially around Tengchow and Fushan are being received hourly."

Legation is requesting protection through Consul at Tsinanfu.

JOHNSON

893.00/12168 : Telegram

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

PEIPING, September 30, 1932—5 p. m.

[Received September 30—7:15 a. m.]

1152. Following from American Consul at Tsinanfu:

"This morning Han verbally assured me that he would take the necessary steps to insure full protection of life and property American citizens at Hwanghsien and Tengchow."

Repeated to Chefoo.

JOHNSON

493.11 Ekvall, Henry/29 : Telegram

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

PEIPING, October 1, 1932—noon.

[Received October 1—2:45 a.m.]

1153. [From] American Consul General at Nanking.

"September 30, 3 p. m. Arrived after conferring with [*in?*] Kuling. During the air trip to Kuling September 28 I explained Ekvall case to T. V. Soong in detail and gave him a memorandum, copy of which I am mailing to the Legation.<sup>82</sup> He took up the matter with General Chiang the same day and told me that it would not be "necessary" for me to discuss it with Chiang and I did not. Secretary to Soong told me that Chiang had decided to send a special emissary to Sianfu to try to close up the case."

Hankow informed.

JOHNSON

<sup>82</sup> Not printed.

493.11 Ekvall, Henry/30 : Telegram

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

PEIPING, October 6, 1932—2 p. m.

[Received October 6—5:10 a.m.]

1170. Legation's 1153, October 1, noon. I have instructed Peck as follows:

"October 6, 3 p.m. Your September 30, 3 p. m. Please ascertain when special emissary of General Chiang will proceed to Sian to investigate Ekvall case. Inform Foreign Office that Legation desires to send its representative to Sian to give assistance in such further investigation and request that appropriate instructions be issued by General Chiang for his representative to cooperate with the representative of this Legation."

JOHNSON

893.00/12169 : Telegram

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

PEIPING, October 6, 1932—9 p.m.

[Received October 6—10:10 a.m.]

1174. Following from American Consul at Chefoo:

"October 4, 7 p. m. Fighting recommenced yesterday at Laichow. Conditions immediately outside Chefoo indescribable; looting, burning down of villages and raping going on with thousands murdered and hundreds of refugees pouring into Chefoo. At Hwanghsien and Tengchow where our missionaries are living conditions are quiet but in view of change in the situation I have again urged them to withdraw by way of Chefoo which is quiet and protection assured.

Frankly speaking no one knows what is going to happen; even Han's leaders here now realize they are outnumbered and practically admit possibility of Liu's break-through and also of danger to foreigners throughout district including Chefoo."

Legation is informed that U. S. S. *Sacramento* is now at Chefoo.

JOHNSON

493.11 Ekvall, Henry/50

*The American Minister in China (Johnson) to the Chinese Minister for Foreign Affairs (Lo)*<sup>83</sup>

No. 500

PEIPING, October 12, 1932.

EXCELLENCY: I have the honor again to invite Your Excellency's attention to the matter of the disappearance on July 23, 1932, from

<sup>83</sup> Copy transmitted to the Department by the Minister in China in his despatch No. 1779, October 13; received November 5.



a spot on the main highway a few miles west from Sian, Shensi, of Mr. Henry Ekvall, an American citizen, together with three travelling companions and a motor car containing their personal effects and a large amount of gold and silver belonging chiefly to China Inland Motors, an American corporation with its chief office in Hankow. This matter has already been brought to the attention of Your Excellency in the Legation's formal communications of August 4th, August 8th and August 18th, in its *aide-mémoire* of September 21st and in two informal communications addressed by the Legation's representative in Nanking under dates of August 24th and 27th directly to Mr. Liu Shih-shun, Director of the Department of European and American Affairs in your Ministry.

In addition to addressing the above communications directly to Your Excellency, this Legation on August 6th sent its representative and special investigator, Lieutenant Robert H. Soule, to Sian to investigate the case fully on the ground. Lieutenant Soule remained in Sian from August 10th until August 25th inclusive, during which time he made a very thorough and painstaking investigation which yielded circumstantial evidence of a most convincing character that Mr. Ekvall and his three traveling companions were captured in daylight on the main highway a few miles west of the west suburb gate of Sian by Shensi soldiers, who later deliberately murdered the party of travelers and stole their property.

In view of the atrocious nature of the crime and of the fact that Chinese soldiers are directly involved in it, I urge Your Excellency to give the most careful scrutiny to the following brief summary of the results of the investigation made on behalf of this Legation by Lieutenant Soule:

[Here follow details reported by Lieutenant Soule and other sources as summarized in 18 typed pages.]

This concludes the summary of Lieutenant Soule's report of the result of his investigation of the case at Sian and, while the evidence set forth in the report is circumstantial, it proves beyond reasonable doubt that the military authorities in and to the west of Sian were on the lookout for the Ekvall party on July 20th; that the motorcar containing Mr. Ekvall and his party was on July 23rd seized and taken by soldiers, in uniform, to the village of Tatumen and there held captive until late that evening, when the party was taken by the soldiers to a field near the village of Panchiatsun, where all four members of the party were shot and an effort was made to obliterate all traces of the crime.

From the evidence obtained it would appear probable that the chauffeur Ch'en Wei-ch'ing, who is known to have been on the most

friendly terms with the military at Sian, actuated by a desire for revenge against Mr. Ekvall (with whom he had previously had a serious disagreement), by promises of rich loot instigated certain of the soldiery to waylay Mr. Ekvall and his party and to rob them of the large amount of gold dust, silver, and other valuables carried by them.

In regard to the establishment of the identity of the soldiers involved in the crime, Your Excellency's attention is particularly directed to the unusual behavior of Mr. Kao Ching-ch'eng, the Militia Commander at Sanchiao, who, upon being interrogated by Lieutenant Soule in the presence of Mr. Ch'en Tzu-chien and the Magistrate of Sian, at first denied all knowledge of the incident on July 22nd (when the Reverend Mr. Watson was stopped and searched by soldiers in front of the Militia Headquarters at Sanchiao) but later, when confronted by the Reverend Mr. Watson in the city, admitted that he remembered the incident but professed a complete inability to identify the two military officers and four soldiers of the search party who, by their own admission to the Reverend Mr. Watson on July 22nd, had then been stationed in front of the Militia Headquarters for three days on the look-out for the Ekvall party. The officers of the search party later entered the Militia Headquarters, where they examined the Reverend Mr. Watson and secured his identification from the Militia Commander, who undoubtedly can identify the officers and soldiers of the search party.

From this and all other information in its possession, this Legation is of the belief that a full and strict investigation of Militia Commander Kao, of the chauffeur, Ch'en Wei-ch'ing, and of his soldier friends, together with Chiang Lao-wu, Li San-Sheng, and the other Chinese whose names appear in this communication in connection with the case, will enable the Shensi authorities to obtain information which will definitely determine the identity of those responsible for the crime and will also enable the officials to recover the remains of the four missing men and certain of their property.

I believe that General Yang Hu-ch'eng personally is sincerely interested in settling this case and in bringing the guilty to justice but, under the circumstances above described, this Legation cannot but conclude either that certain of General Yang's subordinates in the Shensi Government have up to the present been making every effort to cover up an atrocious crime directly traceable to Shensi soldiers, or that these same authorities are callously indifferent to a crime which constitutes a dark blot on the name of Shensi Province and its Government and which, if allowed to remain unpunished, cannot but expose all foreigners in Shensi to grave danger of harm from the Shensi soldiery, who will be led to the belief that foreigners may be mur-

dered and robbed with comparative impunity and with little fear of punishment at the hands of the responsible provincial authorities.

Two and one-half months have elapsed since the commission of the crime, and this Legation is quite unable to accept the preposterous claim of the Shensi authorities that, in spite of their most vigorous and searching investigations, they have not been able to obtain the slightest trace of the missing party and/or the motorcar. I accordingly emphatically urge that the Chinese Government take the most drastic measures to put an end to the policy of inaction and obstruction, which was apparently adopted by the Shensi authorities from the moment that the crime was committed and which has since been consistently carried out, presumably because of the fact that all evidence points to the Sian soldiery as the guilty parties. In view of these facts, this Legation ventures to suggest that the Central Government depute special investigators to proceed to Sian thoroughly to investigate the case and to press the matter until the guilty parties are punished.

The crime is one of the most deliberate and atrocious crimes against foreigners in China that has yet come to the attention of this Legation, which is reminded of the Thorburn and Nakamura cases, the facts of which were denied for many weeks by the Chinese authorities before they admitted the death at the hands of the Chinese military of the British subject and of the Japanese national named. My Government is most seriously concerned with the similar profession by the Shensi authorities of a complete ignorance of the facts in the Ekvall case, which case, however, contains an element of deliberate and cold blooded murder that was not to be found in either of the other cases.

I cannot too strongly impress upon Your Excellency the fact that my Government intends to continue vigorously and persistently to press this case until it has been fully cleared up and the guilty parties punished to the fullest extent of the law, the body of Mr. Ekvall recovered, restitution made for the valuable property robbed by the soldiery, and the strictest disciplinary measures taken to restrain the Shensi soldiery from further crimes against American citizens and to insure that American citizens and their property are fully protected by the constituted authorities.

In conclusion, I would urge that Your Excellency take decisive action in this matter without further delay. I am sure that I need not point out that public knowledge, at this juncture, of the deplorable inaction of the responsible Chinese authorities in a case involving the loss of foreign life and property at a point within sight of the walls of a great provincial capital cannot but reflect most seriously against the good name of the Chinese Government and its claim to

an ability to maintain law and order and to protect foreign life and property.

I avail myself [etc.]

NELSON TRUSLER JOHNSON

893.00/12180 : Telegram

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

PEIPING, October 25, 1932—11 a.m.

[Received October 25—1:40 a.m.]

1211. Following from American Consul at Foochow:

“October 24, 10 a. m. Provincial Government confirms serious incursion of Kiangsi Reds into Western Fukien and the capture of Kienning, Hsien and Taining by the Reds. Shaowu and Chienyang also endangered. Americans have been advised to withdraw from danger zone.”

JOHNSON

893.00/12185 : Telegram

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

PEIPING, October 28, 1932—11 a. m.

[Received October 28—2:35 a. m.]

1217. Following from American Vice Consul at Foochow:

“October 27, noon. My telegram of October 24, 10 a. m. It is reliably estimated that the invasion of Northwestern Fukien by the Kiangsi Communists totals 20,000 men. The Provincial Government confirms the capture of Shaowu by the Reds. Americans at Kienningfu and Yenping have been advised to withdraw to Foochow.”

JOHNSON

493.11 Ekvall, Henry/42 : Telegram

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

PEIPING, October 28, 1932—5 p.m.

[Received October 28—7:30 a.m.]

1220. Legation's 1213, October 26, 11 a. m.<sup>84</sup>

[1.] Following from Stanton and Soule at Sian [, October 27, 9 p.m.]:

“(1.) Instructions Nanking representatives apparently require them to bring pressure on General Yang and not to make independent

<sup>84</sup> Not printed.

investigation. They are consulting files regarding case in Provincial Government and pressing Yang. Both state that Chiang is genuinely interested in the case.

(2.) Chin states that Provincial Government wishes to settle the case along these lines: (1) apology; (2) indemnity; (3) assurances of protection. Hang states that Yang has hopes of clearing up case but did not reveal line of action.

(3.) Communication containing claim of China Inland Motors personally presented Yang today who handed it to Chen Tzu-chien erroneously reported to have been cashiered. Yang could report nothing new and although assurances were given orally that further investigations were being made interest centered chiefly in whether any other claims would be presented. Present believed to be opportune time to present any other claims.

(4.) Continuing to urge Nanking representatives to make independent investigation. Full report by mail."

2. Legation's comments will follow.

JOHNSON

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393.1111 Nelson, Bert N./149 : Telegram

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

PEIPING, October 28, 1932—9 p.m.

[Received October 28—2:35 a.m.]

1219. Legation's 1118, September 21, 1 p. m. In despatch October 14th American Consul General at Hankow reports that a Chinese messenger sent by Nelson's friends stated that he found Nelson on a high mountain about 36 miles from Chiliping, Hupeh, and that Nelson appeared to be in good health.

2. In telegram October 26 Adams reports that he had received a telegram from Skinsnes at Sinyangchow to the effect that report of the Chinese messenger was false and that Nelson was probably killed by Reds August 21st. Adams is telegraphing for detailed information.

JOHNSON

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493.11 Ekvall, Henry/43 : Telegram

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

PEIPING, October 29, 1932—9 a.m.

[Received 11:35 a.m.]

1221. Legation's 1220, October 28, 5 p. m.

1. In reference to Stanton-Soule belief that present is opportune time to present any other claims, the Legation believes that most em-

phatic demands should be made that before all else the guilty parties be found and punished to the fullest extent of the law and that the body of Ekvall be recovered. The matter of apology, indemnity and assurances of protection as suggested by the Shensi Provincial Government in settlement of the case are of lesser importance and may be given consideration after the guilty have been brought to justice. The Legation further considers that demand should be made for strict disciplinary action by the Shensi Provincial Chairman or the Central Government against Chen Tzu-chien, the chairman's personal representative and other subordinates who by obstruction, concealment and threats against witnesses made it impossible to determine the guilty parties at the time of Lieutenant Soule's investigation. Stanton's telegram indicates that the Shensi authorities are still seeking to protect the guilty. The Legation is convinced that only by the punishment not only of the instigators, perpetrators of the crime but also of the officials who have failed to seek out and punish the guilty, can it be brought home to the Chinese in Shensi and Kansu that American lives are not to be held lightly and that their lives and property are to be protected. In view of the singularly atrocious and deliberate nature of this crime which beyond any reasonable doubt may be laid upon Chinese officers and soldiers, the Legation is of the belief that indemnity for the Ekvall family or exemplary damages in the sum of 25,000 gold dollars should be demanded for the death of Ekvall this to be paid in addition to any claims for property losses.

2. In this regard and in reference to the Department's 285, August 25, 6 p. m., the Department is informed that the official settlement of the Thorburn case consisted of an expression of regret from the Ministry of Foreign Affairs, that Thorburn after mortally wounding two Chinese gendarmes on June 2nd was killed allegedly in self-defense by a Chinese colonel who was examining the truculent and contemptuous young prisoner on June 13; similar regret that the colonel had concealed the truth from British and Chinese investigators; the sentencing of the colonel to 14 years imprisonment and a statement that this verdict was being announced by the Chinese Government to all military commanders. British Legation refers me to page 268 *et seq.* of 1931-32 *Chinese [China] Year Book* for correct statement of negotiations.

3. British Legation has confidentially informed this Legation that in addition to this official settlement, the British Government at the request of Thorburn's relatives on January 22, 1932, filed a claim for 1,000 pounds for the expenses to which Thorburn's parents were put in trying to ascertain the facts regarding the fate of their son and for the mental suffering involved. One month later this sum was paid by the Chinese Government which, however, reserved the right

to file with the British Government a counterclaim on behalf of the two gendarmes whose deaths were caused by Thorburn. Thus far such claim has not been filed by the Chinese Government and it is not expected that it ever will be.

4. In regard to the payment of this indemnity and in comparing the Thorburn and Ekvall cases, it is to be noted that Thorburn, a youth who armed himself and left home without parental permission admittedly in search of adventure encountered a patrol of Chinese gendarmes and mortally wounded two of them. Thorburn later was shot in the manner stated in paragraph 3 above. In the Ekvall case however a law-abiding American merchant and party of friends were apparently deliberately awaited for several days by military officers and soldiers, captured and ruthlessly shot, chiefly for purposes of robbery. In view of these circumstances I do not consider that indemnity or exemplary damages in the sum 25,000 gold dollars is excessive in the Ekvall case, this sum to be paid to the family of the murdered man through the Legation. So far as the Legation is aware no claim for indemnity is being addressed to Consul General Adams in the premises. The Department will be further informed.

JOHNSON

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493.11 Ekvall, Henry/44 : Telegram

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

PEIPING, November 1, 1932—6 p.m.  
[Received November 2—12:25 a.m.<sup>85</sup>]

1222. Legation's 1221, October 29, 9 a. m.

1. In despatch of October 28 Counselor Peck reports that Minister for Foreign Affairs on previous day asked that ". . . the American Government be assured in all earnestness that he and Mr. T. V. Soong and General Chiang Kai-shek in fact the Chinese Government as a whole were determined to bring about a thorough settlement of the Ekvall case including the detention and punishment of the criminals if such were discovered".

2. In despatch dated October 26th Stanton reports *inter alia* that the Shensi government's views as to settlement of case as set forth in the 2nd sentence of paragraph 1 of Legation's October 29, 9 a. m., were indicated to him by Mr. Chin Chih-lin, Foreign Minister Lo's special representative in Sian, and that at appropriate time such settlement would be offered by Sian authorities in full satisfaction of crime. Stanton also stated that he believed Mr. Chin's intimation to

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<sup>85</sup> Telegram in two sections.

be “. . . an accurate forecast of the concrete results which may be expected and that the offer to pay an indemnity which in the circumstances is a somewhat damaging admission, is in the nature of ‘hush money’. In connection with the payment of an indemnity it is believed that such other claims as the Legation may desire to present should be presented now in view of the apparent willingness of General Yang to make monetary restitution.”

3. Mr. Stanton further stated that Chin and Colonel Hang, General Chiang Kai-shek's special representative, had not questioned any Chinese witnesses although they had interviewed various foreigners who collected testimony in the case; that Chin stated that he and Hang were not in a position to examine Chinese since Provincial Government had undertaken to do this; that it seemed fairly obvious from Chin's remarks that neither he nor Hang had any real intention of making an independent investigation and that he rather felt the matter was settled or could be settled on the basis of the above mentioned terms suggested by the Shensi Provincial authorities. Stanton called Chin's attention to the seriousness with which the American Government views this matter, the deplorable inaction of the Shensi Provincial Government and very important circumstantial evidence obtained by Lieutenant Soule urging these as considerations calling for thorough and independent investigation. Stanton states he and Soule will continue to urge such investigation and the examination of certain Chinese witnesses.

4. Stanton is being very briefly informed of the Legation's views as transmitted to the Department in its October 29, 9 a. m. In view of his belief that other claims should be presented at this time, the Legation refers to its suggestions in that telegram and requests Department's instructions.

JOHNSON

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493.11 Ekvall, Henry/45 : Telegram

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

PEIPING, November 2, 1932—1 p.m.

[Received November 2—5:30 a.m.]

1225. Legation's 1222, November 1, 6 p. m. Following from Counselor Peck:

“November 1, 9 a. m. The Foreign Office informs me under date of October 31 that it telegraphed General Chiang Kai-shek twice within the last week requesting that strict instructions be issued to the Shensi Provincial Government to make an immediate and thorough investigation of the Ekvall cases and to punish accordingly all



those who may have done any harm to Ekvall and his companions. Foreign Office states that General Chiang has telegraphed in reply that a telegraphic instruction in the above sense has been issued to the Chairman of the Shensi Provincial Government."

2. Stanton has been informed.

JOHNSON

893.00/12205

*Memorandum by the Minister in China (Johnson)*<sup>86</sup>

PEIPING, November 3, 1932.

Mr. Garrido, Spanish Minister  
 Mr. Wilden, French Minister  
 Mr. Yano, Japanese Chargé d'Affaires  
 Mr. Ingram, British Chargé d'Affaires  
 Mr. Johnson, American Minister

At the request of Mr. Garrido, Spanish Minister and Senior Minister, I met at the Spanish Legation with the above named colleagues and we discussed a telegram received from the Senior Consul at Chefoo stating that the Consular Body and foreigners at Chefoo were disturbed by a report that in the settlement of the difficulties between Han Fu-chu, Chairman of the Government of the province of Shantung, and General Liu Chen-nien, the troops of the latter were to be embarked at Chefoo for the south; and requesting that the Diplomatic Body urge the Chinese authorities not to permit the defeated troops of Liu to return to Chefoo lest the latter place suffer.

I stated that I was somewhat diffident about making joint or identic representations of this character which might be interpreted as interference in the domestic affairs of the Chinese. The other colleagues agreed with me and it was suggested by the French Minister that we should take some action in the matter and that we might word the representations in such way as not to mention particular troops, but merely state that we hoped the Chinese Government would take steps to divert all troops from Chefoo.

Mr. Ingram offered the suggestion that the representations be made quite general, without mentioning soldiers, simply asking that in any steps taken to liquidate present situation care be taken to protect foreign life and property. I favored Mr. Ingram's suggestion and drafted a telegram which was adopted. The text used was as follows:

"I would be very grateful to Your Excellency if in any disposition for the liquidation of the unfortunate situation now existing in the

<sup>86</sup> Copy transmitted to the Department by the Minister in his despatch No. 1804, November 8; received December 5.

neighborhood of the Treaty Port of Chefoo careful consideration be given to the protection of foreign lives and property."

NELSON TRUSLER JOHNSON

493.11 Ekvall, Henry/47 : Telegram

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

PEIPING, November 4, 1932—noon.

[Received November 4—2:35 a.m.]

1231. Legation's 1229, November 3, 1 p. m.<sup>87</sup>

1. Following from Stanton at Sian.

"November 3, 9 a. m. Legation's November 2, 1 p. m.

(1) On November 1st a reply was received from the chairman to the communication mentioned in paragraph 3 of my October 27, 9 p. m.,<sup>88</sup> and was immediately mailed to the Legation. Content is as forecast with the exception that the Provincial Government expresses an earnest desire to clear up the case as soon as possible, at the outside within a month.

No reply has been made. Yesterday we had a long discussion with Li Chih-kang, director of the Bureau of Civil Affairs, and one of the chairman's representatives, and attempted once more to ascertain precisely what the authorities are doing and the real significance of the time limit. We received the usual assurances that everything is being done but Li could not say that General Yang has a definite plan to clear up the case. However, this period may be used to manufacture evidence. It was impressed upon Li, as has been constantly done from the beginning, that the essentials are the punishment of the guilty and the recovery of the bodies.

(2) After 10 days of constant discussion with the local authorities I believe it is very unlikely that the provincial authorities will disclose the truth since they themselves are either implicated or desire for some reason or other to conceal the truth. From the remarks of Nanking's representatives it is evident that they feel similarly about the case but have no power to do anything. It is problematical whether Nanking or Chiang could remove Yang and the present regime in the event of our ability to expose the real facts and failing such action foreigners resident in the province would be subject to the vindictiveness of disgraced but still powerful officials. Of this the missionaries here are all apprehensive.

(3) It is still believed that a desire for a large indemnity or exemplary damages would bring added pressure to bear. This appears to be the only way in which the authorities can be made to feel the seriousness of the crime and might possibly result in the guilty being punished."

2. From the above telegram and from Stanton's written despatch

<sup>87</sup> Not printed.

<sup>88</sup> See telegram No. 1220, October 28, 5 p.m., from the Minister in China, p. 537.

of October 30 it appears that special Chinese representatives are bringing emphatic and persistent pressure to bear upon Shensi authorities but with little if any effect in bringing about punishment of guilty who are for seemingly obvious reasons being protected by Shensi authorities. Missionaries appear fearful that punishment of Shensi military without removal from power will result in vindictive acts against remaining missionaries. In this same general regard Stanton reports receipt of more precise and detailed information concerning burial on official premises of Ekvall and companions but raises question as to the advisability of utilizing this information at the present time in view of serious repercussions which will probably follow disclosures of so grave a nature.

3. Stanton further reports that Hang and Chin have been definitely instructed to bring constant pressure to bear upon the provincial authorities and both state definitely that General Chiang Kai-shek is genuinely interested in the case and is pressing the Shensi authorities by telegram; that Shensi Provincial Government has done nothing and probably will do nothing towards definite solution of the crime but that in view of the pressure being brought to bear upon him from various quarters General Yang feels that some sort of settlement must be effected.

4. While the Legation will continue to press for punishment of guilty it appears increasingly doubtful if Shensi authorities will ever admit guilt of their soldiers and with this in mind it is possible that only punishment which may be applicable to them will be the demands for payment of heavy indemnity which may rouse Shensi chairman into punishing soldiers whose crime necessitated such payment.

5. In despatch dated October 30 Stanton reports that personal representative of Shensi Provincial Chairman informed him that American representatives would shortly receive written statement of Shensi government's proposals for settlement of claim by apology, payment of indemnity and assurance of future protection of American citizens. Stanton comments as follows:

"As regards indemnity they undoubtedly have in mind the claim of the China Inland Motors and if other claims are to be presented by the Legation it is again urged this be done without delay as it is believed that once the company's claim is paid other claims will receive merely perfunctory consideration."

6. The Legation agrees with Stanton that any monetary claims should be presented without further delay. The Department's instructions are accordingly urgently requested.

JOHNSON

493.11 Ekvall, Henry/48 : Telegram

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

WASHINGTON, November 4, 1932—5 p.m.

361. Your 1229, November 3, 1 p. m.,<sup>89</sup> and previous, in regard to the Ekvall case.

Department considers that the greatest possible emphasis should be placed upon a demand for an immediate and thorough investigation, the arrest and punishment of the murderers and the recovery of the bodies of the victims, but in addition the Chinese authorities should be informed simultaneously of additional demands as follows: (1) compensation in full for such American property losses as may have been suffered; (2) an exemplary indemnity of not less than 25,000 gold dollars; (3) disciplinary action against officers found to have been obstructing justice; (4) an apology; and (5) assurances of protection of American citizens and property in the future. If the Chinese authorities should offer to pay immediately compensation for American property losses suffered, the Department suggests acceptance thereof provided that it is made clear that the American Government must insist upon compliance with all demands.

If you have not already done so, you should convey to the Chinese authorities an expression of this Government's horror at this barbarous crime apparently committed by representatives of the authorities charged with the protection of life and property and an expression of the confidence of this Government that the Government of China fully realizes the gravity of this case and will exert all its power to punish all of those in any way connected with the crime or with the protection of the criminals with a view to deterring the commission of similar crimes and to insuring the future protection of the life and property of American citizens in China.

STIMSON

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493.11 Ekvall, Henry/77

*The Consul General at Nanking (Peck) to the Minister in China (Johnson)*<sup>90</sup>

NANKING, November 4, 1932.

DEAR MR. MINISTER: During the course of my conversation with the Minister for Foreign Affairs today in connection with the situation at Chefoo, Dr. Lo Wen-kan asked me to tell you that a few days

<sup>89</sup> Not printed.

<sup>90</sup> Copy transmitted to the Department by the Minister in China in his despatch No. 1827, November 22; received December 19.

ago he sent Dr. S. S. Liu, Director of the Department of European and American Affairs, to Hankow to interview General Chiang Kai-shek about the Ekvall case. He said that the newspaper report that Dr. Liu had gone to Hankow to see General Chiang about the Lytton report was erroneous, and that he went primarily to convey an urgent request from Dr. Lo that General Chiang cause to be made an immediate and thorough settlement of the Ekvall case at Sian, without regard to any official responsibility for that occurrence which might thereby be disclosed.

Dr. Lo stated that he deeply regretted occurrences like the disappearance of Ekvall, which might disturb the cordiality felt by the American Government and people for China. Dr. Lo Wen-kan admitted, quite frankly, that he especially deplored these occurrences at this particular time, since they gave the Japanese added opportunity to point the finger of criticism at China and reinforced their attempts to create difficulties between the United States and China. Following the same line of thought, Dr. Lo said that he had observed in the speeches of European statesmen reported in the press a strong tendency on the part of members of the League of Nations to look to the United States for guidance, especially in connection with the Sino-Japanese controversy. Dr. Lo observed that a heavy responsibility was placed upon the United States.

Dr. Lo then inveighed, as he frequently does, against the Provincial "so-called Militarists" who, by their internal quarrels, reflect discredit on China, and he said that he was told that an officer attached to the Japanese Legation named Suma, at Shanghai, made a practice of gathering as many foreign newspaper correspondents as he could persuade to assemble and to point out to them areas of disturbance in China, such as Szechuan, Shantung, and other regions. I cannot discover Suma's name in the list of personnel of the Japanese Legation and am not aware whether the report given to Dr. Lo, as set forth above, is accurate or not.

I told Dr. Lo that I would report to the American Legation his observations concerning the responsibility which, as he said, rested on the United States in connection with the decisions of the League of Nations and he made no objection.

Very respectfully yours,

WILLYS R. PECK

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493.11 Ekvall, Henry/49 : Telegram

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

PEIPING, November 5, 1932—2 p.m.

[Received November 5—7 :54 a.m.]

1234. Department's 361, November 4, 5 p. m. Legation proposes

promptly upon receipt of reply to this telegram to instruct Peck to file claims as set forth by the Department. The Legation will at the same time transmit to Stanton a paraphrase of the Department's instruction for his guidance in pressing case at Sian. However, in reference to second sentence of the Department's telegram in regard to acceptance of payment of claim for losses suffered by China Inland Motors, Legation agrees fully with Stanton's views that if payment of this monetary claim is accepted any other monetary claims will receive merely perfunctory consideration. See paragraph 5 of my 1231, November 4, noon, which crossed the Department's November 4, 5 p. m.

2. In despatch dated November 1 Shensi Provincial Chairman expressed to Adams the Provincial Government's regrets that this "unfortunate matter" occurred within the Province and that its authorities had so far been "unable to discover the culprits within a short period of time in spite of investigations made and action taken in every way."

The communication concludes with following promises for settlement of the case.

"This Provincial Government is willing to accept with the utmost sincerity three demands contained in your note under reply. As regards the first demand we shall assume all responsibility within the shortest possible period of time—limited to 1 month at most—for taking efficient and effective measures to discover and apprehend the culprits of this case and to punish them to the fullest extent of the law in order to serve as a warning for the future. As regards the second demand the remains can certainly be located as soon as the culprits are discovered and apprehended. As regards the third demand full reparations will be made for the losses as enumerated in the list prepared [by] China Inland Motors.

As to American citizens residing in Shensi in future this Provincial Government will certainly discharge its duties of protection and will by no means permit the future occurrence of such unfortunate incidents."

3. As pointed out in my November 4, noon, payment of heavy monetary damages may ultimately be the only punishment which can be inflicted upon the responsible authorities and I do not believe that this inadequate weapon of punishment for the murder of Ekvall and for bringing home to all Chinese authorities the importance of protecting lives of remaining Americans should be jeopardized by acceptance at this juncture of payment of the company's claim much though I sympathize with the company in its property loss.

JOHNSON

493.11 Ekvall, Henry/53 : Telegram

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

WASHINGTON, November 5, 1932—3 p.m.

362. Your 1234, November 5, 2 p. m. Department feels that you should send to Stanton at once a paraphrase of Department's 361, November 4, 5 p. m. with directions to present full demands to the local Chinese authorities and at the same time to inform the representatives of the Nanking Government at Sian of demands; and that you should instruct Peck to file for record with Nanking authorities the full demands. Department feels also that the question of accepting any offer made by Chinese authorities to pay immediate compensation for American property losses suffered remains open pending Stanton's presentation of full demands and his report with regard to the attitude of the Chinese authorities.

CARR

493.11 Ekvall, Henry/55 : Telegram

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

PEIPING, November 17, 1932—1 p.m.

[Received 2:45 p.m.]

1254. Department's 368, November 12, 1 p. m.<sup>91</sup>

[1.] Following from Stanton and Soule at Sian:

"November 16, noon. My despatch of November 12.

(1) A further report dated November 15 received from Provincial Government and forwarded today gives additional information regarding the whereabouts of Liu<sup>92</sup> and steps being taken to apprehend him. Another report of the same date refers to apprehension of a bandit near Sanchiao who is being interrogated.

(2) We saw Chen<sup>93</sup> this morning and emphatically informed him that the American Government was thoroughly dissatisfied with the slow progress of the case and again emphasized that all demands must be carried out. He was also closely questioned regarding the measures being taken and stated that in addition to those mentioned above appropriate instructions had been sent to the commander of the regiment to which balance of Liu's company had been transferred.

(3) Upon our return we informed Colonel Hang of our dissatisfaction with the progress of the case. He said he felt similarly and agreed to report to Chiang and request him to send a strongly worded

<sup>91</sup> Not printed; it authorized acceptance of claim against China by the China Inland Motors (493.11 China Inland Motors/8).

<sup>92</sup> A company commander named Liu Jun-hsui, who deserted following the murders.

<sup>93</sup> Representative of the Shensi Provincial Chairman.

telegram to the authorities which he was requested to deliver personally to Yang.

(4) With reference to the Legation's November 13, noon, authorities fully realize that all demands must be carried out".

Legation's November 13, noon, transmitted Department's 368, November 12, 1 p. m., to Stanton.

2. Legation's 1238, November 8, 6 p. m.<sup>94</sup> In despatch dated November 10 Stanton states that report to Foreign Office concerning alleged punishment of criminals in Ekvall case was probably based on rumors that militia officer Kao was beaten in order to elicit confession as to identity of troops who for several days lay in wait at Sanchiao for Ekvall party.

3. Above quoted to American Consulates General at Hankow and Nanking and Counselor Peck has been instructed as follows:

"Stanton's despatch of November 10th and previous indicate that Shensi Provincial Chairman Yang apparently increasingly disinclined to press case. It would appear that this is probably because of the fact that confession of militia officer Kao implicates troops of General Sun Yu Ju. Stanton adds that pressure from Nanking and General Chiang Kai-shek at this juncture will help materially. Legation considers that telegrams November 9, 11 a. m., and November 16, noon, from Stanton and Soule lead to increasing hope that guilty may be apprehended and it is requested that you make emphatic representations to Ministers Soong and Lo, asking the general punishment of guilty without further delay."

JOHNSON

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493.11 Ekvall, Henry/62 : Telegram

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

WASHINGTON, November 21, 1932—4 p.m.

372. Your 1254, November 17, 1 p. m., and previous. For your information and encouragement, the Department has suggested to the Chinese Legation here that it inform Nanking that the Department is emphatically interested in and solicitous with regard to this case and that matters relating to this case are being pressed by our representatives in China under express instruction from the Department.

STIMSON

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\* Not printed.



393.1111 Nelson, Bert N./155 : Telegram

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

PEIPING, November 22, 1932—5 p. m.

[Received November 22—1:35 p. m.]

1271. Legation's 1219, October 28, 1 [9] p. m. Following from American Consul General, Hankow:

"November 21, 4 p. m. My October 26, 11 a. m., and my despatch No. 213 of October 31, 1932,<sup>95</sup> on the subject of Nelson. Chinese messengers sent from Sinyangchow under military passes obtained by this Consulate General have returned and reported that they were unable to reach Chiliping because of the withdrawal of troops from that place to Hwangan. Chinese brought out of Chiliping by Chinese troops, claiming to have been prisoners of the Reds, report that on the 3rd day of October one sick white foreigner was carried across the Pinghan Railway from east to west and that he was followed by another foreigner. They reported that these two foreigners were now to the west of the Pinghan Railway. They identified the sick foreigner as Nelson. Report by mail follows."

2. Adams' October 26, 11 a. m. was paraphrased in the Legation's October 28, 1 [9] p. m., and copies of his despatch of October 31st were sent direct to the Department.

For the Minister:  
PERKINS

493.11 Ekvall, Henry/65 : Telegram

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

PEIPING, November 27, 1932—4 a.m. [noon?]

[Received November 27—6:20 a.m.]

1275. Legation's 1268, November 22, noon.<sup>96</sup> Following from Stanton:

"November 26, 4 p.m. Communication dated November 26th [25th] from Provincial Government and being mailed transmits questions and answers recorded during interrogation of Liu who confessed to the crime. Substance is that Liu's quartermaster Chen Te-lu told him that he had heard, from what source is not known, that foreigners carrying valuables would soon come to Sian and proposed robbing them. Liu acquiesced and told Chen to take a few soldiers and watch the road. The second day Chen reported stopping a foreigner near Sanchiao but letting him go. The third day about noon he reported they had the right party and had put men and car in separate houses

<sup>95</sup> Latter not printed.

<sup>96</sup> Not printed.

near Tumen. He also handed over \$2,200. Liu claims he knows nothing about gold dust but suspects Chen of concealing some valuables. Same day about 8 p.m. Liu with some soldiers went to Tumen and told Chen to bring out captives of whom he says there were four, two foreigners and two Chinese. Fearing discovery he ordered that they be taken 2 or 3 li northeast of Tumen and shot and all bodies thrown in river. He did not go. Chen returned before daylight and reported bodies of foreigners had been thrown in the river and those of the Chinese in a well. This angered Liu but it was almost daylight so he told Chen to drive away the car and hide it. Chen never returned. Liu being worried about the bodies in the well gave seven of the soldiers who participated in the crime \$30 each and told them to throw the bodies to [into] the river. The country people began to talk so Liu deserted with 29 men. He gave out names of four soldiers but does not know their or Chen's whereabouts. Liu will probably be executed. Authorities promise reply shortly to demands of American Government.

Red menace very serious, sanguinary fighting having taken place less than 20 miles from the city. Since Reds are spreading west through the country I suggested that missionaries, majority of whom are Scandinavian, be brought to Sian. Authorities have brought in some and made arrangements to protect others and have also issued instructions to all magistrates. Chen Tzu-chien has been very active in making these arrangements. Four divisions Central Government troops now in province following Reds. Sian panic stricken but believed safe."

Stanton and Soule are being instructed as follows:

"November 27, noon. Your November 26, 4 p.m.

[1.] Legation is confident that you are making emphatic demands that Quartermaster Chen Te-lu and other murderers be apprehended; that Liu be brought to Sian (unless present conditions make this impossible) for further questioning prior to execution thus insuring punishment of the officer named and not some substitute and at the same time affording you opportunity through special Chinese investigators to follow up clues as to complicity of chauffeur Chen Wei-ching, of those through whose hands motorcar passed, et cetera.

2. Should conditions in Sian area change for the worse and threaten safety of foreigners in that city it is desired that you gentlemen temporarily withdraw to a place of safety."

For the Minister:  
PERKINS

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493.11 Ekvall, Henry/66 : Telegram

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

PEIPING, November 29, 1932—5 p.m.

[Received November 29—9:40 a.m.]

1280. Legation's 1275, November 27, noon. Following from Stanton and Soule.

"November 29, 9 a. m. Liu was brought to Sian. Interrogation by military took place here. At our request court held further investigation in the presence of Nanking's representatives and ourselves during which a series of questions drawn up by us and handed to the judge upon convening of court were asked of Liu. Questions framed to elicit if possible covered source of Quartermaster Chen's information; possible instigator of the crime; description of location of crime, victims and car; disposition of car and whereabouts of Quartermaster Chen and other criminals. Liu stated he acted on his own responsibility and in description of details indicated that he had knowledge of and was implicated in the crime. Nothing elicited regarding source of Quartermaster Chen's information, his whereabouts or present whereabouts of others. Liu pleaded for mercy but the judge said such crimes as robbery, murder and desertion were punishable by death.

The authorities stated that they are making every effort to apprehend Quartermaster Chen, who is rumored to have fled the Province in the car, and the others and have asked the assistance of the Central Government to this end. It is our belief that apprehension of other criminals is only a remote possibility and that it is highly improbable additional information regarding crime will come to light now, although possibly at some future date."

For the Minister:  
PERKINS

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493.11 Ekvall, Henry/68 : Telegram

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

PEIPING, December 2, 1932—10 a.m.

[Received December 2—1:33 a.m.]

1285. Legation's 1280, November 29, 5 p. m.

[1.] Following from Stanton and Soule.

"November 30, 7 p. m.

(1) All records of further court proceedings including judgment, and also Provincial Government's formal reply to demands of the American Government being mailed. Liu was sentenced to death and shot this morning.

(2) On behalf of Yang and Provincial Government Chief Secretary Keng called on us this afternoon and in addition to presenting formal reply expressed profound regret of chairman and Government and made a formal apology. Reply, one, cites apprehension, trial and execution of Liu and steps taken to apprehend other criminals (paragraph 2, our November 29, 9 a. m.); two, states payment in full has been made for property losses (claim of China Inland Motors); three, that demand for exemplary damages has been referred to Central Government; four, that disciplinary action in the form of dismissal, fines and record of dereliction of duty has been taken against

officers who have obstructed justice; five, gives assurances of future protection and cites steps taken during the present situation to bring foreigners to Sian and otherwise protect them."

Adams confirms statement that claim of China Motors has been paid in full.

2. Legation feels that formal apology in answer to American Government's demands should be made in writing by highest Provincial authority and not orally by subordinate as has been done. Legation is further of the opinion that Shensi authorities should not as they suggest be permitted at this juncture to shift responsibility for apprehension of actual murderers, who in all likelihood are still in Shensi, to the shoulders of the Central Government, since the latter's hands would be completely tied by inaction of authorities of Shensi. Legation suggests that Shensi authorities be informed that American Government has noted with gratification that the officer who allegedly gave the order for the murders has been punished but that punishment of this one member of a group cannot be accepted as satisfying the American Government's demand for punishment of the guilty; that the American Government urgently renews its request that the Shensi Government forthwith take the most vigorous measures to apprehend Quartermaster Chen and soldiers who actually murdered Ekvall; as confessed by Liu, Ekvall's motorcar was taken by Chen and if as alleged careful search was made by Shensi authorities of barracks, garages, et cetera, certain definite clues as to Chen's movements following the crime were undoubtedly obtained by Shensi authorities; that if motorcar was taken out of the Province by rail, records should disclose names of shipper and consignee, deposits and other valuable clues; that if motorcar was not shipped by rail definite tracing of it in Shensi or Kansu should not prove impossible since these Provinces have relatively limited mileage of motor roads and presence of motorcar on other [roads?] would excite comment; that if clues furnished by car do not permit tracing of murderers, an offer of reward by Shensi authorities would furnish strongest possible incentive to those having knowledge to disclose whereabouts of Chen and other murderers.

3. Reference final sentence sent to you by Stanton's telegram, repeated to Department in Legation's 1280, November 29, 4 [5] p.m., Legation believes that unremitting pressure on Shensi authorities will have further good results. However, if we permit responsible Shensi authorities at this juncture to shift burden to Central Government the Legation agrees that little more will be done.

Repeated to Nanking and Hankow.

For the Minister:  
ENGERT

493.11 Ekvall, Henry/69 : Telegram

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

PEIPING, December 3, 1932—11 a.m.

[Received December 3—9:50 a.m.]

1290. Legation's 1285, December 2, 10 a. m. Following from the Minister at Nanking, December 2, 3 p. m.

"1. Mr. Liu, Director of the Department of European and American Affairs, called upon Peck this morning and remarked that Liu, confessed participator in the murder of Ekvall, had been executed and that property losses of motor company had been paid in full at Hankow. He then stated on behalf of the Foreign Office that only one thing remained to prevent the immediate settlement of the case; namely, the exemplary indemnity demanded by the American Legation. He added that the Chinese Government admitted in principle its obligation to pay an exemplary indemnity but the Foreign Office wished to point out that the amount was very large especially in view of the serious economic depression and in view of the fact that a Swedish subject had been killed with Ekvall which made it possible that the Swedish Minister would ask for a similar indemnity. Liu requested that the views of the Foreign Office be communicated to the American Minister.

2. Incidentally Liu stated that the investigations made by the Ministry indicated that no Japanese was with Ekvall but that a Japanese of the same name as reported to us left Sian before the death of Ekvall. He said that the Japanese Legation had made no representation in this connection."

The Minister desires the Department's instruction.

For the Minister:  
 ENGERT

493.11 Ekvall, Henry/73 : Telegram

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

WASHINGTON, December 7, 1932—6 p.m.

390. Your 1285, December 2, 10 a.m. and 1290, December 3, 11 a. m.

1. The Department concurs in the views and suggestions expressed by the Legation in its 1285, December 2, 10 a.m. and is of the opinion that the Shensi authorities should not be permitted to shift responsibility for full and complete compliance with all demands. Although the American Government must in the last analysis look to the Central Government for compliance with any demands which may not be satisfied by the local authorities, the Department believes that, in view of the circumstances under which these crimes were committed and because of the situation existing in China, the greatest possible pressure should continue to be exerted to effect full compliance by

the provincial government with all unsatisfied demands with particular reference to the demand for the apprehension and punishment of all guilty persons still at large. The Department also feels that insistence on the payment of the exemplary indemnity by the provincial government would tend to encourage more adequate protection for American lives and property in the area controlled by the provincial authorities and that there should be no concession at this juncture with regard to the amount demanded.

2. The Legation should therefore instruct Stanton to make further representations in accordance with the Legation's suggestions and to renew insistence upon full and complete compliance with all demands.

3. The Department also desires that the Minister discuss the case with the Minister for Foreign Affairs, reiterating the great importance which this Government attaches to a speedy and complete compliance with all demands, and urge the continued earnest cooperation of the Central authorities to that end. The Minister should informally explain to the Minister for Foreign Affairs that, although the United States must of course look to the Central Government for satisfaction of any demands not fully complied with by the provincial authorities, the Department considers that the circumstances of the case warrant the continuance of strong pressure to induce the provincial authorities to meet all the demands, including the punishment of all persons concerned in the crime and the payment of exemplary indemnity. The Minister should inform the Minister for Foreign Affairs that, because of the heinous character of the crimes committed by persons in the service of the provincial government, the Department feels that the amount of the exemplary indemnity is reasonable and should be paid, and that the only possible basis for possible later consideration of a request for a reduction in the amount of the indemnity would be indisputable evidence that the provincial authorities are sincerely endeavoring to fulfill their obligation to apprehend and punish to the full extent of the law all persons concerned in the crimes and that all the authority of the provincial government will continue to be exerted to attain this result at the earliest possible moment.

STIMSON

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893.00/12209 : Telegram

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

PEIPING, December 8, 1932—6 p.m.

[Received December 8—3:10 p.m.]

1307. Following from American Consul at Chefoo:

“December 8, 3 p.m. General Liu Chen-nien left here secretly early

yesterday morning on the Chinese transport *Tai Shun* for Wenchow. He was accompanied by General Chao, staff and bodyguard.

General Ho I-san now in charge of remainder of Liu's forces in this district numbering 8,000. Transportation officer in charge of evacuation stated today all would be out by end of December.

Chefoo quiet. Liu's remaining forces maintaining excellent discipline and being gradually moved towards Chefoo for embarkation."

For the Minister:

ENGERT

493.11 Ekvall, Henry/74 : Telegram

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

PEIPING, December 11, 1932—4 p.m.

[Received December 12—11:30 a.m.]

1319. Department's 390, December 7, 6 p. m., repeated to the Minister at Nanking, and Stanton appropriately instructed.

2. Following from Stanton and Soule:

"December 9, 9 p. m. Legation's December 2, 10 p.m. As regards present whereabouts of other criminals authorities thus far have not obtained any clues from the bandit detectives and bandit suppression troops instructed to make an exhaustive search for them.

Soule would like to return to Peiping and Consul General Adams wishes me to proceed to Kaifeng in connection with another case. We await instructions."

3. In reply they were instructed in general accord with Department's 390, December 7, 6 p. m., and were informed that their stay in Sian will not be extended longer than appears essential to an effectual further prosecution of the case. Hankow informed.

4. Referring to Legation's 1285, December 2, 10 a. m., in despatch dated December 1st Stanton states that Shensi authorities hope Central Government may be able to secure reduction in exemplary damages demanded; that Province is in dire financial straits since meager funds recently raised are being expended in present campaign against the Reds and that with diminishing revenues due to famine over considerable area and other causes there is little prospect of any immediate improvement in the financial position.

5. With respect to the demand for recovery of Ekvall's body, Legation is now endeavoring to ascertain whether Ekvall's relatives accept Liu's confession in explanation of the final disposal of Ekvall's body or if relatives desire that report of alleged secret burial of certain victims on official premises in Sian be investigated. Unless relatives

desire such investigation Legation is inclined to accept Liu's confession as final.

For the Minister:  
ENGERT

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493.11 Ekvall, Henry/75 : Telegram

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

PEIPING, December 15, 1932—5 p.m.  
[Received December 15—6:35 a.m.]

1336. Legation's 1319, December 12 [11], 4 p. m. Following from Hankow:

"December 14, 4 p. m. Henry Ekvall's father would prefer that Ekvall's body be not recovered. Ekvall's father said that he would not personally accept money obtained on account of his son's death. He said that suggestions have been made that exemplary damages demanded by the United States Government for Ekvall's death be used for engineering construction in Shensi. He said that he is opposed to this. He said that his own preference would be that any money obtained be given to the joint missions school for blind girls and deaf mutes at Wuchang."

2. In letter received yesterday from Stanton he states he believes there is little to be gained by American representatives remaining longer in Sian. In telegram dated December 11, 7 p. m., Stanton stated instructions in the Department's 390, December 7, 6 p. m., would be complied with.

3. Stanton and Soule and special Chinese representatives have been living in unheated Chinese inn and one of the Chinese has contracted bronchial pneumonia. In view of Hankow's telegram quoted above and conditions reported in paragraph 4 of the Legation's 1319, December 12 [11], 4 p.m., and also the fact that apprehension of Quartermaster Chen and surviving members of murder band is highly problematical Legation suggests that Stanton and Soule be authorized to conclude their mission in Sian after a final effort to bring about more energetic action in search of remaining murderers. Further negotiations in the case could then be continued through the usual channels.

4. The Minister has commended Stanton and Soule for the patience, tact and skill exhibited by them in the handling of this difficult case.

For the Minister:  
ENGERT



493.11 Ekvall, Henry/76 : Telegram

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

PEIPING, December 19, 1932—5 p.m.

[Received December 19—5:55 a.m.]

1360. Legation's 1336, December 15, 5 p.m. I feel that Soule and Stanton should be allowed to return. During a call on Minister of Foreign Affairs at Nanking I informed him that there could be no discussion of reduction of exemplary damages until guilty parties had been caught and until we were satisfied that Provincial Government was doing all in its power to make amends. Subsequently, in my presence Minister of Foreign Affairs informed Chiang Kai-shek in this sense.

JOHNSON

493.11 Ekvall, Henry/80 : Telegram

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

WASHINGTON, December 19, 1932—5 p.m.

397. Your 1336, December 15, 5 p.m. and 1360, December 19, 5 p.m. Before passing upon your recommendation that Stanton and Soule be allowed to return to their respective posts, the Department desires to be informed with regard to the reactions of the Shensi provincial authorities to the further representations made by Stanton in accordance with the instruction contained in the Department's 390, December 7, 6 p. m. If Stanton is unable to obtain such information at once, please inform Department immediately.

Would you wish in light of Legation's 1354, December 19, 9 a.m.<sup>97</sup> to modify your recommendation?

STIMSON

493.11 Ekvall, Henry/81 : Telegram

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

PEIPING, December 22, 1932—1 p.m.

[Received December 22—2:55 a.m.]

1372. Your 397, December 19, 5 p. m. Following are excerpts from letter from Stanton dated December 17 and a telegram December 21, 3 p. m.:

The Provincial Government is making an earnest effort to appre-

<sup>97</sup> Not printed; it reported departure of troops for Sian (893.00/12225).

hend Chen Te-lu and the others but in the absence of any reliable clues their task is a most difficult one. Of Chen Te-lu and the car there is absolutely no trace whatever. The apprehension of the other criminals, who, although probably the actual murderers, were merely carrying out Liu's orders, appears equally difficult. Only four of these are actually known by name and of these Liu stated that two had been killed in an encounter with Provincial troops and that he had lost track of the others during the course of a further engagement and could not say whether they were still alive or not. There is reason to believe that the authorities are desirous of apprehending the criminals still at large. The confession of Liu and the implications which naturally flow from it constitute a devastating exposé of the negligence and incompetency of the Shensi authorities. But the very completeness of the exposé is a factor which engenders a desire to apprehend the other criminals and thus partially to rehabilitate themselves in the eyes of Nanking and General Chiang whose good opinion they are solicitously courting at this critical time. It is felt that the exemplary damages demanded constitute a potent form of pressure and that its application by the Legation from time to time will augment the desire of the authorities to apprehend the criminals still at large. Neither Colonel Hang nor local authorities have any information regarding Chiang's reported visit.

2. I feel that under the circumstances little good can be accomplished by leaving Stanton and Soule in Sian unless it be for an indefinite period pending tracing of Chen and other murderers.

JOHNSON

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493.11 Ekvall, Henry/82 : Telegram

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

WASHINGTON, December 23, 1932—5 p.m.

404. Your 1372, December 22, 1 p. m.

1. You are authorized to instruct Stanton and Soule to return to their respective posts. However, before they depart from Sian, they should inform the provincial authorities both orally and in writing that they have been specially directed by the Secretary of State to state on their departure that the Government of the United States finds it necessary to remind the provincial authorities of their solemn obligation to use every means within their power to effect without delay the apprehension and punishment of the criminals still at large and to fulfil all the other demands growing out of these abominable crimes committed by persons in the service of the provincial government and that the Government of the United States intends to press its demands unceasingly until they have been fully complied with.

2. The Legation should also, in the light of the above and of the instructions contained in the Department's telegram No. 390, Decem-

ber 7, 6 p. m., inform the Minister for Foreign Affairs, in writing and as under express instructions from the Secretary of State, that the Legation's representatives at Sian are at this time being withdrawn to their respective posts; that the confession of Company Commander Liu and the implications which naturally flow from it constitute a devastating exposé of the negligence shown by the provincial authorities of Shensi; that the American Government by no means considers the action already taken as satisfactory or sufficient; and that, therefore, it expects the Chinese Government to continue unceasingly its efforts to bring the case to an early and satisfactory conclusion in keeping with all the demands which have been made.

3. As the Legation doubtless realizes, it is absolutely essential to a satisfactory settlement of this outrage that the serious purpose of this Government to insist upon compliance with its reasonable demands be kept constantly before the national and provincial authorities, and the Legation will, therefore, omit no opportunity to continue to impress upon the Chinese authorities in the most earnest and emphatic manner the importance which the Government of the United States attaches to a speedy and complete compliance with its demands. The Legation will keep the Department promptly and fully informed of any developments and will communicate its views and recommendations in regard to any action in respect of which instructions may be requested.

STIMSON

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493.11 Ekvall Henry/83 : Telegram

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

PEIPING, December 28, 1932—4 p.m.  
[Received December 28—7:35 a.m.]

1393. Legation's 1372, December 22, 1 p.m. Following from Counselor Peck:

"December 28, 10 a.m. I learned through unofficial channels on December 27 that the Executive Yuan had, in the course of a closed session, approved the payment of an indemnity in the Ekvall case and the tendering of an apology. Having been pledged to secrecy I am unable, however, to confirm these two items officially. In connection with the punishment of the culprits I have received the following letter marked confidential from the Director of the Department of European and American Affairs of the Foreign Office addressed to me as Counselor:

'December 27, 1932. Dear Mr. Peck:—With regard to the Ekvall case, this Ministry has received an instruction from the Executive Yuan stating that, the Shensi Provincial Government having petitioned the Government to issue a general order for the arrest and trial of all those implicated in the murder, the

above-mentioned has sanctioned the petition by issuing an order to that effect to all the city and military authorities of different provinces.'"

2. Department's 404, December 23, 5 p. m. Stanton, Soule and Counselor Peck appropriately instructed.

JOHNSON

**QUESTION OF MAINTAINING NEUTRALITY AND IMMUNITY OF PEIPING LEGATION QUARTER IN EVENT OF FURTHER HOSTILITIES BETWEEN JAPANESE AND CHINESE FORCES**

793.94/5462 : Telegram

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

PEIPING, August 1, 1932—6 p.m.  
[Received August 1—6:03 a.m.]

882. Your 230, July 29, 6 p. m.<sup>98</sup> Question, if it should arise, will be very difficult for us to handle. I anticipate that the diplomatic body may act as a whole to endeavor to persuade Japanese to retire or to be interned. Japanese attitude in the past, however, has been that they are acting to protect lives and property and I anticipate that they will refuse to retire or be interned. Should the question arise I shall here urge my colleagues to recommend joint action at Tokyo and we will do what we can to persuade the Japanese to leave protection of their people and their Legation to us.

JOHNSON

793.94/5467 : Telegram

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

PEIPING, August 3, 1932—5 [8] p.m.  
[Received August 3—9:13 a.m.]

894. 1. With my French and British colleagues, a representative of the Italian Legation being present in the absence of the Minister, we have discussed problem presented by possibility of Sino-Japanese military action in this area, involving status of Japanese Legation guard. We are agreed that situation presents difficulties since guard is treated as part of Japanese Army subject to military direction rather than to Japanese chief of mission.

2. We are agreed that diplomatic immunity of Legation quarter must be preserved. We are agreed that Legation quarter and Japanese guards should not become involved in military activities here between Chinese and Japanese.

<sup>98</sup> See footnote 13, p. 186.

3. We believe that it will be difficult for various reasons to accomplish anything here and therefore recommend to your respective Governments that if and when military activities extend south of the Wall, joint representations be made at Tokyo and at Nanking for the purpose of obtaining undertaking from Chinese and Japanese Governments to respect neutrality and immunity of diplomatic quarter. Of course, the most safe solution of the question would be to obtain the Japanese Government's consent to the withdrawal of their guard from Peiping and the handing over of the protection of their Legation to the guards of the other countries present.

JOHNSON

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793.94/5470 : Telegram

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

PEIPING, August 6, 1932—10 a.m.

[Received August 6—4:56 a.m.]

904. My 894, August 3, 8 p. m., 882, August 1, 6 p. m. Wellington Koo came to see me last evening and in the course of long conversation spoke of danger of military action in this area and asked about possibility of neutralizing Peiping and Tientsin. I replied that neutralization of Peiping depended upon willingness of the Chinese to remove military headquarters and all military units from this area. Koo seemed to think this possible, saying military headquarters would be moved to Tungchow. He mentioned use of a neutral force to preserve neutrality and I said that United States would be loath to use its force except for the purpose it was placed here, namely to defend the Legation. As to Tientsin I pointed out that importance of communications placed Tientsin in a different category. I did not see how any agreement to neutralize Tientsin would be possible.

JOHNSON

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793.94/5471 : Telegram

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

PEIPING, August 6, 1932—11 a.m.

[Received August 6—5:45 a.m.]

905. My 894, August 3, 8 p. m.

(a) It would seem to me that we could legitimately make use of a recent incident when local press commented on Japanese guard making sham attack upon Legation quarter wall from point under Chinese jurisdiction beyond the street near Peking Hotel to remind

Tokyo that Legation quarter was established under article 7 of the Boxer protocol<sup>99</sup> as a quarter to be occupied by the Legations.

(b) That by the same article each of the powers obtained in China recognition of its right to maintain a permanent guard "in the said quarter for the defense of its Legation".

(c) That by reason of the above all of the Legations maintaining permanent guard in the quarter become jointly interested in and responsible for the maintenance of the diplomatic immunity of the quarter.

(d) That each power maintaining a guard here becomes therefore ultimately and properly concerned with the activities of any of the other guards that may be the means of inciting attack by the Chinese upon the quarter.

(e) That we therefore feel that we are entirely within our rights when we request that the Japanese Government instruct its commandant of guard at Peiping in such manner as to make it possible for him to keep his guard within the walls of the Legation quarter except when in the opinion of the senior of all the guards (at the present the American) activities outside the quarter are proper.

(f) And that the best thing for the Japanese to do at this time would be for them to take their guard away from Peiping leaving the protection of their Legation to the rest of us.

Code text to Tokyo by mail.

JOHNSON

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793.94/5467 : Telegram

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

WASHINGTON, August 6, 1932—2 p.m.

241. Your 855, July 26, 5 p. m.,<sup>1</sup> Department's 230, July 29, 6 p. m.,<sup>2</sup> your 882, August 1, 6 p. m., and your 894, August 3, 5 [8] p. m.

1. The Department appreciates that, in the event of hostilities between the Chinese and the Japanese involving the Peiping area, the question of the Japanese Legation guard is one fraught with possibilities serious to the interests of the other Legations at Peiping and to their Governments. The Department hopes of course that no such contingency will arise.

2. The Department has been glad to receive your views and recommendations and desires that you continue to keep it fully informed of developments.

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<sup>99</sup> Signed at Peking, September 7, 1901, *Foreign Relations*, 1901, Appendix (Affairs in China), p. 312.

<sup>1</sup> *Ante*, p. 185.

<sup>2</sup> See footnote 13, p. 186.

3. Referring specifically to your 894, August 3, 5 [8] p. m., paragraph 3, the Department desires to be informed promptly if and when the embroilment of the Peiping area and the Legation quarter in hostilities between the Chinese and the Japanese appears imminent, whereupon the Department will consider, in the light of the then existing situation, what steps it may advisedly take to the end that the Legation quarter may not be involved in military activities between the Chinese and the Japanese.

4. In the meantime, the Department suggests that thought be given to the question of seeking to bring about an arrangement under which the Japanese would agree, under a defense scheme agreed upon by the commandants of the various legation guards in consultation with their respective ministers, to confine the activities of the Japanese Legation guard to the defense of the Japanese Legation, leaving to the other legation guards the responsibility for the defense of the Legation quarter in general. The Department believes, however, that it would be premature at this time to discuss this question with Japanese officials at Peiping.

5. The Department's records do not appear to contain any copy of a defense plan of the Legation quarter. If such plan is in existence, please forward a copy to the Department by next pouch.

CASTLE

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793.94/5470 : Telegram

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

WASHINGTON, August 6, 1932—3 p. m.

242. Your 904, August 6, 10 a. m. Department notes with interest Koo's inquiry and your reply. Department suggests that you discreetly inform your principal diplomatic colleagues regarding the substance of this conversation.

CASTLE

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793.94/5471 : Telegram

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

WASHINGTON, August 6, 1932—4 p. m.

243. Your 905, August 6, 11 a. m. Have you discussed this with your military staff and with your diplomatic colleagues? What are their opinions?

CASTLE

793.94/5471 : Telegram

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

WASHINGTON, August 8, 1932—1 p.m.

244. Department's 241, 242 and 243, August 6, and previous. Confronted with a situation such as may be impending in this case, it is difficult to initiate in advance of imminent or actual occurrence of hostilities a discussion among governments of possible courses of action based on an assumption that hostilities will occur. Not only might such an initiative and discussion prejudice the situation, but such discussion might require much correspondence and, in view of the possible urgency of the situation, might not lead to satisfactory conclusions in time to be of value.

On the other hand, it seems to the Department that discussion of problems that may be involved and formulation of recommendations by process of conference among diplomatic representatives on the spot should not be difficult. In this case the Department feels that it is desirable that the representatives at Peiping of the principal non-disputant powers concerned confer freely among themselves with regard to the whole problem and endeavor to arrive at common conclusions at once desirable and practicable which they can recommend as expressive of their collective views for the consideration of their governments respectively. Do you perceive any obstacle? If so, please inform the Department. If not, please regard this as an expression of the Department's desire.

Inform Department of any developments in this connection.

CASTLE

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793.94/5477 : Telegram

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

PEIPING, August 9, 1932—4 p.m.

[Received August 9—6:30 a.m.]

921. Your 242, August 6, 3 p. m. Subject matter my 904, August 6, 10 a. m., given to colleagues this morning. It was suggested that we would find it difficult to refuse to consider the question if the Chinese were seriously to propose neutralization of Peiping but all agreed that it would be dangerous to consider the question without knowing more of the plans of both sides.

JOHNSON



793.94/5476 : Telegram

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

PEIPING, August 9, 1932—6 p.m.

[Received August 9—7:37 a.m.]

923. Your 243, August 6, 4 p. m., and 244, August 8, 1 p. m.

1. I called [on] French Minister and representatives British and Italian Legations in the absence of British and Italian Ministers and gave them copies points (a) to (f) inclusive. They are communicating this to their Governments. Stirling, British Legation, informed us that British Embassy, Tokyo, had commented on last sentence of paragraph 3 of my 894, August 3, 8 p. m., to the effect that Japanese would be unwilling to withdraw.

2. In view of this comment our suggestion would be that our several Governments in making representations [to] Tokyo leave paragraph (f) out of formal representations and use it only in connection with discussions with the Japanese.

3. With reference to paragraph 4, Department's 241, August 6, 2 p. m., we are agreed that it will be difficult to reach an understanding with the Japanese Legation here on this subject for the reason that Japanese guard appears to be functioning under orders from military and not subject to control or direction by civil authorities.

4. We all discussed suggestion in my 905, August 6, 11 a. m., as a program that might be followed prior to actual development of hostilities in this area in the hope that our several Governments might in Tokyo prepare the way for dealing with this problem.

5. Department must remember that there is no one at the head of the Japanese Legation here now who exercises much authority, Yano having gone south. French Minister told us that he tried to get information the other day from Japanese Legation but had great difficulty finding anyone there who could say anything.

6. We intend to continue to meet and discuss this and other questions. There are no obstacles except that Wilden and I are only chiefs of mission for the moment present in Peiping.

Code text to Tokyo by mail.

JOHNSON

793.94/5476 : Telegram

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

WASHINGTON, August 9, 1932—6 p. m.

247. Reference Department's 244, August 8, 1 p. m. and your 923, August 9, 6 p. m.

1. It is believed that your discussion should cover such questions as :

(a) Possible proposals for complete neutralization of the city of Peiping including an area with, say, a 10-mile radius from the Walls; this area to be cleared of armed forces other than police, gendarmes and guards; military operations of any sort within this area to be prohibited and no aerial operations or flying of any sort over this area to be permitted.

(b) Possible evacuation of foreign civilian personnel, including all women and children, from this area.

(c) Limitation of freedom of action of the various Legation guard units, so as to prevent provocative acts.

(d) Possible methods and moment for official initiating of proposals.

This list is intended to be suggestive, not exhaustive.

2. The Department doubts practicability of attempting to effect withdrawal or internment of Japanese Legation guard and doubts the advisability of giving that subject much discussion. If the points listed above were satisfactorily taken care of the problem presented in that connection would automatically almost disappear.

The Department does not believe it desirable, for the present at least, to give any consideration to the idea of possible evacuation of the official personnel of the Legations.

3. Referring especially to paragraph 2 of your telegram under reference, the Department, in order that there may be no misunderstanding, informs you that it has no intention at present of making representations to Tokyo or elsewhere, and that it regards all communications hitherto on this subject as being in the nature of discussion between the Legation and the Department of possibilities and ways and means. The Department refers again to the first paragraph of its No. 244, August 8, 1 p. m. The Department notes with satisfaction from your telegram under reference, paragraph 6, that you and your colleagues intend to continue conferring with regard to this whole problem, and the Department will expect to receive in due course your report on conclusions arrived at and recommendations, if any, formulated by you and your colleagues collectively.

STIMSON

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793.94/5480 : Telegram

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

TOKYO, August 11, 1932—8 p.m.

[Received August 11—10:40 a.m.]

209. 1. With regard to the proposal discussed in Peiping that in the event of Sino-Japanese hostilities developing south of the Wall

the Japanese Government should be asked to withdraw its Legation guard from the Legation quarter, my British colleague on August 6th cabled London his opinion that not only would such a request be refused but it would cause great resentment and hostility in Japan. He therefore earnestly recommended that no such request be made.

Today the British Ambassador has received via Peiping a reply from Sir John Simon who says that if and when hostilities should develop south of the Wall he would favor combined representations to the Chinese and Japanese Governments asking that the immunity of the Legation quarter be respected. He, however, concurs with Lindley's recommendation that no request be made in Tokyo for the withdrawal of the Japanese guard for the reasons stated by Ambassador.

3. I believe there is no doubt that in the present temper of the Japanese Government a request for the withdrawal of the Japanese Legation guard in Peiping would be futile.

Repeated to Peiping.

GREW

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793.94/5497

*Memorandum by the Under Secretary of State (Castle) of a Conversation With the British Chargé (Osborne), August 11, 1932*

[WASHINGTON,] August 16, 1932.

Mr. Osborne came in to see me, bringing an instruction from his Government to say that the British Government felt that either joint or single representation in Tokyo to the Japanese Government on the subject of the withdrawal of the Japanese Legation guard in Peiping would be unwise and useless and asking what we felt in this matter.

I told Mr. Osborne that we entirely agreed that it would do no good to make representations in Tokyo, that in any case it would certainly be premature and that, for these reasons, we took the same attitude as the British Government. He then said that, if hostilities should develop south of the Wall, his Government would favor combined representations to Tokyo and Nanking, urging the neutralization of the Legation quarter. I told him that obviously we would be glad to join with the other nations in making such a request if it seemed necessary, but that this would seem to me hardly to be going far enough. I said that I understood the most informal kind of suggestions had been made in Peiping, on the part of certain Chinese, that in case of trouble the entire city and the surrounding territory would be neutralized. I told him that, if there was any possibility of accomplishing this, it would be worth striving for, not only as protection but as saving some of the great monuments of the world, which were really the property of the world. He said he wondered whether

Japan would agree to neutralize Peiping, which, after all, would be something like asking the Germans invading France to promise not to go near Paris. I told him that, of course, I did not know, but that, if the time came, it would be worth making an attempt.

Mr. Osborne said he would communicate this to his Government.

W. R. CASTLE, JR.

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793.94/5476 : Telegram

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

WASHINGTON, August 19, 1932—5 p.m.

271. Reference Department's 247, August 9, 6 p. m., and Tokyo's telegram to Department of August 11, 8 p. m., repeated to Peiping, on subject of Legation quarter.

1. Both the British and the Italian Embassies here have approached the Department on the subject of possible steps to be taken in case menace of military operations around Peiping develops. Statements which they make indicate that the question of possibly proposing neutralization of the Legation quarter has been submitted by their representatives at Peiping to their governments respectively and that their governments approve in principle.

The British Government feels that effort to deal with the question of possible withdrawal of Japanese Legation guard would be unwise and useless. As you know, the Department holds that view.

With regard to question of neutralizing Legation quarter, Department feels that such a proposal if made by powers and if agreed to by Japanese and Chinese Governments would have little practical value. If fighting occurs near to, within or over Peiping, the Legation quarter will be in constant physical jeopardy no matter what its legal status. Department therefore feels that discussion of question of neutralization should envisage the whole city of Peiping and immediately surrounding territory. Unless you see substantial reasons contra, which reasons you should at once report to the Department, Department desires that in these discussions you take that position.

Department has been asked whether it supposes that Japan would agree to neutralization of Peiping. In the Department's analysis of that question, Department estimates that among the considerations which would be weighed by the Japanese in making their decision, those in favor of agreeing to such a proposal, if made, outweigh those against. Department therefore perceives no reason for assuming that the Japanese would not agree to such a proposal; and Department believes that the project of making such proposal, in the event that the menace develops, should be considered on its merits.

2. The Department has informed the British and the Italian Embassies here and the American Embassy in Tokyo that it is our view that this matter can most advantageously be threshed out among the diplomatic representatives in Peiping and that we hope that those representatives will make common recommendations to their various governments respectively.

3. Communicate this in paraphrase by mail to Tokyo.

CASTLE

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793.94/5494 : Telegram

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

PEIPING, August 20, 1932—5 p.m.  
[Received August 20—10:05 a.m.]

983. My 923, August 9, 6 p. m., and previous telegrams concerning activities of Japanese Legation guard.

Shortly after midnight on the morning of August 19 [apparent omission] and a detachment of Japanese soldiers from Japanese Legation guard held maneuvers outside Legation quarter for a distance of approximately 300 yards on main Chinese streets and side streets opposite Japanese sector. It is understood that Chinese authorities were notified in advance. Streets were cleared of Chinese traffic before maneuvers started. Foreigners were not molested. Maneuvers consisted of machine-gun drills and mimic street fighting with fixed bayonets. The event has passed off quietly although there has been adverse comment in the local press. The above is transmitted merely for the Department's information.

JOHNSON

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793.94/5495a : Telegram

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

WASHINGTON, August 20, 1932—2 p.m.

275. *New York Times* this morning carries news despatch dated Peiping August 19 stating that Japanese Legation guard engaged in military maneuvers outside of Legation quarter from midnight to dawn previous night and that Doyen of Diplomatic Corps has transmitted from "one of the most important Legations" a warning against "continuance of provocative and dangerous military activities in the orderly Chinese city"; and that today the possibility of concerted foreign representations to Japan was considered.

If the Japanese guard so acted, you are authorized to participate in discussions of ways and means toward preventing repetition of such action by Japanese and prohibiting such by any of Legation guards. If a concurrence of views with regard to possible action by the powers is arrived at you should report same to Department and await instruction before participating in making any representations.

For your guidance, Department is inclined tentatively to the view that for chance of success, representations, if made, would need to be made, by the principal powers concerned, at Tokyo.

WHITE

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793.94/5496 : Telegram

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

PEIPING, August 22, 1932—noon.

[Received August 22—4:50 a.m.]

985. 1. Your 275, August 20, 2 p. m. See my 983, August 20, 5 p. m. No action taken by Diplomatic Corps, no representations or warning made. At the moment I am only chief of mission in Peiping. All quiet and we will not continue discussions until others return at the end of month. I wish to repeat with all emphasis I can summon that Japanese Legation guard is part of Japanese military unit stationed at Tientsin and subject to military control and not control of Legation here. Maneuver in question carried out without previous notice to senior commandant as requested by his circular of last January. Japanese Legation at present in custody of the Third Secretary.

2. Your 271, August 19, 5 p. m., paragraph 1, please see my 894, August 5 [3], 8 p. m.

Code text to Tokyo by mail.

JOHNSON

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793.94/5501 : Telegram

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

PEIPING, August 25, 1932—4 p.m.

[Received August 25—6:03 a.m.]

1007. My 985, August 22, noon.

1. Following is for information of the Department: Commandant of the American Legation guard has received from the commandant of the Japanese Legation guard a notification that the Japanese guard will conduct maneuvers on its glacis and "night practice marches in the streets of the city near the glacis" on the morning of August 26

from 3 to 5 o'clock. This is the first notification to be received from the Japanese commandant in response to the senior commandant's circular of last January requesting such notification.

2. This gives us an opportunity to advise against such maneuvers and I propose to suggest to Colonel Gulick that he counsel with the Japanese commandant against such activities at this time.

JOHNSON

793.94/5496 : Telegram

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

WASHINGTON, August 25, 1932—4 p.m.

283. Your 985, August 22, noon. The Department appreciates the significance of your statement that the Japanese Legation guard is subject to military control and not to control of Japanese Legation in Peiping. The Department assumes, however, that that factor in itself does not preclude discussion by the legations of the other powers of the common problem which the status and activities of the Japanese guard thus presents along with other aspects of the problem of the safety of the Legation quarter and possible preventive and safeguarding measures, with a view to submitting to their respective governments common recommendations of joint or concurrent action.

Department notes your statement that Legations will not continue discussions until other chiefs of mission return at the end of this month. Is it your thought that there is any urgent need for discussion among governments of Legation quarter and Peiping area problems in advance of discussion and formulation by Legations of common recommendations? The Department sees no such need and, pending receipt of a definite recommendation from you, to which it would give careful consideration, will expect to take no action.

CASTLE

793.94/5501 : Telegram

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

WASHINGTON, August 25, 1932—5 p.m.

284. Your 1007, August 25, 4 p. m., paragraph 2. Department approves and suggests consideration of the practicability, in case Colonel Gulick confers with Japanese commandant regarding this or similar questions, of Gulick's being accompanied by commanding officers of British and perhaps other Legation guards.

CASTLE

793.94/5502 : Telegram

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

PEIPING, August 27, 1932—9 a.m.  
 [Received August 26—11:15 p.m.]

1016. Your 283, August 25, 4 p.m. Situation quiet at the moment. Recent evidence of willingness of the Japanese Legation guard commandant to cooperate (see my 1107 [1007], August 25, 4 p. m.) opens new avenue of approach which commandants will take advantage of. Will keep the Department informed.

JOHNSON

793.94/5533

*Memorandum by the Under Secretary of State (Castle) of a Conversation With the Italian Ambassador (De Martino), August 25, 1932*

[WASHINGTON,] August 29, 1932.

The Ambassador read me a telegram from Rome which said that the Italian Government agreed in principle to the neutralizing of Peiping if it could be done. The telegram pointed out, however, that it would appear to be necessary, from the technical point of view, for all the different nations to have a great many troops in Peiping to maintain neutrality. I pointed out to him that this seemed to me really to be a misunderstanding in that it was obvious that Italy, Great Britain, France and the United States, for example, could not proclaim the neutralizing of Peiping, that it would have to be an agreement between the Chinese and Japanese and certainly, if such an agreement was made between them, the rest of the world would not be expected to enforce it.

The final clause in the telegram interested me. The Italian Government said that the head of the Japanese Legation Guard in Peiping had actually proposed to the various military attachés that, in case of trouble, Peiping should be neutralized. The military attachés, according to the telegram, felt that the proposition was so silly that they did not even transmit it to their Government. It would be interesting to know whether our own military attaché knows anything about this.

W. R. CASTLE, JR.

793.94/5502 : Telegram

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

WASHINGTON, September 2, 1932—6 p.m.

301. Your 1007, August 25, 4 p. m., Department's 284, August 25, 5 p. m., and your 1016, August 27, 9 a. m.



On August 30, *Washington Herald* carried article by John Goette, Peiping, under date August 29, stating in part as follows:

"Japanese military authorities today bowed to a protest from Washington, agreeing to cease further night maneuvers in the Chinese native quarter.

On Saturday,<sup>3</sup> Colonel Gulick, after receiving a routine notification that the maneuvers would be held, was instructed by Washington to protest."

On September 1, *New York American* carried article by John Goette, Peiping, under date August 31, stating in part as follows:

"Japanese troops carried night maneuvers into the Chinese native quarter before dawn today, breaking a promise given Colonel Gulick, United States Marine Corps, senior commandant of the foreign legation guard."

The Department assumes that any action taken by Colonel Gulick was in his capacity as Senior Commandant and thus as a representative of all commandants other than the Japanese. The Department is of the opinion that it would be well, as suggested in Department's 284, August 25, 5 p. m., that the Senior Commandant, when conferring with the Japanese Commandant on questions of this nature, be accompanied by commanding officers of the British and perhaps other Legation guards. In the view of the Department such questions are matters of common concern to the various Legations at Peiping.

The Department feels that it is desirable to take, both in the field and in Washington, special precautions to guard against its being made to appear that the American Government or American official agencies are solely or primarily responsible for action taken in situations where there is a common interest and/or responsibility; and to guard against attribution to the American Government as such of initiative in connections where it has not taken the initiative.

CASTLE

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793.94/5525 : Telegram

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

PEIPING, September 3, 1932—2 p.m.  
[Received September 3—5:38 a.m.]

1059. My 1043, August 31, 8 a. m. [*p.m.*?]<sup>4</sup> American Naval Attaché in recent conversation with Colonel Watari (former Japanese Military Attaché to Washington) who has been attached to Japanese

<sup>3</sup> August 27.

<sup>4</sup> *Ante*, p. 214.

assessor with League Commission was told by the latter that the Japanese, except in the event of serious provocation, has [*have*] no intention of occupying the Peiping-Tientsin area. He stated that he personally disapproved of the night maneuvers of the Japanese Legation guard into Chinese territory and that he has so informed the local guard commander. Colonel Watari stated that he was going to Tokyo in a few days to take up his duties as a member of the General Staff and that he felt sure that he could bring the necessary pressure to bear to stop the maneuvers. He also stated that of all places Peiping was the one where fighting should be avoided.

JOHNSON

793.94/5528 : Telegram

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

PEIPING, September 6, 1932—4 p.m.  
[Received September 6—6:50 a.m.]

1073. Department's 301, September 2, 6 p. m. Colonel Gulick made no protest to Japanese. I do not know where John Goette got incorrect information which he cabled. Colonel Gulick called on Japanese to request they discontinue holding maneuvers in private compound of one of the officers of our own guard. Legation here is doing all it can to avoid situation described in last paragraph Department's telegram.

JOHNSON

893.403/3

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the Former Chinese Vice Minister for Foreign Affairs (Lee)*

[WASHINGTON,] September 8, 1932.

Mr. Lee called and said that he had received from a personal friend who is a member of the Commission for Preservation of Antiquities, in China, a letter dealing with the question of the protection of objects of art, etc., in Peiping in the event of military operations in or around that city. He said there was apprehension lest the Japanese Legation guard might take advantage of the fact of military operations there, if and when, to engage in activities in the city and in course thereof destroy or seize art collections, etc. He wondered whether it would be possible to have such collections moved into the Legation quarter. Mr. Hornbeck said that it seemed to him that

there would be no objection in principle to the taking of such precautions by the Chinese; and that he thought it could be worked out with the authorities of the different Legations, if the Chinese would approach them there, in Peiping. This apparently satisfied Mr. Lee.

S[TANLEY] K. H[ORNBECK]

793.94/5555 : Telegram

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

WASHINGTON, September 19, 1932—3 p.m.

320. 1. The British Secretary for Foreign Affairs having expressed to the American Ambassador at London<sup>5</sup> an interest in receiving information with regard to the possibility of Sino-Japanese armed hostilities in the Peiping-Tientsin area, the Department has handed to the British Embassy a memorandum,<sup>6</sup> and has telegraphed to the Embassy at London for use, in discretion, in conversation with the British Secretary for Foreign Affairs, a condensation thereof giving the information reported by you in this regard and outlining the Department's views as to certain possible steps which the Department believes might advantageously be taken by non-disputant interested powers.

Pertinent portion of text of telegram follows:

[Telegram No. 245, September 16, 1932, to the Ambassador in Great Britain not printed.]

2. Communicate this in paraphrase by mail to Tokyo.

STIMSON

793.94/5573 : Telegram

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

PEIPING, September 28, 1932—10 p.m.

[Received September 29—12:52 a.m.<sup>7</sup>]

1148. Your 320, September 19, 3 p. m. British Chargé d'Affaires was instructed by his Government to comment upon suggestions made to British Government by the Department.<sup>6</sup> He and I and French Minister discussed the question of neutralization of Peiping and its environments along the following lines:

<sup>5</sup> See telegram No. 262, September 14, noon, from the Ambassador in Great Britain, p. 244.

<sup>6</sup> Memorandum of September 16, p. 250.

<sup>7</sup> Telegram in two sections.

(a) The move should be made by *doyen* of the Diplomatic Corps and given utmost publicity.

(b) Preliminary sounding as to acceptability of project both in Tokyo and here might be desirable but no official step should be taken till danger is imminent.

(c) Legation guards should undertake no commitment outside of quarter.

(d) Maintenance of order in Peiping should be sole responsibility of Chinese police.

(e) Japanese nationals should be evacuated either to the quarter itself or away from Peiping altogether.

(f) International commission should be set up on Shanghai analogy.

(g) There should be some understanding as to when arrangement ceases, say, when commission (see *f* above) consider hostilities have ceased.

We also submitted question to our Military Attachés who stated among other things that if any action were taken it should be carried out as soon as possible for there is no guarantee that we shall have sufficient notice to prevent a disaster if we delay this action until the moment of hostilities.

In other words it was the considered view of our Military Attachés that it would be impracticable to wait until the hostilities begin or appear imminent to suggest to the Chinese Government and Japanese Government that they enter into an agreement for the neutralization of Peiping and its environments.

My French colleague, the British Chargé and I agreed:

(A) That Wellington Koo was the only local source for a suggestion of neutralization of the city of Peiping and he is now gone. We do not know the attitude of responsible local Chinese on this question and from our knowledge and experience of Japanese actions we believe that the Japanese would be loath to enter into a discussion of an arrangement for neutralization of Peiping and its environs and thus forego the advantage of an attack.

(B) There is at present no indication of any intention on the part of the Japanese to take action in this area.

(C) It would be difficult for the Diplomatic Body acting through the *doyen* to initiate discussions with the Japanese at this time and we believe that if we await imminence of an attack it will be very difficult to commence negotiations.

(D) It is therefore our conclusion that the only alternative left is the one previously suggested, namely, that if and when hostilities begin or seem imminent we approach both Governments calling their attention to the existence of diplomatic quarter and demanding its protection.

793.94/5573 : Telegram

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

WASHINGTON, October 4, 1932—1 p.m.

338. Your 1148, September 28, 10 a. m. [*p.m.*]

1. Department deduces from this telegram that you, your French colleague and the British Chargé feel that it would not be practicable for the powers to plan to propose, if and when hostilities become imminent, neutralization of Peiping and environs, your collective view being that the Japanese Government would not assent.

Department desires your reasoning in relation to the conclusion that "the Japanese would be loath to enter into a discussion of an arrangement for neutralization of Peiping etc."

2. Department also deduces that you feel that the only possible measure worth considering is that of approaching both Chinese and Japanese Governments, if and when hostilities become imminent, emphasizing the rights and interests of the diplomatic quarter.

In that connection, Department inquires what is the implied antecedent of "we" in the concluding paragraph (D) of your telegram under reference.

3. Reverting to the Department's view that the idea of proposing neutralization of the Peiping area has merit, Department desires: (a) your estimate with regard to the probable reaction of the Chinese authorities to such a proposal, if made; (b) that, upon the arrival of Neville, who will visit Peiping shortly, you get his estimate of the probable Japanese reaction; and (c) that as soon as you have both estimates you report to the Department.

In this connection, Department would point out that there are various factors other than that of military advantage or disadvantage which would need to be taken into consideration both by the Chinese and by the Japanese in the process of their deciding whether to accept or to reject such a proposal if made. Department desires that in making your estimate you give such factors comprehensive consideration.

STIMSON

793.94/5592 : Telegram

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

PEIPING, October 13, 1932—4 p.m.

[Received October 13—5:24 a.m.]

1185. Department's written instruction 856, September 2, report-

ing conversation between Castle and Italian Ambassador on August 25th.<sup>9</sup>

With reference to final paragraph of Castle's memorandum I have discussed matter with Military Attaché and he has made discreet inquiries among all other Military Attachés who participated in discussions regarding neutralization of Peiping and he reports that no such proposal was made by the head of the Japanese Legation guard to any of the various Military Attachés on that subject.

JOHNSON

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793.94/5594 : Telegram

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

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[Received October 18—6:47 a.m.]  
PEIPING, October 18, 1932—1 p.m.

1199. Department's 338, October 4, 1 p. m.

1. It was and is our collective view that it would be impracticable to propose neutralization of Peiping and environs if and when hostilities become imminent for the reason that it would then be too late.

2. For this reason it was our collective view, supported by that of our Military Attachés, that such a proposal to be successful would have to be made the subject of prior negotiation.

3. Having reached this conclusion we considered question of how and when negotiations might be initiated. We concluded that (a) in the absence of immediate threat; (b) our belief (supported by opinion of Military Attachés) that Japanese are loath to confide their military plans in advance, proposal for a change by prior negotiations was out of the question.

4. With reference to paragraph 3 of the Department's telegram under reference:

(a) I have no reason to doubt that Chinese civilian authorities would welcome a proposal for the neutralization of the Peiping area if such proposal were made. Neutralization of the Peiping area would naturally involve neutralization of communications system which centers at Peiping and I have no means of knowing what attitude Chinese military would take towards this proposal. Railways centering at Peiping would become extremely valuable to military should operations on a large scale commence. We have not cared to approach Chinese in this matter lest we create unnecessary panic locally;

(b) I have discussed whole problem with Neville who desires to be quoted as follows:

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<sup>9</sup> Instruction No. 856 not printed; it enclosed a copy of the memorandum of August 29, p. 573.

"I am inclined to think that there is no immediate prospect of major Japanese military activities in the Peiping area. At the same time I do not think it would be possible in Peiping to obtain any authoritative statement from the Japanese as to their military plans. Such information could be given only by the General Staff in Tokyo.

Plans for operations which may be worked out by the General Staff are treated by Japanese Army as extremely confidential and it will probably be impossible to obtain any assurance that there would be no military operations in Peiping area or in the event that such military operations should take place, that there would be any region exempt from operations by such Japanese forces as might be placed there."<sup>10</sup>

5. Antecedent of "we" is "interested powers" represented at Tokyo and here.

JOHNSON

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**ATTITUDE OF THE DEPARTMENT OF STATE ON THE EXPORT TO CHINA OF ARMS OR MUNITIONS, INCLUDING MILITARY AIRCRAFT**<sup>11</sup>

893.113 Arrow Air and Motors Corp./7 : Telegram

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

PEIPING, January 23, 1932—2 p. m.

[Received January 23—4:20 a. m.]

114. Legation's 287, May 21, 1 p. m.<sup>12</sup> Following from American Consul at Yunnanfu:

"January 18, 5 p. m. Commander of the Yunnan Bureau of Aviation has informed me that during a recent formal interview between French Consul here and a representative of the Provincial Chairman, French Consul expressed much displeasure over the Yunnan government's order of six American training planes from the Arrow Aircraft and Motors Corporation, Havelock, Newberry [*Nebraska*], and stated that because the Yunnan government disregarded his advice to purchase military planes offered in competition by the Indo-China Government neither he nor the Tonkin authorities will be disposed to permit transit of the American planes which have just arrived Haiphong. Under the contract planes remain American property until payment in full and delivery Yunnanfu. I am of the opinion that if French Consul's statements are permitted to stand without protest and obstruction actually develops the legitimate sale of American products in this part of China will be seriously curtailed.

I have informed American Consul at Saigon."

JOHNSON

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<sup>10</sup> For report by Mr. Neville to the Ambassador in Japan, see enclosure to despatch No. 187, November 5, p. 333.

<sup>11</sup> Continued from *Foreign Relations*, 1931, vol. III, pp. 1016-1028.

<sup>12</sup> Not printed.

893.113/1360

*The Chargé in Great Britain (Atherton) to the Secretary of State*

No. 2539

LONDON, January 25, 1932.

[Received February 3.]

SIR: Referring to the Embassy's despatch No. 2456, December 10, 1931,<sup>13</sup> with regard to British policy and procedure respecting shipments via or from Hong Kong to the Cantonese revolutionary government of arms and munitions of war and of airplanes, I have the honor to enclose a copy of an informal note from the Foreign Office, dated January 22, 1932,<sup>13</sup> stating that although certain Armstrong-Whitworth planes did leave Hong Kong for Canton during October, machine-gun mountings were not then in place. The legal position was therefore that the Governor of Hong Kong had no power to prevent the clearance from the colony of the airplanes in question, since they were at that time commercial machines. No other planes with machine-gun mountings in place have left Hong Kong for Canton in recent months.

The note also states that the Foreign Office has been informed by the competent authorities here that no licence for the exportation from Great Britain of aircraft armament has been issued since June 1931, when owing to the establishment of a separate government at Canton, the practice was adopted of refusing to grant licences for arms, etc., destined for Canton.

Respectfully yours,

RAY ATHERTON

893.113 Arrow Air and Motors Corp./10 : Telegram

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

WASHINGTON, January 26, 1932—5 p. m.

27. Your 114, January 23, 2 p. m. The Department desires that the Consul at Yunnanfu report any further developments and endeavor discreetly to confirm the statement reported to have been made by the French Consul at Yunnanfu that neither he nor the Tonkin authorities will be disposed to permit transit of the American planes which have recently arrived at Haiphong.

The Department has instructed the American Consul at Saigon to inquire informally whether shipment has been detained but to make no representations unless and until further instructed.

STIMSON

<sup>13</sup> Not printed.



893.113 Arrow Air and Motors Corp./16 : Telegram

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

PEIPING, February 9, 1932—3 p.m.

[Received February 9—8:50 a.m.]

215. Department's 37, January 30, 1 [3] p. m.<sup>14</sup> Following from American Consul at Yunnanfu:

"February 8, 9 a. m. During a verbal and friendly conversation with me on January 27 French Consul himself confirmed having made statements to the local government substantially those repeated to the Legation's [*Legation?*] January 27, 6 p. m. During an interview with the Provincial Chairman on February 4 he stated to me 'during the pendency of my order for the American planes the French Consul Mr. Lévi said to me that France has always been willing to assist Yunnan in getting whatever was needed in arms and ammunition and aeroplanes and that whenever Yunnan is in the market for such supplies French products should be given first consideration.' The Provisional [*Provincial*] Chairman attaches much importance to the safe and timely delivery of these planes and has intimated that if the French succeed in preventing it he will not hazard further orders for American aviation products. Provincial Chairman assured me emphatically that the Nanking Government has fully authorized him to import these non-military planes without further formalities."

I have informed Consul Stevens that Legation has requested Consul General at Nanking to discuss this matter with the Chinese authorities with a view to securing the necessary permits for importation into Yunnan without which French authorities appear to be unwilling to allow passage of planes through French Indo-China.

For the Minister:

PERKINS

893.113 Arrow Air and Motors Corp./20 : Telegram

*The Secretary of State to the Ambassador in France (Edge)*

WASHINGTON, February 16, 1932—3 p.m.

62. Six strictly commercial aeroplanes sold by the Arrow Aircraft and Motor Corporation of Havelock, Nebraska, to Yunnan Aviation Bureau of the Government of Yunnan Province, China, under terms whereby title remains with seller until delivery at Yunnanfu, are now being detained by authorities at Haiphong and transit permit refused on the ground that planes of any description are regarded by France as war material.

Department was informed January 29 that French authorities re-

<sup>14</sup> Not printed.

quire approval of Chinese National Government through French Legation, Peiping, before issuing transit permit. Under date February 13, American Consul, Saigon, informed Department that, after understanding that French Legation, Peiping, had approved transit of planes he received a telegram from the Governor General of Indo-China stating that the matter had been referred to his Government.

You are requested to ask for expeditious action in regard to this matter and to report promptly to the Department.

Department is informed that the obstructive attitude of French authorities is due to disappointment over refusal of Yunnan Government to buy French planes offered in competition and that if the French authorities succeed in preventing safe and timely arrival of these planes the legitimate market for American products in Yunnan Province will be seriously impaired.

STIMSON

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893.113 Arrow Air and Motors Corp./23 : Telegram

*The Ambassador in France (Edge) to the Secretary of State*

PARIS, February 27, 1932—noon.  
[Received February 27—9:30 a.m.]

134. Reference telegraphic instruction No. 62 of February 16, 3 p. m. Note from Foreign Office just received states that subsequent to verification by the French authorities of the commercial character of the planes, transit permission may be accorded. The French Minister in China has been telegraphically instructed to reach a favorable agreement with the Governor General of Indo-China subject to such verification. The observation is, however, made that there is an absolute prohibition in Indo-China against the transit of all war materials and that the competent authorities are authorized to decide each case according to consideration of public order.

EDGE

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893.113 Arrow Air and Motors Corp./31 : Telegram

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

PEIPING, March 26, 1932—11 a.m.  
[Received March 26—2:10 a.m.]

378. Legation's 358, March 19, noon.<sup>15</sup> Following from American Consul at Yunnanfu:

"March 25, 9 a. m. Legation's March 2, 4 p. m., received by me

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<sup>15</sup> Not printed.

evening March 21st[?]. The following telegram was received today from Waterman: 'Governor General telegraphs granting transit.'

The following telegram has been received today from Arrow sales manager, Fisher, at Haiphong: 'Shipping planes tonight, arrive Sunday.'

Unless damage and unusual delays occur in transit planes should arrive at Yunnanfu within fortnight. Notwithstanding Paris statement that an absolute prohibition exists large consignments of arms and ammunition have arrived here recently from Indo-China. Yunnan authorities greatly appreciate assistance given by Legation and Waterman."

For the Minister:  
PERKINS

893.113/1388

*The Consul General at Hong Kong (Jenkins) to the Secretary of State*

No. 418

HONG KONG, May 11, 1932.

[Received June 8.]

SIR: Adverting to my despatch No. 414 of May 6, 1932,<sup>16</sup> concerning the aircraft situation in Hong Kong and South China, I now have the honor to report that this Consulate General has just been informed orally by Mr. Tratman, of the Colonial Secretary's Office, that military airplanes intended for Canton are not permitted to be unpacked and assembled in the Colony unless covered by "Nanking papers". According to Mr. Tratman, "Nanking papers" mean documents from the Nanking Government confirmed by the Chinese representative in the country of origin.

Mr. Tratman was under the impression that all the British planes recently unpacked in Hong Kong and flown to Canton were accompanied by the so-called Nanking papers. He said the situation remains unchanged with respect to military planes and war supplies passing through the Colony to Canton which are unaccompanied by Nanking papers. Although these can not be unpacked and assembled in Hong Kong, such shipments are permitted under the Barcelona Convention,<sup>17</sup> provided they are through shipments and intended for the Canton régime.

Mr. Tratman reiterated the statement made by the Superintendent of Imports and Exports some months ago that the Hong Kong Government endeavored to preserve strict neutrality in cases involving possible disagreements between the Canton and Nanking régimes, and

<sup>16</sup> Not printed.

<sup>17</sup> Multilateral convention and statute on freedom of transit, signed April 20, 1921, League of Nations Treaty Series, vol. VII, p. 11.

that the Barcelona Convention enabled an avoidance of the issue in most cases because shipments of military supplies clearly in transit could be allowed to pass through the colony, no matter what political group happened to be in control of Canton at the time.

Mr. Tratman said that even if the regime now governing Canton should again break off relations with Nanking, the Hong Kong Government would continue to permit through shipment of military supplies to South China ports under the provisions of the Barcelona Convention, although the unpacking and assembling of military planes in Hong Kong would no longer be possible because such shipments would lack the necessary Nanking documents.

I must confess that I am surprised to learn that these military planes for Canton, or some of them at least, have passed through with the approval of the Nanking Government. It may be that General Chang Wei-Cheung, who was in control of the Canton Aviation Bureau until a few days ago, was able to obtain the necessary documents. Now, however, that General Chang Wei-Cheung has been ousted by Chen Chi-t'ang, who is openly hostile to Nanking, it seems safe to predict that the so-called Nanking papers will no longer be available in connection with military shipments to Canton.

In the hopes that Consul General Ballantine may be able to shed some light on this very interesting point, I am sending copies of this correspondence to him.

Respectfully yours,

DOUGLAS JENKINS

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893.113/1393

*The Consul General at Hong Kong (Jenkins) to the Secretary of State*

No. 425

HONG KONG, May 24, 1932.

[Received June 20.]

SIR: In connection with the final paragraph in this Consulate General's despatch of May 11, 1932, concerning the aircraft situation in Hong Kong and South China, I now have the honor to report that I am in receipt of a letter from Consul General Ballantine to the effect that he has just been advised by General Huang Kuang-jui, the head of the Canton Aviation Bureau, that since the beginning of 1932 some twenty planes fitted with machine guns or bombing racks had been imported through Hong Kong into Canton under permits issued by the Nanking Government, and that six planes had been imported as commercial craft without authorization from the central government. General Huang implied, according to Consul General Ballantine, that some of the non-military planes had been fitted with military equipment and were now capable of being used as fighting

machines. None of the twenty-six planes was of American manufacture.

This information seems to confirm the statements made by Mr. Tratman, of the Hong Kong Colonial Secretary's Office, as reported in my despatch of May 11. It will be recalled that Mr. Tratman said the military planes which the Hong Kong authorities had permitted to be unpacked and assembled in the local aerodrome and then flown to Canton, were covered by "Nanking Papers".

For the information of the Department, it would appear that the present situation in respect to the shipment of military supplies to Canton may be summarized as follows:

(a) With the exception mentioned under (c) below, the attitude of the British Government in London seems to coincide with that of the United States Government. In other words, military supplies, including military planes, cannot be shipped from Great Britain to China without the approval of the Nanking Government.

(b) On the other hand, the Hong Kong Government permits so-called through shipments to Canton of military planes and military supplies under the provisions of the Barcelona Convention. Such shipments must be direct and intended for the Canton regime, although not necessarily covered by a through bill of lading. The country of origin of such shipments appears to be immaterial. It is understood that the Hong Kong authorities are permitting such through shipments from Holland, Germany and elsewhere as readily as from England.

(c) Adverting to paragraph (a) above, there may be one point in which the policy of Great Britain does not agree with that of the United States; i.e., the question as to what constitutes a military plane. Apparently the British consider an unarmed plane of military type to be non-military, whereas this Consulate General understands that the United States Government deems all planes of military type, although unarmed, to be military craft, and as such, refuses to permit their exportation to China unless accompanied by a request from the Nanking Government.

Respectfully yours,

DOUGLAS JENKINS

893.113/1402

*The Consul at Saigon (Waterman) to the Secretary of State*

No. 511

SAIGON, August 8, 1932.  
[Received September 12.]

SIR: I have the honor to refer to despatch No. 459 of April 5, 1932,<sup>18</sup> on the subject: "Transit Through French Indo-China of Six Arrow Sport Airplanes Bought by the Government of Yunnan", and pre-

<sup>18</sup> Not printed.

vious and succeeding correspondence concerning the transit of airplanes through French Indo-China for Yunnan. There is enclosed a copy of a letter dated July 26, 1932, from the American Vice Consul at Yunnanfu, enclosing a copy of a letter dated July 26, 1932, (this date appears to be in error) from the American Trade Commissioner at Hongkong, and a copy of a letter dated August 8, 1932, sent by this Consulate to the American Trade Commissioner at Hongkong in reply.<sup>19</sup> In this letter the Trade Commissioner states that as the South China aircraft sales organization shortly to be organized by Wallace Harper, Jr., at Hongkong contemplates selling airplanes to the Yunnanese Government he would appreciate knowing whether they would be granted a transit permit through French Indo-China.

In view of the difficulties which arose with the shipment of airplanes discussed in despatch No. 459 above, and in view of the probability that further difficulties will arise should another shipment be attempted, I rather hesitate to endeavor to obtain a definite decision from the local Government as to its future policy in the present hypothetical status of the inquiry. It is possible that the local Government, not having a concrete case to decide, might refuse definitely, thus making possible future requests more difficult.

Again, in view of the determined efforts made by the French to sell French airplanes to the Yunnanese Government, even after the sale of the Arrow planes had been consummated, it is quite probable should the French receive an indication that further sales of American airplanes were to be made, they would put forth every effort to sell their own planes. It is furthermore probable that they would not hesitate even to resort to threats or other pressure upon the Yunnanese Government to force them to buy French planes, thus seriously prejudicing the possibility of effecting American sales. It would therefore appear advisable for American firms desirous of selling planes to the Yunnanese Government to endeavor to obtain a fixed sales contract containing a provision that the contract would be valid only in the event permission could be obtained for transit through French Indo-China. This procedure would place the Consulate in a very good position to make a definite demand for transit permission, and the planes need not be shipped from America unless, or until, this permission has been received.

On the other hand, the Department is referred to the two cases recently handled by this office concerning transit through French Indo-China, both of which have been successful from the American standpoint. I refer to the airplane case and to the case of the asparagus which did not have the country of origin stamped in French on

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<sup>19</sup> None printed.

each tin according to French law. (See despatch No. 269 dated October 22, 1930,<sup>20</sup> on the subject: "Result of Protest Against Confiscation of Asparagus Consigned to American Citizens in Yunnan"). From these successful conclusions, obtained through energetic action, it appears to me that possibly the local Government believes itself in a rather untenable position in maintaining its arbitrary regulations. If this is true, it might be advisable to endeavor to obtain a definite commitment as to its future policy from the local Government on the whole transit question, through raising the question asked by the American Trade Commissioner at Hongkong.

It would be of the greatest assistance to this office in future cases of this kind, if the Department would instruct it as to its complete policy with regard to the transit question, as well as forward a brief outline of any previous correspondence with the French Government on this subject.

I would request that the Department send this Consulate a telegraphic instruction in reply to this despatch, indicating in particular whether it desires to reopen the whole transit question on the grounds advanced by Mr. Barringer in his letter to the Consul at Yunnanfu.

Respectfully yours,

HENRY S. WATERMAN

893.113/1411

*Memorandum by the Counselor of Legation in China (Perkins)*<sup>21</sup>

CONVERSATION BETWEEN MR. C. E. SCHROEDER, A BELGIAN CITIZEN, REPRESENTATIVE OF THE "FABRIQUE NACIONAL DES ARMES DE GUERRE" AND MR. PERKINS, COUNSELOR OF LEGATION, SEPTEMBER 8, 1932, ON BOARD "S. S. CHOKOMARU" EN ROUTE FROM KOBE TO TIENTSIN

Mr. Schroeder said he had been visiting Japan for the purpose of selling sporting guns but that he was now coming to Peiping with the object of selling munitions to the Chinese. He had previously been some months in Central China on the same mission. He then discussed the subject of the selling of arms and munitions in China, and said that recently competition had become very keen and difficult to meet. This was on account of the very low rates offered by munition manufacturers and arsenals in certain countries in Europe in which these concerns received Government support. In order to keep their personnel permanently employed these concerns receiving Government support were willing to make prices with which purely private firms such as his own found it very difficult to compete.

<sup>20</sup> Not printed.

<sup>21</sup> Copy transmitted to the Department by the Minister in China in his despatch No. 1755, September 28; received October 22.

He then remarked that for some years Chinese credit had been so bad that cash payments had been regularly required, and the only competition had been with respect to the price and quality of goods. Now, however, European firms were again beginning to extend credit in China and he had recently known of a contract in which the final balance of 50% of the price was not to be paid until several months after delivery.

With reference to obtaining permit to import Mr. Schroeder said that in Central and in North China no European firm would undertake to deliver arms and munitions to Chinese provinces until the permission of the Central Government had been previously obtained. Otherwise the ships importing this cargo would be in danger of being confiscated on arrival. In South China, however, there had been a certain amount of selling to the Cantonese authorities without the permission of the Central Government. In Hongkong, the British authorities did not allow arms and munitions to be indiscriminately imported for subsequent sale to Chinese officials, because they were unwilling to have that port used as a base of supplies for the promotion of revolutionary disturbances in South China, but they would allow the importation of arms into Hongkong for transshipment to South China if the permit of the Canton Government was obtained.

With regard to the purchase of arms by Chinese more or less independent of Nanking, he said that there was much reluctance on the part of such military people to apply to the Central Government for permits, since it frequently happened that the Central Government in reply would offer to furnish the applicant with the required arms and munitions rather than issue an import permit. This practice was quite unsatisfactory to the under officers in such cases because it prevented them from obtaining the commissions which they would be able to receive through direct purchase from abroad.

Mr. Schroeder said he expected to have to remain some time in Peiping for the Chinese were very clever in playing against each other the various European competitors and that it was very necessary to have the greatest patience in this kind of trade. He believed that the sale of American airplanes had been very successful in China and that this was due largely to the practice of American aviation firms in taking Chinese to the United States for instruction and training.

He also remarked that, within the last few months, the Japanese Government had been buying very large quantities of artillery and munitions from France.



893.113/1412 : Telegram

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

PEIPING, October 25, 1932—noon.

[Received October 25—2:42 a.m.]

1212. American Consul at Yunnanfu telegraphs that with reference to reported sale of French munitions to Yunnan he understands there is now possibility for American manufacturers provided that they quote without delay prices on the following: 200 machine guns caliber 7.92 with 3,000,000 rounds; 10,000 rifles same caliber with 2,500,000 rounds; 100 anti-aircraft guns caliber 13.2 with 1,000,000 rounds; 4 anti-aircraft guns caliber 25 millimeters with 40,000 rounds. Reported French terms delivered at Yunnanfu approximately 1,750,000 gold dollars.

JOHNSON

893.113/1402 : Telegram

*The Acting Secretary of State to the Consul at Saigon (Waterman)*

WASHINGTON, October 26, 1932—7 p.m.

Your despatch of August 8 concerning transit of goods through Indo-China.

In the absence of a specific case, Department feels that it would be inopportune to raise this question at least until commercial treaty negotiations with France<sup>22</sup> have been concluded. Please report fully with regard to French regulations and practices in respect of this transit trade.

CASTLE

893.113/1412 : Telegram

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

WASHINGTON, October 27, 1932—1 p.m.

358. Your 1212, October 25, noon. As it is not the policy of the American Government to stimulate through its officers the export to China of arms or munitions of war (see particularly concluding sentence of Department's instruction to Nanking under date October 12, 1929,<sup>23</sup> which, as enclosure No. 2 was attached to your circular instruction No. 394 of December 13, 1929) Department will refrain from taking any action in connection with your telegram under reference.

<sup>22</sup> See vol. II, pp. 195 ff.

<sup>23</sup> *Foreign Relations*, 1929, vol. II, p. 537.

A purchase by the Yunnan Provincial Government of arms and munitions of war valued at approximately one and three-quarters million gold dollars would appear to indicate either an error on the part of the Consulate at Yunnanfu in reporting the case, or a situation the military and political aspects of which should be watched very carefully.<sup>24</sup>

STIMSON

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893.113/1428

*The Consul General at Hong Kong (Jenkins) to the Secretary of State*

No. 568

HONG KONG, December 17, 1932.

[Received January 16, 1933.]

SIR: I have the honor to refer to this Consulate General's despatches of May 6,<sup>25</sup> May 11, and May 24, 1932, concerning the aircraft situation in this colony and South China, and to enclose herewith a letter dated December 15 from the American Trade Commissioner in Hong Kong<sup>25</sup> from which it will be observed that American aircraft manufacturers are still experiencing great difficulty in their efforts to compete with British-made planes in the South China market, especially military planes. A memorandum of Vice Consul Lyon's conversation with an official of the Colonial Secretary's office is also enclosed<sup>25</sup> respecting the attitude of the British Government in regard to the exportation of military aircraft to China.

This Consulate General has never been able to obtain a satisfactory explanation of the British Government's attitude in this matter. However it seems safe to say that the British authorities are permitting the exportation of military planes to Hong Kong for ultimate transshipment to the military authorities in South China provided the planes are unarmed. No objections seem to be raised to the exportation of these unarmed military planes even when they are not covered by the so-called Nanking *huchaos*. In addition, it seems safe to say that after the so-called unarmed military planes are landed in Hong Kong, the Colonial authorities permit shipment to South China, either armed or unarmed, on the *huchao* of the South China authorities. It is not quite clear just what these so-called South China *huchaos* are. From Vice Consul Lyon's conversation with Mr. Tratman one gets the impression that South China *huchaos* bear the chop of the Nan-

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<sup>24</sup> This latter situation was stressed by the Vice Consul at Yunnanfu in his despatches Nos. 22 and 24 of November 2 and 9, 1932, respectively. His conclusion was "that the purchase of a large quantity of arms and munitions is a measure of preparedness for any eventuality." (893.113/1418, 1420)

<sup>25</sup> Not printed.

king Government but are actually issued by the South China authorities. On the other hand the South China military officials have stated repeatedly that they are very much opposed to applying to Nanking for these *huchaos* and that the local Hong Kong authorities will permit the shipment of military planes on the South China *huchao* alone.

I understand that the Cantonese authorities are shortly to make large purchases of planes and that they are anxious to obtain American aircraft if possible. At the same time however the Cantonese are not inclined to make these purchases through the Nanking Government and all of this business will probably go to British manufacturers if the United States Government continues to regard unarmed planes of the military type as military planes and forbid their exportation except under cover of a Nanking *huchao*. The Canton military authorities say quite frankly that they will not ask for these Nanking *huchaos* and will buy British aircraft instead, which can be shipped through Hong Kong on South China *huchaos*.

In view of the possibilities of the market for military aircraft in South China I hope it will be possible for the Department to ascertain the present position of the British Government in respect to the exportation of military aircraft in order that the practices of the two governments may be brought more into accord and an opportunity given to American manufacturers to compete with British aircraft on more favorable terms.

May I suggest that this matter be given the earliest possible consideration by the Department in order that the uncertainty of the situation may be cleared up as speedily as possible?

Respectfully yours,

DOUGLAS JENKINS

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893.113/1419 : Telegram

*The Consul General at Hong Kong (Jenkins) to the Secretary of State*

HONG KONG, December 19, 1932—4 p.m.

[Received December 20—2:45 a.m.]

Referring to my despatch of May 24 and previous correspondence concerning aircraft situation. I understand Cantonese authorities contemplate large purchases of aircraft in near future and wish to obtain American machines but are unwilling to apply for export permits through Nanking Government. Cantonese insist that British authorities permit exportation of unarmed military planes without Nanking permits whereas only nonmilitary planes are permitted to leave the United States under the same conditions. As American manufacturers are evidently not able to compete with British in these circumstances I venture to suggest that the Department endeavor to

ascertain just what the British attitude now is respecting the shipment of military planes to China especially to Canton via Hong Kong.

Despatch follows.<sup>27</sup>

JENKINS

893.113/1437

*The Vice Consul at Yunnanfu (Reed) to the Secretary of State*

No. 32

YUNNANFU, December 21, 1932.

[Received January 27, 1933.]

SIR: In continuation of the theme developed in my Confidential Despatch No. 20, "Representation of American Airplane and Automobile Interests in the Yunnanfu Consular District", dated October 12, 1932,<sup>28</sup> I have the honor to outline certain items of interest which have arisen in connection with the recent and present efforts of an American factory representative to sell airplanes to the Yunnan Provincial Government.

Recently Mr. James Fisher, of the American Eastern Aviation Company at Hong Kong, which concern is understood to act as factory representative of a group of American airplane manufacturers, arrived in Yunnanfu, bringing with him complete data and specifications of the planes handled. The Provincial Chairman, General Lung Yun, pleased with the success of the six Arrow Training Planes, delivered to the Yunnan Bureau of Aviation by Mr. Fisher some eight months ago, reiterated his desire to purchase a number of training planes and turned over the negotiations to Commander Chang Chih Kuo of the Aviation Bureau. After a number of conferences, the result was brought to the attention of the Chairman who then rather surprisingly stated that the prices quoted by Mr. Fisher were so much higher than those quoted by French representatives that the purchase of the American planes could not be considered unless the quotations were substantially cut.

Commander Chang communicated to Mr. Fisher the following information which he had received from the Chairman: that the French representatives had offered free transit across Indo-China, that the Indo-China Government was prepared to waive all transit taxes and duties, that no *huchao* would be required for their planes to enter Yunnan across the Indo-China frontier, and that these representatives, in the presence of and evidently with the consent of the French Consul at Yunnanfu, stated that no American planes would be permitted to make transit through Indo-China.

<sup>27</sup> *Supra.*

<sup>28</sup> Not printed.

It was mentioned in my previous despatch, French interests have maintained representatives here for months, utilizing every opportunity to push their manufactures and to urge that in future purchases of French aircraft should be made. . . . Moreover there is no question but that the inducements, as stated by Commander Chang, of free transit, of exemption from duty and the threat of barring transit of American planes, carry a more than considerable weight. When it is known that the cost of transit and the imposition of duty on the Arrow Training planes amounted to approximately one-third of the cost of the planes, when it is recalled that the securing of a transit permit for these planes was effected only after months of waiting and voluminous correspondence, involving the interested Consulates, the Department of State, the Embassy at Paris, as well as the purchaser and seller, it is more than patent that the Bureau of Aviation at Yunnanfu views with apprehension the higher cost of the American planes and the problem of securing such planes, if purchased, in the face of an already announced determination to prevent their transit across Indo-China. It is also rather noteworthy that the statement that no import *huchao* will be required clarifies the position of the French Consulate in that it would intimate rather broadly that the French Consul at Yunnanfu is to be the dictator of what may or may not be imported into Yunnan, a position which successive French consuls have worked to establish.

Yet, so remarkable has been the performance of the six Arrow Training planes and so dismal has been the failure of French planes, that a number of influential generals are disposed to purchase the American planes offered by Mr. Fisher regardless of price and opposition on the part of the French. Unfortunately, however, the Provincial Chairman is considering the price rather than the record. Mr. Fisher has submitted new quotations, although considerably lower than his previous prices yet still considerably higher than the French quotations, but no action has been had as to the revised offer. Apropos of the French quotations it may be noted that one of the two French representatives reduced his quotation from 160,000 francs to 90,000 francs, such a large reduction evidencing the determination to secure the market against American planes at all costs, regardless of such items as profit, et cetera.

At the same time, Mr. Fisher was requested to submit quotations on military planes, pursuit and bombers, these evidently for comparison with the prices submitted by French and the British. Although in my previous despatch it was stated that the Yunnan Government was not prepared to purchase military aircraft for some little time, it would now appear that a newly aroused interest in such planes is paramount. This may be a measure of preparedness, such as the

negotiation of the arms and munitions deal is supposed to be, stimulated by the strife in the surrounding provinces and by the rumored possibility that Yunnan's allegiance to Nanking may be switched to Canton. Concerning this latter possibility this office is gathering material for a detailed report.

As the situation develops the Department will be kept informed by prompt despatches and in the meantime this office is assisting Mr. Fisher in his endeavor to sell commercial planes in every way possible.

Respectfully yours,

CHARLES S. REED II

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893.113/1422

*Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) of a Conversation With the Former Chinese Vice Minister for Foreign Affairs (Lee)*<sup>29</sup>

[WASHINGTON,] December 27, 1932.

Mr. Hornbeck took advantage of the opportunity afforded by references on Mr. Lee's part to increasing disposition of the Chinese to unite in resistance to Japan to observe that the general disposition of the Cantonese to stand off from Nanking was a source of weakness to China and causes unnecessary difficulty to other countries in their official relations with China: to illustrate, the refusal of the Cantonese to ask approval of Nanking in connection with imports of munitions, particularly aircraft, is occasioning embarrassment to this Department in connection with the question of export trade in airplanes destined to China. In the presence of that situation, we, under our procedure, are unable to issue export licenses for shipment of various items sought to be purchased by Canton; at the same time other countries are permitting comparable items to go to Canton without the approval of Nanking; the net result is that our export trade in the commodities in question is in fact discriminated against. After some discussion of the ins and outs of this question, Mr. Lee said that he thought that Canton could be persuaded to make its attitude and position with regard to that question regular. He said that he would take the question up both with Canton and with Nanking.

S[TANLEY] K. H[ORNBECK]

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<sup>29</sup> Dr. Chinglun Frank W. Lee, then attached to the Chinese Legation.

893.113/1423½

*Memorandum by the Under Secretary of State (Castle) of a Conversation With the British Ambassador (Lindsay)*

[WASHINGTON,] December 29, 1932.

I brought up with Sir Ronald Lindsay the question of the shipment of war planes from Hong Kong to Canton. I told him that I entirely realized the difficulty of the British situation in Hong Kong where if they did not play up to the Cantonese, the Cantonese had every opportunity for reprisal. The Ambassador said that he thought his Government was exceedingly strict about the shipment of any arms or munitions, including fighting planes, into China without the permission of the Nanking Government, and that if there had been any slip he was sure that it was not intentional. I told him that I knew of only one shipment of three pursuit planes of a purely war type which had recently gone from Hong Kong to Canton without any previous Nanking license. He said that he would have the matter looked up, as he was sure it would be very disagreeable to his Government. He asked if we had had a protest from Nanking about it. I said that we certainly had not, as I had no reason to think the Nanking Government knew anything about it.

He asked what the relations were now between Nanking and Canton, and I told him that on the surface at least they were very friendly; that if this were the case Nanking might prove its friendliness by promptly issuing such licenses as were asked for by the Cantonese. I told him that in the matter of airplanes at least, if the British Government felt that it could not maintain its restrictions it would seem almost necessary to open the field generally. He said he was sure that the British Government would not approve of any such measure and that on the other hand it would be grateful for the tip I had given them because it thoroughly disapproved of supplying arms of any kind to the different factions in China.

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

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**EFFORTS OF THE UNITED STATES TO MEET SITUATION CREATED BY IMPOSITION IN CHINA OF TAXES CONSIDERED UNFAIR TO AMERICAN TRADE** <sup>30</sup>

893.156/55

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

No. 699

WASHINGTON, February 19, 1932.

SIR: Reference is made to the Legation's despatches No. 1272 of

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<sup>30</sup> Continued from *Foreign Relations*, 1931, vol. III, pp. 981-1009.

November 18, 1931, and No. 1348 of January 5, 1932,<sup>31</sup> and to previous correspondence and exchanges of telegrams, in regard to the question of the applicability to American nationals of certain foreshore regulations promulgated by the Municipality of Shanghai.

The revised foreshore regulations promulgated by the Municipality of Shanghai on July 31, 1931, a translation of which was communicated to the Department with the Legation's despatch No. 1209 of October 7, 1931,<sup>32</sup> do not contain the objectionable features found in the original regulations promulgated in January, 1931, as referred to in the Department's telegram No. 230, July 15, 3 p. m.<sup>33</sup> In this respect the revised foreshore regulations are more acceptable than the original regulations.

As the Department understands the revised regulations, which understanding is substantiated by the statement of the Minister for Foreign Affairs found in the penultimate paragraph of his note to the Legation dated September 21, 1931,<sup>32</sup> (see Legation's despatch No. 1209, October 7, 1931), the purpose is to regulate matters concerning river and harbor administration on the Whangpoo River. In the Department's opinion, however, such matters are adequately taken care of by the agencies established in accordance with the various Whangpoo Conservancy agreements, particularly Article 7 of the Agreement dated April 9, 1912,<sup>34</sup> which outlines in general those matters which fall under the jurisdiction of the Conservancy Board, of the Harbormaster and of the Maritime Customs. The revised regulations, therefore, establish a new administrative control in harbor and conservancy matters on the Whangpoo River which duplicates the supervision now exercised by other authorities established in accordance with valid existing agreements.

If the Chinese Government considers that existing arrangements for the administration of river and harbor matters on the Whangpoo River, as provided in various conservancy agreements, are inadequate, the proper procedure would be for that Government to approach the powers principally concerned with a view to devising modifications in the existing arrangements rather than to establish unilaterally a new supervising authority charged with duplicating those duties already discharged by other officials of the Chinese Government. As the Chinese Government failed to consult in advance with the Powers principally concerned, the Department is constrained to express its disapproval of this method of undermining the validity of existing

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<sup>31</sup> Neither printed.

<sup>32</sup> Not printed.

<sup>33</sup> *Foreign Relations*, 1931, vol. III, p. 995.

<sup>34</sup> MacMurray, *Treaties, etc.*, vol. II, p. 954.



commitments of the Chinese Government which, if allowed to go unchallenged, might lead to further impairment of the rights of American citizens in China.

According to the information now before the Department, the attitude of the other interested Powers is as follows: the British Government feels that, if British owners of riparian property are definitely pressed by the Chinese authorities, it would be expedient tacitly to accept the regulations (Legation's telegram No. 795, October 20, 9 a. m.<sup>37</sup>); the French Government has not decided upon its attitude (Legation's telegram No. 869, November 4, 11 a. m.<sup>38</sup>); and the Japanese Government has definitely decided that it is not in a position to accept the revised regulations (Legation's telegram No. 895, November 9, 4 p. m.<sup>37</sup>).

In view of the foregoing and of the present situation in China, the Department is not prepared either to accept the regulations as applicable to American nationals conformably to their rights by virtue of existing agreements, treaties or otherwise or to approve the recommendation to be found in the last paragraph of the Legation's telegram No. 694, October 3, 8 a. m.,<sup>39</sup> namely, that American firms be advised as a compromise arrangement, that there is no objection to their paying the fees required under the revised regulations.

The Department desires that no action be taken unless and until the Chinese authorities at Shanghai again approach the American firms concerned for the purpose of obtaining payment of the fees required thereunder. If and when such request is made for the payment of the fees, the companies from whom payment is requested should be advised not to comply with the request. The Consul General should then inform the Legation, whereupon the Legation, referring to its previous note of August 20, 1931,<sup>40</sup> should address a further note to the Ministry of Foreign Affairs. In its note the Legation should point out (1) that, while the revised regulations do not contain the objectionable features found in the original regulations, they do provide for a new measure of control in the administration of harbor and conservancy works on the Whangpoo River for which no provision is made in the existing agreements between China and the foreign powers, and (2) that, while the American Government on its part is prepared to entertain with sympathetic consideration any proposal that the Chinese Government may care to make to the

<sup>37</sup> *Foreign Relations*, 1931, vol. III, p. 1008.

<sup>38</sup> Not printed.

<sup>39</sup> *Foreign Relations*, 1931, vol. III, p. 1006.

<sup>40</sup> See telegram No. 508, August 11, 1931, 6 p. m., from the Minister in China, and Department's telegram No. 278, August 17, 1 p. m., to the Minister in reply, *ibid.*, pp. 1000 and 1004.

Powers principally concerned on this subject, it cannot accept unilateral modification of existing treaty provisions in regard to the administration of harbor and conservancy matters on the Whangpoo River.

In view of this instruction it would be hardly worth while to enter into any discussion, for the present, with the Chinese authorities in regard to a definition of the term "shore line" (see Legation's despatches No. 1272 of November 18, 1931, and No. 1348 of January 5, 1932) as used in the revised regulations. However, if and when this entire question actually comes up for discussion, it would seem appropriate to attempt to eliminate any ambiguity in the use of the term "shore line".

Very truly yours,

For the Secretary of State:  
W. R. CASTLE, JR.

893.512/1199 : Telegram

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

PEIPING, March 30, 1932—1 p.m.

[Received March 30—5 a.m.]

389. Legation's despatches No. 1189, September 25;<sup>41</sup> and No. 1299, December 4, 1931,<sup>42</sup> concerning the imposition of certain illegal taxes in Hunan.

1. Under date of March 11 Legation again protested against the imposition of these taxes and has now received a note from the Ministry of Foreign Affairs, dated March 21st, in which American firms are requested to pay the dike surtax and wharfage dues inasmuch as all revenues derived therefrom are intended for use in river works. It is also contended that these taxes were not included in the declaration regarding the abolition of likin or the annexes of the Sino-British tariff treaty.<sup>43</sup> However, the Ministry adds that the Hunan Provincial Government has been instructed to refrain from the imposition of the production tax, the most important of the taxes levied.

2. Legation is of the opinion that request of the Ministry is not unreasonable and that American firms might tacitly acquiesce in the payment taxes provided that they are reasonable and that the revenues derived therefrom are largely expended on river works and that no attempt is made to collect the so-called production tax. However, in view of the Department's instruction regarding these taxes as set

<sup>41</sup> See footnote 63, *Foreign Relations*, 1931, vol. III, p. 1005.

<sup>42</sup> See footnote 71, *ibid.*, p. 1009.

<sup>43</sup> Signed at Nanking, December 20, 1928, League of Nations Treaty Series, vol. xc, p. 337.

forth in paragraph 5 of its 249 of July 27, 11 a.m.,<sup>45</sup> the Department's instructions are requested as to whether American firms should continue to refuse to pay them or tacitly agree thereto on the conditions mentioned above.

For the Minister :  
PERKINS

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893.512/1199 : Telegram

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

WASHINGTON, April 21, 1932—5 p.m.

108. Your 389, March 30, 1 p.m., in regard to dike surtaxes and wharfage dues in Hunan.

1. In the light of the information available to the Department in regard to these taxes, the Department is still of the opinion that the attitude taken in its 249, July 27, 11 a.m.,<sup>45</sup> paragraph 5, would appear to be correct. However, before making a decision in regard to the recommendation found in the Legation's 389, March 30, 1 p.m., paragraph 2, the Department desires to obtain definite information concerning the history of the wharfage and dike surtaxes with particular reference to (1) whether both taxes have been collected from all foreigners; (2) whether any protests have been made or are contemplated by other interested powers; (3) whether the Standard Oil Company has paid wharfage taxes as stated in the communication dated January 4, from Ho Chien to the Consul General at Hankow;<sup>46</sup> (4) the approximate total of both taxes per annum and approximate amount devoted to conservancy work; and (5) effect of taxes on American trade. The Department also desires to learn whether the production tax has been abolished in compliance with the instructions of the Nanking Government referred to in the note of March 21 from the Ministry of Foreign Affairs.

2. The Department also suggests that the interested American firms be informed of the attitude of the Ministry of Foreign Affairs and be advised that, pending further consideration of the question by the Department (upon receipt of the information requested above) such firms must determine for themselves whether, in the existing situation, their interests render it expedient for them to pay the taxes under protest.

CASTLE

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<sup>45</sup> *Foreign Relations*, 1931, vol. III, p. 998.

<sup>46</sup> Not printed.

893.512/1223 : Telegram

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

PEIPING, June 15, 1932—4 p.m.

[Received June 15—4:30 a.m.]

659. Department's 108, April 21, 5 p.m., regarding collection of wharfage dues and dike surtax in Hunan. With reference to points raised therein following is summary of despatch L Number 145, dated June 7th, from Consul General at Hankow, copies of which have been forwarded to the Department direct.<sup>47</sup>

1. Wharfage dues have been collected for many years at Changsha and Yochow on all imports and exports including gasoline and kerosene regardless whether the cargo paid customs duty or was covered by duty exemption certificates. It is collected indiscriminately upon cargoes of all native and foreign firms on the basis of 2 percent of the old 5 percent ad valorem tariff. Dike tax collected for many years at above ports on all imports and exports paying customs dues with the exception of kerosene and gasoline which are exempted by the terms of the consolidated tariff since July 1931. Repeated attempts have been made to force oil companies to pay dike surtax. Dike surtax collected from all foreign and Chinese firms.

2. With respect to protests Japan[ese] Consul at Shanghai has protested against both taxes. British Consul has not and will do so only if British goods are discriminated against. Other powers have not protested and are not particularly interested.

3. Standard Oil Company has paid wharf dues but with respect to the dike surtax is resisting efforts of provisional authorities to collect taxes on gasoline and kerosene which are exempted by terms of [consolidated?] tariff.

4. With regard to total of both taxes per annum Consul General states that any accurate statement is quite impossible but that total may possibly amount to approximately 150,000 Haikwan taels. As to amount expended on conservancy work Consul General states *inter alia* "It is generally admitted locally, however, that only a small percentage if any of these or similar revenues are ever actually expended for the purpose declared".

5. With reference to the effect of such tax upon American trade the Consul General reports that "American firms interested in the wharfage dues and dike taxes in Hunan have expressed the opinion that their collection in a manner the same as that used for similar collections in other ports would not materially affect American trade. They would appear to be willing to acquiesce without protest in the

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<sup>47</sup> Not printed.

collection of dike tax upon all cargo (other than kerosene and gasoline) and the collection of wharfage dues upon all cargo provided the current rates of exchange were used in computing all assessments and provided further that the dike taxes be assessed only upon cargo paying customs duty in the Hunan port of assessment. This arrangement would permit the importation into Hunan free from the dike tax of all cargo that has been cleared out of bond or through the customs at some other port in China. This is the procedure at Hankow and is reported to be that of other ports of China with the exception of those of Hunan".

6. With reference to the production tax the Consul General reports that while it has not been abolished the Hunan provisional authorities have temporarily ceased their efforts to collect the tax from foreign firms.

JOHNSON

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893.5034 Business Tax/49

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

No. 1669

PEIPING, August 4, 1932.

[Received August 29.]

SIR: I have the honor to refer to my despatch No. 1123 of August 17, 1931,<sup>48</sup> transmitting to the Department a copy of my formal note of August 7, 1931, to the Ministry for Foreign Affairs<sup>49</sup> in reference to the new Business Tax Law. In this note various objectionable features of the new law were pointed out to the Foreign Office, and it was requested that this whole question of the business tax be given further consideration. The Foreign Office on October 7, 1931, replied to the Legation's note, but the answers to the objections raised in the Legation's note were in most cases vague and inadequate and did not indicate that the matter had received any very serious re-consideration by the National Government. A copy, in translation, of the Ministry's reply of October 7, 1931, is transmitted herewith for the Department's information.<sup>50</sup>

Subsequent to the receipt of this unsatisfactory reply of the Foreign Office, there was reported to the Legation but one further instance of an effort by the Chinese authorities to apply the business tax to American firms, and in this particular instance (at Canton) the Consulate General informed the Chinese authorities that the matter had been referred to the American Government for its consideration and that, pending its further instructions, the regulations could not be

<sup>48</sup> *Foreign Relations, 1931*, vol. III, p. 1001.

<sup>49</sup> *Ibid.*, p. 1002.

<sup>50</sup> Not printed.

considered as applicable to American citizens. This reply was apparently accepted without comment by the Chinese authorities, who since that time have, so far as the Legation is informed, not sought to impose the tax. (See despatch No. 90 of November 27, 1931, from the American Consulate General at Canton to the Legation on the subject: "Business Tax in Canton", copies of which despatch were forwarded to the Department by the Legation without covering despatch.)<sup>51</sup>

In his telegram of July 28, 3 p. m., 1932, Consul General Adams at Hankow reported that he had received a letter dated July 15th from the Chairman of the Hupeh Provincial Government, requesting that American merchants at Hankow be told to begin paying the tax without delay, to which request Consul General Adams replied that the matter has been under discussion by the Legation and the Ministry of Foreign Affairs. In view of the seeming adequacy of such replies to previous efforts of the Chinese authorities at various points in China to apply the tax to American citizens, the Legation has accepted Consul General Adams' telegram (copy of which is enclosed<sup>51</sup>) as merely informative and has confined its action to an approval of the reply which he has made to the Chairman of the Hupeh Provincial Government. Mr. Adams has been informed, however, that the matter is again being referred to the Department.

In view of the present financial situation, it is to be expected that the Chinese authorities in Hupeh and elsewhere will more urgently press for the application of some kind of a business tax to foreign as well as Chinese merchants, and the Department is accordingly again referred to the Legation's despatch referred to above and to the enclosed Foreign Office note of October 7, 1931. The views of the Legation in the matter are clearly indicated in its note of August 7, 1931, to the Ministry of Foreign Affairs (copy enclosed with my despatch No. 1123 of August 17, 1931), and an expression of the Department's views in regard to the position to be taken by the Legation in reference to the matter, in the likely event that the Chinese authorities become insistent in their demands, is requested.

Respectfully yours,

NELSON TRUSLER JOHNSON

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893.512/1223 : Telegram

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

WASHINGTON, August 20, 1932—noon.

273. Department's 162, June 20, 3 p.m., and your despatch 1593, June 28,<sup>52</sup> in regard to Hunan dike surtaxes and wharfage dues.

<sup>51</sup> Not printed.

<sup>52</sup> Neither printed.

1. Department considers that the attitude taken in its 249, July 27, 11 a.m., 1931,<sup>55</sup> paragraph 5, is still correct, but in view of the practical situation disclosed in Hankow's despatch L. number 145 of June 7 to the Legation,<sup>56</sup> the Department does not feel that any useful purpose would be served at this time by making any further protest if there is no evidence of discrimination against American nationals.

2. As the claim of the American oil companies to exemption from payment of dike surtaxes on kerosene and gasoline appears to be based on private agreements, the Legation and the Consul General should take no action other than to forward to the Chinese authorities such protests based on their private agreements as the companies may care to make in their own names (see Department's telegram No. 16, January 19, 1932, 2 p.m., to the Legation,<sup>56</sup> in this connection).

WHITE

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893.5034 Business Tax/52 : Telegram

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

PEIPING, September 3, 1932—3 p.m.  
[Received September 3—9:10 a.m.]

1061. Legation's mail despatch No. 1659 [1669], August 4. Follow-up has been received from the Consul General at Hankow:

"September 2, noon.

1. During past 2 weeks American firms, with the exception of the petroleum companies and companies in the French Concession, have been receiving undated notices from the business tax bureau demanding that they register and begin paying business tax within 3 days.

2. The French and Japanese Consuls inform me that they have been requested by the Chinese authorities to permit the collection of the business tax from Chinese merchants in their respective Concessions. They have not been requested to permit the collecting of tax from foreign merchants in their Concessions. They have replied that they have no objection to the voluntary payment of the tax by Chinese merchants residing in their Concessions but that they would not permit the use of any coercive measures by Chinese officials against Chinese merchants residing in their Concessions.

3. The American Chamber of Commerce of Hankow discussed the business tax at a meeting on August 30 and decided that American firms shall ignore demand received. The Consulate General will await actual attempt to collect the tax from American firms before making further representations."

JOHNSON

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<sup>55</sup> *Foreign Relations*, 1931, vol. III, p. 998.

<sup>56</sup> Not printed.

893.5034 Business Tax/52 : Telegram

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

WASHINGTON, September 29, 1932—4 p.m.

336. Your despatch 1669, August 4, and telegram 1061, September 3, 3 p. m. Department's instruction 62 of February 20, 1931, 5 p. m.,<sup>57</sup> to the effect that the business tax can not be considered applicable to American firms, and Department's instruction 85 of March 6, 1931, 5 p. m.,<sup>58</sup> with regard to consular officers pointing out to American firms, who may apply to them for advice, practical aspects of the situation as indicated in your 93, March 1, 1931, 3 p. m.,<sup>59</sup> section 5, remain in force.

Department notes that Hankow Consulate General will await actual attempt to collect the tax from American firms before making further representations and believes that you should do likewise.

Department also desires that you endeavor to cooperate with your interested colleagues in deciding upon a uniform course of action.

STIMSON

893.5034 Business Tax/56 : Telegram

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

PEIPING, October 18, 1932—1 p.m.

[Received October 18—7:25 a.m.]

1200. My 1061, September 3, 4 [3] p. m. Following from American Consul General at Hankow.

"October 15, 2 p. m.

1. American and other foreign firms at Hankow have received further peremptory demands from the Chinese authorities that they begin immediately to pay the business tax.

2. The consular body discussed the matter at a meeting yesterday and decided to make no further representations to the Chinese authorities at present. However, in the event of an actual attempt to enforce the tax against a foreigner possessing representation on the consular body his consul and all other members of the consular body will individually file protests with the Chairman of the Provincial Government, each consul basing his protest on demands made upon his own nationals by the tax authorities.

3. All foreign merchants represented by consuls in Hankow have been requested to refer Chinese business tax officials to their respective consuls."

<sup>57</sup> *Foreign Relations*, 1931, vol. III, p. 987.

<sup>58</sup> *Ibid.*, p. 990.

<sup>59</sup> *Ibid.*, p. 989.



The Legation has approved proposed action of the Consul General.<sup>60</sup>  
JOHNSON

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893.5034 Business Tax/53

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

No. 916

WASHINGTON, October 21, 1932.

SIR: The receipt is acknowledged of your despatch No. 1731, dated September 12, 1932,<sup>61</sup> entitled "Protests of Socony-Vacuum Corporation against Illegal Taxation, Foochow", in which you state that you are informed that the protests of the Socony-Vacuum Corporation with regard to illegal taxation are no longer based upon private agreements but upon voluntary rulings of the National Government of the Republic of China. You state that you assume that the Department will approve direct protests by American consular officers to the provincial authorities against the levy of illegal taxation upon kerosene and gasoline in cases where and on the ground that such levy violates rulings of the National Government.

The Department perceives no objection to the filing of protests with the Chinese authorities either by the Legation or by consular officers on such grounds provided that in each case the Legation and/or the consular officer concerned is satisfied that a ruling of the National Government has been violated.

Very truly yours,

For the Secretary of State:  
W. R. CASTLE, JR.

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893.156/61 : Telegram

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

PEIPING, November 22, 1932—4 p.m.  
[Received November 22—11:20 a.m.]

1270. Your mail instruction No. 699, February 19 (no file number, Legation file 852 Shanghai foreshore regulations). A note has now been received from the Ministry of Foreign Affairs referring to previous correspondence and requesting that interested American[s] be instructed to comply with the revised foreshore regulations promulgated by the municipality of Shanghai on July 31, 1931.

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\* The Department replied by telegram No. 355, October 22, 1 p.m., approving the instruction to Hankow.

<sup>61</sup> Not printed.

In view of the receipt of this further note, should Legation now take the action directed in the Department's instruction referred to above?

For the Minister:  
PERKINS

893.156/61 : Telegram

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

WASHINGTON, November 23, 1932—3 p. m.

380. Your 1270, November 22, 4 p. m. As the Department has not been informed of any changes in the situation upon which its instruction No. 699, February 19, 1932, was based, you should, unless you perceive and submit reasons to the contrary, take the action directed in that instruction.

STIMSON

893.5034 Business Tax/59

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

No. 1871

PEIPING, December 21, 1932.  
[Received January 16, 1933.]

SIR: With further reference to the Legation's despatch No. 1659 [1669], August 4, 1932, and to subsequent telegrams regarding attempts of the Chinese authorities to enforce the business tax upon American firms, I have the honor to enclose for the Department's information copies of a note from the Ministry of Foreign Affairs dated October 30, 1932, together with copies of the Legation's note of December 16, 1932, in reply.<sup>62</sup>

The Legation has continued to protest against any attempt to force American firms to pay this tax in contravention of rights guaranteed to them by treaties.

In this connection there are also enclosed copies of a memorandum of a telephone conversation of mine with Mr. A. D. Blackburn, of the British Legation,<sup>63</sup> from which the Department will see that the British Legation is also protesting against the application of the business tax to British merchants at Hankow.

Respectfully yours,

NELSON TRUSLER JOHNSON

<sup>62</sup> Neither printed.

<sup>63</sup> Not printed.

893.5034 Business Tax/62

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

No. 1888

PEIPING, December 24, 1932.  
[Received January 30, 1933.]

SIR: With further reference to the Legation's despatch No. 1871, December 21, 1932, regarding the attempts of the Chinese authorities to enforce the business tax upon American firms, I have the honor to enclose copies of the memorandum of a conversation I had on December 17th with M. Wilden, the French Minister, and Mr. Ingram, the British Chargé d'Affaires.<sup>64</sup>

I informed my colleagues that, while we were protesting against the collection of this tax upon American firms, we were not endeavoring to prevent American merchants from dealing with the matter in any practical manner they might deem advisable.

Respectfully yours,

NELSON TRUSLER JOHNSON

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**EFFORTS FOR THE CONSIDERATION OF AMERICAN CLAIMS  
OUTSTANDING AGAINST CHINA** <sup>65</sup>

493.11/1598 : Telegram

*The Minister in China (Johnson) to the Secretary of State*NANKING, February 9, 1932—4 p. m.  
[Received February 9—9:55 a. m.]

I have just received a personal letter from the Minister of Finance, dated February 8th, in which he states that customs revenues having fallen off by one-third in the past few weeks he requests me to use my personal good offices with the United States Government in favor of the following proposal which he says will reach me shortly through the Minister of Foreign Affairs:

"The National Government of the Republic of China, in view of the increasingly grave economic difficulties which during the past few weeks have been reflected in a drastic fall of customs receipts, proposes the postponement during 1 year from February 1, 1932, of the payment of the American, British and Italian portions of the Boxer Indemnity.

The local [*National*] Government points out that the various objects to which these portions are being devoted, and which it is emphasized are objects for the benefit of China, would not suffer, since the several indemnity commissions have in hand sufficient accumulated funds to cover the requirements of the next year. Also these portions of the indemnity are not pledged for loan service as are other portions.

<sup>64</sup> Not printed.<sup>65</sup> Continued from *Foreign Relations*, 1931, vol. III, pp. 1034-1046.

The payments proposed to be postponed would be made in the year following the termination of the annuities as now scheduled.

A similar note is being addressed to the other two Governments concerned."

JOHNSON

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493.11/1598 : Telegram

*The Secretary of State to the Consul General at Nanking (Peck)*

WASHINGTON, February 10, 1932—1 p.m.

28. For the Minister. Your February 9, 4 p. m. Upon receipt by you of formal proposal that payment of American portion of Boxer Indemnity be postponed, please so inform Department and also forward your views with regard to the proposal. Department would be interested also in your colleagues' attitude toward the proposal.

STIMSON

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493.11/1599 : Telegram

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

SHANGHAI, February 13, 1932—4 p.m.

[Received February 13—7:32 a.m.]

Your February 10, 1 p.m., to Nanking. Formal proposal has been received. My British colleague recommended to his Government favorable consideration in principle.

I believe we should not object but we must of course bear in mind that the Chinese may never resume payments.

JOHNSON

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493.11/1603 : Telegram

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

SHANGHAI, February 17, 1932—2 p.m.

[Received February 17—9:15 a.m.]

My February 13, 4 p.m.

[1.] T. V. Soong is pressing me for a reply to his letter.

2. I understand from my Italian colleague that his Government does not view with favor a postponement of Boxer Indemnity payments.

3. Manager of Hong Kong and Shanghai Banking Corporation here has informed member of my staff confidentially that his bank

has not for some time past considered itself as the custodian of the Boxer Indemnity funds. It would therefore have to decline any responsibility in the event that these funds should be drawn upon by the Inspector General of Customs under orders from the Chinese Government.

JOHNSON

493.11/1603 : Telegram

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

WASHINGTON, February 19, 1932—1 p.m.

35. For the Minister. With reference to your telegram of February 17, 2 p.m. and previous, the Department is unable to perceive the soundness of the argument upon which the Chinese Government bases its request for the postponement of Boxer Indemnity payments inasmuch as the Department understands that the Customs receipts during 1931 were the greatest in the history of that service.

Furthermore there exists the possibility that Japan might consider as distinctly unfriendly any action on the part of the American Government which, in effect, would make available for Chinese military use funds now being expended for cultural purposes.

In any event the Department is unable now, as in 1917,<sup>66</sup> affirmatively to agree to a postponement of the American share of the Boxer Indemnity payments, the only courses open being to withhold objection or to state that it does not look with favor upon the Chinese proposal.

In view of the above and the reported attitude of the Italian Government, the Department, before it gives a definite reply, desires your further recommendations and if possible information regarding the attitude of the British Government.

STIMSON

493.11/1609 : Telegram

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

SHANGHAI, February 26, 1932—7 p.m.

[Received February 26—10 a.m.]

My February 23, 3 p.m.<sup>67</sup> I have received a letter from T. V. Soong from which I quote the following:

<sup>66</sup> See telegram of September 20, 1917, 4 p.m., to the Minister in China, *Foreign Relations*, 1917, supp. 2, vol. 1, p. 689.

<sup>67</sup> Not printed.

"I wonder if you have heard anything in the meanwhile from your Government . . . <sup>68</sup> as payment for this month will be due tomorrow."

JOHNSON

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493.11/1611 : Telegram

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

SHANGHAI, February 27, 1932—noon.

[Received February 27—9:40 a.m.]

My February 26, 7 p.m. I have just received a personal note from T. V. Soong in which he states:

"1. The customs revenue of Shanghai which occupies 45 percent of the whole country is down to almost nil.

2. The cultural purposes for which the American portion of the indemnity is set aside have reserves more than sufficient to last the year's postponement requested by us.

3. Arrangements have been made with the bondholders of domestic bonds to lower interest rate and lengthen amortization period because the financial stringency is great."

JOHNSON

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493.11/1609 : Telegram

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

WASHINGTON, March 2, 1932—5 p.m.

68. For the Minister. Your February 26, 7 p. m.

1. For the reasons mentioned in the Department's 35 of February 19, 1 p. m., the Department is not in position to take the initiative or affirmatively to agree to a postponement of the American share of the Boxer Indemnity payments. However, in case either of the other two Governments approached in the matter agrees to postponement, the Department would not be disposed to raise any objection to postponement of payments of American share for 1 year from February 1, 1932, under express written assurance by the Chinese Government that the objects to which American payments are devoted would not be permitted to suffer.

2. The Department suggests that before replying to Soong you confer with your British colleague.

STIMSON

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<sup>68</sup> Omission indicated in the original telegram.

493.11/1613 : Telegram

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

SHANGHAI, March 5, 1932—11 a.m.

[Received March 5—8:55 a.m.]

Your 68, March 2, 5 p. m. British Minister has thus far received no instructions regarding Boxer Indemnity. Italian Chargé d'Affaires informs me that at the request of Soong he has asked his Government to reconsider their position. I shall refrain from saying anything to Soong unless pressed further or hear further from British.

JOHNSON

493.11/1616 : Telegram

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

SHANGHAI, March 9, 1932—6 p. m.

[Received March 9—12:22 p. m.]

Department's 68, March 2, 5 p. m. British Minister informed me today that he has been instructed to acquiesce in postponement of Boxer Indemnity payments if and when we and Italians so acquiesce. Italian Chargé d'Affaires states his Government is still considering matter.

JOHNSON

493.11/1617 : Telegram

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

SHANGHAI, March 15, 1932—5 p.m.

[Received March 15—8:25 a.m.]

My March 9, 6 p. m. Italian Chargé d'Affaires has now been instructed to negotiate with the Chinese Government for an understanding in regard to Italian Boxer payments and consent to the deposit of a year's payments with the Italian bank on condition that said deposit will be used for the purchase of supplies in Italy. This means that Italy will grant the Chinese Government credits amounting to 1 year indemnity payments. Chargé has been instructed that he may negotiate in this sense provided British and American Governments are prepared to consent to postponement requested by Soong. My British colleague has informed his Government that the time has now come to consent to postponement. I, therefore, propose simultaneously with my British colleague to indicate that Department of

State would not be disposed to raise any objection to postponement of payments of American share for 1 year from March 1, 1932, under express written assurance by the Chinese Government that the objects to which American payments are devoted would not be permitted to suffer. I am informed that last installment due of American indemnity has been paid.

JOHNSON

493.11/1617 : Telegram

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

WASHINGTON, March 16, 1932—6 p.m.

102. For the Minister. Your March 15, 5 p. m., penultimate sentence. Department approves.

STIMSON

493.11/1628 : Telegram

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

SHANGHAI, April 16, 1932—1 p.m.

[Received April 16—9:10 a.m.]

Your 102, March 16, 6 p. m. The British Minister having received instructions to assent to postponement for 1 year of payment of British Boxer Indemnities share with certain reservations and provided we do likewise, I have under date of April 14th addressed a note to the Chinese Foreign Office to the effect that the Chinese proposal has been given careful and sympathetic consideration and that the United States Government was desirous of assisting as far as practicable. But I pointed out the serious consequences even a temporary suspension of payments might have for the cultural work supported by the American share. I then referred by name to the various educational and scientific institutions, numbers dependent under these funds, and concluded as follows:

“In view of the foregoing I have the honor to inform Your Excellency that while the Government is not disposed to raise any objection to the postponement of payments of the American share of the Boxer Indemnity for 1 year from March 1, 1932, and I am directed to request that the Chinese Government give assurances that the principal cultural objects mentioned above to which these payments are devoted will not be permitted to suffer complete interruption and that in any event the acquiescence of my Government in this instance is not to be considered as a precedent.”



Full text by mail.<sup>69</sup> Copy to the British Minister.

JOHNSON

493.11/1628 : Telegram

*The Acting Secretary of State to the Consul General at Nanking  
(Peck)*

WASHINGTON, April 18, 1932—6 p.m.

38. For the Minister. Your April 16, 1 p. m. in regard to postponement of American share of Boxer Indemnity payments.

In concluding sentence of your note to Chinese Foreign Office as received by Department, Department fears that use of word "principal" and of word "complete" may possibly be construed by Foreign Office as permitting partial interruption of objects to which American payments are devoted.

The use of the expression "acquiescence of my Government" does not in the opinion of the Department state correctly the position of the Department, which is that the Department as such is unable affirmatively to agree to postponement but will not raise any objection to such postponement.

In the light of the foregoing, it is suggested that you may care to amend your note to the Foreign Office.

CASTLE

493.11/1629 : Telegram

*The Consul General at Nanking (Peck) to the Secretary of State*

NANKING, April 21, 1932—11 a.m.

[Received April 21—7:35 a.m.]

183. Your April 18, 6 p. m. to the American Minister. The American Minister instructs me to report that his note of April 14 to the Chinese Ministry of Foreign Affairs stating that the American Government is not disposed to raise any objection to the postponement of payments was recalled and altered in the manner suggested by the Department. An addition was made of the following paragraph based on conversation held by the Minister with the Chinese Minister of Foreign Affairs on April 19.

"I have the honor to request also that Your Excellency confirm my understanding that it is the intention of the National Government to make up the postponed payments in the year beginning June 1, 1933, as an addition to the regular payments set at for this purpose."

<sup>69</sup> Not printed.

This paragraph was designed to clear up ambiguity in that portion of the note of February 11th relating to method of making up the postponed payments.

Copies to the American Minister and the Legation.

PECK

893.51 Con-Ob-Vacuum Oil Co./11 : Telegram

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

WASHINGTON, May 17, 1932—noon.

126. Your despatch 1461 of April 2, 1932.<sup>70</sup> Department authorizes you to present to the appropriate authorities the claim of the Vacuum Oil Company against the Chinese Government.

In connection with the general subject of American claims of a contractual nature against the Chinese Government, Department authorizes you to present such claims to the appropriate authorities whenever, in your opinion, such action holds any possibility of attaining settlement or when a repetition in the bringing of such claims to the attention of the Chinese Government may prove of benefit to the American interests concerned.

STIMSON

493.11/1632 : Telegram

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

PEIPING, May 18, 1932—noon.  
[Received May 18—5:20 a.m.]

538. Nanking's 183, April 21, 11 a. m., to the Department.

1. Foreign Office replied under date of April 27th but certified the original instead of the revised phraseology. I therefore returned the note to Nanking suggesting the omission of the words "principal" and "complete".

2. Peck now reports under date of May 2 as follows:

"The Vice Minister deleted the word "principal" from the Foreign Office reply but stated that to delete the word 'complete' would be to give an erroneous impression of the purpose of the Chinese Government in asking for the postponement of the indemnity payments. He pointed out unless a large portion of the postponed payments were to become available to the Chinese Government for other than their present stipulated uses, the postponement would be of practically no assistance to the Government in its financial difficulties. The Vice

<sup>70</sup> Not printed.

Minister said that his Government wishes to avoid all possibility of misrepresenting its intentions in this regard and he therefore asked that you invite the attention of the Department of State to the reasonableness of a plan whereby the cultural projects supported by the indemnity payments in question should submit to the partial curtailment necessary at present in all other branches of the Chinese Government and should utilize temporarily a portion of their accumulated surplus.

I will retain the Chinese and English texts of the Foreign Office's reply pending receipt of your instructions."

3. I suggest we accept the text of the Foreign Office's reply with the word "principal" deleted but retaining the word "complete."

JOHNSON

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493.11/1632 : Telegram

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

WASHINGTON, May 20, 1932—noon.

128. Your 538, May 18, noon. The conditions under which the Department would not be disposed to raise any objection to the postponement of payments of American share of Boxer Indemnity are precisely indicated in the Department's 68 of March 2, 5 p. m. to you at Shanghai.

Department's attitude, which remains unchanged, was and is entirely responsive to the assurance given by the Chinese Government (see your telegram of February 9, 4 p. m., from Nanking) that the objects to which Indemnity payments are devoted "would not suffer since the several indemnity commissions have in hand sufficient accumulated funds to cover the requirements of the next year". In view of this, and of the exactly responsive phraseology of the Department's instruction in reply, Department is of the opinion that if this exact meeting by us of the proposal made by them is clearly pointed out to the Chinese authorities, they will concur in the Department's view that the words "complete interruption" are not appropriate in the premises and will assent to their deletion.

The present position of the Department is in conformity with its position in 1917, when in its telegraphic instruction of September 20, 1917 to the Legation at Peiping<sup>71</sup> the Department stated *inter alia* that it "is unable affirmatively to agree to the postponement of indemnity payments, but will make no objection, provided the Chinese Government will agree to support the Tsing Hua College and the educational mission and students in the United States on the present basis".

Department desires that you take appropriate action.

STIMSON

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<sup>71</sup> *Foreign Relations*, 1917, supp. 2, vol. I, p. 639.

493.11/1635 : Telegram

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

PEIPING, May 27, 1932—noon.

[Received May 27—3:50 a.m.]

570. Department's 128, May 20, noon. Following from American Consul General at Nanking.

"May 25, 6 p. m. Called on Vice Minister Hsu Mo May 24, 5 p. m., and informed him that proposed postponement could not be effected unless 'complete' were omitted from the note of April 27. The Vice Minister pointed out that the object of the Chinese Government in asking for the postponement was to allot the indemnity funds to other purposes; that the institutions hitherto supported by the indemnity would be maintained but on a restricted basis and that the assurance against 'complete interruption' was so phrased in order to avoid anything which might savor of misrepresentation. He pointed out also that if the indemnity payments were to be devoted to the same purpose as hitherto the Chinese Government would obtain no additional funds and nothing would be gained by the postponement. He said that funds from other sources would be assigned to the institutions supported by indemnity payments but on a reduced basis and he inquired whether the views of the Department would be met if the passage in the note under discussion were to read 'will not be permitted to suffer interruption, and may be curtailed'. I said that having delivered your instruction (see your final paragraph) I could only refer his inquiry to you. I intimated that the situation might be clarified if he could describe just what arrangements had been decided upon for the support of the indemnity body. He said he could not, but that the Minister of Finance could and that probably he would be in Nanking in a day or two. Is it your desire that I interview T. V. Soong on this point when he comes? Y. C. Mei of Tsing Hua [University] and Chiang Mon-lin of the Peiping National University have both been in Nanking in connection with the proposed postponement and I have been informed, but I cannot confirm, that the apprehensions of those institutions were removed."

JOHNSON

493.11/1637 : Telegram

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

PEIPING, June 3, 1932—5 p.m.

[Received June 3—5:15 a.m.]

601. Legation's 570, May 27, noon. Following from American Consul General at Nanking.

"June 2, 4 p. m. In conversation June 1, 5 p. m., Vice Minister Hsu Mo said that the Ministry was anxious to receive a reply from the Department indicating whether the postponement of the indem-

nity could now be considered settled and in this connection he referred to the views expressed to me in previous interviews (see my telegram May 25, 6 p. m.)."

JOHNSON

893.51/5660 : Telegram

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

PEIPING, June 4, 1932—9 a.m.

[Received June 4—5:10 a.m.]

603. 1. On May [*March*] 3rd the French and British Ministers and I addressed a joint note to the Minister for Foreign Affairs pointing out the fact that the National Government has not given effect to article 9 of the Loan Agreement of 1911 which provides that in the event of the abolition of likin required for the service of the Hukuang Railway loan of 1911, an equivalent first charge will be laid upon the increased customs revenues.

2. The Foreign Office in its reply May 6 confines itself to quoting the Ministry of Finance in the sense that "various claims submitted by bondholders must wait until a procedure for the adjustment of the various loans has been fixed, when they will certainly be handled collectively as promptly as possible."

3. British Chargé d'Affaires in memorandum dated June 1st to the French Minister and me states that as Foreign Office reply makes no attempt to answer the question asked in the joint note as to how the Chinese Government proposes to implement the undertaking given in article 9 of the original loan agreement of 1911 he suggests that the attention of the Chinese Government be once again drawn to this undertaking. The British Chargé d'Affaires proposes a draft note, pertinent portion of which is as follows:

"The question of the establishment of a procedure for settlement of all obligations of the Chinese Government in arrears is entirely distinct from that of the undertaking given in article 9 of the loan agreement which concerns the specific security upon which this particular loan is charged. The undersigned representatives must, therefore, again invite attention of His Excellency, the Minister for Foreign Affairs, to this definite undertaking in the loan agreement and request that they may be acquainted at an early date for the information of their Governments with the intentions of the Chinese Government in regard to its implementation."

4. The Legation respectfully requests the Department's authorization to join [in this?] note, the British Chargé d'Affaires desires to forward the note under date of June 10th if my French colleague and I are prepared to sign by that time.

JOHNSON

493.11/1637 : Telegram

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

WASHINGTON, June 4, 1932—2 p.m.

142. Your 601, June 3, 5 p. m. Department's attitude, as indicated in its 128 of May 20, noon, remains unchanged.

In its original proposal (see your February 9, 4 p.m., from Nanking, third paragraph) the Chinese Government pointed out that the various objects to which Boxer Indemnity payments are being devoted would not suffer since the several indemnity commissions have on hand sufficient accumulated funds to cover the requirements of the next year. Department, in desiring express written assurance by the Chinese Government that the objects to which American payments are now devoted would not be permitted to suffer, is thus requesting only a reaffirmation of the assurance already given. Department, therefore, fails to perceive the basis for the apparent reluctance of the Chinese Government to repeat its previous statement. Department has always assumed that the result of a postponement of payments of American share of Boxer Indemnity would be an automatic diversion of such funds to other channels.

If, as indicated in your 570 of May 27, noon, a compliance with the suggestion of the Consul General at Nanking that he interview T. V. Soong may result in clarifying the situation, Department approves of such action.

STIMSON

893.51/5660 : Telegram

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

WASHINGTON, June 6, 1932—6 p.m.

146. Your 603, June 4, 9 a. m., in regard to Article 9 of the Loan Agreement of 1911 and the abolition of likin.

Department perceives no objection to your joining with your British and French colleagues in the sending of a joint note to the Chinese Minister for Foreign Affairs along the lines indicated.

STIMSON

493.11/1641 : Telegram

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

PEIPING, July 6, 1932—1 p.m.

[Received July 6—9:45 a.m.]

774. Department's 142, June 4, 2 p. m.

1. The following is essential portion of English translation pre-

pared by the Ministry of Foreign Affairs of its reply to telegram of April 14th.

"With reference to Your Excellency's observations concerning the cultural work which is being supported by payments of the American share of the indemnity, I have the honor to assure you on behalf of the National Government that the cultural objects mentioned in your note to which these payments are devoted will not be permitted to suffer interruption and that the postponement will not be considered a precedent.

Your Excellency requests my confirmation that 'It is the intention of the National Government to make up the postponed payments in the year beginning April 1, 1933, as an addition to the regular payments service [*scheduled*] for that period'. There appears to be a misunderstanding on this point. It was rather contemplated that the postponed payments would be made up in the year after termination of all the installments under the present arrangement, namely, after 1945. In other words the payments for the year beginning March 1st, 1932, would be made, it is proposed, in the year 1946.

I have the honor to request Your Excellency's confirmation of the above understanding."

2. Although dated April 27th this reply was received by the Legation only on July 2nd. It appears to comply with the Department's wishes. My understanding from conversations with T. V. Soong and Arthur Young<sup>72</sup> was that the Chinese expected to repay deferred installment after 1945. With the Department's authorization I shall confirm.

JOHNSON

493.11/1646

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

No. 1617

PEIPING, July 7, 1932.

[Received August 1.]

SIR: Referring to the Legation's telegram No. 774 of July 6, 1 p. m., and to previous correspondence on the same subject, I have the honor to transmit herewith a copy of a resolution<sup>73</sup> adopted by the Board of Trustees of the China Foundation for the Promotion of Education and Culture at its eighth annual meeting, held at Peiping on July 1, 1932.

This resolution refers to the suspension of the American portion of the Boxer indemnity payments, pointing out that this suspension for one year entails a loss in interest to the National Tsing Hua University of some \$483,000 Mex., and to the China Foundation of \$189,000 Mex., and that between the years 1932 and 1941 Tsing Hua

<sup>72</sup> American adviser to the Chinese Ministry of Finance.

<sup>73</sup> Not printed.

University would, at compound interest, suffer a loss of \$5,000,000 Mex., and between 1932 and 1946 the China Foundation would suffer a loss of \$3,750,000 Mex. The resolution concludes as follows:

“Be it resolved, that the Board of Trustees of the China Foundation assembled at its Eighth Annual Meeting wishes to place itself on record as being strongly opposed to a renewal of a similar suspension in the future and further wishes to express the fervent hope that the losses thus sustained by the National Tsing Hua University and the China Foundation will, in some way, be made good by the Chinese Government.”

Respectfully yours,

NELSON TRUSLER JOHNSON

493.11/1641 : Telegram

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

WASHINGTON, July 8, 1932—2 p.m.

199. Your 774, July 6, 1 p. m. Assurance given by, and understanding of, Ministry of Foreign Affairs, as indicated in the quoted portion of its note to you under date April 27, appear to Department acceptable and you are authorized to confirm.

STIMSON

893.51/5703a

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

No. 852

WASHINGTON, August 26, 1932.

SIR: The Department's records indicate that the Chinese Government has failed, since August 17, 1931, to effect any payments in connection with the claims awarded American claimants as a result of the Nanking incident of March 24, 1927.<sup>74</sup> In this connection the Department requests that you bring this matter to the attention of the appropriate authorities of the Chinese Government with a view to obtaining payment, without further delay, of the sums which are now in default.

Very truly yours,

W. R. CASTLE, JR.

893.51/5703b

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

No. 853

WASHINGTON, August 26, 1932.

SIR: In connection with the adjustment of debts owed by the Chinese Government to American citizens or organizations and the pres-

<sup>74</sup> See *Foreign Relations*, 1927, vol. I, pp. 146 ff.; *ibid.*, 1928, vol. II, pp. 323 ff.; and *ibid.*, 1929, vol. II, pp. 858 ff.



entation by American citizens of claims against that Government, the Department has reluctantly been forced to the conclusion that no serious attempt is being made by the Chinese Government to arrive at a satisfactory settlement of the issues involved.

In this connection the Department refers to your despatch No. 1555 of June 4, 1932, in regard to the Continental Illinois Bank and Trust Company loan, your despatch No. 1614 of July 7, 1932,<sup>75</sup> in regard to the Hukuang Railway loan of 1911, and to numerous previous communications on various subjects which, in the opinion of the Department, indicate an unwillingness on the part of the Chinese Government to liquidate or even consider seriously its just debts and obligations. This situation would appear to exist irrespective of the implied assurances given by the officials of that Government in the more or less stereotyped replies, which, particularly of late, have been made to the Legation's inquiries on the subjects under discussion. Without going into detail in regard to this phase of the general question, with which the Legation no doubt is more familiar than the Department, it would appear not only advisable but also necessary that the appropriate authorities of the Chinese Government be informed, both orally and in writing, that the American Government has long and very patiently awaited an indication that the Chinese Government is willing to consider its outstanding obligations to American citizens; that with the exception of a few tort claims such as the Nanking Indemnity, payments in connection with which are now in default, such consideration has from a practical point of view been lacking; and that the time has now come when this Government must request of the Chinese Government constructive action in regard to the determination and adjustment of the latter's obligations to American citizens.

While appreciating the very serious financial difficulties which now confront the Government of China and while realizing that such difficulties may make impossible an early settlement of the outstanding obligations of that Government, the Department nevertheless fails to perceive any justification for the attitude of evasion and procrastination which has characterized the refusal of the Chinese Government to consider seriously the question of American claims and to reduce to concrete and final form the amount of its outstanding indebtedness to American citizens. The Department considers the matter as one of urgency, not only because of the inherent rights of the American interests concerned but also because the Chinese Government is constantly hypothecating for other purposes revenues which might be, and which should be, devoted to the service of obligations to Amer-

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<sup>75</sup> Neither printed.

ican citizens and because with the passage of time it becomes increasingly more difficult to establish the validity of certain types of such obligations.

The Department is in no way desirous of unduly embarrassing the Chinese Government during the critical period which now exists. On the contrary, the Department desires to be of assistance in all practicable and appropriate ways and to that end is firmly of the opinion that if, as a result of the establishment of an appropriate commission, the outstanding obligations of the Chinese Government to American citizens were reduced to a definite and final form not subject to further discussion as to amount, with the exception of accrued interest, such a step would redound to the credit of China as an indication of its willingness to face issues squarely and to place its finances on a sound basis.

As of possible assistance to the Legation in its endeavors to arrive at a satisfactory settlement of certain of the questions under discussion, the Department, in its instruction No. 643 of December 10, 1931,<sup>76</sup> placed at the disposal of the Legation a "Draft of Proposed Convention Between the United States and China for the Examination and Adjudication of Claims of Nationals of Each Country Against the Other". In case the Legation has not already made use of this draft, the Department considers it desirable that the Legation take steps toward bringing the fact of the existence of such a draft and a summary of its contents to the attention of the Chinese Government as suggestive of a means by which the outstanding claims of the two countries may be given the attention which they merit and solution of the problem of settling them justly, amicably and within reasonable time, be expedited. Whether this particular plan be put into effect or another of a somewhat similar character, or whether the Chinese Commission for Adjustment of Domestic and Foreign Obligations, referred to by the Minister for Foreign Affairs in his despatch to the Legation under date May 24, 1932, be caused to function in regard to debts owed American citizens, is of secondary importance, the important objective being that some means be devised and steps be taken to bring about a prompt and serious consideration by the Chinese Government of its financial obligations to American citizens and to bring nearer action on China's part toward liquidation of those obligations.

The Department of course would be glad to receive your comments on this matter. As it is essential that a propitious moment be chosen and an unpropitious moment be avoided for making such representations, and as the Department considers that it may be desirable, before

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<sup>76</sup> *Foreign Relations*, 1931, vol. III, p. 1042.

you thus approach the Chinese Government, that it inform the British Government, through the British Embassy here, of the American Government's intentions in this connection, the Department desires that, shortly after the receipt of this instruction, you report by cable or by naval radio and thereafter await further instruction before acting. You may in your discretion make the subject of debts and claims a matter of informal discussion with your colleagues, especially your British colleague, with a view to getting any information and opinions which may be helpful for the guidance of your Government; but you should give no intimation that the Department has in contemplation the procedure outlined above or any other action.

Very truly yours,

W. R. CASTLE, JR.

893.51/5713

*J. P. Morgan & Company, of New York, to the Secretary of State*

NEW YORK, October 18, 1932.

[Received October 21.]

SIR: We enclose for the information and files of the Department copy of a letter dated July 26, 1932 from the Chinese Ministry of Railways,<sup>77</sup> addressed to the British, French and American Groups signatory to the original loan contract of 1911 (and received by us through the American Group representative in Shanghai), requesting the issue of the second series of £4,000,000 bonds contemplated by Article XV of such contract.

We also enclose copies of letters and cables which have been exchanged by us with the British and French Groups bearing upon this request of China.<sup>78</sup> The Department will observe that the position of the American Group was set forth in our cable No. 2370 of October 6th to Morgan Grenfell & Co., London, for the British Group.

We shall of course keep the Department informed of any developments in this negotiation which come to our attention.

Respectfully,

J. P. MORGAN & Co.

[Enclosure—Telegram]

*J. P. Morgan & Company, of New York, to Morgan Grenfell  
& Company, of London*

NEW YORK, October 6, 1932—7 p.m.

32/2370. 2366.<sup>77</sup> We have noted with interest Sir Charles Addis' view that possibly something can be worked out of the Hukuang situa-

<sup>77</sup> Not printed.

<sup>78</sup> Only one enclosure is printed.

tion. We recognize constructive nature of any such development and would thoroughly approve it. However, under present market conditions here it would be quite impossible for American Group to make an issue and the American Group would, therefore, not at present feel justified either in issuing or in accepting a participation in an additional loan.

With this comment and upon the assumption that all the rights of group members in future business are preserved, our group approve the proposed draft cable with the French addendum.

We take the liberty of suggesting further that Sir Charles Addis may want to make it clear that the arrears of £2,000,000 on the original loan (mentioned in paragraph 6 of his letter of September 23rd to Charles F. Whigham<sup>79</sup>) could not be taken from the proceeds of any new Hukuang loan, but such entire proceeds would have to be used for additional construction.

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893.51/5713

*The Secretary of State to J. P. Morgan & Company, of New York*

WASHINGTON, November 1, 1932.

Sirs: The receipt is acknowledged of your letter of October 18, 1932, and the enclosures therewith, in regard to a request from the Chinese Ministry of Railways that a second series of bonds in amount of £4,000,000 be issued by the signatories to the original Hukuang Railways Loan contract of 1911.

In this connection the Department notes the position assumed by the American Group, as indicated in your cable No. 2370 of October 6, to Morgan Grenfell and Company of London, and appreciates your offer of continued cooperation in making known to it any further developments in the situation which may come to your attention.

Very truly yours,

For the Secretary of State:

STANLEY K. HORNBECK

*Chief, Division of Far Eastern Affairs*

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893.51/5721 : Telegram

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

NANKING, December 13, 1932—1 p.m.

[Received December 13—6:50 a.m.]

Department's written instruction 853, August 26, regarding claims commission.

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<sup>79</sup> Not printed.

My French colleague informs me that he has made no progress in matter of claims since proposal made to us by T. V. Soong and Wang Chung-hui.<sup>81</sup> He stated that they had settled locally the claim for damages done at Lungchow in Kwangsi and a small claim at Chou-chow in Hopei.

British Chargé gives me similar information, stating British claims not active. He tells me that the private bondholders of Tientsin-Pukow have organized and are negotiating direct. He has heard that setting aside of \$5,000,000 promised by Soong and Wang Chung-hui has not been done.

Has Department any objection to my sounding out Minister for Foreign Affairs in regard to proposal for claims commission?

JOHNSON

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893.51/5721 : Telegram

*The Secretary of State to the Consul General at Nanking (Peck)*

WASHINGTON, December 15, 1932—6 p. m.

75. For the Minister. Your December 13, 1 p. m., reference and last paragraph.

1. Department requests that you review carefully the whole text of its mail instruction 853,<sup>82</sup> especially the last paragraph.

Department feels that when next this subject is broached to the Chinese Government the approach should be made in a manner which will carry conviction that this Government regards the matter seriously. Department therefore does not approve of "sounding out" the Minister for Foreign Affairs at this time.

2. Department requests your comment at an early date, by cable or naval radio, (a) on the contemplated line of procedure outlined in its No. 853 and (b) whether in your opinion the near future would be a propitious moment to make strong representations in this connection.

STIMSON

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493.11/1661 : Telegram

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

PEIPING, December 28, 1932—8 p.m.  
[Received December 29—12:27 a.m.]

1395. Your December 15, 6 p. m. I have carefully reviewed instruction 853. I understand procedure contemplated by the Department

<sup>81</sup> See telegram No. 997, November 21, 1930, 11 a.m., from the Minister in China, *Foreign Relations, 1930*, vol. II, p. 607.

<sup>82</sup> August 26, 1932, p. 621.

to consist of a formal note couched in serious terms demanding immediate and constructive action by the Chinese Government with a view to the determination and adjustment of China's obligations to American citizens either through the establishment of a commission such as that contemplated by the Department's instruction number 643<sup>88</sup> or through the Chinese Commission for Adjustment of Domestic and Foreign Obligations.

I consider procedures eminently practicable. I prefer establishment of Sino-American commission for the reason that Chinese Government appears to be hesitant about whole question of debts due to fear of political character of Japanese claims and there is a possibility that Chinese would be more willing to consider American claims separately from other claims.

As to the time for presenting this matter following facts would seem to indicate present as an auspicious moment: (a) T. V. Soong's statement regarding condition of finances of National Government; (b) temporary lull in proceedings at Geneva; (c) present desire of Government leaders to hold friendship of the United States; (d) desire of National leaders to counteract Japanese allegation that China has no organized government; (e) air of optimism arising out of successful termination of recent plenary session. On the other hand atmosphere at Nanking where leaders are harassed by confusion of counsel over domestic and foreign difficulties has not been conducive to calm consideration of a question of this kind. Rapid changes in Foreign Office at the end of 1931 made presentation of Department's draft difficult. Disorganization produced by Shanghai incident which occupied everyone's attention from January to May was a further deterrent. Preoccupation of Government with investigations by League Commission during this summer and preparation for consideration of the League Commission report during the fall have created atmosphere not conducive to serious consideration which this question demands. I do not know when conditions are going to be better and therefore believe that present will be as good as any other time.

In communicating proposed action to British, Department should take into consideration fact that our proposal is already before the Chinese Government and the possibility that Chinese might be more willing to reach settlement separately with us than with several jointly or simultaneously.

I shall have a note drafted and hold the same pending further instructions from the Department.

JOHNSON

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<sup>88</sup> December 10, 1931, *Foreign Relations*, 1931, vol. III, p. 1042.  
646232-48-46

**AMERICAN INTEREST IN PROBLEMS AFFECTING THE INTERNATIONAL SETTLEMENT AT SHANGHAI** <sup>84</sup>

893.102S/1090 : Telegram

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

SHANGHAI, April 14, 1932—3 p.m.

[Received April 14—9 :20 a.m.]

209. 1. At annual meeting of ratepayers April 13, retiring Chairman of Municipal Council in course of speech expressed dissatisfaction with working of the Shanghai special district courts,<sup>85</sup> particularly regarding offenses connected with the Japanese boycott and other anti-Japanese activities. He stated that the courts had ignored these illegal activities either through a distorted conception of patriotism or through fear of organized violations and that this attitude was undoubtedly one of the contributing factors leading to the Chapei incident.<sup>86</sup> He said:

“Aside from being a direct contributing factor to the present relations between China and Japan, the failure of the Special District Courts to fully recognize or discharge their judicial functions during a time of crisis has shaken to its very foundations, if not entirely demolished, any hope which the foreign community might have entertained that the Chinese Government would eventually succeed in establishing in the International Settlement courts in which the foreign community could have at least a moderate if not full degree of confidence and respect.”

He referred to the present rendition agreement<sup>87</sup> which expires on April 1, 1933, and stated that foreign community was dissatisfied with administration of civil side of courts. He added:

“Foreign public opinion is undoubtedly unanimous upon the point that the most satisfactory solution of the problem would be the establishing in the Settlement of international courts administering uniform civil and criminal laws over all residents of the Settlement irrespective of nationality.

It is impossible, however, to ignore the fact that we are entirely in the hands of the Governments concerned in matters of this kind and it is only by enlisting their sympathy and support that we can hope to accomplish anything in the nature of reforming or improving local Chinese courts.”

In concluding his remarks he stated that Chinese members of Council disassociated themselves from all his remarks regarding courts.

<sup>84</sup> For previous correspondence on this subject, see *Foreign Relations*, 1930, vol. II, pp. 345 ff.

<sup>85</sup> For previous correspondence on the Shanghai courts, see *ibid.*, pp. 315 ff.

<sup>86</sup> For correspondence on the conflict at Shanghai, see vol. III, pp. 89 ff.

<sup>87</sup> Signed at Shanghai, February 17, 1930, *Foreign Relations*, 1930, vol. II, p. 333.

*North-China Daily News* in editorial this morning strongly supports Macnaghten's views regarding courts and it is believed that powers will consult Council before renewing rendition agreement.

Generally speaking I concur in statements of chairman regarding unsatisfactory administration of courts. I am preparing a despatch<sup>88</sup> regarding status of courts after expiration of present agreement. In my opinion substantial guarantees must be provided in new agreement that courts will be administered as a judicial organ uninfluenced by political considerations. I do not find any solution except foreign participation which may mean an international court.

2. Ratepayers meeting adopted resolution favoring the addition of two Chinese members to the Land Commission and instructed Council to make representations to the powers concerned thereanent. This as I understand would not mean an amendment to the land regulations (see land regulation 6) but the same procedure would be followed as was done when Chinese were admitted as members of the Council.

Repeated to the Legation.

CUNNINGHAM

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893.102S/1215

*Memorandum by the Consul General at Shanghai (Cunningham) of a Conversation With the Chinese Vice Minister for Foreign Affairs (Quo)*<sup>89</sup>

[SHANGHAI,] April 29, 1932—10:30 a.m.

I informed Mr. Quo that I came to him for advice. I stated that I was due to retire in fourteen months and, inasmuch as I had devoted a great deal of time to the study of extra-Settlement Roads and concomitant questions, it would be a very great pleasure if I could report a successful negotiation with the Chinese for the settlement of all these very difficult problems that have been pending for many years; that I did not want to undertake it if there was no hope of success; that I had dashed my head against an impenetrable wall long enough; and that I had no desire to renew negotiations which would not be received practically and in a cooperative spirit by the Chinese. I stated that I came to him as a friend and asked whether he would recommend that I take up the matter of extra-Settlement roads or not; that I would be guided entirely by his views.

<sup>88</sup> No. 8327, June 10, 1932, not printed (893.05/336).

<sup>89</sup> Mr. Sam Chiang was also present. Copy of memorandum transmitted to the Department by the Consul General at Shanghai in his despatch No. 8326, June 11; received July 6.



Mr. Quo replied instantly that I should go ahead; that he would like to see these difficult questions settled, and he would be particularly pleased to see this as the crowning work of my long years of service in Shanghai. He stated that this was a very opportune moment to take up the question; that he had already discussed it with Mayor Wu, and that I should take it up with him immediately; and that he, Quo, would discuss the matter again with General Wu and inform him that he and I must reach an agreement.

I stated that I was gratified to know that this was his view. I realized that he appreciated the importance of the question, but I did not know what political influences might prevent a practical negotiation and settlement of these questions. I had no idea of attempting to take advantage of any difficulties that China was having now with Japan, and particularly disclaimed any desire to inject into their troubles a new one, but if I could assist in any way in solving the local question, it would be a great pleasure and satisfaction.

Mr. Quo was enthusiastic in his opinion in regard to the beginning of negotiations. I also pointed out to Mr. Quo that I would regard as equivalent to an impenetrable stone wall the discovery that the Chinese went about the negotiations with no other intention than to ask for a complete surrender and withdrawal of all claims to the roads. It would not be necessary, if the Municipal Council was prepared to do this, to enter into negotiations but simply inform the Chinese that they were withdrawing. He assured me that there was something on which to negotiate and that the Chinese would be practical in this matter. I expressed my great appreciation for the frank manner in which Mr. Quo discussed the matter and assured him that no time would be lost in getting in touch with General Wu.

Mr. Quo stated that the two most difficult questions were the policing and the revenue. He stated that the revenue would present many difficulties, as would policing, but he believed that there was some mutually agreeable plan whereby this could be adjusted.

E[DWIN] S. C[UNNINGHAM]

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793.94/5312

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

No. 8253

SHANGHAI, May 2, 1932.

[Received June 6.]

SIR: I have the honor to transmit herewith enclosed copy of a communiqué issued April 16, 1932 by the Japanese Consulate General,<sup>90</sup>

<sup>90</sup> Not printed.

releasing the text of a letter from the Japanese Consul General to Mr. A. D. Bell, the Chairman of the Shanghai Municipal Council with regard to attacks on Japanese civilians by Chinese in the International Settlement. It will be noted that strong representations are made to the S. M. C. in this regard. Mr. Murai states in part:

“I cannot but view with grave misgivings such recurrence of outrages and apparent inefficiency of the Municipal police in coping with the situation, inasmuch as the resentment keenly felt in consequence by the local Japanese community might, it is feared, lead to some serious complications.”

In this connection I am informed that almost immediately after the incoming Chairman, Mr. Bell, assumed office on April 14, he received a call from the Japanese Consul General in which the latter made vigorous representations along the lines of his written communication and stated that if these attacks on Japanese did not cease, he, the Japanese Consul General, feared that the effect thereof on the Japanese military and naval authorities in Shanghai would be very bad and might lead to serious complications. I am informed that Mr. Bell in replying assured the Japanese Consul General that Japanese subjects in the International Settlement were entitled to and would receive police protection equal to that accorded the nationals of other Powers. However, he is reported to have said that in view of the recent hostilities the Japanese should have acted in a more circumspect manner than they have done in certain instances in various parts of the Settlement where it was stated their manner was calculated to provoke the anger of Chinese crowds.

In this connection it will be recalled that in my telegram No. 196 of March 23, 5 p. m.,<sup>91</sup> referring to the recent Municipal elections, I stated that the Councilors elected were known to be sympathetic toward proposals for Settlement extension. As it is believed that this is also the Japanese view, it appears somewhat surprising that the Japanese should at the outset have taken a strong stand which would alienate whatever sympathy the members of the Council may have had for the Japanese position. I am informed on very good authority that the Chairman, Mr. Bell who was not unsympathetic toward the Japanese, has become somewhat annoyed at the attitude taken by the Consul General.

It will be recalled that in my telegram of October 21, 1931, 2 p. m.<sup>92</sup> I referred to the fact that the Japanese considered that the Shanghai Municipal police were not sufficiently drastic in their methods and did not understand the proper method of dealing with Chinese. This

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<sup>91</sup> Vol. III, p. 622.

<sup>92</sup> *Foreign Relations*, 1931, vol. III, p. 281.

attitude is confirmed by present reports. In this connection I learn that recently several Chinese have been arrested in the Hongkew district by members of the Shanghai Municipal Council police of Japanese nationality and have been turned over for investigation to the Japanese military authorities on the ground that they were plain clothes Chinese soldiers, it being alleged in some cases that they had on Chinese military uniforms under their civilian dress.

There have been for some months past various rumours prevalent in Shanghai to the effect that the Japanese are seeking to obtain a greater degree of control in municipal affairs. They have already obtained an increase in the number of Japanese nationals on the municipal police force, including an Assistant Commissioner of Police, and it is felt in certain quarters that by another year they will succeed in obtaining additional seats on the Council. According to the report of Justice Feetham the Japanese population of the International Settlement in 1930 was 12,788 while the number of Japanese ratepayers was only 654 and the number of votes 668. The British population was 4606, 971 ratepayers and 1203 votes, while the American population was 1145, 308 ratepayers and 328 votes. According to the system of election whereby an owner of land of an assessed value of Ts500 or a householder who pays on an assessed value of Ts500 or upward is entitled to vote, it would seem that with this large Japanese population the number of Japanese ratepayers could easily be very greatly increased by a method of the subdivision of householders. This would give the Japanese a greatly increased number of ratepayers and they might use this to increase the number of Councilors. In fact it is believed that it will not be long before they are in a position to have a Japanese as chairman of the Council.

Respectfully yours,

EDWIN S. CUNNINGHAM

893.102S/1192 : Telegram

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

SHANGHAI, June 4, 1932—1 p.m.

[Received June 4—2:35 a.m.]

280. A representative of Greater Shanghai and the Shanghai Municipal Council initialed a *modus vivendi* this morning covering extra-Settlement roads and other questions. The agreement will not be published until it has been offered to Municipal Council and the Chinese Government for approval. I shall comment on the agreement in the next few days.

Repeated to the Legation.

CUNNINGHAM

893.102S/1200 : Telegram

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

SHANGHAI, June 11, 1932—11 a.m.

[Received June 11—8 a.m.]

290. Continuing my telegram No. 280, June 4, 1 p. m. :

(1) The agreement was negotiated by Stirling Fessenden, representing the Shanghai Municipal Council, and Mr. O. K. Yui, representing the Mayor of Greater Shanghai.

(2) Under the agreement the city government of Greater Shanghai is to establish police administration under control of the Bureau of Public Safety of Greater Shanghai on the outside roads. The Commissioner to be appointed by Mayor of Greater Shanghai and Deputy Commissioner to be nominated by Shanghai Municipal Council. The police administration to be organized under the direction of Commissioner and Deputy Commissioner and personnel of police administration to wear distinctive badge in Chinese and English and to have exclusive right to function on extra-Settlement roads. The Commissioner and Deputy Commissioner are to make arrangements governing patrol, traffic and other functions on extra-Settlement roads as will be "most convenient for administration and control". All police matters relating to foreign nationals having extraterritorial rights shall be handled by the Deputy Commissioner, all cases relating to Chinese and other nationals shall be dealt with by the Commissioner subject to any such action "being in conformity with agreement appertaining to the Shanghai District Court". In cases of doubt as to proper handling of any particular case or situation the Commissioner and Deputy Commissioner will, if unable to agree, report in writing to Chief of Bureau of Public Safety and Commissioner of Police of Shanghai Municipal Council.

(3) The city government of Greater Shanghai delegates necessary power and authority exclusively to Shanghai Municipal Council to undertake work in respect to road repairs, bridges, drainage, sewerage, house refuse and removal of ordure on extra-Settlement roads.

(4) Public utilities in northern district to be supplied by companies having franchise rights in Greater Shanghai, in western district existing public utility companies shall make application to be considered in connection with service now being rendered to community by public utilities now [operating] on extra-Settlement roads.

(5) Greater Shanghai delegates necessary power and authority exclusively to Shanghai Municipal Council departments to undertake work of fire prevention and public health.

(6) All municipal property on extra-Settlement roads to be exempt from taxation and free from interference.

(7) Greater Shanghai delegates necessary power and authority exclusively to Shanghai Municipal Council to collect taxes on extra-Settlement roads. Shanghai Municipal Council and Greater Shanghai to keep a budget of income and expenditures to which all such revenue shall be credited and all expenses charged invoiced under (a) policing, (b) repairs and maintenance of extra-Settlement roads, (c) fire prevention and public health. Cost of collection and public lighting shall be first charge on special budget.

(8) The agreement is for a period of 3 years. This *modus vivendi*, if approved by the National Government, will furnish a basis for regulating extra-Settlement area. I believe that it has fair hopes of receiving the endorsement of the National Government and the Municipal Council. It is by no means certain that the Japanese will endorse the agreement.

Copy of agreement will be forwarded by next pouch.<sup>98</sup>

Repeated to the Legation.

CUNNINGHAM

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893.102S/1202 : Telegram

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

PEIPING, June 14, 1932—1 p.m.

[Received June 14—5:38 a.m.]

651. Shanghai's 290, June 11, 11 a.m. Agreement referred to by Shanghai appears to be result of promises made to British Minister and myself during recent Sino-Japanese negotiations by the Chinese Minister for Foreign Affairs and Mayor Wu Tieh-chen that an attempt would be made to find a solution of the extra-Settlement roads question. Solution substantiated by Shanghai seems to me to be an acceptable one and I hope that it will be possible to put it into operation and eliminate this question from among the questions making difficult the situation at Shanghai.

Repeated to Shanghai.

JOHNSON

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893.05/341

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

No. 1605

PEIPING, July 7, 1932.

[Received August 1.]

SIR: I have the honor to enclose for the Department's information a copy of the Legation's instruction of today's date to the American

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<sup>98</sup> Not printed.

Consul General at Shanghai,<sup>94</sup> commending him for his detailed and timely despatch No. 8327 of June 10, 1932, to the Department,<sup>94</sup> on the subject: Expiration of Agreement Relating to Chinese Courts in the International Settlement. The Legation is in full accord with Consul General Cunningham's belief that it is imperative that the existing agreement be revised in order that the court may be made to function as an effective and independent judicial organ.

Respectfully yours,

NELSON TRUSLER JOHNSON

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893.102S/1225 : Telegram

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

PEIPING, August 16, 1932—7 p.m.

[Received August 16—9 :25 a.m.]

961. Legation's 651, June 14, 1 p.m.

1. On July 30, 1 p.m., American Consul General at Shanghai was instructed as follows by the Legation:

"Following for the Consul General: I am of the opinion that in regard to the matter of the negotiations about extra-Settlement roads it is highly desirable that negotiations be concluded locally. I also think that it would be well if negotiations could be limited to the authorities of the International Settlement and the Chinese municipal authorities and that as soon as an agreement is reached the document should be signed by representatives of both of these authorities, thereafter to be sent to the Consular Body and by that body to the Diplomatic Corps for information. In order to achieve this object I suggest that you alone and in cooperation with the British Consul General use all your influence to bring about an early conclusion of the negotiations and signature of the document.

The British Consul General is being instructed in the same sense."

2. Following from American Consul General at Shanghai

"August 5, noon. Reference to Legation's July 30, 2 [1?] p.m.

(1) Shanghai Municipal Council forwarded on July 30th to Senior Consul draft agreement as information and for comment of Consular Body. Brennan, Fessenden and I called upon Japanese Consul General to ascertain his intentions thereabout and found that his Government is objecting to and I believe unalterably opposed to any agreement prior to round-table conference. The Japanese Consul General indicated support would be given to Feetham's suggestion<sup>95</sup> regarding extra-Settlement roads if a Japanese were appointed Deputy Com-

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<sup>94</sup> Not printed.

<sup>95</sup> *Report of the Hon. Richard Feetham, C.M.G., Judge of the Supreme Court of the Union of South Africa, to the Shanghai Municipal Council*, vol. III, pt. VI (Shanghai, North-China Daily News and Herald, Ltd., 1931).

missioner of Police with a number of Japanese police. Although the draft has been circulated to extra-Settlement [*extraterritorial?*] consuls I am now proposing to reply to the Council that the draft has been circulated for information of interested colleagues with a request that each make his comments directly to chairman of the Council.

(2) As American Consul General I propose to inform the chairman that the draft has been received and to express the hope that its execution will be expedited. Has this Legation's approval?

(3) There is some question regarding the Senior Consul's right to reply at all without unanimous concurrence of the consuls concerned, but as the proposal is more or less routine there may be no objection. Of course, a reply from the Senior Consul is not absolutely essential."

### 3. Legation replied as follows:

"August 6, 6 p.m.

(1) Action proposed in paragraph 2 approved.

(2) In regard to your paragraph 3 please be guided by my July 30, 1 p.m."

### 4. Following from American Consul General at Shanghai:

"August 13, 10 a.m. My telegram August 5, noon. Following is summary of Japanese Consul General's comment forwarded to Senior Consul on proposed agreement regarding extra-Settlement roads. Murai states it is feared restoration to China of administration of extra-Settlement roads may prove first step toward rendition of Settlement and negotiations therefore on this problem necessitate full consideration by powers concerned. For this reason Japanese lay much stress on importance of early holding [of] round-table conference at which this question should be brought up. Murai states that even if there is little prospect of conference [being] convened immediately he cannot accept agreement as it is; that the defect is that police authority has been transferred to Chinese side. This defect cannot be tolerated by Japan. He states that under instructions from Japanese Government he proposes following: Pending official decision of round-table conference, administrative power, including police authority, in extra-Settlement roads and adjacent areas, shall be exercised by Shanghai Municipal Council as recommended by Feetham. In case above principle is established no objection to appointment by Shanghai Municipal Council of Chinese Police Commissioner but post of Deputy Commissioner of Police to be given to Japanese. Foreign heads of police stations in Northern District only to be Japanese and also as many Japanese policemen appointed as possible. Limits of power of Chinese Commissioner and Japanese Deputy Commissioner of Police shall be generally as stipulated in agreement. On matters other than policing, such as authorizing and patrolling [of] foreign defense forces, extent of external road areas, et cetera, views of Japanese Government will be communicated as occasion demands.

Despatch follows. Department not informed [*Department informed?*]."

5. Further details will be forwarded by pouch leaving August 19th.<sup>97</sup>

JOHNSON

893.102S/1227 : Telegram

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

PEIPING, August 18, 1932—5 p.m.  
[Received August 19—12:12 a.m.<sup>98</sup>]

969. My 961, August 16, 7 p.m.

1. The negotiations between the Municipal Council of the International Settlement of Shanghai and the Chinese authorities were instituted as the result of suggestions made by the British Minister and supported by myself to Wu Tieh-cheng, Mayor of Shanghai and Dr. Lo Wen-kan, Minister of Foreign Affairs.

2. The British Minister and I thought that the time was ripe to bring about a settlement of this long outstanding question and found the Chinese authorities agreeable to our suggestion.

3. It was our hope that the question could be settled locally and presented to the consular body and diplomatic body for information and not for approval.

4. Shanghai's telegram of August 13, 10 a. m. indicates that the Japanese have taken the opportunity offered by circularization of the agreement to file with the Senior Consul objections to agreement. It is evident that they intend to use their opposition as a lever for forcing us into a round-table conference at Shanghai in the course of which they intend to ask for continued foreign municipal control in extra-Settlement areas and increased Japanese influence in the council and the police.

5. The British and American Consuls General at Shanghai have informed the Municipal Council of their approval of the agreement as it stands. I am informed that it is the intention of Municipal Council to lay the agreement before the ratepayers for their approval and I expect that this step will afford ample opportunity to those in and out of the Municipal Council "who are opposed" to prevent consummation [*consummation*] of this agreement which to my mind is so desirable.

6. British Chargé d'Affaires showed me yesterday an instruction from his Government in which his Government takes the view that if Japanese Government persists in stand which they appear to be taking at Shanghai, British Government will have to consider what

<sup>97</sup> Not printed.

<sup>98</sup> Telegram in two sections.



it can do to prevent the interests of their nationals from being jeopardized by what can only be termed as wrecking tactics. British Government approves leaving matter for moment in the hands of our respective Consuls General and seeing how far Japanese are prepared to carry opposition.

7. Japanese attitude appears to me to give us three methods of dealing with the question: (a) Notify International Municipal Council and Chinese authorities of our consent to this agreement; (b) do nothing and accept stalemate; (c) consent to round-table conference.

8. The British and American Consuls General at Shanghai have informed the Municipal Council of our approval of the agreement. See Shanghai's written despatch to the Legation, 7288 of August 13, which was copied to the Department, and Shanghai's mail despatch to the Department 8431, August 5th.<sup>99</sup>

9. I do not favor method (b) for I believe we should notify both sides of our position in this matter.

10. In the end it is possible that we may be forced to assent to a round-table conference although I am confident that Chinese will oppose a conference limited to the discussion of Shanghai question; such a conference will at least afford us an opportunity to pursue our policy openly and free from influence by local Shanghai interests into whose hands the question appears now to have been delivered.

JOHNSON

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893.05/341 : Telegram

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

WASHINGTON, August 23, 1932—3 p.m.

279. Reference Shanghai's despatches to Department Nos. 8354 of June 24, 2357 of June 27, and 8383 of July 6,<sup>1</sup> and Legation's despatch No. 1605 of July 7.

1. These despatches were not before the Department when it prepared its telegram No. 224 of July 25, 5 p. m.<sup>2</sup> After study of these despatches, however, the Department is still inclined to the view expressed in its telegram of July 25, paragraph 2, section a. The Department of course would like to see an improvement in the Chinese courts at Shanghai. It recognizes the present shortcomings in those courts. The Department is not convinced, however, that a revision of the existing agreement would insure a more satisfactory

<sup>99</sup> Neither printed.

<sup>1</sup> None printed.

<sup>2</sup> *Ante*, p. 182.

administration of justice as it appears that the unsatisfactory record of the courts is due principally to the incompetence and weakness of the judiciary and it does not seem probable that a revision of the agreement could be expected to effect a material improvement in this respect in view of the existing situation in China. Moreover, the Department doubts whether it would be wise at this time to reopen the whole question of those courts and thereby afford the Chinese an opportunity to contend for the inclusion of certain provisions which would likely be less satisfactory than the provisions of the present agreement. Also, as the question of the Chinese courts at Shanghai will come up for further consideration in connection with any further discussion of the question of extraterritoriality, it would seem of doubtful expediency to endeavor now to reopen to discussion the terms of the present agreement with regard to the Chinese courts at Shanghai.

2. With regard to bringing about improvements in the administration and organization of these courts, the Department suggests that thought be given to the practicability of endeavoring to effect this by means of additional exchanges of notes, such as those forming part of the 1930 agreement, or by unilateral declaration by the Chinese authorities. This would leave the present agreement intact and would restrict discussion to a minimum. It might be possible by this means to take care of such matters as guaranteeing permanent tenure and adequate remuneration for the judges of the court, matters mentioned in the last paragraph of Shanghai's despatch of July 6. In addition, the Department believes that some useful results might be achieved if the interested Ministers and Consuls General would, in a friendly and informal manner, bring to the attention of the Chinese authorities on appropriate occasions and with appropriate constructive suggestions material complaints against the functioning of the courts.

3. In view of the constantly changing situation in China and of the fact that the present agreement does not expire for some months, the Department's expression of views on this matter is not intended to be final but is set forth for your consideration and as a basis for discreet discussion between you and your most interested colleagues and between the interested Consuls General at Shanghai. If the representatives in China of the most interested Governments, who are in closer touch with the situation than is the Department, feel that the negotiation of a new agreement more favorable than the present one appears to be practicable, the Department would not wish to stand in the way of a successful negotiation of such a new agreement.

4. The Department desires that you examine this matter carefully

in the light of the above and that you keep the Department informed of your views and of developments.

CASTLE

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893.1028/1228 : Telegram

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

PEIPING, August 23, 1932—6 p.m.

[Received August 24—7:35 a.m.]

1002. Legation's August 18, 5 p.m. Following from American Consul General at Shanghai:

"August 23, 5 p.m. I am informed that proposed agreement regarding roads has encountered fresh difficulties because British members of the Council have promised British residents now that agreement would be published before signature and Chinese declare that if it is published Chinese criticism will prevent them from signing it."

JOHNSON

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893.05/345 : Telegram

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

PEIPING, August 27, 1932—10 a.m.

[Received August 27—6:20 a.m.]

1017. Department's 279, August 23, 3 p.m.

1. In latter part of July I conferred on several occasions with my British colleague regarding Shanghai courts and we were in agreement that we should quietly endeavor to have the old agreement extended, our views in the matter coinciding in general with those expressed in the Department's telegram under reference. On July 28th British Chargé d'Affaires telegraphed his Foreign Office the substance of his views and 3 days later received reply stating that British Government's views agreed in general with those of the State Department but that the question of the court was still under consideration and a definite conclusion would not be reached for some weeks, also that the British Government's views would be communicated to the American Government as soon as possible. British Legation is awaiting further instructions and has asked British Consul General [at] Shanghai for his considered views in the light of recent developments.

2. From informal conversations with Nanking officials and from recent Chinese press reports it appears that Chinese intend to press for cancellation of certain, if not all, of the safeguards introduced into existing agreement after much difficulty. It is probable there-

fore that in not far distant future the Chinese will request appointment of delegate to discuss revision of existing agreement. I am inclined to believe that it would be a mistake for interested foreign powers to open the discussion and would suggest that Peck be instructed to refrain from broaching the subject but that if Chinese should bring it up Peck should point to the publicly expressed dissatisfaction of foreign community with the functioning of the court as evidenced *inter alia* by speeches of Chairman of the Shanghai Municipal Council and of Shanghai General Chamber of Commerce and invite attention to fact that foreign interests [are demanding] establishment of an international court. Peck might then observe that although he is impressed by this dissatisfaction on the part of foreign interests he considers it would be most unfortunate to reopen this vexed question at present time and that it appears infinitely preferable that an agreement be quietly and inconspicuously made for extension of present agreement and that we might trust to friendly constructive suggestions to secure improvements in the actual functioning of the courts.

3. If, however, the Chinese interests are reopening the question foreign interests would, I believe, have to press for such amendments as will meet the criticisms which are being directed against the courts, this action in all likelihood precipitating a most unfortunate controversy.

4. I sincerely trust that matter may be adjusted to permit of extension for 2 or 3 years of present agreement.

JOHNSON

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893.05/345 : Telegram

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

WASHINGTON, August 30, 1932—6 p.m.

295. Your 1017, August 27, 10 a.m., with regard to the Chinese courts in the International Settlement.

Department approves the suggestion contained in paragraph 2 of your telegram and is in hearty accord with the hope expressed in paragraph 4.

CASTLE

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893.1028/1228 : Telegram

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

WASHINGTON, September 1, 1932—6 p.m.

298. Your 961, August 16, 7 p.m., 969, August 18, 5 p.m., and 1002, August 23, 6 p.m.

1. In view of the obvious desirability of some reasonably acceptable settlement of the vexatious extra-Settlement questions, and as the agreement under reference appears to be generally acceptable to the Chinese authorities and appears to be opposed by only one of the treaty powers, the Department approves your instructions to Shanghai and is in general accord with the views expressed in your telegrams of August 16, 7 p.m. and August 18, 5 p.m.

2. In paragraph 5 of your telegram No. 969, August 18, 5 p.m., you state that you are informed that it is the intention of the Municipal Council to lay the agreement before the ratepayers for approval. If this is done, it would seem that the most practical course of action for the present would be for those in favor of the agreement to attempt to win over a majority of the ratepayers to that view in order that a ratification of the agreement may be ensured. As it appears that the British Government is also in favor of the successful negotiation of this agreement, it would seem that the American and British Consuls General at Shanghai might assist in this course of action by informing the various American and British organizations in Shanghai, separately of course, that they and their Governments were satisfied with the agreement and desired to see it put into effect.

3. If the ratepayers should ratify the agreement, it could be made effective throughout the extra-Settlement area except in any part where effective opposition to its execution might be offered.

4. It is suggested, however, that unless there is reasonable probability that a majority of the ratepayers are in favor of the agreement, it would be well to consider the advisability of deferring for the present any action looking to the ratepayers voting upon the agreement.

Consideration should also be given to the complication of publicity referred to in your August 23, 6 p.m.

5. It is still the hope of the Department that the question can be settled locally and the views expressed herein are forwarded as of possible assistance to the Consul General and to you.

CASTLE

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893.102S/1223 : Telegram

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

PEIPING, September 3, 1932—1 p.m.  
[Received September 3—10:35 a.m.]

1058. Department's 298, September 1, 6 p.m., in regard to extra-Settlement road[s] agreement, following from American Consul General at Shanghai:

"September 3, 10 a.m. Since my telegram of August 25 [23?], 5 p.m., considerable activity and interest have developed regarding extra-Settlement road[s] agreement. The Chairman of the Council sought advice of executive committee of British Chamber of Commerce which was given a few days ago and was 11 to 1 in favor of Council proceeding immediately with signing of agreement. American member of Council privately consulted executive committee of American Chamber and they individually expressed the hope that the agreement would be signed at earliest possible moment. Both organizations were informed that the Japanese uncompromisingly opposed the agreement and threatened resignation should it be signed without publication.

2. There is considerable speculation concerning the action of the Japanese should the agreement be signed and the Japanese members carry out their threat to resign from the Council. There is no general agreement as to what might happen but I am decidedly inclined to opinion that Japanese authorities will not permit special Chinese police force to function in Northern District. The most likely development will be, in my opinion, to sign a decree [for the] taking over of complete policing of that district by Japanese. Not repeated to the Department."

On August 22 Mr. Fessenden informed the secretary of the Mayor of the Councilors' proposal to publish the agreement and notify ratepayers that the Council intended to sign it after reasonable interval. Mr. Yui at once objected on the ground that Mayor would be attacked for concessions to the Japanese. He intimated that the authorities at Nanking were not yet aware of all the details of the agreement. Consequently Mayor would be exposed to criticism from that source. In short, publication in his opinion would involve Mayor's resignation. He went on to say that even if the agreement were signed Chinese would still object to publication and as things were at the moment Chinese were not prepared to sign regardless of whether the agreement was published or not. A special meeting of the Council had been arranged for August 24; though this would still take place there would be no question of proceeding with publication at the moment. Acting British Consul General told Cunningham that the Council were committed by their public notice to the ratepayers.

British Chargé d'Affaires informs me of the receipt from his Consul General of information to the following effect: Municipal Council met as arranged on August 24th. Japanese Councilors, arguing that majority of ratepayers do not approve proposed agreement, stated they would resign if agreement was signed prior to publication. Chinese Councilors took the position that as Mayor had stated he could not agree to publication the only thing to do was to sign first and publish later. The only decision reached was to take no action for the time being. British Consul General reports that after meeting

Yu Ya-ching, one of the Chinese Councilors, told him that he disagreed with views of other Councilors; that if Japanese were so opposed to the agreement the Mayor had nothing to fear from Chinese criticism. Yu undertook to see the Mayor and urge him to go to Nanking to obtain support of National Government for the agreement and then come back and publish it. Signature could then follow in a week or two.

It appears that agreement will receive support of British and American Councilors members of Council and I understand will be supported by British Residents Association and American Chamber of Commerce.

British Chargé d'Affaires and I feel somewhat diffident about instructing our Consuls General in present posture of affairs to attempt to work on ratepayers in this matter. From above information it would seem evident that there are forces at work in favor of getting agreement signed even in the face of Japanese opposition.

Only question now is what steps Japanese will take to make effective their opposition should agreement be signed and an attempt be made to put it into effect as between Municipal Council and Chinese. In this connection see Shanghai's telegram quoted above.

British Chargé d'Affaires and I agree that we should take no further action at this time.

I am further informed by British Chargé d'Affaires that he is informed by his Consul General that Japanese Consul has communicated his objections to agreement directly to the secretary of the Municipal Council.

JOHNSON

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893.102S/1234 : Telegram

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

PEIPING, September 6, 1932—5 p.m.

[Received September 6—6:44 a.m.]

1074. My 1058, September 3, 1 p.m. Following from Cunningham:

"September 6, 9 a.m. Legation's July 30, 2 [1?] p.m.,<sup>3</sup> paragraph 1, last sentence. Notwithstanding various complications which have arisen as reported in my August 31 [13?], 10 a.m., and previous telegrams it is assumed that foregoing instruction is still in effect."

To which I have replied: "Views expressed in my July 30, 1 p.m., still stand."

JOHNSON

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<sup>3</sup> See telegram No. 961, August 16, 1932, 7 p.m., from the Minister in China, p. 635.

893.1028/1237 : Telegram

*The Minister in China (Johnson) to the Secretary of State*PEIPING, September 13, 1932—9 p.m.  
[Received September 14—2:35 a.m.]

1091. My 1058, September 3, 1 p.m.; and my 1074, September 6, 5 p.m. British Chargé d'Affaires and I have again compared notes in regard to situation connected with extra-Settlement roads question. British Consul General [at] Shanghai reports a conversation which he had with Yano, Japanese Chargé d'Affaires, in the course of which Japanese Chargé stated that Japanese Government regards the question as of great importance and that a serious situation would arise if the wishes of his Government were disregarded. Japanese claim agreement affects Japanese extraterritorial rights, saying that Japanese Government had never conceded to the Chinese Government the right to tax Japanese subjects but that under this draft agreement the city government of Greater Shanghai delegated to the municipal government of the International Settlement the right to levy municipal rates on properties adjoining extra-Settlement roads, a right which they could not delegate as they did not possess this right themselves in regard to Japanese. Japanese Chargé d'Affaires stated that Japanese real objection concerned any relinquishment of municipal control over the outside roads at the present time, as they considered that this was a matter to be dealt with by a round-table conference.

Japanese Consul General protested to Cunningham as Senior Consul that matter should be referred to consular body and to the several interested powers before signature and Cunningham promised to call a meeting of the consular body about September 16th for the purpose of considering this question. At this meeting Japanese presumably will object to the negotiation of such an agreement by the Municipal Council with the Chinese authorities without previous approval by the League [*treaty?*] powers concerned. Cunningham is authorized to say that we have approved draft. Langdon [*Brenan?*] has similar instructions but Japanese for obvious reasons will doubtless insist reference of question to Diplomatic Body. As a matter of fact draft remains unsigned and according to information given to me by British Chargé d'Affaires there seems to be at the moment little chance of its being signed inasmuch as British and Japanese Councilors are committed to their constituents to publish agreements before signature while the Chinese Mayor on the other hand insists that he cannot sign after publication.

British Chargé d'Affaires and I have agreed on following instruc-



tions which we have sent, but not in identic form, to our respective Consuls General at Shanghai.

"September 13, 7 p.m. My September 6, 4 p.m. In view of the fact that there is to be a consular body meeting on or about September 16th to discuss question raised by Japanese Consul General I suggest that, beyond stating that the American Government has no objection to the draft agreement as it now stands or the procedure, you should refrain from any other discussion of the question. In any case you should be careful to avoid discussion that might lead to any commitment concerning our attitude on the subject of a round-table conference. I suggest that you should not directly oppose Japanese contention that approval of Japanese Government is required but should point out that in our opinion land regulations do not apply to what we consider to be a matter of Council's internal administration."

JOHNSON

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893.102S/1241 : Telegram

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

PEIPING, September 15, 1932—noon.

[Received September 15—3:09 a.m.]

1096. My 1091, September 13, 9 p.m. Following just received from Shanghai:

"September 14, 2 p.m.

Your September 13, 7 p.m. Consular body meeting will probably be held on September 20th.

2. J. K. Choy, Shanghai Commissioner of Finance and one of the two Chinese negotiators of the extra-Settlement road[s] agreement, informs me that yesterday Brennan told Mayor Wu and himself informally that the British are unwilling to proceed with the agreement in the face of the Japanese opposition.

Not repeated to the Department."

JOHNSON

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893.102S/1241 : Telegram

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

WASHINGTON, September 16, 1932—noon.

316. Your 1091, September 13, 9 p.m., and 1096, September 15, noon. If the instructions issued to the British Consul General at Shanghai, referred to in the penultimate paragraph of your 1091, September 13, 9 p.m., still stand substantially as reported in the last two paragraphs of that telegram, the Department approves your instruction to the American Consul General at Shanghai but desires the deletion of

all of that part of the last sentence of that instruction which follows the word "required" in order to avoid our placing on record in a meeting of the Shanghai Consular Body an opinion which is open to possible undesirable interpretations.

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893.102S/1246 : Telegram

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

PEIPING, October 19, 1932—4 p.m.  
[Received October 20—2:02 a.m.<sup>4</sup>]

1202. My 1091, September 13, 9 p.m. Shanghai written despatches 7336 of September 29 and 7338 of October 5.<sup>5</sup>

1. On September 29 newly appointed Japanese Consul General informed Cunningham that agreement regarding extra-Settlement roads would be accepted by Japanese provided:

(a) That a joint statement be issued by the other powers concerned to the effect that "the *modus vivendi* regarding the extra-Settlement roads will in no way affect the status i. e. station, patrolling, drilling, disarming of the defense forces of the respective powers in the extra-Settlement roads".

(b) Agreement must be referred for prior approval consular and diplomatic bodies as Japanese consular officers [apparent garbled group] will effect treaty rights of the powers.

(c) Japanese will demand certain amendment[s] to the agreement. Japanese Consul General did not furnish Cunningham with memorandum of these amendments but I am able to quote them below from copy given to me unofficially by my British colleague:

(1) *Policing.*

An item contained in the following terms shall be added to clause (b) of article 1:

"The Deputy Commissioner shall be the foreigner whose nationals constitute the largest in-number of foreign residents of different nationalities residing in the extra-Settlement roads."

The following items shall also be added to clause (c) of the same article or shall be provided for in detailed agreement:

"The municipality of Greater Shanghai has to appoint as many Japanese policemen as possible and to let them take charge of police affairs especially in the areas where Japanese subjects reside in large numbers and where Japanese manufacturing factories are located.

A Japanese subject shall be made the senior officer of the police administration in charge of extra-Settlement roads in the Northern District while the senior

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<sup>4</sup> Telegram in four sections.

<sup>5</sup> Neither printed.

officer in charge of the extra-Settlement roads in the Western District shall be of the nationality which enjoys extraterritoriality in China.

In the latter district the police officer next in rank to the senior officer shall be appointed from among Japanese nationals.

All foreign members of the police administration of the districts above alluded to shall be appointed by the municipality of Greater Shanghai upon recommendation by the Municipal Council. Those who have once been appointed shall not be arbitrarily discharged without just reasons.'

Clause (f) of the same article has to be modified as follows:

'Any regulations or orders issued by said police administration regarding matters concerning foreigners having extraterritorial rights shall not become operative unless it is approved by the consular body and the Diplomatic Corps.

In applying regulations or orders which have already gone through the above procedure to certain specific matters consent of the Deputy Commissioner is required by his counter-signature or some other appropriate form of government.'

[(2) ?] The following reservation is made in article 3 of the agreement:

'Conditions of franchise to be granted by the city government of Greater Shanghai shall be similar to those granted by the Municipal Council. They shall not be of such a nature that they will unwarrantably interfere with business or allow any discriminating treatment.'

(In case a satisfactory understanding is effected between the city government of Greater Shanghai and the Municipal Council the above reservation may be withdrawn).

(3) The following reservation is to make article 6:

'Rates to be collected by the city government of Greater Shanghai shall be lower by at least 2 percent than rates which are collected within the Settlement.'

(In case an understanding is effected between the city government of Greater Shanghai and the Municipal Council the above reservation may be withdrawn).

(4) The following item is to be added to article 7:

'The present arrangements shall not be allowed to impair the rights of the powers having extraterritoriality.'

(5) In a standing order to the Commissioner that portion in the middle part of the whole article which begins 'and foreigners' and ends 'to the Deputy Commissioner' shall be modified as follows:

'and when foreigners having or claiming extraterritorial rights were arrested in the act of violating the police regulations they shall immediately be handed over to the Deputy Commissioner who in turn shall without delay hand over such offenders to the Consulate having jurisdiction over them.'

2. In regard to point (a) both British and American Consuls Generals agree that a statement so worded would completely alienate Chinese and prevent consummation of agreement. Both, however, appear to be of the opinion that some such declaration would be of value to forestall interpretation of agreement as eliminating foreign armed forces now quartered in the extra-Settlement roads (the British in Western District and Japanese in Northern District). Both suggest that formula might be modified to a simple declaration to the

effect that "Agreement does not affect the defense forces maintained by the respective powers in Shanghai" and that before agreement is signed this declaration should be communicated to Chinese who should be persuaded to accept it. I see no objection to this proposal although I see no real necessity for it. I am opposed to text of declaration as suggested by Japanese.

As regards (b) neither Brenan nor Cunningham appear to consider that Japanese will press this point.

As regards (c) I am of the opinion that the amendments suggested would not be acceptable to the Chinese and would effectively prevent the consummation of the agreement if injected into the discussions. While the extra-Settlement roads are the property of the ratepayers, there exists so far as I can determine no right under the land regulations for the municipality and the ratepayers to police those roads and for us to join with Japanese in demanding that Chinese employ 61 [*foreign?*] police in those roads would, in my opinion, be to turn clock back in our policy. Matter now stands as above with no prospects of immediate settlement.

Shanghai informed.

JOHNSON

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893.1028/1246 : Telegram

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

WASHINGTON, October 31, 1932—noon.

359. Your 1202, October 19, 4 p.m.

1. As the Department views the situation the important factors are as follows:

(a) The Chinese authorities appear to be in a conciliatory mood and to understand that opposition to the proposed agreement comes almost entirely from the Japanese;

(b) The Japanese authorities appear to be in a more conciliatory mood than they were some weeks ago;

(c) The proposed agreement has been, and should continue to be discussed strictly as, an agreement between the Municipal Council of the International Settlement and the Chinese authorities because, as such, there need be no reference of it to, or approval by, the interested powers;

(d) There seems to be a consensus of opinion that this question, long a source of irritation at Shanghai, should be settled.

2. The Department feels, therefore, that every effort should be made, particularly by the American and British Consuls General at Shanghai, by informal discussions with the Japanese Consul General and with the representatives of the Municipal Council, to resolve the

difficulties which still stand in the way of a successful conclusion of an agreement.

3. With regard to the first condition, (*a*), of your telegram, the American and British Consuls General at Shanghai apparently feel that some formula can be devised to resolve this difficulty. If the proposed agreement is kept strictly within the bounds of what it is supposed to be, namely, an agreement between the Municipal Council and the Chinese Municipality of Shanghai without reference to the powers concerned, the Department concurs in your view that there would seem to be no need for a declaration of the nature desired by the Japanese, because the contracting parties, having no control over the defense forces of the respective powers at Shanghai, are in no position to commit the powers with regard to these defense forces. It would seem, therefore, that a solution lies in a declaration by, or in an exchange of notes between, the negotiators of the agreement (not the representatives of the powers) to the effect that the provisions thereof are not intended by the signatory parties to limit or restrict in any way whatsoever (*a*) the arrangements which the foreign powers may have for the protection of their nationals at Shanghai and (*b*) the rights and privileges to which foreign nationals in China are entitled under the treaties. It is to be noted that the inclusion of (*b*) above may afford a solution for certain of the amendments desired by the Japanese.

4. With regard to the second condition, (*b*), of your telegram, it appears from your remarks that neither the American nor the British Consuls General at Shanghai feel that the Japanese will insist upon this condition. It is the Department's opinion that this condition should be dropped, as insistence upon it would give the proposed agreement an international character which would be at variance with one of the fundamental factors referred to in paragraph 1 above, namely, that the proposed agreement is strictly local.

5. With regard to the third condition, (*c*), of your telegram, the Departments will not attempt, in view of its stand that the entire agreement is a matter for local negotiation, to enter into a discussion item by item of the amendments desired by the Japanese. In general, however, the Department is inclined to believe that, in the light of the fundamental factors outlined in paragraph 1 of this telegram, the difficulties raised by the proposed Japanese amendments are not insurmountable. By tactful suggestions, it ought to be possible for the interested Consuls General and the representatives of the Municipal Council to resolve the difficulties by persuading the Japanese to drop some of their demands and by finding satisfactory formulae for the other demands. The principal difficulty appears to arise out of the demand that the Chinese employ foreign, particularly Japanese,

police, including a Deputy Commissioner of Police. Although the proposed agreement does not appear to provide for the employment of foreign police other than the Deputy Commissioner, some compromise solution may be found by providing in an exchange of notes, or in a declaration by the Chinese authorities, for the employment of some foreign police with an additional proviso that the foreign police in the northern extra-Settlement area where Japanese interests are largest shall be Japanese and that there shall be an additional Deputy Commissioner for that area who shall be Japanese. With regard to the employment by the Chinese of foreign police, the discussions leading up to the Sino-Japanese Shanghai agreement of May 5 of this year<sup>6</sup> might offer a useful precedent.

6. These views are submitted as of possible assistance to you and to the Consul General at Shanghai. Both of you, in collaboration with your interested colleagues in so far as that may be possible, should continue your efforts to bring about the consummation of a strictly local agreement.

STIMSON

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893.05/348

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

No. 1801

PEIPING, November 7, 1932.

[Received December 5.]

SIR: With reference to the Department's telegraphic instruction No. 295, August 30, 6 p.m. concerning the termination of the agreement signed on February 17, 1930,<sup>7</sup> which abolished the former Shanghai Provisional Court in the International Settlement at Shanghai and substituted the present District Court and the Branch High Court, I have the honor to report that Counselor Peck was acquainted with the contents of this instruction at the time of his brief visit to Peiping during the first week in September, and he was later supplied with a paraphrase of the instruction, for his guidance in the event that the question of the Shanghai Courts came up for discussion by him and the Chinese authorities. Under date of October 17th Mr. Peck advised the Legation that the subject had not been brought up by any Chinese officials since the receipt of the Legation's instructions, and so had not been a matter of discussion. Mr. Peck, however, enclosed with his despatch a copy of a memorandum of a conversation initiated by Mr. E. M. B. Ingram, British Chargé

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<sup>6</sup> For text, see *Foreign Relations, Japan, 1931-1941*, vol. I, p. 217; for discussions, see *Foreign Relations, 1932*, vol. III, pp. 654 ff.

<sup>7</sup> *Ibid.*, 1930, vol. II, p. 333.

d'Affaires, with Dr. Lo Wen-kan on October 13th, in regard to the Shanghai District Court question. A copy of Mr. Peck's despatch under reference is transmitted herewith.<sup>10</sup> The Department will note that Dr. Lo stated that he had appointed a Committee to examine all complaints about the working of the Court with a view to remedying them, as far as possible; that until the Committee reported no action could be taken in the matter by the Chinese Government; that he was keeping a very watchful eye on the administration of the Court and was seeking in various ways to remedy its shortcomings; that he believed an improvement had been effected during the past year, and that he was all for dealing with difficulties in this way, improving the Courts by a gradual process of adjustment. It will also be noted that Dr. F. T. Cheng, Vice Minister of Justice, expressed similar views to Mr. Ingram and stated that he considered his proposal for the prolongation of the present agreement tactically worthy of serious consideration as soon as the Committee studying the problem had reported.

There is also transmitted for the Department's information a copy of a memorandum of a conversation had by me with Mr. Ingram at Peiping on October 29, 1932,<sup>10</sup> in regard to his discussions on this subject with Dr. Lo Wen-kan and Mr. Wu Tieh-cheng, the Mayor of Shanghai. Mr. Ingram stated that Dr. Lo appeared to be in favor of prolonging the present agreement and that Mr. Wu Tieh-cheng had expressed himself as in favor of prolongation. Mr. Ingram recalled that when the first agreement was made the Japanese had not participated because the Chinese had insisted that Japanese extraterritorial rights had lapsed. He added that the Japanese would not be so complacent should another revision take place, for they would insist upon participation, and had so informed the Consular Body of Shanghai, with the request that they be informed of the steps taken in regard to the matter.

Respectfully yours,

NELSON TRUSLER JOHNSON

893.1028/1260

*The Consul General at Shanghai (Cunningham) to the  
Minister in China (Johnson)*<sup>11</sup>

No. 7419

SHANGHAI, December 22, 1932.

SIR: I have the honor to transmit a self-explanatory memorandum<sup>10</sup> of a conversation which I had with Japanese Consul General Ishii

<sup>10</sup> Not printed.

<sup>11</sup> Copy transmitted to the Department by the Consul General at Shanghai in his despatch No. 8661, December 22, 1932; received January 16, 1933.

in regard to the extra-Settlement roads agreement. It will be noted therefrom that Mr. Ishii states that the extra-Settlement roads memorandum, which he handed to me informally, is his own and if it is approved by the municipalities he will take it up with his government in the hope that it will receive the latter's approval. These suggestions are to replace the rather absurd demands previously made and which were transmitted as enclosure No. 1 to this Consulate General's despatch No. 7343 of October 14, 1932.<sup>12</sup>

It is probable that no action will be necessary in regard to this memorandum but it is believed it will be of interest to the Legation and the Department. The new demands are very much more reasonable than those previously made, and while there are a few points which need to be slightly modified, on the whole the memorandum would seem to justify the feeling that an agreement may be reached which will be acceptable to all parties concerned. The negotiations with the Chinese have all been conducted, on behalf of the Shanghai Municipal Council, by Mr. Stirling Fessenden and it is not my purpose to enter into the negotiations with the Japanese except at the suggestion of Mr. Fessenden, who is using his own channels of communication to effect an agreement with the Japanese. He keeps me informed concerning the various steps taken and from time to time has made suggestions which have guided me in conversations with various Japanese officials and civilians.

It is sincerely hoped there will be no difference of opinion arising between the British and Japanese due to the claim of either that the other has preponderant interests. It is learned from the Japanese Consul General that the British Consul General addressed him some time ago stating that the British interests were dominant and they therefore would not yield to the previous demands of the Japanese in regard to the personnel of the extra-Settlement police force.

Respectfully yours,

EDWIN S. CUNNINGHAM

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893.05/349 : Telegram

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

WASHINGTON, December 29, 1932—1 p.m.

406. Reference Legation's despatch No. 1801, November 7, and Shanghai's despatch No. 8621, November 25, 1932,<sup>13</sup> with regard to the agreement relating to the Chinese courts in the International Settlement. As the date of the expiration of the present agreement

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<sup>12</sup> Not printed.

<sup>13</sup> Latter not printed.



is only 3 months off, the Department desires that, in the light of its instructions to you on this subject, namely, telegrams No. 224, July 25, 5 p.m.,<sup>14</sup> paragraph 2, (a), No. 279, August 23, 3 p.m. and No. 295, August 30, 6 p.m., you join with your colleagues in devising ways and means of bringing about such a solution as may seem appropriate and practicable. Please keep Department informed promptly of developments and of your comments thereon with recommendations.

CASTLE

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893.05/350 : Telegram

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

PEIPING, December 30, 1932—1 p.m.

[Received December 30—6 a.m.]

1405. Your 406, December 29, 1 p.m. In a conversation which I had with Lo on December 12th he informed me confidentially that he intended to recommend to his Government that the present agreement concerning the court at Shanghai be extended. My French and British colleagues were similarly orally informed. It is our belief that the Minister for Foreign Affairs will eventually present to us for signature some document covering extension.

JOHNSON

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**PRESS RESTRICTIONS BY CHINESE AUTHORITIES AFFECTING  
AMERICAN CITIZENS IN CHINA**<sup>15</sup>

811.5034 China—Searchlight Publishing Co./6 : Telegram

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

SHANGHAI, July 6, 1932—2 p.m.

[Received July 6—9:50 a.m.]

325. Referring to my despatch No. 8294 of May 27, 1932,<sup>16</sup> concerning application of Harold Isaacs for registration of Searchlight Publishing Company, Mayor of municipality of Shanghai has informed this office that he has received orders from Commission of Military Affairs to investigate and prohibit publication of *China Forum*. Mayor requests this Consulate General to take action accordingly.

Repeated to the Legation.

CUNNINGHAM

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<sup>14</sup> *Ante*, p. 182.

<sup>15</sup> For previous correspondence on this subject, see *Foreign Relations*, 1930, vol. II, pp. 559 ff.

<sup>16</sup> Not printed.

811.5034 China—Searchlight Publishing Co./8 : Telegram

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

SHANGHAI, July 14, 1932—9 a.m.

[Received July 14—2:10 a.m.]

336. Department's telegram No. 215, July 9, 1 p.m.<sup>17</sup> Mayor's request was immediately referred to District Attorney who thereupon discussed matter with Isaacs. District Attorney is of the opinion that Isaacs' conduct does not constitute criminal offense under our laws but he feels that Isaacs' activities and attitude are of such [a nature?] that he will continue indefinitely to embarrass our Government by his political activities directed at the Chinese Government and he concurs in my view that the Department should authorize me to inform Isaacs that our Government would not accord him protection should Chinese authorities take steps to curtail his activities. It is believed by District Attorney and myself that Isaacs would terminate his activities at once upon receiving such warning.

CUNNINGHAM

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811.5034 China—Searchlight Publishing Co./9 : Telegram

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

WASHINGTON, July 20, 1932—4 p.m.

223. Your 336, July 14, 9 a.m.

1. You should ask Isaacs to call at the Consulate General and inform him (a) that his campaign of criticism and vilification of the Chinese Government, which may reasonably be interpreted as an attempt to incite rebellion against that Government, is a gross abuse of his privilege as an American citizen residing in China and is seriously prejudicial to the interests of the United States and its nationals in China; (b) that the Chinese authorities have properly complained of his attacks on the Government of China and have requested the suppression of his offending publication; (c) that he has forfeited any right of protection by the Government of the United States with respect to his publication and, if the present policy of that publication is continued, the registration of the Searchlight Publishing Company as an American enterprise will be cancelled and this Government will not intervene to prevent action by the Chinese authorities against his publication for the purpose of suppressing it.

2. Inform the Legation.

STIMSON

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<sup>17</sup> Not printed.

811.5034 China—Searchlight Publishing Co./19 : Telegram

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

WASHINGTON, July 30, 1932—2 p.m.

230. Your 353, July 29, 5 p.m.<sup>18</sup>

1. The *New York Times* under date July 30 carries as a special cable from Shanghai under date July 29 an article, the first paragraph of which is as follows:

“For the first time in the history of Chino-American relations the United States Government is threatening to withdraw the protection of extraterritorial rights from an American citizen, leaving him to trial in the Chinese courts on serious charges carrying the possibility of life imprisonment or even the death penalty.”

2. Many inquiries are being addressed to the Department in relation to the Isaacs case. The Department assumes that you have correctly interpreted its instruction of July 20 and that any action which you have taken is in conformity with its terms. In its telegram 223, July 20, 4 p.m., the Department stated that you should inform Mr. Isaacs that if the present policy of his publication is continued, the registration of the Searchlight Publishing Company as an American enterprise would be cancelled and this Government would not intervene to prevent action by the Chinese authorities against his publication for the purpose of suppressing it. This instruction contemplates a refusal to intervene in case Chinese authorities should choose to take administrative action to suppress Mr. Isaacs' publication. It of course would involve no denial of the extraterritorial status in China of an American citizen, and no denial of the protection as regards his person or his property in case the Chinese authorities should attempt to bring action, criminal or civil, against him. It would not render him liable to arrest or his property liable to seizure except under orders issued from the United States Court for China.

3. The Department assumes that such is your understanding, but for absolute assurance, and to enable it to reply intelligently to inquiries made here, it desires confirmation and an adequate report, by naval radio, with regard to developments and action taken by your office in this case. The Department needs to have this information by Monday<sup>19</sup> morning Washington time.

4. For your confidential information, Department is reliably in-

<sup>18</sup> Not printed.

<sup>19</sup> August 1.

formed that Isaacs' father is out of sympathy with his son's activities, as reported, and has even inquired whether American Government might not have him sent home. On the other hand, certain organizations, which need not be characterized, seem intent on making it appear that an American citizen is being persecuted because of courageous exercise of the right of freedom of speech.

WHITE

811.5084 China—Searchlight Publishing Co./20 : Telegram

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

SHANGHAI, August 1, 1932—5 p.m.

[Received August 1—8:20 a.m.]

357. Department's 230, July 30, 9 [2] p.m. Department's cable is very much garbled but believe amplification by [my?] 353, July 29, 5 p.m.<sup>20</sup> furnishes information desired. Isaacs was called into the Consulate General and in the presence of District Attorney Sellett and Consul Smyth I read *in extenso* and verbatim Department's 223, July 20, 4 p.m., to Isaacs. I made few comments though Sellett commented, enlarging upon the previous conversations with Isaacs and he explained Isaacs' report that he had made in the *Forum* of previous interview. To my astonishment the local press carried, apparently upon Isaacs' apparent statement, an incorrect interpretation of the interview.

I am of the opinion that he intended to seek notoriety and sympathy.

There has never been any mention made of his personally being deprived of extraterritorial rights.

As a precaution I made this morning an appointment with the Mayor for tomorrow when I intend to give to him in confidence a copy of my statement to Isaacs and verbally to warn the Mayor that there was no intention to waive the extraterritorial rights that Isaacs has.

Through the *New York Times* and its correspondent in Shanghai his father has urged Isaacs to return to the United States. Isaacs has replied that he "did not believe in turning the other cheek or showing his heels to the enemy."

CUNNINGHAM

<sup>20</sup> Not printed.

811.5034 China—Searchlight Publishing Co./27 : Telegram

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

SHANGHAI, August 4, 1932—1 p.m.

[Received 5:24 p.m.]

361. Referring to my telegram number 357, August 1, 5 p.m.

1. I called on Mayor yesterday and informed him that I desired to correct erroneous newspaper reports concerning Isaacs. I told Mayor that I had not warned Isaacs that he would be deprived of his extraterritorial rights if he continued his attacks on Chinese Government, but that the warning I gave Isaacs be given only to his publication. I added that I wished to bring this clearly to the Mayor's attention, in order that authorities concerned might not interfere with Isaacs on basis of false newspaper reports. Mayor replied that he had not believed newspaper reports but appreciated receiving definite information from me. Mayor requested information as to action I might take if Isaacs continued present policy, to which I replied that I could not prejudge case but must first consider any specific complaint which might be made by Chinese authorities.

2. Isaacs has requested advice as to:

(a) Modification of policy of *China Forum* necessary to avoid action by this office.

(b) Under what circumstances he would be notified of withdrawal of protection of American authorities.

(c) Whether action of the American authorities would be administrative or judicial.

I replied that no definite reply could be given to hypothetical questions but that, in general, action would depend on further developments and circumstances of any particular case which might arise.

3. Searchlight Publishing Company have never been registered in the Consulate General. The *China Forum*, for [from?] its first number January 13, 1932 to June 8 number, merely stated that it was published weekly at Shanghai. After that date it stated that it was published by the China Forum Publishing Company. This company has not applied for registration at this Consulate General. Isaacs stated that he used this name when it appeared to him that Searchlight Publishing Company would not be granted registration.

Repeated to the Legation.

CUNNINGHAM

811.5034 China—Searchlight Publishing Co./30 : Telegram

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

WASHINGTON, August 8, 1932—4 p.m.

236. Your 361, August 4, 1 p.m., paragraph 3, first sentence stating that "Searchlight Publishing Company have never been registered in the Consulate General".

Your despatch No. 8090 of January 22 to Department<sup>21</sup> transmits for Department's consideration copy of an application made by Isaacs for registration of the Searchlight Publishing Company. Department's instruction in reply to March 28<sup>21</sup> stated that the Department "does not desire to raise any objection to the approval by you of the application for registration". Please inform Department what transpired thereafter in connection with the application.

CASTLE

811.5034 China—Searchlight Publishing Co./31 : Telegram

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

SHANGHAI, August 10, 1932—1 p.m.

[Received August 10—6:45 a.m.]

365. Department's 236, August 8, 4 p.m. This Consulate General was making further investigations into the Searchlight Publishing Company when the Department's instruction of March 28 was received. The police of the International Settlement had brought copies of the *China Forum* to the attention of this office with the request that the District Attorney be informed. In view of this fact this office desired to make further investigations before approving application. In this connection it may be stated that Isaacs manifested no interest in question of registration, not having called at this office after his first application nor having inquired in regard thereto.

CUNNINGHAM

811.5034 China—Searchlight Publishing Co./33 : Telegram

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

SHANGHAI, August 31, 1932—3 p.m.

[Received August 31—11:15 a.m.]

378. This Consulate General's 365, August 20 [10], 1 p.m., and previous concerning *China Forum*. This office has received a further

<sup>21</sup> Not printed.

report dated August 25 from the Mayor who states that issue of August 13 shows that publication's attitude has not improved but that "rumors are invented and indignities are offered in a manner worse than before." Mayor requests that this office "take immediate and drastic measures to curb such activities and inflict a punishment in order that cordial relations may be preserved".

In view of the opinion of the United States District Attorney that Isaacs' apparent conduct does not constitute criminal offence under American laws this Consulate General can of course not comply with the Mayor's request, although the publication undoubtedly had not modified its attitude.

Since the *China Forum* is published in the International Settlement I would suggest that this office notify informally the police of the International Settlement that the China Forum Publishing Company is not recognized as an American concern by this office and that this Consulate General would have no objection to the police taking administrative action to suppress the publication. This office would of course instruct the police that no action could be taken against the person or property of Isaacs, which are subject only to the due process of American laws. Department's instructions are requested.

Repeated to the Legation.

CUNNINGHAM

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811.5034 China—Searchlight Publishing Co./33 : Telegram

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

WASHINGTON, September 8, 1932—6 p.m.

247. Your 378, August 31, 3 p.m. You are instructed to inform the Mayor that the Government of the United States recognized the impropriety of the articles submitted in the first complaint and, through you, duly advised Isaacs to discontinue the publication of such articles. Request Mayor to furnish marked copies of additional issues (Department has copies forwarded with your despatch 8418, July 29<sup>23</sup>) to which objection is made. If you and the District Attorney are convinced that they are of the same general character as those previously objected to, and that American court authorities are not in position to take action in the premises, you will inform the Mayor that this Government considers that the complaint of the Chinese authorities is warranted and will not interpose objection to the suppression of the publication by the Chinese authorities provided that the action of those authorities will be limited strictly to preventing

<sup>23</sup> Not printed.

the publication and circulation of the paper without involving the person or property of Isaacs.

Keep Legation and Department promptly and fully informed of all developments and mail copies of additional issues of the paper on which latest complaint is based.

STIMSON

811.5034 China—Searchlight Publishing Co./35 : Telegram

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

SHANGHAI, September 13, 1932—4 p.m.

[Received September 13—10:19 a.m.]

389. Department's 247, September 8, 6 p. m. *China Forum* has not been published subsequent to issue of August 13th. I am informed this is because Isaacs has been unable at this time get any firm or person to print it; Chinese and nonextraterritorial printers are unwilling to print it because of probable prosecution in Chinese courts. International Settlement police have information that Isaacs is now trying to buy his own printing press but he has not yet done so.

If and when *China Forum* is again published this Consulate General will, unless the character of its articles has changed, follow Department's instructions but in the meantime it seems preferable to take no action.

Repeated to Legation.

JOSSELYN

893.711/83 : Telegram

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

PEIPING, October 6, 1932—5 p.m.

[Received October 6—7:45 a.m.]

1173. 1. Following from American Consul General at Shanghai:

"October 1 [3<sup>rd</sup>], 5 p.m.

[(1)] Shanghai Postal Commission[er] has notified various newspapers and periodicals, including American, that if they do not register under Article No. 7 of Chinese law of publication, postal facilities will be withdrawn. Translation of the law of publications is in volume 6 and detailed regulations in volume 9 of Nanking Government's land office and regulations published by British Chamber of Commerce. Postal Commissioner has in some cases set a time limit of 2 weeks for making application for registration.

(2) Suggest that I be authorized to inform Postal Commission[er] and also Mayor that American authorities cannot consent to registra-



tion by American concerns under laws which are contrary to the principle of extraterritoriality set forth in the treaties. Suggest that appropriate representations be made by the Legation also. Despatch follows."

2. Following reply is being sent to the Consul General:

"October 6, 5 p.m. You are authorized to act in accordance with the suggestion made in paragraph 2 of your October 3, 5 p.m., and you may add that the matter is being taken up by the Legation with the Ministry of Foreign Affairs and that you request no action be taken by the postal authorities which will impair the rights of American citizens in their use of Chinese postal service. Upon receipt of your despatch the question will be taken up with the Ministry of Foreign Affairs."

3. The Legation will report further to the Department upon receipt of Cunningham's mail despatch. It is assumed that he has forwarded to the Department the volumes containing the Nanking Government's laws and regulations published by the British Chamber of Commerce in Shanghai; but if the Department does not have translation of the law of publications Legation will transmit by radio a summary of those sections of the law if enforced against American citizens which would appear to impair treaty provisions.

JOHNSON

893.711/85 : Telegram

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

PEIPING, October 17, 1932—5 p.m.

[Received October 17—7:20 a.m.]

1198. My 1173, October 6, 5 p.m. The following telegram has been sent to the American Consul General at Shanghai, October 17, 4 p.m.

My October 6, 5 p.m., in regard to registration of foreign press. I desire that you inform British Consul General of your October 3, 5 p.m., and my telegram above referred to, and that you seek with him common line of action.

I am uncertain as to exact nature of right of American publishers to transmit their publications through Chinese Postal Service. Assuming publication originated abroad Chinese Postal and Customs Service would conceivably have right to forbid entry within country. Question arises: Does publisher within foreign concession have a greater right to use of Chinese Postal Service than publisher abroad? In this connection I conceive that in the end we will have to devise with the Chinese some compromise arrangement similar to that reached in connection with registration of foreign lawyers.

JOHNSON

811.5034 China—Searchlight Publishing Co./39 : Telegram

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

SHANGHAI, October 21, 1932—10 a.m.

[Received October 21—1:41 a.m.]

404. My 389, September 13, 4 p. m.

1. Mayor in letter October 11 again requests that stringent measures be taken to deal with *China Forum* since character of articles published by journal has been ascertained and established by proof. I have replied as instructed in Department's 247, September 8, 6 p. m., and added that *China Forum* has not been published for over 2 months according to my information.

2. I beg to suggest that this action will not be sufficient to deter Isaacs or any other from taking part communistic activity, and strongly feel that this Consulate General should be able to take more drastic action, such as the withdrawal of protection as recommended by District Attorney and myself in telegram 336, July 14, 9 a. m. I feel that if it becomes known that American citizen may under American extraterritorial protection engage in communistic activity which may not be in contravention of American law but which is nevertheless actually or potentially of a subversive character, that there is every likelihood that the Third International may use Americans in important posts in China, using International Settlement as a base. I have just received a confidential communication from the Mayor stating that according to report received Agnes Smedley is an important member of the China branch of the Revolutionary Co-operative Society Mopr-Uonp and also a member of Voks, Federal Board of Local Board Culture in foreign countries, both of which are under the control of Third International. I am requested to give the matter attention. I have replied asking for particulars regarding activities in which she is alleged to be engaged.

Repeated to the Legation for information.

CUNNINGHAM

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893.711/85 : Telegram

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

WASHINGTON, October 24, 1932—3 p.m.

356. Your 1173, October 6, 5 p.m., and 1198, October 17, 5 p.m.

1. Department approves your instructions to the Consul General at Shanghai as quoted in paragraph 2 of the first telegram under reference and in the first paragraph of the second telegram under

reference, but offers for your consideration certain observations as follows:

2. After a study of the provisions of the Chinese law and regulations referred to in paragraph 1 of your first telegram under reference, the Department is of the opinion that, as in the case of the Chinese regulations for the registration of companies and supplemental rules (see Department's No. 266, September 26, 1930,<sup>24</sup> in regard to those regulations and rules), this law and these regulations provide for a kind and degree of Chinese administrative and judicial control over extraterritorial nationals registering under them which would make it extremely difficult, if not impossible, for American newspapers and periodicals in China to effect registration and at the same time to retain their extraterritorial rights and status. Although the American Government might be prepared in certain cases, when the circumstances so warrant, to acquiesce in a denial to American nationals of postal facilities by the Chinese authorities, as for instance in the recent case of the Isaacs publication at Shanghai, the American Government does not admit the right of the Chinese Government generally to deny postal facilities to American nationals in order to compel them to comply with a Chinese law which, under the extraterritorial system, is not applicable to them and which subjects them to penal provisions which the Chinese authorities have no right to impose.

3. Referring to the concluding paragraph of your 1198, October 17, 5 p.m., the Department informs you that China is obligated, as a member of the Universal Postal Union, to grant liberty of transit to mail originating in any other country member of the Union and it could not, of course, limit the enjoyment of that right to companies registered in China. The right of American nationals in China to use the postal facilities of China for legitimate purposes is too obvious to require discussion, and, as above stated, that right cannot be granted on any condition inconsistent with the treaty rights of American nationals. Department does not desire, however, that you inject into this matter the question of mail originating abroad.

In this connection it may be observed that the resolution adopted at the Washington Conference on February 1, 1922, agreeing to the abandonment of the postal agencies in China, formerly maintained by the United States and other powers, was adopted on the express condition "that an effective Chinese postal service is maintained".<sup>25</sup> Obviously American nationals were intended to obtain the benefit of that service without any impairment of their treaty rights.

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<sup>24</sup> Not printed.

<sup>25</sup> For text, see *Foreign Relations*, 1922, vol. I, p. 291.

4. Please keep Department informed with regard to developments, including action taken by your colleagues.

STIMSON

893.711/87 : Telegram

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

PEIPING, November 10, 1932—9 a.m.

[Received November 10—5:33 a.m.]

1241. Your 356, October 24, 3 p.m. As the result of an informal and personal letter written by British Chargé d'Affaires to Chinese Minister for Foreign Affairs, latter has offered suggestion that British press should in principle accept the regulations as a whole and agree to register with the Ministry of the Interior, it being understood that this action would not mean any interference with the liberty of the press. Lo proposes that for its part the Foreign Office would undertake not to enforce those articles regarding registration, etc., with the Kuomintang nor to impose fine. Chinese Foreign Office further suggested an exchange of letters between Foreign Minister and British Chargé d'Affaires placing on record the letter of Foreign Office to waive certain rights under legislation in question. The idea is that any complaints which might arise against British press could be dealt with adequately through diplomatic channels.

Ingram and I consider that registration with Ministry of the Interior is reasonable request provided registration does not imply application to British or American journals of domestic Chinese legislation contrary to extraterritorial rights of our nationals. We are agreed that it would be unwise to make this the subject of an exchange of notes. We believe that it would be sufficient provided we are given to understand that no attempt will be made to apply regulations in their completeness to our nationals. On such understanding we will advise our nationals to register with Minister of Interior. Does the Department perceive any objection to this suggestion if it can be worked out?

JOHNSON

893.711/87 : Telegram

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

WASHINGTON, November 21, 1932—5 p.m.

373. Your 1241, November 10. 9 a.m. The Department is still of the opinion expressed in paragraph 2 of its No. 356, October 24, 3 p.m., and considers that its willingness to acquiesce in the denial of postal

facilities to American publications in appropriate cases removes any real need for the registration of American publications under the regulations. It is believed that registration, even if made on condition that extraterritorial rights will not be infringed would almost certainly lead to vexatious interference with legitimate American publications by the Chinese authorities. The Department is therefore not disposed to approve registration of American publications on the understanding suggested in your telegram.

However, if the Chinese authorities should continue to press the matter, and if it should appear that American publications are or will be seriously prejudiced by a failure to register, the Department would be disposed to consider the withdrawal of its objection to registration on receipt of formal official assurance by the Foreign Office that American publications registered under the regulations will not be subject to any provision of the regulations which in letter or spirit is inconsistent with American treaty rights. The Department prefers however to avoid this action if possible and hopes that you will be able to induce the Chinese authorities to appreciate and accept this Government's attitude on the question, reiterating our desire to cooperate in a practical manner with the Chinese authorities to prevent improper activities of American publications in China.

STIMSON

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893.711/90

*Memorandum by the Minister in China (Johnson)*<sup>26</sup>

NANKING, November 25, 1932.

M. Wilden, French Minister,  
Count Ciano, Italian Minister,  
Mr. Ingram, British Chargé d'Affaires,  
Mr. Fisher, Counselor, German Legation.

Mr. Ingram informed me that Mr. Lo Wen-Kan, the Minister for Foreign Affairs, had informed him and the French Minister that he had been authorized by the Executive Yuan to cooperate with the Minister of the Interior for a revision of the press law and those parts which were objected to by us.

The French Minister stated that he had received a telegram from Shanghai to the effect that the Post Office was threatening newspapers unless they registered. Mr. Ingram stated that he and the French Minister had asked Mr. Lo to ask the Post Office to refrain from any action until revision mentioned above had been accomplished.

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<sup>26</sup> Copy transmitted to the Department by the Minister in his despatch No. 1841, December 6, 1932; received January 3, 1933.

It was our opinion that if the law could be made unobjectionable it would be reasonable for the Chinese to require registration of newspapers.

NELSON TRUSLER JOHNSON

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893.711/94

*Memorandum by the Minister in China (Johnson)*<sup>27</sup>

NANKING, December 16, 1932.

In conversation with Dr. Lo Wen-Kan, Minister for Foreign Affairs, today, the latter informed me that he had arranged for an indefinite postponement of the application of the law governing the registration of periodicals with the Kuomintang central organization. I inferred also that this postponement would apply to the registration with the Ministry of the Interior, but this was not clear. In any case, he assured me that American periodicals would not be subjected to the terms of the law.

I told Dr. Lo that my government objected to any requirement for registration, but that it would be willing in any particular case to consider with him the denial of postal facilities to any particular American publication that might be found guilty of activities contrary to law and good morals.

NELSON TRUSLER JOHNSON

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893.711/88 : Telegram

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

SHANGHAI, December 21, 1932—noon.

[Received December 21—7 :50 a.m.]

*Far Eastern Review* has received letter from Shanghai Postal Commissioner dated December 19 stating that Commissioner is in receipt of instructions from Directorate General of Posts that the registration of *Far Eastern Review* is to be canceled and its postal transmission suspended. No reason is given. Josselyn interviewed Postal Commissioner who stated confidentially that the instruction emanated from the Ministry of Foreign Affairs and that he understood action was taken primarily because of George Bronson Rea's connection with the periodical. Rea is now at Geneva on behalf of Manchukuo. C. J. Laval, American citizen, is temporarily in charge of *Review*. *Far Eastern Review* has been registered here since 1916 and since 1922

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<sup>27</sup> Copy transmitted to the Department by the Minister in his despatch No. 1889, December 24, 1932; received January 30, 1933.

it has been [registered under?] sole proprietorship in the name of Rea. December issue of this magazine will be ready for mailing within a few days and manager is taking steps to arrange for its distribution other than by Chinese post if possible. Legation is requested to make such representations as will ensure that this publication be not denied its right to the use of Chinese postal facilities. I can find nothing in the paper which would warrant acquiescence in denial of such right as envisaged by the Department in paragraph 2 of its telegram No. 356, October 24, 3 p.m., to the Legation.

Repeated to the Department for information and by mail to Nanking.

CUNNINGHAM

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893.711/89 : Telegram

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

PEIPING, December 22, 1932—7 p.m.

[Received December 22—6 :50 a.m.]

1376. Shanghai's December 21, noon, regarding *Far Eastern Review*. I assume that action by Chinese Government was taken for the purpose of punishing its owner and editor who has gone to Geneva as an adviser to the government of Manchukuo.

JOHNSON

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893.711/89 : Telegram

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

WASHINGTON, December 23, 1932—4 p.m.

403. Your 1376, December 22, 7 p.m. and Shanghai's December 21, noon.

1. As your telegram under reference merely states what you believe to be the reason why the Chinese authorities are denying to the *Far Eastern Review* the use of postal facilities, the Department can only assume that you have made no representations to the Chinese authorities.

2. The Department instructs you, therefore, to file immediately with the Minister for Foreign Affairs a protest against denial in this case of the use of postal facilities and to request a rescission of the order in question. You should inform the Minister for Foreign Affairs of the preparedness of the American Government to acquiesce in the denial of postal facilities in certain cases (See Department's 356, October 24, 3 p.m. and 373, November 21, 5 p.m. to the Legation, and

247, September 8, 6 p.m. to Shanghai). You should add that, although the Department realizes that Mr. Rea's connection with the "Manchoukuo" regime may have influenced the Chinese Government in taking the action referred to, nevertheless, the Department points out with all seriousness the fact that this action as such will probably produce unfavorable comment in the United States and elsewhere as indicating an arbitrary method of interfering with the freedom of the press (the Department has not heard of any Japanese papers or press agencies in China being denied postal facilities) and that the use of such arbitrary methods will force the American Government to take its stand on the general basis of its duty to protect the legitimate interest of all American publications in China. You may assure the Minister for Foreign Affairs that the American Government does not intend to support Mr. Rea in his political activities in the service of the "Manchoukuo" regime but point out to him that his Government's attitude toward that phase of Mr. Rea's activities is quite separate and apart from this Government's attitude toward the protection of the property and rights of an American citizen in China which are jeopardized, as in this case, by arbitrary action on the part of the Chinese Government.

STIMSON

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**PROPOSED REORGANIZATION OF THE HAI HO CONSERVANCY  
COMMISSION IN HOPEH PROVINCE**

893.811/845

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

No. 1430

PEIPING, March 11, 1932.

[Received April 9.]

SIR: Referring to Consul General Gauss' despatches of July 9, 1929, and June 9, 1931, to the Legation, copies of which were forwarded to the Department,<sup>28</sup> concerning the Hai Ho Conservancy Commission, I have the honor to enclose a copy, in translation, of Foreign Office Note No. L-413 of February 11, 1932,<sup>29</sup> in which the Minister for Foreign Affairs proposes a change in the personnel and powers of the present Commission.

There is likewise transmitted herewith a copy of Consul General Lockhart's despatch No. 140 of March 8, 1932,<sup>29</sup> commenting upon the changes proposed by the Chinese Government. Mr. Lockhart observes that due to many technical engineering questions involved in

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<sup>28</sup> Neither printed.

<sup>29</sup> Not printed.



the scheme to improve the Hai Ho it is difficult for him to express a definite opinion on the proposal made by the Minister for Foreign Affairs. The Legation experiences the same difficulty in formulating recommendations. However, in any proposal for a reorganization of the Hai Ho Conservancy Commission, or for its transfer to Chinese control, provision should be made for the protection of the bond-holders and the foreign banks under the Commission's loan agreements. Provision should also be made for safe-guarding the contracts of the foreign employees, their retirement allowances, super-annuation, home transportation, et cetera.

Consul General Gauss in his despatch of June 9, 1931, states that, inasmuch as there are no American ships plying on the Hai Ho river, and as American freighters visiting the port are trans-oceanic vessels which must anchor outside Taku Bar, he does not consider the continuance of the international status of the Hai Ho Conservancy Commission of any particular advantage to American interests.

The present seems to be a very inopportune time for the Chinese Government to bring up this matter which has been a subject of controversy at Tientsin for many years. Consul General Lockhart intimates that the proposal for a reorganization may be based on the fact that there remains to the credit of the Chinese-controlled Hai Ho Improvement Commission a very small sum, probably not more than Mex. \$17,000, whereas the foreign administrated Hai Ho Conservancy Commission is well supplied with funds.

The Legation will refrain from replying to the Minister for Foreign Affairs upon this subject pending instructions from the Department.

Respectfully yours,

For the Minister:  
MAHLON F. PERKINS

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893.811/847 : Telegram

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

PEIPING, April 23, 1932—1 p.m.

[Received April 23—4:10 a.m.]

463. 1. Referring to Legation's despatch No. 1430, March 11, 1932, concerning Hai Ho Conservancy Commission, it appears that the Legations of the interested powers have received notes from the Minister for Foreign Affairs similar or identic to Foreign Office note number 413 of February 11, 1932,<sup>31</sup> copy of which was forwarded to the Department with above-cited despatch. The Spanish Minister, as the Dean of Diplomatic Corps, suggests that the various Legations reply in the same sense and recommends the following which was prepared by the British Legation.

<sup>31</sup> Not printed.

2. "The question of the conservancy of the river system of the Province of Hopeh is a complicated one, involving technical problems of the greatest difficulty. I am advised, however, that, while the work of the Hai Ho Conservancy Commission has been hampered by causes which are beyond its control, the engineering services it has since its conception performed on the river below Tientsin have been of the greatest benefit to the trade and prosperity of that port. The retention of the Commission in its present form appears therefore *prima facie* to be desirable, and I am of the opinion that any question of its reorganization, or any consideration of the wider problems of conservancy of the rivers of the province as a whole should wait until the political situation is more stable, and more particularly, till the effects of the remedial measure now being carried out by the Hai Ho Improvement Commission shall have made themselves felt".

3. I am in accord with the British draft and request authority to reply in similar terms.

For the Minister:  
PERKINS

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893.811/847 : Telegram

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

WASHINGTON, April 26, 1932—noon.

115. Your despatch No. 1430, March 11, and telegram No. 463, April 23, 1 p.m., in regard to the Hai Ho conservancy. You are authorized to reply in terms similar to those of the proposed draft quoted in paragraph 2 of your telegram under reference provided the representatives of Britain and most other most interested powers do so.<sup>32</sup>

CASTLE

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<sup>32</sup> The American note, dated May 6, 1932, followed identic notes from the British, Netherlands, and Spanish Legations and preceded those of the French and Japanese Legations (893.811/855, 858).

## JAPAN

### COLLAPSE OF PARLIAMENTARY PARTY GOVERNMENT IN JAPAN AND USE OF ANTI-AMERICAN PROPAGANDA TO PROMOTE A WAR PSY- CHOLOGY

894.00/353

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

No. 472

TOKYO, January 29, 1932.

[Received February 13.]

SIR: I have the honor to submit the following comments on the domestic situation in this country. These comments are submitted with some hesitancy, due to the fact that they are not susceptible of direct proof; the only foundation they have is that many Japanese feel that some change of a serious nature may occur in the political field. In some cases it seems to be scarcely more than a vague uneasiness, in other instances there is an attempt at definition.

There are several sources from which it would seem change might come. I have had occasion in several recent despatches to discuss the powers of the Japanese military and the tenor of the military mind, particularly with regard to the more junior officers,—from colonels downward. The Manchurian affair, as I have previously reported\*, is an emanation of the former; of the latter—the abortive plot of last October on the part of younger officers to establish, allegedly, a dictatorship.†

In this connection I should like to report an incident that is said to have occurred the following month in the office of the Chief of the Army General Staff. Some weeks ago the Embassy received a hint of an untoward occurrence of a nature somewhat similar to the alleged October plot. The usual informative sources of the Embassy, however, seemed ignorant of the matter. It was only a few days ago that I obtained some details in this regard, which I believe to be fairly worthy of credence. At least, those Japanese—with whom I have since discussed the affair—while professing ignorance, unambiguously agree that the incident sounds most probable.

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\* Despatch No. 423 of December 18, 1931. [Footnote in the original; for text of despatch, see *Foreign Relations*, 1931, vol. III, p. 689.]

† Despatch No. 382 of November 7, 1931. [Footnote in the original; despatch not printed.]

In November, I am told, a junior officer entered the office of General Kanaya, who was then Chief of Staff, and drew a revolver. Before he could do any mischief he was seized and disarmed. When questioned as to the reason for his attempted act, he replied that the Manchurian policy of the General Staff was too weak. Instead of this officer being held for possible punishment, he was thereupon told: "You have the right idea"—I quote my informant—"patriotism is a splendid thing, but you misunderstand us. Our policy is not weak. You must give us time." The young officer was then released. I have little doubt that he was set free because of the fear of the senior officers that his punishment would cause trouble among his contemporaries. For the same reason, apparently, the plotters of October were not punished. On the contrary, I have been reliably informed, a number of them have since received promotions.

This alleged incident may have been given too much emphasis in this despatch, but it is illustrative of the point of view said to prevail among the younger officers.

The Embassy has had occasion to report recently the related information that General Araki, now Minister of War, is the senior officer regarded as having the strongest control over the junior officers‡, that he is said to be their "idol", and that for this reason he was made Minister of War, as for similar reasons Prince Kanin, a member of the Imperial Family, was last month appointed Chief of Staff.‡ Since the time these matters were submitted to the Department as "the opinion of competent observers", they have come to be regarded as facts by thinking Japanese.

The consensus of intelligent Japanese opinion at present seems to be that General Araki's popularity with the junior officers has been impaired by his failure to resign after the attempt against the person of the Emperor early this month.§ Not unnaturally, the younger officers, inculcated with reverence for the Emperor, would expect their "idol" to be the first to resign. Some Japanese believe, however, that it was General Araki who prevented the Cabinet from following the desire of the majority of the Ministers of State to resign, the reason given for his attitude being that the army leaders prefer the subservient Seiyukai Party in power to a return of the less amenable Minseito, which would bring as Foreign Minister the much disliked Baron Shidehara. I have heard several Japanese refer to the present Cabinet as "the Araki Cabinet", which would seem to signify that the Seiyukai Cabinet, through him, is under Army control. (In this

‡ Despatch No. 440 of December 30, 1931. [Footnote in the original; despatch not printed.]

§ Despatch No. 460 of January 16, 1932. [Footnote in the original; despatch not printed.]

connection it is interesting to note, as possibly relative, that an additional budget of Yen 20,910,000 for the expenses of the Manchurian affair from September 18th to the end of the fiscal year (March 31, 1932) was approved by the Cabinet without opposition and was yesterday approved by the Privy Council.) Whatever may be the facts, it appears that one control of the super-patriotic officers has been weakened.

The foregoing matter is cited because the Army is a very important element in the Government and would be a big factor in any political change. It would seem not inconceivable that the Army might take over the Government in form as well as in substance. This idea is regarded as most improbable by many Japanese; as possible by others. At least, the potentiality is one factor in the general uneasiness to which reference was made at the beginning of this despatch.

An important proportion of the Army apparently regards capitalists with suspicion and dislike and since capitalists (the Mitsui and the Mitsubishi interests, chiefly) are believed to be behind the political parties, the Seiyukai and the Minseito receive a share of this feeling. It would not be surprising if, in its arrogance, a part at least of the Army should feel that civilians are less capable than the military in government. Certainly the increasingly critical economic situation that exists here might easily be regarded as proof of the failure of parliamentary government and political parties. The Army must further be aware that an appreciable number of intelligent civilian leaders view with alarm the grandiose expedition on which the Army has been embarked since September 18th. They feel that it will lead to eventual economic and financial ruin. These civilians may be expected, when an opportunity is presented, to attempt curtailment of the powers of the Army. Of this even the Army must have some realization. There seems to be an increasing opinion among thinking Japanese that the Army may fail in Manchuria. If this should happen the Army might blame the failure on the civilian government and oust it so that the powers of the military may not be cut down and so that—in its opinion—the Emperor's Government may be efficiently administered. This would be virtually a military dictatorship.

There are factors that would run counter to such an ambition were it entertained. For example, the Army is said to be disunited. The senior officers and the junior officers are not mutually sympathetic. It has been stated that military affairs in Manchuria are in the hands of four comparatively junior officers (mentioned as being Lieutenant-Colonel Ishiwaru, Colonel Itagakii, Colonel Doihara, and Major-General Miyake, Chief of Staff of the Kwantung Army) who disregard the desires of General Honjo, the Commander-in-Chief of the

Kwantung Army. United action might be difficult in respect to a *coup d'état*, lessening the probability of success. I shall attempt to obtain further information along this line, but it is, of course, difficult, for the military, despite an astonishingly naive frankness in some aspects of their plannings, is in others very secretive.

In my despatch No. 473 of January 29, 1932,<sup>1</sup> I have dwelt at some length on the serious economic and financial situation of the agriculturists of Japan, who form approximately half of the population of this country. The extreme docility of this class beneath increasing burdens—which is indicated by their lack of organization—leads one to believe that possible disorders in the rural districts would be of a sporadic character and more or less confined to tenant farmers, with scarcely any other objective than injury to those whom they feel to be immediately responsible, namely, landlords, and without any definite desire for political change. However, should trouble break out elsewhere, it would not be impossible that the tenant farmers might assist. A military *coup d'état* might be welcomed by them, particularly if they come to a realization a few months hence that the inflation policy of the present Government will not bring them relief.

Mention should again be made, as the Embassy has indicated in the past, that prediction with respect to action by Japanese is next to futile, except as an assurance that—if they do anything—it will be unpredicted. There is this to be said, however, on the other side: the Japanese may be amazingly long-suffering and give no indication of dissatisfaction—only to exhibit it suddenly and actively. In the Navy, for example, there have been instances of apparently acquiescent sailors suddenly throwing overboard an officer against whom they have conceived a grievance. In the American navy such resentment would probably be noticeable in many ways before an outbreak of violence.

Despatches are now in preparation, for submission in the near future, dealing with social unrest among the laboring classes and allegedly increasing radicalism. I shall not go into detail here, but one indication of apprehension in regard to labor's dissatisfaction is the police guard maintained at the houses of those families of the Mitsui interests that profited by the "dollar coup" of last month. In regard to the "red" movement, I have been reliably informed that the Court is genuinely perturbed. It is possible that the fear of the Mitsuis may have no more solid foundation than a guilty conscience, for their profit was at the expense of the country's interests, or, at

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<sup>1</sup> Not printed.

¶ Despatch No. 422 of December 17, 1931. [Footnote in the original; despatch not printed.]

least, of no assistance to the economic situation. The Court, too, may have no real reason for its apprehension.

Yet, whether or not the foregoing may ever become pertinent in the light of subsequent events, it is at least a partial explanation of the atmosphere of possible change of which many seem to be conscious.

Respectfully yours,

W. CAMERON FORBES

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894.00/375

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

TOKYO, March 9[-11?], 1932.

[Received March 26.]

DEAR MR. SECRETARY: There is a great deal of undercurrent of things going on, that I don't seem to be able to cable and yet feel I should report, that will make rather interesting but, I fear, rather unpleasant reading.

The day before yesterday at eleven thirty in the morning as Baron Dan stepped from his automobile in front of the Mitsui Building, a young man idling in the vicinity whipped out a pistol and shot him; and he died within an hour; the bullet, entering the right side, passed through his body and lodged in a rib somewhere near the heart. He pitched forward practically unconscious and did not regain consciousness. As I have written you before, he seemed like a very sick man; he was seventy-four years of age and was complaining that he was constantly losing weight and suffering from poor digestion. His assailant was a young man who came from the same vicinity as the young man who shot Inouye and he used the same kind of automatic pistol. Rumor has it that these pistols were obtained from some army or navy officers; it is of course claimed that they were stolen. They now talk of a death gang said to be composed of five young men who have entered into a pact to die, each killing one great figure. It is noteworthy that these are the great conservative leaders; rumor has it that the other three marked to go are: Baron Shidehara, Count Makino and Baron and former Prime Minister Wakatsuki. Baron Dan had received several threatening letters and had a personal guard with him who disarmed and overpowered on the spot the young man who did the shooting. An interesting side-light on the public attitude toward Baron Dan appeared in the paper to-day. It is said that the people in the little town from which the murderer hailed have compelled his family to move out of town; and the wife of his brother is applying for a divorce. The Emperor conferred posthumous honors upon the Baron. The papers are full of attacks upon the police for lack of activity, as existence of this death band had been known. They

are charged with negligence in failing to run down the members of the band. I don't doubt but that they are doubling their activities now.

The wildest rumors race about town about Baron Shidehara. Baron Bassompierre tells me that the servants of his household and those of the Swiss Legation are certain that the Baron is dead and that his death is being concealed from the public. Bishop Reifsnider told me yesterday that according to a rumor that has reached him Baron Shidehara was attacked by a high-up naval officer who had immediately proceeded to commit hara-kiri in the former's presence. Doctor Teusler tells me this morning that he understands the Baron has had a hemorrhage of the brain but that he is recovering. The most commonly heard version is, however, that he has had a heart attack. In any case he is in hiding and nobody seems to know where he is. Fleisher adds that he is one hundred per cent. certain that Shidehara is alive and states that he is in the hospital. The paper, on the 7th, announced that he is at home, which probably is a ruse to put people off the track, but that he is still unable to receive visitors.

While I was dictating this letter Mr. Fleisher was announced and he informed me that while at his office a little while ago a group of six policemen arrived and informed him that a mob of Ronin (patriotic fanatics) were on their way to mob the *Advertiser*.<sup>2</sup> He had immediately gone to the Foreign Office where by chance was Baron Harada, Private Secretary to Prince Saionji, who heard the story and was greatly disturbed. Mr. Fleisher saw Shiratori,<sup>3</sup> who is the evil genius of the place that they don't seem able to get rid of, who launched forth into a diatribe against all things American, declaring that Japan was the only nation that had any sanity, and that the United States had gone mad with anti-Japanese feeling. The *Advertiser* had printed some pictures from China, one of which was a picture of arms captured from the Japanese by the Chinese; this has given offence to the Japanese people. There is a little paper called the *Nippon* which is read by the violent element and the insurgents, and tends to inflame them; and it came out with a violent attack upon the *Advertiser* the morning of the 8th. Fleisher, after seeing Shiratori, came right around to see me, but I told him he was making a mistake: he should have gone to Yoshizawa because he is a man with enough vision to know the international disadvantage to Japan in any act of violence against the *Advertiser*. It is, of course, also true that in the present excitable state of mind of the populace, fanned by the newspapers emphasizing our protests and holding them forth

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<sup>2</sup> *Japan Advertiser* (American).

<sup>3</sup> Toshio Shiratori.



as expressions of hostility to Japan, that there is actual personal danger to the homes and families of both the Fleishers, father and son; they are asking for police protection for their homes, which should be given. I am asking McIlroy to represent to the army the disadvantages to them and to the cause of Japan of any attack on this very moderate paper, which has been steering a very difficult course between giving the news on the one hand and not offending Japan or violating the prohibitions contained in the government bans on the other.

I think it well to send along all these side-lights upon the extremes to which the war frenzy is leading the Japanese people, as evidence in support of the position I took in sending my recent telegrams urging great care in putting out further material tending to inflame public opinion here.<sup>4</sup>

Late on the night of the 12th the feeling was that possibly the police warning to the *Advertiser* was a hoax which they were trying to run down, and possibly intended as a warning to the paper so as to give them the idea of what might happen to them. I told Mr. Fleisher that if he had any reason to think he was in danger that he and Mrs. Fleisher could come and make a little visit at the Embassy. He sent word back that he did not anticipate any personal danger.

Doctor Nitobe made a speech a little while ago in which he said that one of the great menaces to Japan was military domination. He has received a number of threatening letters and has now taken up his abode in Saint Luke's Hospital where the federal government has detailed a couple of policemen to guard him. A day or two ago he was compelled by five military officers to leave the hospital and appear before some military association, which demanded an apology from him for his remarks. He made some explanation. The fact of this performance was published in the *Advertiser* the following day but without comment. If Fleisher had commented sharply on it he might have been subjected to violence and possibly his paper wrecked. The morning of the 7th I called on Doctor Nitobe and had a talk with him. He said frankly that his life was in danger, that he had no doubt they were laying for him, and that he had been requested by what he expressed as "very high authority" to lay low and not expose himself in public and to wait for better times. Also that he had been assured that a change would take place either at the end of this year or the beginning of next, at which time his influence would be needed. What this means has to be left to conjecture. Whether it comes from the Throne, or near the Throne, the Imperial Household, Prince Saionji, or merely from the leaders of the Minseito Party is also a matter of

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<sup>4</sup> See vol. III, pp. 317, 330, 346, 364-365, 370, 457-458.

conjecture. There are good reasons for not mentioning names because it is apt to put whoever makes them in actual personal danger as things are going to-day.

Prince Saionji has just moved to Tokyo; he is unapproached and unapproachable by foreigners. Baron Bassompierre, who has been here eleven years, has met him just once: he prefers to sit like a god on high Olympus and direct things in that way. He meets nobody except his trusted advisers.

The police are now (March 10) much more active. Yesterday, it is said, fifteen thousand of them were busy rounding up the criminal element and tracing every clue leading to the recent murders of great men.

They know now that the revolvers with which the crimes were committed were purchased by a naval officer, named Lieutenant [Commander?] Fujii, in Dairen; he was killed in an aerial battle in Shanghai, being one of the first men killed. Query: Was it not his own way of eliminating himself? He purchased eight revolvers.

Another member of the death band has come in and confessed and his talking is implicating others. The police have numerous suspects.

Baron Bassompierre has developed the habit of dropping in some time during the day at the Embassy and chatting quite freely. He gave me an interesting bit of gossip yesterday to the effect that Prince Saionji is moving actively in the matter of a national government and is encountering a good deal of opposition on the part of the Seiyukai and possibly the military clique. He has been conferring with Inukai, the Premier, and with Araki, the Minister of War, yesterday, and to-day has a session with Yoshizawa, the Minister for Foreign Affairs. According to Baron Bassompierre, this change will be towards curbing the military and the establishment of a more conservative policy, if it goes through. This would naturally be opposed by the army. And I imagine Prince Saionji is too astute to take any chance of trying to put anything across unless he is perfectly able to carry it through. It seems to me much more likely that the information I received from Doctor Nitobe is the more correct: that the change will come toward the end of the year or the beginning of next, rather than immediately. This would give time for the soldiers to get back from active operations in the field, reaction from the war frenzy to set in, and the resentment caused by the repeated representations from the ambassadors of foreign powers to have quieted down a little bit. I have indicated in my telegrams a number of times the position that Baron Dan took in regard to this. He said to me repeatedly that: "If your Government can only keep quiet for a little while, the conservative elements here will have a chance. We haven't any while these measures are being taken, and which tend to inflame the public mind." When I saw him last—two days before

his death—he seemed very happy over the fact that it had apparently been given out from Washington that no more protests would be made. He took my hand in both of his and shook it enthusiastically and repeatedly. He said: “I think things are going to clear up now.” He was very active in going about attending luncheons, and dinners, and met the members of the League of Nations Commission at various functions.

Yesterday a very vigorous full-page advertisement came out with big headlines the whole way across the page to the effect that: “The United States Should Cooperate with Japan. Japan Treads the Path of Righteousness.” And under it: [“]A Change of Viewpoint by Americans is Ardent Hope of Japanese People.” The whole statement is in big type and in fourteen places emphasis is placed on phrases by putting them in heavier black type. It begins: “Japan will audaciously walk the path of what she thinks right, irrespective of what outside pressure should be brought upon her.” It goes on to criticize the foreign ministers and prime ministers for expressing views highly unworthy of this great empire. It is published as a statement by the Shiunso. The *Japan Times* is supposed to be subsidized by the army just now; and it is noteworthy that on two or three recent occasions they have omitted my name in mentioning functions that I attended. For example, the audience that the Emperor gave to Theodore Roosevelt and the luncheon that was given to the guests, whose names were all given, but mine,—which was, obviously, an intentional slight. Also, they have not mentioned my calling at the house and attending the funeral of Baron Dan. Although the *Advertiser*, which appears in the morning, gave prominence to these facts, the *Japan Times*, which comes out in the evening ignored them, evidently purposely. I merely mention these facts as straws indicating which way the wind is blowing in that vicinity.

Yesterday (March 10th), Mr. Fleisher, Sr., called again in the afternoon. He is in a very disturbed frame of mind. His paper is losing money; he has not had the support from Japanese sources that he had hoped for; and the bans prevent his publishing the news. He is not in sympathy with the policy of the Government and cannot support it: if he opposed it, his paper would forthwith be wrecked. He looks forward to extremely black times, so much so that if I took him seriously I should make a grave error in leaving at the present time and until just before Grew’s arrival. He thinks things are going from bad to worse. He is now convinced, in spite of all denials, that Baron Shidehara was the victim of a murderous attack but that they did not succeed in killing him.

A young man endeavored to get near Inukai, the Premier, and took poison when prevented.

Fleisher also says there has been an attempt made on Wakatsuki, the former Premier.

On March 10th I had a meeting of the whole staff and outlined the course of events of the last few days since the last meeting and indicated the nature of the telegrams I had sent, and the attitude of the ministers and diplomatic corps to the effect that no more outside pressure should be brought to bear on Japan. It was the unanimous sense of those present that this was the correct policy to pursue. One of those present, a careful and competent observer, remarked that the continuation of the policy of sending vigorously phrased protests would lead straight to war.

Respectfully yours,

W. CAMERON FORBES

811B.01/166

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*Memorandum by the Secretary of State*

[WASHINGTON,] April 7, 1932.

During the call of the Japanese Ambassador today he called my attention to three statements in my letter to Senator Bingham about the Philippines: first, that the Philippines had become a base for American influence—political, economic, and social—in the Far East. I said that that was so; that it had been proved in the last thirty years. The second statement was that withdrawal would be followed by the domination of the Islands by some other country, probably either China or Japan. I pointed out that already the Philippines were largely economically dominated by the Chinese and partly now by the Japanese. The Ambassador said that he knew that and if I meant economically, he understood the phrase. I said that was what I did mean. The third statement was about the present situation where I said that every element of stability was threatened by the state of affairs in the Far East. I pointed out that the letter was dated on February fifteenth and suggested that he remember the situation at Shanghai at that time. He said, yes, he remembered it.

H[ENRY] L. S[TIMSON]

894.00/382

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

No. 561

TOKYO, April 7, 1932.

[Received April 23.]

SIR: Referring to the Embassy's despatch No. 512 of February 27, 1932,<sup>5</sup> I have the honor to report that attention has been further di-

<sup>5</sup> Not printed.

rected towards reactionism in Japan as a result of disclosures which followed the assassination on March 5th of Baron Dan, Managing Director of Mitsui, and of frank interpellations during the extraordinary session of the Diet that ended March 24th.

According to reports in the press the assassin of Baron Dan, as well as the assassin of Dr. Inouye, Minister of Finance, who was murdered on February 9th, were members of a "blood brotherhood league" which had twenty members and which intended to murder eight other prominent Japanese. (Details are given in Enclosure No. 1.)<sup>6</sup> Fourteen members of this group have been indicted for murder, including the alleged leader, a priest named Nissho Inouye. The press states that "it is reported that the late Lieutenant-Commander Fujii of the Imperial Navy (killed early in the recent action at Shanghai) supplied eight revolvers to the blood brotherhood and that a certain military officer in active service supplied fifteen revolvers."

That the organization of assassins was on a larger scale than the press reports indicate I have heard from a reliable Japanese source in direct contact with the Metropolitan Police Board. According to this informant the police discovered seven groups\* of approximately twenty members each, all under the direction of the priest, each group maturing plans for similar direct action, all in possession of revolvers that were supplied by naval and army officers—the revolvers having been brought from China by airplane. I was further told that the membership included intellectuals, university students, and even lower officials of the Government, and that all the members have been or are in custody for investigation.

The most interesting point—but one on which definite information is as yet unobtainable—is the possible connection of the priest and these seven groups (which appear to be a perversion of the communist cell system) with persons of importance. The informant mentioned above stated that a number of culprits took refuge in the house of Mitsuru Toyama, entry of the police being prevented for some days by super-patriots armed with swords. Mitsuru Toyama founded and has been the leading spirit of the Kokuryukai (Black Dragon Society) the membership of which includes General Araki, Minister of War, Admiral Kanji Kato, former Chief of the Naval General Staff, and (retired) Admiral Kamiizumi, advocate of a stronger navy. The press reported that some of the offenders were discovered hiding in a house rented but not occupied by a Mr. Gondo, who in the past has taught military men a philosophy which is a mixture of the prin-

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<sup>6</sup> Not printed.

\* The first group was organized on April 10, 1931. [Footnote in the original.]

ciples of Bushido, Shintoism, and Chinese classics. In the past among these pupils were General Araki and Lieutenant-Commander Fujii, mentioned in connection with the supply of revolvers. The priest, Nissho Inouye, frequented Gondo's house until shortly before his arrest, at which time he was in hiding in the residence of a junior naval officer.

All this has aroused widespread suspicion that men of standing were implicated in the assassination conspiracy. This is indicated by a statement reported to have been made by the Public Procurator, apparently for the purpose of allaying such doubts. He is quoted as having said that "the judicial authorities have disclosed the fact that Nissho Inouye (the priest) is the only leader and instigator of the members of the Blood Brotherhood League" and that "no other persons of great influence outside the League are implicated in the movement of this body". I am unable to throw more light on this point at present. If there are others of importance culpable the reason for refraining from taking measures to punish them are very probably similar to those that prevented police action after the discovery of the *coup d'état* plot of last October, namely, the danger of organized resistance.

The effect of the police disclosures created widespread uneasiness, which was reflected in certain speeches made in the recent extraordinary session of the Diet, although certain allowance must be made for utterances by members of the Opposition. In the Lower House a representative said on March 24th: "Of late the capital is almost in chaos; social unrest is very conspicuous, almost unprecedented. . . . Sensational rumors are everywhere. . . . It is surprising to find that bullet-proof vests are selling well and that one was presented to Premier Inukai. . . . In Japan to-day there are two dangerous undercurrents, namely, communism and Fascism. I might say that Fascism has for its object the destruction of parliamentary government and capitalism. In fact the Fascists are looking for an opportunity to alter the national organization of Japan."<sup>7</sup> In reply the Prime Minister said, in part: "It is true that the movements of Fascists are progressing remarkably beneath the surface." In the House of Peers a member stated on the same day: "The police have arrested accomplices of the two assassins. Among them are several university students. It seems that military men have had connection with various groups of a dangerous character. . . . Through the medium of magazines and other publications these dangerous bodies have been propagating Fascism. . . . The Blood Brotherhood League is merely one of such dangerous bodies."<sup>7</sup>

<sup>7</sup> Omissions indicated in the original.

The uneasiness that was prevalent during March, however, has noticeably decreased during the past week or two. There are fewer rumors of a disturbing nature in circulation. It is recognized that the reactionary groups continue to be a potential danger, particularly if a section of the military were to express its dissatisfaction with political affairs by direct action. At the moment any such action is not regarded as imminent. This aspect of the subject, however, will be discussed in a despatch now in preparation<sup>9</sup> that deals with the growth, organization, and aims of the reactionary societies.

Respectfully yours,

EDWIN L. NEVILLE

894.00/388 : Telegram

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

TOKYO, May 15, 1932—10 p.m.

[Received May 15—10:35 a.m.]

126. I am informed orally by the Foreign Office that the Prime Minister was shot early this evening and is now in critical condition. An attack was also made on Count Makino's residence but he escaped injury as he was not at home. The attackers appear to have ridden about the city in several automobiles and to have been dressed in military and naval uniforms. In passing the metropolitan police office one party discharged several pistol shots causing at least one fatality. The Seiyukai headquarters and other places are reported bombed.

I understand that some 18 attackers have been apprehended or have given themselves up. They claim to be members of the young officers' association who are opposed to weakness and corruption in government and to capitalism.

Otherwise the city appears quiet. I have no reason to anticipate danger to Americans here or to the Embassy, and no antiforeign feeling is manifest.

NEVILLE

894.00/413

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

No. 624

TOKYO, May 20, 1932.

[Received June 4.]

SIR: I have the honor to refer to my despatch No. 623, of May 20, 1932,<sup>9</sup> outlining the events in connection with the "May 15th affair"

<sup>9</sup> Not printed.

in which Premier Inukai was assassinated, and to present herebelow comment on these events.

The events of Sunday evening, May 15th, present a situation which Western observers have difficulty in understanding because of the extraordinary concepts which actuated the perpetrators. I have no definite knowledge of their motives, but may attempt to present some of the conclusions to which I am led by study of the situation. The Japanese people pride themselves on a peculiar feeling of responsibility, the evidences of which to Westerners, often assume a somewhat ludicrous, and in some cases, tragic aspect. Japanese history is full of stories of samurai who committed suicide in protest against actions of their superiors, or who performed some desperate deed, fatal to themselves, as a warning to their superiors.

In recent years this somewhat feudal concept of duty has been largely replaced by more modern ideas, but among subordinate officials, particularly of the armed forces, it remains strong. This leads to acts which are often anti-social and, according to Western ideals, criminal. Nevertheless Japanese understand the motive is unselfish and to them highminded. The law may demand, and secure punishment for the crime, but in the eyes of the people the guilt is atoned for by the good faith with which the deed was committed. Hence the tendency in Japan, condemned by foreign observers, to condone acts of violence by misguided patriots against political leaders who are considered to have betrayed the country.

Only in this way can the assaults of May 15th be explained. The younger officers, whose activities the Embassy has noted from time to time, feel with the entire country that the political leaders have played the country false. During the past few months, criticism of parliamentary government as exemplified by the Diet and of the conduct of the political parties and the Cabinet has been vociferous. The lack of probity and patriotism of the Diet representatives as well as their turbulent conduct in the House, their lack of feeling of responsibility for the welfare of the country, their venality and corruption have disgusted and alarmed the entire nation. One recent example which caused particular resentment among military men and had, I believe, no little influence in creating the present state of public opinion, was the attempt to oust Count Uchida from the presidency of the South Manchuria Railway purely for reasons of party politics (See Embassy's despatch No. 586, of April 22, 1932<sup>10</sup>).

The events of Sunday evening, thus, may be interpreted as a peculiarly Japanese demonstration against governmental mismanagement.

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<sup>10</sup> Not printed.



The conclusion which seems inevitable is that the entire affair was in the nature of a gesture in the hope of arousing public opinion to the critical state of affairs and of precipitating a political crisis which would result in the downfall of the Government. Incidentally, both of these objects have been attained.

The shooting of the Premier was merely a part of the demonstration. He could not have been held personally responsible for the evils of the Government, but a sacrifice was necessary and a sacrifice of such prominence that his death would serve as a warning to the whole nation. However sophistical this explanation may appear, I am convinced that it is true. Moreover, it is certain that there are many intelligent Japanese who, although they regret the cruel death of the Premier, confess that they have full sympathy with the ideals of the perpetrators and are inclined to agree with them that a sacrifice was necessary to shock the nation into consciousness of the situation which confronts it.

Bearing out this theory, it will be noted that the conspirators attacked (1) the Prime Minister, (2) the Seiyukai Headquarters, (3) the Residence of Count Makino, (4) the Metropolitan Police Station, (5) banking institutions. In all of these attacks no one of any political importance was injured except the Premier. The "bombs" thrown at the Seiyukai, the Police Station and the banks were small hand grenades incapable of doing any material damage. They merely served to indicate the institutions which the conspirators considered culpable. The Prime Minister represented the Government as a whole; the Seiyukai represented the political parties and the Diet, both guilty of many abuses. Count Makino has been criticized for faulty advice tendered to the Emperor; the Police have been blamed for playing politics and neglecting their proper duties; the banks have been attacked for exchange operations at the expense of the nation's finance. The conclusion seems inescapable that the attacks were merely demonstrations. How otherwise than a gesture could be interpreted the act of throwing a small hand grenade against a deserted bank at a late hour on Sunday?

The theory is further borne out by the fact that the conspirators surrendered voluntarily to the police or gendarmes. This is quite in accordance with the Japanese tradition of responsibility for one's conduct. They must have had full knowledge of the penalty that awaited them, and must have resolved that the cause was worth the sacrifice of their lives.

There has been much speculation as to the number of men involved in this conspiracy, and as to what backing they had. It seems incredible that a small band of about twenty men, however resolute, would

attempt such desperate deeds unless assured of support, moral or otherwise, from some powerful direction. However, no information is available in regard to such support. That military and naval officers should have been able to get together and plan a concerted attack indicates some degree of organization, particularly as the two branches of the service have little in common in this district, there being no naval station of importance nearer to Tokyo than Yokosuka, fifty miles away. In this connection the *Miyako Shimbun* stated editorially: "We do not know whether the terrorists were backed by others, but there can be no dispute that what they did has been encouraged by the agitation of men of Fascist views. Toward the end of the Wakatsuki Cabinet a certain plot was engineered by a certain group (of young officers) but it was nipped in the bud. Had the authorities made public at that time a true version of the affair, we believe the recent incident might have been prevented".

It is rumored, with credible evidence, that all of these young men were under the influence, if not pupils, of an extraordinary institution, the Aikyojiku (Patriotic School) of Mito, a town north of Tokyo. This town played a significant part in Japanese history, for it was here that plans for the Meiji Restoration were hatched, and from this town came the assassin of Ii Kamon no Kami, the enlightened statesman of the Shogunate and protagonist of the movement to open Japan to foreign intercourse. Moreover, as further evidence that the town has retained its reactionary character, it was here and in the surrounding district that the infamous "blood brotherhood" was organized which, during the past few months, has accounted for the lives of Mr. Inouye and Baron Dan. In spite of this circumstantial connection, I should hesitate to link these slayers with the conspirators of Sunday except for other happenings on that same evening. At almost exactly the same hour as the assassination of Mr. Inukai, a man by the name of Nishida, formerly a member of the "blood brotherhood", who had turned informer and testified against the group, was himself assassinated in the suburbs of Tokyo. Moreover, the press reports that only quick action by the employees of the electric stations in Tokyo prevented an attempt to throw the city into darkness made at the identical hour by a group of men said to be from Mito. Thus, all of the devious lines of evidence, when followed, lead back to that historic town with its reputation for fanatical patriotism.

Externally at least the vernacular press is unanimous in condemning the action of the young officers. Editorially, the newspapers condemn the appeal to force and deplore that mistaken ideas have resulted in tragedy. The *Nichi Nichi* stated on May 16th: "A patriotic motive does not condone a murder or any other abuse. There is no good effect

in direct action, however exalted its motive may be. Once the public shows a tendency to regard murder as justified when impelled by patriotism, all the forces opposed to law and order will get out of hand". There is, however, an undercurrent of sympathy for the conspirators and their ideals. For example, the *Yomiuri Shimbun* stated on May 17th: "Japan has seen this year a chain of undesirable incidents. . . . Those who took part were spurred by the economic depression and actuated by the weakness of the Government's foreign policy. No superficial control can prevent recurrence of these undesirable incidents. The authorities need to study well the real causes of unrest. . . . and unless they be remedied, undesirable events cannot be prevented".<sup>12</sup> I append hereto translations<sup>13</sup> of some of the press editorials commenting on the violence of Sunday evening.

The actual connection between the young officers who took part in this affair and the Army in general will probably never be revealed. It is sufficient to say that any such organization could not exist without the knowledge of the superior officers. However, one may be certain that whatever attitude the military displays publicly toward the conspirators, the aims and convictions of the latter are those of the military as well. The Army has always stood as the bulwark of intense patriotism, self-abnegation for the good of Emperor and country and has had small patience with the cynical self-interest of party politicians. They regard themselves as direct guardians of the person and prerogatives of the Emperor and have repeatedly demonstrated that in fulfilling their interpretation of this duty they will stand no interference from politicians or civil government. They have seen the country in a financial depression so severe that economists predict the virtual extinction of the landed farmer. They have seen unemployment growing while prices have fallen to a level where production is unprofitable. At the same time they have watched the large banking and mercantile institutions make vast sums out of exchange manipulations, while politicians with scarcely concealed contempt for national welfare indulge in endless wrangling and mutual abuse.

I wish to emphasize that not only does public opinion to a large degree support the Army, but that the public viewpoint coincides with that of the military. In many respects the Army seems far more representative of public opinion than the Diet. There is much evidence that the people are quite as disgusted with party politics as conducted in recent years as is the Army. They feel that the only direction in which they can turn for patriotic and devoted service to the country is the military. The Army recognizes the existence of

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<sup>12</sup> Omissions indicated in the original.

<sup>13</sup> Not printed.

this support and is prepared to dictate terms to the politicians. It is difficult to avoid drawing the conclusion from recent statements and events that parliamentary government in Japan is being weighed in the balance at this time. In any event, it is quite plain that the Army is going to play a larger part in politics. I quote here below from the influential *Jiji Shimpo* of May 10th :

“At yesterday’s conference of the three heads of the Army, an opinion was reached as to the formation of the succeeding cabinet. It was decided to permit the formation of a party cabinet, viz, the extension of the Seiyukai Ministry under the premiership of Dr. Suzuki on the following conditions :

1. That the new Ministry carry out and effect practical purification of party politics, and as a proof testifying to its intention thereof, excluding such politicians as are suspected or despised by the nation.

2. That in the light of the bad experience with the London Naval Treaty,<sup>14</sup> the new Ministry shall strictly respect and take care to avoid interference with the Emperor’s supreme control of the armed services, particularly because the question of the supreme command will necessarily come forth in connection with the future policy vis-à-vis Manchuria.

3. That the new Ministry shall make a wholehearted effort for the control of public thought.

4. That the new Ministry shall cooperate with the Army in matters relating to social welfare.

It was also arranged that the new War Minister (whoever may be chosen) shall accept the offer to participate in a new cabinet only after the aforementioned four conditions shall be agreed to by the organizer of the new cabinet”.

I have no reason to discount the genuineness of the extraordinary statement. It is quite in accord with the spirit animating the Army at present.

There has been much talk of Fascism in Japan, but the word is misleading when applied to movements in this country. It predicates the personal rule of an outstanding personality. No such rule would be possible in Japan, where all rule is contingent upon Army approval. The Army itself is far too well organized and disciplined to permit any of its members undertaking a personal dictatorship. If a dictatorship results from the present situation it will be with the support and under the control of the Army, in the name of the Emperor and dedicated to the welfare of the people. It will, in view of the statements of its leaders, have a strong tinge of state socialism, favoring the agrarian classes and opposing the domination of capitalists in

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<sup>14</sup> Signed April 22, 1930, *Foreign Relations*, 1930, vol. I, p. 107.

politics. It may be expected to adopt a more resolute policy toward Manchuria.

As regards parliamentarism, the Army has not followed the young officers in declaring against representative government and political parties per se. Army leaders would hesitate to take a step which would bring them into conflict with the Constitution. The statement above quoted indicates that the military are willing to allow the parties to exist, but insist on sweeping changes in methods of administration. In this the nation seems to concur. The powerful Osaka *Mainichi* stated editorially on May 18th:

“Never before have parliamentary politics been placed on the slab for a more profound and critical scrutiny than at this time. Prince Saionji is reported as desiring to see constitutional politics progress smoothly. This may be the best course, but thus far in this country the form is complete but the actual workings are rudimentary. Whether parliamentary politics are to be abolished or whether further united efforts are to be made to realize the real object of this system, is the paramount question now confronting the nation”.

As reported in my telegram No. 132, May 18, 6 P.M.<sup>15</sup> Prince Saionji has been called upon by the Emperor, as usual, to give advice in appointing a new premier. The aged *Genro* has not yet, five days later, delivered his opinion, and is said to be giving close study to the situation. It is certain that he is seriously concerned over a situation which has such grave possibilities for parliamentarism. He has always been a stout protagonist of constitutional party government. On the other hand, today's newspapers report that the military are even more determined to prevent the formation of a straight party government.

The present situation illustrates the inherent weakness of the Japanese Constitution under present conditions. In previous despatches from time to time the Embassy has pointed out the necessity for some authority in the background to give the Emperor “advice”. The Japanese Government at present is composed, for practical purposes, of three distinct administrative controls. The civil administration, headed by the Prime Minister, and the General Staffs of the Army and Navy. The Ministers of War and Navy, who are the heads of the administrative branches of their respective departments, have no direct control over the General Staff[s]. The latter have direct access to the Emperor, which means, actually, that they are, except in fiscal matters, independent of the War and Navy Ministers and of the Prime Minister.

Under the Emperor Meiji a group of men who had built up the

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<sup>15</sup> Not printed.

modern state exercised a coordinating influence. All branches of the State services were represented in this group; Prince Yamagata, Army; Prince Ito, civil administration; Prince Matsukata, finance; and so forth. In times of political crisis, this group met, debated the questions at issue and gave the Emperor their collective advice. They were men of immense prestige and great energy and as they acted as a unit their views as to personnel and general policy were bound to prevail.

There are no men today who occupy their position. This means that there is no coordinating organ in the Government and the separate branches of the Administration go their more or less independent ways. Prince Saionji, who has been relied on to fill the position once occupied by the Elder Statesmen or *Genro* of Meiji days, is an old man. He apparently has not the energy, nor the prestige with the younger men, needed to cow warring factions. Until some coordinating organ is developed, or there is a constitutional reorganization, Japanese politics must remain subject to uncertainties in times of stress.

Respectfully yours,

EDWIN L. NEVILLE

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894.00/399 : Telegram

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

TOKYO, May 23, 1932—5 p.m.  
[Received May 23—5:57 a.m.]

136. Admiral Viscount Makoto Saito received the Imperial command to form a Cabinet yesterday evening. His selection is viewed as a compromise between extreme nationalism and partisanship. He is acceptable to military, politicians and public. The press regrets departure from party government but considers the appointment justifiable and welcome under the present urgent and difficult circumstances. No announcement of the Cabinet personnel has been made, nor is one likely for several days.

NEVILLE

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894.002/193

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

No. 635

TOKYO, June 2, 1932.  
[Received June 18.]

SIR: I have the honor to report that there is a large measure of opinion among the Japanese that the newly formed Saito Cabinet is

merely a stop-gap Cabinet which will neither meet the urgent needs of the country nor have a long term of office.

*Factors in the Formation of the Cabinet.*

After the assassination of former Premier Inukai by a group of young Army and Navy officers, it was generally reported that any Cabinet which would be formed would have to be acceptable to the Army. The radical younger group in the Army desires elimination of corrupt party politics, lessening or abolition of the influence in government of the great financial interests, reform of economic policies in favor of the masses, and a stronger policy toward China, regardless of the opinion of the world. This group, which it is believed is working toward a military dictatorship—a revival of the Shogunate—insisted upon a super-party Cabinet, to tide the nation over the present financial and political crisis. At the same time, the political parties, supported by Prince Saionji, who is a staunch upholder of constitutional government, insisted that a Cabinet be formed somewhat along constitutional lines, with members from the leading political groups. The public was interested principally in the formation of a Cabinet which would make some positive move toward alleviation of the economic distress, which would quiet the social unrest, and which would make an attempt to eliminate political corruption. These various factors resulted in the formation of the Saito Cabinet, a compromise Cabinet more or less acceptable to all parties but completely fulfilling the wishes of none.

*Composition of the Cabinet.*

The Premier and Foreign Minister pro tem, Admiral Viscount Makoto Saito, is a commoner by birth, a naval officer by profession and a statesman and administrator by choice. He became known to the world through his very able administration of Korea after the passive rebellion there in 1919. He has no outstanding capabilities, but he is affable, easy-going and inclined to compromise. He is noted for his integrity and is described as being "unable to do anything badly". He is affiliated with no political party, but for years has been one of the non-partisan political leaders of the country. He was acceptable to the Army group because of his lack of affiliation with the political parties and because of his supposed amenability to the demands of the Army group.

The Finance Minister, Mr. Korekiyo Takahashi, was taken over into the present Cabinet from the previous Inukai Cabinet, largely in order that he might carry out the financial policies which he had inaugurated and which it was thought advisable to continue. He is a man of considerable experience both in finance and in politics, having served for years in governmental banks and having been Finance

Minister twice. Although a Seiyukai man (President ad interim once), he is distinctly not a party man, is independent and fearless in thought, and is inclined to place the nation's interests above the party's interests. Hence he was acceptable to those endeavoring to form a national or super-party Cabinet.

The Home Minister, Baron Tatsuo Yamamoto, is a public man and financier of long experience. He served for years in governmental banks, rising to the highest positions, and served one term as Finance Minister and twice as Minister of Agriculture and Forestry. He was originally a member of the Seiyukai but on a split in that party he became a member of the Minseito, where he has been acting as adviser. He is not a strong party man and is said to have more friends in the Seiyukai than in the Minseito. He retired from active public life some ten years ago and was reluctant to join the Saito Cabinet. He was persuaded, however, on the ground that a super-party Cabinet could not be formed without his help and that it was imperative to form a Cabinet as soon as possible to avoid the possible collapse of parliamentary government in Japan.

The Minister of War, Lieutenant-General Sadao Araki, is a man who has come into the public eye in the last few months. He is the enigma, and threatens to be the storm-center, of the present Cabinet. He is of samurai blood and an Army officer by profession. After working up to the higher grades of his service, he became Minister of War in the Inukai Cabinet. He is a member of the Kokuhonsha, a somewhat radical and at the same time intensely nationalistic party which includes the younger Army group. While Minister of War in the Inukai Cabinet and campaigning for the Kokuhonsha, he made certain remarkably frank speeches regarding Japan's intentions in Manchuria. When Premier Inukai was assassinated by a group of young Army officers, General Araki, in accordance with Japanese custom, accepted responsibility and resigned. Later, when the Saito Cabinet was being formed, he reconsidered his resignation and remained in the new Cabinet. This action was unusual in view of the Japanese conception of proper conduct in such cases, and he is being severely criticized throughout the country. In reply to the criticism, he intimates that he has certain duties which he must perform, despite all criticism, and compares himself with the forty-seven *ronin*, who led degraded lives and braved adverse criticism in order eventually to attain their purpose. He does not explain the end to which he is working. He is probably the strongest man in the Cabinet, and as the representative of the young Army group, may be in a position to dictate the policies of the Cabinet.

These four (Saito, Takahashi, Yamamoto and Araki) are the out-



standing men of the Cabinet. The others are lieutenants of the leaders or representatives of parties or departments.

The Minister of the Navy, Admiral Keisuke Okada, is a man of considerable administrative ability but of no special characteristics. He served as Minister of the Navy once before, in 1927, in the Tanaka Cabinet.

The Minister of Commerce and Industry, Baron Kumakichi Nakajima, is a peer by birth. He has had some experience in business, having been an official in various banks and steamship, electric, trust and insurance companies. He is a member of the House of Peers and of the Koseikai (an influential group in the House of Peers), whom he represents in the Cabinet.

The Minister of Communications, Mr. Hiroshi Minami, is a member of the Seiyukai and has held various offices, including that of Governor General of Formosa, under Seiyukai Cabinets. He is a strong party man and is one of the representatives of the Seiyukai in the Saito Cabinet.

The Minister of Railways, Mr. Chuzo Mitsuchi, is a member of the Seiyukai, but he is not a strong party man and is rather a lieutenant of Mr. Takahashi, the Finance Minister, than a representative of the Seiyukai. He has long been a member of the Lower House and has twice before held Cabinet positions, as Minister of Education in 1927 and as Finance Minister in 1929.

The Minister of Agriculture and Forestry, Mr. Fumio Goto, is a lieutenant of Baron Yamamoto, the Home Minister, who insisted, as a condition to his own participation in the Cabinet, upon the appointment of Goto as a Minister or Vice Minister. He is a member of the Minseito but is not a strong party man. He has been in government service since 1908, in various subordinate positions.

The Minister of Education, Mr. Ichiro Hatoyama, was carried over from the Inukai Cabinet, where he held the same portfolio. He is a member of the Seiyukai, a strong party man and a lieutenant of Dr. Suzuki, the President of the Seiyukai. He has been a politician since his graduation from law school and has been repeatedly elected to the Lower House.

The Minister of Justice, Mr. Matsukichi Koyama, is a prominent jurist who has served as procurator and judge in various courts in Japan since 1894. Before appointment to a Cabinet position he was Procurator General and Dean of Hosei University (a law school). He has no party affiliations.

The Overseas Minister, Mr. Ryutaro Nagai, is a member of the Minseito, has been elected to the Lower House several times on that ticket, has served as Parliamentary Vice Minister for Foreign Affairs and at the time of his appointment to the Cabinet was Chief Secretary

of the Minseito. He is a strong party man, and is regarded in some quarters as likely to be a factor of importance in political life in Japan.

The Saito Cabinet is thus composed of four members of the Seiyukai, three of the Minseito and one of the Peers, with four independents. Most of the party men, however, are not strong party men, and the Cabinet would appear to be in fact a super-party Cabinet, dominated by General Araki.

#### *Reaction to the New Cabinet.*

The general reaction among the Japanese to the new Cabinet is one of disappointment. It was expected that, with the many grave issues facing the nation, a very strong Cabinet composed of the leading statesmen of the nation, regardless of class or party affiliations, would be formed. Instead, a Cabinet containing four men of fairly high calibre and eight men of mediocre attainments has been presented to the nation. The newspaper editorials do not indicate any considerable enthusiasm over the new Cabinet. Financial circles are disappointed, as they know from past experience that Takahashi will be disinclined to take strong positive measure for relief of the financial situation. The Seiyukai, which controls the Lower House at present, does not give any indication of wholehearted support of the Cabinet and may make trouble in the Diet. The Army circles are non-committal but threaten to make trouble if the Cabinet proves to be amenable to the dictates of the political parties rather than to those of the Army.

#### *Problems before the Saito Cabinet.*

The Saito Cabinet faces the largest group of urgent problems faced by any Cabinet in recent years. Among the domestic problems the most important is the social and agrarian unrest. The people of Japan have been disillusioned in regard to parliamentary government, there has been a steady decline of discipline in the Army, Navy and the schools, and the economic depression and increasing unemployment have intensified the discontent. The reactionary or extreme nationalist movement has a curious tendency to combine, in thought at least, with the extreme left or radical movement, and to favor the abolition of large private fortunes with their tendency to corrupt the government, and to favor a wider distribution of wealth among the masses. The basic cause of the unrest is the tremendous growth in power and influence of such family groups as the Mitsuis, the Iwasakis and the Sumitomos, with their tendency to absorb the wealth of the nation and to control, allegedly by corrupt practices, the various branches of the Government. The Army resents the growth of this money power and wishes to revert to the feudal days, or even to those of the Meiji era, when the economic policies of the country were not controlled by the mercantile class. In this movement they have the

backing of all reactionary groups and of the radical element among the farmers, who are hard pressed at present by the economic depression. It seems unlikely that any Cabinet which could be formed would be able to do much to correct the basic causes of the unrest, especially as the depression is not confined to Japan but is world-wide.

Another important domestic problem is that of national finance. Japan, like many other countries, is unable to balance its budget and must resort to loans. There is also a strong movement toward currency inflation, in order to depreciate the yen, relieve the credit situation, and decrease the value of the enormous debts with which the farmers, industrialists, merchants and shipping companies are burdened.

A third important domestic problem which is to some extent included in the first, consists of the purification of politics. The people of the country have lost all confidence in and respect for political parties and reforms must be instituted if the parliamentary system is to regain its lost prestige.

In foreign affairs, the Cabinet must meet, within a short time, the report of the Commission of the League on the Manchurian question. A conviction is gaining ground in Japan that the report of the Commission will not meet Japan's wishes and that it will be necessary to decide whether or not definitely to defy the League and the Powers which will support the League. Relations with the Soviets are also somewhat strained and it may be necessary to decide upon the attitude which will be taken in regard to this question. It is presumed that in both of these questions, the opinion of the Army group, as represented by General Araki, will to a large extent prevail.

Within the Cabinet itself there may be disunion, as the Premier will have to reconcile the views of Ministers of the different political factions. The Minseito has promised its support to the Cabinet, but the Seiyukai, which controls a clear majority in the Lower House, has not indicated any desire to give its whole-hearted support to the new Cabinet. Within a day of the inauguration of the Cabinet, dissension between the members representing the political parties over the distribution of the appointments of vice-ministers had arisen.

Face to face with these numerous and pressing problems, some of which seem incapable of any immediate solution, it appears unlikely that the Saito Cabinet will be able to maintain itself.

Respectfully yours,

EDWIN L. NEVILLE

894.00/423

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

[Extracts]

No. 33

TOKYO, June 30, 1932.

[Received July 16.]

SIR: During recent years it has become apparent to foreign observers of conditions and tendencies in Japan that there has been a gradual decline in discipline in the country, this decline being especially noticeable among the younger Army and Navy officers and among the students in the higher schools and universities. In the Meiji era and extending into the reign of the Emperor Taisho,<sup>16</sup> the standard of discipline in Japan was very high. The nation then was faced with a tremendous task—that of adapting Western civilization to Japan in order to preserve the national existence—and the spirit of sacrifice carried the nation willingly into submission to an unusually rigorous discipline. From absolute loyalty to the Emperor down through the various grades of obedience to authority, the nation maintained a level of unquestioning discipline which excited the admiration of the world. Since the Great War, however, there has been a gradual deterioration in obedience to authority, culminating recently in a series of incidents which drew the attention of students of Japan to the changed conditions.

These incidents cannot be directly ascribed to a deterioration of discipline in the Army and Navy; the basic causes lay much deeper and are due to the general discontent among the military and naval forces with the civil authority and with the high Army and Navy commands, which they feel are too cautious and too subservient to the civil authority. The fact that the incidents could occur, however, and that the younger officers could so far forget their duties to the civil authorities and to their own high officials as to take direct action in accordance with their own views, shows plainly the extent to which discipline in the Army, and to a smaller extent in the Navy, has deteriorated. This evidence of the decline of discipline attracted much attention in the extraordinary session of the Diet held in the early part of June, 1932, and numerous interpellations were addressed to the Ministers of War and Navy on the subject. Because of the severe criticism of the discipline in the Army, Lieutenant-General Sadao Araki, the Minister of War, felt constrained to apologize for the actions of his subordinates—a practically unheard-of proceeding in Japan. Addressing the House of Peers, he stated that—

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<sup>16</sup> 1912-1926.

“Among other things, I thought the Army ought to act as the mainstay of the nation, and I pledged my word with my colleagues that we will concentrate our efforts to live up to the duty of the Imperial Army, however dissatisfied we may be with the various phases of social conditions both in this country and abroad.

“Despite all our efforts to this end, the deplorable incident occurred unexpectedly (the assassination of Premier Inukai by young Army officers), to the great consternation of the public. In this connection, we sincerely regret that eleven military cadets were found to be involved in this incident. Having been in the position to supervise these cadets, we feel ashamed of ourselves and tender our sincere apology for the incident.

“Needless to say, assassination is not permissible for any reason. It can even be said, the fact that men belonging to the Imperial Army perpetrated such an act undermines the prestige of the Imperial Army.”

Perhaps the principal cause of the decline of discipline in modern Japan, however, is the corruption in high places, which has naturally tended to kill much of the innate Japanese respect for authority. Since the Great War the civil authority has for a large part of the time been in the hands of party politicians, who, to an even greater extent than is true in other countries, place their own welfare and that of their parties before the welfare of the nation. They are subservient to the dictates of the great financial interests, who manipulate legislation for their own benefit. A striking example of this was the supposedly deliberate smashing of the Minseito Cabinet in December last, in order that the Seiyukai party might come into power and replace the gold embargo, thus depressing the yen and making millions for their financial friends who had sold yen and bought dollars. Such exhibitions of corruption can only end in an entire loss of respect for the civil authority, and with loss of respect naturally goes a decline of discipline. High Army and Navy officials, moreover, sometimes join with the party politicians in their intrigues, thus becoming tarred with the same brush and causing a deterioration of respect and discipline in their services.

Japan today is again faced with extremely serious problems—more serious than any which have arisen since those of the period of the Restoration. Both internally and in its foreign relations the nation is confronted with problems which may have far-reaching effects upon the future progress of the country. The nation again needs strong leaders, such as those who arose after the Restoration, who will impose upon the people higher standards of discipline and of service to the nation. No such leaders are in sight at present—certainly not

among the young men who are leading the nation into bankruptcy and into international isolation. In the meantime the unrest and discontent with present conditions in Japan are steadily deepening.

Respectfully yours,

JOSEPH C. GREW

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793.94 Commission/312

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

No. 43

TOKYO, July 7, 1932.

[Received August 1.]

SIR: There is transmitted herewith a copy of an open letter to the League of Nations Commission of Inquiry from the Shiunso, of Tokyo.<sup>17</sup> This letter was published in large type, taking an entire page of the *Japan Times and Mail*, issue of July 4, 1932, on which day the Commission arrived in Tokyo from China. The letter attacks the Chinese and American diplomatic policies, restates Japan's attitude toward China and Manchuria, and advises the Commission to rectify the mistaken stand of the League of Nations toward Manchuria.

The Shiunso is a small, semi-secret reactionary organization, founded in 1924 and led by Tetsuma Hashimoto. Very little is known regarding the organization, except that it is extremely nationalistic, is opposed to all the present-day political parties of Japan and their financial backers, and is anti-American. Outwardly, the organization does little except occasionally to rent half or full pages in the Japanese newspapers or the *Japan Times and Mail* and to publish therein manifestos containing its opinions on events of the day. The Embassy would attach little importance to an open letter published by this organization were it not for the fact that there seems to be some connection between its manifestos and succeeding important occurrences. On January 22, 1932, the organization published a bitter attack on Mr. Junnosuke Inouye, formerly Minister of Finance, denouncing him as the cause of the dwindling of the gold reserve of Japan. Eighteen days later, on February 9th, Mr. Inouye was assassinated. The organization also published in the Japanese-language newspapers a manifesto denouncing those who had sold yen and purchased gold dollars last autumn. The chief purchasers of dollars were popularly reported to be the various Mitsui organizations, and on March 5, 1932, Baron Dan of the Mitsui clan was assassinated. These may be coincidences, but on the other hand it is possible that the Shiunso is acting as the mouthpiece of the reactionary and nationalistic organizations of Japan. If the latter assumption is cor-

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<sup>17</sup> Not printed.

rect, the utterances of the Shiunso may be considered as expressing the views of a large and powerful section of the Japanese nation.

Respectfully yours,

JOSEPH C. GREW

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894.00/428

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

No. 69

TOKYO, July 28, 1932.  
[Received August 13.]

SIR: The Department has no doubt been somewhat puzzled at times during the past few months at press reports, supposedly emanating from the "spokesman of the Japanese Foreign Office" or from "sources close to the Foreign Office", which have later been officially denied or have not been borne out by subsequent developments. A case in point was the recent statement, made by the spokesman of the Foreign Office to the foreign newspaper correspondents but not to the Japanese newspaper men, to the effect that Japan might consider recognition of Manchukuo as an "independent government" and not as an "independent state", thus implying that Japan might consider some sort of dominion status for Manchuria. The Vice Minister for Foreign Affairs later flatly denied that the Foreign Office had ever considered such an idea, but I am nevertheless informed by one of the foreign newspaper correspondents that the statement was made by Mr. Shiratori, the Director of the Bureau of Information and Intelligence of the Foreign Office and the official spokesman of the Foreign Office.

In investigating the cause of these contradictory statements, the Embassy has found that the "dual diplomacy" of Japan of which much has been heard at times extends even to the Foreign Office. Mr. Shiratori, although a career officer in the Japanese Foreign Office service, appears to speak frequently either on his own initiative or on orders from others than his superiors in the Foreign Office. As he is the official to whom is delegated the task of interviewing the newspaper correspondents, despatches are sometimes sent abroad which reflect the opinions of others than the Foreign Office officials, although emanating from the Foreign Office.

Briefly, Mr. Shiratori's career has been as follows: He was born in 1887 and was educated in Tokyo Imperial University, graduating in economics in 1914. He entered the foreign service after examination and served in the consulates at Mukden and Hongkong. In 1916 he was sent as attaché to the Embassy at Washington, was promoted to the grade of Third Secretary in 1918 and to the grade of Second Secretary in 1922. He was then transferred to the Foreign Office as

Chief of the Foreign Minister's Secretariat. In 1926 he was appointed as First Secretary of Embassy at Berlin and in 1929 was returned to the Foreign Office. In 1930 he was promoted to the position of Director of the Bureau of Information and Intelligence, the position which he now holds. During his career abroad he has served on the staffs of the delegations to the Washington Naval Limitation Conference [and?] at Geneva in 1927.

There was nothing unusual in Mr. Shiratori's career until recently. According to reports which have reached the Embassy, however, after the Manchurian outbreak of September, 1931, Mr. Shiratori indulged, in conversations with the newspaper correspondents, in remarks derogatory of the manner in which the Foreign Office was handling the explanations of the affair. The then Foreign Minister, Baron Shidehara, for this reason wished to remove him from his position but found himself powerless in the face of stronger forces. Mr. Shiratori also criticized, to the newspaper men, the manner in which Mr. Yoshizawa was conducting Japan's defence before the League of Nations. Later, when Mr. Yoshizawa became Foreign Minister, he also endeavored to have Mr. Shiratori removed, but without success. Mr. Shiratori apparently had a firmer standing with the powers in control than did the Ministers for Foreign Affairs.

A part of Mr. Shiratori's standing is due to the fact that he is a nephew of Viscount Kikujiro Ishii, formerly Foreign Minister, now a Privy Councillor, and perhaps the most highly respected statesman in Japan today, and also of Dr. Kurakichi Shiratori, a member of the Imperial Academy and emeritus professor of the Tokyo Imperial University. These family connections, however, strong as they are, hardly suffice to explain Mr. Shiratori's bold and independent attitude in the Foreign Office. The principal reason for this seems to be that he has associated himself with the group of young military "fascists" who are in control in Japan to-day. He is reported to be very close to Baron Kiichiro Hiranuma, Vice President of the Privy Council and President of the Kokuhonsha, the extreme nationalist group of which General Araki is a member. His connection with this group appears to explain his immunity to official discipline and probably also explains the source of some of his statements to the press representatives.

As I pointed out in my telegram No. 194 of July 22, 2 P.M.,<sup>18</sup> Mr. Shiratori seems to delight in making sensational (and sometimes misleading) statements to the foreign newspaper correspondents. This, however, is a matter of internal administration and does not affect the Embassy's relations with the Foreign Office. What does seriously

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<sup>18</sup> *Ante*, p. 179.



inconvenience the Embassy is Mr. Shiratori's habit of frequently informing the news representatives of visits, however informal, of foreign diplomatic officers to the Minister or Vice Minister for Foreign Affairs and of giving out résumés, often inaccurate, of the conversations. This tends to prevent frank and informal discussions with the Foreign Office authorities and is an example of the lack of discipline in official circles which was discussed in my despatch No. 33 of June 30, 1932. In most Foreign Offices an appeal to the Minister for Foreign Affairs on the part of the diplomatic caller to regard the conversation as informal and confidential would be adequate to prevent publicity, but in Tokyo the very fact of Mr. Shiratori's apparent independence of his superiors is likely to render such an appeal nugatory. This problem, especially in the case of the American representative whose conversations with the Foreign Office always furnish good "copy", is therefore not easy to solve and it renders the development of close relations with the Foreign Office extremely difficult.

Mr. Shiratori, because of his boldness, volubility and excellent knowledge of English, has been mentioned as a suitable person to act as a delegate to the meeting of the League Assembly in September, when the Manchurian question will again be considered. The most recent reports indicate, however, that he will not be sent to Geneva as a delegate.

Respectfully yours,

JOSEPH C. GREW

790.94/30

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

No. 106

TOkyo, August 26, 1932.

[Received September 10.]

SIR: With reference to the Department's standing instruction of March 26, 1926, (Diplomatic Serial No. 479; File No. 124.-066/23a),<sup>19</sup> I transmit herewith a memorandum<sup>19</sup> of a confidential conversation regarding Japan's policy in Asia held recently with the Belgian Ambassador, Baron de Bassompierre, whose eleven years' residence in this country render his views and observations worthy of notice. Reference in this connection may be made to the Embassy's despatch No. 96 of August 13, 1932,<sup>19</sup> reporting on the present extraordinary military preparations in Japan.

I am not prepared to subscribe to Baron de Bassompierre's statement that "any little incident or indiscretion is apt to bring on war between Japan and the United States at the present time". On the

<sup>19</sup> Not printed.

other hand, we must constantly bear in mind the fact that the present national temper of this country is dangerous; that the building up of the present public war psychology in Japan reminds one strongly of the efforts of the German military hierarchy to develop a similar public temper in 1914; that the Japanese military machine has been built for war, feels prepared for war and would welcome war; that it has never yet been beaten and possesses unlimited self-confidence; and that we should have our eyes open to all possible future contingencies.

In this connection I enclose a memorandum recently prepared by Colonel McIlroy, the Military Attaché, which supplements and amplifies the facts set forth under heading 1 of my despatch No. 96.

Respectfully yours,

JOSEPH C. GREW

[Enclosure — Extracts]

*Memorandum by the Military Attaché in Japan (McIlroy),  
August 25, 1932*

### 1. *General Impressions.*

Although detailed information is lacking, most observers here are of the belief that there has been a pronounced increase in the production of munitions, and that this production is continuing. Some declare that Japan is merely replacing the equipment used up in Manchuria and Shanghai, but this office believes that those expeditions made a very small dent in the already large number of war reserves, and that the present increase is for some eventuality in the near future. Just what this will be, cannot be said. Perhaps Japan is preparing herself for possible friction with the League, but more likely with Soviet Russia. Such widespread activity does not indicate the mere pacification of Manchuria, nor a possible clash with China alone. It seems to point to preparations for operations of even greater importance.

### 2. *Japanese Worried over Possibilities.*

The Japanese Army has always been very secretive about its organization and plans, and is even more so at present, which makes it difficult to obtain information as to the aim and extent of its present activities. Leading Japanese businessmen and bankers have no knowledge of what is going on or what is in the offing, but tactful inquiries by Americans, leads to the belief that the Japanese are very much worried over the present situation and the immediate future.

[Here follow paragraphs reporting on importation of war material; arsenals; machinery and machine tools; electric, bridge, and

building equipment; air; other donations; motorcars; tanks and armored motorcars; chemicals; gas masks; naval preparations; additional funds for munitions; army activity; and foreign purchases for military purposes.

A footnote to the paragraph on importation of war material reads as follows: "Since the above was written, the Military Attaché's Office has learned from a most reliable source that the Japanese have purchased during the past four or five months four or five times as much aluminum as in normal times. The person from whom the information was obtained stated that he believed that this aluminum was largely going into aircraft and into war vessels."]

#### 16. *Need of Reorganization.*

The preparations listed above indicate something, but just what is on the tapis cannot be said. It is a known fact that for a long time Japan's army has been sadly lacking in auxiliary and mechanical equipment, and even before the blow-up in Manchuria, they had planned a complete reorganization of the army, which was delayed by lack of funds. However, those plans were announced last fall, and they are making efforts to carry them out. The recent activities are a little too feverish for mere reorganization plans, unless they have some other definite purpose in mind for the future. It is more than likely that it is reorganization of the army so that within a few months it will be in a position to handle any situation which may arise.

#### 17. *Railroad Construction.*

a. If Japan is actually considering a war with Soviet Russia, the completion of the Kirin-Tunhua Railway is of the utmost importance. They are believed to be constructing that road at present. An American reports that his company delivered tunnelling tools at Seishin, Korea, in May for use on that road and he is now working on an order for similar tools for the Mukden-Hailung-Kirin line, placed through the S. M. R. He believes that these tools are to be used in constructing the Kirin-Wuchang-Harbin-Hailun line, neutralizing the Changchun-Harbin line of the C. E. R.

b. The press reports that permission has been granted a private company under the S. M. R. to construct the proposed Yuki-Rashin-Seishin-Ranan line in northeastern Korea. It is to be of standard gauge and work on it is to start in the near future.

#### 18. *Psychological Aspect.*

There is also the psychological aspect to the situation. The military are in power, and the people have been aroused to almost a warlike pitch over Manchuria and Shanghai. Naturally, the army wishes to take advantage of this to bring about the reorganization, and to pro-

cure certain needed equipment. Consequently, they are making as many preparations as they can, and spreading more and more propaganda without disclosing their real intentions. The press too, is very quiet on the subject, and one sees practically nothing in it concerning these preparations. The fact is though, that when the military spirit is roused to a certain pitch, it must be utilized or it will react and destroy those who fomented it. Therefore, the military will have to undertake a war of some sort or else lose the power and prestige they have seized, and no one believes they will relinquish this without a struggle.

19. *Soviet Russia. Not the U. S. the Probable Foe.*

There is much propaganda being spread against the United States, and twice Shiratori of the Foreign Office has tried to make capital out of certain statements of Mr. Stimson's, either for himself or for the army. In the rural districts, anti-American feeling is probably higher, but it is not believed that Japan is ready to engage us in a war. That leaves only Soviet Russia as their prospective foe, or else they plan to over run China. If it is Russia, they will certainly be attacked by China in the rear. Everyone agrees that something on a large scale is imminent, and everyone is waiting for it to break, or else Japan is placing herself in a position to defy the rest of the world, carry out her plans of expansion on the mainland, well prepared to fight anyone who stands in her way.

20. *Preparations in Russia.*

Reports from an engineer who has recently returned from Russia state that the Soviets believe that they are the target for all these preparations, and that they too, are preparing with all their might for a war with Japan.

Note: All this may seem a little sensational, but it is cold fact nevertheless. They do not appear in the press, but are common knowledge among all the foreign businessmen. The foreign newspaper correspondents are afraid to cable the story home as they are unable to guess Japan's real intention, and fear that they will be denied certain privileges, as well as compromising their sources of information.

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711.94/730

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

No. 131

Tokyo, September 21, 1932.

[Received October 10.]

SIR: There is enclosed herewith a copy of a report from the Military Attaché to the War Department on the subject of propaganda against

the United States in Japan. It may well be of interest to the Department as it is carefully prepared, and contains much historical background. There is no doubt that in certain official and even in non-official circles there is much suspicion of the United States and its motives. The enclosed report covers this situation in considerable detail.

In transmitting this report, however, I feel that I should invite attention to the surprising extent to which this suspicion of the United States is affecting the public here. There are many people who believe that the United States is deliberately planning war against Japan. The fact that it is not true has no bearing on their state of mind. The Army and even a large part of the Navy are convinced that it is true. These elements in turn affect the public, especially the ex-service men's associations, which constitute an influential part of the population. Jingoistic utterances before the Military and Naval Committees of the House and Senate seem to be taken at their face value by military men here, and the United States is credited with a desire to destroy Japan because the country is felt to be an obstacle to American schemes for the absolute control of the Far East. Highly placed personages here give some credence to this belief. Many Japanese feel that the burst of moral indignation in the United States over the Manchurian and Shanghai affairs was not dismay at the apparent breaking up of world peace machinery, but merely an attempt to place Japan in a bad light.

This feeling is aggravated, of course, by the war psychology which is the most noticeable feature of public thought in Japan at the moment. Time and much patience will be needed before normal conditions prevail in Japan.

Respectfully yours,

JOSEPH C. GREW

[Enclosure]

*Memorandum by the Assistant Military Attaché in Japan  
(Cranford)*<sup>21</sup>

The Japanese people are very susceptible to propoganda of any kind; it is a heritage from the olden days, when the whole country was illiterate and they revered the scholars and the written word. Though times have changed and Japan is one of the most literate countries in the world today, the written word, in any form, is still respected and believed in implicitly. This is due mainly to the fact

<sup>21</sup> This report was given the approval of the Military Attaché in Japan on September 9, 1932.

that as a people they have not analytical minds and that for centuries they have accepted blindly just what they have been told and not bothered about investigating the truth of things, as well as to the fact that nine-tenths of them lived in utmost subjugation for centuries. Therefore, the press, sensational as it is and controlled by rigid censorship, plays a most important part in spreading propaganda of any kind. Only that which the "powers that be" want printed, is printed. For example, only the Japanese version of the Manchurian and Shanghai affairs has appeared, not only in the vernacular but in the foreign language papers printed in Japan as well.

Propaganda has been utilized by the Japanese many times in the past for her various purposes, but what we are interested in particularly is the propaganda bearing on our relations with Japan, and other correlated subjects.

The ill-feeling that exists today between Japan and the United States is largely due to the propaganda disseminated by certain groups concerning the several diplomatic questions which have arisen between the two countries. They are not only the guilty ones, for the anti-Japanese jingoists in America have furnished them fuel for the fire.

This anti-American feeling is due to the excessive pride and sensitiveness of the Japanese which springs from a real racial inferiority complex, and to what they term America's meddling in the Far East to the hindrance of Japan's imperialistic policy, which they call natural expansion.

This ill-feeling first appeared shortly after the Russo-Japanese War when the Japanese war party found themselves the dominant group in Japan. They at once determined to build up an army and a military state along Prussian lines, but to build up such a machine and to maintain it, meant that the martial spirit of the country be kept at a high pitch, which naturally necessitated some hypothetical enemy. After their technical victory over Russia, danger from that direction ceased to exist. The Portsmouth Treaty of 1905<sup>22</sup> caused the first ill-feeling against the United States. Japan believed that we were responsible for their losing the large indemnity demanded, and the following year the California school troubles increased this ill-feeling.<sup>23</sup> Due to this and to our proximity (China being negligible), we were selected as their hypothetical enemy in order to further their plans. It is an established fact that since then the Military clique have been the principal agitators against the United States and that each time their

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<sup>22</sup> Signed September 5, 1905, *Foreign Relations*, 1905, p. 824.

<sup>23</sup> Cf. statement in memorandum of December 31, 1907, from the Japanese Foreign Office to the American Embassy, *ibid.*, 1924, vol. II, pp. 352, 353.

star is in the ascendant, there is a decided increase in the anti-American feeling.

Events since 1905 have not helped to obliterate this feeling. Several times, in fact, it has reached a point where war between the two countries appeared to be inevitable, but fortunately it was averted. Such questions as Mr. Harriman's scheme to take over control of all the railways in Manchuria; Mr. Knox's proposal in 1909 for the neutralization of the Manchurian railway;<sup>24</sup> Japanese-American racial disputes in California in 1913;<sup>25</sup> the California Alien Land Laws of 1920<sup>26</sup> and 1924;<sup>27</sup> and the Immigration Act of 1924,<sup>28</sup> have all served to intensify this ill-feeling. These have been thorns to irritate Japanese pride, especially the Immigration Act, by which they felt that they had been grossly discriminated against on account of their race. Viscount Kentaro Kaneko summed up the national attitude in 1927 when he said, "Not only will we not forget it, but we will never forgive". The Japanese consider themselves the equals, if not superior, to all races and look down with contempt upon the Koreans and Chinese. They are revengeful, too, and this spirit, coupled with their wounded pride and imperialistic ideas, was largely responsible for the present Manchurian troubles.

After the immediate excitement over the Immigration Act of 1924 had subsided it looked as though their feelings towards America were improving, because the Japanese and many Americans as well were working assiduously to have the discriminatory clause in the Act revised. Besides, the Government of Japan was largely in the power of the business interests who have large and important dealings with the United States, and have always been and still are very friendly inclined towards America. During this time the military was relegated to the background, and an uncompleted investigation in the summer of 1931 indicated that Japan, as a whole, was probably more friendly towards the United States, except for the lingering resentment over the Immigration Act, than at any time since the Russo-Japanese War.

The Military, however, had not forgotten their past enmity. In 1927, a British officer attached to a Japanese regiment told the writer that many of the officers of his regiment were anti-American and that several of them openly stated that war between the two countries was only a question of time. On the other hand, American officers attached to regiments were treated with utmost courtesy. The writer, for instance, served six months with an Artillery Regiment and three

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<sup>24</sup> See *Foreign Relations*, 1910, pp. 234 ff.

<sup>25</sup> See *ibid.*, 1913, pp. 629 ff.

<sup>26</sup> See *ibid.*, 1920, vol. III, pp. 1 ff.

<sup>27</sup> See *ibid.*, 1924, vol. II, pp. 333 ff.

<sup>28</sup> Approved May 26, 1924; 43 Stat. 153.

months at the Japanese Artillery School on the most friendly terms with all officers but one. Whether this was due to personal dislike or ill-feeling against the United States, was never learned.

The Army's best method of spreading propaganda lies in the Seishin Kyoiku (the Training of the Military Spirit). Each unit, no matter how small, receives daily instructions from non-coms and officers in this. Rest period on practice marches and manoeuvres are also utilized to build up the martial spirit and to indoctrinate the recruits. Into this, undoubtedly, they have incorporated what anti-American propaganda they deemed necessary. Consequently, after the term of service is over, these men return home with the seeds of ill-feelings, which they spread among their families and friends. In 1923, the Quartermaster at Nagasaki encountered some Japanese children playing soldier and asked them what they were doing. They replied that they were training to fight America. Such ideas could only have been put into their small heads by their parents. In 1925 the extension of military training in schools broadened their field for propaganda, and the large number of reservists and ex-soldier associations have always been inculcated with Army propaganda. Besides this direct method, the Army publishes several magazines and papers designed solely for the dissemination of military propaganda.

After the Army the most anti-American factions of the Japanese are the reactionaries and ultra-patriotic societies, now termed fascists. Shortly after the Immigration Act they held several demonstrations against the United States. They are closely connected with the Army who uses them in furthering its own designs. Although most of their propaganda has been directed against the United States, their ambitions lie in another direction, namely, Manchuria. For years the Army has been held in check by saner counsels, but in September of 1931 they broke loose. To those who were in Mukden when it was first occupied by the Japanese it was apparent that their Army were greatly concerned over how their action would be viewed abroad especially in the United States. As time passed on, however, and no steps were taken to hinder them, they became bolder, drove out the Chinese forces, and eventually established the State of Manchuria.

With the occupation of Manchuria, the relations between Japan and the United States entered upon a new footing. The Military, through diverse means and "patriotic associations" have seized not only the control of Manchuria, but the reins of power in Japan as well. Disregarding the attempts of the League of Nations to bring about a settlement of the Manchurian question, they look upon the United States as the main obstacle in their imperialistic expansion on the continent of Asia. Consequently, there has been a great increase in anti-American feeling here amongst all classes. This was not so



apparent until the Shanghai incident broke out, but becomes increasingly noticeable as time goes on. There were many rumors at that time concerning a possible war between the two countries; — one, to the effect that two American destroyers had been sunk by the Japanese off Formosa; another and evidently inspired, was that the American sailors had deserted their ships in Honolulu and fled into Mexico rather than face the Japanese warships. That they accepted this preposterous tale as quite plausible, is an excellent example of the credulous ignorance of the people at large. The concentrating of the American Fleet off California for manoeuvres around Hawaii caused considerable excitement in Japan, and Mr. Stimson's note of January 7th<sup>29</sup> intensified this feeling. Reports indicated that the anti-American feeling was higher than it had been since 1924. That the military were partly responsible for this is almost certain. One missionary reported that several conscripts of their church had come to them and said that they had been called in to fight the United States, an impression that was given them by their orders. Since that time there are many indications that this feeling still exists and that it is fostered steadily by propaganda, which must be ascribed to the Japanese Army, as they are absolutely in control of the country and exercise a rigid censorship over the press.

Mr. Shiratori of the Foreign Office is in charge of the Press Relations Section. He is closely allied with the War Department, and upon several occasions has complicated the relations between the two countries by misinterpreting two statements of Mr. Stimson. This occurred once during the Shanghai trouble and again recently,<sup>30</sup> when the Secretary of State made his speech before the Foreign Relations Council in New York.<sup>31</sup>

The press and many associations have repeatedly warned the United States against meddling in the Manchurian affair. As the time for the publication of the League of Nations [Report] draws near, these warnings are more frequent. In addition to this, the number of articles and books dealing with the possibility of a war with the United States have increased in number. Many of them, from the facts and the statistics they contain, clearly show that the writer has at least an understanding with the Army and Navy Departments, if not access to their files. All of them deal with the possible war on the Pacific and Manchuria's connection therewith, under such titles as "What effect will the Manchurian Affair Have on the War of the Pacific?",

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<sup>29</sup> See telegram No. 7, January 7, 1932, noon, to the Ambassador in Japan, *Foreign Relations*, Japan, 1931-1941, vol. I, p. 76.

<sup>30</sup> See telegram No. 207, August 10, 1932, 9 p.m., from the Ambassador in Japan, p. 198.

<sup>31</sup> Delivered August 8, 1932; for text, see vol. I, p. 575.

"Japan's Invasion of the Philippines", "Japanese Invasion of Hawaii", "Blowing Up the Panama Canal", "Air Raid on Alaska", etc. Fifteen of the leading magazines have carried 36 such articles since the first of the year, and to our knowledge, 13 books on this subject have appeared in the Japanese language, one in 1924, one in 1925, one in 1929, two in 1930, and eight in 1932. One of the latest books have gone through 50 editions, while two others have had 20 editions, clearly showing that it is a popular subject. No articles [*records?*] have been kept of the articles in the newspapers enlarging upon American interference in Japan's schemes, but they must run up into the thousands.

The following quotation is from a recent article in the *Hochi Shim-bun*. Its author is Mr. K. Kawakami, their correspondent in Washington, and is of particular interest as it shows that not only the ill-feeling exists but that it has been inspired by propaganda.

"Japanese who travel through America and learn something of the country by reading newspapers and magazines and meeting Americans in various walks of life speak to me as follows:

'What has surprised me most since coming to the United States is the comparative quiet of anti-Japanese sentiment. While in Japan there was a time when I thought the United States would declare war against us. I took it for granted that the anti-Japanese sentiment was widespread throughout the country and that newspapers and magazines were encouraging war. Not only have Americans been kind to me personally, but there is no atmosphere of challenge about public opinion. The situation is unexpected and I feel happy over it'".

A strong contrast to what they see in their own papers.

The reactionary societies are not far behind the military in their activities in this line. A few of them wish to return to the isolation of feudal days, while the large majority have fallen in line with the Army[']s imperialistic schemes and denounce America, not only for her actions over the Nine Power Treaty and Manchuria, but for attempting in the past to limit Japan to her island kingdom. It is now proposed to send Admiral Kichisaburo Nomura, until recently Commander of the Japanese naval forces in Shanghai, to the United States to explain Japan's position. The Japan Production Party under Mr. Ryohei Uchida, one of the largest so-called patriotic associations in Japan, protested against this and delivered the following statement to the naval authorities:

"The Japan Production Party considers such an attitude, despite the fact that public opinion is rising and strongly demanding chastisement of America for its arrogance and impudence towards Japan, as flattering and low diplomacy, highly derogatory to the national prestige of Japan".

From the rural districts come reports that there is continual propaganda being spread against the United States. The Naval Attaché on a recent inspection trip to Northern Japan witnessed an amusing

spectacle. In Minato he saw a parade of reservists and in rear was a cart upon which was mounted a large globe, the size of the United States grossly exaggerated upon it, while Japan was represented by a small red dot. On top of the globe, was a Japanese sailor waving a Japanese flag, and soldiers in uniform with steel helmets and rifles. How many similar demonstrations have been held throughout the country is not known, but there have probably been many.

For many years there has been some talk of a Monroe Doctrine for Asia with Japan as the controlling factor. It has been revived and enlarged upon within the past month, largely as a result of the question of recognition of Manchukuo. In the August extraordinary session of the Diet Mr. Kaku Mori (Seiyukai and a connecting link between the party and the Army), delivered a very significant speech upon the subject of Asia for the Asiatics. It was rumored that the Foreign Minister, Count Uchida, would refer to this in his address, but it was probably thought inadvisable for him to do so. It is alleged that Mr. Mori's speech was written in the Foreign Office. Viscount Kaneko (member of the Privy Council and until the Immigration Act, President of the America-Japan Society), has lately written several articles on this and delivered a speech before a large group of Army officers on the subject. He claims that the idea was first proposed to him just after the Portsmouth Treaty by President Roosevelt who recommended it strongly and assured him of his official support. This has attracted a great deal of attention, and coming at this time, indicates that an attempt is being made to use it for propaganda.

The United States has not been the only target for their propaganda. Both China and Soviet Russia have come in for their share. During the worst of the fighting in North Manchuria the Japanese press openly accused the Soviets of supplying the Chinese with arms and ammunition, and they have accused them with plots to destroy railroads, bridges, etc., in Manchuria, as well as trying to undermine the new State and Japanese influence in Manchuria. The concentration of Soviet troops along the border has also been played up, and a possible war between Japan and Soviet Russia is discussed nearly as much as the possibility of a war with the United States. Articles appearing in the press and magazines are too numerous to mention.

China, and especially Chang Hsueh-liang, have been accused of every kind of crime and intrigue. Just now, through well-controlled propaganda, they are preparing the way for further actions in Jehol, if not in other sections of China. From press accounts, all of China is intensely anti-Japanese without justifiable reason and is planning the recapture of Manchuria and further boycott of Japanese goods. Besides, they continually refer to the chaotic political state of China and to the spread of Communism. Recently they claim that all of

Northern China is anxious to secede, come to terms with Japan and Manchukuo, and form an independent state.

Besides this propaganda against foreign countries there is considerable propaganda for home consumption. Every action of their military and naval officers is played up as much as possible, and the goings and comings of the higher ranking officers, their views of various subjects, the return of soldiers and the remains of those killed in battle, etc., receive much publicity. Exhibitions of weapons and equipment used by the Japanese and those captured in Manchuria and Shanghai and lectures of all sorts have been sponsored by the Army in many places throughout the country to keep up the popular interest. Numerous moving pictures based on Shanghai and Manchuria have been produced, many of them assisted by the War Department. Speeches over the radio by military men and other prominent men have been used extensively. The children have not been neglected and the glorious valor of their army is taught to them in schools. Military items have been included in journals; magazines and periodicals, lectures have been given in schools and to boy scouts and other similar organizations; special motion pictures for children are being prepared and a special publication by the Army for school children is planned. Through such means they keep the Army and its achievements before the public in order to maintain the martial spirit and their own popularity. That this propaganda has been successful goes without saying. A glimpse at any toy shop, and they are numerous in Japan, will reveal the military inclinations of the people. There one can find toy soldiers, tanks, helmets, uniforms, rifles, armored motor cars, airplanes, anti-aircraft guns, howitzers, cannons, besides the usual pop guns, bugles and drums. In the fire works stalls there are the "Three Human Bombs", the Japan news of the Shanghai affair, and many other ingenious devices simulating war. The public is solidly behind the army as is proved by the above and the many contributions of money and weapons made by all sections of the Empire. Just at present the spirit is kept alive by the question of the recognition of Manchukuo and the probability of an unfavorable report by the League of Nations.

There is another sort of Japanese propaganda current just as strong as the anti-[foreign?] propaganda and that for home consumption. This is for foreign consumption and aims to justify Japan's actions in Manchuria abroad. This is being carried out by the Foreign Office, Japanese news agencies, Japanese organizations of all kinds, private individuals and hired foreign propagandists. That of the Foreign Office comes in its usual routine work and aims at the officials of various countries and at the same time they give out statements to the foreign newspaper correspondents in hopes they will assist them in this propaganda. There are two large news agencies in Japan, the Gov-

ernment subsidized Rengo, which distributes Associated Press news in Japan, and the Nippon Dempo, partly owned by the United Press. Both of these engage in propaganda, but little of it gets out to America as both American services have their own American correspondents who have spent many years in Japan. Other services and some individual papers have their representatives here and neither do they fall so easily for official [propaganda?]. Some of the articles by these men have been slightly influenced by Japanese propaganda, but as a whole they have stuck pretty close to the facts. The Chamber of Commerce and other organizations and individuals have sent letters and delegations abroad in an effort to try to justify Japan's position. Among the more prominent men who have been to the United States on this mission were Count Kabayama and Mr. Komatsu last fall. Dr. I. Nitobe is in America at present defending Japan's actions, and the zeal which he is showing on behalf of the Army seems a little ludicrous to some observers here who remember that last winter he was rather outspoken against the Army. Mr. Ozaki, the veteran politician, is in Europe, but he is not so active in his defence as is Dr. Nitobe. In Geneva there has been a large staff, and when the League meets to consider the Commission's report, this staff will be much larger. Among the foreigners employed by the Japanese are: Dr. Thomas Baty, Britisher, of the Foreign Office, who attempted in a recent article to show that Japan had not violated the Nine Power Treaty; Mr. Henry Wadsworth Kinney, long employed by the South Manchuria Railway and who just returned from the United States on propaganda work; and last but not least, Mr. George Bronson Rea, American, whose *Far Eastern Review*, an engineering journal published in Shanghai, has long been subsidized by the Japanese Government, and apparently its whole purpose since the Manchurian trouble has been to damn the Chinese and exalt Rea's masters, the Japanese. The basis of all these people's arguments is that Japan has done no wrong, violated no treaties, and is working for universal peace by sponsoring the new state of Manchukuo which was founded upon the principle of self-determination.

This leads us to the question of what all this propaganda is for, and why all this ill-feeling against America is being created. There are several answers: The propaganda against the United States was started for the purpose of augmenting the martial spirit for their Prussian military machine, and ill-feeling caused by injured pride is the surest means of establishing this. After the World War economic questions played a large part, as American products began to force the inferior Japanese goods from the Far Eastern markets that Japan enjoyed alone during the war. Then, too, the United States took a prominent part in rescuing China from the hold Japan had gained on

her during that same time, an act which military Japan has greatly resented. Then came the Immigration Act—an awful blow to their racial pride. The present condition is a culmination of all of these grievances, and the part the United States has played in the Manchurian affair. Japan does not openly court war with the United States. Far from it, though due to propaganda of the Army there are probably many who would welcome the conflict. On the other hand, Japan would probably not try to avert it if it were thrust upon her. The reasons are different; the military are in power; and they have discredited the usual political machinery of the country, and in order to retain their power they must inflame the patriotism of the people to almost a war pitch. They are confronted by serious questions at home. The depression is worse than ever; thousands have not sufficient food, and the finances of the country are in a deplorable condition. Abroad, there is the possibility of a war with Soviet Russia and China, separately or together, and a clash with the League over Manchuria. They must keep the country solidly behind them and divert their minds from domestic troubles. In the past anti-Americanism always served to influence the people to a war-like pitch; it would serve as well again. Once the military spirit of the people is aroused the authorities know they can divert it in any desired channel. Also, behind this belief is their own superiority and their “unconquered army”. The Japanese still respect things foreign as superior to their own, and in their hearts fear the United States. The authorities are bluffing strenuously in an effort to intimidate America and prove to the Japanese that there is nothing to fear from foreign nations, the United States in particular. The main motive, however, behind the propaganda at this time is an effort to influence the League of Nations in the Manchurian question and belittle America’s efforts towards its solution according to treaty. For the same reason Japan is attempting to placate England and France, especially the latter.

Sources: Official records, Office of the Military Attaché; vernacular press and magazines; and observations and conversations.

THOMAS G. CRANFORD, JR.

711.94/737

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

[Extracts]

No. 149

TOKYO, October 8, 1932.

[Received October 22.]

SIR: As the Department has undoubtedly noticed from press reports, there has been a recrudescence of anti-American propaganda in

Japan during recent months. This agitation has been manifested by attacks on American policy in the Far East and elsewhere, by official criticisms of utterances of the Secretary of State, by accusations of espionage against American citizens resident in or passing through Japan, and by criticism of American naval movements.

The purpose of these tactics of the chauvinistic element in general and the Army in particular is two-fold, (1) to maintain the present war-fever for the purpose of obtaining as much money as possible for the Army, and (2) to keep the people in a defiant, war-like frame of mind while the Manchurian crisis lasts.

The Army, in its endeavor to regain its former position of power and authority in the nation, wishes to expand and to modernize its equipment, and the present crisis is being used to the utmost to obtain funds for this purpose. In order to arouse the necessary enthusiasm, it must have a powerful, potential enemy. China is a potential but a very weak enemy, while the Soviets refuse to be drawn into war-like discussions. Consequently the Army is compelled to use the United States as the potential enemy to further its purposes. Certain elements in the Foreign Office are reputed to take their orders from the Army, and therefore some of the propaganda originates in the Foreign Office.

The Army and the Foreign Office expect to meet strong opposition from the League of Nations and the United States over the Manchurian issue when the Lytton report comes up for consideration. The authorities have been loudly proclaiming to the world that Japan's policy is fixed, that there will be no retreat from Japan's position in Manchuria, and that Japan will defy the world and withdraw from the League of Nations if necessary. There is a considerable body of opinion in Japan, however, which does not agree with this *intransigent* policy, and it is necessary to keep this body overwhelmed by a popular defiant, war-like spirit. Consequently every opportunity is taken by the chauvinistic element to embitter the people against the Western world in general and the United States in particular.

It is expected that these attempts to spur the people by attacks on the United States will be continued until the Manchurian issue is settled.

Respectfully yours,

JOSEPH C. GREW

894.00/444½

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

TOKYO, October 8, 1932.

[Received October 22.]

DEAR MR. SECRETARY: Since my last letter to you of September 10<sup>32</sup> the two outstanding events in Japan have been the recognition of Manchukuo and the publication of the Lytton Report. The hastiness of the Government's action in recognizing Manchukuo had a two-fold purpose: to confront the League of Nations and the United States with an accomplished fact before the Lytton Report could be acted upon, and to afford a sop to the Army to prevent their wrecking the present Saito Government and perhaps setting up a military dictatorship. The net result has been the internal pacification of the country which is a great deal less restive than before the step was taken.

The Japanese were apparently surprised when no action was taken by the United States at the moment of recognition and that the step caused so comparatively little repercussion in the world at large. This feeling may have been one of relief, but I am inclined to believe that the relief was tinged with a measure of disappointment, because in the present temper of the country the last thing the Japanese really want is to be ignored by the nations. They prefer dramatics.

The reaction to the Lytton Report here has been just what was expected—a general condemnation of the findings and an outburst of self-righteous indignation, but without any serious attempt to refute the findings save by blunt denials of their accuracy. This public bluster is however not shared by the saner and more moderate thinkers of whom one, Baron Hayashi, Master of the Emperor's Household and a thoroughly outspoken man, recently observed to a group of friends that he considered the Report an admirable and well-balanced document, especially Chapter 6 indicating that the Manchukuo regime had been set up by the Japanese military. There are plenty of people in Japan who have serious misgivings as to where the Manchurian venture is going to lead the country, but the press does not dare to publish their views. The military are still completely in control.

In explaining the present psychology of the Japanese, two recent conversations are significant. Recently Prince Chichibu invited to dinner Frederick Moore, who has just come from the United States and is to act as a counselor to the Japanese Delegation at the forthcoming meeting of the Assembly of the League of Nations, and questioned him for over an hour as to public opinion in America, finally asking him point blank whether it is true that the United States is

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<sup>32</sup> *Ante*, p. 240.



actively preparing for war with Japan. Such a question from the Emperor's brother is highly significant of the present nervousness of the country. The other conversation was with the Secretary of the America-Japan Society, Mr. Takeda, whose comments seem to me to size up the situation as well as anything I have heard, and I therefore append a brief résumé of them.<sup>33</sup> The kernel of Mr. Takeda's remarks lies in the statement that the Army undertook the Manchurian venture because it felt that it would lose all influence if it did not do something "for the good of the country". Whatever developments may occur in future, there will therefore enter into the problem the important element of "saving face", so essential in oriental countries. Here, I think, is the most dangerous factor in the whole situation. If the fanatical military clique finds that its program is being impeded and is likely to fail, whether from internal or external influences, it is quite capable of plunging the country into any kind of disaster rather than give in to the saner and more moderate elements in the country and acknowledging the defeat of their plans.

The affair of the National City Bank has closed with the publication in at least two prominent Japanese newspapers of the Department's press release conveying the statement of the Foreign Office holding the Bank blameless and its motives free from suspicion. Mr. Curtis, the General Manager of the Bank, expresses himself as fully satisfied with the result of the Embassy's assistance and tells me that the published statement had an excellent effect, especially in calming their Japanese employees. The spy scare continues and instances of innocent American travelers taking photographs or "counting troops" are frequently published, but my impression is that the campaign has overreached itself and that its absurdity is becoming patent to all. At least one reputable Japanese newspaper has said so.

The anti-American press campaign is subsiding, although the military will probably not permit it to cease altogether. Several rather friendly articles have recently appeared and the President's message of sympathy in the apparent loss of the Hocht flyers<sup>34</sup> will have an excellent effect. A prominent American journalist told me the other day that he had spoken to Shiratori of the absurdity of the fear of the Japanese that the United States was preparing for war with Japan, to which Shiratori replied: "Of course it's absurd; do you think we would have dared to attack Mr. Stimson the way we have done if we thought there was any real danger of war?"

The new Manchukuo envoy, Pao, is truculently asserting to all and sundry that Manchukuo proposes to escape from Japanese tutelage

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<sup>33</sup> Not printed.

<sup>34</sup> Telegram of October 5, 1932, to the Japanese Emperor, Department of State, *Press Releases*, October 8, 1932, p. 204.

at the earliest possible moment, that most of the Chinese ministers in Changchun are in the pay of the Japanese but that he himself is "fairly independent", etcetera, but I am inclined to doubt his sincerity. He has also expressed his opinion that Henry Pu-Yi will soon become Emperor of a North China State, embracing Manchuria, with his capital in Peiping. Some of my diplomatic colleagues and foreign press correspondents seem to attach importance to his remarks, but neither Lindley nor I are impressed. The diminutive Pao, who looks like a child, will probably continue to "talk big".

As for our own future policy, it seems to me more than ever wise, while firmly maintaining our position with regard to the Kellogg Pact, the Nine Power Treaty and the Open Door, to avoid any unessential steps which might tend to re-enflame public opinion and give the military further strength. Friendly gestures such as the comments about Japan in your recent speech in Philadelphia, the friendly nature of which was finally acknowledged even by Shiratori, and the President's message of sympathy concerning the Hocht flyers, tend to help the hand of the moderate elements in the country. This, I gather, is your own feeling. It seems to me that the more the League's action on the Lytton Report can be tempered with friendly and constructive suggestions, the more we shall gain rather than lose in the long run. Our only hope of the eventual enforcement of the peace treaties in the Far East lies in encouraging the moderate elements in Japan.

In this connection, a remark made to the Military Attaché by a Japanese member of the General Staff is significant. The officer said: "We are working over-time nowadays from 8 till 6 because we have to run two separate departments, the War Ministry and the Foreign Office".

Debuchi came in for an hour's talk with me last evening. He has been very active making speeches almost daily to all kinds of people, including the military, but taking care that they should not be reported in the press. I gather that he has set forth the position of our Government clearly and fairly. He talked with the Emperor for over two hours day before yesterday in the presence of Count Makino and others; he says that the Emperor understands our position perfectly and is anxious to stop the anti-American press campaign and the chauvinistic war talk. Debuchi said to me that if Chang Hsueh Liang will only keep quiet, there will be no question of Japanese troops going to Peiping and that it all depends on Chang's movements. He expressed the hope that after the manoeuvres of our Atlantic fleet in the Pacific it will return to the Atlantic next winter, because its presence on the west coast furnishes an excuse for much of the chauvinistic war talk and military and naval preparations here. This thought I hear on all sides. I think Debuchi wanted to get this to your attention, since he came to me directly after seeing the Emperor. He continually

repeated to me that the domestic political situation is now well in hand and that the more chauvinistic military people are being compelled to moderate their views. Of the truth of the latter assertion I have yet to be convinced. I dare say that Debuchi will be decidedly helpful in painting a true picture of the United States and the attitude of our Government—that we do not possess horns and a tail. He can do what I cannot do. This is a time when, on the part of the American Ambassador, silence on political matters in public speeches is golden.

Respectfully yours,

JOSEPH C. GREW

711.94/736 : Telegram

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

TOKYO, October 24, 1932—noon.

[Received October 24—3:08 a.m.]

261. According to the vernacular newspaper Premier Saito on the 22nd stated in a public interview that he believes that the alleged anti-Japanese sentiment in the United States is due largely to the anti-American articles published in the Japanese press, some of which seem to be deliberately intended to irritate the United States. He advised the Japanese newspapers to consider this point carefully.

I believe that Saito's pronouncement may do much to diminish the anti-American propaganda in Japan. His statement is in line with efforts which are evidently being made in various quarters to offset the policy of the military people to keep the public in a constant state of irritation against the United States.

Repeated to Peiping by mail.

GREW

894.00/451

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

No. 197

TOKYO, November 17, 1932.

[Received December 5.]

SIR: Police raids carried out on November 5th in Tokyo resulted in the arrest of a gang of young "rightist" radicals, who, according to information available, were planning another series of assassinations of the kind which have disturbed the capital on several occasions during the past year. Attention is invited to the series of despatches by the Embassy which deal with these events: No. 382 of November 7, 1931;<sup>35</sup> No. 561 of April 7, 1932; and No. 624 of May 20, 1932. Espe-

<sup>35</sup> Not printed.

cially interesting in this connection is the fact that one of the ring-leaders arrested is the son of Mitsuru Toyama, sometimes referred to as the Robin Hood of Japan. He is notorious as the founder and leader of the Kokuryukai (Black Dragon Society) which has a large and devoted following and of which General Araki is a member. Toyama occupies a unique position in a country where patriotism is a fetish.

Because of these circumstances, the press has been cautious about printing details of the assassination plots. I am told by a person in close touch with the metropolitan police that the persons marked for assassination were General Ugaki, Governor General of Chosen; Count Makino, Lord Keeper of the Privy Seal; Dr. Ikki, Minister of the Imperial Household; Premier Saito; Mr. Takahashi, Minister of Finance; Baron Go of the Tokyo Electric Light Company; Mr. S. Ikeda, President of the Mitsui Bank; and Baron Hiranuma, President of the Privy Council. The first two seem to be the persons whose removal was most desired. The assassinations, it was stated, were scheduled to take place during the Grand Manoeuvres which have just been held.

Besides Hidezo Toyama, a certain notorious Yoshi[o] Kodama, and Rihei Okada were arrested as leaders of the conspiracy. Incidentally the last named person stole the flag from the American Embassy compound in 1924, at the time of the agitation over the Immigration Act. I am reliably informed that in all about 150 persons were arrested and have been examined. These include all the persons suspected of implication in both the May 15th and the recent plot. All but about thirty have been released. Most of these men seem to have been members of the Fascist-reactionary organizations which, from time to time, have been suspected of implication in the various disorders of recent months. The local press declares that several separate groups of reactionaries were involved, one of them being the Tenkokai (Heavenly Conduct Society), headed by young Toyama, and another being the Dokuritsu Seinensha (Independent Youth Society) led by Yoshio Kodama.

Although definite information is lacking, various indications seem to point to a connection between the present plot and others of recent months, notably that of May 15th in which Premier Inukai was slain. The press reports that the heads of the Shizanjuku and Aikyojuku, "patriotic schools" of Ibaraki Prefecture, near Tokyo, were examined by the police because of the complicity of several of his pupils in the May 15th affair. It was the confession of the head of the former school to the effect that some of the pistols used in the May 15th affair were obtained from young Toyama which led to the latter's arrest. The persons marked for assassination were, in several cases, the same

as in the earlier plot. I shall discuss in further detail in another paragraph the possibilities of military connection with this plot.

The police must have been in possession of indubitable evidence of young Toyama's complicity in the crime to have dared to arrest him. The name of Toyama is held in such reverence by the followers of the old man that a false step might have caused widespread disorders. Most of the papers in Tokyo refrained from direct reference to the Toyama name not because of a police ban, but because of fear of retaliation from his followers.

A high official of the Foreign Office informed a member of my staff that the raids on the reactionaries were ordered by the highest figures in the Government, and that persons no less than Premier Saito, General Araki and Viscount Uchida discussed the matter and decided that a clean sweep must be made of dangerous reactionaries. Certain it is that the police alone, without the support of higher authority, would hardly have dared take action against Toyama.

The question which at once presented itself to the public mind was whether any part in this conspiracy was taken by the young officers who were implicated in previous plots. The evidence of indiscipline in the armed forces presented by the May 15th affair was a severe shock to the country. On the surface there seems to be no evidence of any such connection. Well informed Japanese with whom the writer has talked declare that the young military were in no way implicated; that the Army and Navy leaders have taken strict measures to prevent a recurrence of political demonstrations by officers under their command.

However, it is significant that at least two instances of unrest in young army circles have been observed in recent weeks which may or may not point to military assistance in the recent plot. The Embassy transmitted a document with despatch No. 180 of November 5, 1932,<sup>36</sup> which was circulated among young army circles and called for action against General Ugaki and Count Makino. Also, the press recently carried an account of a similar agitation in the army division at Nagoya aimed against presumably the same leaders. I am led to believe that the military was not directly concerned in the recent plot, but I am inclined to suspect that there are elements in the army which have aims in sympathy with these conspirators and which may have helped to influence the latter.

The object of the conspirators in seeking to slay the leaders of the country, as far as can be judged, was similar to that which motivated the slayers of Inukai, Dan and Inouye. The men implicated are mostly very young, of apparently immature political ideas and warped sense of patriotic duty. They seem to feel that the country is being

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\* Not printed.

falsely led by the present authorities. They are said to be aiming at the elimination of parliamentarism and at a Fascist centralization of political power under the immediate control of the Emperor, in the hands, probably of the military.

If rumor is worth considering, it appears that resentment against General Ugaki, seemingly so far from the political arena, is on account of his alleged candidacy for the presidency of the Minseito and consequently the premiership. It is of course common knowledge that the present faction in control of the Army dislikes General Ugaki because of his reduction of army personnel in former years. Admiral Saito is probably held responsible for the measure of restraint held over the Army by the Government. Similarly, Mr. Takahashi is blamed for not conceding to the military demands for increased funds. Baron Go and Mr. Ikeda are industrial leaders who are suspected of profiting by exchange manipulations at the expense of the nation. That the name of Baron Hiranuma should appear on this list is at first somewhat surprising. Some months ago, he was much touted by the "Fascists" as their choice for the premiership. He seems to have lost favor with his former following, possibly because of his lack of sympathy with their methods. Count Makino and Dr. Ikki have long been castigated by the "patriots". They are accused of giving false advice to the Emperor, and of being anti-military. By way of parenthesis, mention should be made of the activities of a certain Count Koken Tanaka. This gentleman, now 90 years old, has been in retirement for 20 years, since certain scandals were unearthed during his regime as Minister of the Imperial Household. It is reported that he recently petitioned the Emperor, as is his privilege as a "Shinnin" official, to oust Count Makino and Dr. Ikki because of alleged bad advice tendered by them to the Emperor. It seems likely that this dissolute old grey-beard has been used as a tool by the Toyama brand of patriots in the attempt to remove Makino and Ikki from office.

The reaction to this latest conspiracy, as seen in the press and gained from conversation with Japanese, is especially interesting. In similar affairs earlier in the year, particularly at the time of the May 15th affair, there was a very definite undercurrent of sympathy with the conspirators on the part of the public. Perhaps this was due to conditions which, since that time, have been changed, or possibly the public has come to realize that illegal and violent methods of expressing political convictions are fraught with real danger to the security and stability of the state.

In any event, press comment has been severely critical of this latest conspiracy. The powerful dailies of Tokyo are united in declaring that "rightist" conspirators are as dangerous and culpable as their "leftist" prototypes, and that both present a challenge to public peace

which cannot be tolerated. In a representative editorial article, the *Nichi Nichi* stated, on November 6th, "The reactionaries are causing as much trouble as the revolutionaries . . . Any leniency shown to one side of the extremists would only encourage the other side. Hence control over such offences, whether committed by right or left, must be as strict as possible . . . Some people have the false idea that 'rightist' thought is less dangerous than the 'leftist' because the former is simply an extreme conservatism . . . Those who are for the *status quo* become as dangerous as the communists when they proceed to translate their beliefs into action".<sup>37</sup>

There is good reason to believe that the public is becoming disgusted with the pseudo-patriots and is adopting a sane and antagonistic view toward the use of violence in political matters. There was little evidence of excitement following the recent affair, but much evidence of determined opposition to terroristic methods.

Respectfully yours,

JOSEPH C. GREW

894.51/392

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

No. 201

TOKYO, November 18, 1932.

[Received December 5.]

SIR: I wish to refer to my despatch No. 117 (undated but written in early September), entitled "Present Economic Conditions in Japan in Relation to Future Contingencies",<sup>38</sup> and especially to the summary thereof, in which I stated as follows:

"The internal economic situation in Japan has improved appreciably in the last two months. In the early summer the position of the farmers appeared to be desperate and drastic relief measures were urged. At the present time, with the firmness of the rice market and the very pronounced rise in the silk market, and with measures authorized which will relieve the cases of extreme need, the agrarian community can be considered to have temporarily tided over the crisis. The falling exchange value of the yen has assisted manufacturers and exporters and has caused a rising tendency in domestic prices."

In the two months since the report above referred to was written, there has been a very marked improvement in practically all phases of the Japanese economic situation. It now appears certain that Japan is about to enjoy a period of great prosperity. It will be a false prosperity, based on the depreciation of the currency and enforced governmental spending, and the nation will undoubtedly have to meet the

<sup>37</sup> Omissions indicated in the original.

<sup>38</sup> Not printed.

cost of the artificial boom eventually, but for the present the nation is most optimistic regarding industrial and commercial prospects, although doubtful regarding governmental finances. The following summary of the principal economic phases will explain the situation.

[Here follows review covering Japanese industry, agriculture, foreign trade, and finance.]

*Summary.*

Economic conditions in Japan have shown a remarkable improvement in recent months, due principally to the fall in the value of the yen and large governmental spendings. Industries are very prosperous, foreign trade is more active than for years past, agriculture has been greatly aided by the rise in the yen price of raw silk, the circulation of money has improved, the banking panic has disappeared, and the balance of international payments is much less unfavorable to Japan than was expected.

As a result of this false prosperity, the danger from the reactionary-fascist element has been removed, as this element no longer has social and economic unrest as a pretext for action. Moreover, the prosperity will permit the financing of military operations in Manchuria for another year or two, unless such operations assume very large proportions.

*Predictions.*

According to a well-informed observer of Japanese financial and economic conditions, Japan can expect a period of unusual prosperity for one and a half to two years, during which time the factories will expand rapidly and production will rise to greater heights than ever before in Japan. Gradually, however, the world will impose tariffs against the advantage which Japanese goods possess in the depreciated yen, while prices will rise in Japan and with them costs of production will become greater. In addition there will be increased taxation burdens because of the growing national debt and the cost of military operations, as well as the cost of the paternalistic policy which the Japanese Government adopts toward agriculture, industry and finance. These adverse factors will gradually make themselves felt and will eventually cause a collapse of the artificial prosperity brought about by the depreciation of the currency. When the collapse comes, there will be a depression worse than the one just past, because in the meantime industry will have over-expanded and production will be greatly in excess of the normal needs of the country.

Respectfully yours,

JOSEPH C. GREW



894.00/456

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

TOKYO, December 3, 1932.

[Received December 20.]

DEAR MR. SECRETARY: The political situation here is very quiet, except for one significant factor, which is that the powers that be, including General Araki himself, seem to think that political assassinations in Japan have gone far enough and have determined to put a stop to them by striking at the soul of the whole movement, namely, old Mitsuru Toyama himself. His house was recently raided and searched by the police and his son arrested. Hitherto Toyama has been immune, but recent rumors of plans to kill Saito, Makino, Ikki and Takahashi—after the political murder of four of the best men in the country (Hamaguchi, Inukai, Inouye and Dan)—determined the Government that it was time to take drastic measures to put an end to assassination. The fact that the Government dared to take these steps—Toyama having been looked upon by a large section of the public, including the military, as a sort of super-patriot—is significant of its growing confidence and authority. This does not mean that the Saito Cabinet will necessarily last beyond the next session of the Diet, for it very likely will not. But it does mean that the chauvinistic military hotheads and the so-called patriotic societies, who were directly or indirectly responsible for the former political terrorism, are less firmly entrenched and are, it is hoped, giving way to a more constructive statesmanship.

The anti-American press campaign has, for the present, practically ceased. I am inclined to think that Debuchi had something to do with this and I dare say that some order to that effect may have come from the Emperor himself. It is significant that the personnel of the press bureau of the Ministry of War has recently been completely changed. One of the new officers assigned to the bureau had been transferred from the Japanese Legation in Mexico, and when our Military Attaché smilingly expressed the hope that he was going to put a stop to the anti-American press campaign, he replied that this was exactly what he was going to do. General Araki has recently been unexpectedly cordial in his meetings with our Military Attaché, as he has with me. Shiratori has lost much of his influence: his intimate contacts in the Army have been transferred, and his political ally, Kaku Mori, the Seiyukai schemer, is ill and temporarily out of the picture. Shiratori has been singing on a much lower note in his press conferences. In my telegram No. 275 of November 28, 8 p. m.,<sup>39</sup> I gave further reasons for

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<sup>39</sup> *Ante*, p. 372.

the present quiescence of the anti-American feeling in the country. But of course this feeling is always present and would rapidly be fanned into flame by any untoward incident.

With regard to the forthcoming meeting of the Assembly<sup>40</sup> in Geneva, after talking with many diplomatic colleagues, foreign press correspondents and American residents who know Japan, I find no one who believes that Japan will make substantial concessions, certainly none that would alter or modify Japan's recognition of "Manchukuo". On the other hand, I think it possible that Japan may have something in reserve to bring forward at the last moment. I base my supposition on three reasons. One is the unlikelihood that Japan will be so rash as to attempt to face the moral condemnation of the whole world, in spite of all the brave talk which is now taking place. It seems possible that they may have some plan by which they hope to forestall a vote of censure. The second is that Japan is arguing its case at Geneva. If the nation is as sure of its ground as it claims, why argue? In the third place it is becoming increasingly evident that the recent drastic decline in the yen exchange and consequent further impairment of the country's credit abroad is to be traced largely to a lack of confidence in Japan's political relations with the world at large. Until this feeling is liquidated the danger of financial and social dislocation through the collapse of the currency is ever-present, while foreign capital markets cannot be counted on to come to her aid. It seems to me that the Japanese are trying to ameliorate the feeling aroused against their actions by the Lytton Report, and that having put the best face possible on their behavior they may possibly come forward at the last moment, before any action is taken against them, with some suggestions looking toward an eventual settlement some years hence. I do not for a moment believe, however, that any suggestions which they may make will contemplate the relinquishment of their recognition of "Manchukuo" as an "independent state". The members of my staff and I have been endeavoring for the past week to obtain some inkling of what the suggestions, if any, will consist of, but we have had no success. It is probable that the discussions in the Assembly of the League will continue for some time, and if I succeed in obtaining any idea as to Japan's intentions, I shall inform you immediately by cable.

In my cablegram of November 28, 8 p. m., I suggested that restraint be exercised in handling the Sino-Japanese dispute, because coercive measures would undoubtedly result in more firmly welding the Japanese nation together in opposition to the League and the United States. Any hint of force, either military or economic, I believe, would

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<sup>40</sup> Of the League of Nations, to consider the report of the Lytton Commission of Inquiry.

result in the uniting of the nation behind the military and would completely overwhelm the more moderate influences which are working beneath the surface to restore Japan to its former high place in the councils of nations. Moral pressure, however, I think can be exerted without this danger and might tend to widen the rift now beginning to be noticed between the military and the moderate elements. Eventually the force of public opinion throughout the world, coupled with the difficulty and over-burdening expense of pacifying Manchuria, might cause Japan to change its attitude toward the problem. Anyway, as I see it, it is our only chance, as the threat of material pressure would almost certainly have the opposite effect from that desired. Thus the time factor is important, and a gradual rather than an immediate solution of the problem indicated.

My speech in Osaka appears to have been helpful. Its main purpose was to correct the general belief here that the American people are not behind you in your active support of the peace treaties. The contrary was clearly brought out by the words:

“As for the American people, they are heart and soul behind this (peace) movement and behind those who have labored to bring about a situation where warfare between civilized nations will be as extinct as human slavery in civilized nations is today. This peace movement represents a fundamental, united and unanimous desire of the American people as a whole. The position of the United States in this issue is clear-cut and unambiguous. It has repeatedly been made clear.”

On the other hand, the speech was eminently friendly in tone and substance, so that the pill was administered without causing irritation. The Minister for Foreign Affairs last night expressed to me personally his appreciation of the address.

May I take this occasion to say that I think your instructions to Norman Davis and Hugh Wilson<sup>41</sup> relating to the Manchurian issue meet the situation exactly?

Sincerely yours,

JOSEPH C. GREW

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**AMENDS BY THE JAPANESE GOVERNMENT FOR ASSAULT AT MUKDEN UPON MR. CULVER B. CHAMBERLAIN, AMERICAN CONSUL AT HARBIN**

123 C 353/199 : Telegram

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

PEIPING, January 4, 1932—2 p.m.

[Received January 4—8:10 a.m.]

11. Following from American Consul [General], Mukden:

“January 3, noon. Consul Chamberlain, on the way to the station

<sup>41</sup> See telegram No. 37, November 21, 1932, 6 p.m., *Foreign Relations, Japan, 1931-1941*, vol. I, p. 105.

in my car at 6:30 a.m., was stopped by three Japanese soldiers who, after he had identified himself by card and passport, without justification attacked him, striking him in the face many times. Face badly bruised but otherwise uninjured. Incident verbally reported to Japanese Consulate General with the request that severe penalty be meted out.

Chamberlain will leave for Harbin this afternoon."

Legation has brought the foregoing orally to the attention of the Japanese Chargé d'Affaires here and is requesting Myers to report result of his representation.

Repeated to the Department.

JOHNSON

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123 C 353/205 : Telegram

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

WASHINGTON, January 4, 1932—11 p.m.

2. Regarding assault on Consul Chamberlain at Mukden. Department has informed Japanese Ambassador here that, on the simple facts, an unjustified assault by two Japanese soldiers and a Japanese interpreter on an American consular officer who had amply identified himself, Department regards the incident with serious concern. Ambassador expresses concurrence and states that he is so advising his Foreign Office. He states that Japanese Consul General [at] Mukden has telegraphed him that he has expressed regret to American Consul-General [at] Mukden, that interpreter has been discharged and that the soldiers are under investigation. Late press dispatches indicate that Japanese authorities in Manchuria hope to settle the whole matter locally. Department has intimated to Ambassador that this will not be regarded sufficient and that action by Japanese Government is desirable. Ambassador apparently concurs and his statements imply that he is urging prompt and adequate action by his Government in the premises.

Repeat above promptly to Peiping.

Take no initiative unless instructed.

STIMSON

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123 C 353/203 : Telegram

*The Consul General at Mukden (Myers) to the Secretary of State*

MUKDEN, January 5, 1932—11 a.m.

[Received January 5—2:52 a.m.]

Department's telegram of January 4, 2 p.m.<sup>42</sup> Supplementing my full report of developments to date telegraphed to the Legation last

<sup>42</sup> Not printed.

evening, Acting Japanese Consul General yesterday assured me that adequate measures had been taken to prevent the repetition of such an incident.

Japanese apparently attempting to place onus of blame for the attack on the dismissed civilian army interpreter although at least one soldier participated.

In recent months there have been a number of cases wherein American citizens were subjected to grave incivility by truculent Japanese police or soldiers. One case of this kind was taken up with Japanese Consul General on October 15th for which suitable amends were made.

MYERS

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123 C 353/208 : Telegram

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

PEIPING, January 5, 1932—3 p.m.  
[Received January 5—11:40 a.m.<sup>48</sup>]

18. Legation's 11, January 4, 2 p. m. Following from American Consul [General] at Mukden:

"January 4, 3 p. m. The following supplements my telegram of January 3, noon, giving particulars of Chamberlain's written statement. My car was flying American flag when stopped in the early morning darkness by Japanese patrol, two soldiers and two plain-clothes men, interpreter. Interpreter questioned Chamberlain in a provocative manner. Chauffeur answered the questions politely and Chamberlain produced card and diplomatic passport. After a lapse of about 5 minutes Chamberlain ordered car to proceed but the way was barred by the soldiers with leveled rifles. Chamberlain, alighting from the car, asked plain-clothes man for his card but when menaced by soldiers' pointed rifles protested. Plain-clothes man, entirely without provocation, aimed a blow at Chamberlain who reentered car. The plain-clothes man followed him into the car raining blows on face and head of Chamberlain who did not resist but only tried to protect himself by raising his arms over his head. One of the soldiers opened car door on the other side and struck Chamberlain in the face several times. Beating finally terminated and car covered by leveled rifles was ordered to proceed; car returned to Consulate General by another route.

Above statement of facts corroborated by chauffeur."

"January 4, 4 p.m. The following is the sense of statement made to the press this morning by headquarters spokesmen—at 6:30 Sunday morning a Japanese patrol of two soldiers and a temporarily engaged military interpreter in Mukden halted an automobile flying an American flag. As Chinese have frequently used the American flag to

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<sup>48</sup> Telegram in two sections.

disguise anti-Japanese activities the occupant of the car was asked to identify himself. The occupant arrogantly proffered a visiting card and a passport which were clearly understood by the interpreter. The Japanese, although provoked, said that the car might pass on. The gentleman in that car then descended and said menacingly what are your names, grasped one of the soldiers by the coat and tried to pull him into the car but as the interpreter intervened to protect the soldier, the gentleman entered into the automobile alone and attempted to draw a revolver. At this one of the soldiers reached in from the other side of the car and seized the gentleman's hand to prevent him from making use of his firearms. The interpreter, angered by the American's arrogant behavior, struck him three blows about the head slightly bruising him; it is thought that the American struck them with his left hand.

The offenders are known and while not under arrest have been detained for questioning. It is being considered whether any action will be taken against them.

It is believed that the above statement has been made to counteract the press reports filed yesterday."

"January 4, 5 p. m. Referring to my telegram January 3, noon, Japanese Acting Consul General officially called on me this afternoon to express his deepest regret for the attack on Mr. Chamberlain and to state that Sakakihara, the chief offender who was in Mukden and has been a temporary interpreter since September 18th, was dismissed this morning and that the punishment of the two soldiers is under consideration. He also stated Lieutenant Colonel Hyakutake, the military representative in Harbin, has been instructed to make apologies to Consul Chamberlain.<sup>44</sup> My colleague informed me that Major Kawashima, who is the Commanding Officer of the gendarme unit in which these soldiers are temporarily serving, desires to call on me whenever convenient to express his deepest regret."

Telegram January 4, 5 p.m., repeated to Tokyo.

2. Contents telegrams January 4, 3 p. m., and January 4, 4 p. m., not given to press here. Substance of telegram January 4, 4 p. m., has not [been] released.

JOHNSON

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123 C 353/204 : Telegram

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

PEIPING, January 5, 1932—7 p.m.

[Received January 5—7:54 a.m.]

22. Legation's 18, January 5, 3 p. m. 1. Following from Mukden:

"January 4, 5 p. m. Referring to my telegrams regarding the Chamberlain case, the Japanese Consulate General sent a representa-

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<sup>44</sup> Consul Chamberlain reported for duty at Harbin on January 4, 1932 (123 C-353/207).

tive to this office this morning officially and informed it that the only substantial difference between Chamberlain's statement and that of the offenders is that Chamberlain tried to pull one man into the car.

In view of the serious and unprovoked character of outrage, it is my opinion that the chief offender, a civilian, deserves more serious punishment than he has had; that the soldiers involved should be punished for participating in the attack. The Department's instructions in regard to an acceptable settlement are requested. Pending receipt of further instructions the Major's call will not be received."

Legation is making further inquiry of Chamberlain concerning details of incident and will comment later in regard to Myers' recommendation as expressed above.

JOHNSON

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123 C 353/212 : Telegram

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

WASHINGTON, January 6, 1932—11 a.m.

5. Department's 2, January 4, 11 p.m. For your information. On January 5 the Japanese Ambassador called, under cabled instructions from his Government, and expressed to me the deep regret of his Government at the assault on Consul Chamberlain. I replied that I was very much gratified that the Japanese Government had acted so promptly. I added that I had not yet received full reports of the incident and that upon the receipt of complete information, I would take the matter up with him further.

Repeat above promptly to Peiping.

STIMSON

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123 C 353/223

*Memorandum by the Secretary of State*

[WASHINGTON,] January 6, 1932.

I summoned the Japanese Ambassador and when he came I told him that I had now received Mr. Chamberlain's account of the incident when he was assaulted and that I had also received reports of the statements made by the officers of the Japanese Army. I said from these it appeared that the Consul had been traveling in an official car with an American flag when he was halted and that before any blows were struck him, it was admitted by the statements of both sides, he had identified himself with his card and his passport; and that it was further admitted by the statements of both sides that the first blows had been struck by the Japanese. I said the foregoing had been

admitted even if we assumed as true the statement made by the Japanese military headquarters, which the Japanese Ambassador must realize was in some respects quite preposterous. He said at once that he did realize that the statement was absurd in some respects. I said I felt sure that under the circumstances he would agree with me that the protection of American officers, both official and unofficial, in a troubled community like Manchuria now, and particularly in a community of such a preponderating population of Chinese who are so greatly influenced by respect or disrespect for officials, it would be necessary that adequate punishment be administered to these Japanese soldiers; that it was no defense for them to say that the interpreter was mostly at fault; that they should have protected the Consul from violence by the interpreter. I told the Ambassador furthermore that I had been handling a very similar case where an American citizen in Poland was assaulted by some Polish soldiers and the Polish Government had acted very promptly and handsomely in its apology and had severely punished the soldiers, and in addition had awarded the injured American some \$4,000;<sup>45</sup> that in this case in Japan I did not ask for pecuniary award but I did ask for adequate punishment for the offenders.

The Ambassador said that privately he felt just as I did; that I was acting as he should act, and he appreciated also my friendly attitude in expressing my satisfaction with the apology presented by the Japanese Government at Tokyo. I then presented him with the *aide-mémoire* which is attached to this paper,<sup>46</sup> saying that it was just a memorandum to assist him and I did not intend to make it public and in fact that I would not make anything of this interview public for the present so that his government might have an easier time in adjusting this matter. He said I must remember that in the case of soldiers on patrol duty it would be difficult to punish them without making them very timid. I said in this case they had been so very flagrant and they had acted with so much clear knowledge of Mr. Chamberlain's position and rights that they deserved punishment.

H[ENRY] L. S[TIMSON]

123 C 353/223

*The Department of State to the Japanese Embassy*<sup>47</sup>

#### AIDE-MÉMOIRE

The American Government is highly gratified at the prompt expression of regret of the Imperial Japanese Government, communicated

<sup>45</sup> See *Foreign Relations*, 1931, vol. II, p. 957.

<sup>46</sup> *Infra*.

<sup>47</sup> Handed to the Japanese Ambassador by the Secretary of State on January 6, 1932.



through the Japanese Ambassador in Washington, in connection with the physical assault upon an American Consul, Mr. Culver B. Chamberlain, at Mukden, on January 3.

The American Government is, however, of the view, in which it believes that the Japanese Government will readily concur, that, toward ensuring respect for personal and official rights, it is desirable that the perpetrators of such unlawful and unwarranted acts be promptly and adequately punished. The American Government therefore desires to bring to the attention of the Imperial Japanese Government this phase of the matter, with the request that suitable action in these premises be taken.

WASHINGTON, [January 6, 1932?]

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123 C 353/225 : Telegram

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

WASHINGTON, January 7, 1932—6 p.m.

7. Your 22, January 5, 7 p.m. Inform Mukden with reference to its January 4, 5 p. m. to Legation, second paragraph, that the question of the Chamberlain incident is still under discussion between the Department and the Japanese Ambassador; that Myers should therefore take no further initiative in the matter, nor make any commitment, express or implied, without further instructions; and that the Department believes that Myers, while making it clear that the question of the incident has been referred to the Department, should receive courteously and report promptly any advances which the local Japanese authorities may voluntarily make.

STIMSON

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123 C 353/215 : Telegram

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

PEIPING, January 7, 1932—7 p.m.  
[Received January 7—10:15 a.m.]

34. Following from American Consul [General] at Mukden:

“January 6, 2 p. m. Headquarters official spokesman last evening declared to the press that Army authorities regret the Chamberlain incident and are willing to make if necessary amends but it has been determined already that Chamberlain seized the interpreter with both hands after which he reached with his right hand to his hip pocket attempting to draw a revolver.

Regarding this aspect of the incident, the chauffeur was again ques-

tioned this morning. He stated that Chamberlain descended from the left side of car and crossing in front of car to the point where the three men were standing, in Chinese asked the plain-clothes man whose sleeve he lightly touched at the same time, why he was being detained and asked his name. He was then struck at whereupon he immediately retreated into the car offering no resistance whatever. This corroborates Chamberlain's fuller statement which, however, does not mention the sleeve touching episode which the chauffeur states could in no wise be regarded as menacing gesture. It may be added that the chauffeur states Chamberlain was cursed at when he presented his English-Chinese card to the plain-clothes man and many times thereafter.

Army authorities have taken the standpoint that as Chamberlain provoked the attack, little if any fault is to be found with the conduct of the two Japanese soldiers who have already resumed their duty.

According to reliable information, anti-American as also anti-British feeling exists among the rank and file of the Japanese troops and in my opinion this case is a manifestation of it."

JOHNSON

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123 C 353/224 : Telegram

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

PEIPING, January 7, 1932—8 p.m.

[Received January 7—1:35 p.m.]

35. Legation's 22, January 5, 10 [7?] p. m. Following from American Consul General at Harbin:

"January 6, 3 p. m. Chamberlain states as follows:

'1. At one time early in the interview while seated in the car I caught hold of the coat of the plain-clothes man who was standing in the door of the car and pulled it lightly to attract his attention. No offense was intended nor apparently taken at the time. It was several minutes afterwards that I alighted from the car after which the fistic attack was made. Under the circumstances Japanese allegation regarding pulling one man into the car obviously absurd. No provocation whatever for attack. Two men in civilian attire were principal offenders although one soldier was also active in threatening with rifle, and striking me. All three were belligerent and abusive.'

"January 6, 5 p.m.

1. Lieutenant Colonel Hyakutake, chief of the local Japanese military mission dressed in military uniform wearing his sword and decorations and accompanied by Vice Consul Takigawa who interpreted, acting under instructions of General Ninomiya, chief of the gendarmes of the Kuantung army, called at this Consulate General at 3 o'clock today and tendered in the presence of Captain Nimmer and myself to Chamberlain the formal apology of General Ninomiya for the assault by the Japanese patrol on Chamberlain at Mukden on January 3d.

2. Chamberlain expressed his appreciation of the thought which prompted this apology of the General but added that the case was now out of his hands.

3. Just before departing the Lieutenant Colonel expressed his personal regrets and offered Chamberlain a present sent by the General, but which Chamberlain politely and rightly refused to accept.

4. Consul General Ohashi called at this Consulate this morning and expressed to Chamberlain his unofficial and personal regrets and stated that his departure for Hailar at 3 o'clock today would prevent his accompanying the Lieutenant Colonel when the latter called to apologize."

JOHNSON

123 C 353/216 : Telegram

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

PEIPING, January 7, 1932—9 p.m.

[Received January 7—9:40 a.m.]

36. Department's telegram January 6, 1 p. m.<sup>48</sup> Reference Legation's 34, January 7, 7 p. m., and 35, January 7, 8 p. m.

1. It will be noted that the statement of Chamberlain and of chauffeur are not identical in respect to Japanese claim that Chamberlain tried to pull one man into the car.

2. I am of the opinion that Chamberlain did not commit any act which justifies or excuses assault made upon him; however, in view of the amends now made by the Japanese I do not consider that it would be advisable to insist upon any specific punishment of offenders as a condition for closing the case.

JOHNSON

123 C 353/227 : Telegram

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

PEIPING, January 10, 1932—noon.

[Received January 10—2:40 a.m.]

47. Following from Consul General at Mukden:

"January 9, 7 p.m. Acting Consul General Morishima called on me January 9, 4 p.m., and after expressing his deepest regret for the incident stated following:

"I have been instructed by the Japanese Government to call upon you and convey [to] you the expression of sincere regret of the Japanese Government and inform you of the action taken by the Japanese Government with regard to the unfortunate incident which occurred in Mukden on January 3rd to Mr. Chamberlain, American Consul.

In pursuance of the instruction, I take the liberty of submitting to you the following four items to be duly carried out by the Japanese authorities.

<sup>48</sup> Not printed.

(1) Sakakihara, the interpreter in the service of the Japanese military police, and the chief offender against Mr. Chamberlain, has already been dismissed of [from] the service; but on account of his having been in the Army before the dismissal, he will be tried before the court-martial in accordance with military criminal law. For this purpose the legal proceedings have been taken already, and he is now in custody.

The two military police involved in the matter are to be subjected to due disciplinary punishment.

(2) Major General Ninomiya, commander of the military police, and his subordinate officers who are responsible for the conduct of the interpreter and the two military police, are also to be subjected to due disciplinary punishment.

(3) The Japanese Acting Consul [General?] at Mukden and Major General Ninomiya are to call upon Consul General Myers, to convey to him the expression of their deep regrets and apology for the occurrence of the incident.

(4) The Japanese Consul General and the Japanese military representative in Harbin are to convey the expression of regrets and apology to Mr. Chamberlain.'

2. Mr. Morishima explained that the punishment of a Major General in a matter of this kind has been rare. There is no precedent to his knowledge; that the Army was not satisfied with the original investigation and that in the subsequent inquiry it was found that the fault rested with the Japanese.

3. Item (4), he stated, has already been attended to. Concerning item (3), he stated that the Major General is now ill in bed and he is not well enough to call; he will send an officer to represent him.

4. Mr. Morishima also said that it may be necessary for either the Japanese judicial Consul at Harbin or the military judge at Mukden to call upon Mr. Chamberlain in order that the investigation may be thorough [thorough?] and in that event it is hoped that one of these officers could see him.

5. In conclusion Mr. Morishima expressed the hope that this settlement would be acceptable. He was informed that his statement would be promptly referred to the Department of State."

JOHNSON

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123 C 353/228 : Telegram

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

WASHINGTON, January 10, 1932—9 p.m.

9. Your 47, January 10, noon.

1. Instruct the Consul General at Mukden that he should at his earliest opportunity call upon the Japanese Acting Consul General and express to the latter the gratification of the American Government at the prompt expressions of regret by the various representatives of the Imperial Japanese Government for the recent attack upon Consul Chamberlain and its satisfaction with the measures already taken or to be taken for the due punishment of the perpetrators of the assault.

2. Instruct Myers further to state that inasmuch as the object which it is sought to accomplish is to insure the proper protection of the

persons and dignity of official representatives and others in such circumstances, the American Government feels that this object will amply be attained in the present instance by the adequate punishment of the persons who actually committed the assault; and that it would therefore be pleased if the disciplinary punishment proposed for Major General Ninomiya and his subordinate officers, who were not directly involved in the incident, should be remitted.

3. You may inform Chamberlain of the substance of your telegram under reference and of this reply and instruct him that should the Japanese officials call upon him, as intimated in paragraph 4 of Mukden's telegram of January 9, 7 p.m. to the Legation, he should receive them and, in the interests of justice, voluntarily give them his testimony.

4. Repeat your telegram under reference and this reply to the Embassy at Tokyo for its information and that of the Japanese Foreign Office.

STIMSON

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123 C 353/233 : Telegram

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

PEIPING, January 13, 1932—4 p.m.

[Received 5 p.m.]

63. Legation's 47, January 10, noon. Following from American Consul General at Mukden:

"January 12, 4 p.m. In compliance with the Department's instruction I called on the Japanese Acting Consul General at 2 today and expressed to him the substance thereof. He expressed his sincere gratitude for the consideration shown and stated that his Government would be promptly notified.

He informed me that Major General Ninomiya, Major Kawashima, Captain Kawamoto and Sergeant Major Abe had been placed in 'strict disciplinary confinement' beginning January 10th for 3, 5, 7 and 5 days respectively. The Major General will call on me tomorrow."

"January 13, noon. Major General Ninomiya, Commander of the Kuantung gendarmes, called upon me at 10 o'clock this morning accompanied by the Consul General, Morishima, and Major Tsuma, Vice Commander of the gendarmes. The General expressed his sincere regrets for the deplorable incident and his appreciation of the conciliatory spirit of the American Government."

JOHNSON

123 C 353/236 : Telegram

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

PEIPING, January 14, 1932—1 p.m.  
[Received January 14—10:10 a.m.]

69. Department's No. 9, January 10, 9 p. m. Following from American Consul General at Harbin:

"At an informal luncheon tendered by Japanese Consul General to myself, Chamberlain, Captain Nimmer and Lieutenant Brown yesterday, Lieutenant [Colonel] Hyakutake told Chamberlain that perpetrators of the attack upon him were being tried by court-martial and that information was desired as to the nature of the injuries inflicted for use in the trial in determining the extent of the penalties to be imposed. Chamberlain drew attention to his face, from which evidence of the attack had now disappeared, indicating that injuries were comparatively slight. It was suggested that Mukden physician who attended Chamberlain after the attack be asked to give professional information through the Consul General there.

All Japanese officials present again expressed regret at incident.

Although the Legation's January 11, 5 p. m., had not yet been received, Chamberlain expressed his appreciation of the attitude of the Japanese officials and gave assurance of absence of resentment on his part."

JOHNSON

123 C 353/246

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

No. 463

TOKYO, January 21, 1932.  
[Received February 13.]

SIR: I have the honor to refer to the Embassy's despatch No. 451, of January 13, 1932,<sup>49</sup> in which was transmitted a copy of my note to the Minister for Foreign Affairs in regard to the Chamberlain incident.

I am now in receipt of a note from the Minister for Foreign Affairs in which he states that the Imperial Government is heartily pleased to see that the unfortunate affair has been settled amicably. The Minister further states that, while the Japanese Government appreciates greatly the statement of the United States regarding the punishment of Major-General Ninomiya and his subordinate officers, such punishment is proper under the rules of the Japanese army and has already been executed. A copy in translation of the note is enclosed.<sup>49</sup>

Respectfully yours,

W. CAMERON FORBES

<sup>49</sup> Not printed.

123 C 353/243 : Telegram

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

PEIPING, February 2, 1932—6 p.m.

[Received February 2—6:50 a.m.]

179. Legation's 69, January 14, 1 p.m. Acting Consul General Morishima called at 3 p.m. today and informed me that Sakakihara, chief offender in the assault on Chamberlain, was sentenced to 3 months' imprisonment which is now being served in the Army prison at Kokura, Japan, and that the two soldiers were given a severe reprimand. The trial was held on January 20th. This notification was delayed because of Morishima's illness.

For the Minister:

PERKINS

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**CONTROL OF ACTIVITIES OF JAPANESE VESSELS IN  
PHILIPPINE JURISDICTIONAL WATERS**

894a.628/3

*The Governor General of the Philippine Islands (Roosevelt) to the Chief of the Bureau of Insular Affairs, War Department (Parker)*<sup>51</sup>

MANILA, August 15, 1932.

MY DEAR GENERAL PARKER: With reference to your letter of July 8th last, received here on August 8th, an estimate is being prepared covering Japanese activities in the Islands. It will be forwarded as soon as the necessary data can be assembled.

It has, however, been possible to go pretty thoroughly into one of the matters mentioned in your letter, namely, the alleged invasions of Philippine waters by Japanese boats. A thorough examination of the files of the Constabulary Intelligence Office, Army Intelligence Office, Insular Customs Office, and the Executive Bureau, shows the facts substantially as follows:

For at least ten years past and continuing into the present, illegal entries of Japanese sea-going motor boats into Philippine jurisdictional waters have been frequent. In the four years 1928-1931 there are some twenty such cases of record, the great majority in the waters around the Batanes and Babuyan Islands, with one or two cases in the Visayas and one near Cagayan de Sulu in the far south. Many more cases have been reported.

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<sup>51</sup> Copy transmitted to the Chief of the Division of Far Eastern Affairs by the Chief of the Bureau of Insular Affairs, War Department, in his letter of November 11, 1932, to "be treated merely as information and not as a formal report directed to any present official action by the State Department."

The vessels have been of from 10 to 20 tons, with crews of from 10 to 30. They have carried, besides necessary food and motor fuel, a small amount of general merchandise, such as canned goods, shoes, soaps, matches, etc. and such charts and simple instruments as are essential to navigation. In no case has any basis been established for the reports that they were supplied with surveying and mapping equipment.

Where these boats have been intercepted and examined, the masters and crews have generally stated that they had been blown out of their course and so forced into those waters, usually as a result of alleged engine trouble. The evidence completely refutes these statements and establishes that these boats, of Japanese registry in Formosa, have intentionally visited Philippine waters; have carried on some small and illicit trading; have engaged in fishing without a municipal license; have collected turtles, seaweed, shells, etc.; and, going ashore, have cut and carried away rattan in considerable quantities, as well as first grade timber such as camagon, ebony, ipil and narra.

In two cases, one in November 1931 and one in February 1932, members of the crews having been arrested by Philippine Constabulary detachments on duty in those Islands forcibly broke arrest, escaped to their boat and proceeded to sea. In neither case were they again apprehended.

It is certain that the known instances of illegal entry of these Japanese boats form but a small part of the total which occur. The waters north of Luzon are known for their heavy seas the greater part of the year. The Batanes and Babuyan Islands are sparsely inhabited. For these reasons and because of the infrequent availability of vessels of the Insular Government capable of overhauling these boats, patrolling is seldom done in that area and when done is generally ineffective.

There are two partial remedies. First, to secure the cooperation of the Japanese authorities in striking at the evil at its source, and preventing the clearing of these boats from Formosa. Second, to make as frequent patrols as facilities here will permit, confiscating the seized vessels upon proof of their illegal acts. Both remedies are being applied.

In view of the numerous important and delicate issues with Japan which at present confront our State Department, I have not felt this matter of sufficient urgency to be made the subject of an official report. I believe the action already initiated here will result in a reasonably satisfactory solution of the problem, and I submit this report in compliance with your request in order that the War Department may have the facts at its disposal when desired. It should be noted, however, that these invasions of Philippine waters by Japanese fishing craft are almost sure to continue, as the paucity of our sea-going patrol



vessels and the difficulty of control from the Japanese end in Formosa combine to make complete prevention a practical impossibility.<sup>52</sup>

Very sincerely yours,

THEODORE ROOSEVELT

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894a.628/1

*The Consul at Taihoku (Ketcham) to the Governor General of the Philippine Islands (Roosevelt)*<sup>53</sup>

TAIHOKU, TAIWAN, August 19, 1932.

SIR: I have the honor to inform the Governor-General of the measures recently enacted by the Taiwan Government General for the control of Japanese fishing vessels in the seas south of Taiwan.

This consulate had some correspondence in October and November 1931 with the Insular Collector of Customs of the Philippine Islands, relative to complaints of the Philippine Government that Japanese and Taiwan registered fishing launches were making unlawful incursions into Philippine jurisdictional waters.

It has been ascertained that the Japanese Consul General in Manila and the Vice Minister of Foreign Affairs at Tokyo, have recently called the attention of the Taiwan Government General to the fact that in recent years there have been many cases where Japanese fishing boats having registry in Taiwan, have drifted into Philippine territorial waters due to weather or other causes, and that they have been detained by the Philippine Government on suspicion of illegal fishing and trade. The Philippine Government, it is stated, has decided to use patrol boats to guard against these intrusions, and the repetition of such cases will have an undesirable effect on the friendly relations between Japan and the Philippine Islands, and will adversely affect the activities of Japanese residents in the Philippine Islands.

The Taiwan Government General in reply informed the Foreign Office at Tokyo and other interested parties that thus far there has been no special control over Taiwan registered vessels engaged in fishing in the seas south of the Philippines, and that this lack of control has led to marine accidents and international troubles. The vessels referred to are engaged particularly in fishing for tunny, spearfish and shark.

Accordingly, to remedy this situation, amendments have been made to the Regulations Governing Enforcement of the Fishing Law under

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<sup>52</sup> The Chief of the Division of Far Eastern Affairs in his reply dated November 12, 1932, to General Parker "made special note of the request carried in the last sentence of your letter and the views expressed in the last two paragraphs of the Governor General's letter."

<sup>53</sup> Copy forwarded to the Department by the Consul at Taihoku, without covering despatch; received September 15, 1932.

Taiwan Government General Order No. 33 of July 2, 1932, and the following regulations are established for control of such fishing:

(a) Motor fishing craft engaged in fishing in the seas south of 21 degrees Latitude North are required to obtain licenses from the Governor-General of Taiwan.

The regulations shall take effect from July 2, 1932, but shall not apply to a person who is engaged in fishing in the seas south of 21 degrees Latitude North at the time of promulgation of these regulations with a vessel of more than 20 gross tons, until he has returned to his port of registry.

Local governors in Taiwan have been notified regarding enforcement of the regulations. The Governor of Takao Province has been instructed to use his good offices in urging in the future establishment of some special organization of fishermen engaged in fishing in the seas south of the Philippine Islands in order that relief may be extended in case of marine accidents or other troubles.

Illegal fishing or trade within the territorial waters of the Philippine Islands is considered to be outside the jurisdiction of the Taiwan Government General, but it is desired to strictly draw the attention of interested parties to the necessity of prompt compliance with the new fishing regulations.

It is believed that the new regulations will result in fewer violations of Philippine territorial waters by fishing vessels registered in Taiwan, and the new markings of Taiwan fishing boats, should make it easier for the Philippine Customs authorities to identify and apprehend any Taiwan fishing vessels, which may be intruding illegally in Philippine waters.

Respectfully yours,

JOHN B. KETCHAM

894a.628/2

*The Governor General of the Philippine Islands (Roosevelt) to the Chief of the Bureau of Insular Affairs, War Department (Parker)*<sup>54</sup>

MANILA, October 4, 1932.

MY DEAR GENERAL PARKER: I am enclosing a copy of a letter of August 19, 1932, from the American Consulate, Taihoku, Taiwan, Japan,<sup>55</sup> reporting certain provisions of "Taiwan Government General Order No. 33, July 2, 1932." It will be noted that this order is appli-

<sup>54</sup> Copy transmitted to the Department by the Acting Secretary of War in his letter of November 7, 1932, which stated: "Your attention is especially invited to paragraph three of the above-mentioned letter from the Governor General, of October 4th."

<sup>55</sup> *Supra.*

cable to waters south of 21° North Latitude, and the inference is that this parallel is the northern boundary of the Philippine Islands.

This is an error. Art. III of the Treaty of Peace, of December 10, 1898,<sup>56</sup> describes the boundary as "a line running from West to East along or near the twentieth parallel of North Latitude, and through the middle of the navigable channel of Bachi . . ." "The United States Coast Pilot, Philippine Islands, Part I", page 1, gives the northern limit (the middle of the navigable channel of Bashi) as 21° 25' N. This includes Y'ami and North Islands, both belonging to the Batanes group, which is a separate province of the Philippine Islands.

It is requested that steps be taken to have the Taiwan Order corrected so it is made applicable to waters south of 21° 25' North Latitude, the northern boundary of the Philippine Islands.

Very sincerely,

THEODORE ROOSEVELT

894a.628/2

*The Secretary of State to the Consul at Taihoku (Ketcham)*

WASHINGTON, November 18, 1932.

SIR: With reference to your letter to the Governor General of the Philippine Islands dated August 19, 1932, relating to the issuance by the Government General of Taiwan of an order to regulate the activities of Japanese vessels engaged in fishing near the Philippine Islands, there is enclosed a copy of a letter from the Secretary of War transmitting a communication on this subject from the Governor General of the Philippine Islands.<sup>57</sup>

You are instructed informally and discreetly to bring to the attention of the Government General of Taiwan the facts set forth by the Governor General of the Philippine Islands and to request that General Order No. 33, July 2, 1932, of the Government General be so corrected as to be applicable to waters south of 21° 25' North Latitude, the northern boundary of the Philippine Islands. The results of your efforts should be reported to the Department as soon as practicable.

Very truly yours,

For the Secretary of State:  
W. R. CASTLE, JR.

<sup>56</sup> *Foreign Relations*, 1898, p. 831.

<sup>57</sup> *Supra*.

894a.628/5

*The Consul at Taihoku (Ketcham) to the Secretary of State*

No. 53

TAIHOKU, TAIWAN, February 21, 1933.

[Received March 27.]

SIR: I have the honor to refer to the Department's instruction of November 18, 1932, file no. 894A.628/2, regarding Taiwan Government General Order no. 33 of July 2, 1932. I was instructed informally and discreetly to bring to the attention of the Government General of Taiwan the facts as to the actual northern boundary of the Philippine Islands, namely 21° 25' North Latitude, and to request that General Order no. 33, July 2, 1932, be corrected so as to be applicable to waters south of 21° 25' North Latitude.

Since the submission of despatch no. 46 of January 4, 1933,<sup>58</sup> I have had several interviews with the Chief of the Bureau of Productive Industries, and officials of the Fisheries Division, which is a unit in this Bureau, and which exercises jurisdiction over fishing affairs.

While the Taiwan Government General officials were considerate, they were loathe to admit that the question of the Philippine boundary entered in any way into the original promulgation of General Order no. 33. It was stoutly maintained by them that the purpose of the Order was to prevent shipwrecks and international disputes.

It was pointed out by me that in defining 21° Latitude North as the limit south of which fishing vessels were required to take out licenses, a point very close to the actual Philippine boundary, the Order was apt to be understood as permitting indiscriminate fishing north of that latitude and, in fact, was interpreted by the Governor General of the Philippine Islands as referring to the northern limits of the Philippine Islands.

The Chief of the Bureau of Productive Industries, after considering the matter for several days, informed me that the Taiwan Government General declined to attempt to define the boundary of a foreign power, on the ground that they were lacking in authority, and the amendment of General Order no. 33 could not be considered, as no question of boundary was in mind when the Order was drafted.

I then proposed that fishermen be notified that the islands of Yami and North Island, both belonging to the Philippine group, lie north of 21° north latitude, and the Government General agreed to this proposition.

I quote in translation from a copy of a letter sent out to all Provincial Governors of Taiwan by the Acting Director General of Administration: ". . . However, as a result of the fact that 21 degrees Latitude North is defined as the limit requiring or not requiring licenses,

<sup>58</sup> Not printed.

it is considered that it may be misunderstood by some that the latitude given represents the northern boundary of the Philippine Islands. It is to be stated that there are in the north of the said latitude such islands as Yami, North Island, etc. of the Philippine Islands".

It is realized that the results of the negotiations were not entirely in line with what the Department wished, but it is believed that under the circumstances, this was the most that could be achieved.

A copy in translation of a letter from the Acting Director General of Administration, dated February 18, 1933,<sup>59</sup> and a translated copy of the circular notice sent to all provincial Governors of Taiwan under the same date, are enclosed herewith.

Respectfully yours,

JOHN B. KETCHAM

[Enclosure—Translation]

*The Acting Director General of Administration of the Government  
General of Taiwan (Kohama) to the Local Governors of Taiwan*

So Shoku No. 68

TAIHOKU, February 18, 1933.

SIR: Referring to the recent amendment to the Regulations Governing Enforcement of the Fishing Law establishing the regulation for control of fishing mentioned in the above subject, and to instructions requesting you to see that the regulations are enforced and control exercised, I have the honor to state with considerable regret that the control is not yet thoroughly exercised and that activities of unlicensed vessels are frequently reported. You are therefore requested to exercise hereafter a greater control.

As previously stated the purpose of the enactment of this regulation is to prevent shipwrecks and international disputes. However, as a result of the fact that 21 degrees Latitude North is defined as the limit requiring or not requiring licenses, it is considered that it may be misunderstood by some that the latitude given represents the northern boundary of the Philippine Islands. It is to be stated that there are in the north of the said latitude such islands as Yami, North Island, etc. of the Philippine Islands.

It is a matter of course that the regulation shall not apply to territorial waters of other countries regardless of the fact that there exist foreign territorial waters either to the north or south of the latitude mentioned. You are therefore requested to make this effect known to all in order that there may be no misunderstanding.

I have [etc.]

KIYOKANE KOHAMA  
Chief, Bureau of Interior, [etc.]

<sup>59</sup> Not printed.

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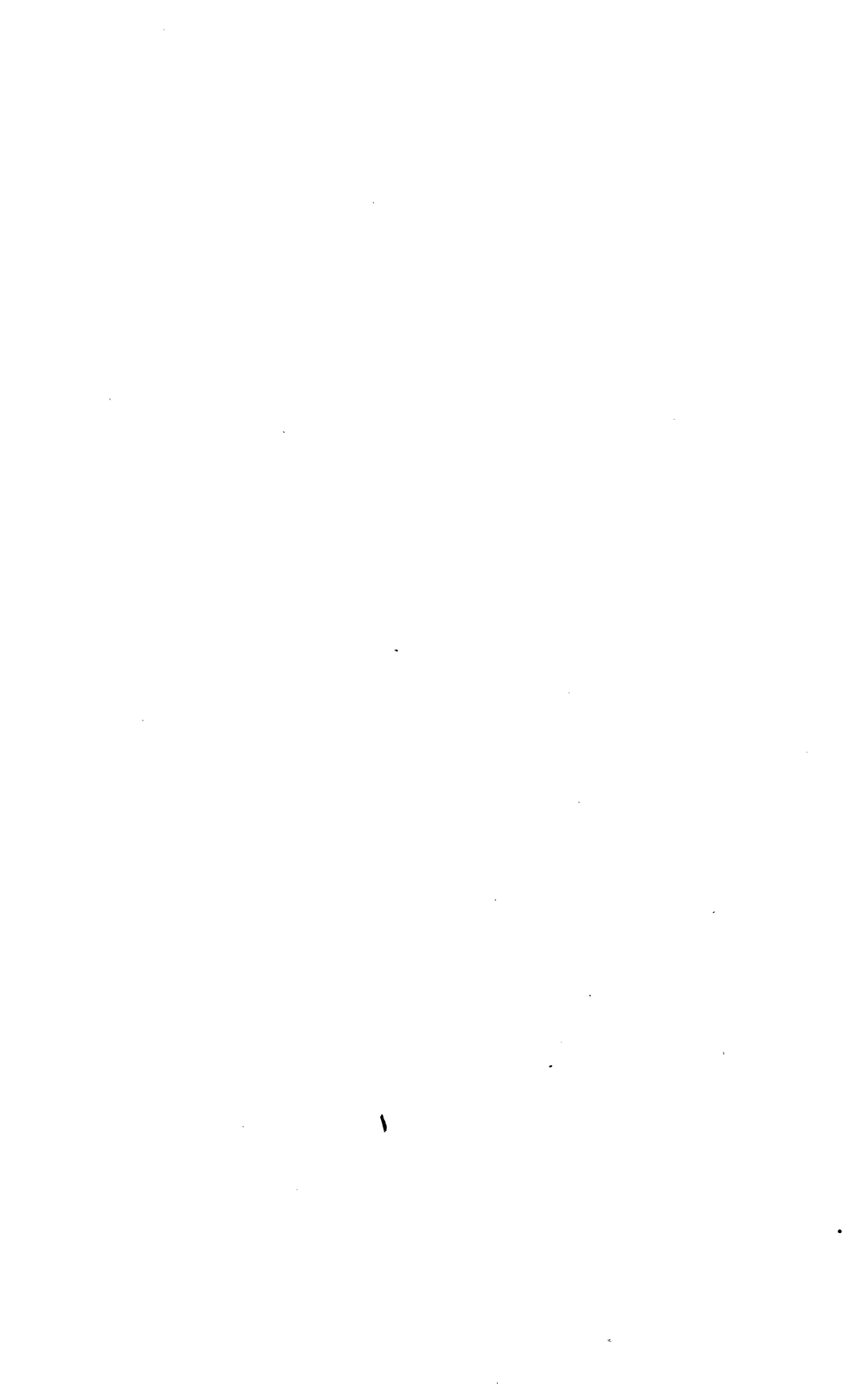
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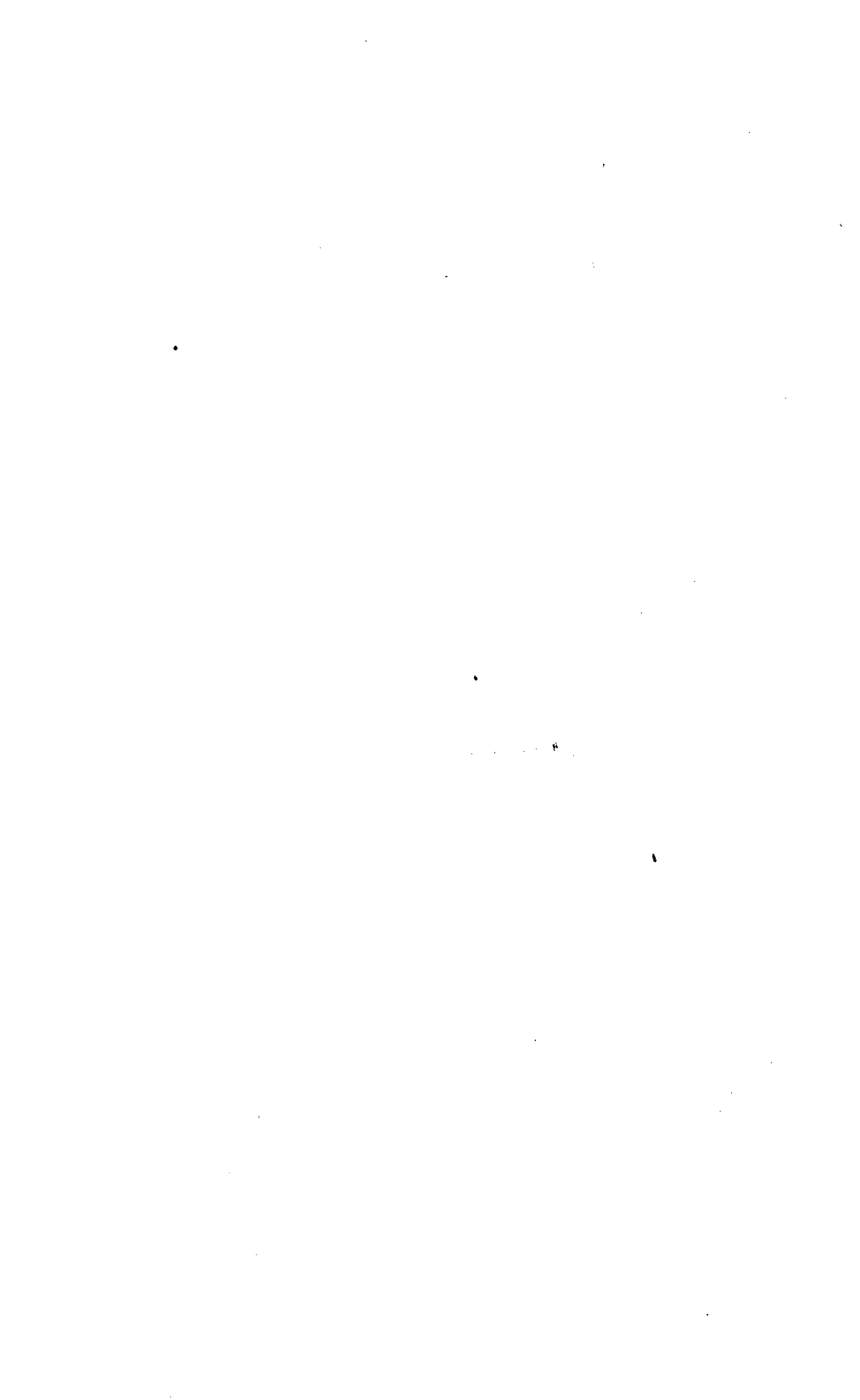
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