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COMMUNICATIONS FROM JAPAN

in two binders

Binder No. 1

March 11, 1937 to May 5, 1939

CONTENTS /

Communications from Japan

Telegram No. 85, March 11, 1937, (794.00/109) Telegram No. 86, March 12, 1937, (794.00/110) Telegram No. 90, March 13, 1937, (794.00/111) Despatch No. 2370, April 16, 1937, (761.94/963) Despatch No. 2371, April 16, 1937, (741.94/92) Telegram No. 129, May 17, 1937, (711.9411/18) Despatch No. 2445, May 29, 1937, (761.94/969) Telegram No. 232, July 29, 1937, (793.94/9056) Despatch No. 2532, August 6, 1937, (741.94/131) Telegram No. 321, August 27, 1937, (793.94/9732) Despatch No. 2616, October 1, 1937, (761.94/986) Despatch No. 2633, October 18, 1937, (793.94/11025) Telegram No. 508, November 1, 1937, (793.94 Conf./157) Telegram No. 510, November 2, 1937, (793.94/10946) Despatch No. 2681, November 30, 1937, (741.94/151) Telegram No. 180, March 18, 1938, (793.94/12675) Despatch No. 2976, May 31, 1938, (761.94/1047) Telegram No. 582, September 6, 1938, (760F.62/659) Telegram No. 609, September 20, 1938, (760F.62/924) Telegram No. 626, September 27, 1938, (760F.62/1156) Telegram No. 631, September 28, 1938, (760F.62/1239) Despatch No. 3306, October 6, 1938, (760F.62/1740) Telegram No. 655, October 10, 1938, (760F.62/1581) Telegram No. 661, October 12, 1938, (762.94/259) Telegram No. 700, November 2, 1938, (741.94/216) Despatch No. 3502, December 2, 1938, (762.94/264) Despatch No. 3616, January 18, 1939, (893.01 Manchuria/1550)

Communications from Japan

Telegram No. 101, February 20, 1939, (762.94/287) Despatch No. 3709, February 27, 1939, (762.94/301) Telegram No. 161, March 31, 1939, (762.94/310) Telegram No. 188, April 20, 1939, (762.94/321) Telegram No. 205, April 27, 1939, (794.00/145) Telegram No. 215, May 5, 1939, (762.94/340)

-2-

TELEGRAM RECEIVEDAN

ROM

Dated March 11,1937 Received 11:05 AM

94.00/105

COPIES

Tokyo

Secretary of State,

BC

761.9.

Washington.

85 March 11, 6 p.m. //08a Department's 44 March 10, 6 p.m.

MAR

One. No official English version of Sato's speech was issued by the Foreign Office. The Embassy understood that unofficial translations of practically the entire speech had been transmitted to the United States by press correspondents. The Embassy had proposed to comment by mail.

Two. The first part of the speech dealt with the advisability of continuity of diplomatic policy (paragraph three of Fmbassy's 69 March 4, 2 p.m.) but also stated that it was necessary at times to revise foreign policies to meet changed conditions.

Three. Soviet Japanese relations. Sato admitted that conditions at present are undesirable and placed the blame for such conditions primarily upon the existence within the Soviet Union of the Comintern. He suggested that if the Soviets should refuse longer to recognize the existence

of the

Page No 85 from Tokyo.

741.94

793.94

of the Comintern within its territory or if the organization should be transferred outside the country Soviet relations with Japan as well as with other countries would be brighter.

Four. Anglo-Japanese relations. Sato emphasized the intention of the entire Japanese nation to promote harmony between the two nations and mentioned points of friction. He intimated that the chief point of friction lay in Sino-Japanese relations. (paragraph one of Embassy's 77 March 5, 6 p.m.) because of British fear that their interests in Chine are menaced by the Japanese advance. He said that Japan does not wish to cause anxiety to Britain or other countries and that Japan should ascertain the causes of such anxiety, should consider such causes and should endeavor to respect the rights of other countries in Chine. He added that if Japan develops peacefully her interests in Chine it will win the full understanding of other countries

Five. Sino-Japanese relations. Sato admitted the present impasse which he characterized as inevitable. He stated that an ideal solution could not be found at once and that it would be necessary to start with a new point of view. He said that diplomatic negotiations are normally conducted on a basis of equality between nations and intimated that Page 3 from Tokyo No 85

intimated that the difficulties in Sino-Japanese relations have been due to Japan's sense of superiority over China. He proposed to give consideration to China's demands and vital interests and to negotiate with China on a basis of equality and in a conciliatory spirit while maintaining Japanese interests intact.

Six. Sato did not mention the United States in the speech, a favorable indication.

Seven. The speech was generally well received in Japan but only two vernacular newspapers commented on it editorially. The ASAHI praised its outspoken tone and characterized it as highly creditable but criticised as impossible of achievement Sato's suggestion that Soviet Russia separate itself from the Comintern, The YOMIURI praised Sato's determination to break the deadlock in Japan's foreign relations but also adversely criticised the suggestion regarding Soviet Russia. The ADVERTISER, TIMES and CHRONICLE also published editorials commenting favorably on the speech.

Fight. The Embassy has been informed that Japanese financial and business circles warmly approve of Sato's declaration of policy.

Nine. (end of section one)

GREW

CSB

TELEGRAM RECEIVED

lw Tokyo FROM A portion of this telegram must Dated March 11, 1937 be closely paraphrased before being communicated to anyone.(B) Rec'd 9:25 a.m.

Secretary of State

Washington

85, March 11, 6 p.m. STOTIOT TWO

To the Embassy it appears that the significant points in Sato's speech are (a) the emphasis upon the fact that improvement of relations with China will react favorably upon relations with other countries, and (b) the intination revealed by the tone of friendliness and peaceful cooperation on the basis of equality in the speech that Sato diplomacy will assume a more conciliatory tone than previous diplomacy especially in regard to China. Observers point out, however, that the Kwantung army may upset Sato's plans.

Ten. As of significance in this connection one of my colleagues has informed me that Sato told him that before returning to Japan he did not think he could accept the position of Minister for Foreign Affairs owing to the difficulty of reconciling his views with those of other members of the Cabinet, especially those of the War Minister. To his surprise upon consulting with the Cabinet he found that their views and his practically coincided resulting in his acceptance of the position. This indicates a change of

policy

lw, 2, Fo. 85, March 11, 6 p.m., Section Two from Tokyo

policy on the part of the military probably resulting from their past mistakes and failures. It has also been suggested by observers that increasing difficulties between Japan and Soviet Russia with renewed risk of eventual war has dictated the wisdom of improving Sino-Jap an ese relations.

Eleven. (Gray) Satois being interpellated again in the Diet this afternoon. The Embassy will report any significant developments arising from the interpellations. Repeated by mail to Peiping.

(Mnd of Message)

GRTY

KLF

U-A portion of TELEGRAM RECEIVED AND M. I. D this telegram must be ______ Tokyo before being communicated ______ Dated March 12, 1937

FROM Dated March 12, 1937 Rec'd 9:40 a.m.

etary of State Washington

MAG

tr 2 1 Tto

(GRAY)86, March 12, 7 p.m.

Embassy's 85, March 11, 6 p.m., paragraph 11. One. In reply to an interpellation in the Lower House in regard to American-Japanese relations, Sato yesterday reiterated the opinion expressed to me that American-Japanese relations depend largely upon Sino-Japanese relations (Embassy's 77, March 5, 6 p.m.). He said that if Japan's policy toward China is fair and is one of which Japan need not be ashamed or afraid to reveal to the world, the United States will feel no anxiety concerning Sino-Japanese relations with resultant benefit to American-Japanese relations. In this connection he asserted Japan's intention of maintaining the principle of the open door in Central and South China (sic).

Two. In regard to the German-Japanese agreement, Sato said that Japan had no intention of joining the Fascist camp; that the agreement therefore should not impair Japan's relations with other nations; and that there is no possibility that Japan through the agreement will be

F/FG

dragged

ENHAGE

794.00/110

U -2- #86, Mar. 12, 7 p.m. from Tokyo

dragged into an European war.

Three. Sino-Japanese relations. Sato said that he has no intention of including the question of Manchukuo in any future negotiations with China; also that the Japanese Government has full sympathy with the Chinese in their efforts at national unity. He denied in reply to a specific interpellation any fundamental divergence of views regarding China questions between himself and the Premier and War Minister.

Four. In regard to the suggestion in his speech of the 8th concerning the Soviets and the Comintern (paragraph 3 of Embassy's 85, March 11, 6 p.m.), Sato said that he did not contemplate the elimination of the Comintern from Russia but only intended to indicate that the existence of the Comintern in Russia made necessary the German-Japanese agreement.

Five. In the concluding portion of his speech Sato said that the crisis, if by crisis is meant strained foreign relations, is not peculiar to Japan and that whether or not the crisis is to be translated into war depends entirely upon the way in which the Japanese nation thinks; if Japan does not want such a crisis it can be avoided at any time. He added that Japan if it is a great nation should walk the open path in a straightforward and dignified manner. U -3- #86, Mar. 12, 7 p.m. from Tokyo

. Six. Sato's comments on the "crisis" contradict the statement of the Premier when, as communicated to Minister for Foreign Affairs, he said that the situation in the Far East since the Manchurian incident "might explode at a, touch". Certain circles in the army (called the "middle stratum") according to this morning's vernacular newspapers have taken exception to Sato's comments holding that he has not a clear conception of Japan's domestic and foreign circumstances. (END GRAY)

Seven. Some observers in Tokyo believe that the Japanese Government with the consent of the present army leaders is abandoning the "diplomacy of desperation" and returning to the "Shidehara diplomacy". Apparently however the radical elements of the army are opposed to any such change. It is as yet too early to attempt any prediction as to the outcome of this conflict of Spinions. Repeated by mail to Peiping.

GREW

HPD

MJD TELEGRAM RECEIVED

A portion of this telegram must be closely paraphrased before being communicated FROM to anyone. (A)

Secretary of State,

794.00

Washington.

90, March 13, 2 p. m. /// O (GRAY) Fmbassy's 86, March 12, 7 p. m.

One. In view of the widespread criticism that Sato's views do not coincide with those of the Premier it was reportedly decided at a conference yesterday between the Premier and Foreign, War and Navy Ministers that Sato should qualify the statement of policy which he made in the Lower House of the Diet on the 11th. Accordingly yesterday at a meeting of the Budget Committee of the House of Peers Sato explained (a) that by saying that the Japanese nation can avort a crisis at any time if so minded he meant that Japan should avoid a positive challenge to another power. not that Japan should tolerate any provocation; (b) that in advocating a policy of conciliation and patience toward China he did not mean that Japan should be submissive if China Trampled upon international justice or damaged the prestige of Japan; (c) that in stating that economic blocs in the Far East were premature he did not mean to deny the "inseparable relations" between Japan and Manchukuo; and (d) that by asking why Japan did not walk the open path straightforwardly

794.00/111

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Warch 16 1937

m.

Dated March 13, 1937.

Rec'd. 9:47

-2- No. 90, March 13, 2 p. m. from Tokyo

straightforwardly he did not mean to criticize past actions of Japan.

Two, Later both the Premier and the War Minister stated at Diet committee meetings that there is no material discrepancy between their views and those of Sato. (END GRAY)

Three. The general opinion among political observers is that Sato has talked too much without sufficient knowledge of domestic political conditions and trends; that his phraseology was poorly selected; and that he was not fully or well advised by his subordinates in the Foreign Office. The NICHI NICHI this morning reports that this last circumstance may lead to extensive changes in the personnel of the Foreign Office, probably including the transfer to the field of the Vice Minister.

Four. (GRAY) Two of the minority groups in the Lower House are taking the lead in opposing Sato's policies and the newspapers this morning report that one of the groups will introduce a motion of non-confidence in the Minister for Foreign Affairs if sufficient support seems to be forthcoming.

Reperted by mail to Peiping.

GREW

KLP



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, April 16, 1937.

SECRETARY OF

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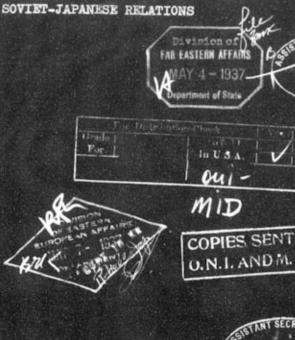
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4 1937

MA. MOORS

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No. 2370 SUBJECT:



The Honorable

The Secretary of State, Washington.

Sir:

761.94

I have the honor to refer to the Embassy's last despatch on the subject of Soviet-Japanese relations* and to report that the situation continues to be uncertain pending the formation of more definite policies by either nation.

With

*Embassy's despatch No. 2351, dated April 2, 1937.

With respect to specific issues there has been. comparatively little development. The border remained quiet. However a telegraphic despatch from the Embassy in Peiping* reported the Soviet Consul General at Harbin as saying that the present relative quiet in Soviet-Japanese relations is on the surface only, and that he anticipated incidents on the Soviet border or in Suiyan prior to the Japanese general elections on April 30, designed to strengthen the Army's arguments. Affairs at Vladivostok were much the same, with the Soviet officials continuing to exert pressure on the Shosen Gumi (Japanese Steamship Association). The JAPAN CHRONICLE reported that the offices of this company were raided on March 27 by the Ogpu and searches made. The same article mentioned the arrest of the wife of a Russian employee of the Japanese Consulate General in Vladivostok. This is cited in connection with other arrests which have taken place earlier this year and in the latter part of last year, and which are reportedly still the subject of concern to the Foreign Office.

The threatened break in the railway connection at Manchuli between Soviet Russia and "Manchukuo" is scheduled to take place on or about May 1 according to reports from Harbin. Whether or not the Soviet Government will actually go through with this project is still a question, however. The passenger traffic at this point amounts

* Telegram No. 117, April 12, 1937, from the Embassy in Peiping.

-2-

amounts to about twenty-five people a day, it seems, and the interruption of the service, even though it would only cause passengers and freight to change trains, would be a considerable inconvenience.

Events in Moscow included a second breaking of a window in the Japanese Embassy by another man said to be under the influence of liquor. This occurred close to the first of the month. A repercussion from the recent trial in Moscow of Trotsky conspirators was the transfer to Warsaw of Mr. Hiroshima, formerly transportation officer in the Embassy. He was accused during the trial of cooperating with Knyazeff and Livschitz, two of the defendants, in planning train wrecks and other destructive activities. The transfer, according to the Associated Press, removed one obstacle in the way of better Soviet-Japanese relations.

Little has been said from official quarters which indicates a definite carrying out of the policies previously enunciated by Mr. Sato. The attitude of the Army was given wide publicity in the papers, however, following the speech of General Sugiyama, the Minister of War, before the annual conference of divisional commanders which started on April 6. He made the following reference to Japan's international situation:

"The relations of Japan with the Soviet Union are being gradually strained while in Japan's relations with China there are problems over which we cannot but be gravely concerned. Despite this situation, it is very regrettable that the people

fail

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fail to give their proper recognition to the gravity of the current situation."

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The return to Tokyo of the Soviet Ambassador, Mr. Constantin Yurenev, occasioned considerable newspaper comment, and several interviews were published in full in both Japanese and English papers. Although Mr. Yurenev was unwilling to commit himself on several points, some of his answers were pertinent. When interviewed at Seishin, North Korea, he depreciated the importance of the conference of diplomatic officials held in Moscow during his stay, stating that it was only an informal discussion of Far Eastern affairs. Mr. Yurenev would not comment on the Sato policy on the ground that he had not yet studied it. As to any possible change in Soviet policy, Mr. Yurenev said that his Government would continue its invariable policy of peace, but that he could not guarantee that there would never be a change, all depending on the attitude of Japan. When interviewed at Tsuruga the Soviet Ambassador said that he did not believe the Soviet Union was alone to blame for the trouble at Manchuli on the international railroad, and, with reference to the situation at Vladivostok, he believed that Japanese rights and interests were being protected. With reference to the question of a non-aggression pact and also to the border situation Mr. Yurenev intimated that he would not take the initiative.

The most important statement made by Mr. Yurenev was upon his arrival in Tokyo. After references to the possibility

-4-

possibility of war and to the difficulty of finding smooth relations, he was asked if he believed that there was a way open. Mr. Yurenev answered: "I believe there is. Everything depends on the attitude of the Japanese Government." DOMEI, in commenting on the interviews, expressed the opinion that the Soviet Government at present would hold Japan responsible for any aggravation of relations; that Soviet Russia did not intend to do anything for the time being to adjust relations on the basis of amity and concord, and thus that the whole outlook was far from satisfactory. (Newspaper clippings regarding the above interviews are enclosed herewith.)

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This is a fair statement of the case. It is fairly evident that unless Japan takes the initiative. Soviet Russia will do little or nothing to improve relations. However, until the internal political confusion is cleared in Japan, one can not expect any definite foreign policy to take shape. The most uncertain element is of course the Army, should it decide to aggravate the situation for some reason beneficial to its cause.

Respectfully yours

Joseph C. Grew.

Inclosures:

Clippings from the JAPAN ADVERTISER, April 13 and 14, CC In A -M

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DMcAP:a

Copy to Embassy, Moscow. Copy to Embassy, Peiping. -5-

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Enclosure No.1, to despatch No.2370, dated April 16, 1937. from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Tuesday, April 13, 1937.

Soviet Ambassador Says in Selshin Moscow's Policy Depends on Tokyo

HERE THIS EVE

PEACE INTENT UNCHANGED

Covernment and Public Believed Dissatisfied With Anti-Comintern Accord

A change in the Soviet policy of peace with Jepan will depend on the attitude of the Jepaness Government, the Soviet Ambasador here, Mr. Con-stantin Yureney, said when injerview-ed on Sunday in Seishin, North Ko-res, on his way back to Tokyo from Moscow.

Moscow. Mr. Yursney is scheduled to reach Furngs this morning and Tokyo Sta-ion at 7:60 o'clock this evening. He eft for Moscow early in February. The Yomiuri gives the following ex-hange of questions and answers in isishin:

Seishin: Q. What is your future policy to-ward Japan? A. There will be no new policy. our policy of peace having been in-variable, but I cannot guarantee that there will never be a change, all de-pending on the attitude of the Japen-ese Government. Q. What do you think of the dip-

lomatic policy of Foreign Minister Sato?

konstie policy of Foreign Minister Sato?
A As Mr. Sato announced his po-licy during my absence from Tokyo and I have been able to examine it only in the papers. I must refrain from commenting on it.
C. How was the conference on Far Eastern policy held in Moscow the middle of February?
A. There was no Far Eastern con-ference of the kind reported in the Japanese press. It was only an in-formal affair in which we who are concerned with Far Eastern affairs got together and discussed the situation.
I merely stated my own opinion at the adternar.
Q. How does the Soviet public take the Germa-Japanese agreement against the Comintern?
A. I do not think the Moscow Gov-ement views it with approval, and the Soviet masses are also generally dissatisfied.

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Enclosure No.2, to despatch No.2370, dated April 16, 1937. from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Wednesday, April 14, 1937.

ITY UP TO JAPAN, YURENEV AGAIN SAYS

Soviet Ambassador, Back From Moscow Visit, Wants to Talk With Sato

SPECIAL PROPOSALS DENIED

Steps to Adjust Relations on Basis of Mutual Concessions Doubted

Friendship between Japan and the Soviet Union is not impossible, but it depends on the attitude of Japan, the Soviet Ambassador, Mr. Constantin Yurenev, stated last night on his re-turn to Tokyo from a brief trip to Moscow, reiterating what he had said on Sunday in Seishin. On the basis of his answers to a num-ber of questions. Dome! comments that, the Soviet Union is taking a relatively strong attitude toward Japan, holding it responsible for any aggravation of relations, and believes that for at least he time being it will take no sleps for adjustment of relations in accor-jance with the principles of amity lieves that for an steps of relations in scoor-e principles of amity accession. The impre-ing, it adds, that the al concession, cepening, it a

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n is deepening, it adds, that the took for Japanese-Soviet relations is from satisfactory. Questions Answered The questions put to Ambassador renev and his answers are given Domei as follows: What was the object of your re-n home? What resulted from the iference of Far Eastern Ambas-ora?

A. It was only to hold conferences with the Government. I am not in a position to say anything more about

De you intend to see Foreign Minister Sato and confer on adjust-ment of Japanese-Soviet relations? Have you any concrete plans for ad-justment of relations? A I have brought back with me nothing special, but I wish to see For-eign Minister Sato and talk with him. Q. What do you think about the non-aggression pact that has come up from time to time? A You have only to collate the Diet speech of Premier Hayashi and the Soviet views published in the past. I do not wish to say more about the matter.

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A. I do not like to touch such a question, but my country is always de-alrous of peace. It is also not a coun-try with weak armaments and thus has full confidence in its ability to end foreign aggression if necessary. Q. What is the secret of promoting friendship between Japan and the Soviet Union? What has the basic policy of the Soviet Union toward Japan? A. That is a big question, and I annot amover it offhand. Q. Am I o understand that you think here is a way open? A. I think there is. Everything de-ends of the attitude of the Japanese lovernment.

nds of the wermient. 2. Do you think there is a crisis "sconduc Soviet relations? "sconduc Soviet relations?

Q. Do you think there is a crisis a Japanice Soviet relations? A. I have been away from Japan or some time and therefore am not equainted with conditions here, mak-ag it impossible to answer your ques-ion until after I have studied the scal situation.

Q. The questions of a new fishery convention and establishment of joint commissions for demarcation of the frontier and settlement of frontier di-sputes are pending. How do you in-tend to deal with them?

tend to deal with them? A. A provisional fishery agreement has been concluded. Beyond that, no concrete negotiations are in progress. Begarding the frontier commissions, Japan is opposed. For one thing, it is opposed to the composition of the com-mission for settlement of disputes. It would have Manchukuo treated as a unit. The Soviet stand is that Japan and Manchukuo should be treated as a single unit. As for the demarcation commission, Japan refuses to recognize the existing frontier. It is also reluc-tant to maintain peaceful conditions on the frontier pending demarcation. Q. What is the sentiment of the Solet Union toward Japan? A. You will be able to find the answer by studying the newspapers of my country.

Unie. n to the ri fair o do n

do not think that trade will cease cir-tirely. Mr. Vladimir Kotchetov, com-mercial counsellor of the Embassy in Tokyo, will be leaving soon for home on furlough, and some development in trade is anticipated on his return to Tokyo." The Hochi gives the following ques-tions and answers in Tauruga: Q. Have you brought back anything to improve relations? A. As a diplomat, I am always en-deavoring to maintain friendly rela-tions. I may say that I am not entirely without plans, but I am a bit skoptical as to what can be achieved under pre-sent conditions. Q. Do you intend to propose again

without plane, but a schieved under present conditions.
Q. Do you intend to propose again a non-aggression pact?
A. I think I shall not take the initiative in the matter.
Q. Do you mean that the step would be premature?
A. I do not know about the future.
Q. How you intend to dispose of the border question?
A. If Foreign Minister Sato takes, I cannot say, however, whether or not I shall take the initiative.
Q. Wat is the outlook for a new fishery convention?
A. A S the fiscal year has just stated. J am function is about it at the moment.





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The Honorable

The Secretary of State,

Washington.

Sir:

Suger

I have the honor to report that the settlement of the Keelung Incident, reported in recent telegrams*, is possibly more indicative of the present trend in Anglo-Japanese relations than the liquidation of a minor difference would ordinarily be. It will be recalled that this dispute had dragged on since last October and that little progress was made toward a settlement although the British Government

* Embassy's telegrams No. 106, April 12, 4 p.m., and No. 109, April 15, 5 p.m., 1937.

had made it amply clear, both through representations in Tokyo and in replies to questions in Parliament, that it considered the affair a most serious impediment to the progress of Anglo-Japanese relations. The matter had settled down to a stubborn battle with few signs of a disposition on either side to make concessions. Suddenly, however, on the eve of Prince Chichibu's scheduled arrival at Southampton the Foreign Office announced an exchange of letters between the Director General of the Formosan Government and the British Consul at Tamsui in which the Japanese Government expressed both regret for the incident and included the admission of improper conduct on the part of the Japanese policeman involved. Those familiar with the practice of the Japanese authorities in such affairs will realize that the admission of improper conduct on the part of Japanese officials is extremely rare and thus the settlement indicates a serious effort on the part of the Japanese to conciliate the British Government and public opinion.

While there is no doubt a connection between the fact of Prince Chichibu's impending arrival in England and the settlement of the Keelung Incident, implying the fear that the warmth of the Prince's reception might have been affected, nevertheless the thought suggests itself that Mr. Sato, whose intelligent grasp of European affairs and of the foreign point of view is perhaps greater because of his long service in Europe, may have decided to seize the opportunity to inaugurate a new era in Anglo-Japanese relations, especially at a moment when the dramatic flight to London of the ASAHI airplane presumably had impressed British public feeling. Relations

-2-

Relations between Japan and Great Britain have noticeably become less favorable since the Leith-Ross mission to China in the fall of 1935. On his visit to Japan Sir Frederick Leith-Ross reportedly attempted to gain Japan's cooperation in consenting to joint investment in China, but his advice in this matter was rejected. Great Britain's progress in China has markedly increased and her prestige there has certainly gained at the expense of Japan following Britain's reported part in the settlement of the Sian incident and the collapse of the Sino-Japanese negotiations at Nanking in the fall of 1936. In addition to this the German-Japanese anti-Comintern agreement was not only badly received in London but its effect has been to throw Great Britain into even closer relations with China, and even to cause the British to lean a little more toward Soviet Russia (with consequent detriment to Anglo-Japanese relations) due to the fact that the anti-Comintern pact is regarded by the British as tending to upset the balance of power. Eden is reported to feel that so long as Soviet Russia is powerful enough to hold off either Germany or Japan singly the equilibrium will not be disturbed, but if the two combine it will upset the balance and precipitate war.

Mr. Sato has given every indication that he is fully aware that Japanese relations with England must undergo a thorough overhauling. On March 23, previous to the dissolution of the last Diet, he was interpellated on the question of whether the Government intended to revive the former Anglo-Japanese alliance, an action which was advocated by a member of the Seiyukai, Mr. Kaju Makamura. While the Foreign Minister's replies indicated that Japan has no intention of

attempting

attempting to restore the former alliance, nevertheless they made it perfectly clear that the Government will exert every effort to improve Anglo-Japanese relations by the best methods available.

The Embassy has examined the proceedings of the Diet on the date of the interpellation under reference and finds that Mr. Sato closed his reply with the following words: "I am of the opinion that some sort of treaty (with Great Britain), based on thorough understanding similar in purpose or in spirit to the former (Anglo-Japanese) alliance, would be highly fortunate and beneficial to both powers. But the question is very delicate - so delicate that I would refrain from expressing my own views at the present moment as to what methods might or might not be efficacious".

We may also read into Mr. Sato's declaration of policy regarding China*, in which he proposed to negotiate with that country on a basis of equality and in a conciliatory spirit a bid for British, as well as American, approval. Certainly little progress can be made toward a substantial improvement of relations with Great Britain without an adjustment of the China issues. The British economic advance in Central and South China during the past year has been marked and there has been during the same period a definite setback in Japan's economic progress in North China. It is quite possible that the Japanese Government now feels that the time may be favorable to approach Great Britain with a proposal of an agreement on the basis of the latter's advantageous condition for some sort of division of economic spheres of in-Tluence

* Embassy's telegram No. 85, March 11, 0 p.m. 794,00/10-9

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fluence in China, possibly in return for a solution of the disarmament issues. At any rate the signs are not lacking that definite gestures designed to improve relations are being made in the direction of Great Britain.

-5-

Respectfully yours,

South 5.

Joseph C. Grew.

710 ESC:C

Copy to Embassy, London; " " Peiping.

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Tokyo

This tologram must be closely paraphrased before being communicated to anyone. (c) Dated May 17, 1937. Roc'd. 9:45 a.m.

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KLP

Secretary of State, Washington.

> 129, May 17, 4 p.m. STRICTLY CONFIDENTIAL. 841.33942 Embassy's 108, April 12, 4 p.m.

In the course of an after dinner conversation last ovening Poreign Minister Makino told my British colleague that the Emperer, who takes a close and active interest in the day to day details and development of Japan's relations with other countries, regards good relations with Great Britain and the United States as the primary objective of Japan's foreign policy. These precise words were twice repeated by Count Makino with emphasis. He agreed with Clive that the building up of these relations must be a matter of slow and careful development and that the time is not (repeat not) ripe for specific political agreements. Clive assumed that Makino had in mind the recent reported proposal of the Australian Prime Minister Lyons for a nonaggression pact by nations bordering on the Pacific.

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129 from Tokyo - May 17, 4 p.m.

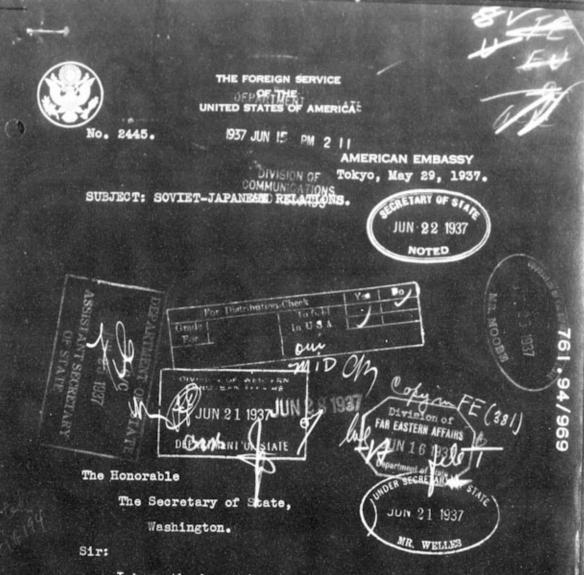
It is my belief as well as that of my British colleague that Count Makino still plays an important role as an adviser to the Emperor and that his categorical statement to Clive reported above and especially the emphasis with which the statement was made and repeated are highly significant of a new trend in Japanese foreign policy since the consummation of the anti-Comintern pact with Germany. Repeated to Peiping by meil.

- 2 -

GREW

KLP:W/C

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I have the honor to report that on May 15, 1937, Mr. Yurenev, Soviet Ambassador to Japan, left Tokyo for his new post as Ambassador to Germany, thus terminating a tour of duty of something over four years in a country whose relations with Soviet Russia have been serious; sometimes critical, and at all times highly important. He arrived in Tokyo in March, 1933, as the successor to Mr. Troyanovsky, at present Soviet Ambassador to the of United States, at a time when relations with Japan had just been seriously disturbed by a Sino-Soviet rapprochement at the end of 1932 and were entering upon an acute

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There were at least three factors existing at that time which caused the Japanese military, and through them the public, to think seriously of the possibility of war and there was at least a section of the army and navy which felt that if war were to come, the time to strike was at once, before the Soviet military strength in the East had reached its peak; these were (1) the collective force of the recurring irritating border incidents; (2) the increasing spread of communism southward from Outer Mongolia and along the western boundary of "Manchukuo"; (3) the recognition of Soviet Russia as a permanent obstruction to Japanese plans for further political expansion. It must be recalled that while the Soviets had pretty well. established themselves as a military power in the European. sphere, in 1932-33 they were only beginning to emerge as a real source of danger to Japan in the East. With the departure of Mr. Troyanovsky the more or less conciliatory policy pursued by Moscow toward Japan - and this was especially in evidence during the Manchurian affair of 1931 came to an abrupt end, and Mr. Yurenev inaugurated the new policy which reflected firmness, self-assurance and bluff. This was combined with more or less frankness and a refusal to yield in the face of Japanese military bluster. Mr. Yurenev did not hesitate to let it be known that he was fully aware of the possibility of a Russo-Japanese conflict, but at the same time he gave the impression of complete confidence as to the favorable outcome of such an eventuality.

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While it is true that conditions between Japan and Soviet Russia at the present moment are far from favorable nevertheless during the four years of Mr. Yurenev's incumbency many serious questions were settled and today it is Moscow which is receiving overtures from Tokyo seeking to improve relations.

Of course Mr. Yurenev has been greatly assisted by events since his arrival in 1933. The Soviets have made intensive military preparations in Siberia, including, it is reliably reported, the double-tracking of the Transsiberian Railway; while in the field of international politics Soviet Russia joined the League of Nations and has been recognized by the United States. Although the effect of the latter action has been largely dissipated, at the time it was an extremely important factor in the situation and may well have helped to restrain the Japanese military. Not only has the U.S.S.R. entered the League of Nations, but she concluded a series of non-aggression pacts with her western neighbors, thus leaving her greater freedom to defend her eastern frontiers. Mr. Hirota appeared upon the scene and inaugurated his policy of attaining results through peaceful diplomacy and conciliation. And lastly, Japan has during the past two years turned away from Russia and concentrated upon the problem of China. All these factors have served to help Mr. Yurenev in his work; at the same time, however, his has been far from an easy task.

Perhaps the most important question settled by him was the sale of the Chinese Eastern Railway early in 1935.

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- 3 -

Naturally the details were worked out by the experts, but under hisguidance the affair was brought to a successful conclusion and under terms satisfactory to Moscow. The most unfortunate incident during his tenure of office was the signature of the German-Japanese anti-Comintern pact which was such a blow in the face to the Soviets that all negotiations with Japan were immediately suspended. At the time it looked as if Mr. Yurenev would be censured, if not recalled, for his failure to learn of the negotiations leading to this pact before its signature. He was, however, able to point out that the negotiations were carried on not in Tokyo but in Berlin and not by the Japanese Foreign Office but by the military. Furthermore, he did learn of its existence just in time to prevent the signature in Moscow of the new fisheries agreement with Japan which would have taken place in only three days' time.

Of the problems which remained for settlement after the sale of the Chinese Eastern Railway the most important were (1) the delimitation of the "Manchukuo"-Siberian ? borders; (2) the settlement of the oft-recurring border clashes; (3) the revision of the Fisheries Agreement of 1928; (4) the regulation of the North Saghalien Oil concession: (5) the regulation of the yen-ruble exchange rate. Mr. Yurenev had succeeded in bringing negotiations regarding (1) and (2) above to a point where a successful termination might be expected; a revised fisheries agreement had been initialed and was ready for signature; the North Saghalien oil question had actually been settled,

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as well as the yen-ruble exchange rate. But the appearance of the anti-Comintern agreement in November 1936, caused an immediate suspension of all negotiations in progress, and, so far as is known, there the matter rests today. It can be seen, then, that causes beyond his control interfered to prevent the attainment of material and substantial achievements in the field of Soviet-Japanese relations during his term of office.

For several weeks prior to his departure Mr. Yurenev carried on a series of important conversations with the Japanese Foreign Minister, Mr. Sato, the nature of which is not exactly known. Owing, however, to the strict secrecy with which they were surrounded and to the lack of progress reported, as well as to other factors discussed in a recent despatch; it is believed possible that the Soviets are demanding some sort of nullification of the anti-Comintern pact as the price for resumption of the negotiations which were suspended upon the announcement of the pact. This, however, is purely speculative at the present time.

Upon his departure Mr. Yurenev gave out a statement to the press in which he characterized relations between the two countries as "unstable" but not bad, and said that there was no question which could not be solved amicably. Although regretting that his conversations with Mr. Sato** had not resulted in a settlement, he believed a solution could be found by a thorough discussion of the existing issues, the only requirement being that each nation demonstrate sincerity. It is difficult to suppress a smile at

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* Embassy's despatch No. 2426, May 14/1937 ** Embassy's despatch No. 2426, May 14, 1937

- 5 -

the Soviet Ambassador's reference to the word "sincerity" as his parting shot. This familiar and much-used word, with the special significance which it holds for the Japanese, may be regarded as contributing a faint tone of mockery to Mr. Yurenev's final comment after four years of difficult and skilful work in Tokyo during which period he has most adroitly handled his Government's relations with Japan, yielding little but never permitting the situation to get out of hand or to approach the brink too closely. If indeed the Soviet Embassy has presented its point of view as outspokenly to the Japanese Government as Mr. Yurenev and other members of his mission have expressed themselves to their colleagues and others, then even the Japanese can hardly accuse the Soviets of insincerity. It has apparently been made clear to the Japanese Government that Moscow, is perfectly willing to come to an agreement on any or all the outstanding questions at issue provided the Japanese will yield to the Soviet demands.

- 6 -

If we can believe what Mr. Yurenev has often intimated and even stated, the Soviet Government has consistently shown its willingness to come to an agreement on any question in which the Japanese would give way. While this may not contribute much to an improvement in relations with an adversary nevertheless it must be admitted that insincerity cannot be charged.

Therefore it is possible to see in Mr. Yurenev's parting words the essence of the spirit which has motivated the Soviets in their dealings with Japan during the past four

years.

It is a spirit of frank unwillingness to yield an inch without some substantial gain in return and a spirit of confident reliance upon the Soviet Union's military strength to back up its policy in the Far East. In no case has Moscow placed the Japanese Government in a position from which it could not retreat without loss of face, thereby seriously threatening the peace, but the Soviets have not shrunk from employing from time to time such irritants as were deemed necessary to prevent the Japanese from continuously seeking to improve relations. It is significant that in the relations between these two countries during the period under discussion the initiative for settlement of outstanding questions has been preponderantly from the Japanese side and consequently it is fair to draw the conclusion that Mr. Yurenev has been a successful Ambassedor during his term of duty in Tokyo.

Respectfully yours,

Joseph C. Grew.

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ESC:r

Copy to Embassy, Peiping. Copy to Embassy, Moscow. Copy to Embassy, Berlin. - 7 -

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JR A portion of this telegram must be closely paraphrased before being communicated to anyone. (A)

Tokyo Dated July 29, 1937 Rec'd 9:15 a.m.

Secretary of State.

Note

Washington.

232. July 29, 4 p.m.

One. (CRAY) The Minister for Foreign Affairs yesterday made in the Dist the following statement:

"The fact is that before the situation (in North China) nrose conversations between Japan and Great Britain with regard to For 7 stern question had made substantial progress. However, even though methods were to be devised for the rendering of as istance to China by Japan and Great Britain, such methods would be entirely inapplicable in the existing circumstances, and due to the deployable situation which has arisen the conversations have termin ted for the time being".

Two. The papers yesterd y evening took notice of the calls which Dodds and I made yesterday on the Minister for Foreign Affairs, and although the purposes of Dodds' visit were discussed at some length from a conjectural point of view, the purpose of my visit was merely stated to be to convey the samest hope that hostilities in North China would be avoided.

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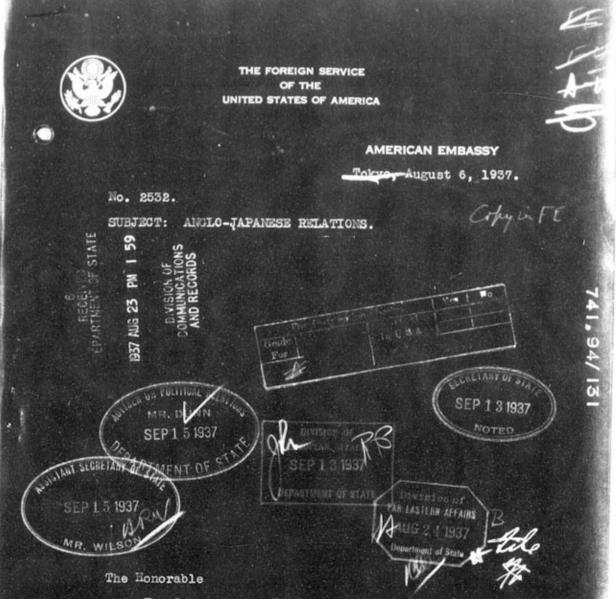
JR #232, July 29, 4 p.m., from Tokyo.

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Three. This morning the Japanese papers closely examine the attitude shown by Great Britain toward the present Sino-Japanese crisis, and certain facts are streamed, Sollows: (a) The British Government through Dodds has offered to the Japanese Government its good offices as mediator; (b) Eden stated in the House of Commons that the situation in North China was not a matter for. local discussion but one to be settled by negotiations between the Japanese and Chinese Covernments; and (c) the House of Commons was informed that the Anglo-Japaness conversations had been suspended. The conclusion is drawn that the British Government is seeking a favorable opportunity to intervene in any military action which may be taken by Japan and that it is building up for this purpose a close association between Great Britain, United States, Soviet Union and France. Several papers charge Great Britain with hostility and bad faith toward Japan (END GRAY).

Four. It is to be specially noted that the Foreign Office has waited until now to disclose to the Japanese press the purport of the statement made by Dodds to Horinouchi (see my telegram No. 206, July 16, 7 p.m.). Repeated to Fanking.

GRWY



The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Ambassy's despatch No. 2482 of June 24, 1937, relating to the preliminary Anglo-Japanese conversations which had taken place in London between the Japanese Ambassador there and Sir Alexander Cadogan, Deputy Under Secretary of State for Foreign Affairs, and also with Mr. Eden. It will be recalled that

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and preparatory nature, they had nevertheless reached the point where it is evident that formal negotiations were about to begin. While the results might have fallen far short of the expectations on the part of certain enthusiastic instigators and supporters of the plan, it may be supposed that the conversations would not have been permitted to develop unless there were prospects of the net result being favorable to Anglo-Japanese relations.

However, with the outbreak of the present Sino-Japanese hostilities conditions have rapidly changed in Anglo-Japanese relations. Whether or not we were correct in our reasoning in the despatch under reference that one of the main reasons which impelled the Japanese to seek a rapprochement with Great Britain was a further effort to seek to emerge from her isolated position in the family of nations, it is becoming increasingly evident that this North China affair has already greatly damaged Japan's chances for gaining additional friends among the major powers and it is practically a certainty that should the present situation become more serious or should be greatly protracted, Japan's position will rapidly revert to the same state of isolation in which she found herself from 1932 to 1936. Even the anti-Comintern agreement with Germany appears to be failing in the present instance to evoke for Japan any great measure of open sympathy on the part of Germany, at least so long as the struggle with China does not. involve the Soviet Union.

Within a week of the first incident in the present Sino-Japanese difficulties, Mr. Eden informed the Japanese Ambassedor at London that the expected negotiations with Japan

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could not be hoped for if further Japanese troops were sent into China and the British Charge d'Affaires in Tokyo recommended to his government that "in certain eventualities" he be authorized to make a similar statement in his conversations with the Foreign Office in Tokyo. The obvious implication was, of course, that the British Government wished to use the proposed negotiations as a lever to force Japan to employ moderation in dealing with the Chinese situation. This belief on the part of the British that a threat to break off the Anglo-Japanese conversations would be really effective in preventing Japanese action in North China is clearly indicative of the naïveté, if not fatuity, of the British attitude toward Japanese policy on the mainland as well as a lack of comprehension of the motives behind the Japanese desire for the negotiations in London. Among the chief benefits to Japan from the successful conclusion of the negotiations would have been the removal in some part of the friction which has recently marred the interests between the two countries due to the conflict between their respective interests in China; but the advantages to be gained by such a step are not to be compared, in Japanese eyes, to the conversion of North China into an area completely dominated by Japan and in which her commercial advantages will become even greater with a corresponding detriment to the interests of Great Britain and others.

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If we are correct in our analysis of the arrangement with Great Britain which was contemplated by the Japanese Government, namely, that Japan would refrain from molesting British commercial and economic interests in China, in return for which Great Britain would undertake not to discriminate against Japanese commerce with British areas (see

pages

pages 5 and 6 of the despatch under reference) we must see that the uncertainty of any assurances which Japan could give for non-molestation of British interests in China has become much greater in view of the present situation. The record in "Manchukuo", where as implacably as the flow of the incoming tide, the Japanese are driving out the established interests of other nations, speaks for itself. While Japan may not be seeking to set up in North China a second "Manchukuo"*, the form which their domination of the North China area takes is of no consequence. It is perfectly obvious that the Japanese are now determined that this area is henceforth to be under their exclusive control under one guise or another, whether it be out and out separation, semi-autonomy or by any other device by which the Manking Government is forced to relinquish all effective control.

If, then, the prospects of the Anglo-Japanese negotiations reaching a successful conclusion were somewhat uncertain prior to the North China incident, it appears probable that these prospects will become even more uncertain in proportion to the seriousness with which affairs with China develop. It must be increasingly clear to the British that while the Japanese may sincerely desire a rapprochement with Great Britain they are not in a position to offer the British any proposition sufficiently attractive to compensate the latter for the sacrifices which they would be called upon to make.

It may be of interest to report a remark made by a highly placed official of the British Embassy to a member of my staff. This official stated that he felt the best

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Embassy's despatch No. 2506 of July 23, 1937.

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thing for us all (meaning the United States and Great Britain) would be for Japan in the present instance to become involved in a long and difficult military campaign in China which would become such a drain upon the resources of Japan that she would suffer a financial collapse and thus be removed from the field as an economic and a naval threat for years to come. While, of course, such remarks are irresponsible in themselves, they do indicate the trend of feeling in some British quarters toward Japan.

During the frequent contacts which I have had during the past month with the British Chargé d'Affaires I have been surprised, not by the firm determination of the British Government to resist within practicable limits any extension of Japanese influence in China, but by their indifference to (and at times ignorance of) the elements of Japanese policy. The Japanese for their part have shown little confidence in the disinterestedness of the efforts of the British Government toward resolving the present difficulty between China and Japan. There has, in short, developed on the part of both Great Britein and Japan an attitude of irritation, suspicion, and resentment which seems to have effectively removed for some years to come any possibility of there being concluded between the two countries a political agreement such as that contemplated a few weeks ago.

Respectfully yours, 32 Joseph C. Grew.

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N. Willy

Copy to Embassy, London Peiping Nanking -5-

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

Tokyo Dated August 27,1937 Rec'd 1:35 p.m.

Secretary of State,

FS.

Washington.

521, August 27, 4 p.m. COMPIDENTIAL FOR THE SECRETARY.

One. Recent despatches from London state that following a conference between the British Prime Minister iden ind Halifax on August 23 the British Government wil, renew efforts to persuade the American Government to participate in a "joint declaration" on the situation in the Far East. There is extensive speculation over the character of such proposed declaration but it is generally anticipated that it is to be vigorous. On the basis of extensive experience in Japan on the part of several of my advisers and myself I venture respectfully to submit certain of our more fundamental views concerning the present Sino-Japanese conflict in hope that they may be found helpful in formulating future policy and action.

Two. Divergent opinions exist as to the question of premeditation and the immediate responsibility for the outbreak of the conflict but these points have probably

not

FS 2-No. 321, August 27, 4 p.m. from Tokyo

not yet been established. In our opinion they are not now of great practical importance.

Three. The important consideration is that the seeds for the present conflict were sown long ago and regardless of dates or provocative acts the conflict was eventually inevitable. While it is believed that the Japanese at first hoped to settle the Marco Polo Bridge affair as a local episode it was soon found that regardless of the wishes of Manking or Tokyo the situation had rapidly developed out of hand and that the settlement of Japan's anomalous position in North China had now become unavoidable by Either side.

Four. The present hostilities are an inevitable corollary of the Manchurian conflict which left Japar with an eventual choice of two alternatives: Either to Establish complete control in North China or to be prepared for an eventual retreat from Manchuria. There could never have been any doubt whatever as to the choice of alternatives. Japan's effort during the past four years to obtain its objective gradually and by political maneuvers rather than by open force miscarried. Eventual conflict then became inevitable. There then remained only the question as to how far the conflict could be localized. There is every reason to believe that Japan

would

FS 3-No. 321, August 27, 4 p.m. from Tokyo

would have welcomed localization but whether through Japan's own inept tactics (in Shanghai and Elsewhere) or through uncontrollable circumstances any such hope was soon shattered. General warfare was unloosed and there can be no question but that the Japanese Government solidly supported by the public is determined to se's it through.

Five, Predictions as to the final outcome are of course presatura. Japanese confidence in overwhelming military victory within a few months apprars to be complete. They believe that their mechanized army and air forces can attain their objectives. They seem incapable of pausing to consider that after repeated victoriss in battle and the possible virtual destruction of the Chinese armies as organized units the real war may only then begin. We doubt if they stop to think of the possible effects of almost endless guerilla warfare, of the wiping out of Japan's commercial and industrial stake in China and of the immense financial appropriations and other drains which may progressively deplete the Japanese Exchequer. We hold that they have no real conception of these risks and are unable to visualize or appraise the long range outlook as opposed to the more immediate prospective. Herein in our opinion lies the considerable

risk

4-No. 321, August 27, 4 p.m. from Tokyo

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risk that Japan may conceivably emerge from such a campaign shorn of much of her prestige and power.

Six. We agree with Mr. Johnson's thesis (Nanking's 410, August 12, 6 p.m.) that China could not afford to refuse to meet Japan's challenge and we are in complete accord with his opposition to any American step which might be considered as urging China to purchase peace with the loss of sovereign rights. We are equally of the opinion that any attempt by the Uniced States to thwart by manifestation of disapprobation on legal or moral grounds the development of Japan's China policy would have no beneficial effect and if persisted in would tend to obliterate the elements of friendship on the part of Japan towards the United States which have been and are daily being developed by our government's tactics, methods and manner of procedure in the present conflict.

SEVEL, WE FEEL that the fundamental objectives of the United States in the present situation should be: (1) to avoid involvement; (2) to protect to the utmost the lives, property and rights of American citizens; and (3) while reserving complete neutrality to maintain our traditional friendship with both combatants. The last point will need the making of special endeavor toward solidifying our relations with Japan. In a day and age

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FS 5-No. 321, August 27, 4 p.m. from Tokyo

when national egotism is rampant we believe that the Japanese are capable of gratitude in large measure for manifestations of good will and that by Encouraging confidence in our impartiality between and friendship toward both contestants we can accomplish more than by any other method. They still constantly remember and speak of our friendship at the time of the great earthquake in 1923. They likewise constantly remember the Exclusion et and our methods at the time of the Manchurian affair. To lay as a result of the policy and methods now being pursued by the present Administration in Washington they are already exhibiting marked signs of appreciation. Similar appreciation is not (repeat not) being manifested towards Great Britain. Looking at these considerations from a purely material point of view we believe that they constitute a practical asset to American interests and that the importance of this asset will increase in direct ratio to our continuance of the policy and methods which we are now following. We have before us an important opportunity which should not be missed. If and when the time comes for the United States to act toward terminating hostilities Japan will be more disposed to heed () from us if she has confidence in our good will and impartiality than if her attitude toward us be one of suspicion and resentment.

Eight.

FS 6-No. 321, August 27, 4 p.m. from Tokyo

Eight. It is far from our intention to advocate the development of friendship with Japan at the expense of friendship with China. We merely wish to emphasize the importance of having constantly in mind the considerations brought about in this telegram in connection with every action taken by our Government. We feel that much may be accomplished by appealing either alone or in concert with other powers for restraining or circumscribing warfare in specific localities where foreigners and foreign property are in danger but we also feel that until there has occurred a stalemate or until military victory by one of the contestants has been achieved hora. Intervention by the powers which could be interpreted as partial to either contestant would have no (repeat no) good effect.

Nine. The Military and Naval Attaches and my Entire staff concur in the foregoing.

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THE FOREIGN SERVICE ATE DEDHITHE UNITED STATES OF AMERICA 1937 OCT 13 PM 2 22 Confidential. AMERICAN EMBASSY okyo, October 1, 1937 No. 2616 COMMUN SOVIET-JAPANESE RELATIONS SUBJECT: 761.94/986 **DIVISION OF** EUROPEAN AFFAIRS 5 1937 NOV DEPARTME COPIES SENT O.N.I. AND M.I.I MR. WILSO (THEM) Honorable NOV 6 1937 STAT Secretary of ARTMENT OF S Washington

have the honor to observe that since the outbreak of the present Sino-Japanese hostilities in July the question of relations with Soviet Russia has become increasingly delicate although relatively quiet on the surface. The new Soviet Ambassador, Mr. Michael Slavutsky, arrived here on August 23 to succeed Mr. Constantin Yureneff who left in May for his new post at Berlin. A few days after the new Ambassador's arrival, on August 29, the Sino-Soviet nonaggression pact was formally announced. This had somewhat less effect here than the announcement last November of the German-Japanese anti-Comintern pact had in Moscow. Mile the latter agreement burst like a bombshell upon Moscow the Sino-Soviet pact was less unexpected, due to the several approaches made in that direction in recent years, and

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consequently its effect had already been somewhat discounted. Nevertheless the conclusion of this agreement, with its supposed secret arrangement for the supplying of war material and other assistance to the Chinese, has had a serious effect upon relations between Tokyo and Moscow.

On the surface there have been perhaps fewer of the ordinary run of irritating incidents between the two countries than has been the case in less troublous times. For instance, the border skirmishes and frontier violations along the Manchurian-Siberian frontier have practically deased since the outbreak of hostilities with China, and it is argued by some observers that this fact tends to indicate that the previous border incidents were largely instigated by the Japanese, although this by no means necessarily follows. It is nevertheless probable that the Kwantung Army would not be interested at the present time in forcing a clash with the Soviets on the Siberian border.

There have been incidents of other kinds, such as the arrest and detention by the Soviets of some 28 Japanese, fishing vessels off the Russian coast in the Japan Sea on the charge that the Japanese vessels were violating Soviet territorial waters. This brought sharp protests and counterprotests but there appears to have been no disposition on either side to allow the matter to become very serious. The Japanese have also complained that their nationals in Soviet territory have been subjected to unnecessarily harsh treatment, especially in North Saghalien where Japanese merchants and businessmen have been severely treated because of alleged minor commercial offenses. Japan has also been forced by Moscow to close its Consulates in Odessa and in Movosibirsk on the grounds that the agreement entered into in August 1925 provided that each country should have an equal number of consular offices in the territory of the other.

Incidents

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Incidents such as these are rather the result of the truculent attitude which has governed relations between the two countries in recent years and in themselves are not so charged with potential danger as were the border incidents which involved the clash of armed troops and loss of lives.

It is fairly clear that at the present time neither country wishes to force the other into a position where a break may occur or which would lead to hostilities. ' Probably when the time comes it will scarcely be found necessary to trump up an excuse in the form of an incident; hostilities will be launched without previous warning. There is a school of thought in this country, rather widely held, that when Japan was forced to fight either China or Russia she would be forced/the other; consequently the present Chinese campaign is being waged in the full realization that Russia may become an active enemy at any time. However, it appears to be the intention of the military to get the China situation in hand as rapidly as possible in order that China will be rendered ineffective if and when the Soviets are to be confronted. Some observers believe, in fact, that the best of the Japanese troops are not being employed against the Chinese, but only the younger and the older troops, while the best of the younger and physically fit reserves are being held for later possible use against the Russians. This is. difficult to confirm but it is fairly certain that the army in "Manchoukuo" and Korea is being kept at full strength and at peak efficiency to meet all possible eventualities.

The effective military assistance in the form of war materials which the Soviets will be able to furnish to China against the Japanese is not regarded here as constituting any great menace, although strenuous efforts are being made to cut the routes between Siberia and China through Outer Mongolia. Travel in Outer Mongolia is largely restricted to

caravan

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caravan routes over which the transport of any considerable quantities of heavy war material would be out of the question. Airplanes, however, are another matter as they can be flown from some point along the Transsiberian Railroad where they would be assembled, and light arms, such as machine-guns, and ammunition could be flown and delivered, along with the airplanes themselves, into Chinese territory. Most of the assistance which could be rendered by the Soviets would necessarily be through supplying military and other advisers, and by giving moral support. For these reasons, then, the feeling against the Sino-Soviet pact is not so strong as it might be. However, the press does not hesitate to state that the attitude of the Soviets toward Japan has become more menacing since the conclusion of the pact.

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In the light of what has transpired it must be admitted that whoever may have fired the first shot at Marco Polo bridge on July 7, the Japanese military sensed that this was a most opportune moment to undertake hostilities with China without incurring the risk of immediate intervention on the part of Soviet Russia. Not only is the European situation thoroughly engaging the attention of the Soviets but the internal situation is believed seriously to have impaired the efficiency of the Soviet army. It will be recalled that Major General Homma, a Japanese general staff officer, on his return from England last June after visiting Moscow shortly after the recent executions of Soviet military leaders, told the press on several occasions that the "Soviet Army is greatly weakened by the recent developments within the Red Army and is facing destruction." He also went on to say that the Japanese have consistently overrated the Soviet Army, implying that he and other Japanese officers have shared the belief of the Japanese public that the Soviet Army is stronger than is actually the case.* Such a statement coming from a high-ranking Japanese officer

officer is especially significant in view of the fact that his opinion was expressed not more than three weeks prior to the outbreak of the present hostilities.

"If General Homma's views prevail it will support that portion of the army, especially the younger element, which may wish to settle the Russian question once and for all in the near future.

As there are generally conflicting opinions on every question, however, the Department will no doubt have in mind the view expressed not long ago by the British Chargé d'Affaires in Moscow, concurred in by Mr. Eden, that the Soviet Union had not been weakened by the recent purge but on the contrary had been strengthened by the removal of elements hostile to Stalin, and that the future policy of the Union would follow lines of "intensive defense."*

There now comes a report** to the effect that the USSR is about to supply 300 airplanes to China and that preparations to receive and condition these planes are being made at Lanchow. In this connection the following memorandum has been submitted by the Military Attaché:

"A recent confidential cable report from the American Embassy, Nanking, stated authoritatively that 300 Soviet planes would be sent to China and concentrated at Lanchow (Mansu Frovince) where accommodations are already under construction. If this report is true, the planes will undoubtedly be flown via Tacheng, Tihwa, Hami (all in Sinkiang Province), and Suchow (Kansu Frovince) where airfields are located. Intermediate hops along this route are only about three hundred

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Embassy's telegram No. 195, July 13, 8 p.m.

* Nanking's telegram to the Department No. 733, September 29, 8 a.m.

miles or less and Tacheng is only 30 miles from Semiopol on the Turkish Railroad. This is the only route from Russia along which landing fields have been established and it has the additional advantage of being beyond the radius of probable action of Japanese aviation and so immune to interruption -- advantages not enjoyed by routes farther to the east."

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Among the welter of rumors invariably flying about in time of war, there comes to me today a story from one of my colleagues that plans are already being developed for a Japanese attack on Vladivostok. Considering the various circumstances set forth in this despatch I regard this rumor as made out of whole cloth. The Military Attaché concurs.

Respectfully yours,

Joseph C. Grew

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EMBASSY OF THE UNITED STATES OF AMERICA

Tokyo, October 18, 1937

No. 2633.

SUBJECT:

SINO-JAPANESE CONFLICT.

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Sir:

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The Honorable The Secretary of State Washington

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With reference to my despatch No. 2619, dated October 8, 1937, reporting my conversation with Mr. Kojiro Matsukata regarding the latter's forthcoming visit to the United States, I have the honor to transmit herewith a memorandum of a conversation between Mr. Matsukata and Mr. Dooman, Counselor of Embassy, on the same subject, on October 12, 1937. 20

Respectfully yours, Joseph C. Grew

Enclosur 1/ As stated above.

710 END:mg

Enclosure No. 1 to despatch No. 2633 of October 18, 1937 from the Embessy at Tokyo.

Confidential.

Conversation.

October 12, 1937.

the

Mr. Kojiro Matsukata Mr. Dooman.

Mr. Matsukata said that he had come to the Consulate General to obtain a visa and that he had dropped in to say good-bye to me.

I said that I was glad to have a final opportunity to advise against his speaking in public on the Far Eastern conflict. Mr. Matsukata said that he saw no likelihood of his visit to the United States accomplishing any good result, and that - as he had just said to a group of his friends - he proposed to make of his trip a "good long nap".

I asked Mr. Matsukata whether he cared, notwithstanding the altered situation, to explain a little more fully what was in the minds of his military and naval friends who had favored American action to end the conflict. Mr. Matsukata remarked that that was now ancient history: that the feeling emong naval leaders, who had been accused by the military group of being too "moderate", had completely changed, and as a result of the President's Chicago speech and the Department's announcement of October 6, there is intense adverse feeling toward the United States. They had believed that the ettitude of the United States was so fair that a final solution of the "Pacific Problem" was at hand, and the people in control were prepared, as a token of their appreciation, to throw the "Open Door in China wide open to the United States" and to any other country taking a similar impartial position. "But that is all finished", said Mr. Matsukata, "and the same people are saying that, if the United States continues along the policy which was recently announced, Japan will have to get ready".

E.H.D.

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

Tokyo Dated November 1, 1937 Rec'd 1:55 p. m.

been

Secretary of State,

No 16 241.94

508, November 1, 7 p. m.

E feel that background material as presented hereunder may be helpful to the Department at this time espec ally in connection with the subject of the Department's 277,/October 31, 2 p. m., to which we are replying in a separate telegram.

One. The Départment has probably noticed a press Espatch from Hedges on a resolution adopted on Saturday by a group of members of Parliament denouncing Great Britain for attempting to form a common front against Japan and advocating that diplomatic relations with Great Britain be broken off. The previous night a "delegation" visited the British Embassy to protest against the supplying of British arms to China. The press is again referring in heated terms to the "unfriendly attitude" of the British forces at Thanghai charging inter alia that British troops supplied food to Chinese troops be leaguered in Chapei and facilitated their escape into the International Settlement, that British warships have -2- 508, November 1, 7 p. m.

bee living range and direction signals to Chinese artillery units and that without making investigation the Pritish accused the Japanese of firing the shell which killed or wounded four British soldiers. The incidents above cited, in our opinion, are not intrinsically important but they are symptomatic and not reflective of the intence dislike and suspicion of the British which prevail among all classes as expressed in the resolution above mentioned.

Two. Alth ugh there is in our opinion no (rereat no) evidence that the Japanese Government contemplates translating that feeling into any action directed against Great Britain alone, the British Ambassador in conversations with me last Saturday seemed concerned, if not alarmed, over the hostility of the Japanese navy toward Great Britain. (He believed that the army's attitude is relatively moderate.) He referred to the recent action by France in stopping the sending of arms and munitions to China through Indo-China and he said that as Hong Kong is now the principal place of entry into China for war supplies the animus of the Japanese is now concentrated on the British. He thought that the formation of a new Japanese naval unit designated as the fourth fleet which is operating in south China

waters

-3- Ho. 500, November 1, 7 p. m., from Tokyo.

waters along with other recent developments pointed to plans to "cut off Hong Kong".

Three. We do not share Craigie's fears with regard to this last point but we believe that plans are on foot for the taking of further drastic measures by Japan pari passu with future political and military developments.

(A) Political: Frequent references are made in the press and in private conversations to possible withdrawal by Japan from the Nine Power Treaty. The principal reason for Japan's not already having withdrawn at any one of various times during the past six years is probably that it would vitiate the Japanese argument that the military actions of Japan do not come within the purview of that treaty. But if the Brussels Conference should find that Japan has transgressed the treaty there would probably be agitation for withdrawal.

(B) Military: It seems unlikely that Japan would blockade Hong Kong which would inevitably lead to war with Great Dritain before resorting to the device of declaring war on China and thus acquiring a legal right to search vessels bound for Hong Kong. The possibility of stopping ingress into China through Hong Kong of war supplies is as the Department might well suppose being given serious

attention

--- No. 503, overber 1, 7 . m., from Tokyo.

Attaition of the J press. In this connection a refired dairal who still a logs strong influence in may circles informed a merber of my staff that Japan micht have to incurrents in the South China See a second "Kirkwall". This statement and other pieces of evidence, such as the release of the nevel landin force from further operations at sharchai, such est that far-reaching plans might be but into effect if the pilitary situation is not well in hend in the reaction of the liter of the test of the year. One possibility which sects a liter is said for would be declared acaust Chins, a local and effective licewace instituted and a neval landing many sent we because and an ender other point the cold be conveniently read as a place to inspect reiched sampling.

tour. The attitude of the mited States is sin-"presented by press decretches from the mited States as one of no eration. These published code; include an extensive submarization of an article by Lippmann carried by the E. E.ALD TR - on toper 30 and others which stress thes the United States will endeavor to avoid eith freed by the United States will endeavor to avoid eith freed by the Code betwee. "Small endeavor to avoid be freed by the Code betwee. "Small endeavor to avoid

CLEW

TELEGRAM RECEIVED

JR This telegram must be closely paraphrased before being communicated FROM ____ Dated November 2, 1937 to anyone. (B)

Tokyo

Division of

FAR EASTERN AFFAIRS

793.94/10946

in

Rec'd 9:15 a.m.

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Secretary of State.

Washington.

510, November 2, 3 p.m.

The following report to me from the Acting Military Attache Major Creswell is in my opinion most timely and would be of interest to our Delegation at the Brussels Conference.

"One. Information has been obtained in the course of the past few days which tends to corroborate reports which have been current for some two weeks to the effect that the strength of the Kwantung army has undergone a considerable increase. The size of the army including the troops under its control now operating in Suiyuan Province is estimated by this office as in the vicinity of 230,000 men.

Two. This force has been built up gradually and has reached its present size as a result of precautionary rather than preparatory considerations the elements entering into such precautionary measures being the fact that there is suspicion regarding Sino-Soviet understandings, that trouble is feared from the Outer Mongolian tribes as a result of Chinese and Russian instigation, that the disaffections

JR -2- #510, November 2, 3 p.m., from Tokyo.

in the Manchukuo army are greater than appear on the surface and finally the perennial apprehension that Russia may enter the struggle while the Japanese are embroiled with China.

Three. It is felt that the Kwantung army has been built up by troops formed in Japan in the course of the mobilization activities which have been taking place for the past few weeks as well as by a certain number of additions from the North China forces, although the extent to which the forces in North China have been <u>increased</u> in order to add to the Kwantung army is difficult to say. Such a decision to weaken the North China force in favor of the Kwantung army could mean only that the sum of the conditions mentioned in paragraph two are of sufficient import to warrant the diminishing of the momentum acquired by the *forces* in North China in proportion as the strength of that garrison is reduced.

Four. At present, however, the North China and Shanghai operations cannot be viewed as unrelated activities. The YOMIURI SHIMBUN of this morning carries an article covering a statement by General Matsui commanding at Shanghai to the effect that the objective of his force is Nanking. This opinion as to the direction of future operation in that sector was also voiced in other quarters and within the last week this office has secured identifications which indicate that some troops which have heretofore been engaged in North China operations are now operating at Shanghai. Identifications have also been made

-3- #510, November 2, 3 p.m., from Tokyo.

which indicate the presence of a certain amount of cavalry at Shanghai which points to expectation of a more open form of action than has characterized the operations in that sector prior to the recent advances.

Five. Viewed in their relation to the operations in North China the sum of the statements evidenced by indications mentioned in the preceding paragraph may well mean that with what the Japanese consider as a threat from the northwest and the fact that the operations in North China have thus far failed to pin down and definitely destroy the Chinese forces in that area a decision may have been made to temporarily suspend or limit the southward movement in North China and instead to deliver the decisive blow via Nanking. However, the Japanese army has a reserve of some 3,000,000 men and with the present army being variously estimated as between 900,000 and 1,250,000 men it is evident that if the decision be to draw further upon the man power of the nation there are ample resources in that respect for continuing operations on a large scale on all fronts.

Six. All classes of the people feel that the security and future existence of the nation are involved in the present situation and that there can be no turning back no matter what pressure be brought by other powers. Japanese

opinion

-4- #510, November 2, 3 p.m., from Tokyo.

opinion is firmly behind the armed services in this respect and they are spiritually prepared for any eventuality even though the entrance of Russia into the present struggle precipitates a world war through the spread of hostilities to the west. Reports have it that a survey of capital and bank deposits is being carried out with a view to the mobilization of capital in connection with preparations for such an eventuality as a war of three years duration.

Seven. Regarding the political situation it is felt that while the people in energi are warmly inclined toward the Konoe Cabinet there is a growing feeling that there is a lack of decision in that body which results in a loss of time and the introduction of an uncertain element into the conduct of national affairs in this crisis. This feeling in addition to the possibility that the health of the Premier may not be equal to the occasion has given rise to. the thought that should the present cabinet be replaced the next Government should be headed by such a man as General Araki or Admiral Suctaugu who would be depended upon to form governments of the type which would result in all the elemen of the overnment, army, navy and civil components functioning harmoniously toward a common goal".

KLI:CSB

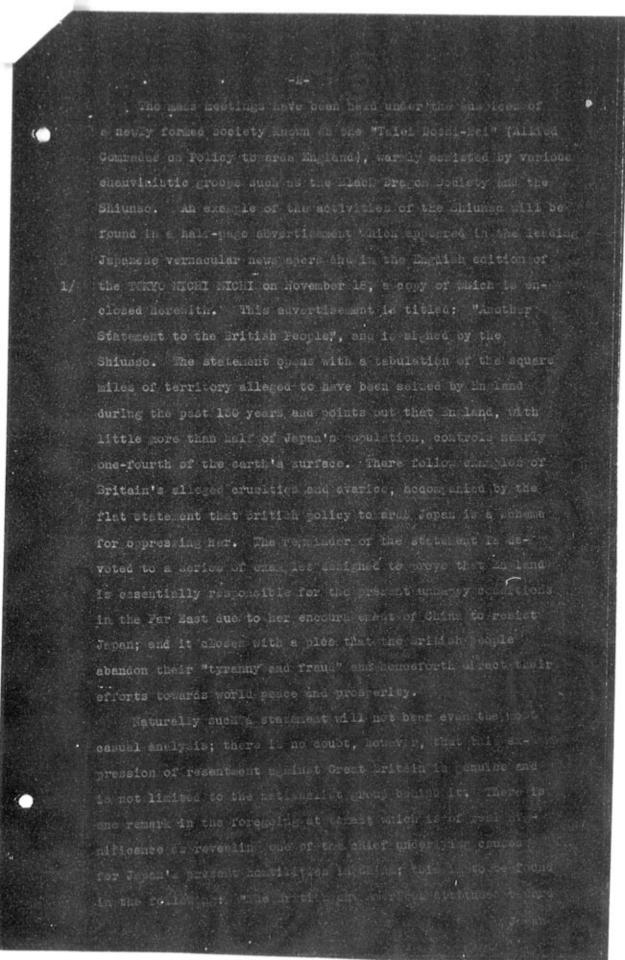
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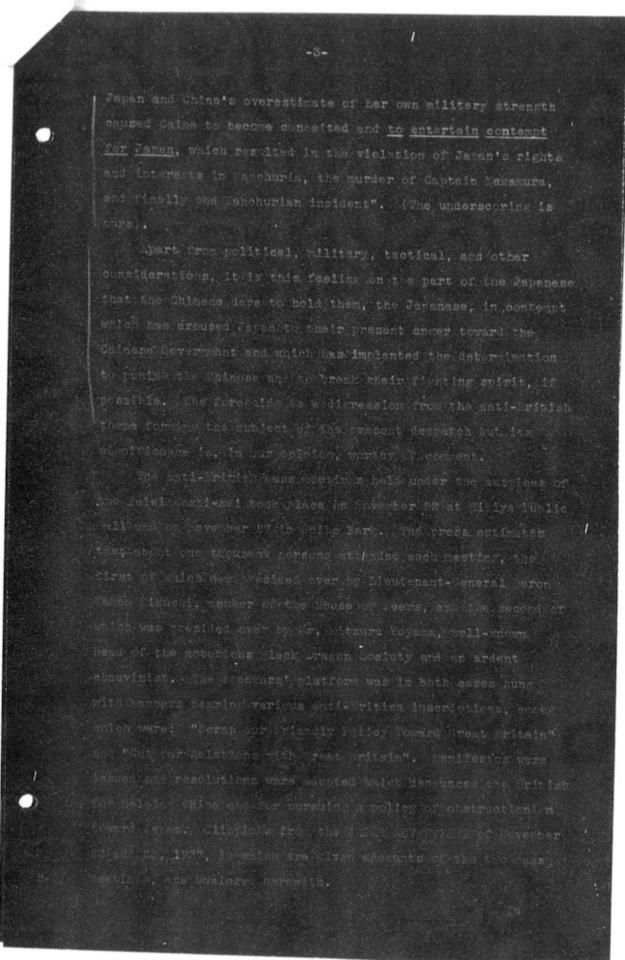


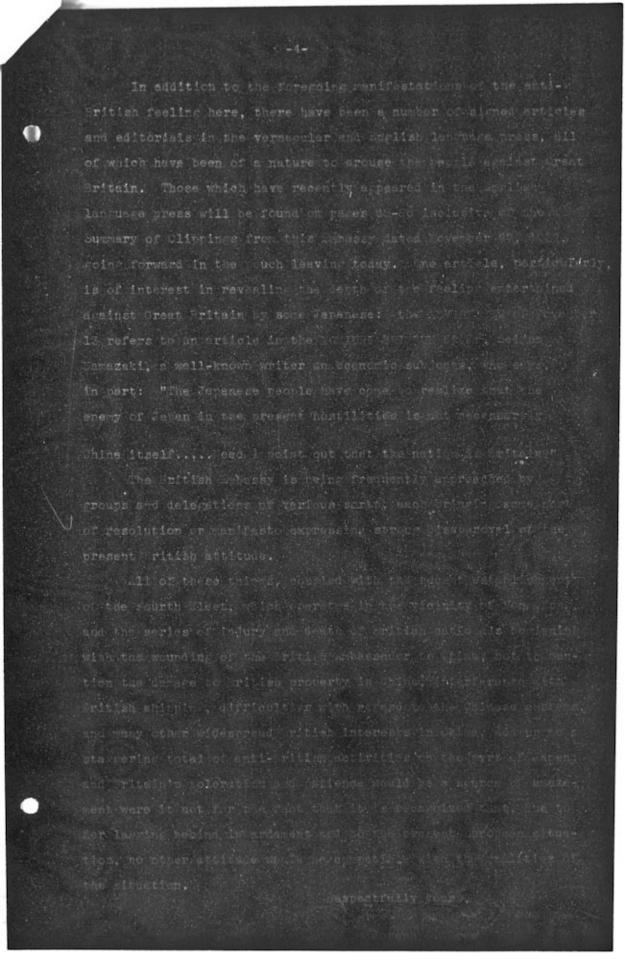
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THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

AMERICAN EMBASSY







DOCUMENT FILE

NOTE

FOR

March 18, 1938 Grew) DATED FROM

REGARDING:

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793.94/12675

Sino-Japanese conflict:-U.S.S.R.

Question of whether Japan is preparing to move, in near future, against the Soviet Union: opinion among foreign observers here divided; no evidences of such action. Sets forth Enbassy's own estimate of situation.

Tel #180, 4pm

FRG.

761.94/1028

E/HC

