

● PSF

Japan July 1939-40



DEPARTMENT OF STATE
WASHINGTON

July 1, 1939

MEMORANDUM FOR THE PRESIDENT

Herewith, for approval:

(1) Draft of proposed note to Japan. Though it takes off from the Tientsin situation, it raises the whole issue of the Japanese "new order" in China.

(2) Proposed personal message from the Secretary of State to the Prime Minister of Japan.

Also:

(3) A personal message (Document No. 3, attached) sent me by the Prime Minister through Ambassador Grew, (to which No. (2) above is the answer). Its drift is that the United States and Japan, as the only two powers outside European conflict, might cooperate to "save Europe from the misery of war".

(4) A long mail despatch from Dooman (Document No. 4 attached), explains the Prime Minister's message. It relates an amazing conversation between Dooman and Prime Minister Hiranuma. From page 9 on, it is well worth reading. This is, in effect, a private demarche of the Prime Minister to us. On its face, it suggests Japanese-American cooperation in endeavoring to work out a peace agreement between Germany and Italy (through Japan) and France and Great Britain (through us).

If you approve, I plan to send the Japanese note and the reply to the Prime Minister together.

JUL 1 - 1943

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DRAFT

June ²⁸~~27~~, 1939.

AMEMBASSY,

TOKYO (JAPAN).

Unless you perceive definite objection, in which event I desire that you cable me immediately a full statement of your reasons, I desire that you call at the earliest opportunity upon the Minister for Foreign Affairs and that you read to and leave with him, as under instruction from your Government, a formal note reading as follows:

QUOTE Recently, there arose at Tientsin an issue between the British and Japanese authorities over the disposition of four accused Chinese individuals. The United States was not concerned in the incident.

The situation was rapidly broadened, however, far beyond the original incident, by acts and statements of Japanese authorities and officials which appeared to be a continuation of previous acts and statements of a broad character. Among these may be mentioned the following:

On

On the morning of June 14 the Japanese military authorities at Tientsin placed military restrictions on the passage of persons and goods, including American nationals and their goods, over the boundaries of two foreign concessions at that place.

On the same day the Domei news agency published its report of a statement made by Japanese military authorities at Tientsin to the effect that while the present situation was caused by the refusal to hand over four accused Chinese individuals, this was but one of the issues involved. The statement then indicates that among the objectives of the Japanese military authorities are the replacing of the currency of the Chinese Government by notes issued by the Japanese-controlled régime set up at Peiping, the cessation by foreign governments of normal relations with the Chinese Government and cooperation with the Japanese ^{subquote} in establishing the new order of the Far East. ^{End subquote}

During the next few days additional reported statements and acts of Japanese officials and authorities shed further light on the series of developments, with their implications, now taking place in China.

For example, according to press reports of June 16 from Tokyo, the official spokesman of the Japanese Foreign Office was quoted in despatches of that day from Hsinking as declaring: SUBQUOTE Now that the time is approaching for the establishment of a new order in East Asia, the days of the foreign concessions in China are numbered END SUBQUOTE. The Foreign Office spokesman referred to the Tientsin situation but said SUBQUOTE the most important immediate question END SUBQUOTE was the future of the International Settlement and the French Concession at Shanghai.

At Amoy, several weeks ago the Japanese authorities landed armed forces in the International Settlement and presented to the Municipal Council a number of proposals complete acceptance of which would give the Japanese control of the International Settlement in disregard of the rights and interests of the nine other foreign countries, including the United States, whose representatives were parties to the agreement establishing the Settlement. Recently, the Japanese authorities or officials under their control, apparently with a view to compelling acceptance of Japanese proposals, have interfered with shipments

shipments of food from Amoy to the International Settlement and are forcibly returning such supplies to Amoy.

The Government of the United States, as heretofore stated, is not concerned in the original incident relating to the disposition of the four accused Chinese at Tientsin. But it is immediately concerned regarding restrictive and coercive measures that have been taken by Japanese military and naval authorities in many parts of China which directly affect American nationals and the interests of the United States. It is likewise broadly and basically concerned with the plain implications of the present and past acts and utterances of Japanese authorities, which raise concrete questions of a fundamental character, especially in relation to the future.

Among these fundamental questions definitely raised are the following: (1) the meaning and implications of the use by Japanese authorities in China of restrictive and coercive measures directly affecting American nationals and the interests of the United States; (2) the meaning and implications of SUBQUOTE the new order of the Far East END SUBQUOTE and of the reported statements by Japanese authorities which likewise

likewise appear to envisage a basic change in the relationships of the United States and other countries with China as they now exist under treaties and international law.

With regard to the use by Japanese authorities in China of restrictive and coercive measures, my Government observes that the United States has under treaties, agreements and international law, including the principle of equality of opportunity and treatment, numerous specific as well as general rights and interests in China such as the right of its nationals to reside, to use and possess property, to engage in missionary, educational and other cultural activities, to carry on trade, and to enjoy freedom of movement of persons and goods, and general security of life and property. In addition to these rights of a general character, the United States, by virtue of the Boxer Protocol of 1901, possesses, in Tientsin, certain other express rights which are clearly defined. An important feature of those express rights is that ingress to and egress from the city, including the Concessions, shall not be interfered with. The American Consulate General is located and functions in one of those Concessions. Four hundred American civilians reside at Tientsin.

The

The measures which the Japanese authorities have adopted at Tientsin have placed restrictions upon the freedom of movement of American nationals and goods and in numerous other ways are operating to interfere with the legitimate missionary, educational and commercial activities of American nationals.

American nationals similarly reside and similarly carry on legitimate activities in the International Settlement at Amoy. The coercive acts of Japanese armed forces there similarly adversely affect those nationals. The action of the Japanese authorities or of officials under their control in interfering with food supplies intended for that Settlement is a serious and unwarranted measure.

On numerous occasions high Japanese authorities have given assurances that the Japanese Government would respect the rights and interests of the United States and other foreign countries in China.

It is the view of the Government of the United States that the acts of Japanese authorities at Tientsin, Amoy and numerous other places in China are, both in present application and in their implications for the future, in impairment of the rights of American nationals and the interests of the United States.

With regard to the meaning and the implications of acts and reported utterances by Japanese authorities relating to SUBQUOTE the new order of the Far East END SUBQUOTE, the Government of the United States, viewing developments in Manchuria since the occupation by Japanese armed forces of that area in 1931 as well as developments in those areas of China south of the Great Wall where Japanese armed forces now exercise control, finds it difficult to disregard the implications that in endeavoring to create a SUBQUOTE new order of the Far East END SUBQUOTE the objective is to block off a large area of the world from normal relationships with other parts of the world.

Following

Following Japanese occupation of Manchuria, its main commercial and general economic activities were placed in the hands of monopolistic companies, controlled by Japanese nationals, which occupy a preferred or exclusive position. Free movement of goods and funds between Manchuria and Japan is permitted, but movement of goods and funds between Manchuria and other countries is rigidly restricted. A large part of American enterprise which had through years of effort been developed in Manchuria was forced out of that area, and remaining American enterprise there was greatly curtailed and crippled. In the light of the foregoing, it is apparent that the permanent economic relationships between this country and Manchuria will be seriously handicapped.

In those areas south of the Great Wall where Japanese military authorities exercise control, large sectors of economic enterprise have already been allocated to special companies controlled by Japanese nationals and established under special charters according them privileged or exclusive position. There have been forcibly introduced into north and central China fiat money, which is

inconvertible

inconvertible and pegged to the yen, to replace the established Chinese currency through which American and other foreign trade has been conducted. The new currency arrangements seem designed to facilitate in an arbitrary way trade with Japan and to reduce to a low level trade between north and central China and the United States and other countries. Trade in many of China's raw materials has been monopolized directly by Japanese military authorities. In many areas where there are no active hostilities, the plea of military necessity has been used to exclude American and other foreign nationals and goods, though access is freely allowed to Japanese nationals and Japanese goods.

In short, in those areas of China which are under Japanese military control, measures have been taken either directly by Japanese agencies or by Japanese-sponsored régimes which have operated to further Japanese interests to the corresponding detriment of the rights and interests of the United States and other nations.

These

Further,

These measures raise anew the entire subject of the relations between China and the rest of the world.

Over a period of years certain principles have by general agreement been developed and established with respect to those relations. All were designed to maintain unimpeded intercourse between China and the other nations of the world.

The proposition that all countries and their nationals are entitled to equality of rights and opportunity in China has not only long since been accepted and embodied in the fabric of applicable treaties, but on many occasions the Japanese Government itself has declared that it would uphold that policy. Certainly Japan herself has earnestly asserted the principle of equality of rights and opportunity whenever the problem affected Japanese interests. The establishment of a system of preference and exclusion in China is in direct conflict with the policy so often and strongly urged by the Government of Japan when deemed of benefit to Japanese nationals to invoke that principle.

Further,

Further, the doctrine of non-intervention in the internal affairs of China has been frequently stated, and has been accepted as a part of the body of international law applying to China, as to other countries.

The Government of the United States cannot admit that any nation has the right to impose its will on China by setting up a SUBQUOTE new order END SUBQUOTE in that country not only in disregard of China's wishes but also in disregard of the rights and interests of China in her relations with other nations and in disregard of the rights and interests of other nations in their re-

lations with China. Violation of the obligation to permit unimpeded intercourse and opportunity, and to permit

free development of China's affairs, creates a situation

which, carried to its logical conclusion, can ^{not but raise} ~~only mean~~

the question whether

~~that~~ the Japanese Government asserts the right to

dominate in every essential respect a large part of the

continent of Asia, to set up and control governments

and determine policies within that area, to claim for

Japan and her nationals a monopoly of every form of

benefit and advantage in every field of enterprise and

endeavor, and to do so despite the settled body of

treaties

treaties and of law to which Japan, no less than other nations, is solemnly committed.

The welfare of American nationals in China, their right to engage in lawful activities there, and the trade of the United States with China are of great importance to this country. For a century American nationals, missionaries, educators, traders and travelers have been proceeding to China under rights granted them under treaties and have been carrying on legitimate activities beneficial alike to the people of China and the people of the United States. American ships and American goods have been sent to China and ships and goods from China have come to the United States with like benefit. Present developments in China raise the question whether it is the intention of the Japanese Government that in the future American nationals, American goods and American ships may enter China and Chinese waters only under sufferance of Japanese authorities or Japanese-controlled agencies.

But

But the Government of the United States believes it appropriate to set forth here the larger considerations of policy which require that its position be stated with the utmost clarity. The individual cases of interference with American intercourse and the liberty of action of American nationals are highly important. Yet these questions, greatly as they concern the Government of the United States, are less significant than the paramount issue raised by the apparent intent of the Japanese Government, by unilateral action based on force, to assume to dominate a great area in the world, and to hold it for Japan's sole advantage. *Should Congress and*
Domination by force ~~as a result of~~ become a part of the continuous practice of international relations, the world ~~has~~ *will have* little to anticipate save the steady deterioration, if not the ultimate destruction, of all civilized life. Claim on the part of any nation of the right to seize and hold territory or advantage on the sole basis of force, for which some pretext can always be found, can lead only to the creation of a situation where other nations which seek to take no such course are obliged to consider the measures

measures necessary to protect their own security and their own civilization. The long friendship between our two nations prompts the candid statement that ~~the such claims and such seizures, course which Japan appears to be taking in China~~ if generally practiced, can lead only to international anarchy. General pursuit of such a course can destroy, but cannot build; it can impoverish but cannot enrich; it can bring competition in armament of indefinite duration but it cannot end that competition; its conclusion can only be unparalleled disaster to everyone involved.

Serious though the immediate questions may be, they are far less important than the continuing threat which is apparently raised to the future peace, security and civilization of the world at large, in which both Japan and the United States have a vital interest. International practice must envisage an orderly world based on law in which all can live; or else all peoples must resign themselves to the progressive destructions resulting from an international anarchy based on uncontrolled force.

Animated by these considerations, the Government of the United States takes occasion to point out, as it has upon previous occasions, that it has at all times regarded treaties and agreements as susceptible of alteration, but it has always insisted that such alterations can rightfully be made only by the orderly process of negotiation and agreement among the parties thereto. Consonant with the principles of equality of opportunity, equality of treatment, and of orderly relationships based upon the sanctity of agreements, this Government has been ready, and is prepared now, to discuss with the Governments of Japan and China, and the other governments directly interested, any reasonable and just proposals for modification of existing agreements governing the relationships of China with other nations and the relationships of those nations with regard to China.

Concerned with the potentialities of the situation illustrated by present developments at Amoy, at Tientsin and at other places in China, as evidence of the paramount issues set forth, the Government of the United

States

States takes this occasion to bring its concern, with all emphasis and earnestness, to the attention of the Government of Japan. In any SUBQUOTE new order END SUBQUOTE or status brought about by the domination of China by external force, or which involves the exclusion of free intercourse, or the setting up of a monopoly of trade, interest and enterprise, or attained by breach of treaty obligation, the Government of the United States cannot acquiesce. UNQUOTE.

Please telegraph the Department promptly upon delivery of the note. The Department contemplates releasing the text to the press.

FE:MMH:HES
A-B:AAB

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AMEMBASSY,

TOKYO (JAPAN).

[7-1-39]

Your 234, May 18, 5 p.m.

Subject to comments or suggestions by you, I desire that you call on the Minister for Foreign Affairs and leave with him, for transmission to the Prime Minister, a reply, typed on plain, unheaded paper, bearing no repeat no signature or date, reading as follows:

QUOTE On his return to Washington Ambassador Grew delivered to me personally the message which Your Excellency was so good as to place in his hands through the Japanese Minister for Foreign Affairs. I have read with unusual interest the expressions of Your Excellency's concern at the existence among the nations of Europe of antagonism which may lead to open conflict, and of Your Excellency's concern as to what the consequences might be to millions of people and to civilization should such antagonism lead to an outbreak of war. In this situation Your Excellency sees it as the duty of the Governments of our two countries, owing to their situation SUBQUOTE outside the scope of European conflict END SUBQUOTE to

exert

exert efforts to prevent the occurrence of the casualty envisaged. April 16, 1938, by the President and myself

I have carefully noted also the statements pertaining to the causes of strained relations in the European situation, the interest of my Government in the preservation of peace, and finally the SUBQUOTE ardent wish of Japan END SUBQUOTE that the relations of nations might be so arranged that true world peace would be established and maintained. governments, especially those governments with

Your Excellency will have no doubt, in the light of the published utterances of the President and myself and of the principles we have advocated and supported, that the Government of the United States wholeheartedly desires to see established and maintained upon the basis of fair dealing and fair play between and among nations a condition of true world peace. With especial reference to the situation in Europe, Your Excellency will be apprised of the recent earnest efforts of this Government: the President's identic messages sent on September 26, 1938, to the heads of several European governments which had reached an

alarming

alarming crisis in their relations; identic messages addressed on April 14, 1939, by the President and myself respectively to the Chancellor of the German Reich and to the Premier of Italy with regard to the possible removal of the pervading threat or fear of a European war.

It would be most gratifying to me, and I may also speak for the President, if there could be found ways for the use of your Government's influence toward discouraging among European governments, especially those governments with which your Government may have special relations, the taking of any action, or the pursuance of any policy, that might endanger the general peace. I am confident that any such contribution as this would constitute a high service to those great sections of humanity which live in fear of the devastation of war.

In further reference to Your Excellency's expressed desire to see a true world peace established and maintained, I venture to observe, in a spirit of frankness which I trust will not be misunderstood, that this objective is made the

more

more remote by the existence and the continuance of armed conflict and consequent political disturbances in the Far East today. Just as the unfolding of events in the European sphere have their repercussions in the Far East, so, it appears, the prolongation of abnormal conditions in the Far East contribute to causes of unrest in Europe. American opinion is therefore perturbed by the trend of events in the Far East, especially with regard to the methods of Japan in relations with China.

If, therefore, it should prove impracticable or inexpedient to make effective contribution at once to the settlement of problems arising in the European area, there nevertheless would be urgent need for the exertion of efforts in connection with disturbed conditions in other geographical areas, especially by those nations which may unhappily now be engaged in armed conflict. It is my view that each peaceful settlement, in whatever geographical sphere, constitutes a stabilizing element and an important step toward improvement in the general world situation.

Your

Your Excellency may be assured of the genuine desire of the President and myself to do all within our power to convert into practical results those principles and hopes to which we have frequently given expression in connection with the foreign relations of the Government of the United States. While this Government does not perceive any practicable steps which it might usefully take at this time in addition to those already taken, this Government is sincerely interested in the suggestion contained in Your Excellency's message, and in giving further consideration to that suggestion would be pleased to have such further information as Your Excellency may find it agreeable to offer by way of amplifying and making more definitive Your Excellency's concept as to the steps which might usefully be taken toward moderating the situation in Europe. UNQUOTE.

Please inform the Minister for Foreign Affairs that the above message is to be regarded as strictly confidential and not for publication.

③ Copy of
message
received
from Prime
Minister

③

GRAY

Tokyo

Dated May 18, 1939

Rec'd 7:10 A.m.

Secretary of State,

Washington.

234, May 18, 5 p.m.

At my conference today with the Minister for Foreign Affairs Arita handed me the following message which the Prime Minister requested me to deliver personally to the Secretary of State on my forthcoming visit to Washington in the hope that the message may also be brought to the attention of the President:

"At present there is a serious antagonism among the nations of Europe and no one can assure that there will be no clash in the near future. If, by mischance, war is to break out, its consequences would be practically beyond our imagination and that indescribable sufferings of hundreds of millions of people as well as the complete destruction of civilization would ensue. It is, therefore, absolutely necessary for us to exert our effort to prevent the occurrence of such casualty, and, I believe, that is the duty mainly incumbent on the United States and Japan since these two powers are situated outside the scope of European conflict.

Then what are the causes of this antagonism in Europe? There may be contentions on both sides but on cool scrutiny of the European situations since the World War we come to the conclusion that, although Germany and Italy may be advised to be more patient, Great Britain and France also have a great deal to reconsider.

Undoubtedly

Undoubtedly the intention of the United States Government is to prevent the occurrence of such catastrophe and thus to save Europe from the misery of war. Similarly it is the ardent wish of Japan that nations should have their own proper places in the world and thus the true world peace might be established and maintained. I for myself am doing my utmost to realize this ideal, and on this point, I believe will be found the possibility of much closer cooperation between Japan and America as well as the foundation of a deeper mutual understanding between the two nations".

GREW

RR:WWC

(COPY)

(4)

Prime Minister's
conversations

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, June 7, 1939.

No. 3936

SUBJECT: JAPAN'S FOREIGN POLICY IN RELATION TO THE
SITUATION IN EUROPE.

STRICTLY CONFIDENTIAL. FOR THE SECRETARY AND UNDER SECRETARY

The Honorable

The Secretary of State,
Washington.

Sir:

I had the honor in my telegram no. 245, May 26, 8 p.m.,
to present an analysis of certain trends in Japanese
thought with regard to foreign policy in relation to the
situation now developing in Europe. I observed that there
were

were elements in Japan - not to be confused with certain congenial, but withal ineffectual, persons educated abroad who have been telling us that reaction to Japan's China policy was "just around the corner" - who realized that, in the event of a war in Europe, the maintenance by Japan of neutrality between the democratic and totalitarian camps would afford Japan little security, and that national security could be assured in the long run only by liquidating the conflict with China. I was not unaware of the need for resting an observation of this nature on a reasonably firm basis, and it is my purpose in this despatch to lay before the Department the circumstances, some of personal knowledge and the others which derive by deduction, on which my view was based. As there is no discussion in the press or in any other public forum of the question whether or not Japan should align itself with Germany and Italy - indeed, any reference by the press to this question is officially interdicted - information with regard to thought trends has come to me largely by word of mouth.

The first conversation which needs to be recorded took place on May 16, at a luncheon which was given in honor of the Ambassador and Mrs. Grew by a Japanese who, while holding no official position, is a close friend and confidant of high

officials

officials of the Court and of Prince Konoye, Minister without Portfolio, and Marquis Kido, Minister of the Interior. He is in a position to exercise through various contacts considerable influence on the Government. As we left the table, our host drew the Ambassador and me into another room and talked substantially along the following lines:

Although the Japanese Government has decided not to conclude a military alliance with Germany and Italy, there was being exerted on the Government, not only by Germany and Italy but by reactionary groups in Japan, strong pressure toward entering into some arrangement with the latter countries which would reaffirm the solidarity among the nations whose policies were opposed by the democratic nations. The groups to which he belonged had succeeded in defeating the proposal to conclude the alliance and are now doing their best to defeat the "strengthening of the Anti-Comintern Pact", or at least to prevent it from becoming a political link with Germany and Italy; but it was difficult to meet the argument of those who had advocated the alliance and are now favoring close association with Germany and Italy, that Japan cannot afford

to

to be isolated. Germany and Italy are urging Japan "to come over to their side", while the democratic nations are turning to Japan a very cold shoulder. If, therefore, the democratic nations, especially the United States, could indicate to Japan that restoration of good relations with Japan is desired and that the way is open for Japan to align herself with the democratic nations, but not against the totalitarian states, those Japanese who are working for precisely those objectives would have their hand greatly strengthened.

The Ambassador said that he was very much interested in the views just expressed, but that it must be obvious that the restoration of peace and good relations between Japan and China must be a condition precedent to the restoration of good relations between Japan and the United States and other democratic nations. He could not, therefore, recommend that his Government give any gesture of welcome to Japan unless he were first satisfied that the terms of peace with China which Japan had in view could be reconciled with China's peace terms and would meet with the approval of the American Government.

Our host then talked very vaguely about the readiness of Japan to withdraw from Central and South China, but when asked to give specifications he replied
that

that a full statement on Japanese peace terms might better come from the Minister for Foreign Affairs. He undertook to report the conversation to Mr. Arita, and to suggest to Mr. Arita that he give the Ambassador a precise explanation of Japanese objectives in China during the conversation which the Ambassador had arranged to have with Mr. Arita on May 18th.

Mr. and Mrs. Arita were entertaining the Ambassador and Mrs. Grew at luncheon on May 17, and Mr. Grew prearranged with me that I should endeavor during the luncheon party to ascertain from Mr. Arita whether our host of the previous day had consulted him. I accordingly took advantage of a favorable opportunity to engage Mr. Arita in conversation. I found that he was quite familiar with the discussion of the previous day. He said that there had been a suggestion that he give Mr. Grew an assurance that Japan would withhold any action to "strengthen the Anti-Comintern Pact" until Mr. Grew returned to Washington and had an opportunity to discuss with his Government the possibility of making to Japan some "gesture of welcome". Mr. Arita said that there was no important opinion in the country unfavorable to the measure which had been proposed to combat communistic activities, and that, if the time became ripe for the conclusion of the agreement under discussion with Germany and Italy, the Japanese Government intended to proceed with it.

He

given Mr. Arita should dissolve any Japanese anxiety

with

He could, however, assure Mr. Grew that the agreement would contain no military, political or economic clauses; but with this proviso - if it were found that these activities were being instigated by the Soviet Government, the counter-measures proposed would have to be directed against that Government.

Mr. Arita then passed on to the negotiations between the Soviet and British Governments concerning the "common front against aggression". He said that Japan is very anxious to avoid involvement in the affairs of Europe, but that Japan could not ignore the fact that Russia straddled Europe and Asia, and that, whether Japan liked it or not, its policies and actions form a bridge by which events in the Far East and in Europe act and react on each other. The British Ambassador had, he said, given him definite assurances that the arrangement under discussion by the British and Soviet Governments would specifically be made inapplicable, but he (Mr. Arita) replied that any arrangement which formed the basis for the close collaboration contemplated by Great Britain, France and the Soviet Union in respect of their common interests in Europe would be bound to bring about similar collaboration among them in the conduct of their policies in the Far East. He delivered himself at some length and with considerable show of heat over Sir Robert Craigie's insistence that the assurances given Mr. Arita should dissolve any Japanese anxiety with

with regard to the effective scope of the proposed arrangement. Mr. Arita concluded the conversation with me with the observation that decision over Japan's attitude vis-à-vis the situation developing in Europe would have to be withheld until results of the Anglo-Soviet negotiations were known.

A full account of the Ambassador's conversation on May 18 will be found in his telegram No. 235, May 18, 7 p.m.

The impressions which the Ambassador and I had formed of Mr. Arita's views as expressed in the conversations of May 17 and 18 agreed in every respect. It seemed to us that Mr. Arita, far from indicating any eagerness to find a way to approach the democratic nations, was preoccupied with the effects on the Far East of the establishment of the "front against aggression" and was not in a conciliatory mood. The Ambassador came, therefore, to the conclusion, as I did, that there was no justification for believing that desire to bring Japan into line with the democratic nations as against the totalitarian nations animated the Japanese Government as such.

Whether by accident or by design, I was approached on the same day, May 18, by a Japanese hitherto unknown to me but who had made the acquaintance of the Ambassador as a fellow passenger during

during a voyage across the Pacific, with the suggestion that I have a "chat", as he put it, with the Prime Minister. I asked the gentleman to call again, as I wished to consider the matter. I informed the Ambassador of the call and of the suggestion that I have a talk with the Prime Minister. Mr. Grew said that he had formed a favorable impression of Mr. Fujii, the person who had called on me, and that he saw no reason why I should not return a favorable reply. When Mr. Fujii called again, I said that I would be glad to have an opportunity to make the acquaintance of the Prime Minister, but that I had heard rumors of the possibility of a change of government and wondered, therefore, whether a call at that time would be opportune. Returning on the following day, Mr. Fujii brought an invitation from Baron Hiranuma to dinner on May 23, when he intended to explain his purpose in sending through Mr. Grew his message to the Secretary, and word to the effect that no change in the government was impending. I accepted the invitation. Mr. Fujii then emphasized the importance of keeping a profound secret the forthcoming talk. He said that Baron Hiramuma's political position was reasonably secure, but that the alignment of factions within the Government over European policy was so delicate as to require that the Prime Minister act very cautiously.

Mr.

Mr. Fujii called for me on the evening of May 23. As we went in my car, which bears an Embassy license tag, Mr. Fujii proposed that we alight some distance from the Prime Minister's private residence and go the rest of the way on foot; which we did. At the gate of the residence there stood a number of policemen, who, although obviously surprised by seeing a foreigner, made no attempt to stop me. The servants were prepared for my visit, but I have reason to believe that they, as well as two female relations of the Prime Minister's who served us later at dinner, had no knowledge whatever of my identity. It might be added that the residence, which is situated in the suburbs, is small and quite unpretentious and would barely grace a small tradesman. These details, while inconsequential, may perhaps reflect my impressions at the moment.

Baron Hiranuma received me very courteously. He said that he unfortunately had few opportunities to meet foreigners and thus to receive at first hand the impressions of foreigners with regard to conditions in various parts of the world. The situation in Europe was, in his view, a delicate one, and he felt confident that he could obtain from an American a more objective appraisal of that situation than he would be likely to procure from an European.

relations the two groups of nations. There was I
he continued, elements in Japan which concerned that

I expressed regret that I was not in a position to give him any information other than that which was public knowledge. There then ensued a colloquy on the situation in Europe, during which Baron Hiranuma displayed knowledge not only of a factual nature but of political trends in Europe which surprised me. One of the points brought out which, in his view, made for danger in Europe was that Chancellor Hitler - with the objectives which he has in mind for Germany to achieve - provides an issue around which all elements in Great Britain can rally: the imperialists, who do not propose to tolerate a Germany which can pretend to equality with Great Britain; the industrialists, who fear German commercial competition; and, finally, the Jews, radicals and even the Germanophiles, who vie with each other in their hatred of Hitler.

Baron Hiranuma then said that the possibility of a war arising in Europe was one which he contemplated with horror. It would inevitably result in the total destruction of civilization, as no nation, however remote from the seat of war, could hope to escape the eventual consequences even though it might be fortunate to avoid direct involvement. He had publicly stated on several occasions that Japan could never be a democracy or a totalitarian state, and that Japan could make its greatest contribution by bringing together in harmonious and peaceful relations the two groups of nations. There were, he continued, elements in Japan which considered that

Japan

Japan could not afford to maintain a condition of isolation and that her security demanded that she enter into "special relations" with Germany and Italy. He was insisting, however, that Japan follow what he termed "moral diplomacy". A nation's existence was not to be measured by decades, and it was essential, therefore, that statesmen charged with the destinies of nations fix their attention on long term objectives rather than on gaining favorable tactical positions, which were after all, ephemeral. The most important of these objectives was a stabilized peace to replace interludes of preparation for the next war. Japan, like the United States, was not directly involved in the troubles of Europe; and it was his thought that these two nations, which were the only Great Powers situated outside of Europe, were in a position to exercise a moderating influence on Europe. To exercise that influence was a duty which they owed their own peoples, for the downfall of Europe would inevitably bring with it the downfall of the rest of the world. In his opinion, the first step which had to be taken was to check the tendency toward the division of Europe into two politically hostile camps. He wondered whether the views of the American Government were responsive to those which he had expressed in his message to the Secretary.

I said that the American Government had taken a lead, in respect of both time and emphasis, in making known the fact that nations are today interdependent and that discord between any nations is a matter of concern to all others. His message to the Secretary did not, I said, contain any definitive suggestion as to how the United States and Japan might proceed toward averting war in Europe. The principal difficulty, in my opinion, in the way of the collaboration which he had suggested in talking to me was Japan's policies and actions in China. I felt certain that the American Government would, in other more happy circumstances, have welcomed Japanese cooperation toward alleviating the threat to peace in Europe which, the great majority of Americans believed, arises from the policies and actions of Germany and Italy; and I doubted whether the American people would favor collaboration with a nation which it believed to be following in the Far East precisely those policies and actions that are considered to be the root of the trouble in Europe. I also said that the American people have laid before them nearly every day reports of bombings of American property and of other instances of violations of American rights and interests in China. The Foreign Office was trying to exculpate the Japanese military authorities by pleading military necessity or inadvertence, but enough had happened to justify belief that

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the Japanese authorities, in China at least, were systematically and deliberately trying to expel American and other foreign interests from China. The views of the American people in these respects were, I said, very definitely formed. I could not but feel, therefore, that the adjustment of the conflict in China on terms satisfactory to all concerned would have to be a condition precedent to that degree of collaboration between the United States and Japan which could reasonably be expected to bring about the desired results in Europe.

The Prime Minister observed that he was well aware of the state of feeling which prevailed in the United States against Japan. The American people had assumed that Japan had deliberately provoked the conflict in China with a view to seizing the more populated and productive parts of that country, but he felt confident that the American Government realized that it had not been the original intention or desire of Japan to do anything more than to protect its rights in North China. It was also supposed by Americans that Japan intended to close the Open Door in China; and to his regret the actions of the Japanese authorities in China were not entirely reconcilable with the desire of the Japanese Government to respect foreign rights and interests in China.

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But he wondered whether the American Government realized that the Japanese people labored under a very real feeling of grievance against the Occidental Powers, especially Great Britain. When the Great War broke out, Japan was an ally of Great Britain. There were no legal obligations on Japan to support her ally, but she conceived that she had a moral obligation to do so. She accordingly declared war against Germany, her navy undertook operations against the German fleet in the Pacific, her merchant marine cooperated in various ways, and finally her military forces eliminated Germany from Shantung. "The only thanks we got from Great Britain", continued Baron Hiranuma, "was the abrogation of that very alliance which inspired Japan to support Great Britain." Again, the rights which Japan had acquired in Manchuria as a result of her war with Russia and later by agreement with China were essential to Japan; nevertheless, the efforts of China to prejudice those rights were regarded by Great Britain and the United States with complacence, if not with benevolence; China took courage to persist, with the result that Japan had to resort to force in 1931 to protect those rights. Finally, the Japanese people came to the conclusion that the Nine Power Treaty and the Naval Treaties operated, not to stabilize peace in the Far East, but to bind Japan against safeguarding her interests in China. So long as the Japanese people

people felt that it had just cause for grievance, it was politically impossible for his government or any government which would succeed him to bring about complete equality of opportunity in China for all nations.

The Japanese people, Baron Hiranuma continued, have considerable sympathy for Germany and Italy, as they conceive these countries to be in many important respects in the same position as Japan. It was not to be expected that Germany would have permitted herself to remain under the restrictions of the Versailles Treaty, nor that Italy would have been content to be dependent on other nations for supplies of raw materials. At the same time, the consequences of efforts on their part to redress their grievances by force, or of the stubborn refusal of the democratic nations to offer to correct these grievances could not possibly be confined to the protagonists in the European quarrel but would have to be shared by other nations. He referred to my observation that the settlement of the China conflict would probably have to be a condition precedent to joint American-Japanese efforts to moderate the situation in Europe. If that were to be the view of the American Government, any hope of proceeding along the course which he had in mind would have to be abandoned. The objectives which Japan has had in China are essential for her security in a world of sanctions, embargoes, closing

closing of markets to foreign competition, and lack of free access to raw materials, and so long as such conditions exist any moderation of her objectives in China and, therefore, of her peace terms, could not be considered. Nevertheless if conditions could be brought about which would assure to all nations markets for the world's goods on the basis of quality and price and supplies of the materials which they needed, the importance to Japan of securing a market and sources of raw materials in China would greatly diminish; and by the same token there would not be the urge that there now is on Germany and Italy to expand at the expense of weaker and smaller nations. Baron Hiranuma stated that the conditions which brought about the situations in the Far East and Europe are not local but universal in character, and that neither situation could be settled in a manner calculated to bring about a stabilized peace unless the conditions which brought them about were corrected.

Baron Hiranuma said that the belief was widely held abroad that Japan was considering a military alliance with Germany and Italy. He had endeavored to explain frankly the basis of Japanese sympathy for Germany and Italy, and he could say quite definitely that the basis of what appeared to be a concerting of Japanese policy with that of Germany and Italy lay in the fact that all three countries are in the same economic strategic position. He
personally

personally was of the opinion that Japan, whose government would for all time to come rest on the sanctity of the Imperial Family, could not tie itself by special relations to any foreign government whose stability depended on the continued existence and political prestige of one individual. There were both in Germany and Italy political currents flowing beneath the surface which, in his view, would gravely prejudice confidence in any political arrangement, such as an alliance, which Japan might make with those countries. Hidden dissident elements would be certain to make themselves felt in time of war and thus are to be reckoned as a threat to the success of German and Italian arms.

At this point we were interrupted by notice that dinner was served. The conversation during dinner was not in any way pertinent to the subject of this despatch, being confined to discussions of points in Chinese philosophy, personal reminiscences, and so on, the Prime Minister discoursing in a most interesting manner.

Returning to his study, the Prime Minister said that he wished to draw together the various threads of our conversation, as follows:

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The United States and Japan were the only powers which could help to prevent the crystallization of the trend toward the division of Europe into armed camps. There can, however, be no confident hope that a permanent peace can be established until the world-wide economic and political conditions which bring about unrest in Europe and in the Far East can be corrected; and if an international conference can be called to solve the problems which create unrest, Japan would be prepared to agree to the inclusion of the Far Eastern situation among the problems to be discussed. Before any call for such a conference could be issued, Great Britain and France, and Germany and Italy, would have to be sounded out. If the President were prepared to make a confidential approach to the European democracies; he would be glad to approach Germany and Italy; and, if there were returned favorable replies by these nations, he would be glad to have the President call the conference under such conditions as might be agreed upon after discussion through normal diplomatic channels.

I wish to make it clear, before setting forth certain conclusions which I draw from these conversations, that I do not put forward the views of those Japanese - even though they be persons of great importance and influence - who harbor hopes of restoring good relations

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with the democratic nations, as being necessarily the views of the Japanese Government. These are, however, the views of a powerful element in the Government: they may prevail or they may not, but they cannot be ignored.

Any observer who is in any way sensitive to things not seen would, if he were in Tokyo today, become aware of the groping for security against the gathering storm in Europe. I should perhaps add parenthetically that the European situation today has assumed primary proportions, and that it would be visionary to suppose that the present confusion concerning the course which Japan should follow is due to despondence over the apparently ineffectual hostilities in China. The Army and other elements which have thus far controlled China policy have assumed that the Far Eastern conflict could be permanently and completely insulated against repercussions from situations elsewhere, as they did not look to American and other occidental armed intervention in that conflict. Although reference has been made in the Embassy's telegrams to the effects of the President's message to Chancellor Hitler, I do not believe that I could, by further reference to that message, exaggerate the impulse which it had toward persuading the Japanese Government to realize that there may be grave danger of involvement with the United States "not directly across the Pacific but by way of Europe", as one Japanese put it to me. I should, however, place that observation in proper perspective. A threat by the United States to eject Japan from China would, I am confident,

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be resisted. But if war were to break out in Europe with the United States participating on the side of Great Britain and France, the outcome in the view of those Japanese who think along rational lines would admit of no doubt. With Germany and Italy crushed, the prospect of confronting the victors would not be a palatable one to Japan.

There are, therefore, in the situation which seems to be developing but two courses for Japan to follow - either to go over unreservedly to the totalitarian side, or to restore good relations with those nations which, in the opinion of one element of the Japanese Government, would be the victors. True, in rejecting the proposal to join Germany and Italy in an alliance, Japan provisionally chose a third course - neutrality. I am inclined, however, to doubt whether there are many Japanese who confidently believe that neutrality would afford security. The arguments of those who believe in the superior power of Germany and Italy are obvious and simple: Japan has only to associate herself with those countries and wait for the European war to pick China like a ripe plum. But, for those Japanese who have other views concerning the power of Germany and Italy, there is but one way by which Japan's security can be safeguarded, and that is to bring the conflict with China to an end on some reasonable terms. Here again I wish to make it clear that the desire for a settlement of the conflict does not derive from moral regeneration but from realization of stark facts.

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In concluding this despatch, which is already unconscionably long, I wish briefly to allude to the discrepancy between the attitude of the Prime Minister as indicated in his conversation with me and that of the Minister for Foreign Affairs, whose preoccupation over the Anglo-Soviet negotiations has already been mentioned. It is obvious that the desire of the Prime Minister for American collaboration to bring about peace in Europe (and in the Far East) cannot be reconciled with the readiness, which is almost an eagerness, on the part of the Foreign Minister to meet a fancied threat from Great Britain. These two points of view reflect conflicting policies, and which of these policies will prevail may perhaps be decided by events of the next few days.

Respectfully yours,

EUGENE H. DOOMAN,
Chargé d'Affaires ad interim.

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Memo to Watson
From Sumner Welles
July 19, 1939

Two conf despatches from Biddle

No-1080, dated June 7, 1939 concerning
official Polish reports on Italo-German
relations;

No-1126, dated June 28, 1939 concerning
the propaganda campaign conducted by the
German, Japanese, and Italian Embassies
in Warsaw.

See-Poland folder-Drawer 1-1939

PS# Japan

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DEPARTMENT OF STATE
WASHINGTON

July 25, 1939

My dear Mr. President:

With reference to your recent memorandum in which you suggested that I protest to the Japanese Ambassador against the indiscriminate bombings at Chungking and ask for an immediate statement from the Japanese Government without making the matter one for formal exchange of notes, on July 10 the Japanese Ambassador called at my request at which time I read to him a statement in regard to bombings by the Japanese armed forces the text of which, together with a résumé of the ensuing conversation, is contained in the enclosed memorandum of conversation of July 10, 1939.

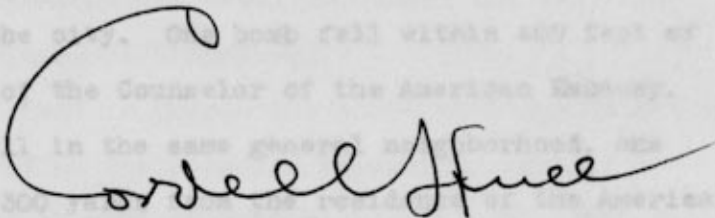
On July 20 Mr. Horinouchi called upon me at his request and handed me by way of reply to my representations on this matter two papers, one headed "Statement of the Japanese Government" and the other "Report of the Commander-in-Chief of the China Sea Fleet".

The President,
The White House.

Fleet". There are enclosed copies of these papers together with a memorandum of the conversation which I had with the Japanese Ambassador on that occasion.

As is indicated in the memorandum of conversation, I made it quite clear to the Japanese Ambassador that I did not regard the reply as satisfactory. It is not believed, however, that any useful purpose would be served by pursuing this subject further with the Japanese Ambassador at the present time.

Faithfully yours,



Enclosures:

1. Memorandum of conversation of July 10 between Mr. Horinouchi and Secretary Hull.
2. Copy of "Statement of the Japanese Government".
3. Copy of "Report of the Commander-in-Chief of the China Sea Fleet".
4. Memorandum of conversation of July 20 between Mr. Horinouchi and Secretary Hull.

DEPARTMENT OF STATE
Memorandum of Conversation

Date: July 10, 1939

Subject: American rights and interests in China.

Participants: Secretary of State Hull and the
Japanese Ambassador, Mr. Kensuke Horinouchi.

The Japanese Ambassador came in at my request. I then proceeded, without particular preliminaries, to read him the following:

"On two occasions between midnight and 2:00 a.m., July 6, two squadrons of Japanese planes raided Chungking. Bombs fell at random on both banks of the Yangtze River and in the city. One bomb fell within 400 feet of the residence of the Counselor of the American Embassy. Other bombs fell in the same general neighborhood, one landing about 300 yards from the residence of the American Ambassador. The Lewis Memorial Institutional Church at Chungking, an American institution, was badly damaged.

"Another raid was made by Japanese planes on Chungking on July 7 commencing about 12:40 a.m., and lasting until about 2:10 a.m. On this occasion bombs fell in various areas of the city and also on the south bank of the Yangtze, one bomb falling within 50 yards of the quarters of the Counselor of the American Embassy and causing about 30 Chinese civilian casualties.

"During these raids five bombs struck within 200 yards of the U.S.S. TUTUILA.

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kind "The bombing appears to have been carried out in an indiscriminate manner and the damage and loss of life inflicted to have been confined almost exclusively to civilians. The Government of the United States has repeatedly expressed this country's abhorrence of such indiscriminate bombing. Added to this general humanitarian concern is the consideration that the bombings under discussion, which are but the most recent of a long list of similar bombings, have exposed to grave hazards the American Ambassador, his staff, an American naval vessel and American naval personnel thereon, and all other Americans at Chungking.

"The President in person has asked that the Secretary of State protest to the Japanese Ambassador against a continuation of these indiscriminate bombings. The President would like to have an immediate statement from the Japanese Government, without making the matter one of a formal exchange of notes."

brought up (1) the idea of our two countries exercising At the conclusion of the reading, I handed the copy to the Ambassador. He began to indicate his lack of belief in the facts, by saying that his Government had given special instructions to the military authorities in China to be careful to avoid injuries to persons and properties of other nations, etc., etc. I interrupted him and said that without taking up the question of what

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kind of instructions the military authorities were under from Tokyo, the official facts speak for themselves and show clearly that the Japanese military authorities are proceeding indiscriminately and recklessly with bombings in and about Chungking; that I was speaking from the facts, while the Ambassador was speaking from what he said was the giving of instructions to be careful in bombing. He then abandoned this phase. I said that, of course, if this sort of reckless bombing went on something serious in the way of injuries to other nationals and their properties would inevitably occur and, that in the interest of both his country and mine, my Government seeks to avoid such an unfortunate development. The Ambassador then said he would promptly transmit the written statement I had read to him to his Government.

He then referred to a conversation between Ambassador Grew and Foreign Minister Arita, before the Ambassador recently left Tokyo for America, in which Mr. Arita had brought up (1) the idea of our two countries exercising themselves to avoid war in Europe; (2) the reported apprehension of my Government that the Japanese occupation of the Hainan Islands is part of a plan of permanent military conquest; and (3) my Government's concern about the extent of possible injury and loss of American interests, including American trade, in China, by reason of possible permanent Japanese policies of control. He said

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he would be interested in anything I might have to say on these points.

Point 3. I said that, taking the last point first, I need not remind him that for six years I had been earnestly pleading with and urging upon his Government the view that there is enough room on this planet for fifteen or eighteen great nations like his and mine, and that by cooperating along progressive and mutually desirable lines, great progress of the entire world population would gradually follow, etc., etc.

Point 2. I said that, on the other hand, while present American interests and rights in the Far East are highly important, the big consideration relates to the question of whether all of China and the Pacific islands skirting it, for defensive purposes, is to be Manchuria-ized by Japan, with international law destroyed and treaty observation abolished and all other nations not allowed into that one-half of the world - the door shut and locked, except as to preferences for her own citizens by Japan. I added that if some one nation in one-half of the world is to do this, some other nation in the other half of the world might undertake to follow the same example, and nothing would be more absurdly impossible for the future progress of the population of the world, including the countries assuming this species of domination, than such attempted course. I proceeded further

further to say that the Ambassador might suppose an announcement that this hemisphere and a part of Europe would be foreclosed against his country in the sense of being Manchuria-ized and added that I need not speculate on what his country would think and how it would feel. I said that such efforts at domination, with no facilities for financing and developing, and the going forward on such a huge scale, could only result in disaster for all concerned, speaking, of course, from my viewpoint, and that this general idea had been urged by me on his statesmen for six years.

The Ambassador undertook to advance the idea that Japan was just interfering temporarily with other people's interests on account of military exigencies. To this I replied that the fact that the rights and interests of other nationals all over China are being seriously interfered with, beyond all possible military requirements or even pretext, gives rise to the disappointment, not to say resentment, of the governments whose nationals are thus affected; that these excesses have occurred in north China and in south China and all up and down the Yangtze River; that Americans and other nationals are required to abandon their businesses, while the Japanese businessmen are permitted to step in and take their places and carry on business almost as usual - not temporarily, but apparently indefinitely. I added that

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these signs and circumstances indicating the Manchuria-izing of all China, or an attempt to do so at least, gives rise to the American apprehension, to which the Ambassador referred, that American trade and other interests might be permanently jeopardized or held in abeyance by Japan. earnest plans, (which the Japanese

Point 1. As to the question raised between Ambassador Grew and Foreign Minister Arita about the possible cooperation of our two countries to compose the threatened dangers of Europe, I said that the single test of my Government in dealing with other Governments relates to the question of peace; that we consider the preservation of peace so supremely important to the future of all nations that we draw the line between honest, law-abiding, peaceful countries and peoples, without reference to their form of government, on the one hand, and those who are flouting law and order and officially threatening military conquest without limit as to time or extent; that we will work in a friendly spirit with every peaceful nation to promote and preserve peace, without serious thought as to who they are; that while we have not the slightest alliance, or secret or other understandings with any nation on earth, and do not propose to have any, we will keep thoroughly armed and prepared to take care of our interests and rights; that we have, in the spirit I was describing, made every kind and character of plea to

to the countries of Europe to indicate a willingness for the peaceful settlement and adjustment of their economic and other relations, and we have indicated our readiness to cooperate in every feasible plan to restore international trade and finance to a normal basis; that, notwithstanding these earnest pleas, (which the Japanese Government itself might well have been making, if it has not been doing so, or might well make now and persistently in the future,) nations perhaps could not but take notice that Japan herself is engaged in military operations for purposes of conquest, and that this situation might well call for an ending, if Japan were to exercise her fullest influence along with my own and other countries in efforts to compose threatened military conquest in other parts of the world.

The Ambassador made no particular comment, except to state that there had been reports in this country to the effect that Japan might enter into a military pact with Germany and Italy, whereas the truth is that his country has no idea of doing so; that Japan, because of its proximity and difficulties with Russia, has been interested in the anti-Comintern policy of certain European states and in working with them against Bolshevism. I replied that, of course, this was primarily the business of his country; that my country, of course, strongly
opposes

opposes the doctrines of Bolshevism; that it also, as I had indicated, abstains from any entanglements or involvements with European countries; that, of course, if Japan desires to tie herself up with the horribly complicated European controversies, so as to make herself immediately involved in any European war, that still was her business primarily and I might again reiterate that my Government is keeping itself in a detached position, with peace as its supreme objective, and with armaments sufficient for all purposes of security.

The Ambassador again and finally indicated that he would present my written statement, regarding bombing of American nationals and property, to his Government. I again emphasized that, in my opinion, something serious would inevitably occur if this sort of reckless conduct should continue; that, of course, we were making complaint primarily from this viewpoint and in the end it should be highly to the interest of both Governments thus to deal with dangerous practices before something happens of a serious nature; that my Government, of course, desires to preserve relations of fair-play and fair-dealing and friendliness with all nations at all disposed to this end.

I said that if I might so add, without in any way referring to the local differences between Japan and Great Britain in China, but only basing my remarks on an incident, I would suggest that stripping nationals of other countries of all clothing in public is something abhorrent to the average citizen everywhere; that while it accomplishes next to nothing for the Government engaging in such practice, it does arouse universal resentment and condemnation; that the point I was coming to and the only thing I had in mind in thus referring to this sort of practice was that if some of our American nationals in China should be thus stripped to the point of stark nakedness and exposed to the public view, there would doubtless arise a surprising amount of bitterness and denunciation; and that, therefore, I did hope the Government of Japan would see its way clear to refrain not only from all excesses in depriving our nationals of their rights and interests and businesses in China, but other such practices as may be calculated to create unfriendliness and hostility between our peoples. The Ambassador spoke approvingly of these views.

C.H.

DEPARTMENT OF STATE
Memorandum of Conversation

Date: July 20, 1939

Subject: Japanese bombings at Chungking.

Participants: Secretary of State Hull and the
Japanese Ambassador, Mr. Kensuke Horinouchi.

The Japanese Ambassador came in today as a result of my request, made on yesterday, for an early report in reply to our conversation of July tenth, at which time I asked for an explanation and suitable expressions of the Japanese Government in regard to the reckless bombing near an American vessel anchored in the Yangtze River, damage to a church owned by American missionaries, and the dropping of bombs near the official residences of the American Ambassador and Counselor in Chungking. The Ambassador handed me the two attached statements, one of the Japanese Government and the other a report of their Commander-in-Chief of the China Sea Fleet, relative to this matter. As I read the statements I observed that the Government of Japan was repeating its old line of suggestions and comment to the effect that their military forces were warned to exercise full care in bombing operations and that Americans should be more appreciative of this attitude than they seem to be. I said further that this line of comment gets nowhere; that the big fact to be considered and dealt with is that Japanese bombs fell dangerously near the residences of our Ambassador and

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and Counselor and our vessel on the Yangtze; that it is no answer in regard to this sort of dangerous bombing merely to repeat that Japanese officials are always warned to be cautious. I said that the fact is that this dangerous bombing did occur and, if it should be continued, something very serious was liable to happen, as the Government of Japan must realize, and, hence, the double emphasis my Government is placing on this single fact. I further said that, naturally, I did not attach much importance to these repetitions of the Government of Japan that the military officials are directed to exercise caution; that the big point is that some way must be found to avoid this dangerous bombing in localities entirely away from any of the armed forces or properties of the Chinese Government. I indicated my disappointment, by repeating such remarks as the foregoing, and in no way indicated any satisfaction with the Japanese communication, but, on the contrary, continued to say that the sole question relates to whether the Japanese Government would in the future use sufficiently increased precautions as to put an end to such dangerous bombing as occurred in the instant case. initiative take many

The Ambassador said that it was hoped my Government would urge its nationals to exercise as much caution as possible to keep away from places of danger. I replied that my Government does not concede the right of any

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other outside country to a monopoly of highways or streets or other localities in China; that my Government, from the general standpoint of their personal safety, and without any implied concessions of any superior right or privilege of Japanese nationals to travel in and to occupy given areas, does caution its nationals in China to use reasonable and ordinary diligence to avoid danger or injury to their persons or properties. I further added that at the same time my Government stands unalterably for the doctrine of damages for any injury to the person or property of its nationals in connection with the Japanese activities in China. The Ambassador then said his Government hoped that our nationals would mark and locate their properties so these could be recognized and their locality and nature known. I said to him that while my Government, as just stated, does advise its nationals to exercise reasonable and ordinary diligence for the avoidance of injuries both to person and property, it does not undertake to indicate the manner in which this shall be done, but leaves this to its nationals there on the ground; that I might add, however, that they naturally and on their own initiative take many different steps to avoid injury to themselves or their properties, and, probably in most instances, they do endeavor to mark or otherwise indicate and make known

will be utterly bankrupt and when not only will the

people

the location of their properties to the proper officials of the Japanese forces. I said my recollection was that there could not well have been anything lacking in the way of information given to Japanese officials as to the location of the American Embassy, the residence of the Counselor, the American vessel nearby on the Yangtze River, and the church building. The Ambassador did not pursue this matter any further.

He then inquired what my opinion was about the outlook in Europe. I replied that my Government makes no predictions about the future in Europe but it is taking absolutely nothing for granted; that when the rulers of powerful nations put all their resources in armaments and in the organization of huge military forces, and when in speeches, every week or two, announce to the world that they have not got as much of the world's goods as they are entitled to and that they propose to get the desired additional amount by force, my Government still makes no predictions, but it does undertake to arm and to continue to arm so as to be prepared for any possible eventuality, and that this will continue to be its very definite policy. I then said that with so many nations exhausting all of their economic vitality by putting their entire substance into armaments and armies and navies, it is just a question of time when most nations will be utterly bankrupt and when not only will their

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peoples be in a state of more or less destitution, but, what is far worse, they will continue, as they are doing today, to drag the entire world down towards lower levels of existence; that this is a course now being accelerated in its awful effects in the way of human deterioration. I then added that my country fights Bolshevism as do numerous others, but that the powerful nations, who are steadily lowering the standards of life of their own and other peoples by a course of militarism and military conquest, are really the greatest friends that Bolshevism has, in that they are steadily dragging the entire world unerringly in the direction of Bolshevism, even though they may imagine that they are actually fighting Bolshevism. The Ambassador did not express any disagreement with this.

C.H.

Statement of the Japanese Government:

As stated by the Foreign Minister to the Chargé d'Affaires of the United States upon the latter's representation on July 10, the Japanese Government regrets to learn that bombs fell near the official residences of the American Ambassador and Counselor in Chungking and an American warship anchored in the Yangtze, and caused damage to a church owned by American missionaries during the bombing of that place by the Japanese naval air force on the 6th and 7th of July.

However, it should be stated that the occurrence of such an incident was accidental. As described in the report of our Commander-in-Chief of the China Sea Fleet attached hereto, the air force concerned in the accident "is at a loss to know by what chance any bomb could have fallen on the southern bank of the Yangtze River." It is to be regretted, therefore, that the American authorities, on the basis of this unfortunate occurrence alone, should charge the Japanese naval air force with an indiscriminate and reckless bombing without according due credit to the assiduous care and the sincerity of purpose with which Japanese air forces have been endeavoring not to inflict any damage to the interests of third powers.

It has been repeatedly explained to the American authorities, either orally or in written statement, that the Japanese forces, regardless of whether they belong to
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the army or the navy, have taken every conceivable measure in their efforts for precluding the possibilities of endangering the lives and property of third power nationals. They have made it their practice to investigate as minutely as possible the relative positions of their bombing objectives and the property of third powers before deciding upon the direction and sphere of their action, and in actual bombing the crews of their planes, though exposed at every moment to the attacks from the land and air forces of the enemy and by no means sure of the safety of their own lives in the next moment, have assiduously striven for accurate aiming and for the prevention thereby of any damage to the interests of third powers. It is earnestly hoped that the American Government will fully appreciate these circumstances and have confidence in the military discipline with which the Japanese air forces are performing their operations.

Notwithstanding these painstaking efforts of our air forces, untoward accidents do occur on account of the extreme difficulties arising from the fact that aerial markings of property are often imperfect and that Chinese forces, military organs and establishments are situated close to the property of third powers, as well as the fact that bombing has to be carried on while our air force is engaged in an aerial combat and is also exposed to fire
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from the ground. We earnestly hope that the American Government will appreciate the unavailability of some bombs going astray under circumstances such as these. We are nevertheless very sorry for any damage that might be caused thereby to the interests of third powers. We have been constantly applying ourselves to the problem of discovering a method of minimizing such hazard to third powers, and will put forth still greater efforts with that end in view.

It is earnestly desired in this connection that the American Government will take further measures along practical lines with regard to the marking of property and the furnishing to the Japanese authorities more complete maps that show clearly the location of their rights and interests, as well as the prevention of the Chinese from constructing military establishments and organs, or concentrations of their troops, near such rights and interests.

July 20, 1939.

"The said air force was aware of the existence of American property on the south bank of the Yangtze River, namely on the opposite side of Chungking, and every precautionary measure was

Report of the Commander-in-Chief of the China Sea Fleet:

Upon the receipt of the news that during the air raid on Chungking by our naval air force in the early morning hours on July 6 and 7 bombs fell in the neighborhood of American property, including the residences of the American Ambassador and Counselor and an American warship, the Commander-in-Chief of our China Sea Fleet, who recognized the regrettable character of the incident, immediately issued an order to take further precautions against recurrence of similar incidents, and at the same time called to Shanghai the senior staff officer of the air force concerned and made a personal inquiry into the affair. The Commander-in-Chief ordered the air force again, through the senior staff officer, to exercise caution. The facts of the case as established by the inquiry are as follows:

"A Japanese naval air force raided Chungking on July 6 between 2:55 and 4:00 o'clock A.M. (Japanese Standard Time) and on July 7 between 2:50 and 4:05 o'clock A.M. (Japanese Standard Time), the principal objectives being the Chungking headquarters of the chairman of the military affairs committee and the military establishments in the vicinity of the central park. During these raids it was noted that all the bombs landed nearby those objectives.

"The said air force was aware of the existence of American property on the south bank of the Yangtze River, namely on the opposite side of Chungking, and every precautionary measure was

taken

taken against inflicting any damage upon the property. Especially on the morning of July 6, despite the difficult circumstances in which our airmen found themselves as they were subjected to enemy gunfire under illumination, they exercised the utmost care even to the extent of performing the approach maneuver all over again when there was the slightest doubt as to the accuracy in aiming.

"Our men noted on July 7 two bombs go astray and fall in the river northeast of Chungking, but on neither July 7 nor 6 did they note any other bomb fall in the river or on the south bank. They cannot but wonder by what chance any bombs could have fallen near the American property."

July 20, 1939

PSE
Japan

Sept 6, 1939

Memo for the President
From Navy

In re-Commander of 4th Regiment of U.S. Marines reports that Japan will soon act toward removal of English and French forces from Shanghai basing their action on an enforcement of neutrality period. They plan to seize French and British areas and specifically are planning to prevent extension of our sector.

See--Navy folder for original memo--Drawer 1-1939

P.S.F.
Japan -
1

October 20, 1939.

Letter from Sec. Hull to the President

In re-attached cablegram from the Secretariate of State of the Holy See which was left by Monsignor Ready at the State Dept.

Subject: Secretariate of State of Holy See received information from Unknown source that Chinese officials "desire the Holy See to take steps to establish peace between China and Japan".

Sec Hull also encloses for the President an analysis of the above subject. Both the cablegram and analysis were returned to the State Dept.

See: Italy folder-Drawer 1-1939

PSF Japan

*file
personal*

THE AMERICAN EMBASSY
TOKYO

October 20, 1939.

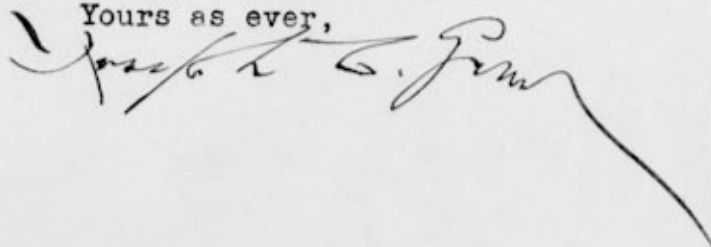
Dear Frank:

Here is a copy of the address delivered before the America-Japan Society yesterday which I venture to hope will commend itself to you. The tone was important and I had to be careful not to embarrass the present Japanese Cabinet which apparently wants to bring about better relations with the United States. But we went to the bat fairly hard and I think that the net result, after the first barrage of adverse press comment has died away, will be healthy. Many important Japanese have expressed high approval. The time was precisely ripe for a clear public presentation of the point of view of our Government and public. A year ago this speech could not have been made without serious damage.

The President,
Washington.

In due course I will most gladly comply
with your wishes for "off the record" analyses
of the situation here. I shall be brief.

Yours as ever,

A handwritten signature in cursive script, appearing to read "Joseph E. Gurnea", with a long, sweeping underline that extends to the right.

Enclosure

Japan -
1

October 23, 1939.

Dear Joe:-

I liked your address and the Secretary
and I agreed that you did it in the right way
and at the right time. The press comment on
it has been good so far.

We hope to get the embargo repeal
through within two weeks.

Take care of yourself.

As ever yours,

Honorable Joseph C. Grew,
American Embassy,
Tokyo,
Japan.

TELEGRAM

The White House

Washington

The White House
Washington Oct 21, 1939

FOR THE ~~CONFIDENTIAL~~ INFORMATION OF THE PRESIDENT

TOKYO, October 21, received 10:53 a.m.

538 October 21, 10 p.m.

Our 537, October 21, 6 p.m.

One. In view of the press reaction to my address the Foreign Office expressed a desire this afternoon that the entire text of the address be released to the press. Accordingly copies were given to the Japan Advertiser, Japan Times, the Nichi Nichi, English edition, and Domei News Service.

Grew.

553pm/d

Address delivered by the American Ambassador,
Joseph C. Grew, before the America-Japan Society,
Tokyo, October 19, 1939.

Mr. Chairman, Ladies and Gentlemen:

First of all, permit me to express my great satisfaction on returning from leave of absence to learn that there has been improvement in the health of our beloved President, Prince Tokugawa. I well know that I am reflecting the hopes of all of us in most heartily wishing that he may before long find complete recovery and return to the chair which he so long has occupied with distinction and great helpfulness. I beg that our Chairman today may be good enough to convey to the Prince an expression of this deep feeling.

Your welcome today is genuinely appreciated. Last spring we were going "home" to the United States, and this autumn, when we left America, we were going "home" to Japan. When one has remained for seven years at a post, one can hardly regard it as other than "home". At any rate, that is the way my wife and I feel about Japan and especially about Tokyo, and that same feeling extends to our friends here, both Japanese and American. To come once again to a gathering of this Society is to come into a homelike atmosphere, and that in itself gives us a very warm feeling. We thank you for your welcome.

I have been told of rumors that have been flitting about here and there to the effect that we were not returning to Japan. If there have been such rumors, they just have been based on speculation, pure and simple, for at no moment has there been the slightest doubt about our returning. Having been on the job here for approximately three years without a day of furlough, I was very considerably given an extra month of leave, over and above the usual sixty days in the United States. Some of you with whom I talked before our departure may remember that I said at that time that I expected to be back in September or October, and here we are, right on schedule. Our plans have undergone no change and no thought of change.

We have had a pleasant and interesting time. Much of our furlough was spent at our place at Hancock in the refreshing hills and woods of New Hampshire where we were surrounded by our three daughters, occasionally some sons-in-law and six grandchildren, which inevitably made me feel something like an old patriarch, but we had time for visits also and we saw both the New York and the Golden Gate worlds fairs which, of course, were thrilling. I visited Washington on three occasions.

With regard to the Worlds Fairs in New York and in San Francisco I think that Japan has every reason to be proud of her pavilions and exhibits. I spent much time studying them in both places. The Japanese pavilion in

the

the New York Fair is of great beauty. The Japanese exhibit in the Division of Pacific Cultures at the Golden Gate International Exposition and the effective way in which it is presented is past all praise. These objects, portraying the historical sequence of Japanese art and culture, have most courteously been lent not only by many of the foremost Japanese collectors, many of them personal friends of mine, but also by the Imperial Household Museum. As Mr. K. Sato wrote in the Official Catalogue of the Department of Fine Arts of the Expositions:

"It will be a surprise to us if you do not read from these material objects the spirit of the race that made them, so like and so different from your own.

"Surely America, newly come to join us on the rim of the Pacific Ocean, will feel the splendid lift of the same tides that wash our beaches."

Yes, we in America do feel the lift of the same tides that wash the beaches of Japan. I hope that both our nations will always and progressively feel the lift of those tides of friendship. I have returned to Japan to devote all that I have to give, now and in future, to try to inspire new life in those tides.

As for the future, Mrs. Grow and I are going to try to return to the United States as often as possible-- every year or two if it is feasible, although such a plan must necessarily depend upon many unpredictable factors and is perhaps just a bit optimistic. But there is no doubt in my mind that an Ambassador can do more helpful

work

work and can more intelligently and effectively represent his Government and can better contribute to clear international understanding upon which good international relations are built when given frequent opportunity for personal contact with his Government and the people of his own country. As I have often said, indeed as I said not long ago before this distinguished Society, an ambassador is essentially an interpreter, an interpreter of official and public opinion as they exist in his own country and in the country of his residence. By going home this year I was able to do a great deal of interpreting of Japan and of Japanese opinion both to my Government and to the American people. A number of addresses were made to important groups and I talked with a large number of people. I hope and believe that my interpretations were fair and accurate. It was made very clear that the Japanese picture has many sides and many angles, and that without a comprehension of these many sides and angles, it is difficult if not impossible for another people far away to arrive at a clear and accurate conception of the basic causes and incentives that lead to Japanese thought and policy and action. Those talks aroused much interest.

I enjoyed several constructive talks with my good friend Ambassador Horinouchi who is ably representing Japan in our country, and with other Japanese visiting or residing in the United States.

In

In the same way, there can be no doubt that as a result of my stay in the United States and my personal contacts with a large number of Americans, both official and unofficial, my interpretations here of American thought and policy and action are going to be much more complete and accurate than they could have been had this summer's furlough not taken place. We have a phrase in English "straight from the horse's mouth." I never knew why the particular animal chosen was a horse, especially as most horses are generally not very communicative. But the meaning is clear enough. What I shall say in Japan in the ensuing months comes "straight from the horse's mouth" in that it will accurately represent and interpret some of the current thoughts of the American Government and people with regard to Japan and the Far East. I had the privilege of also conferring repeatedly with the President and with the Secretary of State during my stay at home.

But here I am constrained to pause before passing on, to pause in sadness, in deepest sorrow, yes and in impotent bitterness, at the dreadful holocaust that has broken loose in Europe, a holocaust not of God's doing but of man's. That we, in our lifetime, should have to pass through another such frightful disaster seems an intolerable burden for one generation of humanity. I shall not try to deal with that subject today; indeed, what could possibly be said to alter in any infinitesimal degree

degree the blackness of the cloud that has descended upon us? I say "us" advisedly. I pray with all my heart and mind that we in America may be spared from participation again in armed conflict, but in this modern world of ours no nation and no people can emerge unscathed from the effects, direct or indirect, of warfare anywhere. When the structure of international good faith, when the reliance of mankind and government upon the inviolability of the pledged word becomes undermined and collapses, when might makes right and force becomes an instrument of national policy rather than discussion and settlement of disputes by peaceful means, then civilization crumbles also and chaos intervenes.

I turn now to some of the thoughts of the American Government and of the American people with regard to the situation in East Asia in general and to our relations with Japan in particular. It is trite to say -- but all too often the fact is overlooked -- that in our democratic system the policies and measure of our Government reflect, and inevitably must reflect, public opinion. If therefore in any given case or situation we search for the underlying causation of American policy, or of any specific measure, or series of measures taken by our Government, we must first try to analyze the state of public opinion in the United States and the developments which have induced that state of public opinion, factors which in turn have given rise to some specific policy or

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some specific measure or measures of our Government. In this connection I have not for a moment lost sight of the force of public opinion in Japan.

Obviously American public opinion is frequently divided; seldom is it unanimous. In the face of a divided public opinion, the Government must choose between acting according to its judgment as to what will best serve the interests of the country and withholding action altogether. But when public opinion is unanimous, or nearly unanimous, then governmental policy and action must and will reflect the opinion and wishes of the people as a whole. For the American Government is the servant of the American people. American public opinion with regard to recent and current developments in the Far East is today very nearly unanimous, and that opinion is based not on mere hearsay or on propaganda but on facts.

Among the conditions existing in the United States which impress me more and more vividly each time I return to my country are, first, the freedom which prevails in public discussion, and second, the demand for knowledge of facts and the intelligent appraisal of those facts by men and women in every walk of life. Especially is this true today in regard to foreign affairs. It is not alone the Government official or the student or the business man or the manufacturer or the financier who keeps his finger on the pulse of our foreign relations. This
interest

interest--and it is a keen, living interest--extends to the masses--the factory hand, the servant in the house, the taxi driver in the street. In the past few months at home I have been immensely impressed by the intelligent grasp by people in every quarter of what is going on in every corner of the world. I have been drawn into discussion of foreign affairs not only by men and women in important and influential positions but by travelers in the smoking compartment of railroad trains, by the stewards in airplanes, by the men and women behind the counters in the stores and shops, by the attendants at gasoline stations, by the drivers of taxis who were taking me to some destination. And what impressed me most was that these people not only knew what was going on abroad but had formed their own individual opinions of those events and of what the United States should or should not do about it. Those people, mostly, are widely read. My chiropodist, when I entered his room, was reading an important book on Japan, and we discussed that book throughout the session. A farmer in the small New England village where we live lent me another recent book on Japan. In the many talks which I had with many, many people, I received the distinct impression that those people are sufficiently well-informed and sufficiently wide-awake to distinguish between fact and propaganda. I do not suppose that any country in the world is better served today, by press and radio, with accurate foreign information than is the United States. In every country there are of course certain elements of
the

the press inclined toward sensationalism, but the vast majority of the American people today read and demand the despatches and comments of correspondents and commentators of proved reliability for accurate reporting. Propaganda not based on fact, or distorting fact, is anathema to the average American. And the senseless propaganda with which foreign countries sometimes try to influence public opinion in our country does the countries of its origin and the interests of those countries far more harm than good. The average American, knowing the facts, sees through it and will have none of it.

Here, then, is the stuff of which public opinion in the United States is built. It is only through such individual contacts as I enjoyed this summer that one comes to appreciate the tremendous force of public opinion in our country and to realize its fabric and its power. When such opinion tends toward unanimity in any given issue, it is a force to be reckoned with, a force which the Government cannot possibly overlook and will not fail to reflect in its policies and actions.

What am I to say to you today? Would it be the act of a friend of Japan, a friend of the members of this Society, would it be in the interests of Japanese-American relations which this Society steadily labors to build up and improve, if I were to misstate the truth or try to

obscure

obscure it by painting an inaccurate picture of my observations at home? If an Ambassador is in effect an interpreter, mustn't he interpret correctly on the basis of facts known to him? And on returning from a long stay in America, would it not insult your intelligence if I were to talk of trivialities? I suppose that there is not a person here who does not know that American public opinion strongly resents some of the things that Japan's armed forces are doing in China today, including actions against American rights and legitimate interests in China. On that subject public opinion in the United States is unanimous. And, mind you, I know whereof I speak, from personal talks with a very large number of people in diverse walks of life throughout our country, constituting a reliable cross-section of the American public.

If we then accept as a regrettable fact this state of American public opinion, and we must accept it as a fact, then isn't it from every point of view, especially from the point of view of statesmanship, reasonable and logical that we should in all frankness examine the basic causes of that state of public opinion? I know those causes in general and in detail. It would be harmful to overlook them. I earnestly believe that those causes must be removed and that by their removal only constructive good can come to both our nations. The attainment of such mutually constructive good, needless to say, is and has been

been and always will be the fundamental purpose of my ambassadorship to Japan.

Before I left for America last May a Japanese friend of mine begged me to tell my friends in America the situation in Japanese-American relations as he conceived it. It ran somewhat as follows:

American rights and interests in China are suffering some minor and unimportant inconveniences in China as a result of Japanese military operations; the Japanese military take every possible precaution to avoid inconvenience to American interests; reports published in the United States in regard to damage to American interests by the Japanese in China are intentionally exaggerated in order to inflame the American people against Japan; in large measure those activities of the Japanese to which Americans object are the result of differences in customs, differences in language, and a legalistic attitude which has been adopted by the United States; the attitude of the Government of the United States in regard to impairment of American rights and interests in the Japanese-occupied areas of China is in large part due to internal political conditions in the United States; in the near future the situation in the occupied areas of China will be so improved that the United States will no longer have any cause for complaint. That was the point of view of my Japanese friend.

Alas

Alas, the truth is far otherwise. The facts, as they exist, are accurately known by the American Government. They are likewise known by the American people, and in the interests of the future relations between Japan and the United States those facts must be faced. Only through consideration of those facts can the present attitude of the American Government and people toward Japan be understood; only through consideration of those facts, and through constructive steps to alter those facts, can Japanese-American relations be improved. Those relations must be improved.

Having said all this I do not propose today to deal in detail with the causations which have brought about that feeling in my country. This is not the occasion to enter any "bill of particulars." Those facts, those difficulties between our nations, are matters for consideration by the two Governments; indeed, some of them are matters which I have been discussing with the Japanese Government during the past two years, and I shall continue to approach these matters. But I believe that the broad outline of those facts and difficulties are known to you. Some of those difficulties are serious.

Now many of you who are listening to me may well be thinking: "There are two sides to every picture; we in Japan also have our public opinion to consider." Granted. In America, as I have already said, I did my

best

best to show various angles of the Japanese point of view. But here in Japan I shall try to show the American point of view. Without careful consideration of both points of view we can get nowhere in building up good relations. I wish you could realize how intensely I wish for that most desirable end and how deeply I desire, by pure objectivity, to contribute to a successful outcome. Let me therefore try to remove a few utterly fallacious conceptions of the American attitude as I think they exist in Japan today.

One of these fallacies is that the American approach to affairs in East Asia is bound by a purely "legalistic" attitude, a conception which widely prevails in this country today. What is meant by a "legalistic" attitude? If we mean respect for treaties, official commitments, international law, yes; that respect is and always will be one of the cardinal principles of American policy. But the very term "a legalistic attitude", as it has often been used in my hearing in Japan, seems to imply a position where one cannot see the woods for the trees, where one's vision of higher and broader concepts is stultified. Let me therefore touch briefly on a few of the cardinal principles of American policy and objectives, moulded to meet the requirements of modern life, which, it is true, are fundamentally based upon but which seem to me far to transcend any purely "legalistic" approach to world affairs.

The American people aspire to relations of peace with every country and between all countries. We have no

monopoly

monopoly on this desire for peace, but we have a very definite conviction that the sort of peace which, throughout history, has been merely an interlude between wars is not an environment in which world civilization can be stably developed or, perhaps, can even be preserved. We believe that international peace is dependent on what our Secretary of State has characterized as "orderly processes" of international dealing.

The American people desire to respect the sovereign rights of other people and to have their own sovereign rights equally respected. We have found by experience that the successful approach to the resolving of international disputes lies not so much in merely abstaining from the use of force as in abstaining from any thought of the use, immediately or eventually, of the methods of force. Let cynics look about them and contemplate the consequences of resort to menacing demands as a process in the conduct of international relations: Is it being purely "legalistic" to put to wise and practical use the finer instincts common to all mankind?

The American people believe that the day is past when wars can be confined in their effects to the combatant nations. When national economies were based upon agriculture and handcraft, nations were to a large extent self-sufficient; they lived primarily on the things which they themselves grew or produced. That is not the case today

Nations

Nations are now increasingly dependent on others both for commodities which they do not produce themselves and for the disposal of the things which they produce in excess. The highly complex system of exchange of goods has been evolved by reason of each nation's being able to extract from the ground or to manufacture certain commodities more efficiently or economically than others. Each contributes to the common good the fruits of its handiwork and the bounties of nature. It is this system of exchange which has not only raised the standard of living everywhere but has made it possible for two or even three persons to live in comfort where but one had lived in discomfort under a simple self-contained economy. Not only the benefits of our advanced civilization but the very existence of most of us depends on maintaining in equilibrium a delicately balanced and complex world economy. Wars are not only destructive of the wealth, both human and material, of combatants, but they disturb the fine adjustments of world economy. Conflict between nations is therefore a matter of concern to all the other nations. Is there then any stultification through "legalistic" concepts when we practice ourselves and urge upon others the resolving of international disputes by orderly processes, even if it were only in the interests of world economy? How, except on the basis of law and order, can these various concepts in international dealing be secured?

The

The American people believe in equality of commercial opportunity. There is probably no nation which has not at one time or other invoked it. Even Japan, where American insistence on the open door is cited as the supreme manifestation of what is characterized as a "legalistic" American attitude -- even Japan, I say -- has insisted upon and has received the benefits of the open door in areas other than China, where, we are told, the principle is inapplicable except in a truncated and emasculated form. That highly complicated system of world economy of which I have just spoken is postulated upon the ability of nations to buy and sell where they please under conditions of free competition -- conditions which cannot exist in areas where preemptive rights are claimed and asserted on behalf of nationals of one particular country.

I need hardly say that the thoughts which I have just expressed are of universal applicability.

Another common fallacy which I am constrained to mention is the charge that the American Government and people do not understand "the new order in East Asia". Forgive me if I very respectfully take issue with that conception. The American Government and people understand what is meant by the "new order in East Asia" precisely as clearly as it is understood in Japan. The "new order in East Asia" has been officially defined in Japan as an order of security, stability and progress. The American Government and people earnestly desire security, stability and progress not only

for

for themselves but for all other nations in every quarter of the world. But the new order in East Asia has appeared to include, among other things, depriving Americans of their long established rights in China, and to this the American people are opposed.

There's the story. It is probable that many of you are not aware of the increasing extent to which the people of the United States resent the methods which the Japanese armed forces are employing in China today and what appear to be their objectives. In saying this, I do not wish for one moment to imply that the American people have forgotten the long-time friendship which has existed between the people of my country and the people of Japan. But the American people have been profoundly shocked over the widespread use of bombing in China, not only on grounds of humanity but also on grounds of the direct menace to American lives and property accompanied by the loss of American life and the crippling of American citizens; they regard with growing seriousness the violation of and interference with American rights by the Japanese armed forces in China in disregard of treaties and agreements entered into by the United States and Japan and treaties and agreements entered into by several nations, including Japan. The American people know that those treaties and agreements were entered into voluntarily by Japan and that the provisions of those treaties and agreements constituted a practical arrangement for safeguarding -- for the benefit of all -- the correlated principles of national sovereignty

sovereignty and of equality of economic opportunity. The principle of equality of economic opportunity is one to which over a long period and on many occasions Japan has given definite approval and upon which Japan has frequently insisted. Not only are the American people perturbed over their being arbitrarily deprived of long-established rights, including those of equal opportunity and fair treatment, but they feel that the present trend in the Far East if continued will be destructive of the hopes which they sincerely cherish of the development of an orderly world. American rights and interests in China are being impaired or destroyed by the policies and actions of the Japanese authorities in China. American property is being damaged or destroyed; American nationals are being endangered and subjected to indignities. If I felt in a position to set forth all the facts in detail today, you would, without any question, appreciate the soundness and full justification of the American attitude. Perhaps you will also understand why I wish today to exercise restraint.

In short, the American people, from all the thoroughly reliable evidence that comes to them, have good reason to believe that an effort is being made to establish control, in Japan's own interest, of large areas on the continent of Asia and to impose upon those areas a system of closed economy. It is this thought, added to the effect of the bombings, the indignities, the manifold interference with American rights, that accounts for the attitude of the American people toward Japan today. For my part I will

say

say this. It is my belief, and the belief of the American Government and people, that the many things injurious to the United States which have been done and are being done by Japanese agencies are wholly needless. We believe that real security and stability in the Far East could be attained without running counter to any American rights whatsoever.

Mr. Chairman, Ladies and Gentlemen: I have tried to give an accurate interpretation of American public opinion, most carefully studied and analyzed by me while at home. The traditional friendship between our two nations is far too precious a thing to be either inadvertently or deliberately impaired. It seems to me logical that from every point of view -- economic, financial, commercial, in the interests of business, travel, science, culture and sentiment -- Japan and the United States forever should be mutually considerate friends. In the family of nations, as between and among brothers, there arise inevitable controversies, but again and again the United States has demonstrated its practical sympathy and desire to be helpful toward Japan in difficult times and moments, its admiration of Japan's achievements, its earnest desire for mutually helpful relations.

Please do not misconstrue or misinterpret the attitude which has prompted me to speak in the utmost frankness today. I am moved first of all by love of my own country and my devotion to its interest; but I am also moved by very deep affection for Japan and by sincere conviction that the real interests

interests, the fundamental and abiding interests of both countries, call for harmony of thought and action in our relationships. Those who know my sentiments for Japan, developed in happy contacts during the seven years in which I have lived here among you, will realize, I am sure, that my words and my actions are those of a true friend.

One Japanese newspaper queried, on my return from America, whether I had concealed in my bosom a dagger or a dove. Let me answer that query. I have nothing concealed in my bosom except the desire to work with all my mind, with all my heart and with all my strength for Japanese-American friendship.

Today I have stated certain facts, straightforwardly and objectively. But I am also making a plea for sympathetic understanding in the interests of the old, enduring friendship between our two great nations. In a world of chaos I plead for stability, now and in the long future, in a relationship which, if it can be preserved, can bring only good to Japan and to the United States of America.

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Copy

PSF: Japan
1

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT

November 18, 1939.

The attached is a short resume of the political situation in the Far East, compiled by ONI from sources of which the President is aware.

It is requested that the attached memorandum be returned to me when the President has finished with it.

Respectfully,

D.J. Callaghan

Franklin D. Roosevelt Library

DECLASSIFIED

DDO DIR. 5200.9 (8/27/58)

Date- 2-20-70

Signature- JDC

Copy

NAVY DEPARTMENT
Office of the Chief of Naval Operations
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

In reply refer to No.
Op-16-B-11

CONFIDENTIAL

November 17, 1939.

Signature

Memorandum for the Chief of Naval Operations

SUBJECT: Japanese Policy Toward American Nationals and Interests in China.

The Commander in Chief, Asiatic Fleet has forwarded the information that he has strong reasons to believe that the Japanese military forces in China are cooperating with the Japanese Foreign Office in a policy calculated to mollify American opinion toward Japanese activities in China by taking steps to prevent occurrence of incidents adversely affecting U.S. Nationals, and by effecting settlements of incidents regarding which American protests are still outstanding. The Commander in Chief is of the opinion, however, that despite the present conciliatory attitude of the Japanese toward Americans, there will be no modification of the Japanese plan to acquire progressively a monopoly of the principal business ventures in China, and to bring about the abolition or the strict regulation under Japanese auspices of all non-Japanese instruments of any political influence, including foreign garrisons and educational institutions.

Other information considered highly reliable indicates that various of the principal Japanese diplomatic and military authorities in China are unanimously advising their Government that the institution of the so-called "New Order" in China will require a marked reduction of the rights and privileges of the United States in China, notably:

- (a) The garrisoning of troops in China including the right to have Legation Guards must be abolished.
- (b) Churches, schools, hospitals and other cultural establishments to be strictly regulated, particularly with a view toward controlling the political import of their teachings and attitude.
- (c) Business interests to be left unhampered provided they have not assumed or do not assume any political significance. The monopolistic tendencies of the following U.S. interests are considered to smack of political significance. Therefore the operations of the following interests must, in the view of the Japanese authorities, undergo a marked revision:

PSF: Japan

1. Universal Tobacco Co.
2. British-American
3. U.S. Financial and economic interests in railroads and their equipment
4. Standard Oil Company
5. Texas Oil Company
6. China National Aviation Corporation
7. Importation of radio sets--particularly high frequency receiving sets--must be prohibited. This is considered of the utmost importance

The Japanese military and diplomatic authorities in China are insistent that the "New Order" in China be established regardless of the necessity for policing or seriously reducing U.S. rights and interests in China.

It would appear therefore that while personal relationships may be somewhat improved by the Japanese policy of preventing disagreeable incidents of a purely personal nature, this conciliatory attitude will not be extended toward American political and economic interests, which latter the Tokyo Government is being urged to suppress.

Signed--- W.S. Anderson

Copy By Hand to Mr. Hamilton, State Department

CONFIDENTIAL

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DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

Date- 2-20-76

Signature- *WD*

November 30, 1939.

Dear Joe:

It is grand to get yours of November sixth on my return this morning from a few day's holiday in Warm Springs. In the meantime, the Finland attack has occurred and the whole of the United States is not only horrified but thoroughly angry. People are asking why one should have anything to do with the present Soviet leaders because their idea of civilization and human happiness is so totally different from ours.

We have not got that feeling about Japan but things might develop into such a feeling if the Japanese government were to fail to speak as civilized twentieth century human beings.

Do keep on writing me from time to time.

As ever yours,

Honorable Joseph C. Grew,
Ambassador to Japan,
The American Embassy,
Tokyo, Japan.

PSF Japan

THE AMERICAN EMBASSY

TOKYO

November 6, 1939.

Personal and Confidential

Dear Frank:

Since returning to Tokyo I notice a marked trend on the part of the present Japanese Government and those elements of the public who know anything about international, especially economic and financial, affairs to bring about better relations with the United States. I have good reason to believe that the Emperor desires it, and the present Cabinet, particularly the Prime Minister, General Abe, and the Foreign Minister, Admiral Nomura, are working in that direction.

We must not however expect any rapid results, even if favorable results accrue at all. The Japanese military authorities in China regard themselves as fulfilling the Emperor's prerogatives on the spot and subject to the control of no other authority, not even the authority of the Prime Minister or Cabinet. The Emperor himself cannot afford to act as dictator. Furthermore the great mass of the public are chauvinistically inclined and having been inculcated with the slogan "The New Order in East Asia" (which in effect means China for the Japanese) they won't tolerate any overt kowtowing to foreign interests. This of course applies primarily and fundamentally to the military caste. So the Government has to watch its step and move slowly and cautiously.

The President,
The White House.

Nevertheless my speech before the America-Japan Society on October 19 (a copy of which I sent you in the last mail) has at least started people thinking, talking and writing about the present parlous state of American-Japanese relations. Many influential Japanese have welcomed it as having come at the right moment. Some of the newspapers have been courageous enough to intimate in veiled language that there may be some merit in the American point of view. One prominent Member of Parliament said to me: "Your speech started the ball rolling and we shall keep it rolling."

With all the Japanese with whom I talk, including Japanese officials, I am saying that in my opinion the coming months will be critical months in American-Japanese relations and that two things are needed promptly if the public demand in the United States for an embargo against Japan next winter is to be modified: first cessation of the bombings, indignities and more flagrant interferences with American citizens and American trade and other interests in China, which might be characterized as negative steps; second, some positive step or steps, such as the opening of the Yangtze to American navigation, which will bring concrete evidence to the American people that Japan intends to improve our relations.

This is being said as an objective fact and with no intimation whatsoever of a threat. I have also indicated that certain fundamental differences between our two countries will eventually have to be faced but that the first steps should aim to clear the atmosphere and establish a sound basis on which our future relations can be built.

I look for no concessions of a far-reaching nature which could be interpreted as weakening Japan's economic grip on China, because no Japanese Government could make such concessions and survive. But I think there may be some let-up in the more flagrant incidents against Americans and American property which have been going on for the past two years. The thinking Japanese realize that they can't possibly reconstruct China without American help.

If we declare an embargo against Japan which can be interpreted here as an economic sanction, we must expect to see American-Japanese relations go steadily downhill thereafter.

Other current matters of interest are:

Soviet Russia. The U.S.S.R. still appears to be helping Chiang Kai-shek with supplies but it may be significant that Molotov in his recent speech did not mention China at all and made a point of flattering Japan. A new Soviet Ambassador has just arrived in Tokyo (as he is a professor of biology specializing in ichthyology the Japanese think he has been chosen particularly to settle the fisheries question!). There is much speculation as to whether the U.S.S.R. and Japan are going to get together with a view to dividing up China between them. The German Embassy is working hard to bring the two countries together. But I can't for the life of me see any possibility of a real Soviet-Japanese rapprochement because far too many fundamental differences exist. A prominent Japanese official whom I know fairly

intimately recently said that such a rapprochement is unthinkable. But strange things are happening in the world today. Prediction is unwise. We must wait and watch.

Great Britain. Naturally obliged to pussyfoot just now but terribly anxious to know if we are going to be hardboiled, in which case they will follow suit - behind our skirts.

France. Studiously avoiding friction with Japan of any kind.

Netherlands. Measures have been taken to blow up the oil wells in the Dutch East Indies in case of a Japanese descent.

Wang Ching-wei. The Japanese are sorely anxious to get the "China Incident" settled one way or another. Their army hasn't been doing so well lately, especially since the repulse at Changsha, and they would like to withdraw from south and central China without too much loss of face, while still retaining their political and economic grip. They see in Wang a happy solution and are making every effort to set up his regime in Nanking as soon as possible. But even in this respect there are bickerings between the Japanese military in the north and those in the south as to the relations between the southern regime and the northern regime under Wang Keh-min. Our information leads us to believe that Wang Ching-wei has no intention of being a Japanese puppet and, if set up at all, may well prove to be quite a different bird from what the Japanese expect. Here again we must wait and watch. There are plenty difficulties.

-5-

If this sort of stuff is of any value to you, I hope you will send me a line, with indications of what sort of information or comment will be most helpful. I'm afraid it is not very new because you no doubt see my telegrams.

Yours as ever,

A handwritten signature in dark ink, appearing to read "Joseph P. Kamp", with a long, sweeping flourish extending to the right.

**95 NEW SHIPS, 2,400 PLANES
SOUGHT IN HUGE NAVAL BILL
DRAFTED FOR U.S. CONGRESS**

P.S. At just this juncture, as if to support my hand here, an article under the above headlines appears in the local English newspaper. The timing was perfect for this is a language that even the Japanese militarist can understand.

For the original of this and Sec
Hull's memo of Dec 13, 1939 and the
President's memo to Hull of Dec 14,
1939.

See:Hull folder-Drawer 1-1939

PSC
Japan
1

December 11, 1939.

MEMORANDUM FOR THE PRESIDENT

The attached letter which it is proposed that this Department send to the Department of Commerce, if you approve, deals with the question of the applicability of certain limited statutory provisions of our shipping and customs laws to the situation which will obtain upon the termination on January 26, 1940, of the 1911 treaty of commerce and navigation with Japan. The letter has been discussed with and approved by officials of the Customs Bureau and by officials of the Maritime Commission. We have made a thorough study of the statutes involved and the related data, and the conclusion at which we have arrived is believed to be consistent with opinions which the Attorney General has in the past rendered in construction of these statutes.

Briefly, the relevant statutes provide for the levying, in the absence of treaty provisions to the contrary, of (1) discriminatory tonnage duties on foreign ships and of (2) discriminatory import duties on goods brought to the United States in foreign ships. The President is authorized to suspend these duties by proclamation as to all countries which do not impose similar discriminatory duties on our vessels

vessels or their cargoes. Technically, the absence of a Presidential Proclamation (whether warranted or not) would result in the imposition of the duties.* As Japan does not at the present time in fact discriminate against our shipping in the particular manner contemplated by the statutes, we believe that imposition of the duties should continue to be suspended. However, it does not seem wise under present conditions to issue a proclamation declaring such suspension. Such action would quite probably be interpreted as a formal and significant declaration by this Government that Japan is in general not discriminating against our trade and that we have in contemplation no action against Japanese trade when the treaty terminates. A proclamation with respect to Japan, issued in 1872 by President Grant, is still in effect and, if that proclamation is not revoked, imposition of the discriminatory duties will continue to stand in suspense when the treaty terminates on January 26 next. As that proclamation correctly reflects the present situation, we suggest that it be allowed to stand and no new proclamation be issued. The Treasury Department and other interested Government agencies would, in their public statements,

*(NOTE: Opinion of Acting Attorney General William D. Mitchell, of October 30, 1925, in 34 Op. Att. Gen. 577, 582-583.)

statements, treat the matter as one of routine, pointing out that there is involved only one phase of our commercial relations with Japan and that, as in the case of other phases of those relations, the mere termination of the treaty does not of itself bring into operation any change in existing practices.

American commercial interests have stressed the point that knowledge on their part whether these duties are or are not to go into effect, well in advance of the date on which the treaty is to terminate, is highly desirable. What they wish in the matter is certainty. It seems practicable and desirable that the Government give out this information on or before December 21. It is suggested, therefore, that action on the letter herein under reference be taken as soon as possible.

Enclosure:

Draft letter to
Department of Commerce.

PSF Japan

THE WHITE HOUSE
WASHINGTON

C O P Y

Dept. of State
The Secretary

December 20, 1939.

MEMORANDUM FOR THE PRESIDENT.

Herewith attached is a proposed dispatch to our Ambassador in Tokyo, which I have signed, to be sent subject to your approval. If you have time to go over it today, it is important that it be sent tonight.

CH

O.K.

F. D. R.

Japan
11

AMEMBASSY,

December 20, 1939.

TOKYO (JAPAN).

Your 686, December 18, 6 p.m., 687, December 18, 10 p.m., 691, December 19, 7 p.m., 692, December 20, 11 a.m., and related telegrams.

The Department has given careful study to the telegrams under reference. The Department concurs in your view that it would not repeat not be advisable in response to the initiative taken by the Japanese Minister for Foreign Affairs to return a categorical negative which would serve to close the door to further discussions and to discourage the efforts of the Japanese Government. At the same time we are not repeat not in position to commit ourselves now to entering upon a negotiation. We are inclined to feel that the negotiation of a new treaty with the thought of holding ratification of such treaty in abeyance until the Japanese Government should have carried out certain assurances would be likely to produce more potentialities of misunderstanding and of disadvantage than would a treatyless condition. We are receiving numerous inquiries with regard to the effect

which termination of the treaty will have upon relations between the United States and Japan. To these inquiries we are replying that the absence of a commercial treaty does not repeat not of itself cause an interruption in commercial relations; that in such circumstances those relations are governed in each country by its municipal law or practice, subject, of course, to any applicable principles of international law; that in the opinion of the Department the expiration of the treaty of 1911 with Japan will not repeat not produce of itself any changes in the general customs duties or treatment applicable to imports of Japanese goods into the United States; and that, similarly, there does not appear reason to expect that the termination of the treaty will produce of itself any marked changes in the general customs duties or treatment applicable in Japan to imports from the United States.

With regard to the proposal made by the Minister for Foreign Affairs that a modus vivendi be entered into, we prefer to leave our attitude toward that proposal open for the time being. We shall give the matter consideration but wish you to know that our tentative thought is that any modus vivendi which might upon further study commend itself to us under existing circumstances would have to be of a very limited scope, to relate principally to rights of establishment and not repeat not of trade, and to be of a character which would leave this Government free to impose restrictions upon trade in case developments should make such course appear necessary toward better safeguarding American interests.

Unless you perceive objection, in which case I should of course welcome a statement of your views, together with an indication of your reasoning, I desire that you call upon the Minister for Foreign Affairs and make to him orally a statement substantially as follows:

(a) The Government of the United States sincerely appreciates the efforts of the Japanese Government to remedy conditions adversely affecting relations between

the United States and Japan and the indication of intent to persist in those efforts.

(b) With regard to the statement made by the Minister for Foreign Affairs concerning the question of entering into negotiations looking toward the conclusion of a new treaty, the Government of the United States has prepared a statement of its position on this matter for the information and consideration of the Japanese Government. (It is suggested that you then hand the Minister for Foreign Affairs, as suggested by you, the statement quoted in the Department's telegram no. 402, December 18, 2 p.m.).

(c) The United States Treasury Department is shortly issuing a communication to collectors of customs and others concerned in which it is stated that the ten percent ad valorem discriminating duties for which provision is made in the Tariff Act of 1913 are not repeat not to be collected on goods entering the United States in Japanese ships unless and until further instructions are issued. A decision similar in effect has been reached by the Department of Commerce in regard to discriminating tonnage duties on ships.

(d) With regard to the question of concluding a

modus vivendi, the Government of the United States suggests that this question remain open for the time being.

(e) The Government of the United States believes that at this time it would be appropriate for there to be continued the discussions which have been going on between the Japanese Minister for Foreign Affairs and the American Ambassador to Japan in regard to the considerations bearing on the question of concluding a new commercial treaty or agreement between the United States and Japan.



In reply refer to
PR

DEPARTMENT OF STATE
WASHINGTON

December 22, 1939

My dear General Watson:

You will no doubt recall that at the diplomatic reception the President asked the Japanese Ambassador to convey his good wishes to the Japanese Foreign Minister, Admiral Nomura.

There is enclosed for the information of the President a copy of the note which the Secretary received from the Ambassador, in which it is stated that the Foreign Minister has directed the Ambassador to convey to the President his sincere gratification for the President's kind remarks.

Sincerely yours,

L. A. Thompson
Chief of Protocol

Enclosure:
From the Japanese
Ambassador, Decem-
ber 19, 1939.

Brigadier General Edwin Watson, U.S.A.,
Secretary to the President,
The White House.

by
to
1817

U.S. DEPARTMENT OF STATE

Department of State

BUREAU
DIVISION

PR

ENCLOSURE

TO

Letter drafted 12/20/39

ADDRESSED TO

General Watson

December 19, 1939

My dear Mr. Secretary:

On the occasion of the reception on Thursday last given to the Diplomatic Corps at the White House, the President said to me, in effect, that he became acquainted with the Foreign Minister Admiral Nomura when the latter was here as the Naval Attaché of the Embassy and asked me to send the Foreign Minister his good wishes.

I have reported the above to the Foreign Minister, who has just cabled, directing me to convey to the President his sincere gratitude for the kind remarks.

The Foreign Minister mentioned in the cable that at a time when he was endeavoring to

The Honorable Cordell Hull,
Secretary of State,
Washington.

the best of his ability to better the relations between the United States and Japan, it gave him very great pleasure to hear through me the expression of good wishes which the President was so good as to make and that he was deeply touched by it.

I should be very grateful if you would kindly take steps so that the message of the Foreign Minister may be conveyed to the President.

I am, my dear Mr. Secretary,

Yours very sincerely,

Kensuke Horinouchi

Japan 14

January 6, 1940.

MEMORANDUM FOR THE PRESIDENT FROM CAPT CALLAGHAN

Encloses Memo of Jan 5, 1940 to Chief of Naval Operations,
Admiral Stark, from W. S. Anderson.

Subject:-Japanese Diplomatic Pressure on France.

Japanese Minister outlined steps that would be
necessary for France to take if their relations
were to be improved.

Attached is memo of April 5, 1940

Subject--Franco-Japanese Relations affecting the Far East

See: Navy folder-Drawer 1-1940 (April 5-1940 memorandum)

Japan
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Memorandum from Capt Callaghan to President-March 5, 1940

Encloses three memorandums signed by Adm Anderson-Naval Intelligence to Chief of Naval Operations-Stark.

1. Feb 23, 1940
Subject: Japanese diplomatic pressure for oil rights in Portuguese Timor
2. Feb 23, 1940
Subject: Japanese Army Advisors to Bolivia
3. March 2, 1940
Subject: Japanese plan to establish legation in Uruguay

For the 3 above memos and later report on No 1 of April 5, 1940--
See: Navy folder-Drawer 1-1940 (April 8, 1940 memo from Callaghan)

Memorandum for files

2/2/73

For letter of FDR to Francis B. Sayre 6/4/40 and attachments see:

PSF: CF: State Department

jsh

Japan
4

July 13, 1940

Memo to Chief of Staff from Sherman Miles

Subject:-Japanese Policy

attaches memo containing recommendations as to
Japanese foreign policy by the Japanese diplomatic representatives
in Vienna and Budapest, respectively.

See:War Dept folder-Drawer 1-1940(July 13, 1940)

DEPARTMENT OF STATE

dm
THE SECRETARY

September 19, 1940.

MEMORANDUM FOR THE PRESIDENT

I herewith attach memorandum
of comment by the Far Eastern
Division on General O'Ryan's letter
of September 9 addressed to you.

CH

September 9, 1940.

In his letter of July 13 to the President, General O'Ryan makes a number of interesting affirmations and suggestions. He affirms:

"Unless for momentous and paramount reasons to the contrary and which to me are unknown, the United States and Japan, separately facing the unprecedented world conditions of the hour, have become logical allies in the interest of their own national security."

He suggests that, because our paramount responsibility is for the national security and because our benevolent aims regarding China and our aid to China are secondary to that paramount obligation, and because the Japanese military do not like our giving aid to China, we should give up our policy regarding China and should thereby make easier the problems of the Japanese Government. He affirms that the Japanese Government "looks for helpful overtures from the United States" toward the end of adjusting without delay the so-called "China Incident". He puts forward a suggestion that the problem now presented by the Netherlands East Indies be solved by the Netherlands Government requesting of the United States and of Japan that those two countries serve "as joint

trustees

trustees for the impartial administration of the economic affairs of the islands", and he gives some details of a concept of a charter under which this plan might be carried out.

COMMENT:

General O'Ryan's affirmation that the United States and Japan have become "logical allies" would seem, under existing conditions, to represent merely wishful thinking. So long as Japan pursues its present course of military conquest in China, of seeking to dominate by threat of force the weaker peoples of the Pacific area, of refusing to even consider the settlement of international disputes by peaceful means, of totally disregarding the principle of equality of opportunity, of abiding by treaty commitments only so long as it may meet its pleasure to do so, of aligning itself with the Axis Powers in their war against Great Britain, and, in particular, of riding roughshod over American rights and interests in China, of throttling our trade, bombing American properties and mistreating American citizens in that area -- so long as these conditions continue to exist there can be no substantial community of interests between the two countries
and

and therefore no basis for their becoming "allies" in any sense of the word..

General O'Ryan's statements to the effect that the "inconclusiveness" and the "disappointments growing out of" Japanese military operations in China are charged not to Japanese mistakes of policy (or to the astonishing resistance of the Chinese Government and people) but rather to American aid to China and that the Japanese Government looks to the United States for "helpful overtures" to end the "China Incident", reflect an attitude of mind which is, to say the least, naive. Apparently what General O'Ryan has in mind by way of "overtures" which would placate the Japanese army and especially Japanese regimental officers who admittedly "are out of hand" is the withholding by the United States of action which might in any way impede Japan in its present endeavors to crush China and to become paramount in the Far East. It would seem obvious that the answer to any proposal of this nature is to be found in the considerations mentioned in the preceding paragraph.

General O'Ryan's suggestion that the problem presented by the Netherlands East Indies be solved by causing the Netherlands Government to request the United States and Japan to serve as joint trustees for "the impartial administration

administration of the economic affairs of the islands" would seem to miss the realities of the situation as widely as do certain other of the General's observations. Assuming for the sake of argument that the United States would be prepared to become a party with Japan in any division of spoils resulting from the European war, it is as difficult to believe that the Netherlands Government would, except under extreme duress, invite Japan, its greatest potential enemy, to assume even joint control over the economic destinies of its island possessions in the Pacific as to envisage Japan's agreeing to, or possibly to be more accurate, implementing any "impartial" administration of the economic affairs of the islands. For the time being at least it would appear that "might makes right" has obliterated from the Japanese vocabulary any words such as impartiality or equality of opportunity for all.

It is believed, however, that few if any will take exception to General O'Ryan's statement in regard to various phases of the situation that "Mr. Grew knows infinitely more than I do."

Memorandum for FDR from Cordell Hull---Oct 25, 1940

Re: attached report of Chief of Naval Intelligence, W. S.
Anderson, 10/21/40 re EXPORT OF AVIATION GASOLINE TO JAPAN
(Proposed 60,000 tons of gasoline)

See: Navy-Drawer 1-1940 (Oct 25th letter)

Japan
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Department of State

BUREAU
DIVISION

FE

ENCLOSURE

TO

Letter drafted

ADDRESSED TO

The President.

December, 1940 -

file
Personal
Japan

1. During her war with China Japan has already lost 1,100,000 soldiers through deaths and invalidation by battle and disease. She is obliged to keep about 1,250,000 soldiers in China, exclusive of Manchuria. Chinese success in resisting the vastly superior equipment and resources of the Japanese army has been due to deliberate strategy of yielding ground whenever unavoidable but without ever allowing the army to break, and the employment of intensive guerilla warfare so that the enemy is bogged down in China.

2. Japan now realizes that it is not possible to crush the Chinese armies and is withdrawing troops from China for her southward advance into Indo-China, the Dutch East Indies, and Malaya. She is more than anxious to conclude an "easy" peace with China, because in the event of final victory over the British Empire any favorable peace terms with China could be renounced. Germany is of course trying to mediate between China and Japan.

3. After three and a half years of destructive warfare Chinese people and army are feeling the exhaustion because (1) with the loss of their richest territory and sources of revenue, and being obliged to keep in the field a regular army of 2,500,000 men with 2,000,000 guerillas, their financial and economic situation is rapidly growing worse. Internal prices have risen seven or eight fold and uncontrolled inflation is directly upon China, unless substantial outside assistance is immediately forthcoming; (2) Chinese national resistance has been sustained under greatest adversities due to belief that the democracies will eventually win the war. The collapse of France, the surrender of the little countries by default, and the continued success of German arms tend to shake this belief. (3) In the air the Chinese army in the beginning relied on American machines, and in the second and third years of the war on Russian planes. These

were well handled and with the manifest advantages of interior lines, despite overwhelming superiority of the Japanese air force in numbers some resistance in the air had been maintained. Russia has stopped sending planes, and since September this year Japanese planes are much superior in quality as well as in absolute numbers, so that today no existing Chinese planes could take the air. The effect of constant bombing on the Chinese troops, and especially on the civilians in the principal cities, without the possibility of any defence, is telling on the general morale.

4. In the present military situation by concentrating on a few strategic centers in China the Japanese could withdraw a large portion of their army and transports, because the hardy and seasoned Chinese army could not counter-attack well fortified areas without air-support. With air-support on a moderate scale they could easily recapture Canton and Hankow, and oblige the Japanese to retain their forces in China. As experience has shown, operating on interior lines an air force of say 500 planes will certainly contain an enemy air force of four times their number. In addition, the presence of this striking force, which could be based on Chinese air fields near the coast would, by its threat to Japan proper, Formosa, and their newly acquired base in Hainan, act as a most effective deterrent to Japanese designs on Singapore and Dutch East Indies.

5. This Special Air Unit need not exceed 200 modern bombers and 300 pursuits but must be adequately manned and staffed, and above all serviced by requisite mechanics and ground organisation. While Chinese pilots and mechanics are available in part, it is clear that for the greatest efficiency personnel from the British and American Training Centers should be drawn upon, these foreign pilots forming a Special Air Unit. Special consideration must be given to the status of this force, according to the political development of the situation in the Far East.

This air force should be created at once so as to be assembled in China ready to operate before the start of the Japanese Spring offensive on Singapore.

6. Planes could be assembled in Rangoon or India and flown to airbases in China, or transported by water from Rangoon to the Chinese frontier and assembled there. There are 136 airfields * available in China, more than half of which are in excellent condition, and all serviceable for both bombers and pursuits. Several of these airfields are within 650 miles from Japan; and they are so located that they are not easily vulnerable to army attacks. Japanese garrisons are nowhere in proximity and land attacks would require in most cases the concentration of several divisions over extremely difficult terrain without communications, thus leaving adequate time for defence or for transfer of menaced airbases.

The Special Air Unit could operate in conjunction with the Chinese army which so supported could effectively take offensive actions against Canton, to relieve Hongkong; against Hankow to clear the Yangtze Valley; or again the Unit could operate independently in attacking Japan proper, Formosa and Hainan.

According to the political strategic necessities of the war in Asia and Europe it will be possible to take a decision as to the advisability of carrying the air war into Japan proper. One should not be dogmatic as to the reaction bombing will have on Japanese psychology but every day evidences accumulate of growing internal dissensions in Japan and the severe strain and privations the Japanese people are put to by the prospect of a war without end, when at the beginning of their Chinese adventure they were told that hostilities would only last a few months.

*If desired a confidential map could be furnished showing the location of these airports.

7. The organization and equipment of this Special Air Unit would require fully some three months of intense effort on this side as well as in China. The decision to create the Unit should therefore be taken within the next two weeks if operations are to start in the critical Spring of 1941.

General Chiang Kai-shek is laying all the relevant considerations before the British and the U. S. A. Governments as frankly as the gravity of the situation and his responsibility make it incumbent upon him, and he most earnestly renews his request for prompt decision; in this he is of course animated by complete identity of purpose in the common struggle for independence and democracy.