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

793.94/1794 : Telegram

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

PEIPING, September 10, 1931—2:30 a. m.
[Received September 18—7:10 p. m.]

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

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

JOHNSON

793.94/1812 : Telegram

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

TOKYO, September 21, 1931—10 a. m.
[Received September 21—3:33 a. m.]

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

¹W. H. Donald, an Australian.
²Vice commander in chief of the National Army, Navy, and Air Forces of China and commander in chief of the Northeastern Frontier Defense with headquarters at Mukden.
³Not printed.
The Chinese Chargé told me that he had presented a note by instruction from Nanking asking the Japanese (1) to refrain from further military operations and (2) to withdraw their armed forces. He said that the Foreign Office had informed him that orders had already been issued to stop military operations; that in regard to (2) the Japanese Government was deliberating but they were determined to safeguard the lives and property of the civilian population, Japanese and foreign as well as Chinese. I understand that the Japanese authorities are operating all public services at the occupied areas.

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

Repeated to Peiping.

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793.94/1815: Telegram

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

Peiping, September 21, 1931—noon.
[Received September 21—10 a. m.*]

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

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

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

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*Telegram in five sections.
†Not printed.
‡None printed, except telegram No. 599, Sept. 19, 1931, p. 1.
trigges. British Minister, who was in Changchun the other day, described to me such a sham fight which occurred in and about the railway station while he was having money changed and which created a tremendous disturbance.

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

3. Japanese statement contained in my 608, September 19, 3 p.m., Tilson’s telegrams September 19, 1 p.m., and September 19, 6 p.m., is to the effect that this chain of incidents was not precipitated by Nakamura affair but was started because of clash between Japanese guards and armed Chinese soldiers attempting to break South Manchuria Railway tracks.

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

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

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

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*None printed.

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

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

JOHNSON

708.91/1822 : Telegram

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

Tokyo, September 22, 1931—5 p.m.
[Received September 22—10 a.m.]

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

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

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

NEVILLE

708.94/1838 : Telegram

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

Peiping, September 22, 1931—8 p.m.
[Received September 23—9:20 a.m.]

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

*11* Telegram in two sections.
*13* Department of State Treaty Series No. 706.
I desire to place on record the following as my personal reaction to events described in my telegram above referred to and to the responsibilities of powers signatory to Kellogg Pact in relation thereto.

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

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

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

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

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

JOHNSON

793.94/1888

Memorandum by the Secretary of State

[WASHINGTON,] September 22, 1931.

I opened the conversation with the Japanese Ambassador by referring to our last talk on September 17th when we had both expressed our feeling that the relations of our two countries were in such a satisfactory condition. I said I had been profoundly surprised and concerned by what was taking place in Manchuria and that I had sent Dr. Hornbeck 14 to see the Ambassador on Saturday and now as the

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

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

I explained that as he well knew, I had the utmost confidence in Baron Shidehara \(^{15}\) and his desire for peace and correct international relations. I told him that I had learned from Dr. Hornbeck’s report of what Debuchi had said Sunday—that there was a sharp cleavage between Shidehara and some of the militaristic elements of his government. He said that that was so. I said that what I was now doing was seeking to strengthen Baron Shidehara’s hand and not to weaken it. The Ambassador said he understood that perfectly. I then took the memorandum which had been prepared (a copy of which is annexed) and read it very slowly to the Ambassador, paraphrasing the language into more simple words wherever it seemed at all necessary in order that he should fully understand it. He repeated many of the sentences, showing that he did understand. When I had finished I said that this was not to be taken as a formal note or an official action on the part of my government, but as the memorandum of a verbal statement given to the Ambassador for the purpose of enabling him to understand and report to his government how I, with my background of friendship towards Japan, felt towards this situation. I said that the Ambassador was at liberty to send it to Shidehara or not, as he saw fit. He said he understood perfectly and that the memorandum did not represent an official note but that if the situation was not remedied he understood that it might be followed by official action on our part later. He said he would communicate its contents to his government that evening.

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

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

\(^{15}\) Baron Kijuro Shidehara, Japanese Minister for Foreign Affairs.
Fully understood that and he had been surprised at the moderation of our American press thus far and attributed that to the care which I had taken in the press conferences. He begged me that if the time should ever come when I did wish to act officially in this matter I would first inform him. I said I would try to do so.

H[ENRY] L. S[TIMSON]

Enclosure

MEMORANDUM

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

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

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

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

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16 See telegram, September 22, 1931, sent by the President of the Council to the Governments of Japan and China, League of Nations, Official Journal, December, 1931, p. 2454.
However, the American Government feels that a very unfortunate situation exists, which no doubt is embarrassing to the Japanese Government. It would seem that the responsibility for determining the course of events with regard to the liquidating of this situation rests largely upon Japan, for the simple reason that Japanese armed forces have seized and are exercising de facto control in South Manchuria.

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

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

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

793.94/1876b: Telegram

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

WASHINGTON, September 24, 1931—2 p.m.

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

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

The Department has received from the Chinese Chargé d’Affaires, and is now giving consideration to, a note in which it is charged that “in this case of unprovoked and unwarranted attack and subsequent occupation of Chinese cities by Japanese troops” Japan has deliberately violated the Kellogg Pact. “The Chinese Government urgently appeals to the American Government to take such steps
as will insure the preservation of peace in the Far East and the
upholding of the principle of the peaceful settlement of international
disputes."

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

2. In response to a communication from the Council of the League
of Nations received through the American Minister at Berne, the
Department has assured the Council 18a that this Government is in
wholehearted sympathy with the attitude of the League of Nations as
expressed in paragraphs 1 and 2 of the Council's resolution adopted
on September 22 19 and that the Department will despatch to Japan
and China notes along similar lines.20

STIMSON

793.94/1868d: Telegram

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

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

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

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

STIMSON

18a Conditions in Manchuria, pp. 4, 5.
19 See telegram, September 22, 1931, sent by the President of the Council to
the Governments of Japan and China, League of Nations, Official Journal, Decem-
ber, 1931, p. 2454.
20 See infra.
The Secretary of State to the Minister in China (Johnson)

[Paraphrase]

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

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

The Department, as already reported, is completely sympathetic with the action of sending identical notes to Japan and China already taken by the League of Nations. However, the idea of sending a military commission to Manchuria to establish the facts disturbed us. At the time of the dispute between Bulgaria and Greece this was done by the League with success. Entirely different, however, are the conditions in the Manchurian situation. The issue in the Bulgarian-Greek dispute was a line dividing the two countries. In Manchuria, since the Japanese troops are in that section of China under treaty provisions, no such issue arises. Moreover, even as a fact-finding body, the Department has felt very strongly that a commission sent to Manchuria could have little success without the consent of both the Chinese and Japanese. That the Japanese nationalistic element would be immensely strengthened and that it would unite Japan behind the military element, is our principal fear concerning such an imposed commission. The civilian arm of the Government in Japan, we believe, is opposed to the adventure in Manchuria, and the Department feels it is important in every way to support this element. It was our suggestion to Geneva, therefore, that there was a greater possibility of obtaining the consent of Japan if the composition of the commission to be appointed were to be along the lines of our suggestion of two years ago to China and Russia. In other words, the commission should be one appointed by both parties involved in the dispute. The League has adopted this suggestion and, if Japan accepts, at present intends to establish a commission consisting of two members appointed by Japan, two by China, and three by the League Council. This commission we understand would be purely fact finding and have very narrow terms of reference. However, if it can be brought about between the Japanese and Chinese, we believe there is a much greater chance of reaching a solution—in view of Oriental psychology—by direct consultation. The Department feels at the same time that inevitably the dispute is of interest to the world, and that it would make a travesty of the various treaties of which Japan and China are both signatories to allow Japan to consolidate the occupation of the Manchurian cities. Since in this matter the League
has already taken action and since as members of the League both parties have agreed to submit to the action therein provided, this Government would be inclined to favor, in case direct conversations are unsuccessful between the two parties, action under article 11 and subsequent articles of the League Covenant signed by both Japan and China.

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

Please repeat this telegram to Tokyo as No. 169.

Stimson

793.94/1946

The Japanese Embassy to the Department of State 21

STATEMENT ISSUED AFTER EXTRAORDINARY CABINET MEETING
SEPTEMBER 24, 1931

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

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

21 Left with the Under Secretary of State by the Japanese Ambassador on September 23, 1931.
duty of maintaining peace and order was left in the hands of the local Chinese organizations under the supervision of the Japanese troops.

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

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

(5) It may be superfluous to repeat that the Japanese Government harbors no territorial designs in Manchuria. What we desire is that Japanese subjects shall be enabled to safely engage in various peaceful pursuits and be given an opportunity for participating in the development of that land by means of capital and labor. It is the proper duty of a government to protect the rights and interests legitimately enjoyed by the nation or individuals. The endeavors of the Japanese Government to guard the South Manchurian Railway against wanton attacks would be viewed in no other light. The Japanese Government, true to established policy, is prepared to cooperate with the Chinese Government in order to prevent the present incident from developing into a disastrous situation between the two countries and to work out such constructive plans as will once for all eradicate causes for future friction. The Japanese Government would be more than gratified if the present difficulty could be brought to a solution which will give a new turn to mutual relations of the two countries.
The Chargé in Japan (Neville) to the Secretary of State
Tokyo, September 28, 1931—5 p. m.
[Received September 28, 9:15 a.m.]

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

"I have the honor to acknowledge receipt of your note of September 25 in which you were so good as to convey to me the views of the American Government on the subject of the actual condition of affairs in Manchuria.

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

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

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

Neville

Resolution Adopted by the Council of the League of Nations on September 30, 1931

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

^23 Not printed.
3. Notes the Japanese representative's statement that his Government will continue, as rapidly as possible, the withdrawal of its troops, which has already been begun, into the railway zone in proportion as the safety of the lives and property of Japanese nationals is effectively assured and that it hopes to carry out this intention in full as speedily as may be;

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

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

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

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

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

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

793.04/2008 : Telegram

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

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

178. The General Staff has issued an information bulletin to foreign military attachés stating that the banditry and atrocities committed by the defeated Chinese troops in Manchuria make it impossible to with-
draw the Japanese Army to their original stations or even to the contiguous territory; that any further withdrawal would aggravate the present situation. A proclamation to this effect was made by the commander of the troops in Manchuria and is declared to be in complete accordance with the view of the General Staff.

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

Repeated to Peiping.

Neville

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793.94/3511

*The Japanese Embassy to the Department of State\(^ {26}\)*

Shigemitsu\(^ {27}\) has been instructed to forward to the Chinese Government the following memorandum dated October 9.

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

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

\(^{25}\) See *infra*.

\(^{26}\) This memorandum was sent to the Under Secretary of State by the Japanese Ambassador the evening of October 8, 1931.

\(^{27}\) Mamoru Shigemitsu, Japanese Minister in China,
Chinese and Japanese in order thus to effect the so-called “severance of economic relations with Japan”. For that purpose examination and detention of goods and persons, intimidation and violence, and various other means are being employed to give effect to such resolutions and severe penalties are meted out to any who may fail to comply with these orders, some societies even going so far as to threaten capital punishment. Moreover, cases of expropriation and detention of goods owned by Japanese people and of threats and violence against their lives and property have become so numerous and insistent throughout China that they have been forced to withdraw totally or partially from various localities.

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

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

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

**Note:**

793.94/2008: Telegram

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

[Paraphrase]

WASHINGTON, October 9, 1931—3 p.m.

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

Stimson

793.94/2013: Telegram

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

[Paraphrase]

WASHINGTON, October 9, 1931—6 p.m.

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

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

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

[Not printed.

Secretary-General of the League of Nations.

Quotation not paraphrased.

For minutes of the proceedings, see League of Nations, Official Journal, December, 1931, pp. 2265–2274; 2279–2285; 2289–2293; 2307–2309.]
assumed to their fellow signatories in the Pact of Paris as well as in the Nine Power Pact should a time arise when it would seem advisable to bring forward those obligations. By this course we avoid any danger of embarrassing the League in the course to which it is now committed.”

Stimson

793.94/2079b: Telegram

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

WASHINGTON, October 10, 1931—2 p. m.

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

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

Stimson

793.94/2038: Telegram

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

Tokyo, October 10, 1931—6 p. m.

[Received October 10—9:50 a. m.]

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

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33 Ante, p. 13.
had an active part in what fighting had taken place; consequently to turn the situation back to them would be merely to place matters where they had been before. He suggested to the Chinese Minister last night that, instead, independent commissioners be appointed on both sides to devise means for allaying the tension that existed; that they should lay down a general plan for settling outstanding troubles which would then be handled individually on their merits; the Japanese would prefer to deal with China as a whole and not with local units. I asked him if this note meant that direct negotiations were started; he said that he hoped so and would make every effort to settle matters.

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

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

Repeated to Peiping.

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Memorandum by the Secretary of State

[WASHINGTON,] October 10, 1931.

The Japanese Ambassador came in and I told him that I was very profoundly disturbed at the situation which had developed in Manchuria. I told him that in considering the original coup of September 18th in Manchuria, I had been reassured, not only by the Ambassador's explanation that this did not represent his government, but by the Resolution of September 30th of the League of Nations, which both China and Japan had consented to, under which the Japanese were to withdraw as soon as possible into the railway zone and the Chinese were to protect Japanese nationals. I read him the provisions. I said that now events have occurred which indicated that these commitments were likely to be repudiated. I referred to the bombing of Chinchow and I referred to the statement of the General Staff that they would not withdraw to the railway zone. I then read to the Ambassador the questions which I had telegraphed to Baron Shidehara through Neville,²⁴ and he asked me if I had received an answer.

²⁴ See telegram No. 191, Oct. 9, 1931, to the Chargé in Japan, p. 17.
I told him that I had but that answer did not reassure me, and I then read the contents to him, emphasizing particularly the statement of Baron Shidehara that the affair of the bombing was a matter of no importance. The Ambassador did not attempt to deny that. He said at once that it was a matter of great importance. I said it was a matter of great importance in this country. I pointed out that Baron Shidehara's objection to Chang, the Governor of Kirin, and Wang, the Governor of Hopei, had given me the unfortunate impression that Baron Shidehara did not differ from the accounts that were appearing in the press to the effect the army made up his mind not to permit the resumption by the young Marshal Chang of the government which he had formerly exercised in Manchuria and I pointed out that this seemed to me to be a complete departure from the policy of the Resolution of September 30th. The Ambassador said he could make no answer to this, but he was quite sure that Baron Shidehara did not minimize the bombing incident or regard it as of no importance. I then read to him the article by Hugh Byas in the Times, reporting that the Cabinet had met yesterday and substantially indicated that they regarded it as of no sufficient importance to resign. I asked him to convey to Baron Shidehara my position as above stated and I resummarized it to the effect that I had been reassured by the commitments of the Resolution of September 30th, and I was now greatly disturbed by these events, including Baron Shidehara's answer to my questions, as well as the other news from Manchuria which indicated that those commitments were going to be violated. He said he would report that to Baron Shidehara and begged me not to do anything in the meantime. I said I could make no such commitment—that I must retain full liberty of action, as matters were changing too rapidly. I told him that the League was going to meet next week and that we should undoubtedly follow the policy which we had already initiated of cooperating with the League on this matter.

H[ENRY] L. S[TIMSON]

793.94/2033: Telegram

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

WASHINGTON, October 11, 1931—7 p. m.

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

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

*8 See telegram No. 180, Oct. 10, 1931, from the Chargé in Japan, p. 18.
ties seems quite inadequate. Chinchow is more than 50 miles from the Japanese Railway Zone and is situated in territory where the Chinese have an entire right to maintain troops. The Secretary of State is at a loss to see what right Japanese military planes had to fly over the town, thereby provoking attack, and to drop bombs. Casualties among civilians have been asserted by the Chinese to have taken place. Bombing of an unfortified and unwarned town is one of the most extreme of military actions, deprecated even in time of war. The Japanese military authorities are quoted in usually reliable press sources as asserting that this attack on Chinchow was intended to prevent Marshal Chang from establishing his new capital at that place and resuming his authority in Manchuria.

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

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

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

STIMSON

793.94/2057: Telegram

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

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

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

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

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

I am pretty well satisfied that the statement I made in my 162 is still correct: direct conversation between the Chinese and Japanese is the only way out, because the Japanese for the present will not welcome interference by any third party.

Repeated to Peiping.

NEVILLE

793.04/2074

Memorandum by the Secretary of State

[WASHINGTON,] October 12, 1931.

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

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38 Not printed.
39 See memorandum by the Secretary of State, October 10, p. 19.
First: Baron Shidehara was strongly of the opinion that the General Officer, commanding in Manchuria, was not in a position to take charge of diplomatic negotiations; and that such a question as the recognition of Marshal Chang's authority in Manchuria was a question for the Imperial Japanese Government.

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

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

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

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

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

H[ENRY] L. S[TIMSON]

40 Ante, p. 15.
Memorandum by the Under Secretary of State (Casile) of a Conversation With the Japanese Ambassador (Debuchi)

[WASHINGTON,] October 14, 1931.

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

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

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

WILLIAM R. CASTLE, JR.

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

[WASHINGTON,] October 14, 1931.

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

He said that his Government, according to the morning paper, has at last become united and that he takes as very important the statement of the Minister of War that he has definitely ordered cessation of any advances in Manchuria. In answer to a question
from me he said that undoubtedly Baron Shidehara had also had to back down to a certain extent in accepting the Manchurian situation as it exists, but that the statement of the Minister of War showed that calmer counsel had prevailed. He said that certainly the civil element of the government, as well as the military would oppose any order from the League to submit to a neutral commission. He said that it was feared furthermore that the League might ask a definite promise from Japan immediately to withdraw its troops to within the railway zone or to do so within a specified number of days. He said that he felt that to sign a blank check of this kind might be impossible.

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

*Foreign Relations, 1922, vol. i, p. 948.*
the neutral commission and accept direct negotiation than it would be for Japan to add observers to direct negotiations. The Ambassador said that he fully realized this and that he believed there was real possibility that a solution could be worked out along these lines. He said, however, that the quality of the observers would be very important; that the League of Nations meant nothing to the Japanese and that they would not be interested in observers appointed by the League of Nations, whereas they felt that observers in Washington in 1922, representing Great Britain and America, really meant something. (The fact that Baron Shidehara brought up the Shantung negotiations with Mr. Neville more or less incidentally and that that has been followed here by a very much fuller explanation on the part of the Ambassador, would suggest to me that this is obviously the line on which Japan is thinking.)


793.94/2209

Memorandum by the Secretary of State

[WASHINGTOH,] October 16, 1931.

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

42 See telegram No. 182, Oct. 12, 1931, from the Chargé in Japan, p. 21.
44 See ibid., pp. 2322-2333.
of Nations I had had very largely in mind avoiding this appearance
of a personal issue between Japan and America which would other-
wise appear in case the Kellogg Pact were invoked by us in America
instead of its being done by the group of nations in Geneva. The
Ambassador got the point at once and immediately said he had felt
all along that that was my purpose. I reminded him that I had been
working from the beginning to have Japan and China get an oppor-
tunity to settle this by direct negotiation. He said he knew that.
I told him that neither the President nor I could understand this
action of the Foreign Office spokesman yesterday and we did not see
how Mr. Shidehara could have done it. He again said, as he had said
yesterday, that he felt certain the spokesman had made a mistake.
He told me that he had sent a very long telegram yesterday express-
ing his views strongly against what had been done in Tokyo. He
told me that the press had had a flash that immediately after the
receipt of the telegram the Cabinet at Tokyo had gone into session,
but he said he had received no news of what they had done.

H[ENRY] L. S[TIMSON]

703.94/2245a : Telegram

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

WASHINGTON, October 20, 1931—2 p. m.

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

Text:

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

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

'The High Contracting Parties agree that the settlement or solution of all
disputes or conflicts of whatever nature or of whatever origin they may be, which
may arise among them, shall never be sought except by pacific means.'
The American Government takes this occasion again to express its earnest hope that Japan and China will refrain from any measures which might lead to war and that they will find it possible in the near future to agree upon a method for resolving by peaceful means, in accordance with their promises and in keeping with the confident expectations of public opinion throughout the world, the issues over which they are at present in controversy."

STIMSON

793.94/2317 : Telegram

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

Tokyo, October 24, 1931—9 a.m.
[Received October 24—4:10 a.m.]

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

"I have the honor to acknowledge the receipt of your note of October 21 in which, under instructions of your Government, you were so good as to call the attention of the Japanese to the obligations assumed by Japan as a signatory of the Treaty for the Renunciation of War. The Japanese Government highly appreciate the sympathetic concern of the American Government in the maintenance of international peace. Their position bearing on the stipulations of the treaty in question is set forth in the accompanying statement. Entertaining the same earnest hope expressed in your communication under review, the Japanese Government remain unshaken in the belief that a method for resolving by pacific means their present difficulties with China will soon be found upon direct negotiations between the two disputants in the spirit of mutual good will and helpfulness."

The accompanying statement is as follows:

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

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

* For text, see memorandum from the Japanese Embassy to the Department of State, p. 16.
ernment have already declared their readiness to enter into negotiations with the responsible representatives of China for an adjustment of the present difficulties. They still hold the same view. So far as they are concerned, they have no intention whatever of proceeding to any steps that might hamper any efforts intended to assure the pacific settlement of the conflict between Japan and China.

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

Repeated to Peiping.

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

The Council,

In pursuance of the resolution passed on September 30th;

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

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

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

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

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

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

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

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

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

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

703.94/2350: Telegram

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

GENEVA, October 26, 1931—5 p. m.
[Received 5:12 p. m.]

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

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

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

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

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

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47 For minutes of the proceedings, see League of Nations, Official Journal, December, 1931, pp. 2303–2302.
48 Aristide Briand, President of and French representative on the Council for the second part of the 65th session, Oct. 13–24, 1931.
which, in case the negotiations failed, would be finally presented as representing the unanimous views of the Council members, with the exception of the disputants, in regard to what was considered just and right in the circumstances.

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

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

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

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49 Telegram not printed.
50 Not printed. See the memorandum by the Under Secretary of State of a conversation with the Japanese Ambassador, October 14, 1931, p. 24.
by Japanese troops for an indefinite period. Such a course would have been rejected not only by the Chinese but also by the Council as representing a complete abandonment of its resolution of September 30th. Briand was obliged therefore to bend his efforts towards obtaining from the Japanese the abandoning or at least a very substantial modification of their demands. Realizing that it would be easier for the Japanese to do this if they could negotiate with him in private without being embarrassed by commitments made in public from which it would be difficult to recede, Briand did not urge them to divulge the nature of their demands to the other members of the Council and also refrained from calling public meetings of the Council and even reduced the number of private meetings as far as he could without giving rise to discontent among the smaller states represented thereon. It was only after every effort to bring about a solution in private had been exhausted that he finally convened a public meeting on October 22 at 4 p. m. This action was taken as a last resort:

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

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

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

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

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

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

GILBERT

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Telegram not printed; resolution printed on p. 29.
The Secretary of State to the Chargé in Japan (Neville)

WASHINGTON, November 3, 1931—6 p. m.

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

"My Government acknowledges the receipt of the Japanese Government's note of October 24, 1931, in reply to its note of October 21, 1931. My Government notes with satisfaction the reference of the Japanese Government to the Pact of Paris and the assurance that it is the settled aim of the Japanese Government to compose its differences with China by none but pacific means.

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

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

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

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

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

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

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

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

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

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

[Paraphrase]

WASHINGTON, November 5, 1931—11 a. m.

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

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

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

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

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

54 Neither printed.
ment and the Governments which are League members. Japan has also attempted to create the impression that there is a difference in objective between the United States and the members of the League. My objective and that of the Council are identical. It is to prevent war and to seek to bring about a solution by peaceful means. We stand for the same principles. It is imperative that this should be understood. So far I have refrained from passing judgment, and throughout it is my desire to maintain an attitude of impartiality. Between Japan and China I have no desire to take sides. However, when, with regard to fundamental considerations in connection with which the interests and obligations of the United States are similarly involved, 12 other nations have indicated that they disagree with Japan, I do not intend to remain inactive and aloof, leaving to the others the whole burden of action. The implication of silence on the part of the United States would be that we were taking sides with Japan contra the views expressed by the others.

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

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

55 See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.
The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, November 6, 1931—3 p. m.
[Received November 6—8:35 a. m.]

209. My 206, November 5, 4 p. m.\(^6\) In the presentation of the memorandum to Baron Shidehara I had a long and friendly interview in which the problems were very frankly discussed and the Japanese position fairly clearly set forth. He requested me to reply that the memorandum would receive the most earnest consideration from himself and his Government. He outlined the Japanese position which was:

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

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

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

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

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

\(^6\) Not printed: It reported that the memorandum set forth in Department’s telegram No. 217, Nov. 3, 1931, had been delivered to the Japanese Minister for Foreign Affairs at 3 p.m., November 5, 1931.
element obtaining control of the Government and ousting the moderate
element, and that there is much public excitement and opposition to
the conciliatory policies of Baron Shidehara.

FORBES

The Japanese Embassy to the Department of State

The Japanese Government welcome the views of the American Gov-
ernment so thoughtfully expressed in the memorandum of the Ameri-
can Embassy of November 5 on the subject of the Manchurian
incident.  

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

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

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

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

793.94/2585

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

8 See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.
by any thought of bringing about any territorial or administrative dismemberment of China. It will be recalled that soon after the close of the Sino-Japanese war of 1894–5, a policy looking to the eventual “partition of China” appeared to be gaining ground in some quarters of the world. In the denunciation of such a policy, the United States, Japan and Great Britain were in complete accord, and their determination to respect the territorial and administrative integrity of China was affirmed in many of the diplomatic instruments signed by those Powers. The Japanese Government remain unchanged in their stand against the partition of China.

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

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

Such dangers would inevitably be involved in any premature withdrawal of the Japanese troops. In order to provide against those dangers, the Japanese Government have been brought to the conclusion that candid recognition, by an arrangement between Japan and China, of certain fundamental principles, the substance of which has already been communicated to the American Government, is of supreme importance. The principles which they have thus formulated are no more than those that are generally observed in practice in dealings of organized peoples with one another. In seeking agreement on terms
of such a nature, Japan can not justly be accused of any intention of exerting military pressure on China. The Japanese Government trust that an arrangement between Japan and China on those fundamental principles, affording as it will a measure of security for the lives and property of Japanese subjects, will pave the way for an early withdrawal of the troops to the Railway Zone.

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

793.91/2611a: Telegram

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

WASHINGTON, November 10, 1931—8 p. m.

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

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

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

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

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

The Council continued in session and Briand, Reading,\textsuperscript{59} Grandi \textsuperscript{60} and others endeavored to persuade Japan and China to agree to a new resolution intended to hasten the resolving of the military situation and a solution by peaceful means. It became apparent, however, that, among other matters, Japan was now insisting as a condition precedent to withdrawal that China expressly confirm certain old treaties and treaty obligations which had been in dispute over a number of years. When it finally appeared that Japan insisted absolutely on that point, the Council drew up a resolution, which was voted upon affirmatively by all the representatives except the Japanese on October 24.\textsuperscript{61} This resolution, in view of the fact that the vote was not unanimous, lacks legal force. Its essential features were as follows: The points made in the September 30 resolution were reiterated. Japan was called upon to withdraw its forces before the next meeting of the Council on November 16. China was called upon to make arrangements for taking over the territory evacuated and to associate with

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

\textsuperscript{60} Dino Grandi, Italian representative on the Council for the second part of the 65th session, October 13–24, 1931.

\textsuperscript{61} \textit{Ante}, p. 29.
her authorities designated for that purpose representatives of other powers to follow execution of these arrangements. It was recommended that China and Japan appoint representatives to meet and arrange details of evacuation and taking over. It was recommended that as soon as the evacuation was complete China and Japan should begin direct negotiations and, if necessary, set up a committee of conciliation. The Council was to adjourn until November 16.

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

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

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

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63 Ibid., pp. 2514, 2516.
64 Ibid., p. 2513.
65 See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.
Japan, our purpose has been to avoid any measure which might help in the gaining of uncontested control by the military element. China has also had her conflicts within, and it has been our hope that the Chinese would themselves view the situation and its requirements more realistically than they seem to have done so far.

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

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

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

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

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

STIMSON

793.94/2803

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

[WASHINGTON,] November 19, 1931.

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

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

I told the Ambassador that under these circumstances I must ask him to tell Baron Shidehara that I must reserve full liberty to publish all of the papers and documents which have passed between our two governments on this subject; that I did not intend to publish them at once necessarily, but that I must retain full liberty to do so. I told Debuchi that as he knew, for two months I had been preserving these papers in confidence in the hope of a settlement, so that it might not embarrass the Japanese Government or the chance of such a settlement. I told him that I had gone so far in this hope as to urge our press not to publish anything which would inflame American sentiment against Japan, but that now in the interests of the position of my own government I must reserve full liberty of action to make public the whole matter. He said he appreciated fully my position and they had no complaint to make of it. I told him further that there had been very unfortunate rumors coming from various sources in regard to my having assured Debuchi that the American Government would not support the League in its issue against Japan. I told Debuchi that I did not attribute these rumors to him, but that they were very false and very embarrassing, and I reminded him of how I had made it very clear that on the central point of the controversy between the League and Japan we fully sympathized with the League. I told him further that I had received word from Paris that yesterday Mr. Yoshizawa, in his speech before the League, had gone back to the most extreme contentions of Japan in regard to insisting upon ratification by China of these treaties before there was any evacuation by the Japanese troops; that Yoshizawa had even gone so far as to say that it would not be sufficient even to ratify the old treaties, but there must be a new treaty ratifying them. I pointed
out that this was a complete repudiation by Yoshizawa of Baron Shidehara's position taken in his last memorandum to me, as in answer to my memorandum of November 5th. Debuchi said he was very much surprised at this and that he thought there must be some misunderstanding. He asked me where I got the information. I told him that it had come direct from Paris through General Dawes and I was sure there was no misunderstanding because Yoshizawa had been cross-examined very carefully by Mr. Briand about his meaning. Debuchi was very much troubled. In closing, however, he said that he wanted me to know that whatever happened in the future, he knew that from the beginning my position had been perfectly fair and even friendly towards his government and that that was appreciated by Baron Shidehara; that Baron Shidehara's views had reflected themselves of late in the Japanese press, so that no matter what happened the record between him, Debuchi and me was clear. I told him that that was so and I had no complaints or criticisms as to the way he had conducted business with me, and in all respects he had been fair and friendly and accurate with me.

H[ENRY] L. S[TIMSON]

Memorandum by the Secretary of State

[WASHINGTON,] November 21, 1931.

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

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

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

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

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\(^{66}\) *Ante*, p. 39.

\(^{67}\) See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.
personage, had been sent from Tokyo to hold General Honjo in check and had already arrived this morning at Mukden.

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

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

The Ambassador replied that I must have been entirely misinformed. He asked me if I had not heard of the proposals yesterday. I said that I had heard of them only through the press. The Ambassador said that Japan now had offered to the League to consent to a neutral commission to go to China, including Manchuria, to investigate all matters which were in controversy between China and Japan. I asked him whether by this he included all of the controversies which we had been discussing relating to the evacuation and to the treaties, and he said yes. He said that they only wished to have a high-class commission composed of men of standing in the world; that in September when the League proposed a commission of military attachés they had naturally objected, but now they were in favor of a neutral
commission provided it was of high class and they did not even insist that Japan and China should be represented on it. He said they at first proposed that, but the League had replied that that might prevent unanimity in its recommendations. He said that therefore they would be perfectly satisfied to have the Japanese and Chinese representatives go as adjuncts. I asked him point blank whether the Japanese Army authorities had been consulted. He replied that they had and had consented, and that steps were being taken to prepare public opinion to agree to the step. He said that Japan hoped to save its face by escaping the provisions of the League Resolution of October 24.

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

H[ENRY] L. S[TIMSON]

703.94/2945c: Telegram

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

[Paraphrase]

WASHINGTON, November 23, 1931—7 p. m.

240. It has been reported to me by Ambassador Debuichi that Japan proposed, at the meeting in Paris of the Council of the League of Nations, the appointment of a neutral commission to investigate all matters which were in controversy between Japan and China and to report to the League the results of this investigation.89 The draft of a proposal now pending before the Council has since been received

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

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

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

STIMSON

793.94/2888b : Telegram

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

[Paraphrase]

WASHINGTON, November 23, 1931—10 p.m.

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

STIMSON

 Resolution adopted December 10, 1931, p. 59; telegram not printed.
The Ambassador in Japan (Forbes) to the Secretary of State

[Paraphrase]

Tokyo, November 24, 1931—10 p. m.
[Received November 24—11:45 a.m.]

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

Forbes

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

[Paraphrase]

Washington, November 27, 1931—2 p. m.

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

72 See telegrams Nos. 240 and 241, Nov. 23, 1931, to the Ambassador in Japan, supra.
7 Quotation not paraphrased.
"I have been much concerned to learn from the President of the Council of the League of Nations that Mr. Yoshiizawa called upon him Thursday and left an aide memoire regarding the very serious situation around Chinchow and the necessity of immediate steps to obviate a collision.

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

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

STIMSON

793.94/2941: Telegram

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

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

239. I have delivered your message in 245. Baron Shidehara states that there has been no change in the plan or intention of his Government in regard to movement against Chinchow; the evacuation of Tsitsihar is progressing steadily and is a matter of days; that in the region of the Liang [sic] River there have been movements against bands of bandits, as indicated in last paragraph of my telegram 75 and they have been dispelled, and troops now withdrawing towards Mukden, but may have to operate again if at any time further bands of

75 See telegram No. 234, Nov. 24, 1931, from the Ambassador in Japan, p. 50.
Chinese bandits advance. He informs me that troops had not advanced to Kowpangtze and statements to that effect are unwarranted.

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

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

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

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

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

“This is not the first time America has had reason to watch with suspicion the actions of the Japanese Army since the incident of September 18th. From the very outset the Tokyo Government asserted that Japan has no aggressive designs and desires only to protect the rights and interests of Japan, and yet city after city has been attacked by the Japanese Army. Some of them are actually several hundred miles away from the South Manchurian Railway. Each time an attack has been made the Japanese Government has expressed regret
and stated that it would not be repeated. The American Government at first had simply an impression that a portion of the Army, which was not under the complete control of the Government, went too far in its action. The note received only three days ago was a definite promise by both civil and military authorities; therefore the American Government believed till today that everything would proceed peacefully on November 23rd, when Stimson received news of the danger of Japan attacking Chinchow, he notified the Japanese Government that his patience had reached an end. He warned the Japanese Government that an attack on Chinchow would destroy entirely the peaceful negotiations now going on in Paris. Baron Shidehara replied that Japan has no intention of attacking in the direction of Chinchow and that he had so informed the Japanese military commanders in Manchuria."

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

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793.94/2967a: Telegram

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

WASHINGTON, November 28, 1931—noon.

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

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

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

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

STIMSON

793.94/2941: Telegram

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

WASHINGTON, November 28, 1931—2 p. m.

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

STIMSON

793.94/3133a: Telegram

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

[Paraphrase]

WASHINGTON, December 8, 1931—11 a. m.

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

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

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

75 Quotation not paraphrased.
particularly so as to prevent any aggravation of the situation. It would be deplorable if, at a moment when an agreement is well in sight which we believe will be acceptable to both parties, the situation should be embittered and even endangered by fresh outbursts of fighting. In this connection I would draw Your Excellency's attention to the proposal set out in my letter of November 29th and Your Excellency’s reply thereto in which it is stated that if a danger of contact between the Chinese and Japanese troops arose, the Japanese Government would be disposed to examine attentively the suggestions made to avoid such a contact."

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

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

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

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

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

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

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

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

Stimson
OCCUPATION OF MANCHURIA

738.94/3125: Telegram

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

Tokyo, December 9, 1931—9 p.m.
[Received December 9—12:25 p.m.]

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

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

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

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

76a Matsuo Nagai, Japanese Vice Minister for Foreign Affairs, 1930-33.
76b See telegram No. 262, Dec. 11, 1931, to the Ambassador in Japan, p. 62.
neered by the Seiyukai, were continuing and were very bitter, and they had even threatened to bring him into court for revealing military secrets. He had prepared a memorandum of what he said to me in the interview and I have indorsed it as follows: “This statement is in substantial accord with my recollection of the interview in question.” I have told him that we wanted to support and assist him in every way in his efforts to bring about a peaceable solution of the problem.

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

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

FORBES

793.94/3186

Memorandum by the Secretary of State

[WASHINGTON,] December 10, 1931.

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

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77 See telegram No. 239, Nov. 28, 1931, from the Ambassador in Japan, p. 51; telegrams Nos. 247, 248, Nov. 28, 1931, to the Ambassador in Japan, pp. 53, 54.
78a See telegram No. 234, Nov. 24, 1931, from the Ambassador in Japan, p. 50.
79a Neither printed; but see telegram No. 262, Dec. 11, 1931, to the Ambassador in Japan, p. 62.
the Wellington Koo offer, but thought instead that Japan was herself inching up on the original situation. I told him that I had desired to make sure that no misunderstanding, which could be avoided, would arise which would lead to a renewal of hostilities, and that I had telephoned to General Dawes last night on the subject and had heard from him this morning; that he had taken it up with Mr. Sze, 79 Mr. Matsudaira, Mr. Briand and probably others and there seemed some reason to believe that there had been a misunderstanding and that possibly a fresh start could be made, but that I was not at all sure as the Council was very anxious to adjourn tonight. I made it clear, however, to Mr. Debuchi that although I was taking these steps to see whether there was any possible way of avoiding hostilities, it had not at all changed my viewpoint that in case General Honjo’s army should now move forward again against the Chinese forces around Chinchow it would be an entirely unjustified act of aggression. I explained to him that I now had very full and accurate reports, not only from our own Military Attachés, Colonel McIlroy and Colonel Margetts, who were now at Chinchow, but I also had the benefit of the reports of the other foreign observers, and these reports all agreed that there was no aggressive movement under preparation near Chinchow by the Chinese. To illustrate the accuracy of my reports, I pointed out that the Japanese headquarters at Mukden had reported the Chinese 20th Brigade as being at Faku (northeast of Mukden), and I now had reports from our military observers that they had personally inspected the 20th Brigade and that it was in its usual quarters at Chinchow, they having verified the presence of all units. I asked the Ambassador to report all this to Baron Shidehara and he said he would.

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

The Council,

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

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

79 Sa-o Ke Alfred Sze, Chinese representative on the Council for the 65th session.
Notes that the two parties undertake to adopt all measures necessary to avoid any further aggravation of the situation and to refrain from any initiative which may lead to further fighting and loss of life;

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

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

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

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

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

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

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

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

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

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

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793.94/3170a: Telegram

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

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

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

"The Government of the United States is gratified at the unanimous adoption by the Council of the League of Nations of the Resolution of December 10." Supra. This represents a definite step of progress in a long
and difficult negotiation which M. Briand and his associates have conducted with great patience.

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

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

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

On the other hand the adoption of this Resolution in no way constitutes an endorsement of any action hitherto taken in Manchuria. This government, as one of the signatories of the Kellogg-Briand Pact and the Nine Power Treaty, cannot disguise its concern over the events which have there transpired. The future efficacy of the Resolution depends upon the good faith with which the pledge against renewed hostilities is carried out by both parties and the
spirit in which its provisions directed toward an ultimate solution are availed of. The American Government will continue to follow with solicitous interest all developments in this situation in the light of the obligations involved in the treaties to which this country is a party."

Repeat to Nanking and to Tokyo.

STIMSON

793.94/3178c: Telegram

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

[Paraphrase]

WASHINGTON, December 11, 1931—9 p. m.

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

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

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

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

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

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

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

82 Quoted telegram not paraphrased.
of faith as the Japanese have withdrawn their military forces east of Liao. It is the contention of the Chinese that no such offer was ever made on their part and therefore they are under no obligation to evacuate Chinchow, last stand in the Manchurian area of the Nationalist Government. It is my understanding that the Japanese maintain their withdrawal was due to the offer by the Chinese, and I have been told that the Chinese Government through Shigemitsu has been informed by the Japanese Government that the situation will become difficult unless the Chinese withdraw their troops."

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

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

4. Dawes sent me a lengthy telegram—on December 9,\(^{52a}\) quoting a statement with regard to the entire transaction. The statement had been made to him in Paris on good authority\(^\text{52}^\) whose identity I do not feel it advisable to disclose. It appears from this statement that, as is stated in paragraph 1 above, Dr. Koo submitted a tentative project to the British, French, and American Ministers at Nanking. This project contained the suggestion that, provided Japan gave satisfactory guarantees to Great Britain, the United States, and France, Chinese troops might be withdrawn from the Chinchow area; that this project tentatively proposed was communicated to Baron Shidehara by go-betweens; that the impression Baron Shidehara gained was that the proposal was a definite offer on the part of Koo; that the reply of Shidehara to the go-betweens was acceptance in principle but with the declaration that the Japanese Government could not give guarantees to the three powers but would be willing to give a guarantee to the Council of the League of Nations; and that subsequently in various quarters the matter has been discussed but without there having been achieved an acceptance either by the Japanese Government of the original proposal made by Dr. Koo or by the Chinese Government of the counter-proposal made by Baron Shidehara.

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

\(^{52a}\) Not printed.
\(^{52}\) Sir Eric Drummond.
It is evident at the same time that a serious misunderstanding has arisen and that the impression the people of Japan have acquired is that after offering to withdraw her troops, China now refuses to do so; on the other hand the Chinese people have gained the impression that Koo's tentative effort is being misrepresented by Japan and that she is using as a pretext for contemplated further military action against Chinchow the failure of China to act on an alleged promise.

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

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

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

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

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

You will please talk this matter over with Baron Shidehara and explain my views as indicated. Inform him that in regard to his absolute sincerity in the whole matter I have no doubt whatever, and that I am not unaware of and regret the use which is being made of the incident by his political opponents and detractors; that to prevent ill-advised action by the Japanese Army I am confident he is doing
his utmost; that it is my hope he will be successful; and that as either
the fact or the appearance of lack of self-restraint would have a decid-
edly bad effect on world opinion, I am willing that he inform his
colleagues that the Government of the United States urges upon Japan
the utmost self-restraint with regard to any further military activity.

Stimson

793.94/3285: Telegram

_The Ambassador in Japan (Forbes) to the Secretary of State_
[Paraphrase]

Tokyo, December 22, 1931—2 p. m.
[Received December 22—5:43 a. m.]

273. Saturday afternoon Inukai 84 called at the Embassy and I quoted
the words of an observer who had told me that in Manchuria Japan
was creating a situation which was fraught with the certainty of future
war, for with the alienation of Manchurian sovereignty China would
not rest a gun. I was assured by Inukai that never would Japan allow
such a situation to arise and never would Chinese sovereignty be im-
paired. He reiterated that Japan merely desired the protection of
Japanese persons and interests, and expressed the expectation that
with the restoration of order and improvement in the means of trans-
portation in Manchuria there would be greatly increased influx of
Chinese inhabitants.

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

Forbes

793.94/3310d: Telegram

_The Secretary of State to the Ambassador in Japan (Forbes)_
[Paraphrase]

Washington, December 22, 1931—9 p. m.

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

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

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

84 Ki Inukai, Prime Minister of Japan, December 13, 1931–May 15, 1932.
sentations to the Japanese Government concerning this situation and to urge upon the Japanese Government that with the greatest care it measure its obligations and responsibilities under the December 10 resolution of the Council, and to point out that the conciliatory efforts of the League Council would be compromised by military operations against Chinchow.

3. You will please call on the Foreign Minister, indicate my solicitous concern and, after reading to him on my behalf the following statement, leave a copy with him.\(^{25}\)

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

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

My position with regard to this matter has been made known to the Japanese Government both through the Japanese Ambassador in Washington.\(^{26}\) and through the American Ambassador in Tokyo. The position of the Council of the League with regard to the whole question of further hostilities in Manchuria, along with other matters, is definitely recorded in the resolution of the Council of December 10, which resolution was approved by all members of the Council, including the Chinese and the Japanese representatives. The position of the American Government has been indicated by its express approval of the substance and the letter of that resolution. This approval was definitely recorded in my public statement of December 10.\(^{27}\) In that statement, after outlining and commenting upon the provisions of the resolution, including the provision for cessation of hostilities, I said: "The future efficacy of the Resolution depends upon the good faith with which the pledge against renewed hostilities is carried out by both parties and the spirit in which its provisions directed toward an ultimate solution are availed of."

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

\(^{25}\) Quotation not paraphrased.
\(^{26}\) See memorandum by the Secretary of State of a conversation with the Japanese Ambassador on December 10, 1931, p. 58.
\(^{27}\) See telegram No. 455, Dec. 11, 1931, to the Minister in China, p. 60.
OCCUPATION OF MANCHURIA

793.94/3219 : Telegram

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

Tokyo, December 24, 1931—5 p.m.

[Received 10:55 p.m.]

278. Department's 273, December 23 [23], 6 [9] p.m. I saw Inukai in person at 12 o'clock today and read him your message. It was interpreted passage by passage as I read. I left a written copy in accordance with your instructions. I read through all the messages referred to before going. I advised Inukai that I had on several occasions made representations, some of them similar in purport, to Baron Shidehara and to Mr. Nagai. He replied that these military operations were wholly aimed at the bandits and that there was no intention of attacking regular Chinese troops; that it was his earnest hope that a clash could be avoided and that the Chinese Foreign Office could be persuaded by negotiation to withdraw behind the Great Wall. He said that newspaper reports were misleading and that the Japanese had indisputable evidence, some of it in documentary form—taken from prisoners or from dead bodies of bandits—that the bandits were acting upon orders from regular officers with headquarters in Chinchow. He stated that the difference between the regular soldier and the bandit was a line very difficult to draw because the regular soldier became a bandit as soon as he stopped getting pay. At this point I asked how these regulars could become other than bandits, the Japanese having taken away the sources of revenue; to which he replied that Chang Hsueh-liang had other sources of revenue. He first tried to say that the Japanese had not seized the funds; I told him I knew they had taken possession of the salt tax and balances in certain banks. Then he corrected his statement but said that the funds were being devoted to the ordinary uses of the Government. He pointed out the extremely difficult position in which the Japanese troops would find themselves if the marauding bands whom they were driving out of the country could get back and join the regular forces in Chinchow; that under the circumstances it would be very difficult for the Japanese Army to refrain from attacking and driving the Chinese out; that while these bands were operating in Manchuria there could be no possibility of beginning the orderly conduct of civil government. Once the Chinese regular troops were withdrawn behind the Great Wall, he said that work could be found for the bandits who could then be persuaded to discontinue their disorderly practices. He referred sympathetically to the chagrin and disappointment of young Chang Hsueh-liang whom he described as a hot-headed young man who, having been practically king of Manchuria, now found himself deprived of his power; he had
pointed this out to the Chinese Minister who recently left here for Nanking and requested him to take up with the Nanking Government the matter of trying to persuade Chang Hsueh-liang to abandon his efforts to harass the Japanese Armies and to withdraw his troops peaceably in the interests of an amicable settlement of the whole Manchurian situation; this he said the Chinese Minister had promised to do. He expressed great hope that the whole situation could be cleared up without further clashes between Japanese and Chinese soldiers, but expressed fear that if they found themselves face to face it would be extremely difficult to prevent fighting. At this point I reiterated the unfortunate effect upon world opinion that would ensue; to which he quite agreed that that would be the case.

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

Repeated to Peiping.

Forbes

Memorandum by the Secretary of State

[WASHINGTON, undated.]

The Japanese Ambassador called at Woodley at six fifteen on Wednesday evening, December 23. I had sent for him and when he came I told him that the consensus of all the reports which were coming in, particularly from the War Office, were to the effect that a large movement was being made by the Japanese Army against Chinchow. I told him that this gave me very serious concern and anxiety. He said that he appreciated that. I told him that I was receiving reports from our attachés in Chinchow, most of the time from two of them and all of the time from at least one; that these reports went into very great detail; and that they coincided in the absolute assur-
ance that there were no preparations whatever being made by the Chinese regular forces in that locality for any aggressive attack on the Japanese. To illustrate, I told him of the specific case of Colonel McIlroy, the attaché at Tokyo, who had come to Chinchow by way of Mukden. I told the Ambassador that from Mukden Colonel McIlroy had sent me a report of information, which he had evidently gotten from the Japanese Headquarters at Mukden, which caused him to feel that there was a great preparation being made by the Chinese which was really threatening the Japanese and that it would make necessary counter-defensive measures by the Japanese. I then pointed out that Colonel McIlroy went from there to Chinchow and two days later he sent me a report which expressly denied everything that he had learned from Japanese Headquarters. He pointed out that no preparations were being made by the Chinese whatever and said that he had identified every unit of the Chinese forces which had been there before as being there now.

I pointed out to the Ambassador that under these circumstances the conclusion in my mind had become clear that if the Japanese made an attack on Chinchow and upon these regular forces there, I should be obliged to look upon it as pure aggression on the part of Japan. I told him that I had been particularly careful not to criticise their counter-defensive preparations against bandits and had confined my representations to Tokyo to the preparations which were being made against the Chinese regular forces. The Ambassador said that the Japanese Army felt that the Chinese regular forces were being used as a base of supplies for the bandits to use against the Japanese. I told him that I was familiar with this argument, but that it could not be sound. The Japanese held the only railroad that led from Chinchow to Mukden and, therefore, the Chinese could not send any supplies in any amount to the bandits and that it would be impossible to supply them overland in any other way in the amount the Japanese were claiming. I told him also that I was familiar from what Baron Shidehara had said to Forbes of the evidence upon which Japan was making this claim of support to the bandits, namely, that they had found the bandits equipped with army rifles from China and ammunition and also clothing. I said there were so many ways in which the bandits could be equipped with these supplies without their coming from Chinchow that this in my mind would entirely dispose of such an argument. I said that in the first place the Japanese had attacked and scattered a great many soldiers of the former Chinese army, and that it was well known that these men had become bandits in great numbers, and that this would account for their having Chinese army weapons and ammunition, so that I could not regard that defense as serious.
We talked the whole matter over and he reiterated the fact that I had always been very friendly to Japan and that he appreciated it. I said that was so, but I said that this troubled me very greatly and that I hoped that as a last resort that they would not commit this act, which I thought would make a very serious impression on everybody. He told me, and he also reiterated it, that he did not really think that the attack would come about and he begged me to have patience. I said that I had had patience for four months and that I expected to still have it, but that I must tell his Government and himself exactly how the matter looked now because it seemed very serious.

H[ENRY] L. S[TIMSON]

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798.94/3221: Telegram

_The Ambassador in Japan (Forbes) to the Secretary of State_

**Tokyo, December 27, 1931—6 p. m.**

[Received December 27—8:33 a. m.]

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

"The Foreign Minister of the Imperial Government has carefully read the memorandum from the Secretary of State of America which was submitted by the American Ambassador in Japan under date of December 24, 1931.**

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

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

** See telegram No. 275, Dec. 22, 1931, to the Ambassador in Japan, p. 65.

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

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

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

[Paraphrase]

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

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54 See telegram No. 262, Dec. 11, 1931, to the Ambassador in Japan, p. 62.
position by using a clause which already had been construed impartially as not being fair. This he advised me he would take up with Inukai and inform me later by telephone, which he did, telephoning to the effect that the charge referred both to the attitude of the young Marshal Chang and of Wellington Koo, and that to let these words stand was the decision they had reached.

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

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

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

FORBES

793.94/2560

Statement by the Japanese Government, December 27, 1931

1. The maintenance of peace and order in Manchuria is a matter to which the Government of Japan have always attached the utmost importance. They have on various occasions taken every lawful step in order to secure it, and to prevent Manchuria from becoming the battleground of militarist factions. Only if peace and order prevail, can the country be safe either for the Chinese or for the foreigner: in the absence of peace and order it is futile to speak of the Open Door or of equal opportunity for the economic activities of all nations. But the events of September last have, in spite of her wishes, created a new responsibility and a wider sphere of action for Japan. Attacked by Chinese violence, her acts of necessary self-protection resulted to her considerable embarrassment in her having to assume the duty of maintaining public order and private rights throughout a wide area. The local authorities might have been expected to co-operate in upholding law and order. But, in fact, they almost unanimously fled or resigned. It was Japan’s clear duty to render her steps of self-defence as little disturbing as possible to the peaceable inhabitants of the region. It would have been a breach of that duty to have left the population a prey to anarchy—deprived of all the apparatus of civilized life. Therefore, the Japanese military have, at considerable sacrifice, expended much time and energy in securing the safety of persons and property in the districts where the native authorities had become ineffective. This is a responsibility which was thrust upon them by events, and one which they had as little desire to assume as to evade.
2. But further than that, not only did the existing machinery of justice and civilized existence break down, but the criminal activities of the bandits who infest the country were naturally stimulated. The prestige and efficiency of the Japanese troops were for some time sufficient to keep them in check, and to maintain order wherever they were stationed. Since the beginning of November, however, a sudden increase in the activities of the bandits has been noted in the vicinity of the South Manchuria Railway Zone, and especially to the west of the Main Line,—and it has been established to demonstration [sic], by the examination of arrested individuals, by documents which have been seized, and from other sources of information, that their depredations are being carried on through the systematic intrigues of the Chinchow military authorities.

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

The bandit forces, (which include a large number of officers and men discharged from the Chinese army), are daily gaining strength. For instance, the number of bandits on the western flank of the main line of the South Manchuria Railway was estimated early in November at 1,300, whereas investigations conducted in early December revealed the fact that they then numbered over 30,000. Moreover, they are banded together in large groups comprising several hundreds, or even thousands, each equipped with machine guns and trench mortars; so that they can no longer be distinguished from regular troops. This points unmistakably to the existence of a state of things in which the so-called bandits are directed and provided with arms by the Chinchow military authorities. According to the statistics compiled in the Japanese Consulate-General at Mukden, the cases of bandit-raids in the vicinity of the Railway Zone numbered
278 during the first ten days of November, 341 during the second ten days, 438 during the final ten days of the month, and 472 during the first ten days of December, thus reaching the astounding total of 1,529 in forty days. It is the usual strategy of these bandit-troops, when attacked by our men, to fly westward, or to take refuge on the right bank of the River Liao; where our army, anxious to avoid any collision with the Chinese Regulars, has made it a point to refrain from further pursuit.

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

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

4. Accordingly, at the present moment, now almost a month subsequent to the initiation of these negotiations for the withdrawal of the Chinchow troops, there appears no prospect of obtaining any tangible result, owing entirely to the want of good faith on the Chinese side. At the same time, the increased activity above described, on the part of marauding bands, threatens to bring about a complete destruction of all peace and security throughout the whole extent of South Manchuria. In these circumstances, the Japanese forces have now begun a general movement with a view to a campaign against the bandits on a more extensive scale than hitherto. It is obvious, from what has been said above, that the Japanese army, if it is to achieve anything like adequate success, will have to advance to the points west of the River Liao where the bandits have their base. Certainly,
the Japanese forces, in deference to the Resolutions of the League Council adopted on 30th September and 10th December, are not in the field against the Regular Chinese forces; but in the present abnormal conditions prevailing in Manchuria, the necessities of the case compel them to continue their operations against lawless elements. This is a point on which the Representatives of Japan at the recent session of the Council of the League held on the 10th December made a definite declaration. So long as the Chinchow military authorities, while simulating an unaggressive attitude, continue to instigate and manipulate the movements of bandit organizations against the Japanese army as well as Japanese and other peaceable inhabitants, and so long as the officers and men of the Chinchow army mingle in large numbers with these bandits groups and so render it impossible to distinguish the latter from Regular troops, so long must the responsibility for the consequences of any action which may be entailed upon the Japanese Army in self-defence rest entirely with the Chinese.

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

793.94/3347: Telegram

_The Minister in China (Johnson) to the Secretary of State_

PEIPING, December 29, 1931—10 a. m.

[Received 12:55 p. m.]

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

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

WASHINGTON, January 7, 1932—noon.

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

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

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

STIMSON

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

Tokyo, January 16, 1932—2 p.m.

[Received January 16—6:03 a.m.]

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

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

The Government of Japan were well aware that the Government of the United States could always be relied on to do everything in their power to support Japan’s efforts to secure the full and complete fulfillment in every detail of the treaties of Washington and the Kellogg Treaty for the Outlawry of War. They are glad to receive this additional assurance of the fact."
As regards the question which Your Excellency specifically mentions of the policy of the so-called "open door," the Japanese Government, as has so often been stated, regard that policy as a cardinal feature of the politics of the Far East, and only regrets that its effectiveness is so seriously diminished by the unsettled conditions which prevail throughout China. Insofar as they can secure it, the policy of the open door will always be maintained in Manchuria, as in China proper.

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

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

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

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

I shall be obliged if Your Excellency will transmit this communication to your Government, and I avail myself, et cetera."
The Ambassador in Japan (Forbes) to the Secretary of State

Tokyo, January 16, 1932—4 p. m.
[Received January 16—6:45 a. m.]

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

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

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

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

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

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

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

FORBES

793.94/3565 : Telegram

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

Tokyo, January 19, 1932—5 p. m.
[Received January 19—7:42 a.m.]

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

Repeated to Peiping.

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

WASHINGTON, February 12, 1932—2 p.m.

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

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

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

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

1. To respect the sovereignty, the independence, and the territorial and administrative integrity of China.
2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself and [an] effective and stable government.

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

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*Not printed.
* Draft of joint or concurrent statements by Great Britain and the United States, and perhaps other countries, on behalf of the principles and provisions of the Nine-Power Treaty.
* British Secretary of State for Foreign Affairs.
II. Six years later the general policy upon which the Nine-Power Treaty was based received a powerful reinforcement in the execution, by substantially all the nations of the world, of the Pact of Paris. These two treaties represent successive steps taken for the purpose of aligning the conscience and public opinion of the world in favor of a system of orderly development by the law of nations, including the settlement of all controversies by the methods of justice and peace instead of by arbitrary force. The program for the protection of China from outside aggression is an essential part of any such development. The signatories and the adherents of the Nine-Power Treaty rightly felt that the orderly and peaceful development of the four hundred millions of people inhabiting China was necessary to the peaceful welfare of the people of the entire world and that no program for the welfare of the world as a whole could afford to neglect the protection of the development of China.

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

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

\textsuperscript{66d} See pp. 161 ff.
V. The effect of this development of violence has been to threaten the very existence of the treaties themselves. This has been shown by the following occurrences which have greatly accentuated the concern of the (blank) Governments:

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

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

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

Stimson

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58 See telegram No. 34, Feb. 1, 1932, to the Ambassador in Japan, p. 174.
59 See telegrams No. 39, Feb. 4, 1932, and No. 44, Feb. 6, from the Ambassador in Japan, pp. 180, 182.
The Secretary of State to the Consul General at Shanghai
(Cunningham)

WASHINGTON, February 24, 1932—2 p. m.

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

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

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

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

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

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

44 None printed.
45 Dated February 23, 1932.
46 See Foreign Relations, 1899, pp. 128–143.
47 See circular telegram, July 3, 1900, to the Chargé in Austria-Hungary, Foreign Relations, 1900, p. 299.
He was successful in obtaining the assent of the other powers to the policy thus announced.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 For minutes of the Committee on Pacific and Far Eastern Questions, see Conference on the Limitation of Armament, November 13, 1921–February 6, 1922 (Washington, 1922), pp. 862–1567.

2 The following treaties were signed at the Washington Conference:

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

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

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

(4) Treaty between the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands, and Portugal relating to principles and policies concerning China, February 6, 1922, ibid., p. 278.

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

(6) Treaty between Japan and China for the settlement of outstanding questions relative to Shantung, February 4, 1922, ibid., p. 948.
in battleship construction and to leave its positions at Guam and in the Philippines without further fortification, was predicated upon, among other things, the self-denying covenants contained in the Nine Power Treaty, which assured the nations of the world not only of equal opportunity for their Eastern trade but also against the military aggrandizement of any other power at the expense of China. One cannot discuss the possibility of modifying or abrogating those provisions of the Nine Power Treaty without considering at the same time the other promises upon which they were really dependent.

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

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

That is the view of this Government. We see no reason for abandoning the enlightened principles which are embodied in these treaties. We believe that this situation would have been avoided had these covenants been faithfully observed, and no evidence has come to us to indicate that a due compliance with them would have interfered with the adequate protection of the legitimate rights in China of the signatories of those treaties and their nationals.
On January 7th last, upon the instruction of the President, this Government formally notified Japan and China that it would not recognize any situation, treaty or agreement entered into by those governments in violation of the covenants of these treaties, which affected the rights of our Government or its citizens in China. If a similar decision should be reached and a similar position taken by the other governments of the world, a caveat will be placed upon such action which, we believe, will effectively bar the legality hereafter of any title or right sought to be obtained by pressure or treaty violation, and which, as has been shown by history in the past, will eventually lead to the restoration to China of rights and titles of which she may have been deprived.

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

Very sincerely yours,  
(Signed) Henry L. Stimson

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

Memorandum by the Secretary of State

[WASHINGTON,] April 4, 1932.

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

* See telegram No. 7, Jan. 7, 1932, to the Ambassador in Japan, p. 76.
* For a previous conversation with the Japanese Ambassador regarding recognition of the new government in Manchuria, see second paragraph of memorandum by the Secretary of State, March 15, 1932, p. 214.
he recognized that that required two years, but that the present
nineteen power commission which had been appointed by the Assembly
contained some very radical members. He mentioned Madariaga of
Spain and I think Motta of Switzerland, although I was not quite
clear of the last, and Japan feared that under these influences steps
would be taken to press action in Manchuria which would conflict with
Japan's policy. He said that this notice had already been given by
Japan to Great Britain, France, Italy, Germany, Czechoslovakia,
Greece and Belgium.

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

Then followed a little discussion between us as to what he meant
by the Japanese position. I said that I recognized that Japan had
always claimed certain important economic interests in Manchuria
under certain treaties with China. He corrected me by adding eco-
nomic and political interests in Manchuria. I denied the latter and
asked whether he meant the Japanese claimed to exercise political
control over Manchuria. I read him Baron Shidehara's statement 4
in his reply to our note of November fifth 5 and called his attention
to the demand which was being made by the agents of the new Man-
churian state for moneys from the customs and post office, accom-
panied by Japanese officers, and asked the Ambassador if that could
be reconciled with the promise of Baron Shidehara in the third para-
graph of page thirty-seven of that note. 6 He admitted it could not.
I asked him if Japan's desire not to discuss matters in Manchuria was
going to prevent her from fulfilling her obligations under Article VII
of the Nine Power Treaty in which she promised to communicate frank-
ly on those subjects, and he said that it would not prevent that, but
he was able to give no justification for the difference between that and
the attitude of Japan toward Article XV of the Covenant of the
League. He finally was reduced to an admission that promises had
been broken but said that chauvinist conditions were so acute in Japan
that the Government could not take any other position. I pointed
out to him the seriousness of the situation when treaty promises began
to be broken; I reminded him that the Nine Power Treaty was one of a
group of treaties mutually interdependent. He admitted that that


4 ante, p. 29.
5 See telegram No. 217, Nov. 3, 1931, to the Chargé in Japan, p. 34.
6 See fifth paragraph of note, p. 39.
was so, saying that he remembered that perfectly well because he was a delegate here in Washington at the time. I asked him what was left on which we could rest for the stability of the world when treaty obligations began to be broken; I reminded him of the many times I had spoken of Japan as a stabilizing influence in the world and asked him if he thought I could do so now. He said he remembered very well the encouraging words I had spoken at the time of the Emperor’s birthday, but he could only ask me to be patient with his people and try to think of some constructive view of the situation that they were in in Manchuria; that criticism only further inflamed the situation and played into the hands of the chauvinistic elements.

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

H[ENRY] L. S[TIMSON]

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693.002 Manchuria/77

Memorandum by the Secretary of State

[WASHINGTON,] June 10, 1932.

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

H[ENRY] L. S[TIMSON]

[Enclosure]

AIDE-MÉMOIRE

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

*April 29, 1931; Department of State, Press Releases, May 2, 1931 (weekly issue No. 58), p. 361.*
that régime expects within a few days to take over the Customs, after which collections will be included in the receipts of the new régime. The Department is also informed from other reliable sources that this is the intention of the authorities of the new régime and further that the new régime intends shortly to appoint an inspector general of Customs for Manchuria who will be a Japanese customs expert from Japan.

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

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

793.94/5355: Telegram

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

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

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

Repeated to Peiping.

Grew

1 Japanese Minister for War.
Memorandum by the Under Secretary of State (Castile) of a Conversation With the Japanese Ambassador (Debuchi)

[WASHINGTON,] June 29, 1932.

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

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

WILLIAM R. CASTLE, JR.

693.002 Manchuria/124: Telegram

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

[Paraphrase]

Tokyo, June 29, 1932—8 p. m.
[Received June 29—12:45 p. m.]

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

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

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

A copy of this telegram has been sent to Peiping.

Grew

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

Tokyo, July 16, 1932.
[Received August 6.]

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

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

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

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

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

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

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

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

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

The matter of the customs in Manchuria has, I believe, been fully covered in reports from here and from the various American Consuls in Manchuria. We have also covered the reaction in Japan to the President's disarmament proposal.\[32a\]

Respectfully yours,  

JOSEPH C. GREW

703.94Commission/338

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

No. 1656  

PEIPING, August 2, 1932.  

[Received August 29.]

SIR: With reference to my telegram No. 883 of August 1, 9 [8] p. m.,\[34\] I have the honor to enclose herewith a copy of a letter addressed to the Chairman of the Commission of Study of the League of Nations now investigating the causes of trouble between Japan and China by the Japanese Assessor,\[35\] which encloses an epitomized record of the statements which Count Uchida made at the interviews with that Commission in Dairen and Tokyo. I was permitted to make copies of this document for my confidential information, and I have the honor to request that the Department treat the document as confidential.

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

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\[32a\] See White House press releases of June 22 and 23, 1932, Department of State, Press Releases, June 25, 1932 (vol. vi, No. 143), pp. 593, 595.

\[34\] Not printed; it summarized the enclosure transmitted in this despatch.

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

Respectfully yours,

NELSON TRUSLER JOHNSON

[Enclosure]

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

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

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

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

4. Japan, as a country more intimately connected with China both historically and geographically, than any other, and possessing by far the greatest interests in China, has had to suffer more than other countries from the anomalous situation in China as I described above. As far as Japan was concerned, she naturally hoped to see China experience a re-birth and come to realize her true role in maintaining the peace of the Far East. For more than twenty years, especially as a sequel to the Conference of Washington, we have exercised the
greatest patience and self-control, but conditions in China have failed to show any trace of improvement; on the contrary, they grew notably worse. It was at a moment when the feeling of our people was running high in face of the ever increasing Chinese provocations, that in Manchuria, Japan’s first bulwark, where, staking the fortunes of our country, we fought two great wars with China and with Russia in order to repel their aggressions and, where our country’s vital interests on the Continent of Asia are centered, the sudden incident of September 18th occurred. We had no other course than to take decisive measures of self-defence.

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

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

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

6. There may be more than one plan for the solution of the Manchurian problem. The Japanese Government believe that the problem should be solved with the aim in view of ensuring the security and stability of Manchuria as well as the permanent peace of the Far East, and that at all events the mistake should not be made of rendering the situation uncertain and so perpetuating occasions for future disputes. It would be intolerable if, as the result of any temporizing measure of expediency or compromise, there should be resuscitated in Manchuria conditions analogous to those that prevailed there prior to the incident of 18th September last. In that sense I cannot agree to any plan which would contemplate the inauguration of the rule
of an anti-Japanese and disorganized China over Manchuria. Moreover, the authorities of Manchukuo, who have repeatedly declared their intention completely to separate themselves from the corrupt and foul politics of China Proper and to set up an honest and able government, would not consent to a plan which would utterly defeat their ideal and aspirations.

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

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

Tokyo, August 13, 1932.
[Received August 27.]

DEAR MR. SECRETARY: The outburst in Japan against your speech before the Council on Foreign Relations ¹⁶ savors distinctly of a tempest in a teapot if not of a guilty conscience on the part of the Japanese, for we now understand that the speech was merely an academic discussion of a hypothetical case, while the Japanese took it as a specific charge of guilt. Unfortunately I was unable to take any steps to mitigate the effect here, because neither the text of the speech nor a resumé of its substance and intentions have reached me, and by the time the text arrives from Shanghai the incident will presumably be closed. However that may be, the Foreign Office has used the speech deliberately to pour fuel on the temporarily quiescent flames of public animosity against the United States. I say deliberately, because the violent Japanese press reaction was based not on the press despatches from the United States but on the Foreign Office’s inflammatory interpretation of Debuchi’s cabled account, and this interpretation was given to the Japanese press a day before it was released to the foreign correspondents.

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

¹⁶ Delivered August 8, 1932. For text, see Foreign Affairs, Special Supplement (October, 1932), vol. xi, No. 1.
Meanwhile millions of yen are being squandered to support the Manchurian venture, of which the eventual economic advantage is highly problematical, and when the full purport of these expenses becomes known to the people, in their own serious deprivation, there is no telling what effect it will create. I believe that a steadily increasing anxiety exists among the Government and the thinking men of the country outside of the hot-headed military clique which refuses to face these facts. It seems to be primarily this military element—vocalized by such men as Shiratori 17—who believe that the best way to obscure these facts is to work the public into a patriotic and nationalistic fervor by representing foreign nations, particularly the United States, as trying to thwart Japan's efforts for alleged self-preservation.

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

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

Respectfully yours,

JOSHD W. G'REW

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Telegram

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

PEIPING, August 15, 1932—9 a.m.

[Received 9:35 a.m.]

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

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

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

JOHNSON

793.94 Commission/325: Telegram

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

[Paraphrase]

WASHINGTON, August 17, 1932—6 p. m.

264. Legation's 963, August 15, 9 a. m. With reference to the document handed to the members of the League Commission by the Japanese Assessor, the statements attributed to the Secretary differ in varying degree from the Department's record of the statements made on August 10 to the Japanese Ambassador by the Secretary, with the consequence that the distorted version which was supplied to the Commission gives the impression that the attitude of the Secretary is more lenient toward Japanese operations in Manchuria and more strictly an expression of the Secretary's personal opinion than is actually the fact.

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

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

CASTLE

893.01 Manchuria/429: Telegram

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

[Paraphrase]

Tokyo, September 3, 1932—noon.
[Received September 3—5:27 a.m.]

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

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

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

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

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

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

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

Repeated Peiping.

GREW

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

249. 1. The report of the League of Nations Commission has been received in Japan with the expected repercussion. The Foreign Office spokesman declares that the report favors China and is unfair.
to Japan. Certain parts are declared to be sound, but the findings and recommendations in regard to Manchuria are held impossible for Japan to accept.

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

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

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

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798.94 Commission/538 : Telegram

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

[Paraphrase]

WASHINGTON, November 21, 1932—7 p. m.

181. It is reported by Hugh Wilson and Norman Davis that on November 19 Matsuoka called on them and made statements to the following effect:

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

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

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

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23 Japanese political party.
24 American Minister in Switzerland, and alternate delegate at the General Disarmament Conference.
25 American delegate at the General Disarmament Conference.
25a Yosuke Matsuoka, head of Japan's delegation to the League of Nations.
been made by the United States to check Japanese development in Manchuria and to get control of the railway situation in that area. Rapidly diminishing is the large body of influential Japanese opinion which heretofore was friendly. In spite of the fact that thinking Japanese realize American public opinion has no thought of war, the Japanese Government may be forced to take sides with the already inflamed public opinion in the event of some incident.

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

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

STIMSON

708.94 Commission/536: Telegram

The Secretary of State to the Minister in Switzerland (Wilson) 235b

[Paraphrase]

WASHINGTON, November 21, 1932—6 p. m.

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

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

235b Telegram sent to the American delegation at the General Disarmament Conference, Geneva.

26 Not printed. For the substance of this telegram, see telegram No. 181, Nov. 21, 1932, to the Ambassador in Japan, supra.
It is our belief that a Japanese nation inflamed against the United States is a true portrait, but that the inflammation has been created and fostered artificially for the purpose (a) of securing popular support at home for the policy of the military and (b) of inducing timidity of attitude on the part of foreign governments by creating a fear psychology abroad.

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

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

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

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

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

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

Stimson

Memorandum by the Secretary of State

[WASHINGTON,] January 5, 1933.

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

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

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

H[ENRY] L. S[TIMSON]

Memorandum by the Secretary of State

[WASHINGTON,] January 12, 1933.

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

The Ambassador then changed the subject to the coming meeting at Geneva on the 16th, and asked me whether I had any advice to give to his Government. I told him that unfortunately I could not take the
position of advising the Japanese Government on what it should do and that if I should, I feared they would not follow it. He said of course there was one thing that must be regarded as not susceptible of compromise—that was the recognition of Manchukuo; that was a matter of principle which could not be compromised. Then I said: "You take the position which is equivalent, I suppose, to requesting that the fifty other nations of the world should compromise their principles."

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

793.94/5785b : Telegram

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

WASHINGTON, January 18, 1933—1 p. m.

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

"Any statement relating to any particular foreign situation must, of course, come from the Secretary of State of the United States. I am, however, wholly willing to make it clear that American foreign policies must uphold the sanctity of international treaties. That is the cornerstone on which all relations between nations must rest".

STIMSON

793.94Commission/812 : Telegram

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

Tokyo, February 20, 1933—5 p. m.
[Received February 20—7:07 a.m.]

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

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39 See telegram No. 7, Jan. 7, 1932, to the Ambassador in Japan, p. 76.
withdrawal have not yet been determined. This decision he states has been telegraphed to the Japanese delegation at Geneva for use in formulating the counter-statement to the report and recommendations.

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

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

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

Repeated to Peiping.

GREW

894.00/467: Telegram

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

[Paraphrase]

Tokyo, February 23, 1933—1 p. m.
[Received February 23—7:42 a. m.]

45. Consideration should be given to the following factors in estimating the situation in the Far East:

Japan has prepared—by the Cabinet’s decision to leave the League of Nations—to destroy her most important link with other countries, thereby indicating a fundamental defeat for the moderate elements in Japan and the complete supremacy of the military. In order to demonstrate her independence of and disregard for Western interference with what she conceives to be her own vital interests, Japan has forestalled or followed by a fait accompli every important step made by the League of Nations. Japan’s attitude is entirely free of bluff. Rather than surrender to moral or other pressure from the West, the military themselves, and the public through military propaganda, are fully prepared to fight. At present their determination is not modified but only strengthened by the moral obloquy of the rest of the world. Further assassinations, if not internal revolution, would almost certainly follow any tendency on the part of the Government to compromise.

For the text of the report (including the recommendations) of the Special Committee of the Assembly (Committee of Nineteen), see League of Nations, Official Journal, Special Supplement No. 112, p. 56.
The following factors have their place in the national temper:

The determination of the military to brook no interference whatever and its desire to maintain prestige;
The saving of face which permits no step backward and which is of essential importance;
The belief, which has been carefully nurtured, that the "life line" of Japan is Manchuria;
The intense exasperation with the failure of the Chinese to fulfill their treaty obligations and with the former chaotic conditions of Manchuria;
The military's complete disregard of future financial difficulties arising out of the huge expenses which the Manchurian campaign entails;

The fundamental inability of the Japanese to comprehend, when opposed to their own Far East interest, the sanctity of contractual obligations.

It is believed that, with regard to the advance into Jehol, special measures have been taken to avoid going south of the Great Wall even though the campaign may be rendered considerably more costly and difficult by this decision. It would not be wise, however, to disregard the possibility that the taking of the Peiping-Tientsin line might eventuate from unforeseen developments or incidents. [The occupation of North China would very likely be Japan's reply to the application of active sanctions by the League of Nations. This constitutes the greatest future potential danger. It would, of course, bring foreign interests into direct conflict with Japan.

Military propaganda, it may be said, has caused a large section of the public and the army to regard as inevitable war between Russia and Japan or between the United States and Japan or with both countries. The naval and military machines are rapidly being strengthened and are in a high state of efficiency, possessing complete self-confidence and arrogance, while the bellicosity of the Navy is increasing. There is always the risk that, in the present temper of the Navy and the Army and the public, Japan might be led to radical steps, without counting the cost thereof, by any serious incident which tended to inflame public opinion. The conditions described in my telegram No. 224, September 3, noon, are still precisely the same in this respect.

The opinion of most of the diplomats and other foreigners in Tokyo and of the principal members of my staff is represented in the foregoing brief summary.

The Embassy is without information with regard to military developments in Jehol because strict press bans prevent the publication of any information about the present operations in Jehol.

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

Grew
Memorandum by the Secretary of State

[WASHINGTON,] February 23, 1933.

The Japanese Ambassador came to tell me on the instruction of his Government that the State of Manchukuo was determined to suppress the irregular forces in the Province of Jehol; that under the Treaty between Manchukuo and Japan, Japan was obliged to support Manchukuo and therefore the Japanese forces were cooperating in this movement in Jehol. He said, however, that his Government instructed him to say they did not intend that the Japanese forces should cross the Great Wall or enter into the Peiping-Tientsin district, unless some action by Chang Hsueh-liang made it necessary for them to do so. I reminded him that on his last visit, at the time when Japan had seized Shanhaiwan, he had told me he thought that that action would be localized and that he regarded the success of its localization as a test of whether the civil or the military powers of the Japanese Government were in control, and I asked him how his views as to that test were now affected by this movement of the Japanese forces into Jehol. He was a little embarrassed, but he said that the seizure by the Japanese forces of Shanhaiwan was an entry into North China south of the Wall, and that what he referred to when he spoke of the "test" was any further incursions into the Peiping-Tientsin area. He said that the military command of Japan recognized the various interests which were concentrated in the Peiping-Tientsin area and the consequent danger of an incursion into that area, and they did not want to go. I said, "Then you indicate by that remark that it is not a question of the civilian portion of the Japanese Government controlling the military, but of the military controlling themselves." He replied that this incursion into Jehol which was north of the Wall, they did not regard as an incursion into China proper; that Jehol had always belonged to Manchukuo; that the last Governor of the Province of Jehol had been appointed by Marshal Chang Tso-lin, the father, and not by the Chinese National Government; and that Jehol was therefore a part of Manchukuo and Manchukuo was resolved to exterminate the irregulars in that Province, and in this case the civilian authorities of Japan were acting in collaboration with the military, and it was not their intention to go into the Peiping area. He asked me to take this last fact as a confidence, lest otherwise the Chang Hsueh-liang forces might trade upon that fact. I reminded him that it had already been made public in the press and he said he remembered that, but nevertheless his Government had asked that it not be published by me. I told him I would not.

H[ENRY] L. S[TIMSON]
Resolution Adopted by the Assembly of the League of Nations on February 24, 1933

Whereas, in virtue of Article 3, paragraph 3, of the Covenant, the Assembly may deal at its meetings with any matter affecting the peace of the world, and therefore cannot regard with indifference the development of the Sino-Japanese dispute;

And whereas, according to Part IV, Section III of the report adopted by the Assembly in virtue of Article 15, paragraph 4, the Members of the League “intend to abstain from taking any isolated action with regard to the situation in Manchuria and to continue to concert their action among themselves as well as with the interested States not Members of the League” and, “in order to facilitate as far as possible the establishment in the Far East of a situation in conformity with the recommendations of the present report, the Secretary-General is instructed to communicate a copy of this report to the States non-members of the League who are signatories of or have acceded to the Pact of Paris or the Nine-Power Treaty, informing them of the Assembly’s hope that they will associate themselves with the views expressed in the report, and that they will, if necessary, concert their action and their attitude with the Members of the League”:

The Assembly decides to appoint an Advisory Committee to follow the situation, to assist the Assembly in performing its duties under Article 3, paragraph 3, and, with the same objects, to aid the Members of the League in concerting their action and their attitude among themselves and with the non-member States.

The Committee will consist of the representatives of the Members of the Committee of Nineteen and the representatives of Canada and the Netherlands.

The Committee will invite the Governments of the United States of America and the Union of Soviet Socialist Republics to co-operate in its work.

It shall report and make proposals to the Assembly whenever it thinks fit. It shall also communicate its reports to the Governments of the States non-members of the League which are co-operating in its work.

The Assembly shall remain in session and its President, after consulting the Committee, may convene it whenever he thinks fit.

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

Geneva, February 24, 1933—7 p. m.

[Received February 24—5:22 p. m.]

125. My 122, February 22, 7 p. m. Drummond's letter to Secretary of State transmitting the report and requesting an expression of the view of the American Government was handed me today. The letter reads as follows:

"By the last paragraph of the report which the Assembly of the League of Nations has adopted today I am instructed 'to communicate a copy of this report to the states nonmembers of the League who are signatories of or who have acceded to the Pact of Paris or the Nine Power Treaty, informing them of the Assembly's hope that they will associate themselves with the views expressed in the report and that they will if necessary concert their action and their attitude with the members of the League.'

Accordingly, I have the honor to transmit to you herewith a copy of the report as adopted by the Assembly. I should be grateful if you would communicate to me so soon as you find it possible to do so the reply of the Government of the United States to the hope expressed by the Assembly in the words which I have quoted.

I venture at the same time to draw your attention to the text of recommendation 3 which will be found in part 4 section 2 of the report. That recommendation lays down that if the two parties accept the recommendations of the Assembly it will be my duty to inform your Government thereof and to invite it to appoint, if it should wish to do so, a member of the negotiations committee which is to be set up. This question does not at present arise inasmuch as only one of the parties has today accepted the report. Should the recommendations of the Assembly be later accepted by both parties I shall not fail to address the above invitation to your Government without delay."

WILSON

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

Geneva, February 25, 1933—4 p. m.

[Received February 25—11:25 a. m.]

128. My 127, February 24, 9 p. m. The following letter dated February 25th addressed to the Secretary of State by Drummond has just been received:

"I have the honor to inform you that the Assembly of the League of Nations adopted on the 24th February the resolution of which the

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38 Not printed.
34 For the text of the report of the Special Committee of the Assembly (Committee of Nineteen), see League of Nations, Official Journal, Special Supplement No. 112, p. 50.
text is enclosed herewith (see Gilbert's telegram No. 60, February 24, 7 p. m.).

The Advisory Committee set up under the terms of this resolution held a meeting today. In accordance with the instructions of the Assembly it requested me to convey to your Government an invitation to cooperate in its work.

I need not say that the committee attaches great importance to the cooperation of your Government and earnestly hopes that it will be able to accept this invitation."

WILSON

793.94Commission/837 : Telegram

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

WASHINGTON, February 25, 1933—6 p. m.

78. Your 125, February 24, 7 p. m. Communicate to Drummond as a letter from me under today's date the following:

"There has been communicated to me the text of your letter of February 24, 1933, transmitting to me a copy of the report of the Committee of Nineteen as adopted by the Assembly of the League of Nations on this day.

I note your request that I communicate to you as soon as possible the reply of the Government of the United States.

In response to that request I have the honor to state the views of the American Government as follows:

In the situation which has developed out of the controversy between China and Japan, the purpose of the United States has coincided in general with that of the League of Nations, the common objective being maintenance of peace and settlement of international disputes by pacific means. In pursuance of that objective, while the League of Nations has been exercising jurisdiction over a controversy between two of its members, the Government of the United States has endeavored to give support, reserving to itself independence of judgment with regard to method and scope, to the efforts of the League on behalf of peace.

The findings of fact arrived at by the League and the understanding of the facts derived by the American Government from reports made to it by its own representatives are in substantial accord. In the light of its findings of fact, the Assembly of the League has formulated a measured statement of conclusions. With those conclusions the American Government is in general accord. In their affirmations respectively of the principle of non-recognition and their attitude in regard thereto the League and the United States are on common ground. The League has recommended principles of settlement. In so far as appropriate under the treaties to which it is a party, the American Government expresses its general endorsement of the principles thus recommended.

The American Government earnestly hopes that the two nations now engaged in controversy, both of which have long been in friendly relationship with our own and other peoples, may find it possible,
in the light of the now clear expression of world opinion, to conform
their policies to the need and the desire of the family of nations that
disputes between nations shall be settled by none but pacific means."

2. The text of Drummond's letter to me and my reply are being
released to the press here for publication in the Sunday morning
papers. I hope that Drummond also will release the texts.

STimson

798.94/5953

Memorandum by the Secretary of State

[WASHINGTON,] February 27, 1933.

The Japanese Ambassador called by appointment to complete the
conversation that we were having last Thursday. But in opening
he said he wanted to tell me that as a personal matter he thought
the tone of my last note to the League of last Saturday concerning
the action of the Assembly was temperate and conciliatory. He
said he appreciated that I had been trying not to pour oil upon
the fire and he thought my attitude would be appreciated by his people,
although he had not yet had time to hear of their reaction to my
note.

We then passed on to a general talk for which he had come and,
taking my cue from what he had said, I reminded him that I had
never been unfriendly to Japan; that I had publicly stated, before
these events in Manchuria, that I regarded the welfare of Japan
and her position and influence in the Far East as important to the
welfare of the United States, and that I had frequently, before these
events had taken place, called her a stabilizing influence in that part
of the world. The Ambassador said he remembered the expressions
I had used on the occasion of the Emperor's birthday which were
very gratifying. I then went on to remind him that when the
Manchurian outbreak occurred in September, 1931, I had not attrib-
uted it to the Government of Japan or to the statesmen whom I used
to know, Shidehara and Wakasuki, or to the people of Japan, but
to the efforts of a small group of persons of militaristic ambitions
and desires. The Ambassador said he knew this very well. I re-
mined him further that in what action I had thereafter taken in
opposing Japanese actions in Manchuria I was not actuated by hos-
tility to the Japanese Government or people but by a desire to pre-
serve and maintain certain peace treaties which I regarded as vital
and important not only to the world at large but also to Japan. I
told him that I had made several speeches in which I had explained
my views as to the importance of those treaties. I said I believed
the Great War had demonstrated that we had developed both in

87 See telegram No. 78, Feb. 25, 1933, to the Minister in Switzerland, supra.
Japan and in this country and in many parts of Europe and the rest of the world a complex industrial civilization which could not withstand modern war, and I explained to him in detail what I meant. I pointed out that we were developing into great congested populations of people who were not self-supporting but were dependent upon trade and commerce for their supplies and food; that I believed the Great War had shown that unless future wars could be checked and minimized this civilization would be destroyed. The Ambassador expressed his assent. I pointed out that these peace treaties, including the League of Nations Covenant, the Pact of Paris and the Nine-Power Treaty, were earnest attempts by the people of the world to carry out this view and to protect our civilization against its destruction by war, and that they were, each of them, an attempt to stabilize the world after the war and to protect the welfare of each nation. He said he recognized this. I told him that this had been the mainspring of my action.

The Ambassador said he recognized all of this and on his part, although he had been disappointed many times when he had given me assurances which were afterwards not carried out in Manchuria, he still wanted to say that he believed in his people and that sooner or later the moderate elements would not disappoint us. I told him I joined in his hope that this would be so. I then said that in regarding the situation it seemed to me that the whole of Manchuria itself was not as important to Japan as the confidence and good-will which were being jeopardized by these campaigns. He indicated that he thought this was so. The Ambassador said he was going to devote himself to a cultivation of friendly cultural relations between the two countries, abandoning talk about Manchuria. He expressed himself warmly in the hope that we shall be able to continue our personal relations even after I go out of office. I reciprocated these hopes and told him that I looked forward to the time when the campaign against Chinchow would no longer prevent me from coming to his Embassy, referring to an incident of last winter. The Ambassador laughed and said he hoped so too.

H[ENRY] L. S[TIMSON]

793.94 Advisory Committee/3 : Telegram

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

[Paraphrase]

WASHINGTON, March 11, 1933—8 p. m.

86. Your telegram No. 128, February 25, 4 p. m.

1. Please transmit to Drummond, unless you perceive reason for further consideration, in which case report same at once, the follow-
ing letter addressed to him by the Secretary of State under date of March 11.\textsuperscript{36}

"I have the honor to acknowledge the receipt of your letter of February 25, 1933,\textsuperscript{37} enclosing the text of a resolution adopted on February 24 by the Assembly of the League of Nations, providing for the appointment of an Advisory Committee. You inform me that the Advisory Committee set up under the terms of this resolution held a meeting on February 25 and requested, in accordance with the instructions of the Assembly, that you convey to the Government of the United States an invitation to cooperate in its work.

In reply, I am happy to inform you that the American Government is prepared to cooperate with the Advisory Committee in such manner as may be found appropriate and feasible. As it is necessary that the American Government exercise independence of judgment with regard to proposals which may be made and/or action which the Advisory Committee may recommend, it would seem that appointment by it of a representative to function as a member of the Committee would not be feasible. However, believing that participation by a representative of this Government in the deliberations of the Committee would be helpful, I am instructing the American Minister to Switzerland, Mr. Hugh R. Wilson, to be prepared so to participate, but without right to vote, if such participation is desired."

2. Authorization is given to you to act in accordance with the provisions of the letter quoted above. Of course, you will not commit your Government in regard to any matter without first obtaining from the Department express and definite authorization.

3. It is my request that the above be kept confidential until there has been time for me to prepare a statement to be released with the reply here and until I have so informed you.

\textbf{Hull}

\textit{793.34Commission/461a : Telegram}

\textit{The Acting Secretary of State to the Minister in Switzerland (Wilson)}

\textit{WASHINGTON, March 13, 1933—6 p. m.}

87. Department's 86, March 11, 8 p. m., and your 146, March 12, 4 p. m.\textsuperscript{40} Department will release text of Drummond's letter of February 25 to Secretary and Secretary's letter of March 11 to Drummond for publication everywhere at 9 o'clock Eastern Standard Time, Tuesday, March 14.

At the same time Department is making public an explanatory statement which reads as follows:

\textsuperscript{36} Quotation not paraphrased.
\textsuperscript{37} See telegram No. 128, Feb. 25, 1933, from the Minister in Switzerland, p. 114.
\textsuperscript{40} Latter not printed.
“The Advisory Committee created by the Assembly of the League of Nations for the purpose of following the situation in the Far East has extended to the Government of the United States an invitation to cooperate in the work of the Committee.

This Advisory Committee consists of the members of the Committee of Nineteen and representatives of Canada and the Netherlands.

The promotion of peace, in no matter what part of the world, is of concern to all nations. It has been and is the desire of the American people to participate in efforts directed toward that end. In this spirit we have in the past established the practice of cooperation and observation without direct participation. We therefore gladly accept this invitation of the Advisory Committee that we cooperate with it in the work assigned to it by the Assembly. As a practical measure toward facilitating effective cooperation, we suggest, in our reply to this invitation, that a representative of the United States be present, without right to vote, in the deliberations of the Committee. This procedure, if adopted, will not give to the representative of this Government a position of membership on the Committee. Presence of the United States in this manner in the meetings of the Committee will give an informative contact. It does not in any way impair the right of independence of judgment and freedom of action of the United States. The representative of the United States cannot take any action binding this country. We believe that the importance of the problem which is of common concern in this connection to the League, to the League Powers and to the United States, calls for promptness and accuracy in exchange of information and views; that the dictates of common sense call for consultation with free and frank discussion among the nations; and that the procedure thus suggested will contribute toward the serving of those ends—in the interest both of the United States and of all other countries concerned.”

PHILLIPS

603.001 Manchuria/15 : Telegram

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

TOKYO, May 3, 1932—noon.
[Received May 3—2:10 a.m.]

89. Last week the correspondent of the New York Times 44 cabled to his paper a statement made to him by Komai, Privy Counselor of Manchukuo, that Manchukuo would apply the principle of the open door only to those countries which recognized Manchukuo’s independence. On the following day Byas cabled to his paper a statement by the spokesman of the Foreign Office to the effect that Komai possessed no influence or authority and that the Japanese Government would never countenance any violations of the open-door principles which she regards as basic in the Far East.

44 Hugh Byas, correspondent at Tokyo.
In view of the adverse publicity which has occurred abroad, the Vice Minister for Foreign Affairs today authorized me to inform my Government officially that Komai spoke without authority and that the principle of the open door in Manchukuo would be strictly maintained.

Grew

The Truce Agreement Between the Chinese and Japanese Military Authorities, Signed at Tangku, May 31, 1933

(i) The Chinese army will withdraw to the west and south of the line from Yen-Ching to Chang-Ping, Kao-Li-Yung, Sun-Yi, Tung-Chow, Hsiang-Ho, Pao-Ti, Lin-Ting-Kow, Ning-Ho and Lu-Tai, and undertakes not to advance beyond that line and to avoid any provocation of hostilities.

(ii) The Japanese army may use aeroplanes or other means to verify the carrying-out of the above article. The Chinese authorities will afford them protection and facilities for such purpose.

(iii) The Japanese army, after ascertaining the withdrawal of the Chinese army to the line stated in Article i, undertakes not to cross the said line and not to continue to attack the Chinese troops, and shall entirely withdraw voluntarily to the Great Wall.

(iv) In the region to the south of the Great Wall and to the north and east of the line as defined in Article i, the maintenance of peace and order shall be undertaken by the Chinese police authorities.

(v) The present Agreement shall come into effect upon its signature.

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793.94 Advisory Committee/46

The Secretary General of the League of Nations (Drummond) to the Secretary of State

Geneva, June 12, 1933.

[Received June 26.]

Sir: I have the honour to enclose a copy of the circular drawn up by the Advisory Committee appointed by the Assembly of the League of Nations to follow the situation in the Far East and to aid the Members of the League in concerting their action and their attitude among themselves and with the non-Member States. The Advisory Committee has decided to send this circular, which relates to the measures involved by the non-recognition of “Manchukuo”, to the Members of the League and those non-Member States to which the

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[b] For text, see ibid., p. 10.
Assembly’s report on the settlement of the Sino-Japanese dispute has been communicated.

The Advisory Committee recalls that on February 25th, 1933, immediately after the Assembly’s adoption of the report, the United States Government was good enough to inform me that “in their affirmations, respectively of the principle of non-recognition and their attitude in regard thereto, the League and the United States are on common ground.”

Having also had the privilege of welcoming Mr. Hugh R. Wilson as the representative appointed by your Government to participate in its deliberations on the conditions stated in your telegram of March 11th, the Committee has instructed me to express to you the hope that the United States Government, exercising the independence of judgment that it has reserved with regard to action which the Committee may recommend, will, for its own part, declare its agreement to the measures that this circular recommends to the Governments for the purpose of giving effect to the principle of non-recognition.

I have [etc.]

ERIC DRUMMOND

793.94 Adviser Committee/46

The Secretary of State to the Chargé in Switzerland (Riggs)

No. 2319 WASHINGTON, September 20, 1933.

SIR: Referring to the Department’s telegram No. 119, July 19, noon, to Minister Wilson at Geneva, and to Minister Wilson’s telegrams from Geneva No. 203, July 22, 6 p. m., and No. 205, July 24, 11 a. m., there is enclosed a copy of a letter addressed by the Secretary-General of the League of Nations to the Secretary of State under date June 12 enclosing a copy of a circular relating to the measures involved by the non-recognition of “Manchukuo” drawn up by the Advisory Committee of the League of Nations; and there is also enclosed the original and a copy of the American Government’s reply to the Secretary-General’s communication.

Upon Minister Wilson’s return, it is desired that you bring this matter to his attention. Unless he perceives substantial reason for proceeding otherwise, in which case he should at once explain to the Department by telegram, he should transmit to the Secretary-General of the League the original of the American Government’s reply. In so doing he should inform the Secretary-General that this Government requests that the text of its reply be not made public or circularized.

43 For text, see ibid., Special Supplement No. 112, p. 56.
44 See telegram No. 78, Feb. 25, 1933, to the Minister in Switzerland, p. 115.
45 See telegram No. 86, Mar. 11, 1933, to the Minister in Switzerland, p. 117.
46 None printed.
47 Supra.
among the states members of the League without first obtaining the
assent of this Government to such action; but that this Government
would have no objection to the Secretary-General's disclosing in confi-
dence to the Advisory Committee the text of the American Gov-
ernment's reply.

Very truly yours,

Cordell Hull

[Enclosure]

The Secretary of State to the Secretary General of the League of
Nations (Avenol)

WASHINGTON, September 20, 1933.

Sir: I acknowledge the receipt of your predecessor's letter of June
12, 1933, enclosing a copy of the circular relating to the measures
involved by the non-recognition of "Manchukuo", drawn up by the
Advisory Committee appointed by the Assembly of the League of
Nations to follow the situation in the Far East. This letter expresses,
under instruction of the Committee, the hope that the American Gov-
ernment, exercising the independence of judgment that it has reserved
with regard to action which the Committee may recommend, will de-
clare its agreement to the measures which, for the purpose of giving
effect to the principle of non-recognition, this circular recommends
to the various Governments concerned.

In reply I am happy to inform you that the views of the American
Government with regard to the principle of non-recognition remain
unchanged and that the American Government concurs in general
in the conclusions arrived at by the Advisory Committee.

With regard, however, to the Advisory Committee's suggestions on
the subject of accessions to "Open Conventions", the American Gov-
ernment is of the opinion that the procedure suggested is not under
existing circumstances essential and is open to objection from point of
view both of practicability and of policy. The American Govern-
ment therefore purports, in so far as there are concerned "Open Con-
ventions", for which this Government may receive applications for
accession, merely to file such applications without acknowledgment
or further action.

Also, on the subject of the procedure to be followed in reference to
the control of the traffic in narcotic drugs, the American Government
finds its views not altogether in accord with the recommendations of
the Advisory Committee. It is noted that the Committee in making
its recommendations has considered the Geneva Opium Convention of
1925. The American Government is not a party to that Convention.
The American Government does, however, apply a system of import
and export certificates similar to the system prescribed under that

Convention. American law prohibits the exportation from the United States or its territories of "any narcotic drug to any other country" unless the importing country has become a party to the Hague Opium Convention of 1912 and its Final Protocol and has adopted the safeguards prescribed by that Convention. Hence, the Advisory Committee's recommendations in this connection cannot under existing laws be adopted by the United States. Furthermore, it is conceived that acceptance in any way of an import certificate issued by "Manchukuo" as the basis for exporting narcotics to Manchuria might readily be construed as an implication of recognition.

The basic international convention relating to the control of the traffic in narcotic drugs is the Hague Convention of 1912, to which the American Government and most of the Governments members of the League are parties. It would seem that the provisions of the Hague Convention were not considered by the Advisory Committee, and the American Government doubts whether the procedure suggested by the Advisory Committee would be in conformity with that Convention.

Except for these points, the American Government believes that it will be readily possible for it to proceed in substantial accordance with the recommendations formulated by the Advisory Committee.

Accept [etc.]

CORDELL HULL

711.94/845 : Telegram

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

[Paraphrase]

TOKYO, October 3, 1933—2 p. m.
[Received October 3—57:41 a. m.]

149. 1. Yesterday I had a long informal talk with Hirota, the new Foreign Minister. In order to avoid the usual publicity in connection with my visits to the Foreign Office, the talk took place at the residence of the Minister, who stated that he would be glad to arrange our future talks in a similar manner.

2. Obviously, the Foreign Minister is seeking ways and means for the improvement of Japanese-American relations and has under consideration the desirability of sending to the United States a good-will mission for the purpose of sounding out American public opinion and of "explaining Japan to the American public". When he requested my views I said that in my opinion there was not any good reason for such a mission because the American public is not hostile to Japan in spite of certain differences in opinion, and that I thought individual

*Foreign Relations, 1912, pp. 193, 196.
contacts made by distinguished Japanese visitors such as Prince Tokugawa (who on his return from England expects to visit the United States) would accomplish more than any formal good-will mission. Later, I shall convey to Hirota the fact that organized foreign propaganda is viewed with distaste by the American public.

3. The irresponsible anti-American utterances of the Japanese press which are cabled frequently to the American press, I told Hirota, are among the principal factors militating against good relations. I said these utterances created the feeling in the minds of the American public that Japan is hostile to the United States and inevitably raised a feeling of mutual suspicion and distrust. I expressed the belief that his aims could best be accomplished by giving the desired background and orientation to the Japanese press. I was asked pointedly by Hirota whether in the Japanese press I had observed any anti-American comment since he took office. My reply to his question was in the negative.

4. It was asserted by Hirota that he particularly desired to convey to the press and public of America his own policy and his wish to develop closer relations between the United States and Japan. He was sorry he had been painted unjustly as a rabid nationalist by certain sections of the American press. I made the suggestion that he would find helpful a more personal contact with the American press correspondents in Tokyo and offered for that purpose to arrange an informal dinner on October 12 at the Embassy. My offer was accepted with obvious pleasure.

5. Reports in the press of a contemplated good-will mission to the United States are given out by the Foreign Office as a trial balloon. Among other reasons, such a mission, in my opinion should, at least at the present time, be discouraged because: (a) At present the American public is far more occupied with domestic problems than with any foreign questions; (b) in certain quarters in the United States a latent distrust of Japan exists which organized Japanese propaganda would enhance.

6. At present it appears that my relations with the new Foreign Minister are going to be more satisfactory than it was possible to develop with his predecessor Count Uchida, and that Hirota is groping for advice and is open to suggestions of a constructive nature. Therefore, suggestions or instructions by way of guidance from the Department would be helpful for my future talks with the Minister for Foreign Affairs.

GREW
WASHINGTON, October 6, 1933—5 p. m.

89. Embassy’s 149, October 3, 2 p. m.

1. The report of satisfactory recent contacts and probabilities for the future between Hirota and yourself is of great gratification to me. With regard to Hirota’s contemplation of sending a good-will mission, I concur heartily in your view and approve the statements you made and the course you suggested. For the reasons which you give, along with others, that project should be discouraged. Already there has appeared in the American press reactions unfavorable to it. It is my intention to take the same line with Debuchi that has been taken with Hirota by you.

2. In connection with Hirota’s desire to improve American-Japanese relations, you might find opportunity to turn his attention to the situation whereby the Department is confronted with increasing evidence of discrimination, actual or likely to develop, by the authorities of Manchukuo against American and other foreign commercial interests in Manchuria, and of acts by these authorities prejudicial to the treaty rights of the United States. The following might be indicated to Hirota. The American public, reading a press which is uncensored and which carries a large amount of foreign news, is impressed less by inspired expressions of attitude and intent and more by statements of fact. A response unfavorable to the aim of fostering friendly relations, which we as well as Hirota seek, will be brought forth in this country by any evidence of discrimination against American trade in Manchuria. If Hirota could use his influence with the Manchukuo authorities toward preventing discrimination or having discrimination removed where it exists, insofar as his efforts in that connection were successful to that extent conditions favorable to the natural development of good will would be fostered and the development of grounds of irritation checked. With regard to instances when discriminations or impairment of American rights do exist or develop, if it is not possible to effect their removal locally, there would probably be no alternative for the American Government other than to bring them officially to the notice of the Japanese Government. Consequently, if the Japanese authorities could discourage successfully the discriminatory and other objectionable practices in Manchukuo, it would contribute substantially to maintaining and promoting good will between the United States and Japan, and at this time efforts along that line would contribute more than any gesture of a good-will mission toward the end sought.
3. The following is for your information. With regard to the question of amending our Immigration Act,\footnote{Approved May 26, 1924; 43 Stat. 153.} recently the Department suggested to Debuchi that he suggest to Shigemitsu \footnote{Mamoru Shigemitsu, Japanese Vice Minister for Foreign Affairs, 1933–36.} informally that the present is not an opportune moment for public agitation in relation to this question.

HULL

711.94/852: Telegram

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

[Paraphrase]

WASHINGTON, October 14, 1933—4 p. m.

97. Embassy’s 154, October 11, 10 a. m.\footnote{Not printed.} In the event Hirota should request you to specify instances and cases of discrimination, your answer should be that at the present time you are less concerned with specific cases of discrimination and more with acts and policies of Manchukuo which are in effect now or are contemplated and which derogate from conditions permitting of free and equitable competition. The project for an oil monopoly which is reported to be under consideration is an example of these policies and acts.

The Department does not understand how, without violating rights assured under existing treaties, it would be possible to confer privileges of preemption on organizations which in character are not purely native and thereby to exclude American participation in any line of production or commercial industry. Likewise, it is our opinion that, except in contravention of existing treaty rights, the proposed banking law which would require American banks operating in Manchuria to deposit currency or securities with Manchukuo could not be enforced.

As a specific example of discrimination you may cite levying at Manchurian ports of a lower duty on Japanese oil than on American oil.

HULL

793.84/Advisory Committee/59

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

No. 385

WASHINGTON, October 23, 1933.

Sir: Reference is made to the Department’s instruction No. 367 of September 25, 1933\footnote{Not printed; it transmitted copies of instruction No. 2319, Sept. 29, 1933, and its enclosures, to the Chargé in Switzerland, p. 121.}, in regard to the recommendations of the Advisory Committee of the League of Nations relating to certain measures involved in the non-recognition of “Manchukuo”.

\footnote{Not printed; it transmitted copies of instruction No. 2319, Sept. 29, 1933, and its enclosures, to the Chargé in Switzerland, p. 121.}
Upon the return of Minister Hugh R. Wilson to Geneva, he telegraphed to the Department under date October 18, 1933, 11 a. m. that he was not transmitting to the Secretary General of the League the Department’s reply of September 20, 1933, to the Secretary General’s letter of June 12, 1933, as it was almost certain that such a communication would “shortly become public knowledge”. In view of the foregoing circumstance, Minister Wilson suggested that the Department authorize him to explain the American Government’s position orally and confidentially to the Secretary General and to state that when the Manchuria Committee meets again he would explain this Government’s position to the members of that committee. Under date October 18, 1933, 2 p. m. the Department approved Minister Wilson’s suggestion.  

Very truly yours,  
For the Secretary of State:  
WILLIAM PHILLIPS  
[Under Secretary of State]  

711.94/908

Informal and Personal Message From the Japanese Minister for Foreign Affairs (Hirotô) to the Secretary of State

TO THE HONORABLE
THE SECRETARY OF STATE.

It is a significant fact that ever since Japan and the United States opened their doors to each other exactly eighty years ago, the two countries have always maintained a relationship of friendliness and cordiality.

It is a matter for gratification to both our countries that they produce very few commodities which represent conflicting interests in their foreign trade, that each supplies what the other wants, that they are good customers of each other’s products, and that they are strengthening their relation of interdependence year after year.

I firmly believe that viewed in the light of the broad aspect of the situation and studied from all possible angles, no question exists between our two countries that is fundamentally incapable of amicable solution. I do not doubt that all issues pending between the two nations will be settled in a satisfactory manner, when examined with a good understanding on the part of each of the other’s position, discussed with an open mind and in all frankness, and approached with a spirit of cooperation and conciliation.

I can state with all emphasis at my command that the Japanese nation makes it its basic principle to collaborate in peace and harmony with all nations and has no intention whatever to provoke and make trouble with any other Power.

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* Handed to the Secretary of State by the Japanese Ambassador, February 21, 1934.
It is the sincere desire of Japan that a most peaceful and friendly relation will be firmly established between her and her great neighbor across the Pacific, the United States. And to this end I have been exerting my best efforts since I took the post of Foreign Minister. I am happy, therefore, to avail myself of the occasion of the arrival in your country of Mr. Saito, the new Ambassador, to lay before you, through him, Mr. Secretary, my thoughts as to the necessity of promoting our traditional friendship as above.

I hope and believe that the desire of the Japanese Government in this respect will be reciprocated by a full support and countenance on the part of your Government.

711.94/908

Informal and Personal Message From the Secretary of State to the Japanese Minister for Foreign Affairs (Hirota) 65

To His Excellency

The Minister for Foreign Affairs of Japan.

Mr. Saito, the new Ambassador of Japan to the United States, has delivered to me the personal and informal message which you have been so good as to send me.

The cordial sentiments which you express in this message I highly appreciate and reciprocate.

I have not failed to note, with gratification, Your Excellency’s effort to foster friendly relations with other powers. In all such effort I am sure that you realize that you may rely upon me for the fullest possible measure of cooperation.

You express the opinion that viewed in the light of the broad aspect of the situation and studied from all possible angles no question exists between our two countries that is fundamentally incapable of amicable solution. I fully concur with you in that opinion. Further, I believe that there are in fact no questions between our two countries which if they be viewed in proper perspective in both countries can with any warrant be regarded as not readily susceptible to adjustment by pacific processes. It is the fixed intention of the American Government to rely, in prosecution of its national policies, upon such processes. If unhappily there should arise in the future any controversy between our two countries, the American Government will be prepared, as I believe it always has been in the past, to examine the position of Japan in a spirit of amity and of desire for peaceful and just settlement, with the confident expectation that the Japanese

65 Handed to the Japanese Ambassador by the Secretary of State, March 3, 1934, 12:30 p. m.
Government will be prepared to examine the position of the United States in the same spirit.

You refer to the gratifying fact that in the field of trade the interests of our two countries are not in conflict and commercial ties are being constantly strengthened. I perceive every reason to anticipate that the United States and Japan will continue to develop their reciprocal trade with benefit to both countries and, where there may be competition, with constant reciprocal good will.

You state emphatically that Japan has no intention whatever to provoke and make trouble with any other power. I receive this statement with special gratification and I am glad to take this opportunity to state categorically that the United States on its part has no desire to create any issues and no intention to initiate any conflict in its relations with other countries.

In the light of these facts I feel that I should also avail myself of this opportunity to express my earnest hope that it may be possible for all of the countries which have interests in the Far East to approach every question existing or which may arise between or among them in such spirit and manner that these questions may be regulated or resolved with injury to none and with definite and lasting advantage to all.

I shall of course be glad to receive through the Ambassador of Japan to the United States or the Ambassador of the United States to Japan any suggestions calculated to maintain and to increase that friendliness and cordiality which have constantly marked since the conclusion of our first treaty the relations between our two countries. You may count upon my earnest desire to favor any measure or steps which may be practicable toward this end and toward fostering at the same time relations of peace, good will and general benefit among all members of the Family of Nations.

Cordell Hull

711.94/918a: Circular telegram

The Secretary of State to the Ambassador in Japan (Grew) *4

WASHINGTON, March 21, 1934—5 p. m.

1. Texts of the exchange of informal letters between Minister for Foreign Affairs Hirota and the Secretary of State were released to the press today.

*4 Telegraphed also on the same day to Peking with instructions to repeat to Shanghai and Nanking; and to London with instructions to repeat to Paris, Geneva, Berlin, and Rome.
2. No negotiations of any sort have been in process or are being conducted between the two Governments.
3. You may so inform any inquirers.

**HULL**

711.94/919: Telegram

_The Ambassador in Japan (Grew) to the Secretary of State_

Tokyo, March 22, 1934—8 p. m.
[Received March 22—7:07 a. m.]

56. Department's circular March 21, 5 p. m. Foreign Office spokesman this morning categorically denied newspaper reports from Washington and London to the effect that Ambassador Saito has been instructed to negotiate on the questions of exclusion of Japanese immigrants, recognition of Manchukuo and abandonment of naval and air bases in the Philippine Islands.

**GREW**

893.6363 Manchuria/29

_The American Embassy in Japan to the Japanese Ministry for Foreign Affairs_

**INFORMAL MEMORANDUM**

According to information which has reached the Government of the United States, the authorities in Manchuria have enacted a law establishing the Manchuria Petroleum Company, a semi-official organization of which the shares, which are nominative, are held by the regime in Manchuria and by various Japanese companies, one of which is the South Manchuria Railway, a semi-official Japanese Company. The Manchuria Petroleum Company, it is understood by the Government of the United States, is to be entrusted with the execution of the policy in regard to petroleum producing and refining.

The Government of the United States has also been informed that further legislation is now under consideration, which, if enacted, would establish an official monopoly of the selling of refined petroleum products in Manchuria, obtaining for the present a part of its supplies of refined petroleum products from the Manchuria Petroleum Company. It is understood that the plan contemplates the eventual expansion of the capacity of the refinery or refineries of the Manchuria Petroleum Company to a point where the entire needs of the proposed petroleum monopoly can be supplied by the Manchuria Petroleum Company.
If the foregoing information is accurate, and if this project were carried into effect, it would apparently close the door in Manchuria to the sales by American oil companies of their products and consequently would violate the principles of the Open Door, a principle which Japan is committed to uphold and which it has declared that it will uphold.

The Government of the United States furthermore desires to invite the attention of the Japanese Government to the fact that participation by the South Manchuria Railway, a semi-governmental Japanese organization, in the monopolistic project in question, and the reported erection of the refinery of the Manchuria Petroleum Company in the Japanese leased territory in Kwantung, presupposes the approbation and cooperation of the Japanese Government in the project. Such concurrence and cooperation of the Japanese Government would contravene the provisions of Article 3 of the Nine Power Treaty signed at Washington in 1922,\textsuperscript{56} under which the Japanese Government agreed that it would not seek, nor support its nationals in seeking, any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in the territory to which that Treaty applies.

Furthermore, the Government of the United States desires to point out that the establishment of a petroleum selling monopoly in Manchuria would contravene the explicit provisions [of the Sino-American Treaty of?] 1844\textsuperscript{56} and Article 14 of the Sino-French Treaty of 1858,\textsuperscript{57} and would therefore constitute a violation of certain international obligations the fulfillment of which has been guaranteed by the authorities in Manchuria.

The Government of the United States therefore trusts that the Japanese Government will refuse its approval or support of this monopolistic project in Manchuria, and will endeavor to deter its nationals from participation therein, and that the Japanese Government will also use its influence to discourage the adoption by the Manchurian authorities of measures which tend to violate the principle of the Open Door and the provisions of various treaties which the authorities in Manchuria have agreed to respect.

\textit{Tokyo, July 7, 1934.}

\textsuperscript{56} For text of treaty, see \textit{Foreign Relations}, 1922, vol. i, p. 276.


\textsuperscript{57} \textit{British and Foreign State Papers}, vol. ii, pp. 636, 641.
Tokyo, August 2, 1934.

1. In an informal memorandum dated July 7, 1934, the American Embassy expresses the desire to ascertain whether or not a report received by the Embassy concerning the establishment of the Manchurian Oil Company and a plan of the Manchukuo authorities for the establishment of an oil sales monopoly, has a basis in fact, and at the same time setting forth the views of the American Embassy in regard to these matters.

2. The plans of the Manchukuo Government as regards the establishment of a Manchurian Oil Company and the oil policies of the Manchukuo authorities, are in no way the concern of the Japanese Government. Consequently the Japanese Government regrets that it is unable to make any explanation thereon. However, since the American Embassy has expressed the desire for information, there is herebelow quoted in outline for the information of the American Embassy a report recently received by the Japanese Government.

The Manchurian Oil Company was established in Manchukuo, as a juridical person, in accordance with a Special Law promulgated on February 21, 1934. This law does not confer any monopolistic rights whatsoever on this company, nor does it or the company's regulations make any restrictions based on nationality as regards ownership of shares of the Company.

In line with examples set by various governments in Europe, the Manchukuo Government seems to be at present contemplating the enactment of a law to control the oil industry, an essential industry. According to reports at hand, the intent of the above-mentioned law is to make the sale of oil a government monopoly. The manufacture of oil and the exportation and importation of oil will not be monopolized by the Government. Moreover, the new law does not contemplate granting monopolistic rights to the above-mentioned company as regards the manufacture, importation, exportation, etc. of oil.

The report further indicates that according to the plan of Manchukuo, it is not contemplated that all the oil to be sold by the Government shall be monopolized by the products of the Manchurian Oil Company.

3. It is a fact that the South Manchuria Railway has invested in the Manchurian Oil Company and that the latter company has established its factory in the Kwangtung Province. However it is not believed that these facts are liable to give rise to any question of contravention of existing treaties on the part of Japan.
4. The question of the interpretation of the Sino-American treaty of 1844 and of some special provisions of the Sino-French treaty of 1858 in which American participation is specified; the question of whether such provisions do or do not directly bind Manchukuo which has become independent from China; and the policies of Manchukuo as regards these matters, are questions that concern the American and Manchukuo Governments, and as such the Japanese Government must refrain from referring to herein.

5. In view of these circumstances, the Japanese Government regrets that it is unable to prevent Japanese capitalists from investing in this oil company which is a juridical person in Manchukuo, nor is it able to prevent the authorities of Manchukuo from establishing a measure of control over oil. However the Japanese Government believes that the Manchukuo Government intends to give all possible consideration to the interests of foreign merchants now in Manchukuo in connection with the purchase and sale of oil, and recommends that American interests concerned deal directly with the authorities of Manchukuo.

893.6963 Manchuria/50

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

INFORMAL MEMORANDUM

Having given to the contents of the informal memorandum in regard to petroleum projects in Manchuria which the Foreign Office was so good as to communicate under date of August 2, 1934, to the American Ambassador to Japan the careful consideration which the importance of its subject matter warrants, the American Government is constrained in all candor to offer with regard to the position taken in that memorandum the following observations:

The plans under discussion are, it appears, plans to monopolize the distribution of oil and in part at least the importation, processing and exportation of oil in Manchuria. The American Government cannot escape the conclusion that the effectuation of such plans would result in the setting up of a monopoly control of the oil industry in Manchuria. The development of a monopoly control in any field would be a matter prejudicial to the treaty rights of American nationals and would run counter to the principle of the open door.

These plans however are apparently being formulated with the concurrence and cooperation of Japanese nationals, the participation of such quasi-official organizations as the South Manchuria Railway and the assent or approval of the Japanese Government.
In approaching the Japanese Government on this subject the American Government has had in mind developments of the past three years in relations between Japan and Manchuria and has given thought to treaties to which Japan and the United States are parties and to various declarations in which the Japanese Government has given assurances that there will be maintained in Manchuria the principle of the open door. This Government has of course assumed and continues to assume that the Japanese Government wishes to implement its undertakings.

Entertaining as it does a high opinion of the sense of responsibility and the capacity of the Japanese Government, this Government cannot believe that the contents of the memorandum under reference express adequately and conclusively the Japanese Government’s position and intention with regard to projects in Manchuria the carrying out of which would not only be contrary to provisions of treaties but would involve contravention of the unqualified assurances which have been given by the Japanese Government to the American Government, to other Governments and to the world.

Tokyo, August 31, 1934.

Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck)

[WASHINGTON,] November 6, 1934.

During the course of my call on the Japanese Ambassador today, the Ambassador made some references to his trip in “Manchukuo” and brought in a reference to the proposed “Manchukuo” petroleum monopoly. He said that he had very little knowledge of the facts but that the American newspapermen had been pressing him on the subject and he had told them that the “Manchukuo” government had given its word that it would respect the principle of the open door and that he was confident that it would do so. If other governments felt that it was about to act not in accord with that principle, they should inform it of their views and he was sure that it would wish to do whatever was right in the matter. He said that he had just received from Tokyo a summary of the Japanese Government’s latest memorandum to the ambassadors of the interested powers at Tokyo and that he supposed that we had been informed of the contents of that memorandum. I said that we had received a summary; that we understood that the other missions concerned in Tokyo had received a text similar or identical to that which the American Ambassador had received; and that it seemed to us that the solution of the question involved was not very much advanced thereby. I took
occasion to express in the form of a casual remark the view that one might expect that the Japanese Government would be as much interested as any other in the maintenance by the “Manchukuo” régime of an open door. The Ambassador said that the Japanese Government could do nothing more than “advise the ‘Manchukuo’ government.” I said that the foreign governments assume that when the Japanese Government “advises” the “Manchukuo” authorities in terms which indicate that it desires that its views be followed, the views expressed by the Japanese Government prevail. To that the Ambassador did not reply. Instead, he said that he had suggested to the “Manchukuo” authorities that they should buy more of goods and services from countries other than Japan than they have been doing; that they had replied to him that they were making their purchases on the basis of bids and prices and that in almost every connection they could get what they wanted from Japanese sources at less prices than from other foreign sources. Nevertheless, they had given to French firms the contracts for the building of the Foreign Office at Hsinking; and they had placed an order for structural steel with German firms, the price having been low. And they had agreed with him in principle that they should throw more trade to other countries.

And the conversation then turned to other subjects.

S[TANLEY] K. H[ORNBECK]

893.0363 Manchuria/100

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

No. 1052

Tokyo, November 14, 1934.

[Received December 1.]

Sir: I have the honor to refer to my despatch No. 1036, dated November 1, 1934, and to previous correspondence on the subject of the proposed oil sales monopoly in Manchuria, and to report the following later developments in the case.

Representations

Under date of November 5, 1934, the Foreign Office replied to the representations made by this Embassy, acting under instructions from the Department, on August 31, 1934, in regard to the proposed oil monopoly in Manchuria. The reply of the Foreign Office was in the form of a memorandum, which was sent to this Embassy without a transmitting note, but which was sent to the British Embassy in Tokyo under cover of a transmitting note marked “Confidential.” The two memoranda were identical, except that the references to the dates of representations and to the Embassies which made them,

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88 Not printed.
naturally differ in the two memoranda. A complete translation of the memorandum received by this Embassy is enclosed.

The Foreign Office memorandum sets forth that the Japanese Government is not concerned with the plans of the "Manchukuo" Government for the control of the petroleum industry; that the Japanese Government approves of the adoption by the "Manchukuo" Government of the principle of the Open Door, but that the Japanese Government cannot be responsible to other countries for the industrial policy of "Manchukuo"; that "Manchukuo" claims the same right as is possessed by other countries to control industries important to its national existence but does not intend to impose unfair or discriminatory treatment upon the economic activities of foreigners within its territories; that the Manchuria Oil Company is not endowed with monopolistic privileges and that the Japanese Government cannot prohibit the investment of Japanese capital in the Company; and that the monopoly plan of the "Manchukuo" government does not contemplate the restriction of the purchase of the monopoly’s supplies of oil to the products of the Manchuria Oil Company, and that the interests of foreign concerns will be considered as far as possible in the purchase and sale of oil.

A comparison of the reply of the Foreign Office with the representations made by the American Government, through the Embassy, on August 31, 1934, reveals the fact that almost no attempt has been made in the reply to refute the allegations contained in the representations. In the representations the American Government stated that "The development of a monopoly control in any field would be a matter prejudicial to the treaty rights of American nationals and would run counter to the principle of the open door" and "The American Government . . . has given thought to treaties to which Japan and the United States are parties and to various declarations in which the Japanese Government has given assurances that there will be maintained in Manchuria the principle of the open door". The Japanese memorandum entirely ignores the question of the treaty rights of American nationals in Manchuria. In the second paragraph, when the statement is made that "the plan of the Government of Manchukuo for the control of the oil industry . . . is not within the knowledge or concern of the Imperial (Japanese) Government", the Japanese Government practically renounces its various declarations to the effect that the principle of the open door would be maintained in Manchuria. Although not so stated, it is probable that the Japanese argument is based on the ground that the Japanese declarations in regard to the maintenance of the open door were intended to cover only the period of the Japanese military occupation of Manchuria, and ceased to be operative after "Manchukuo" became an "independent state" and
therefore possessed of the right to regulate its own internal affairs. This attitude would seem to be implied in the statement in paragraph 2 of the memorandum to the effect that “the plan of the Government of Manchukuo for the control of the oil industry is a project of that Government itself”.

While it may be argued that the Japanese Government never specifically guaranteed the maintenance of the principles of the open door and equal opportunity in Manchuria after the government of “Manchukuo” was organized, the Japanese recognition and endorsement of the new regime was largely predicated upon the maintenance of those policies, as is evidenced by the speech of Count Uchida, then Minister for Foreign Affairs, before the Diet on August 25, 1932, and the Japanese Government’s public statement of September 15, 1932, issued on the occasion of the recognition of “Manchukuo”, which reads in part as follows:

“As regards the economic activities of foreigners, the Manchukuo Government made clear in their communication of March 10 above alluded to that they would observe the principle of the Open Door. What Japan desires in Manchuria is to do away with all anti-foreign policies there so that the region may become a safe place of abode for natives and foreigners alike, while, at the same time, guaranteeing her legitimate rights and interests there; and therefore, it is hardly necessary to repeat the assurance that Japan sincerely hopes that all the peoples of the world will pursue their economic activities in Manchuria on a footing of equal opportunity and will thereby contribute to the development and prosperity of that region”.

The Protocol between Japan and “Manchukuo” of September 15, 1932, itself is predicated upon the observance by “Manchukuo” of international obligations applying to that territory, as is shown by the second paragraph of the preamble of the Protocol:

“Whereas Manchukuo has declared its intention of abiding by all international engagements entered into by China in so far as they are applicable to Manchukuo.”

It is difficult to see how the Japanese Government can ignore these definite declarations, but that it has done so is not only shown by the excerpt quoted above from the Foreign Office memorandum of November 5, 1934, but also in another part of the memorandum, which states that

“. . . while the Imperial (Japanese) Government as a matter of course hopes to see a reconciliation of the views of the said two countries it cannot be responsible to various countries for the industrial policy of the Government of Manchukuo”.

The statement in the American representations to the effect that the American Government has assumed and continues to assume that the Japanese Government wishes to implement its undertakings, was also completely ignored in the reply.
The statement in paragraph 4 of the Japanese memorandum to the effect that “According to the Manchuria Oil Company Law as outlined in the previous memorandum the said company is not endowed with any monopolistic privileges whatsoever” is an obvious subterfuge. The Manchuria Oil Company (which is four-fifths Japanese-owned) is apparently to be ranked as a semi-official “Manchukuo” concern, and as such is to be granted permission to manufacture petroleum products for the monopoly, the monopoly thus taking over the output of the concern and placing it in a privileged position, although not a monopolistic position. The Company, having an assured outlet for its entire product, can reasonably be expected to expand rapidly, and while its output at first will fill only about 50 per cent of the demand in Manchuria, there is little doubt that the proportion of the demand supplied by the Manchuria Oil Company will gradually increase, until eventually almost the entire demand for petroleum products in Manchuria will be filled by the Company and by the Shale Oil Refinery of the South Manchuria Railway at Fushun, which is also to be given similar privileges in regard to the monopoly. Thus it appears that, while it is quite true that under the law no monopolistic privileges are given to the Manchuria Oil Company and to the Shale Oil Refinery, the practical effect will be to give them eventually almost a monopoly of the supply of oil products to Manchuria. And, it should be observed, the Manchuria Oil Company is one-fifth “Manchukuo” owned and four-fifths Japanese owned, while the Shale Oil Refinery at Fushun is entirely Japanese owned.

The above facts also dispose of the contention in the memorandum that “it (the “Manchukuo” government) has no intention of imposing upon the economic activities of foreigners within its borders unfair, discriminatory treatment based on national origins”.

The statement in paragraph 5 of the memorandum that “the purport of the plan of the Government of Manchukuo does not contemplate purchasing all of the oil to be sold by the Government from the products of the Manchuria Oil Company” is likewise an evasion of the obvious fact that, under the monopoly system to be established by “Manchukuo”, a Japanese-controlled oil company is to be given a privileged position which is denied to concerns controlled by other nationals.

The Embassy therefore considers the Foreign Office memorandum to be entirely unsatisfactory.

THE MONOPOLY LAW

According to a Rengo news despatch dated Hsinking, November 13, the Petroleum Monopoly Law has been approved by the Cabinet and Privy Council of “Manchukuo” and was promulgated on that date. The Embassy understands that the substance of the Law has been telegraphed to the Department by the Consulate General at Muk-
den through the Legation at Peiping but encloses for the information of the Department a translation made in the Embassy of the Law as it appeared in the Tokyo Asahi, a usually well-informed newspaper. It will be observed that, in addition to the expected monopoly provisions, the Law includes some of the provisions of the Petroleum Industry Law of Japan, such as the licensing of the importation and refining of petroleum, the requirement that agents must store oil if desired by the government, and the requirement that all books and documents of individuals or firms handling petroleum products shall be open to inspection by the government.

Article 4 of the Law provides that oils which have been refined or imported under governmental permission shall be purchased by the "Manchukuo" government. This is obviously a clause inserted in the Law for the purpose of permitting the government to grant permission to the Manchuria Oil Company and the Fushun Shale Oil Refinery of the South Manchuria Railway to refine oils which will then be bought up by the monopoly, thereby assuring the two refineries of a steady market for their output.

The supplementary rules provide that the "Manchukuo" government will honor requests made by the present importers of or dealers in petroleum products to sell their equipment to the government, provided that such requests are made within one month after the date of enforcement of the Law. It appears probable that this clause means that if the foreign oil companies apply to the government to buy their installations and equipment within one month after the date of enforcement of the law, their applications will be favorably received, but that if they delay such applications until later, they will have little chance of selling their property except at a heavy loss. The clause therefore would appear to constitute an attempt to force the foreign oil companies to abandon their protests against the oil monopoly and to consent to the liquidation of their business in Manchuria, in order to save something from the ruin of their trade in Manchuria. The date of enforcement of the law has not yet been fixed but a rumor is current that the date will be February 1, 1935. The foreign oil companies therefore may be compelled to come to a decision in regard to the liquidation of their business in Manchuria by March 1, 1935.

There is also enclosed a copy of a statement issued by the "Manchukuo" government at the time of announcement of the monopoly law, as published in the Japan Times and Mail of November 14, 1934,\footnote{Not printed.} The statement contains nothing of interest except the assurance that "the Government intends to compensate any loss caused to the present petroleum importers and dealers by the enforcement of new regulations".
As the Department was informed in Peiping's telegram No. 378, October 21, 6 p. m. to the Department, the foreign oil companies were requested to furnish the authorities at Hsinking by November 15, 1934, with statistics of their sales and imports during the past two years together with lists of agencies and also all plants and equipment to be turned over to the monopoly. By agreement the foreign oil companies operating in Manchuria sent the authorities at Hsinking a simple statement that they were unable to supply the information demanded, without explanation. This they believed to be the wisest course, as compliance might be construed as acceptance of the monopoly scheme and might thereby weaken any diplomatic action which might be taken.

Respectfully yours,

JOSEPH C. GREW

[Enclosure 1]

The Japanese Ministry for Foreign Affairs to the American Embassy in Japan

MEMORANDUM

1. In view of the fact that the American Embassy has submitted once more, under date of August 31, 1934, an informal memorandum, concerning the plans of the authorities of Manchukuo in the enforcement of the oil monopoly, the Imperial Government wishes to supplement the Foreign Office memorandum of August 2, 1934, with respect to the following two or three points.

2. As set forth in the memorandum of August 2nd the plan of the Government of Manchukuo for the control of the oil industry is a project of that Government itself and is not within the knowledge or concern of the Imperial Government, and the Imperial Government is not in a position to give any explanation with respect to it.

3. It goes without saying, as often repeated in the past, that respect for the principle of the Open Door by Manchukuo coincides with the wishes of the Imperial Government. Accordingly, the Imperial Government appreciates the fact that the Government of Manchukuo in its proclamation upon foundation set forth its aim of respecting the principle of the Open Door and that it subsequently confirmed this in its communications abroad as well. However, in the event of a difference of views between the Government of Manchukuo and a third government regarding the question of the so-called Open Door principle announced unilaterally by the Government of Manchukuo and the application thereof, while the Imperial Government as a matter of course hopes to see a reconciliation of the views of the said
two countries it cannot be responsible to various countries for the industrial policy of the Government of Manchukuo. The Government of Manchukuo entertains the view that with respect to industries important from the standpoint of its existence it has the right to control these itself as is the case with other countries and at the same time it has no intention of imposing upon the economic activities of foreigners within its borders unfair, discriminatory treatment based on national origins. Moreover with respect to the bill to regulate the oil industry now under consideration there appears to be no change on this point.

4. According to the Manchuria Oil Company Law as outlined in the previous memorandum the said company is not endowed with any monopolistic privileges whatsoever. The Imperial Government can find no reason to prohibit the South Manchuria Railway and other Japanese capitalists from subscribing for the said Company’s stock.

5. According to the information possessed by the Imperial Government the purport of the plan of the Government of Manchukuo does not contemplate purchasing all of the oil to be sold by the Government from the products of the Manchuria Oil Company and it is the policy of the said Government in the purchase and sale of oil to consider as far as possible the interests of foreign concerns. Conversations have actually begun with these foreign concerns and it is anticipated that some discussions satisfactory both to that Government and the interested Americans will take place.

[Tokyo,] November 5, 1934.

[Enclosure 2]

*Manchukuo Oil Monopoly Law*

Article 1. Petroleum hereinafter referred to shall signify gasoline, kerosene, light and heavy oils, benzol, and any and all substitutes for fuel oil.

The scope of substitutes for fuel oil in the above paragraph shall be determined by Imperial decree.

Article 2. Petroleum shall be a government monopoly.

Article 3. No one shall engage in the refining, import and export of petroleum without government permission.

Article 4. The Government will purchase petroleum refined or imported under government permission.

Article 5. The sale of petroleum shall be undertaken by oil agents designated by the Government. However, in special cases the government is not to be prevented from selling petroleum directly to the

*Promulgated on November 13, 1934, according to press despatch from Harbin.*
consumer. Necessary matters relating to the sale of petroleum and to oil agents are to be decided by the Minister of Finance.

Article 6. The government may, whenever it deems it necessary, order oil agents to store a fixed amount of petroleum.

Article 7. No one shall undertake the refining or exporting of mineral oils other than petroleum without government permission.

Article 8. The Government may, whenever it deems it necessary, order those engaged in the handling of petroleum or oils mentioned in the preceding article to submit reports, to improve their equipment, or may enjoin them in other matters.

Article 9. The competent authorities, whenever they deem it necessary, may visit petroleum refineries, refineries of oils mentioned in Article 7, storage warehouses, dealer stands, and other places, and inspect petroleum, oils mentioned in Article 7, account books and various other objects, and make investigations of all matters.

Article 10. The competent authorities, whenever they consider that this law or ordinances issued in accordance with this law have been violated, may examine the persons concerned, conduct searches, and confiscate any articles constituting evidence.

Article 11. The government may, whenever any person who has received permission under Article 3 or Article 7 or any agent designated by the government violates this law or the ordinances issued in accordance with this law or measures taken in accordance with the latter, rescind permission or cancel designation, or order the cessation of operations within a fixed period.

(Articles 12 to 20 inclusive.) Penal regulations.

Article 16. A fine not to exceed five hundred yen shall be imposed upon anyone falling within the purview of one of the following paragraphs.

1. Those who violate Article 8 or falsify reports.
2. Those who obstruct the competent authorities in the performance of their duties stipulated in Articles 9 and 10.

Supplementary Rules

The Minister of Finance shall determine the date of enforcement of this law. Upon the promulgation of the Oil Monopoly Law the Government shall purchase, if application is made within one month after the law goes into effect, equipment actually used in business by those engaged in oil importing. The same applies to the equipment actually used in business of those engaged in the sale of oil who find it impossible to continue operations on account of the enforcement of the Oil Monopoly.

When purchases are made in accordance with the preceding article of the regulations the government will abide by the decision of the
Valuation Committee with respect to the scope of equipment and purchase price.

The composition and authority of the Valuation Committee shall be determined by Imperial decree. Matters necessary for the enforcement of this law shall be determined by the Minister of Finance. This law shall take effect simultaneously with the enforcing regulations.

The American Embassy in Japan to the Japanese Ministry for Foreign Affairs

AIDE-MÉMOIRE

The American Government is impelled again to bring to the attention of the Japanese Government the subject of the proposed petroleum monopoly in Manchuria and in connection therewith to refer to the American Ambassador’s memoranda to the Foreign Office under dates July 7 and August 31, 1934, and to the replies of the Japanese Government as conveyed to the American Ambassador by memoranda of the Foreign Office under dates August 2 and November 5, 1934.

With particular reference to the Foreign Office memorandum of November 5 the American Government finds unconvincing the statement as contained therein that the proposed control of the oil industry in Manchuria is not within the knowledge or concern of the Japanese Government. The American Government must of necessity assume that a project of such major importance to all concerned and one with regard to which Japanese interests including a quasi-official organization apparently are taking so active and so prominent a part can not escape either the knowledge or the concern of the Japanese Government. Likewise for obvious reasons the American Government can not accept the implied disclaimer of responsibility on the part of Japan in relation to the industrial policy in Manchuria of which this prohibition [project?] is a manifestation.

The American Government does not wish nor does it believe that the Japanese Government would wish to enter into controversy over the details of the project under discussion. The American Government feels however that it must call to the attention of the Japanese Government for that Government’s most careful consideration certain facts and conclusions to which the American Government attaches great importance namely that there is proposed the setting up in Manchuria of a control of the petroleum industry which by whatsoever means attained and whatever called would in fact constitute a monopoly of the sale and distribution of oil in that area; that the creation of such a monopoly would impinge upon treaty rights which
rights the authorities in Manchuria have affirmed to the world they would respect and maintain, an affirmation which the Japanese Government accepted and adopted in the protocol into which it entered with those authorities; that an oil monopoly and in fact any monopoly would in addition constitute a violation of Article III of the Nine Power Treaty to which both Japan and the United States are co-signatories. The creation of such a monopoly would adversely affect legitimate American interests long established in that region. Perseverance in this project by its promoters and indifference by the Japanese Government to that development and its consequences would tend to place at naught the emphatic and unconditional assurances repeatedly made by the Japanese Government of its devotion to the maintenance in Manchuria of the principle of the open door.

In such premises the American Government assumes and expects that the Japanese Government will wish by definite action to give clear evidence of its intention to be guided by its treaty commitments and the assurances in other forms which it has on many occasions given to the American Government and to other Governments and to the world at large.

The American Government is confident that, with further consideration of this situation and its implications, the Japanese Government will realize that it has a definite responsibility in relation to this matter and will take steps which, in view of the relationship between itself and the authorities in Manchuria, are believed to be possible and appropriate toward dissuading the promoters of the monopoly project from perseverance in that project.

Tokyo, November 30, 1934.

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] December 1, 1934.

In accordance with the Department's telegraphic instruction No. 198, November 28, 7 p. m.**, I called by appointment at 9:30 this morning on the Minister for Foreign Affairs at his official residence and handed to him the Department's aide-mémoire (dated by the Embassy November 30) concerning the proposed Petroleum Monopoly in Manchuria. I read over various portions of the aide-mémoire and discussed them. The Minister said that he would send our communication to Hsinking because our case was with the Government of Manchukuo and not with the Government of Japan. In connection with my observation that the setting up of the Manchuria Petroleum

**Not printed.
Company effectually closed the door to American oil interests, Mr. Hirota remarked that Americans were free to purchase stock in the Company. I replied that, on the contrary, the shares which are nominative are issued only with the approval of the directors and they have already been issued in the proportion of 40% to the South Manchuria Railway, a quasi official Japanese organization, 20% to the Government of Manchuria and 40% to four Japanese petroleum companies. The Minister appeared not to be aware of this fact.

Mr. Hirota then said that he thought that we and the British were taking too legalistic an attitude towards the matter and that if our oil companies would confer with the authorities of Manchukuo with a view to obtaining satisfaction in practice he thought that a solution of the controversy could readily be reached. I replied that we could hardly help taking a legalistic attitude because, in our opinion, the question of the sanctity of treaties was here involved and we felt that the whole fabric of international relationships depended upon the observance of such treaties in good faith. Mr. Hirota said that the question of the applicability of the old Chinese Treaties to Manchuria was a very difficult and complicated problem and he thought it better to lay stress on the practical rather than the legalistic aspects of the situation. Japan had come to a special arrangement with Manchukuo and the Minister clearly intimated, if he did not say so openly, that only by recognition could we expect to obtain similar privileges. I observed that the assurances of the authorities of "Manchukuo" with regard to the preservation of the principle of the Open Door, as well as many assurances on the part of Japan, some of which I quoted, had been made gratuitously and unconditionally, and that when these assurances were given nothing whatever had been said with regard to the recognition of "Manchukuo" by foreign Powers. It seemed to us that the principle of the Open Door was precisely the same principle as it had been when these assurances were given. The discussion continued for one-half hour, but the Minister's arguments were purely specious and it was obviously impossible to get anywhere. I, however, impressed the Minister more than once with the fact that the American Government and public regarded the issue as a very serious one. I also stated the emphatic denial of the American Government that the oil situation either in Manchuria or in Japan is in any way whatsoever linked with our efforts or our procedure at the London naval conversations.69

Although it is understood that I generally ask to see the Minister at his official residence instead of at the Gaimusho, in order to avoid not so much publicity but the often inaccurate and sensational publicity which attends my visits at the Foreign Office, I did not on this occasion request the Minister to withhold publicity concerning my

69 See pp. 249 ff.
démarche. Mr. Amau, the Spokesman of the Foreign Office, subsequently informed the press that my action had not been revealed to the press because I had requested that it should not be so revealed. This was not a strictly accurate statement. The British Ambassador saw the Minister at his residence for precisely the same reason but Mr. Amau did not mention this fact to the press and he placed the responsibility for his silence entirely on me.

J. C. G[rew]

The Japanese Ministry for Foreign Affairs to the American Embassy in Japan

[Translation]

No. 29

AIDE-MÉMOIRE

American Affairs III

In an aide-mémoire of November 30, 1934, on the subject of the petroleum system in Manchukuo, the American Government expressed its opinion respecting the views of the Imperial Government furnished under date of November 5, 1934. The American Government stated that it finds unconvincing the view of the Imperial Government regarding the lack of any relation between the new Manchukuo petroleum system and the Imperial Government, and that the American Government can not accept the Imperial Government's disclaimer of any responsibility for the industrial policy of Manchukuo. The American Government stated that this new control of petroleum, by whatever name described, would constitute a monopoly; that it would impinge upon treaty rights which Manchukuo has affirmed to the world would be respected, an affirmation which is cited in the protocol already entered into between the Empire and Manchukuo; and that the new system would constitute a violation of a treaty to which the Empire and the United States are cosignatories, would adversely affect interests already acquired by American citizens, and would contradict the assurances of the Imperial Government with regard to the principle of the open door. The American Government requested that the Imperial Government realize a definite responsibility in the matter and be guided by its treaty commitments and its assurances in other forms, and take steps possible and appropriate toward the abandonment of the new petroleum system.

After carefully studying the above-stated views and proposals of the American Government, the Imperial Government is unable to discover any reason for altering its former statement. In short, the American Government ignores the fact of the independence of Manchukuo (which has been recognized by the Imperial Government) and argues as if Manchukuo were still a part of China; and it must be
stated that to cite those clauses of the unilateral declarations of Manchukuo which are conjectured to be in one's own interest contradicts the aforementioned contention denying the existence of Manchukuo. The Imperial Government, although it has not declined the labor of all kinds of mediation for the sake of arriving at an amicable business settlement between the parties to the petroleum problem in Manchukuo, is not in a position to intervene or to be directly involved in Manchukuo's internal administrative questions such as the present matter. It is regretted that the American Government should on this occasion again invite controversy in connection with the fundamental question of the recognition of Manchukuo which has been made clear as the Imperial Government's fixed national policy.

In view of the previously mentioned contentions of the American Government, the Imperial Government desires to set forth the following points:

(1) As stated among other things in the aide-mémoire of the Imperial Government under date of August 2 and November 5, 1934, the Manchukuo Government's plan for the control of the petroleum industry is a plan of the Manchukuo Government which is not within the concerned cognizance of the Imperial Government; the Imperial Government is not responsible for the industrial policy of Manchukuo; according to the information in the possession of the Imperial Government the Manchuria Petroleum Company is not, from the point of view of the law of Manchukuo, empowered with exclusive monopolistic privileges; and on the subject of ownership of shares of the said company there are no distinctive regulations dependent on nationality. With regard to the phrase . . . [Translator's note: This is a coined phrase previously translated by the Embassy as "not within the knowledge or concern"] a misconstruction has apparently occurred, for it was used in the sense that this petroleum question is Manchukuo's own problem and is not a problem capable of disposition by the Imperial Government. As to citing the protocol concluded between the Empire and Manchukuo, it is to be pointed out that this is a matter having no relation whatever to the American Government.

(2) It is evident that according to international law, the provisions of the treaties between China and other countries can not be understood as being taken over uniformly and unconditionally without any sort of new arrangement consequent upon the independence from China of Manchukuo. It is accordingly believed that it was proper for Manchukuo when first established as a nation to have declared that in the treaties hitherto in force between China and other countries only "such things as ought, in the light of international law and international usage, to be taken over" should be taken over and respected.

*Bracketed insertion appears on the file copy; it translates Japanese characters which have not been reproduced.*
Furthermore, although it is a fact that in the communication in which Manchukuo proposed the inauguration of her diplomatic relations with foreign countries the open door policy was proclaimed, it is nevertheless evident that those foreign countries who completely disregard her proposal have not the right unilaterally to make use of those parts alone of her communication which happen to suit their convenience. Moreover, even leaving out of consideration the present state of affairs in Europe and America where the most extreme policies are being put into practice in the control of commerce and trade, the necessary control by an independent nation of industries such as the petroleum industry which have an important relation to the state's existence is the proper right of a nation; and it is inconceivable that Manchukuo was abandoning her proper national rights when in announcing her independence she made the above-mentioned comprehensive declaration. Accordingly it can not be allowed that in her present plan for the control of the petroleum industry there is in fact involved any contravention by Manchukuo of treaties or declarations.

(3) In short, the Imperial Government is unable to agree either with any proposal that it should bear responsibility for the actions of the Manchukuo Government or with any contention whatever which has for premise a denial of the independence of Manchukuo.

[TOKYO,] April 10, 1935.

893.6363 Manchuria/194

The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 383

Tokyo, April 15, 1935.

EXCELLENCY: I have the honor to acknowledge receipt of the aide-mémoire No. 29, dated April 10, 1935, in regard to the petroleum monopoly in Manchuria.

The contents of the aide-mémoire having been duly communicated to my Government, I have now been instructed by the Secretary of State of the United States to inform Your Excellency that the American Government is unable to accept as valid the contentions advanced in the aide-mémoire to which reference is made. The American Government greatly regrets that the Japanese Government has not seen its way clear to use the influence which it possesses through its close and peculiar relations with the present regime in Manchuria to uphold in practise the principle of the Open Door and the fulfillment of the treaty obligations which both the Japanese Government and the authorities in Manchuria have on numerous occasions declared that they would maintain.
I am also instructed to state that the American Government is
constrained to express its considered view that upon the Japanese
Government must rest the ultimate responsibility for injury to Ameri-
can interests resulting from the creation and operation of the petro-
leum monopoly in Manchuria.

I avail myself [etc.]

JOSEPH C. GREW

Memorandum by the Ambassador in Japan (Grew)

[TOKYO,] April 16, 1935.

1. I called on the Minister for Foreign Affairs, Mr. Hirota, at his
official residence at 9:30 this morning and left with him, after reading
it aloud, our note No. 383, of April 15, 1935, concerning the petroleum
monopoly in Manchuria.

2. I then made to the Minister orally the statements appended to
this memorandum "expressing each phrase and sentence slowly and
clearly so that the Minister must have clearly grasped every point
set forth.

3. At the end of my oral representations the Minister observed, as
he has frequently done before, that he had always taken the position
that this whole question was a practical one and should be approached
in a practical rather than a theoretic and legalistic way and he implied
that the matter could be solved to the satisfaction of the oil companies
if they had been permitted to discuss the matter directly with the
authorities of "Manchukuo" on a business basis. I said to the Minister
that the oil companies had already been in touch with the Manchurian
authorities without favorable results. The Minister replied that the
trouble was that the representatives of the oil companies were in the
habit of referring every step to their home governments and main-
tained that they were powerless to proceed without the approval of
their home governments. I said to the Minister that so far as the
American companies were concerned, he must be under a misappre-
hension because while the American Government naturally supported
the interests of American companies doing business abroad, it never-
theless did not dictate their policy. The companies were entirely free
to act as they thought best and they had approached this whole matter
from a business point of view. Undoubtedly some business questions
are dependent upon legalistic considerations and the oil companies in
determining their attitude in Manchuria have no doubt been obliged
to consider both aspects of the question, but they nevertheless regarded

Infra.

469186—43—vol. r— 16
it primarily as a business proposition. The Minister said he felt sure that if the companies would continue to negotiate with the “Manchukuo” authorities, they would obtain favorable results.

4. The Minister then reread my note and asked what I meant by the assurances mentioned at the end of paragraph 2. I immediately read to the Minister the various assurances given in the reply of the Japanese Government to the identical note addressed by the United States to the Governments of China and Japan, September 24, 1931; in the reply of the Japanese Government to the identical note addressed by the United States to the Governments of China and Japan, January 7, 1932; in the statement of the Japanese Government of September 15, 1932 and in the protocol between Japan and “Manchukuo”, September 15, 1932. The Minister replied that these assurances were given on the understanding that “Manchukuo” would be recognized by the other nations. He observed that by concluding a treaty with “Manchukuo” effecting the sale of the North Manchuria Railway the Soviet Union had accorded de facto recognition, whereas the United States had not even recognized the existence of “Manchukuo”. I inquired whether I was to understand from what he had said that the principle of the Open Door and treaty obligations in Manchuria are not to be held to apply to the United States? Mr. Hirota answered that until the existence of “Manchukuo” is recognized “no dispute whatever can be entertained with regard to that country.”

5. After some further conversation which was merely supplemental to the points brought out above, I observed that the American Government based its whole case on treaty obligations and past assurances, and then took my leave.

J[OSEPH] C. GREW

893.6369 Manchuria/194

Oral Statements by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

[TOKYO, APRIL 16, 1935.]

1. The creation of the oil monopoly in Manchuria, and the part played therein by Japanese nationals and interests, will have a deplorable effect upon public opinion in the United States, which regards the monopoly and Japanese participation therein as clear breaches of treaty obligations.

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63 See telegram No. 167, Sept. 24, 1931, to the Chargé in Japan, p. 9.
64 See telegram No. 7, Jan. 7, 1932, to the Ambassador in Japan, p. 76.
66 Ibid., p. 79.
2. The American companies selling oil in Manchuria have been engaged in good faith in the oil business for many years and have built up their business with the expenditure of much thought, energy and money. During all of this time they have maintained supplies sufficient to carry on the business uninterruptedly, and there is no record, so far as the Embassy is aware, of their having engaged in practices that were unfair to their clients or detrimental in any way to the best interests of Manchuria. The destruction, through the operation of the monopoly, of this business and the good will so carefully built up over a long period of years, and the throwing of this business in large part into Japanese hands, will appear to the American public to be a most inequitable proceeding.

3. The Japanese Government disclaims responsibility for measures taken by the authorities in Manchuria in establishing the monopoly on the ground that they are acts of a state recognized by Japan as sovereign and independent. Nevertheless the peculiar relations and undoubted influence of Japan with those authorities have been fully demonstrated in other recent issues. This inconsistency is certain to affect adversely American opinion of the good faith and sincerity of the Japanese contentions in the present issue.

4. The American oil interests are being deprived of a business which they have been lawfully conducting for many years, on the ground, among others, of national defense, for which the Japanese Government insists it has responsibility. If the principle of national defense is involved, therefore, it would seem that Japan cannot dissociate itself from the monopoly project. On the other hand, if the monopoly project is purely a commercial question, or is concerned solely with economic policy, it would appear to be eminently fitting for Japan to associate itself with other nations to assist in maintaining the principle of equality of commercial opportunity in Manchuria.

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The Consul at Mukden (Langdon) to the Ambassador in China (Johnson)

No. 158  
MUKDEN, October 30, 1937.

Sm: I have the honor to refer to my telegram of October 26, 1937, reporting on my interview with Mr. Ohashi, Director of the Foreign Office of the State Council, in regard to the discriminatory features embodied in the recent revision of the Exchange Control Law and ministerial orders issued under it, and to enclose, as of possible interest to the Embassy, a copy of the informal memorandum which I left with Mr. Ohashi following the interview.
As Mr. Ohashi was momentarily absent when I called at the Foreign Office, I discussed the purpose of my visit with Mr. Tsutsui, Mr. Ohashi’s next in command, pending Mr. Ohashi’s return. It was interesting to note that both gentlemen reacted alike to my errand. Their first reaction was one of defence tinged with slight irritation: that their pledges concerning the Open Door were unilateral and therefore not binding, especially as we failed (“did not have the courtesy”) to acknowledge them, and that countries which have not recognized “Manchukuo” may not properly or consistently make claim to the same treatment as that granted to those countries which have recognized it. The second reaction was one of doubt as to the existence of discrimination. When I showed them the discriminatory passages in the text of the ministerial orders, they seemed taken aback. Mr. Ohashi professed ignorance of these passages, adding that so many laws and orders are being passed these days to meet Japan’s requirements for relinquishing extraterritoriality by next December 1 that he is unable to study them all. Mr. Ohashi kindly promised, however, to take up the matter with the competent authorities.

Very respectfully yours,

WM. R. LANGDON

Enclosure

Memorandum by the Consul at Mukden (Langdon) of Informal Statement on October 25, 1937, to the Director of the Foreign Office in Manchuria (Ohashi) in Connection With Discriminatory Features Contained in Keizaibu Orders Nos. 23 and 25 of October 8, Issued Under Authority of Imperial Ordinance No. 293, October 8, Concerning Revision of Exchange Control Law

Mr. Langdon stated that on October 15 he reported to his Government the substance of the new legislation enacted October 8 to conserve the country’s stock of money. In his report Mr. Langdon said that he pointed out how, by virtue of the Orders listed above, imports from the United States were now subject to government approval, restriction or prohibition, inasmuch as they could only be imported if paid for and as exchange with which to pay for them required government permission in each case. He also explained how investment in American securities, insurance and trust contracts, travel and the like was likewise made a matter of rigid government regulation. The features of the law to which Mr. Langdon called his Government’s particular attention, however, were the provisions of Article 2 of Order No. 23 and Article 1 of Order No. 25, which specifically exclude Japanese currency, Japanese exchange and Japan from the scope of the new legislation. Commenting on these provisions, Mr. Langdon expressed to his Government the opinion that the freedom of exchange transactions with Japan from the severe control on such transactions with
the United States and other countries was most discriminatory and would deal to American trade relations with Manchuria a severe blow.

On October 19, Mr. Langdon stated, the American Government telegraphed Mr. Langdon to the effect that it considered the discriminatory features of the new legislation clearly inconsistent with the pledges given by the Manchurian authorities to maintain the Open Door, and that such discrimination has created a very unfavorable impression in the United States.

For Mr. Ohashi’s ready reference Mr. Langdon cited some of the many declarations made by Hsinking promising to maintain the Open Door in Manchuria, namely:

The passage dealing with foreign policies in the Proclamation on the Establishment of the State, March 1, 1932;

The telegram of Foreign Minister Hsieh to the Secretary of State of the United States, March 12, 1932, in particular paragraph 7, reading as follows: “With regard to economic activities of peoples of foreign nations within the state of Manchuria, the principle of the Open Door shall be observed”;

The statement of Foreign Minister Hsieh on the occasion of the signing of the Manchukuo-Japan Protocol of September 15, 1932;

The telegram of congratulation of November 12, 1932, by Foreign Minister Hsieh on the occasion of the election of President Roosevelt;

Statement given to United Press representatives in Tokyo by the Manchukuo Foreign Office (see Bureau of Information and Publicity, Department of Foreign Affairs, Bulletin No. 60, May 4, 1933);

Statement for foreign countries issued March 1, 1934, by Foreign Minister Hsieh on the Occasion of the enthronement of the Emperor, reaffirming the undertaking to maintain the Open Door announced March 1, 1932, on the occasion of the establishment of the State.

In addition to these government manifestoes, Mr. Langdon recalled two or three instances where the Consulate General was individually assured that discrimination against American Commercial interests need not be feared, among them the following: May 10, 1933, when Mr. Ohashi made it clear to Consul Chase that there was no ground for the allegation of discrimination against foreign insurance companies; June 22, 1937, when Mr. Tsutsui told Mr. Langdon, in connection with the insurance law being drafted, that Mr. Hoshino, Director of the General Affairs Board of the State Council, had authorized the Foreign Office to assure foreign consuls that the new law would make no discrimination between Japanese and other foreign firms.

Mr. Langdon expressed to Mr. Ohashi his deep regret that the statutes of Manchukuo now placed discriminatory restrictions on the commercial relations of his country with Manchuria and requested that Mr. Ohashi communicate to the proper authorities the unfavorable impression which such restrictions were making in the United States, which treats the trade of all countries, including Manchuria, alike.
The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Hirota)

No. 828

TOKYO, December 1, 1937.

EXCELLENCY: Acting under the instructions of my Government I have the honor to refer to reports that on November 1[5?] a treaty was signed with Japan ending Japanese extraterritorial rights in Manchuria and that on this account there was issued a manifesto in regard to the extraterritorial rights of foreigners other than Japanese in Manchuria. It has also been brought to the attention of my Government that the branch at Harbin of the National City Bank of New York, an American concern, has received a letter from the Department of Economics at Hsinking stating that a recently promulgated "law concerning foreign juridical persons" "naturally" applies to all foreign firms and requesting that preparation be made to register and to appoint a representative in accordance with the law. The extraterritorial rights of nationals of the United States in Manchuria are granted by treaties between the United States and China and my Government considers that the law under reference which apparently contemplates the assertion by the authorities in Manchuria of jurisdiction over American juridical persons is inapplicable to American nationals and firms. My Government therefore is impelled to register emphatic objection to any attempt by the authorities of Manchuria to exercise jurisdiction over American nationals and to make full reservation in regard to the treaty rights of the United States and its citizens.

I am directed by my Government to address the Japanese Government on this matter in view of the relationship between the Japanese Government and the authorities in Manchuria.

I avail myself [etc.]

JOSEPH C. GREW

The Japanese Minister for Foreign Affairs (Hiroti) to the American Ambassador in Japan (Grew)

[Translation]

No. 24, Treaty II

TOKYO, March 1, 1938.

EXCELLENCY: I have the honor to state that I have duly received and noted Your Excellency's note of December 1, 1937, regarding the application to American commercial firms of the law concerning foreign juridical persons in Manchukuo with respect to the treatment of nationals of third countries on the occasion of the conclusion of the treaty between Japan and Manchukuo, signed on November 5, 1937,
concerning the extinction of extraterritorial rights in Manchukuo and the transfer of the administrative rights over the districts traversed by the South Manchuria Railway.

The policy of the Government of Manchukuo in this instance, which concerns the treatment of nationals of third countries and juridical persons of third countries, is a matter in which the Japanese Government is not concerned and the Japanese Government, accordingly, regrets that it is not in a position to make any explanation.

I avail myself [etc.]  

KOKI HIROTA (seal)

Press Release Issued by the Department of State on April 6, 1939

The Department of Commerce gives the following figures for American exports to Manchuria through the port of Dairen for the past 10 years:

**Value of Exports From United States to Manchuria**

(Department of Commerce statistics)

<table>
<thead>
<tr>
<th></th>
<th>U. S. dollars</th>
<th></th>
<th>U. S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>11,841,000</td>
<td>1934</td>
<td>3,939,000</td>
</tr>
<tr>
<td>1930</td>
<td>6,405,000</td>
<td>1935</td>
<td>4,188,000</td>
</tr>
<tr>
<td>1931</td>
<td>2,176,000</td>
<td>1936</td>
<td>3,542,000</td>
</tr>
<tr>
<td>1932</td>
<td>1,186,000</td>
<td>1937</td>
<td>16,068,000</td>
</tr>
<tr>
<td>1933</td>
<td>2,691,000</td>
<td>1938</td>
<td>*(17,000,000)</td>
</tr>
</tbody>
</table>

Statistics based upon Chinese Maritime Customs reports and reports of the "Manchukuo" customs are given below for comparative purposes:

**Value of Imports From United States Into Manchuria**

(Chinese and "Manchukuo" customs statistics)

<table>
<thead>
<tr>
<th></th>
<th>U. S. dollars</th>
<th></th>
<th>U. S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>14,360,000</td>
<td>1934</td>
<td>11,500,000</td>
</tr>
<tr>
<td>1930</td>
<td>8,600,000</td>
<td>1935</td>
<td>7,460,000</td>
</tr>
<tr>
<td>1931</td>
<td>3,700,000</td>
<td>1936</td>
<td>6,880,000</td>
</tr>
<tr>
<td>1932</td>
<td>4,280,000</td>
<td>1937</td>
<td>16,680,000</td>
</tr>
<tr>
<td>1933*</td>
<td>7,440,000</td>
<td>1938</td>
<td>*(17,005,000)</td>
</tr>
</tbody>
</table>

Neither of these tables includes for 1929, 1930, and 1931 the value of transshipments of American goods from China to Manchuria which in those years were valued, according to careful estimates, at approximately US$4,000,000 in 1929, US$3,000,000 in 1930 and US$2,000,000 in 1931. Subsequent to 1931 the figures in the second table are based

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*Reprinted from Department of State, Press Releases, April 8, 1939 (vol. xx, No. 497), p. 262.

*Department of Commerce figure. [Footnote in the original.]
upon "Manchukuo" customs statistics, which include shipments from China.

The following figures obtained from the Department of Commerce indicate the character of Manchuria's principal imports from the United States for the past 3 years:

<table>
<thead>
<tr>
<th>Item</th>
<th>1936</th>
<th>1937</th>
<th>1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude petroleum</td>
<td>130,000</td>
<td>974,000</td>
<td>1,372,000</td>
</tr>
<tr>
<td>Refined petroleum</td>
<td>652,000</td>
<td>2,462,000</td>
<td>2,712,000</td>
</tr>
<tr>
<td>Machinery and vehicles†</td>
<td>789,000</td>
<td>2,663,000</td>
<td>4,047,000</td>
</tr>
<tr>
<td>Manufactured iron and steel</td>
<td>537,000</td>
<td>7,044,000</td>
<td>5,888,000</td>
</tr>
<tr>
<td>(Plates, bars, sheets, rails, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw cotton</td>
<td>Nil</td>
<td>1,227,000</td>
<td>1,556,000</td>
</tr>
</tbody>
</table>

In 1937 Japan was engaged in building up large stocks of raw materials and materials of a military and heavy industry character. During the latter part of the year 1937 and throughout 1938, Japan was engaged in hostilities in China. The increased imports of Manchuria in 1937 and 1938 from non-Japanese sources were obviously connected with Japan's preparation for and execution of military operations, and the figures for those years warrant no inference that Japan's occupation of Manchuria has more widely opened the doors of commercial opportunity or benefited American enterprise in Manchuria.

Citation of trade figures in no way detracts from the correctness of the following statements made by this Government in its note of October 6, 1938, to Japan:

"A large part of American enterprise which formerly operated in Manchuria has been forced to withdraw from that territory as a result of the preferences in force there. . . . equality of opportunity or the open door has virtually ceased to exist in Manchuria . . . ."

Far more important than the figures of the import trade into Manchuria for 2 exceptional years are the following facts. By administrative measures of a discriminatory character, American business enterprises have been excluded from the field of distribution within Manchuria. Preferences in force, favoring Japanese enterprise, have compelled many American enterprises to withdraw from Manchuria and have discouraged other American enterprises from operating in Manchuria. The branch of a large American bank at Mukden was closed several years ago and one of the largest importers, an American firm, of American machinery in the Far East was impelled to close its offices in Manchuria. By legislation establishing exchange and trade

† Motor vehicles comprised approximately one-half of the imports under this general heading for the 3 years cited. [Footnote in the original.]

*Post, p. 785.
control, all foreign trade and enterprise in Manchuria except Japanese
have been and are being discriminated against.

Trade figures show, in the case of Manchuria, an increase in the last
2 years in the volume of trade, but it is misleading to draw from this
fact the conclusion that American enterprise in general has benefited
or may in the future benefit from the changes which have occurred in
Manchuria subsequent to 1931. Trade figures do not show what
brought about the increase in 1937 and 1938 in our exports to Man-
churia, nor how American enterprise in general has been treated and
been affected, or what may be expected to be long swing effects as
contrasted with short swing effects.